Exploring justifications of "The Social Contract" between the Banking Sector, Financial Regulators, and NGOs

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Declaration

The accompanying thesis submitted for the degree of PhD entitled, “Exploring justifications of ‘The Social Contract’ between the Banking Sector, Financial Regulators, and NGOs” is based on work conducted by the author in The Business School, Edinburgh Napier University.

All the work recorded in this thesis is original unless otherwise acknowledged in the text or by references. None of the work has been submitted for another degree in this or any other institution, albeit lists of research aims, objectives etc. have been discussed in assessments toward the award of PgCert Business Management Research Methods (2018).

An overview of the current research was presented at the Qualitative Research in Finance Conference, Dundee University, 4th June 2019. Early work was presented at CSEAR Emerging Scholars Colloquium, Royal Holloway (2015).

Conflict of interest statement

The author declares no conflict of interest.

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Signature

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Abstract

The banking sector is important to the UK, employing 1.2% of the workforce whilst contributing 5.5% of tax receipts; indeed, the credit creation role of banks is essential in modern economies. Banks caused the financial crisis of 2007/8 and subsequently the sector was beset by scandals, leading to calls for "a new social contract" between the banks and society (Tucker, 2009).

The aim of this study is to explore public justifications of "The Social Contract" by the Banking Sector, Financial Regulators, and NGOs (the latter as representatives of "civil society"). Social contracts may be represented by "public justifications", the constructs of which are analysable using an empirical framework: "orders of worth" express a particular paradigm toward justice and the "common good". The orders of worth or "polities" - Market, Industrial, Civic, Domestic, Inspired, Reputation, Projective, and Green, are all characterised by dimensions such as investment criteria, qualified objects, qualified subjects, and inequalities of status relations.

A qualitative content analysis approach is used to analyse texts such as speeches and annual reports for the presence or absence of, and compromises between, the polities. As the first study of its type in banking and finance, the findings have implications for regulators, who should be aware of the newly identified "instrumental" compromise constructed by banks in their approach to regulation. Regulators should also be aware of the increased risk of moral hazard arising from their own market-oriented justifications of the social contract. A further contribution to the banking and finance literature is to problematise the limited use of ecological justifications in banks' and regulators' constructs of the social contract.

Banks often focus on shareholders in their public justifications, demonstrating a gap between theory and practice in the pragmatic sociology literature: the normative exclusion of investors as qualified subjects is problematic given the important position shareholders hold in banks' construction of their roles and responsibilities. Further, development of the market polity is proposed to better cater for banks' "credence services" and long-term client relationships.

Dedication

This thesis is dedicated to my family, Julie, Bethany & Christopher, without whom this project would have remained incomplete: thank you for your support and for absorbing the impact of time spent on this project. I will make it up to you!

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1 Introduction

1.1 Title of the study

“Exploring justifications of “The Social Contract” between the Banking Sector, Financial Regulators, and NGOs”

1.2 Introduction

The financial crisis of 2007/2008 onwards had profound impacts on the economy, and hence social conditions in the UK and in many other regions, such as the US and Eurozone (*inter alia* Crotty, 2009, Wolf, 2013). A complex web of institutional relations and behaviours led to the crisis, however the banking sector lay at its heart (Ertürk *et al.* 2011). Subsequently, questions were raised regarding the relationship between the banking sector and the rest of society (Baker, 2010, Mullineux, 2011, Engelen *et al.*, 2012): the Bank of England called for a new “social contract” with the banks (Tucker, 2009). The aim of the current research is to explore conceptions and justifications of “The Social Contract” for banking. In being exploratory, the intent is to open up an “argument to be debated” (Harney & Thomas, 2013, p.508) based on interpretations of practice.

The term “social contract” is both commonplace[1] and ill defined, albeit in formulations from Hobbes and Locke in the 17th century and Rousseau in the 18th, very much concerned with the responsibilities of the “sovereign” toward the rest of society. Being a socially constructed, dynamic and continually renewed set of relations, a social contract is a form of “political metaphysics” (Davies, 2017, p.24). As such, a social contract is intangible, however ontologically has been considered hypothetical (Rawls, 1971), linked to empirical objects (Searle, 2006), or emergent (Searle, 2010). A socially constructed, immanent, form of social contract may be challenged on ontological grounds as lacking empirical referents (Boltanski, 2011, p.3).

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[1] The Financial Times uses the term over three hundred times in the most recent decade

If the first issue identified above is the intangible nature of the social contract, the next issue to address is which agents in society are party to "the contract". The current research departs from classic theorists (Hobbes, Locke, Rousseau) and more contemporary views such as from Frederick (2013) and Hardin (2014), in considering the social contract beyond government/governed relations, similar to *inter alia* Gauthier (1986, 2013), and Narveson (2013). It is appropriate to consider social contracts between "society" and specific stakeholder groups such as older people, or students, or in the current study, the banks. In the banking sector there is a dialectic relationship between regulators and the regulated, a relationship that includes arbitrage, avoidance, compliance, and lobbying from the regulated firms. Regulators such as the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA), with powers to constrain and loosen controls on bank licenses, permissions, activities and personnel, are an important part of societal relations with the banking sector. However, the current work is not solely concerned about regulation, rather the broader social contract or justification for economic arrangements, on which independent parties provide a useful counterpoint to the views from "within" the sector. Non-Governmental Organisations (NGOs) are recognised as "a serious element in environment and development issues" (Redclift, 2005, p. 213, Doh & Guay, 2006); the influence on firms from NGO pressure and activities such as boycotts is variable, contingent, sometimes effective (Baur and Palazzo, 2011). NGOs may be specifically focussed on banking and other financial activities and as such the three parties to the social contract for the banks are such finance sector focussed NGOs[2], the financial regulators, and the banks themselves.

1.3 Approach

As "political metaphysics" a social contract is not measurable directly, which means that a proxy or empirical representation of the social contract or aspects thereof must be found. Economic, governing, and regulatory agents

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[2] Further consideration of NGOs as proxies for "society" is developed below

communicate their *justification* of economic and social relations in a number of observable ways (particularly in textual form) and as such, how the parties to a social contract for the banks construct their perspectives and justifications of social relations may be analysed. Banks communicate *inter alia* through annual reports and accounts, and sustainability reports; regulators and state actors make speeches and deliver reports, and NGOs campaign and communicate via reports and websites. Hence, a rich resource of data is available which purports to represent the views and justifications of actors. There is an extensive record of research using textual analysis. Of the many possible approaches to analysing texts, the framework employed in the current research is derived from theories of public justification or "orders of worth", developed originally by Boltanski & Thévenot (2006 [1991]), and extended by Thévenot, Moody & Lafaye, (2000), and Boltanski & Chiapello (2007). A qualitative content analysis is used to explore the justifications in texts, to expose significant absence and presence of types of justification, and how these justifications are used in compromise constructions. Such analysis uses researcher's interpretations and judgements, based on expertise within the financial sector, to allocate textual components to "orders of worth" and in so doing, expose the constructions of "the social contract" to a systematic form of analysis.

The current study is exploratory. "Exploration" as a research approach is used when researchers possess "little or no scientific knowledge about the group, process, activity, or situation they want to examine but nevertheless have reason to believe contains elements worth discovering" (Stebbins, 2008). In the current study, whilst terms such as "the social contract" are commonplace, there has been relatively little examination of the social contract for the banks and no previous studies have systematically analysed social contracts through the lens of public justifications. At the beginning of this project, there was little knowledge about the applicability of tools to research the topic and as such, an "exploratory" approach is justified. The study contends that the ontological, epistemological and deontological characteristics of the "social contract for the banks" may be analysed empirically within an existing framework: "orders of worth". By using such a framework for the first time in a specific sector, new insight is generated into the construction of agents' public justifications around banks and banking, and further a number of findings below problematise and challenge the construct of the "orders of worth" framework.

The study is based on a realist ontology and a constructionist epistemology: banks are "real", however actor's perspectives on "the social contract" are socially constructed – as above, the social contract is intangible. The research paradigm used is (weakly) constructionist and hence aligns with a qualitative approach dependent on judgement and interpretation.

1.4 Aims and Objectives

The overall aim of the research is to explore public justifications of "the social contract for the UK banks".

A number of objectives support the overall aim:-

RO1: Analyse contemporary understanding of "banks and the social contract"

RO2: Critically analyse the conceptual relation of public justifications to "the Social Contract"

RO3: Critically analyse the construction of justifications produced by UK Banks regarding their social contract

RO4: Critically analyse the construction of justifications from the regulatory agencies regarding the social contract of the banking sector

RO5: Critically analyse the construction of justifications from Non-Government Organisations (NGOs) regarding the social contract of the banking sector

RO6: Develop recommendations for further research in, and development of "the social contract for the banking sector"

1.5 Motivation for the study

The current research is written in the long shadow of the financial crisis of 2008. Far from a particularly unusual event in financial systems (Reinhart & Rogoff, 2009), the crisis nonetheless had notably significant effects on employment, GDP growth, sovereign debt (due to bank bailouts and automatic stabilisers such as unemployment benefits), as well as in declining trust in the banking sector (Admati & Hellwig, 2014). Such erosion of trust is related to what Shafik (2016, p.2) decries as the "ethical drift" in the global financial sector, noting that misconduct fines for the major UK banks between 2009 and 2016 exceeded £35bn, and that globally fines have reduced capital to support lending by circa $5 trillion. Shafik (2016) acknowledges the historical and inevitable presence of "rogues" in the industry, however is concerned that broader systemic issues exist that could be addressed through a combination of law, regulation, market self-policing and cultural norms and practices "created by firm's Boards and management" (p.3). Cultural norms are synonymous with the explicit and implicit justifications for behaviour used within, and between firms.

Regulation after the financial crisis has operated in position of uncertainty in a number of ways. Before 2007, regulators were to some extent culpable in allowing build-up of risk. The policy response has been criticised as being both too hesitant and too onerous – though there are limits to the ability of regulatory authorities to ward against emergent events or "black swans" (Taleb, 2010). How justifications emerge in such testing and uncertain situations is what the theory of public justifications (also known as pragmatic sociology) "explores and makes visible" (Davies, 2017, p.19).

The call from within the Bank of England for a new "social contract for the banks" (Tucker, 2009) appears to be a noteworthy event in response to the financial crisis. Such calls are however generally not subject to critique; the commonplace term "the social contract" continues to be used without specific referents. As such, the success of "implementing" a social contract is difficult to determine (Offe, 2012). The current research is a first step in analysing how a social construct such as the social contract for the banks may be analysed.

1.6 Intended Contribution

The current study is intended to contribute to knowledge in a number of ways, organised around prior research (literature), methods, and policy & practice.

1.6.1 Contribution to Literature

Discussed below, the foundational dependence between market and civic criteria for the social contract for the banks contributes to the banking and finance literature by extending understanding of the potential for "moral hazard" arising from a social contract justified by smooth market functioning as the superior principle. This study also contributes in another way to the banking and finance literature by highlighting a *lacuna* regarding ecological criteria toward the social contract, about which there has been scant attention paid by banks and regulators, nor indeed in banking and finance journals[3].

One of the outcomes of the study is the observation that, as constructed, the public justifications of social contracts for the banks do not satisfy all parties. In a summary of elements of the social contract for the banks, Figure 5 (p.294) below illustrates an "empty set" showing that the constructs of the social contract do not meet all parties' requirements. Additionally, a notably broad range of "qualified subjects" is found in texts, which obscures the nature of the contracting parties. As such these findings extends the social contract literature by showing that a *singular* concept of the social contract is not found in practice.

In addition to finding a new form of "instrumental" compromise construction between polities, the current study extends the pragmatic sociology/orders of worth literature by proposing changes to the market polity with respect to time,

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[3] For example of all articles in the Journal of Banking & Finance from 2015-2019 inclusive, none mentioned "the social contract" or "public justifications", two briefly mentioned Corporate Social Responsibility (CSR), which may be related to the social contract, two papers used CSR without consideration of the contested nature of the term (Dunne, 2008). Similarly in the Journal of Banking Regulation there were no articles including "public justifications", two briefly mentioned "social contract" and four briefly mentioned CSR. In the same period there were *no* matches to the above search terms in the Journal of Money, Credit and Banking. In the Journal of Financial Regulation and Compliance the only substantial engagement with the above terms comprises two papers (both 2019) out of a population of 158 total papers.

and problematises the explicit exclusion of shareholders/investors by Boltanski & Chiapello (2007, pp.365-366).

1.6.2 Methodological Contribution

This study responds to the call from Tregidga *et al.* (2012) for more interpretive work in the field of responsibilities and accountabilities (and accounting) of business. Similar to Davies (2017) this research has an "interpretive aspiration to explain what is internally and normatively coherent about the approach to the social contract expressed by key actors" (p.xxii). This means that the ways in which justifications are *constructed* are interpreted, made explicit, in order to create a resource for further dialogue and exploration of the social contract with the banking sector.

The current research brings fresh insight into important areas as the first research known to present an extensive discussion of "orders of worth" in the context of the banking sector. As such, the research provides a more transparent and fully explained examination of texts than is usually found in the literature wherein a more common approach is to summarise findings at the "polity" level rather than set out the dimensions used to construct that polity. By testing the orders of worth framework in a new context, challenges to the method are raised and in turn, the findings problematise aspects of the theory of public justifications as currently constructed. Findings of a gap between frameworks and practice are useful indicators for future development as an example of "the paradox that the world is always a functioning-malfunctioning thing. Everything is broken" (Morton, quoted in McIntyre & Medoro, 2016, p.160).

1.6.3 Contribution to Policy and Practice

As "applied research" (Patton, 2002, p.217) versus basic or fundamental research, the current research is focussed on a specific sector at a specific time and place. The implications for practice are, like much research, indirect: "most research does not have a direct impact on either policy or practice; rather it works over a long period, changing our assumptions about the world and about the questions that need to be asked" (Furlong & Oancea, 2005, p.12). The orders of worth framework as used below enables practitioners in "test" or conflict situations a more detailed understanding of the heterogeneous construction of "the social contract". Such a detailed understanding allows a deeper appreciation of both the possibilities of, barriers to, and fragile nature of, compromises.

As exploratory research, there is the possibility of making visible objects, relationships, values that are not so very visible day to day. In this sense, the current research is a form of critical sociology that considers "overarching sociological descriptions and normative stances" (orders of worth, as described below) (Boltanski, 2011, p.50). As such, explanations of the construction of the social contract(s) of the banking sector may be emancipatory in the broadest sense within the ongoing dialectic of bank regulation. A contrast to Boltanski (2011, p.51) is that whereas Boltanski sees social critique (of whatever form) as necessarily using the "means […] of ordinary actors […] get a grip on what is happening" the current research uses multiple perspectives (society voiced through NGOs, governmental through regulators, and banks through their own words) to develop the construction of social contract(s). As such the data includes what may in Boltanski's terms be viewed as the oppressive forces of domination (the banks, even regulators as agents of government). Inclusion of banks' texts could then be viewed as counterproductive; however, one of the purposes of the research is to understand the construction of social contracts for *all* the parties to "the social contract" which means the inclusion of banks' texts in the analysis below is warranted.

1.7 Structure of the Thesis

This thesis comprises the following chapters:

Chapter 1: Introduction presents the topic of the current research, the aims and objectives, and motivation for the project. The anticipated contribution to literature, methodologies, policy, and practice is considered.

Chapter 2: Context of the research chapter considers two contexts: the banking sector, and the topic of "the social contract". Banks are shown to be crucial to a credit based economy such as that in Britain today. The social contract as a concept has a rich and varied ancestry that can only be touched upon the current study. Critique of the concept and prior consideration of the "social contract of the banks" is analysed.

Chapter 3: Public Justification considers justificatory regimes as represented by "orders of worth" (also referred to as sociology of worth (SOW), conventions theory, or pragmatic sociology). The analysis concludes that orders of worth represent plural and coexisting – and conflicting – conceptualisations of "social contracts". Prior research analysing the construction of justifications using the orders of worth framework are reviewed.

Chapter 4: Methodology analyses theoretical paradigms and perspectives, the research strategy, data collection and methods of analysis, interpretation and evaluation (qualitative content analysis). This chapter set outs a detailed approach to analysing texts using the orders of worth framework, justifies the research approach in the light of prior research and with respect to the aims of the current project and finally considers claims for quality of the research.

Chapter 5: Findings presents the analysis of NGO, banks, and regulatory texts. Each text is analysed with respect to the dimensions of the "orders of worth" framework. The analysis is concerned with presence and absence of dimensions of orders of worth and in allocating those dimensions to a specific polity such as the "market" polity or "civic" polity. Additionally the analysis is sensitive to the forms of compromise between polities observed in the texts. The chapter sets out the findings of the analysis and critically examines these in the light of prior discussion of research into public justifications, and the concept of the social contract.

Chapter 6: Discussion builds on the above initial analysis to develop a richer understanding of the way in which stakeholders to the banking social contract present their justifications of how the social contract ought to be operationalised. Constructions of the social contract are characterised by presence and absence of polities, and of treatment of "the common good".

Text constructions analysed further are the approach to investors as “qualified subjects”, compromise constructions, presence and absence of *critique*, time construction in the market polity, representations of risk. The concept of “ontological diffusion” is developed. Finally, the chapter makes some observations on the analytical process around absence/presence and the implications for the OOW framework, difficulties found in ambiguity of attribution, and a form of visual overview of the findings is presented and critiqued.

Chapter 7: Conclusion: Objectives, Contribution and Future Research comprises an evaluation of the results of the study with respect to the stated aims and objectives, and the contribution of the research project. The implications of the research are considered with respect to social contractarianism, pragmatic sociology, banking and finance, and for research methods. Limitations of the study are acknowledged and recommendations for future research are made.

1.8 Summary

This chapter has introduced the scope, aims and objectives of the current research as well as giving an indication of the motivation for the research and intended contribution.

The following chapter begins by setting the context of the research in the UK banking sector, and with respect to the concept of “the social contract”.

2 Context of the research

2.1 Introduction

This chapter considers two contexts: the banking sector, and the topic of "the social contract". Initial sections analyse the functions of banking and the impacts from bank failure on external stakeholders. Financial regulators are parties to the social contract for the banks (Tucker, 2009, Mullineux, 2011, 2014) and so the current approach to regulation is discussed. Subsequent sections explore some of the main developments in social contract theory and prior research into "the social contract for banks".

2.2 Banking and Financial Regulation

2.2.1 Banks and the Economy

The banking sector is significant within the UK economy: providing 5.5% of tax receipts (PWC, 2019, p.1) and 1.2% of employment (p.2). Due to high demand for banking skills, higher wages lead to the sector contributing 7.8% of UK employment taxes (PWC, 2019).

The "economy" refers to all the business activity producing goods and services, the productive capacity (capital) that allows goods and services to be produced, and the consumption of goods and services (Gillespie, 2011). Linking the disparate aspects of the economy is the flow of money, largely in electronic form rather than notes and coins. Finance could be said to be "fundamental to the way we organise our affairs" (Cowton, 2002, p. 393) and further, Bearden (1989, pp.49-50) in a discussion of US banks that is equally applicable in the UK notes, "Bank leadership in essence decides whether companies and industries will be nurtured with new investment or starved by disinvestment. Their unique structural role and tendency to take a unified stance underlie the power that banks yield".

Banks have several roles: they provide money transmission services (which do not affect the value of assets) as well as products that do purport, and are designed to, affect the value of assets such as savings accounts. Banks have two main sources of income – interest that they charge, and income (over 50%) from 'provision' services, which would include advisory activities (Jeucken & Bouma, 2001). Through these roles, banks' activities are pervasive through the economy, a state referred to as "omni finance" (Bowman *et al.,* 2012a). In Figure 1 below, banks feature in the functions represented by every arrow in the simplified schema of money flows through the economy, and indeed "As the source of credit intermediation between lenders and borrowers, banks provide essential domestic and international financial services to consumers, businesses and government" (BIS, 2011).

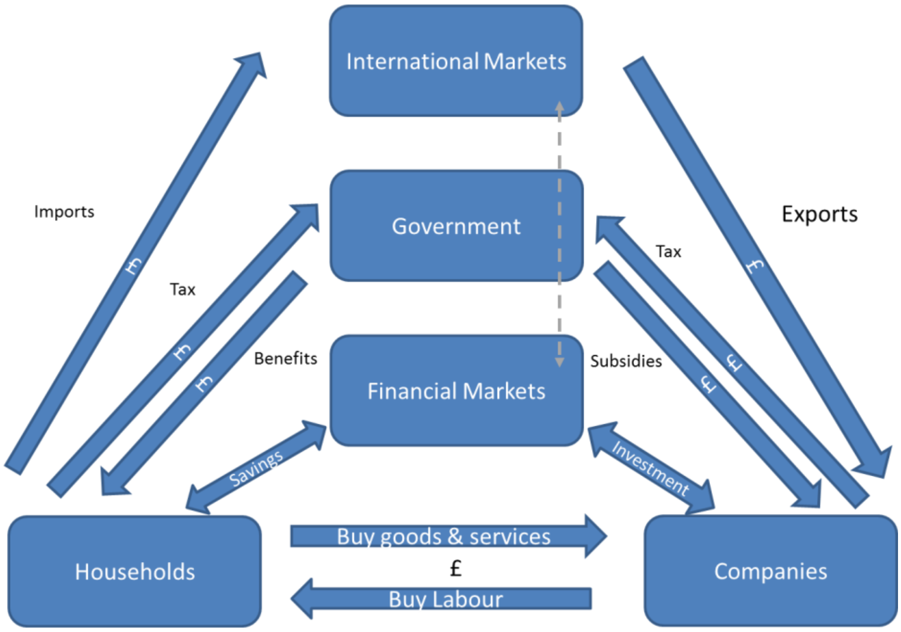

Figure 1 Flow of funds - adapted from (Jeucken and Bouma, 2001, p. 27)

Twentieth century models of economies were often based on rather narrow studies of, for example, the U.S. which had no financial crises after the Second World War until 2007/08. The main result of a narrow focus was that "banks and other intermediaries were merely a "veil" between savers and borrowers in the nonfinancial sector, rather than profit-seeking firms that make loans opportunistically" (M.C.K., 2013). The implications of this narrow view of the workings of the economy are discussed in considerable detail in Keen (2011). The main points being: that financial crises had been ruled out in economic modelling (p.204), that the money supply was seen as "exogenous" to the market (p. 244) and therefore completely under the control of central banks, and that the financial system is viewed as stable and with a tendency toward equilibrium rather than "inherently" unstable (p. 299). In contrast to the orthodox view, and heavily influenced by Minsky, Keen contends that, given a monetary economy must use "token" or inherently worthless money (e.g. paper – or ones and zeroes in a computer application) rather than a commodity (such as gold, silver) then every transaction is *de facto* a transaction involving a bank (p. 355). This in turn implies that credit-creating banks are an essential feature of modern economies (p. 356). Similar views regarding the centrality of credit creation to the modern capitalist economy are found in Ingham (2008), Pettifor (2012, in part a review of Ingham's work), Werner (2009a), Werner (2009b), Werner (2011), Werner (2012) and comprise the central theme of Ryan-Collins *et al.* (2012) which considers "where money comes from". Werner (2012) shows that credit creation can explain growth, bubbles and recessions in a "credit theory of money", and further, contends this ability to direct credit is "too important" within the management of the economy to be left to the banks.

A further role of banks, and financial intermediaries more generally, is in enabling monetisation of firms' profits: something that happens every day but had been a "paradox" in economics for over a century. Bruun and Heyn-Johnsen (2009) in their discussion paper aver that the paradox of monetary profits was unsuccessfully approached by Marx, Keynes and Schumpeter (their discussion then focuses very much on the first two of these economists). In short, if a firm has capital M with which to produce goods of value C = M, then the cost of those goods includes raw materials and other inputs (energy, say) and labour costs. To make a profit then, the goods need to be sold for more than C, so that the firm receives income > M. However goods are bought by labour, and they have been paid less than C – they cannot afford to buy sufficient goods to make a profit for the firm. And whilst other labourers for other firms could buy this example firms goods, in aggregate it becomes clear that the income for workers is insufficient to actually buy the goods they made (even at cost C, which is greater than income by definition), and this means a profit cannot be made. The firm now has a stock of finished goods that cost C to make. If that stock of goods was collateral for a loan from an investor or creditor then as long as the loan value is > C then the firm has more money at the end of this cycle of production than at the start and a profit can be monetised (or the surplus could be used to increase production in the next cycle). Keen (2010) takes a circuit model based approach to show that credit turnover can occur more quickly than periods of production which enables flow of funds greater than the original stock of money (loans). In order for firms to continue, credit is essential and the banks role in evaluating collateral for loans reinforces the essential functions banks play in the economy, which means that fear of banking crises leads to extraordinary policy action to mitigate such crises.

Interestingly for the current work, Lonergan (2009, p.17) goes so far as to suggest, "money is a social contract and its value depends on the recognition of others". Here Lonergan is discussing the interdependence of each member of society on the rest of society, specifically in the context of trade, hence money, as a medium of exchange, can only retain a stable value when a form of social cohesion exists. In other words, a stable value of money is symbolic of a stable social contract. Additionally we can note the need for agreement amongst people over what constitutes "money" which is an example of "[shared] principles of equivalence, which become tangibly manifest in measures and test, such that they can agree that certain things, people and actions carry value" (Davies, 2017, p.145). Davies (2017) also notes the role of immanent sovereignty in giving meaning to concepts such as money "sovereignty […] is magically and swiftly rediscovered when other shared illusions – such as money – start to disintegrate" (p.157, edited for clarity).

2.2.2 Regulation of Financial Services

"If an event with widespread and severe economic and social consequences keeps on repeating itself, the onus is surely on the authorities to change something"

(Brunnermeier, Crockett, Goodhart, Persaud & Shin, 2009, p.xxi)

Importance and connectivity are good reasons for regulation of an economic activity, however there are reasons beyond those two. Campbell, Jackson, Madrian & Tufano (2011) consider some of the "classic" reasons why governments may consider active involvement or ownership of financial regulation. These are the possibility of "externalities" that impose costs on outsiders, which are not accounted for within the firm; information asymmetries (arising from product terms and conditions complexity, see also Howells & Bain, 2008); too-big-to-fail characteristics giving rise to moral hazard – more risk taking as there is a government "safety net" (see also Hellmann, Murdock & Stiglitz, 2000, Tett, 2012,). Additionally, Campbell *et al.* (2011) note the presence of "price dispersion" (p.93) whereby firms charge a range of prices for the same services or product, which may arise as considerable knowledge is required regarding product features, terms, conditions and contingencies operant over a long time scale – such products form "credence services" (Hoepner & Wilson, 2012). Campbell *et al.* (2011, p.93) consider "consumers' biases and cognitive limitations" – the former relating to preferences for current consumption/pleasure over long term savings (hence restrictions on access to pensions savings 'pots') whilst the latter relates to a lack of financial literacy regarding, say, the effects of compound interest or benefits of diversification - see also Van Rooij, Lusardi & Alessie (2012).

There are a number of regulators dealing with financial services firms and hence banks. Such institutions include The Bank of England through the Financial Policy Committee (FPC)[4], the Prudential Regulatory Authority also embedded in the BoE and concerned with financial stability in the main, the Financial Conduct Authority (FCA: concerned with regulatory compliance and consumer protection), and the Payments System Regulator (PSR, 2019). In addition, guidance and regulations are adapted from those developed by EU institutions such as European Banking Authority (EBA) and European Securities and Markets Authority (CMA, 2016).

The Institute of Chartered Accountants in England and Wales evaluated key changes in response to the financial crisis: increase loss-absorbing capital relative to risk, reduction in balance sheets (reducing lending, in effect), lower

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[4] This role is in addition to the role as a Central Bank (*inter alia* lender of last resort, banker to banks, central counterparty in payments, design and implementation of monetary policy)

leverage and a more cautious approach to asset portfolios (ICAEW, 2013). Additionally, there is increased focus on the possibility that lower margin product lines cause behaviours such as inappropriate cross selling of higher margin products to meet a net profitable position (see PPI scandals). Broadly, there are three strands to the regulatory response to the crisis: increased capital, a more rigorous supervision reducing the chance of failure, and resolution regimes (e.g. "bail in" to crystallise losses for shareholders and other creditors ahead of the public purse) are designed to reduce the impact of bank failure (Chennells & Wingfield, 2015). A more robust approach replaces the light-touch, principles based regulation from before the crisis and similar approaches were seen in the Eurozone, US, and China. Wilson *et al*. (2012) see such a change as moving away from reliance on a "social contract" (for finance) to more explicit constraints through regulation.

The role of regulation (in any industry not solely banking) may be to operationalise social control of the market, however it may also serve to protect incumbents or serve special (monied) interests (Glinavos, 2013, p.17, p.63). Protection of incumbents is evident in Britain's financial history whereby the number of banks and other actors in capital markets was restricted – for instance as early as 1697 per "An Act to restrain the numbers and ill-practices of stock-jobbers" (Smith, 1929, p.210). Deregulation in contrast is the "main process of disembedding market processes from social controls" (Glinavos, 2013, p.11). Deregulation was seen as a factor in the financial crisis (Froud *et al.*, 2010, Admati and Hellwig, 2014)[5] and specifically for the UK context, the FSA approach was seen as "overtly" supportive of market mechanisms rather than regulatory intervention (Turner, 2009, p.87).

The model of regulation in the UK is termed a "twin peaks" approach (prudential *and* conduct regulatory bodies) in contrast to an institutional

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[5] Though for an alternative view see the two "Dissenting Views" chapters of National Commission On The Causes Of The Financial And Economic Crisis In The United States, 2011 which in essence argue that heterogeneous national approaches to regulation prior to the financial crisis suggests that deregulation is not a common cause of the crisis. The arguments elide the mimetic isomorphism around "principles based" rather than rules based regulation and downplay the outsized influence of the US and UK jurisdictions on global capital markets

approach (by firm type) or a “super regulator” (single regulator) model (Godwin, Howse, Ramsay, 2017, p.104). Operationally in the UK prudential regulation is mostly the remit of the Prudential Regulatory Authority (PRA) however the Financial Policy Committee (FPC) also has a powerful voice with regards to financial stability. The Financial Conduct Authority (FCA) regulates many more firms than the PRA and is the ‘prudential’ regulator for circa 18,000 small firms (FCA, 2019a). As prudential regulation is concerned with stability and continued operation of the financial system there is a bias with the regulatory paradigm toward continuity of firms to avoid breaks in market efficiency, albeit there is within the PRA remit the orderly dissolution of a firm (BoE, 2019c) – and secondarily within the FCA technical standards (the FCA is a *post-hoc* participant once the resolution and recovery process is underway, see FCA, 2019b).

Glinavos (2013, pp.18-20) reviews perspectives such as Posner (1974) regarding state’s capacities to regulate firms and the tension between government regulation and market function. Posner viewed regulatory functions as a product of Government, and as such, the desired form of product is only available to those who can pay the price. The price in this case is time and energy spent coordinating responses to proposals and lobbying – and only the people most committed, that is the representatives of the regulated firms, will pay this price. The firms with most “skin in the game” capture government regulatory efforts (social interest theory). To avoid regulatory capture there may be moves to promote a notionally independent, scientific rationale for rules and regulations administered by experts (elites). Technocratic governance is a move to disenchant politics via supposed rationality, an approach aligned with a neo-liberal project (Wacquant, 2010, Davies, 2017). Despite the proposal of technocratic “epistocracy” (Brennan, 2011, p.700) the suggested reliance on narrow expertise simply defers the question: how do experts themselves avoid capture? (social interest theory all the way down). Additionally, Glinavos (2013, pp.52-53) considers how the narrative of objective administration elides the process that "cements a particular ideology as a permanent background to economic decision making".

2.3 The Social Contract

Given that regulation of banks is important and forms part of “the social contract for the banks”, the following section more broadly considers the development of the social contract by tracing some of the key elements of the concept, particularly as developed by “classical” theorists such as Rousseau. Subsequently two sections consider firstly, contemporary views, and then finally some of the critiques of the idea of a social contract.

2.3.1 Development of the Social Contract from Rousseau

The social contract as an idea has a rich and complex history and so a number of choices are needed to constrain, to sensible proportions, analysis of the development of the concept. To give a flavour of the range of influences: Cole, in Rousseau (1973 [1762]), considers social contract ideas trace back to the Sophists of ancient Greece, albeit Boucher & Kelly (1994, p.2) see such connections as “tenuous”. Kalpakian (2008) sees nascent shoots of similar ideas to the social contract in Ibn Khaldun’s thirteenth century analysis of the formation of large urban centres. Riley (1973, p.543) sees the development of the social contract and increased focus on “voluntarism” (as opposed to coercion) as contemporaneous, such ideas being a development in Western thought from the sixteenth century Reformation (p.545). Questions of moral, in contrast to political, philosophy are delineated by Aristole, Aquinas, Descartes, Hume, Smith, Diderot, Kant, Kierkegaard (MacIntyre, 2007). Questions of political philosophy may be characterised in two ways: as a “liberty” narrative from Locke, Smith, Madison, Mill, Friedman, Hayek, or an “equality” narrative from Rousseau, Owen, Marx, Rawls (Capaldi & Lloyd, 2011). The current study considers the social contract in the context of groups (banks and bankers, regulators, civic society) and is situated, post financial crisis, in a concern for equitability and justice with respect to the banking sector (such is the overall tenor of Tucker, 2009 for instance). From this position, a suitable start point for examining the social contract is the “equality narrative”, beginning with Rousseau.

In an introductory analysis to Rousseau (1973 [1762]), Cole, similarly to Barker in Locke *et al.* (1960) considers two forms of the "Social Contract": firstly, that of the "contract" between the governing and the governed; in particular the contract encourages the governing body or sovereign to take seriously their responsibilities to wider society; the contract (or breaches thereof) may also serve to justify resistance against an overbearing sovereign. Secondly, the norms of the social contract are between members of society in order to create and maintain that society. The latter must be *a priori* as there needs to be some form of enduring society which may *then* undertake a social contract to be governed – (see also in Locke *et al.,* 1960, p. xii., and Williams, 2003 re Kant's support of this view).

2.3.2 Contemporary perspectives on the "social contract"

Given the above historical background to concepts of the social contract, this section set out some contemporary perspectives and leads to the following section on critique of the social contract concept.

A "strong" social contract (Shklar, 1966, Vauleon, 2014) wherein social and economic decision making is tightly constrained by being *embedded* in social relations, a "substantivist" position, has been challenged (Granovetter, 1985, p.482), by the possibility of multiple justifications of a social contract inter- and *intra-* society. Granovetter (1985) also notes the similar challenge to a "formalist" approach wherein there is *no* social contract as economic decisions are made by self-interested utility maximising individuals. Granovetter (1985) takes a position between these "over socialized" (sic) and "under socialized" (sic) positions, and also puts forward a useful argument, that implicit norms of relations are applied differentially depending on relational distance and historical interactions. Differential application means that across a society we cannot refer to a single homogenous social contract with predictive power for individual interactions.

A common trope or paradigm is that of the rational human actor (*homo economicus*); a focus on methodological individualism denies the influence of institutions or social structures on individual behaviour. In defence of the social contract, using game theory scenarios Gauthier (2013) demonstrates that individual utility maximisation may be less effective than co-operation strategies out with a postulated “perfectly competitive market” (p.203). In complex decision-making an agent’s response does not have to be utility or even resource maximising if the response is “best” for the group in the situation. Gauthier describes the “social contract” as the *ex-ante* determination of “rules of interaction” in order to meet a “P-optimal” outcome. In the claim that in competitive markets the best solution is to compete so the “invisible hand” secures an optimal outcome, Gauthier ignores the level of *a priori* cooperation required to bring about “free” markets (Glinavos, 2031, Davies, 2017).

2.3.3 Critique of “the social contract” positions

The concept of the social contract, as a social construct is vulnerable to challenge (Boltanski, 2011). This section considers two lines of critique.

2.3.3.1 Challenges of a-historicism and the problem of violence

Berry (1977) adumbrates two critical positions in opposition to the social contract. Firstly, from Hegel, that the state is not a mere averaging of individual wills, that the state (and culture) is inseparable from the realisation of individual freedom – to conceive otherwise is “ahistorical abstract individualism” (p. 701). The critique is in response to Rousseau’s conception of a “general will”: “the general will must remain dominant as the sole rule of all the rest” (Rousseau, 1762, in Locke *et al*., 1960, p.325). In the current research, the critique from Hegel is addressed by consideration of social contracts as justifications rather than constraints on freedom – agents can exit the “test” situation and indeed have agency to agree compromise. The second critical position, from Hume, is that a peaceful contracting of society is not represented in history: that violence, even war and appropriation have preceded formation of societies and nations (and continue thereafter). Berry (1977) also notes Hume’s concern with the artificial history ascribed to the development of society (not explicitly referenced, but presumably referring, at least in part, to Rousseau) for which there was no archaeological or historical record. Similarly for Carneiro (1970, p.733), "voluntarist" theory exemplified by Rousseau can be discarded as the "Social Contract theory is today nothing more than a historical curiosity". Carneiro sees "no evidence" for *voluntary* abrogation of sovereignty absent exogenous pressures and that war under necessary conditions (circumscribed agricultural or other – aquatic food – resources) provides the drive for state formation in numerous historical examples. However, for the current research yes, Rousseau's conception of spontaneous order is metaphysical. And yes, a social construct, however in practice the concept of a social contract is commonplace and so there is continued utility in considering a, or actually many, forms of social contract (albeit subject to caveats below re the metaphysicality of the construct) *regardless* of putative evolutionary development histories. That is the narrative constructs around a fall from grace from utopian, natural societies may be ahistorical however are not in and of themselves sufficient cause to abandon the metaphor of a social contract as an analytical frame. In an analysis supportive of such a stance, Shklar (1966) considers Rousseau as "uninterested" in history *per se* as a "Utopian" thinker. In this view, Rousseau was a critic of the state of commercial society at the time - the social contract being a "yardstick, not a program [sic]" (p.37): taking such a view lessens the importance of Rousseau's construct of a prelapsarian history, and is similar to the Kantian perspective described in Williams (2003, p.139).

2.3.3.2 Challenge from Frederick: Impossibility, redundancy and anti-parsimony

Frederick (2013) considers - strangely, without reference to Rawls:

> "[S]ocial-contract theories require that a proposition of the following form is non-vacuously true:
>
> (SC) necessarily, all reasonable persons under condition C will agree that p.
>
> The condition represented by 'C' is some favoured condition, such as being behind a veil of ignorance or being impartial. The proposition

represented by ‘p’ is a complex proposition affirming that everyone in the society should comply with a specific form of government or a particular system of moral rules” (p.179).

Throughout, Frederick (2013) tests a “hard” version of the concept of the social contract, not unreasonably given the conceptions of Rousseau re the general will, lack of dissent and the formation of *a* civil religion. However Frederick makes untenable demands when discussing individual agents’ knowledge required for rational decision-making such that “evaluation of a proposition must survive the severest criticism of her intellectual adversaries before it can count as knowledge” (p.184). Practically, this is simply not the case (a more full discussion of the nature of knowledge is out with the scope of the current research, for an accessible example consider the *warrant* of telling the time from a clock, which under severe tests one could not say was *accurate*). Frederick is usefully challenging the concept of a hegemonic social contract with absolute adherence (and hence potentially totalitarian enforcement). The demands for adherence are replaced with contested attempts (tests) of justification in Boltanski & Thévenot (2006 [1991]) across multiple competing and compromising “orders of worth”. Coherence rather than truth may be a more appropriate criterion for social construction (there is no attempt here to break Humean restrictions on “ought” from “is”[6]). There is a sense that a “strong” conception of a singular concept of the social contract is worthy of critique per Frederick, however that critique would lack the same force when directed at multiple contingent social contracts in extant society. The argument from Frederick is somewhat semantic rather than substantial as all social contracts require a social anchor (Offe, 2012) (similar to MacIntyre, 2007, that all moral philosophies require a sociology). Frederick fails to show why, if the concept of social contracts is logically impossible, unnecessary and easily replaced with evolutionary developments in society, actually existing societies operate on co-operative norms and “habits” that rely on a form of “social contract”.

[6] Which, interestingly is dispensed with in “After Virtue” (MacIntyre, 2007)

2.4 “The Social Contract” and UK Banks

> “The social contract that underlies the principal of trust and ethical behaviour can and has added value beyond expectations. It can also reduce compliance costs. But, a regulatory system based on trust, ethical behaviour and transparency will have few oversight mechanisms in place to regulate behaviour” (Wilson *et al.*, 2012, cited in McGeever, 2015, unpaged)

Considering the social contract specifically in relation to the banking sector, this section considers how banking may be viewed as a “public good”, and then considers the relationship of the State to the banks, financially and with respect to regulation. The possibility of a broader perspective is considered before the section concludes there is an inherent tension between the needs of the “market” and “civic society”.

It is worth considering if and how banking is a “public good”. There is a distinction between “*the* public good” and “public goods”. The latter are resources, services, capabilities, institutionally situated or not, which are “positive externalities”. Such services or capabilities must be non-excludable in supply (supplier cannot control who is the consumer) and exhibit “non-rivalry in consumption” whereby there is zero marginal cost to serve the next consumer (Schinasi, 2005, pp.50-51). Whilst public goods may be produced by private or state actors, the former often under produce public goods in that private incentives encourage production until marginal cost equals marginal benefit *for the producer* rather than the public. Schinasi (2005, p.56) identifies the “efficiency-enhancing pool of transactors and liquidity that develops because of the existence of fiat money[7] and its characteristics and services”. Given that in a credit based economy most “fiat money” is actually bank credit (Keen, 2010) the dominant factor behind the “public good” of liquidity pools is bank credit and therefore banks themselves. The apparent fundamental importance of banks has led to calls for banking to be operationalised as a

[7] Smit, Buekens & du Plessis (2011) describe fiat money as government issued money such as Sterling or $US, not backed by an asset such as gold. Referring to the gold standard in the first half of 20th century, they rightly note that gold itself does not have intrinsic value, only value from our preferences and desires (p.14)

utility rather than for profit maximisation (Mullineux, 2011, Jenkins, 2016). That said, there are limits to banking as a true public good – financial exclusion demonstrates the limits of non-excludability (Leyshon, *et al.*, 2008) – a limit that is ignored by Schinasi (2005, particularly p.58). Finance itself may be an imperfect public good, however financial *stability* appears to be a more "pure" public good – it is desirable by all due to the risks of negative externalities, is non-excludable and non-rivalous in consumption (Schinasi, 2005, p.58). The marginal costs of financial stability are indeterminate however, in that there are costs for banks in foregone profits by holding safer, lower returning assets such as Gilts. There may be unintended consequences following from the suppression of banks' returns in order to increase stability:

> "capital requirements may not always be as powerful as previously thought. This is because, in addition to a one-period capital-at-risk effect that reduces the incentive to gamble, there is a future-franchise value effect that increases the incentive to gamble." (Hellmann, Murdock & Stiglitz, 2000, p. 162)

That is, Hellmann *et al.* are suggesting that the tensions between civic justifications of financial stability and market returns could result in banking strategies that initially seem compliant however over the longer term may increase risk. If financial stability is *a* public good, and if the more public goods a society provides the more capable the society is of providing for *the* public good, then regulation toward financial stability is supportive of the "social contract for the banks".

Mullineux (2011) argued that a social "compact" existed between the Government and the banking sector up until the mid-1980s whereby a narrow cartel of retail banks controlled (profited from[8]) the payments system and in return banks supported an extensive branch network to give access to payments[9]. More recently, Mullineux (2014, p.90) argues that the payments

[8] To the extent that Mullineux (2011, p.449) viewed monopoly profits as part of a "Faustian bargain"

[9] This argument may be correct, however does seem to elide the role of bank branches as product distribution channel (particularly for loans which at the time would almost entirely be negotiated face-to-face)

system, and more generally, financial stability are “public goods” and as such more needs to be done to ensure, through regulation and governance, that the banks support the public good. Financial stability is in effect threatened by the “moral hazard” created as, especially in such a concentrated banking market as the UK, the largest banks are viewed as “too big [to be allowed to] fail” (Mullineux, 2014, p. 88): this means shareholders may demand a more aggressive approach to risk for higher anticipated return, knowing there is implicit government support for the banks.

Mullineux (2014) alludes to calls from religious authorities for better performance from the banks with regard to the “social contract”: to quote in more length here:

> “Benedict XVI in his encyclical Caritas in Veritate two or three years ago said this: ‘Development is impossible without upright men and women, without financiers and politicians…’ – there have got to be some around somewhere – ‘whose consciences are finely attuned to the requirements of the common good.’ In other words, to move from dystopia to utopia – though we won’t get there – this means that good banks must have values of integration into society, mutual service to all other parts of society, reasonable but not excessive profitability, and the effective but measured distribution of wealth, to ensure high levels of investment in sustainable products and things that are good.” (Welby, 2013).

In a speech such as above it is inevitable that a number of terms are under-specified, the thrust of the message however is to position the banks in a utility frame, of service within society more generally. Mullineux (2014) however argues that in contrast to such desires, the banks have been lobbying hard to resist further taxation and constraints that would restrict how they operate (unfortunately Mullineux does not provide sources for such assertions).

In considering banks as utilities Mullineux (2009) foreshadowed some of the changes that would occur in the sector over the next few years, such as the splitting of retail and investment banking activities into separately capitalised entities (Mullineux, 2009, p. 463) or more focussed regulatory structures than under the FSA. Mullineux (2009) suggests that high value, low activity and low interest bearing current accounts are often held by elderly and less able customers. Less able, that is to manage their accounts to move money to accounts with a better rate of return, and hence these customers could be seen to be (in part) subsidising "free banking" for typically younger customers. These younger customers tend to be more active users of accounts with lower average balances (hence costing the bank more to service the accounts). Mullineux's suggestion (p.462) of "sweeper accounts" to automatically move excess funds to better paying accounts is a good one though it is difficult to envisage banks following Mullineux's suggestion that they provide individualised advice during home visits. Here Mullineux is moving beyond banking as a utility *per se* to consider social goals (protection of elderly people's wealth) with banks taking on a socially proactive role: which may be acceptable and/or desirable but is dependent on shareholder approval in shareholder-controlled firms. Mullineux (2011, 2014) is concerned with shaping a new social contract for the banks, in contrast to the current study Mullineux considers a functionalist analysis of the banks and how the narrow range of functions may or may not impact society (e.g. through financial inclusion): by analysing existing functions though the analysis is limited in considering a broader range of societal demands.

Alessandri & Haldane (2009) chart the evolution of the financial relationship between the banking sector and the State: the latter was dependent on the former to raise funds (at often-high rates of interest due to the risk of capricious or defeated sovereigns); however, the State now tends to be the "lender of last resort" *to* the banks. This role has most dramatically been evidenced by UK and US government support of financial institutions to the tune of 74% and 73% of GDP respectively after the financial crisis (p. 23). Alessandri & Haldane (p.2) echo Tucker (2009) in stating that such support is 'one side of the "social contract" between banks and the state': another being regulation. Alessandri & Haldane (2009, p.2) note that the social contract, like all contracts, is "incomplete". The social contract is *necessarily* an incomplete contract due to *immanent* social construction: Wilkinson (1997) notes those conventions, rules, regulations and other "heuristics" in testing or justificatory situations are due to "incomplete contracts" (for all commodities including the particular case of labour). Such incompleteness is describing two aspects of contracts. One is that there will be varying commitment to the contract over time, giving rise to a "time consistency problem for the authorities when dealing with crisis" Alessandri & Haldane (2009, p.2). Secondly, incompleteness arises from being unable to determine all actions to maintain the contract, all determinations of meaning of the contract and the viability of maintaining the contract, at the time of creating the contract (Aghion and Bolton, 1992, Tirole, 1999[10]). For social contracts, these issues are more complex given the socially constructed nature and inherent vagueness of social contracts that are not anchored to physical contract terms and conditions in written form: also, as social contracts are continually contested and "renewed" the incompleteness of the contract is simultaneously renewed. Regarding the banking sector, the problems of incompleteness and time inconsistency are worsened by risk dynamics, whereby limited liability, and Too-Big-To-Fail externalities mean the state has little choice but to "socialise losses" – losses that are all the greater due to bank leverage (UK, EU) or risk profiles such as "sub-prime" in the US (Alessandri & Haldane, 2009). Even within the technical discussions regarding how to ameliorate the effects of financial crises on the public purse, such as increased reserve ratios, capital requirements and contingent capital arrangements for debt to equity conversions in stressed conditions, the fundamental dynamics remain: limited liability for shareholders mean the burden of losses can only ever be partly absorbed by falls in equity. Externalities are therefore inevitable and moral hazard has not been removed. For the social contract of the banks then, the construct is necessarily incomplete and contingent on the particular circumstances of time and place, which means that any analysis of constructions of social contracts is also anchored in the specificities of the particular situation and there is limited expectation of "generalisability" of results of such analysis.

Baradaran (2013, p.1284) notes that given the need for an efficient banking sector in a modern complex economy, banks are necessary: however, extending the discussion of Alessandri & Haldane (2009), banks "need

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[10] Tirole (1999) usefully notes the lack of precision in the remit of the State or agents of the State: "No mention is made of the many contingencies that may determine the ministry's desirable choices and of how decisions are to [be made to] react to these contingencies" [edited for clarity]

government support, without which their customers would lack sufficient trust to permit them to function properly". Baradaran is referring here to the inherent fragility of deposit taking institutions that in effect borrow short term, lend long term, and are hence vulnerable to collapse in confidence leading to a run on the bank. There have been few bank runs in Britain although the early phase of the financial crisis did see the collapse of Northern Rock, with queues of customers clamouring for the return of their deposits (The Economist, 2007). Baradaran (2013) emphasises Government *support*: "it will protect banks from runs, liquidity shortages, and investor irrationality" (p.1284) rather than the regulatory side of the social contract as emphasised by Alessandri & Haldane (2009), and Tucker (2009). Baradaran is focussed on developments in the US. Banking, although in private hands, was seen as being in no small measure a "public good" which in turn influenced views as to the necessity of a public mission for banks – a view codified in a legal case in Kansas (p.1293). Earlier Thomas Jefferson had expressed doubts about, in modern terminology, rent seeking and predatory lending: "And I sincerely believe with you, that banking establishments are more dangerous than standing armies; & that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale" (Jefferson, 2016 [1816]). Baradaran (2013) considers that "policymakers lost their way because they lost sight of the special social contract that must exist with banks" (p.1311), that is, the social utility of banks and the fragile nature of deposit taking institutions (Howells & Bain, 2008) was de-emphasised; in contrast, "In reviving the social contract, the government needs to be clear that of paramount importance in banking are safety and soundness, consumer protection, and access to credit" (p.1330). With respect to safety and soundness, the technical policy prescriptions are very similar to Alessandri & Haldane (2009), however there is less focus in Baradaran (2013) on the potential implications of a more homogenous sector wherein idiosyncratic risk is reduced whilst systemic or market risk increases

Tucker (2009) considers the social contract between banks and regulators. Here he is using the social contract in the sense of the contract between the governing and governed parties in society. Tucker states:

> “Traditionally, there have been three elements to the Social Contract for banking. In exchange for being allowed to profit from taking the risks inherent in providing liquidity, or monetary and credit, services to the economy, banks have been subject to prudential regulation; given access to liquidity insurance at the central bank; and required to finance industry-wide insurance schemes to protect depositors” (p. 2).

There are no (legal) industry sectors exempt from *all* regulation (e.g. health & safety). Tucker’s “prudential regulation” signifies a qualitative difference to conduct regulation of, for instance, manufacturing operations. The key difference between regulations regarding product manufacturing, say, and “prudential” regulation is that regulation of manufacturing processes is indifferent to the continued operation of the firm. However prudential regulations are focussed on ensuring the “safety and soundness” of financial institutions by assessing, monitoring and reducing risks, such as by improving capital structure (BoE, 2012). “Prudential” regulation, which could require banks to change *inter alia* their capital structure to deal with *risk* rather than current *issues* and is more intrusive than other regulatory regimes, reflecting the systemic importance of the financial sector. Regulation of capital structure (when combined with other institutional factors) adversely affects credit supply (Godlewski, 2005) which means that one public good (financial stability) is in tension with another public good (access to credit). Such tension also illustrates the difficulty in discerning “the” abstract and generalisable “common good”.

The above discussions are largely concerned with the narrow functions of banks: secure deposit taking, assessing credit risk, not taking advantages of information asymmetry to prey on customers, avoiding socialisation of losses in contrast to privatised gains. A secondary role of banks, in allocating credit in a welfare enhancing way, is not really discussed out with concerns of financial exclusion/inclusion. A rare (somewhat dated) analysis of US banking and the social contract with a wider perspective is found in Dymski (1993) wherein there is a call for banks to support the Community Reinvestment Act (CRA) in order to mandate support for local communities. Whilst the aim is laudable for the largest banks, the CRA ignores corporate registrations in one (low tax) state whilst most operations are executed in another (higher tax) state (e.g. Barclays US registered in Delaware yet operates mostly in New York), which means a more holistic perspective is required.

A narrow form of social optimality from bank lending, hence “social contract” between regulators and banks and taxpayers, is considered by Kocherlakota & Shim (2007). In a dynamic model of borrowers, lenders, and taxpayers/consumers[11] the authors consider the “social contract” in terms of utility for taxpayers when there is a fall in the value of collateral pledged against loans. The assumption is that falls in collateral are independent of project utility but that regulations may mean that the bank, on behalf of depositors, may liquidate the loan with value from the borrowers’ projects only partially realised (hence taxpayers utility as consumers of the project goods only partly fulfilled). The banks are assumed to be risk neutral, though it could be argued the effects modelled in the research would not have been altered much by an assumption of risk weighting of assets which more closely matches reality. A fall in collateral would mean higher risk weightings and a fall in the risk weighted value of the asset. If, as in the financial crisis, there is insufficient equity on the liability side of the balance sheet to absorb the fall in value of risk weighted assets then the bank may be balance sheet (not cash flow) insolvent and would need to dispose of assets (a dynamic well represented by Royal Bank of Scotland). The simpler model in Kocherlakota & Shim (2007) gives a formal confirmation of an intuitive result: if the environment is risky when an asset value shock decreases the value of collateral then “prompt corrective action” to liquidate bank assets is the optimum regulatory response. In contrast, in a relatively low risk environment a collateral value shock should be met with forbearance and the taxpayer should bail out the depositors of the bank. One limitation in application of the result not discussed by the authors is the reliability of risk assessment of the financial system, especially so in light of the criticism of complacency amongst regulators ahead of the financial crisis (Engelen, 2011).

[11] The authors use the term “outsiders” however taxpayers, as “outsiders” are both consumers of consumption goods from borrowers’ projects and potential funders of bailouts of depositors due to collateral/asset value falls.

Glinavos (2013, p.61) contends that regulations and law focussed on protecting the economy (e.g. in Kocherlakota & Shim, 2007, discussed above) ignores law as an instrument of social justice. There are two aspects to discuss here. Without economic stability, social harmony and social justice is constrained or unlikely (this is not to say the current economic relations should be protected, simply that there may be an argument for economic primacy). Secondly, it is instructive to revisit the "textbook" rationale for regulations: in finance these include but are not restricted to active interventions to prevent or recover from “market failures” such as externalities (effects on other businesses from banks’ collapse) or rent-seeking “usurious” loans, or financial exclusion (Barth *et al*. 2008, pp.18-19). Glinavos (2013) is supportive of government intervention through regulation albeit does not address Hayek’s (2013 [1973]) concern that government is vulnerable to capture by special interest groups. Support for a strong role for the state this cannot be without consideration of the risks, especially of regulatory capture (Kwak, 2013).

Glinavos (2013, p.95) contends that if an inflexible response to financial crises does not meet the (undefined) "social contract" then there is the possibility of political and economic difficulties. Further Glinavos argues (in one of the key themes) that market oriented law does not allow for flexible policy response to crises with a wider scope than the (sole) agency of markets.

Glinavos (2013, pp.153-154) follows McBarnet (2009) in considering the limits of accountability of firms – in this case with respect to Corporate Social Responsibility (CSR) – and thence the importance of embedding accountability in law - law which is more amenable to shaping via democratic will rather than the involvement of stakeholders of firms/sectors. For Glinavos the priority is democratic control of the financial system. Glinavos (2013) addresses the lack of political engagement and the effectiveness therefore of democratic solutions proposed and whilst this section of Glinavos (2013) raises more questions than answers, overall Glinavos (2013) usefully highlights the shortfall in the current transmission mechanisms from democratic will, through law, to a social contract for finance that is broadly welfare enhancing rather than accreting inequalities and distancing national governments from control of their own fate.

2.5 Summary

Embedded in socially constructed markets more or less subject to democratic oversight, banks are subject to the demands of forms of social contract. Banks provide public goods and play a role in welfare enhancing distribution of credit. One of the fundamental features of banks functions is to borrow short term and lend long term, which means that deposit-taking banks are inherently fragile. Banks then rely on the implicit or explicit lender of last resort, the central bank and in effect the state to underwrite their balance sheets. The complexity of banking and finance means that delegated regulatory authority may be narrowly technocratic and may be at risk of “regulatory capture”. As introduced above, regulation for financial firms extends beyond conduct regulation to “prudential” regulation. Glinavos (2013) is concerned that greater democratic oversight is required (a civic approach); Baradaran (2013) calls for consumer protection (again a civic perspective) as well access to freely circulating goods and services (particularly credit), which is a call for civic and market considerations for banks to compromise. The social contract for the banks then is, in theory, a construct that recognises the need for civic trust and control, compromising with the needs of the market.

3 Public Justification

“The idea of a shared willingness to modify our private demands in order to find a basis of *justification* that others also have reasons to accept is a central element of the social contract tradition going back to Rousseau” (Scanlon, 1998, p.5, *emphasis added*)

3.1 Introduction

In considering how justifications are created, ordered and contested, the framework used below is that of “orders of worth” or “sociology of worth” (SOW) most notably developed by Boltanski & Thévenot (2006 [1991]). This framework is valuable in that “its fundamental assumption that pluralism and complexity are the norm and, in order to avoid violence, social actors face an imperative to justify and legitimate themselves in moments of uncertainty or dispute” (van Bommel, 2014, p.1162).

The following section treats justification as important and as amenable to analysis. As shall be seen, public justifications may be treated as expressions of a “social contract”.

3.1.1 Contribution

In the context of the current research, the following section makes an important theoretical connection between conceptions of public justifications and social contract(s). The chapter extends the current literature regarding the social contract by showing in more depth how social contracts may be viewed, and analysed, as public justifications or “orders of worth”.

3.2 Pragmatic Sociology of Critique or “Orders of Worth”

“Justifications” have been a perennial concern through history (at least post 200 BCE) and “broadly understood, are answers to why-questions given and debated by social actors” (Abulof & Kornprobst, 2017, p.1). Abulof & Kornprobst conceptualise “public justifications as reason giving and contesting in public communicative encounters that are made possible and impossible by social context, and (re-)produce policies and even political orders" (p.2) and "as a form of intersubjective reasoning, thus becomes a key piece in the explanatory puzzle of our socio-political universe" (p.4). Opportunity for public justifications and disputation depends on some form of social contract as an *a priori* condition.

Boltanski & Thévenot (and Chiapello), through several publications discussed below, developed what has been termed a "sociology of judgement" or "French pragmatic sociology" (Lehoux, Daudelin, Hivon, Miller & Denis, 2014)[12]. Susen (2014, p.56) gives a concise overview of Boltanski & Thévenot (2006[1991]):-

> "[they] make a case for a multidimensional framework founded on several 'orders of worth' or 'polities'[13], in which actors employ their day-to-day sense of justice. Owing to the interactional centrality of people's quotidian immersion in multiple regimes of engagement and justification, one of the key characteristics of differentiated societies is normative pluralism: the diversity of opinions, belief systems, and life styles is a precondition for the consolidation of discursively rich and democratically organized societies".

Multiple regimes of justification point to concurrent constructs of more than a single "social contract", in contrast to Rousseau who focussed on "the" social contract between the citizenry and the state. In Boltanksi and Thévenot's own words, they attempt:-

> "to build a framework within which a single set of theoretical instruments and methods can be used to analyse the critical operations that people carry out when they want to show their disagreement without resorting to violence, and the ways they construct, display, and conclude more or less lasting agreements" (2006 [1991], p.25)

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[12] Ponte (2016) considers the "orders of worth" discussed in this section as a subset of French pragmatic sociology, specifically "Convention Theory"

[13] Annisette & Richardson (2011, p.234) also use the term "commonwealth"

The concept of “the” social contract in, *inter alia* Rousseau or Hobbes can be likened to “the political-philosophical endeavour to come up with a singular or reduced set of principles for a society to be just” (Blokker, 2011, p.252). In contrast for Blokker (2011) the pragmatic sociology of critique “presumes a plurality of criteria of justification, related to a plurality of views of the common good, which are understood as in principle irreducible and between which no ultimate hierarchy can be identified” (p.252). A “single” framework is then a generalizable approach and the heterogeneous situations of prior research analysed below bear testimony to the adaptability of the framework of “orders of worth”.

The pragmatic sociology of critique is then a potentially useful tool to examine arguments, ideas and *justifications* – of the sort that appear in, say, speeches by regulators, or annual reports and accounts of firms. The framework is not a sociology of “everything” (Conley, 2015) as contexts for disputes must be non-violent, albeit Boltanski attempts to expand the scope of the discussion subsequently: “pragmatic sociology is expanded into a wider theory of society and social action” (Blokker, 2011, p.254). Neither is the framework dependent, in contrast to a Marxist/Hegelian approach, on historically situated norms: “Boltanski & Thévenot do not posit the issue of the historic consequences of social conflicts in terms of development and moral learning” (Basaure, 2011, p.266). The lack of historical anchoring (or periodisation) is a strength of the approach as the analyses are not dependent on *a priori* analyses of, say, labour/capital relations and therefore can be applied in a broad range of situations.

Boltanski & Thévenot (2006 [1991], pp.74 onward) set out a “grammar” of the polity, or “justificatory regime” created within political economies. As a “grammar” the framework is descriptive rather than normative, (though see later developments below with regard to shareholders). Boltanski & Thévenot frame polities as ways of offering perspectives that can ultimately be used to solve disputes (by consideration of a higher logical conception of common humanity): disputes or moments of “questioning and criticism” (p.17) can be viewed as sites for “discerning qualification” (p.12). Such a frame is pertinent in the current research, as there will always be a tension or dispute between regulators and regulated firms or NGOs and firms due to conflicting interests or values. Boltanski & Thévenot (2006 [1991]) are less concerned with critique of the underlying philosophies of the polity as they are focused on the grammar, the constructive aspects of the texts that reify the polity.

An acknowledged limit to the scope of Boltanski & Thévenot (2006 [1991]) polities is the focus on "equilibrium" polities wherein a "common humanity" has some meaning, currency and agency as a structuring component. Such structures break down in, say, civil war or armed occupation, states that would be the *sine qua non* of the authors' rejected polities based on violence. Further, Boltanski & Thévenot (2000) note that the orders of worth approach "does not purport to account for all the facts and gestures that are habitually called 'social' and "The model does not aspire to an exhaustive comprehension, and one will vainly search here for a matrix that allows social reality to be described in all its aspects. Persons are not constantly focused on justice, and the demand of justice is far from necessarily present in all the situations in which they interact" (p.209).

As a "grammar", it is possible to consider the orders of worth as analytical categories that can be used in the analysis of text[14], wherein the polity/justificatory regime is composed of common categories. The categories the authors use are:

- Common Superior Principle – Criteria or "maxims" for Success
    - Whilst this may be difficult to sum up "in a single term" (Boltanski & Thévenot (2006 [1991], p.141) this is the foundational criteria such as "renown" in the world of fame/reputation, or "position within the domestic – family – world".
- Common Good
- Common Humanity
- Natural Relationship between Beings
- Common dignity

[14] In the broad meaning of text including speech (Fairclough, 2010)

    - There must be a way of bringing individual physical capacities to bear in order to develop a shared or comparable criteria. There is a transformation from *some aspect* of human nature that is transformed into a comparable capability (p.142)
- Principle of differentiation
- Repertoire of Objects and Mechanisms; the latter would include, for instance "rules" (p.142)
- Repertoire of Subjects
- Priority of Worth
- Condition of Great Person[15] - embodies values of the polity
- Condition of Little Person – absence of the values of the polity
- Status Relation (especially of Great Person to Little Person)
- Decline of the polity – instances where the polity is not supported
    - Notably a concern for such aspects has deep historical roots including Ibn Khaldun's work in the 1380's that "greed and selfishness that came with power, at the expense of the common good" (Butzer, 2012, p.3632); additionally "decline" may simply be "characterized as self-satisfaction" (Boltanski & Thévenot (2006 [1991], p.144).
- Investment formula (or cost implications)
    - Model Tests: the outcome of which is uncertain, such tests (to the validity of the justificatory regime) are focused on a set of people solely from one polity.
    - Ways of expressing judgement: such methods will be coherent with the way the superior principle is expressed (e.g. fame)
- Forms of self-evaluation

By including a "repertoire" of objects – that is, tangible expressions of the polity such as prizes, shared resources (parks, hospitals), measurement equipment, etc., Boltanski & Thévenot (2006 [1991]) "link macro-level conceptions of the 'good' and the 'just' to their actual instantiations in the real life of the social

[15] In Boltanski & Chiapello (2007, p.109 & elsewhere) this is referred to as "Condition of Great Man" however a less gendered term is used here

world" (Reinecke, van Bommel & Spicer, 2017). The reification of objects within polities may also aid empirical analysis of orders of worth by categorisation of observations. A representation of the dimensions above and how they relate to the polities discussed below is presented as Table 1 below.

Dimensions	Polity						
	Market	Industrial	Civic	Domestic	Inspired	Reputation	Green
Mode of evaluation Common superior principle	Price, cost	Technical efficiency, performance	Collective welfare, Civic duty	Esteem, reputation, position in hierarchy	Grace, singularity, creativeness	Renown, fame, Public recognition	Environmental friendliness
Common dignity	Self-interest desire, consumption	Work, energy, activities	Freedom, democracy, civil rights	Comfort, ease, judgment	Love, passion, creativity	Well-known, reputed, visible, persuasive	Harmony, Sensitivity to nature[16], Stewardship
Tests Investment formula/Flaws/ Arguments	Market competitiveness	Competence, reliability, planning	Equality and Solidarity, fairness	Trustworthiness	Passion, enthusiasm	Popularity, audience, Recognition, Abandonment of privacy	Sustainability, renewability

Table 1 Summary of Orders of Worth: Adapted from Thévenot et al. (2000), Annisette & Richardson (2011, p.233), Patriotta et al. (2011, p.1810)

[16] It is out with the scope of the current study to consider the human/nature divide, however from an eco-centric perspective there is no difference between nature and “humans”. The artifice of the divide is considered, for example by Morton in *inter alia* McIntyre & Medoro (2016) to be at the root of an ecological crisis 12,000 years in the making

Dimensions	Polity						
	Market	Industrial	Civic	Domestic	Inspired	Reputation	Green
Form of relevant proof Ways of expressing judgements/ self-evaluation	Monetary	Measurable: criteria, statistics	Formal, official	Oral, exemplary, Personally warranted	Emotional involvement and expression	Semiotic	Ecological ecosystem[17]
Qualified Objects & Mechanisms	Freely circulating market good or service	Infrastructure project, technical object, method, plan	Rules and regulations, fundamental rights, welfare policies	Patrimony[18], locale, heritage	Emotionally invested body or item, the sublime	Sign, media	Pristine wilderness, healthy environment, natural habitat
Qualified persons& Motives Social Groupings	Customer, consumer, merchant, seller	Engineer, professional, expert, management	Equal citizens, solidarity unions	Authority (by virtue of position rather than expertise)	Creative beings, artists	Celebrity	Environmentalists Ecologists

Table 1 Summary of Orders of Worth: Adapted from Thévenot et al. (2000), Annisette & Richardson (2011, p.233), Patriotta et al. (2011, p.1810)

[17] Note the ecosystem level echoes concerns of Gray (2010) regarding the viability of the concept of “sustainability” at firm level
[18] Relationships as object

Dimensions	Polity						
	Market	Industrial	Civic	Domestic	Inspired	Reputation	Green
Time formation	Short-term, flexibility	Long-term planned future	Perennial	Customary part	Eschatological, revolutionary, visionary moment	Vogue, trend	Future generations
Space formation	Globalization	Cartesian space	Detachment	Local, proximal anchoring	Presence	Communication network	Planet ecosystem

Table 1 Summary of Orders of Worth: Adapted from Thévenot *et al.* (2000), Annisette & Richardson (2011, p.233), Patriotta *et al.* (2011, p.1810)

Notes: Common Good, Common Humanity are contingent and constructed in specific texts rather than having universal characteristics per instance of a polity. The "Projective" order of worth from Boltanksi & Chiapello (2007) excluded as not relevant to the current research. Some of the more detailed category examples in Annisette & Richardson (2011, p.233) have been excluded as they are context specific and constraining, particularly lists of objects, subjects.

A noteworthy contrast between the dimensions of orders of worth and prior conceptions of justice is the inclusion above of the condition of great person or "little" person. Such a conception alludes to the principle of "desert"[19]. As such a concept of desert in a scheme of justice contrasts with McIntyre's (2007, pp.246-251) analysis of Rawls' and Nozick's alternative approaches to justice, which although antithetical toward each other in many respects share a disavowal of desert – Rawls by disregarding the past, Novick by focus on (fair) entitlement. MacIntyre (p.251) is sharply critical that disallowing concepts of desert necessarily disallows notions of human community and contributions to develop of the common good as desert-generating actions by which morality may be judged. The inclusion condition of great person or "little" person is of note within a framework toward "justice". Hence, whilst Boltanski, Thévenot, and Chiapello variously use the metaphor(s) of justice within the cité (city), or "polity", the authors do not preclude *inequality* (similar to the difference principle in Rawls, 1971). Justice in this sense is with respect to *status* or position within the polity, rather than justice in a legalistic/punitive/retributive sense. The above analysis positions "orders of worth" as somewhat distinct from some other conceptions of social contracts by allowing for "desert", and illustrates further the complex history of the concept of the social contract.

Based on analysis of canonical philosophical texts and management instruction text, Boltanski & Thévenot (2006 [1991]) set out a number orders of worth or "polity" as listed below.

Thévenot *et al.* (2000) developed a justificatory regime or "grammar" for a "Green" Polity. This latter conception is subtly different to the other Polities in

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[19] There is insufficient scope to consider in detail the principle of desert, which has roots in at least biblical times (see Jeremiah 17:10). In suggesting desert as a moral principle, Dwyer (2019) contends inequality is a topic often addressed in economics, ethics, politics and proposes "that desert via a merit-based view of responsibility is a normative ideal that hinges upon a fundamental moral intuition" (p.4) and contends that "allocations of *Just Deserts* realize to a greater extent than that exhibited in our current economy, and may even maximize, the fundamental values of equal opportunity, economic efficiency, and individual liberty" (p.5, *emphasis in original*). Whilst Rowlingson & Connor (2011) are reticent about promoting the principle of desert, their contribution is to highlight current practice wherein the desert principle is applied asymmetrically toward rich (less blamed for rule/law breaches) or poor (more blamed).

that the "common humanity" is superseded by an interdependence between humanity and the natural world that extends through time (hence considers future generations).

The polities all conform to the "grammar" of elements or dimensions listed above. The individual polities are described below. Boltanski & Thévenot (2006 [1991]) consider the incompatibility of the polities – they are individually "ideal types" - and how such conflict or tests may be resolved. Resolution comes about through either agreeing the dominant polity that is used to evaluate critique and justify the situation, or through compromise wherein an equivalence is constructed between concepts of, for example, the superior principle or the tests for worth. Equivalence is contingent on continued agreement to the equivalence, and similarly agreement on the dominant polity is contingent on acceptance of goals, outcomes, and tests. Boltanski & Thévenot (2006 [1991], pp.343-346) further comment that conflict may be resolved, or rather, completed, through the use of power and in particular violence. At this point justification is moot, and the social contract abandoned.

3.2.1 Inspirational Polity[20]

Participants in the inspired polity welcome "passion", the "*mysterious*, *imaginative*, *original*, *unspeakable*, *unnameable*, *ethereal*" and are "at ease in *informal* situations" (Boltanski & Thévenot, 2006 [1991], p.160, *emphasis in original*). Inspiration is available to anyone regardless of material wealth and in this sense, the inspired polity has fewer "qualified objects" to tie justifications to the corporeal world, instead access to inspired worth "calls for sacrificing forms of stabilization" (p.161). The latter may be a reason why there is little evidence found of the inspirational polity in the analysis below, given businesses rely on at least *some* form of stability without which they could not operate.

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[20] In considering this polity based on "The City of God" by St Augustine (Augustine, 2012 [early C5th]) any critical analysis of foundational concepts of "God" and "Saint" is absent from Boltanski & Thévenot (2006 [1991]) because the final polity is neutral regarding the *source* of inspiration.

The inspirational polity also stands in contrast to concerns of fame: the religious (specifically Christian) conception of the good life concerns "self-abnegation in favor [sic] of others" Boltanski & Thévenot (2006 [1991], p.88). The inspirational perspective eschews personal reward and competition in favour of co-operation and contains within the polity all elements including non-human animals.

3.2.2 Domestic Polity

The Domestic Polity is a hierarchical conservative vision of an "ordered" society wherein social rank is important and endowed through position within a family or, by analogy, to the person's position within a firm. As such, the domestic polity is a somewhat patriarchal reactionary vision of society. The domestic polity has roots in monarchical absolutism per Hobbes and in particular Bossuet (1999 [1709]) who sees the state and the monarch as unitary: the success of the state depends on the sacrifice to the state by the King. Within such a polity agreements are enforced by superiors in the hierarchy, however such superiors exist (ostensibly) as "champions of the weak" Boltanski & Thévenot (2006 [1991], p.95). The authors contend that cohesion of the domestic polity relies on nationwide ritual. Discussions of centuries-old conceptions of the polity including the elision of public and private space, and moral judgements, foreshadow current "neo-liberal" encroachments between the public and private, for example with respect to work/home balance (*inter alia* Dixon, 2009): the domestic (small "d") space has been under siege for quite some time.

3.2.3 Reputational Polity or "Fame"

Originally conceived as the world of "fame" Boltanski & Thévenot (2006 [1991]) within this polity "the construction of worth is tied to the constitution of conventional signs that condense and display the power generated by the esteem people have for one another" (p.99). The authors Analyse works from the 17th Century by Hobbes in developing the conception that reputation (fame) depends on possessing the most number possible of positive attributes (opinions) from the most people (especially elites, who favour their own in-group opinions): hence reputation is an external judgement independent of self-esteem.

In contrast to the Domestic Polity, the Reputational Polity stands on foundations that are contingent on the value judgements of others and hence reputation, hard fought for, may be lost with ease.

The analysis by Boltanski & Thévenot (2006 [1991]) leading to the Reputational Polity contains a significant omission. The development of reputation(s) is not a level epistemological playing field due to, *inter alia*, control of the media (Herman & Chomsky, 2010) - despite social media/blog encroachment (Meraz, 2009), framing effects (Habermas, 2006), and the power to develop "the production and reproduction of elite expertise and world views" (Zald & Lounsbury, 2010).

3.2.4 Civic Polity

In terms of construction and foundations at least, the Civic polity is of particular interest as, similar to the discussion of the "Social Contract" above, the Civic polity is founded on an analysis of the work of Rousseau (Boltanski & Thévenot, 2006 [1991], p.107). The notion of worth within the Civic polity is dependent on the extent to which the person being judged is deemed to be acting in accordance, and supporting, the General Will. The decline of the polity is when legitimate disagreement is suppressed in order to enforce conformity to the general will (Vauleon, 2014).

An important aspect of the Civic Polity is worth quoting:

> "*Legality* defines a form of worth that is particularly appreciated within this world. It belongs to texts when they are *regulatory* or *legislative*" (p.186, *emphasis in original*)

From this description of the Civic Polity, it could be expected that the texts from regulators and government and the responses from Banks would contain many examples of the dimensions of this polity, albeit the polity itself is applicable in a wider range of *test* situations out with banking and finance.

3.2.5 Industrial Polity

In stark contrast to the inspirational polity, the industrial polity is grounded in "technological objects and scientific methods" (Boltanski & Thévenot, 2006 [1991], p.203). The industrial polity is concerned with the satisfaction of "needs" in a productive and efficient manner.

The Industrial Polity is constructed from Boltanski & Thévenot's (2006 [1991]) analysis of the work of Claude-Henri de Saint-Simon, particularly his "L'Industrie" from 1817. Saint-Simon conceived of organisation of society, or Government particularly, as narrowly bound to "the management of work and production" (Boltanski & Thévenot, 2006 [1991], p.120) which is a stark contrast to the society wide, general-will implementing view of jurisprudence or Government from Rousseau. Hence the scope of government is limited to creation of fair markets (in particular for agriculture, manufacturers, trade) – a view preceding the ordo-liberalism which was dominant in German economic thought - "social policy to secure the sociological and ethical preconditions of free markets" (Bonefeld, 2012)[21]. The consequences of a narrow focus on efficiency and cost with disregard of societal impacts can be seen in the positive reaction of share prices to news of redundancies with attendant if implicit hardship for employees – "mean announcement period returns are positive"[22] (Collett, 2002).

3.2.6 Commercial or Market Polity

The market polity is constructed from an analysis of the work of the early economist Adam Smith (Smith, 2010 [1759], Smith, 2005 [1776]). *Competition* to service wants and needs (more the former in Boltanski & Thévenot, 2006 [1991], p.196) forms the *superior principle* of the polity which is characterised

[21] Bonefeld (2012) traces ordo-liberalism to the Weimar republic, late 1920's.

[22] It would appear the context is important. The sample in Collett (2002) is UK specific and stands in contrast to previous studies in US and Japan - the difficulty arising in the literature appears to be in separating capital investment that is employment reducing (automation) from that which is employment enhancing (simple expansion)

"*salable* [sic] goods", which may be "*rare*" or at least have a "*strong position* in a market" (p.196, *emphasis in original*).

Boltanski & Thévenot were aided by the systematic nature of "Wealth of Nations" and "Theory of Moral Sentiments": the authors' analysis treats both as part of singular project. Before this, the authors consider Hume's (1739-1740) "Treatise on Human Nature" which has a somewhat pessimistic view of the motives within society (such as selfishness). Such motives are ameliorated by exchange of external goods rather than direct competition whereby "individuals redirect their vanity toward goods, and the constraint of scarcity that presides over the distribution of these goods is the basis for a new type of worth" (Boltanski & Thévenot, 2006 [1991], p.51).

An assumption made in constructing the market polity is that market relations are "atemporal" (Boltanski & Thévenot, 2006 [1991], p.194). The authors make this claim for two reasons. One is to distinguish the market polity from the planned, time dependent industrial polity. The other is to justify the "ambiguous objects" (p.195) that disturb models of market coordination[23], without over-claiming a new general equilibrium model of markets. However in the latter desire to avoid venturing into dynamic equilibrium views of the economy an essential aspect of market relations – repeat transactions – is by definition excluded. Whilst the discussion of the market polity is extended somewhat to consider *utility* (p.283) the atemporal construct not only appears to exclude repeated transactions (wherein the price may change) but also transactions that are complex, opaque and hard to value: very much like the *credence services* provided by banks (Hoepner & Wilson, 2012).

[23] Picasso's scribble on a napkin, p.282 is an interesting example of different polities in play (Fame/Reputation, Market, Inspired, Industrial) and the limits to commensurability between them

3.2.7 Green Polity

This polity was added by Thévenot, *et al*., 2000, though with roots in Lafaye & Thévenot, 1993[24].

The green polity has a longer period than other polities, is multi-generational and the qualified subjects and objects encompass everything natural, human and non-human alike. The overall conception of "space" in the polity is that of the planetary ecosystem.

In developing the green polity, Thévenot, *et al*. (2000) considered particular test situations where ecological harm was contrasted with economic benefit in two projects (road through a remote French valley, dam in "wilderness" area in the US). Building on the orders of worth or justificatory regime approach of Boltanski & Thévenot (2006 [1991]), Thévenot *et al.* (2000) consider justifications are attempts to construct arguments beyond the particular, to claim a generalisability and hence legitimation, by appeal to a "common good". In adumbrating their theoretical position, of considering constraints on repertoires of argumentation (p.238) and of the "pragmatics of public space and discourse" the authors note "the configuration of public space and the dynamics of discourse depend heavily on the mode of acting privileged in a political culture" (p.239). It is interesting albeit out with the scope of the current research to consider how the political culture around banking and finance (Gordon Brown as PM favoured the tax revenue from The City) configures the construction, the Overton Window[25], of the social contract for the banks.

3.2.8 Project Oriented Polity

In an increasingly networked employment landscape, the superior principle of the projective or project oriented polity is that of "*activity*" Boltanski & Chiapello (2007, p.109, *emphasis in original*), to extend networks through participation

[24] This source is in French, the author's limited facility with that language suggests Lafaye & Thévenot consider the Green Polity as an *addition* to the schema of Boltanski & Thévenot due to incompatibilities between ecology focused justifications and the other orders of worth (the Civic Polity is specifically discussed)

[25] The "acceptable" topics of political discourse, see Beck (2010)

in projects: it is important to insinuate oneself into the next project, the next network, as the current project finishes. To be inflexible, “immobile” (p.119), to be unemployed, shows the *decline* of the polity.

Boltanski & Chiapello (2007, p.106) draw the distinction between networks and projects (which may be embedded in wider networks). For the authors the persons and relations in a network are “indeterminate” as new parts of the network may form at any time. Hence the “very notion of the common good is problematic” as the constituents of the “common” here are also indeterminate and temporary. Boltanski & Chiapello (2007) consider in some detail the fragmentation of and removal of protections within work and the working class in the late twentieth century (it could be argued that “The New Spirit of Capitalism” is actually two books, one developing the projective polity, the other analysing a more wide ranging critique of the development of capitalism).

Patriotta, Gond & Schultz (2011, p.1833) removed this particular polity from their research due to concerns that it was less well rooted in empirical research, had been subject to little testing, and could be made to operate within other polities. Additionally the project-oriented polity is constructed on an individual rather than firm/corporate level, which means that this particular polity is not included in the scope of the analysis below (nor in Table 1 above).

3.3 Public Justifications as social contracts

Vallier (1996) considers, “The great social contract theorists – Hobbes, Locke, Rousseau and Kant – all held that for a political order to be legitimate it had to be agreed upon by or justified for each person” – albeit the particular forms of social contract differ. For Kant the social contract was always an *idea or ideal* with which to compare the current state (Riley, 1982, p.125, Williams, 2003, p.139). Hence, the concept of social contracts and in particular agreement to a particular form of contract are closely tied to concepts of public justification. Gaus (2013) considers that if sufficient members of a community consider a convention moral, this convention “is not only a positive convention, but one that really is moral” (p.81). This is similar to the discussion of Frederick (2013) above wherein social contracts are legitimate if members of a community/society agree they are (there is no absolute determination of truth of a convention). For Gaus (2013, p.81) “The social contract is best understood as way to model public justification” which means the reverse construction is true: public justifications relate to social contract(s). *Public* justifications (and contentions and developments) allow the set of acceding publics to approach the total set of the public or community, wherein a social contract is formed as that in which there is no deep disagreement regarding the individual utility of the social contract. The movement to broad agreement is important for Gaus in that the social contract is “not maintained simply by free action, exchange and common interest, but also by internalization, guilt and punishment” (p.83) – hence limited agreement suggests increased enforcement (echoes of being “forced to be free”) and hence not a legitimate convention.

D'Agostino (1996) whilst linking social contracts and public justification order to achieve *consent*, considers the difficulty in truly assigning legitimacy to (say) an institution given the lack of outside, objective perspective – which Rawls (1971) constructs as thought experiment – from which to make a judgement. D'Agostino (1996), d'Agostino, Gaus & Thrasher (1996) support the need for public justification (“publicity” conditions in Rawls, 1971). Lacey & Lamont (2014) similarly make the distinction between the consent-oriented approaches to the social contract of Hobbes, Locke, Rousseau, in contrast to the justice orientation of Rawls (1971). A *justice* orientation is more processual and dependent on public justifications (Lacey & Lamont, 2014, p.834) however practically for a consent based approach to be operationalised the volunteers need to be able to evaluate and negotiate competing visions of society so public justification plays a role also, in that citizens need to obtain the necessary information in order to consent.

Gaus (2013) notes that the processes to resolve conflicts to agree on contracts are “indeterminate” (p.85) and that disagreement over justification may extend to disagreements over procedure to resolve disagreements. Referring to Hume, Gaus notes a presumption toward convention or a commitment to *some* form of common good: albeit moral codes form through “a matter of contingency and happenstance, not the unique dictates of an impartial procedure" (p.86). Boltanski & Thévenot, 2006 [1991] usefully demarcate instances where contingent moral codes do not form, thwarted by instances of violence. As a unified theory of society conventions theory or orders of worth, and public justification principles espoused by Gaus, are necessarily limited in that they cannot be a positive theory of unresolved disagreement through violence.

From the above discussion accepting Gaus' proposition, that *public* justifications are the foundation of social contract(s), a framework for analysing the construction of public justifications aids in understanding heterogeneous social contracts. Given the bounded understanding of the requirements of knowledge and justice *qua* Sachs (2015), the positive (descriptive) nature of a framework to analyse justifications through orders of worth is worthwhile, despite discussions of implicit normative aspects of the framework re investors (see Boltanski & Chiapello, 2007, pp.365-366 and discussion of findings below). See Boltanski & Thévenot (2000, p.210) re the normativity implicit in the need to develop a grammar toward a shared humanity. Usefully, orders of worth allow for hierarchy in relations between agents – there is no *a priori* assumption of egalitarian relations (the "conditions of great/little person" distinction allow inequality to remain *just*), which better matches actually existing conditions than an assumption of egalitarianism.

A framework (such as represented in Table 1) can be seen as more ontologically closed and definite than was intended by Boltanski & Thévenot, 2006 [1991]:

> "with nearly twenty years hindsight […] these pluralist positions were not expressed with sufficient force […] to prevent the framework presented in *On Justification* giving rise to re-appropriations which tend to employ it as if it made possible to effect a closure on reality and hence render it in some way calculable" (Boltanski, 2011, p.56).

Subsequently Boltanksi affirms that ontological openness is endogenous: "It is precisely because dispute and critique occupy a central role in the course of social life that normativity can never be completely absorbed into regularity" (2011, p.85). There are two implications for the current work: firstly, that ontological closure should not be assumed and this may mean holding the tension or unease around definitive categorisation, and secondly, that the *meaning* of texts is paramount rather than a reliance on quantification.

3.4 Prior research using “orders of worth”

Whilst pragmatic sociology of critique or “orders of worth” was initially of note only in France and subsequently in Germany, there is increasing awareness in Anglophone countries – for instance a special issue devoted to the topic in the European Journal of Social Theory (2011, 14:3). The initial obscurity outside of France means there are relatively few prior researches to consider that are available in English: the following section considers the prior research available and the implications for the current research.

Boisvert & Vivien (2012) use the “orders of worth” framework discussed above to some extent in considering the “construction” of the “Convention on Biological Diversity”. The authors set out ways in which biodiversity may be represented in the Convention text using the Market, Industrial, Civic, Renown (Reputational/Fame), Inspirational, and Domestic Polities. Subsequently it is noted there are examples within the Convention of the Market, Industrial, Civic, Domestic and Renown polities. The authors did not consider the “green” or “portfolio/connexionist” polities discussed above. More pertinently for this section, Boisvert & Vivien (2012) contains no explication of methods, of what phrases, themes or sections of discourse led to the identification of these polities in the text[26]. Boisvert & Vivien’s (2012) discussion of Godard (2005) is suggestive of the need for a common ground for true compromise rather than fragile acceptance of alternate tests, objects pertaining to conflicting orders of worth, echoing Boltanksi and Thévenot ([2006] 1991, p.278), and Mesny & Mailhot (2007, discussed below).

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[26] Unfortunately, one of the key sources used in Boisvert & Vivien (2012) was Godard’s (2005) “Les conditions d’une gestion économique de la biodiversité - Un parallèl avec le changement climatique” which as the title implies is in French.

Kietäväinen & Tuulentie (2013) consider rhetoric around climate change in tourism texts. They use the six polities of Market, Industrial, Civic, Renown (Reputational), Inspirational, and Domestic as well as the "green" – they term "ecological" - polity. The authors employed a mixed methods approach comprising:

> "qualitative content analysis with a specific emphasis on the rhetoric and the features of the arguments used. The data were coded according to which context was used when speaking of climate change, and how climate change was understood in a continuum from active and concrete to passive and abstract phenomenon. Quantification was used to illustrate the prevalence of the arguments" (p.850).

Additionally the results show that quantification was categorised by valence – positive, negative, or neutral (p.851, Table 1). The authors, in contrast to Boisvert & Vivien (2012) above, do give some indications of text or figuration examples pertaining to, e.g. "market worth" (Kietäväinen & Tuulentie, 2013, p.851). Much of the discussion is "content based" as in, discussion of where and how "climate change" is discussed or framed, with no attempt to consistently or frequently address the links to the polity/orders of worth framework. That said, there is analysis showing how texts may proclaim one main justification (environmental reasons) whilst substantively focussing on justifications "from the worlds of fame and markets" (p.852). Whilst noting that quantification would show the prevalence of themes, quantification was only applied to "climate change", and to factors influencing tourism in the analysis of interviews (p.853) or putative actions to respond to such change (p.855). Although the authors identify the civic world, the industrial world, and market world as predominant (with climate change as a topic linking to the "green" world), the research is not transparent with respect to the relative predominance of such themes. The research shows how more than one justificatory regime may be operant at the same time without *explicit* resort to compromise.

For the current research, the implications of Kietäväinen & Tuulentie (2013) are that the research demonstrates the viability of an additional, quantitative step to a qualitative approach in order to determine which themes are foregrounded or de-emphasised. Within the space constraints of a research paper some of the detailed connections and quantifications between texts and polity are obscured. The research also lends support to Boltanski & Thévenot, (2006 [1991]) in their contention that multiple views of justification may be present in a social situation concurrently.

Miranda, Kim & Summers (2015) frame their grounded theory analysis of visions/understandings of social media with respect to *schema theory* and *organising vision theory* (p.592). This enables an approach to consider levels of understanding around an organising vision/perspective. The use of grounded theory is justified by a "paucity of theories to inform what constitutes an organizing vision and how it is constituted": such a perspective echoes the current exploratory approach to the Social Contract, as a social construction rather than a simple noun. The use of grounded theory by Miranda, Kim & Summers (2015) is constrained by use of *a priori* frameworks. The authors used an iterative coding technique to group items of text under the Civic, Domestic, Industrial, Inspirational, Market and Renown [Reputational or Fame] "principles" as they label the polity. Following a content analysis approach they coded for terms from Boltanski & Thévenot, 2006 [1991] with additions from research group discussion/coding iterations. With respect to inter-coder reliability, this was high through all six "principles" however the industrial polity was notably weakest, though why this might be the case was not discussed by the authors. The content analysis was constructed around presence/absence of words relating to the polity overall, that is, the constitutive components of the polity were not analysed. Such an approach is well suited to a larger cohort of texts for analysis - the research sample comprised 2,414 texts (7,500 pages). As such, this stands in contrast to the more fine-grained approach in the current work with a much smaller sample. The authors do not discuss compromise constructs at all. The lack of discussion of compromise is an artefact of a quantitative approach considering the characteristics of terms: "coding each text for presence of the principles. To enhance coding validity, we began with keywords culled from the margin notes provided in Boltanski & Thévenot's (2006)" (p.595). The coding then was presence or absence of polities rather than the simultaneous presence of multiple polities, or the relations between polities described in the text, or composite constructions. It is not clear how composite constructions (if observed) were coded.

A narrower focus within the “orders of worth” framework is taken by Ramirez (2013), who focusses on the situational “tests” of the polity(s). Ramirez (2013) is focused on criticism and justification in the audit sector in the context of institutional change and challenges to legitimacy. Ramirez (2013, p.854) notes the difficulty in applying an *a priori* framework to a real situation. In contrast to other research in this area Ramirez (2013, p.855) is simultaneously using the framework of orders of worth and challenging “the very process of attribution”, hence allowing an openness to new information out with the *a priori* framework of orders of worth. The sampled texts included secondary written material e.g. articles in professional journals and interviews with auditors. There is little direct attribution of texts (or units of texts) to polities. The author notes some of the features of justification – what constitutes a “great auditor” echoes the “great person” test discussed above. Beyond justification, Ramirez (2013) notes the need for “institutional work” by the auditing profession (ICAEW) in order to restore equity between members. Ramirez discusses limited examples of compromise in their analysis. The move to compromise between the audit profession and small firms was to bring new evaluative objects (assessments of audits) into play. Whilst Ramirez is not explicit this seems to compromise between the industrial (efficiency) and domestic (hierarchy, own control) polities. The implication for the current research is to be open to new forms of justification or, similar to Ramirez (2013), new structural arrangements enabling the agency of individuals that are not represented in the overall framework of Boltanski & Thévenot, 2006 [1991].

Patriotta, Gond & Schultz (2011) use a quantitative content analysis method to examine the use of orders of worth present in public communications and debate in the aftermath of a Swedish company’s “near miss” regarding a potential nuclear core meltdown at a power plant. The sample period for texts was the year following the event. As a quantitative method, NVivo was used on a large corpus of text (over 800 items – some of which would presumably, as press releases, be brief). Similar to Miranda *et al.* (2015) the coding was derived from Boltanski & Thévenot (2006 [1991]) for the most part, with additions (such as synonyms) derived from texts and subject to inter-testing review (all the "green" polity terms were from the project team as Thévenot *et al.* (1993) did not set out key terms in the same way as Boltanski & Thévenot (2006 [1991]). The means that each code was viewed as a synecdoche for the polity. The current research is concerned with the construction of the polity however and therefore is concerned with evidence of the attributes of the polity with respect to constructing a "social contract", which means that the current research uses the constitutive dimensions (such as decline of the polity) as the analytic or coding framework.

Patriotta, Gond & Schultz (2011) used mostly public, newspaper/online media sources as texts for analysis as they saw these as sites of controversy and justification. As coding was computer assisted (NVivo) a large cohort of text could be analysed (circa 800 texts covering a twelve-month period). The authors used "utterances" as the unit of analysis: an utterance is "a phrase bound by a clear ending and that expressed at least one clear idea" (p.1816). Such an approach allows for more than one utterance *per sentence* and multiple utterances per paragraph: a similar approach is taken in the current research. Perhaps unsurprisingly in the context of an industrial issue, the "Industrial" order of worth tended to be prevalent at the start of the discourse around the situation; this reduced over time with other justifications such as the Civic order of worth becoming noteworthy. The Inspirational order of worth was almost entirely absent. In contrast to *inter alia* Boltanski & Thévenot, 2006 [1991]), Patriotta *et al.* (2011) do not initially find compromise constructions of justifications as the analysis is at the singular level of order of worth rather than dimensions that construct the polities.

Jagd (2011) comprises a literature review of circa 30 studies utilising the orders of worth framework. Jagd considers that early work mostly emerged from the research programme directly associated with Boltanski & Thévenot, diffusing into the Anglosphere after the translation of "On Justification" (Boltanski & Thévenot, 2006 [1991]). Jagd (2011, p.355) concludes: "The orders of worth framework seems a very effective framework for categorizing empirical data presenting relevant categories of worth" – in this the framework is an "ontological schema".

It is not necessary nor practicable to analyse all thirty prior studies covered by Jagd (2011): the nature of some of the studies is quite different to the current research, and some studies are older and not notably influential. However, to cherry pick from the studies in Jagd (2011) would beg the question of how such a selection was made, and which studies were omitted. Appendix B comprises an analysis of the discussion in Jagd (2011) and therefore allows for a rationale for selection of studies for further analysis. Some studies were rejected immediately (e.g. not in English), some studies were briefly analysed for key characteristics of (e.g.) methods to give an indication of further suitability, subsequently a small number of studies are analysed more fully to understand the implications for the current research.

Jagd (2011) notes the relative lack of focus in the above studies on *processes* of justification and of compromise, which may reflect the relative ease of access to secondary data, which can be used to illustrate the *presence* and change over time of presence of orders of worth in public justifications. Public justifications reveal *some* aspects of organisational justifications however further detail *may* be uncovered from primary data from actors – the equivocation here relating to possible limitations through post hoc rationalisations and justifications from those actors as well as limits to openness and transparency due to boundaries of company confidentiality.

The studies in Appendix B show some situations wherein differing orders of worth are negotiated for example through sequencing in the study by Gagnon & Séguin (2010) as well as contrasting situations wherein a compromise was not reached, e.g. Mesny & Mailhot (2007). The presence of examples of compromise supports the discussion in Boltanksi and Thévenot (2006 [1991]): that compromise may be possible between orders of worth.

From the literature review performed by Jagd (2011) three studies in the Table 14 in Appendix B appear to have particular relevance for the current research and these are analysed below: Rousseliére & Vézina (2009), McInerney (2008), and Mesny & Mailhot (2007).

Rousseliére & Vézina (2009) is of interest methodologically in order to understand how “units of analysis” are constructed. The authors use the

"Alceste" software[27] to conduct their analysis. Alceste software categorises the corpus of texts, grouping related and oppositional terms to develop a count and visualisation of key themes. The authors emphasise the importance of *objects* in the construction of the polities. Hence, mission statements, regulations themselves, acts of Parliament may be objects from which actors draw justifications. Public texts themselves become objects that may be adduced in support or contention with orders of worth.

The approach of the current research also sees texts of speeches, annual reports, proclamations or campaign statements, as claims to legitimation which conflict – to varying degrees – between stakeholders depending on the polity used as justification. Rousselière & Vézina (2009) consider that the orders of worth framework has no predictive power in that meaning is constructed in *tests* of justification and these cannot be predicted, nor can responses to tests. Meaning then is only available *ex post* and as such, what people say about what they did, and why they did it, becomes meaningful data for analysis.

The Alceste software works with "chunks" of text within *pragmatic semantics*. This vague term is a result of processes at the word level of analysis (lemmatization to reduce variances on words to a base form, exclusion of rare words) and sentence level ('elementary context units' or "Unités de contexte élémentaire, UCE"). Hierarchical clustering of related themes follows. A result of such an approach is, per Rousseliére & Vézina (2009), the potential to link themes or concepts with actions. The authors suggest that the approach allows for discourse and hence meaning to develop even within short texts, and that as such this validates their approach against criticism that a reductionist, *atomistic* analysis for meaning within texts misrepresents meanings developed by readers. A pragmatic consideration re Alceste and similar approaches arises in that the understanding of the corpus of texts for the current research is informed by an understanding of business, economic, strategy formation and regulatory contexts in the banking sector – that is, the

[27] Software company, a French company, "Image" based in Toulouse at http://www.image-zafar.com/Logicieluk.html

analysis herein is informed by the field of study, rather than studying words or phrases in the abstract. Overall, the review of Rousseliére & Vézina (2009) suggests that whilst there are alternate, detailed semantic approaches and software that may be applied in the analysis of text, the current research is justified in utilising a manual approach given the reliance on field (banking) specific analysis of texts.

McInerney (2008) is located within an analysis of "fields" – particularly "an ethnographic history of the field of non-profit technology assistance providers (NTAPs)" (p.1090). A "field" is considered as a bounded set of activities within which power relations, power distribution, common practices and justifications define legitimacy. It is interesting to note the overlap between "markets" and "fields", considering the discussion in Davies (2017) of how markets are defined and regulated (markets are seldom "free" – for instance there are usually anti-trust or competition supporting agencies to avoid monopoly or oligarchy). In this vein, McInerney (2008) considers:

> "how institutional entrepreneurs spawned a new social movement by promoting accounts, narratives about the way the work in the field *ought to be done*, and anchoring them to moral ideologies, encapsulated in orders of worth. I argue that institutional entrepreneurs shape fields by attempting to conventionalize accounts, i.e. by convincing powerful actors in the field to *accept those accounts as taken-for-granted*" (p.1091, *emphasis added*)

The emphasis added to the above quote shows the link to the discussion in Davies (2017) of the effects of Schumpeter's view of economies, that capitalism's vitality relies on entrepreneurs who are disruptive toward rules and current practice such that they change the "rules of the game" allied to a longer term aim toward monopoly. McInerney (2009) analyses an extensive corpus of "text" comprising ethnographic field notes, interview transcripts and organisational communication documents. McInerney considers these "Texts do not merely represent, they reproduce social life" (p.1098), which means that, as forms of public justifications they are used to justify the continuation or change of corporate behaviours, with consequent effects on society. The analysis in McInerney (2009) clearly articulates competing orders of worth and demonstrates how these were associated with key actors and rhetorical categories though there is scant detail regarding the specific textual components that lead to such categorisations. That said the study is an interesting advance in the conventions/pragmatic sociology and orders of worth theories, demonstrating not only the presence of orders of worth but also key moments of conflict or, though not described as such in McInerney (2009), *testing* per Boltanksi and Thévenot (2006 [1991]): which resulted in a change to the dominant justification. This newly dominant justification then led to reorganisations and repurposing within the field. The study more generally lends support for an analysis of texts as demonstrating meaningful support for public justifications. Notably absent from the analysis of conflict situations was evidence of *compromise* constructions. The absence of compromise is in stark contrast to the construction of orders of worth by (Boltanski & Thévenot, 2006 [1991]).

Mesny & Mailhot (2007) use the orders of worth or "polity" model to analyse the "logics" of interests in a research collaboration between a university and a commercial firm. Logics here is synonymous with "justification" and may be "coexisting" (p.204). The authors use the same polities as above in their analysis, excepting the green polity that is not considered. The qualitative method employed relied solely on researchers interpretation of texts with respect to the polity or polities. To improve trustworthiness, external reviewers familiar with the research context, *though not the orders of worth framework*, reviewed the categorisation of texts to polities (the textual unit of analysis is not stated). Reviewers' lack of awareness of the orders of worth framework is a noteworthy limitation of the research. A further limitation is the symbolic representation or mapping created by the authors to represent usage of different polities by the observed actors (Figure 2, p.217). This purports to show the "vast extent" that the inspired polity was used by the academic community: however there is no quantification of "vast" and it is not clear how size differences in the graphic representation of polities should be interpreted, nor why some polities overlap, whilst others do not. The authors analyse the lack of sustained compromise in the academic/industry partnership and conclude a key factor was the lack of time for, or at least success in defining a common goal. Hence in terms of orders of worth and compromise there was less likelihood of success given the two options available to agents: to work around conflict without explicit compromise per se, or to agree a compromise justification with aligned tests, modes of evaluation, compromise qualified or legitimate objects. In the former case, working with objects and relations from two polities with only a general appeal to "the common good" (there was some evidence of this as discussed by Mesny & Mailhot, 2007), leads to a "fragile" compromise as it is vulnerable to reassertion of tests and legitimacy from a single polity (Boltanksi and Thévenot, [2006] 1991, p.278). That said, two particular types of compromise were apparent: compromise between inspired, market, and industrial polities, and compromise between civic and REPUTATIONAL polities.

In the first case the authors see the academic parties in the situation as rooted in "Mertonian"[28] views of science and discovery – relying on creativity, inspiration, innovation and being inherently non-linear so not susceptible to scheduling. That said the analysis considers the scientists open to issues of efficiency and commercial profitability. No compromise was found – the authors considered this failure related on the structural features of contracts for the academic/commercial joint venture.

In the second case, echoing Boltanksi and Thévenot ([2006] 1991) the analysis starkly illustrates the search for *objects* of compromise to instantiate the compromise between polities. In this case, the lacking objects, and qualified processes and persons relate to a coherent PR message from both parties regarding the nature and importance of the joint venture. Mere desire on the part of the actors was necessary but not sufficient to bring the qualified objects into being.

Noting that many studies of commensuration and compromise are based on successful tests, Huault & Rainelli-Weiss (2011) consider the case when the transparency of "manoeuvres" appeared manipulative, and attempts to find "common interest" failed. Using Boltanksi and Thévenot's (2006 [1991]) framework they note that one of the reasons for the failure was the *lack* of

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[28] See Sztompka (1986) biography of Merton and the latter's contribution to understanding "science as a social phenomenon, and scientific cognition as a social process" (p.3).

shared ambiguity from actors – necessary to allow time to develop new approaches to fulfil the common interest – "clarification is the enemy of compromise" (Huault & Rainelli-Weiss, 2011, p.1413). This finding is echoed by van Bommel (2014). The study by Huault & Rainelli-Weiss was qualitative with a range of primary (interview) and archival sources, the span of which covered nine years (fieldwork was conducted over two). Whilst the steps in attribution to orders of worth were not explicitly stated, the authors found evidence for market and industrial justifications. They also demonstrated moves to make private arrangements (small scale offers) that were less generalisable across markets. The failure to agree compromises on weather risk derivatives is seen as a sign of incommensurability hence a challenge to financial firms that contend any form of risk is quantifiable as financial risk.

Drawing on Stark (2011) – itself by influenced by, and somewhat contrasted to, Boltanski & Thévenot's (2006 [1991]) framework, Chenhall, Hall & Smith (2013) construct a narrowly defined matrix to analyse interviewee accounts of developments (hence challenges, tests) of developing performance measures within the Voluntary Overseas Organisation (VSO). The context specific framework comprises dimensions of Purpose of evaluation, Attributes of 'good' evaluation, Attributes of 'good' accounts, and "modes of evaluation", either Learning and Uniqueness, or Consistency and Competition' (p.274) (hence a 2 x 3 grid). Whilst there are some direct mappings to Boltanksi and Thévenot's (2006 [1991]) framework such as "uniqueness" to the inspired polity, verbs such as "learning" are not easy to place as within the orders of worth framework tests are largely outcome oriented. This means that "learning" could be harnessed to develop outcomes for *any and all* polities – for example in "learning… to improve profitability". Chenhall, Hall & Smith (2013) use a different framework to the current research and as such, the process and outcomes are not directly comparable, however the authors demonstrate the success of an iterative, immersed approach to data analysis.

Both Stark (2011) and Chenhall *et al.* (2013) consider extended *dissonance* (similar to friction) as generative and contrast this with the tendency toward closure found in the compromises within the orders of worth framework. There are two criticisms of this approach that are worth considering, however. Firstly, that dissonance, if it is to be sustained and not collapse into conflict must allow for some shared conception of the common good and a tacit agreement to keep dissonant elements "in play". This, *contra* Stark (2011) is similar to the fragile compromise constructions of Boltanski & Thévenot (2006 [1991]). Secondly, by operating at a more abstract level of analysis such as "learning" the approach lacks the analytic categories, such as objects used in comprises and used signal coherent orders of worth. This means that the analysis especially in Stark (2011) is less categorical than the orders of worth framework and in its insistence on *contingency* limits capacity for critique.

The articulation of irreducible dimensions of morality is a departure from dominant sociological paradigms of rational choice theory and critical theory (Dromi & Illouz, 2010) – though only the former enjoys significant policy influence (Davies, 2017). Dromi & Illouz (2010) support the turn in sociology and literature studies toward "moral dimensions of texts, what texts say about what we owe to each other" (p.352) whilst being concerned with simplistic approaches to power/oppression. The authors (p.353) describe the justifications framework of (*inter alia*) Boltanski & Thévenot as leading to moral justifications that are "multivocal and conflictual" which corresponds with the current research perspective on multiple, contingent views of "social contracts". The current research has a critical stance. An epistemic assumption of the current research is that communications from firms or civic institutions are meaningful with respect to *intentions* (Milne & Adler, 1999. This approach avoids the limitations of a "hermeneutics [or epistemology] of suspicion" (Dromi & Illouz, 2010, p.353, edited for clarity) which "cannot take seriously the explicit moral claims of texts". This is not an argument for naivety – "Not all statements are transparent; deceit is always a possibility, as are hidden interests and motivations" (p.367). The authors correctly note that although Boltanski & Thévenot "do not make explicit methodological formulations, we can generalize their methodology to suggest that texts can serve as platforms which formulate cités [polities] and moral critiques" (p.357, [edited for clarity]). As seen below, this latter statement supports the use of texts as public justifications amenable to analysis. The (generally) descriptive nature of the orders of worth framework is exemplified in the "symmetry" of analysis, that is, no polity is seen as *a priori* possessing greater normative or injunctive force – this is in sharp contrast to conceptions of power in, say, Critical Theory.

Having said that the orders of worth framework enables the articulation of irreducible dimensions of morality above, it is noteworthy that Henson & Wasserman (2011) in applying the framework to religious texts avoid engagement with substantive moral and ethical engagements on their own terms. Instead, the authors look for the "logics" or the polity present underneath seemingly disparate paradigms regarding the common good: they find an underlying logic or polity of the market. The specifics of the market (the goods and services) are by definition contested through competitive and destructive/generative entrepreneurial acts *qua* Schumpeter. This echoes a wider contestation of the "common good" per Laclau (1996) around an always-empty *ground* of the common good, which resists universalism in the face of anti-foundationalist (post-modern) critique. Permanent contestation resists reification and as such goes some way to explain the open or at least indefinite approach found in the discussion of the results below.

For van Bommel (2014), an initial evaluation of integrated reporting in a Dutch context had revealed a complex and conflicting set of demands for legitimacy which was not amendable to analysis through "established theoretical lenses" (p.1167). The author found in "sociology of worth" (SOW) or orders of worth from Boltanski & Thévenot (2006 [1991) a suitable analytical framework. Similar to other authors above van Bommel (2014) employs a "qualitative content analysis", which in this case is described as being an inductive and interpretative approach in contrast to the more mechanical, counting based approach above of Patriotta *et al.* (2011). The analysis is qualitative as the attribution of terms (from interviews or texts in this case) to a specific order of worth rely on the judgement of the researcher.

Nyberg & Wright (2012) attempt to explore discursive justifications for business activity beyond a dichotomy wherein reports are either fully authentic or entirely "greenwash". Through interviews with CSR participants from firms, the authors considered the various "common goods" - anathema to Bouillon (2013) - such as profit, welfare, inspiration, and the environment; and problematic strategies of "equivalence and difference" (Nyberg & Wright, 2012, p. 5) used to justify corporate activity. These strategies are problematic in the sense that by aiming for equivalence this may appear imperialistic from one domain to another (economic rationale versus duty arguments, for instance). The authors found a complex set of interactions of justifications: an example of "combining justifications in practice" (p. 16) showed how a bank loan for a "green" project in turn also satisfied market imperatives, since 30% of such loans went to new clients (p.17).

Nyberg & Wright (2012) consider their discourse analysis of interviews in the light of the "orders of worth". Whilst finding examples of discourse supporting the polity listed above, Nyberg & Wright found evidence of attempts to reconcile disparate orders of worth. The authors categorised the moves to reconcile polities (they use the term, "worlds") as Combining, Collapsing, Coupling, Connecting (p.1830). The moves can be summarised as: Combining – two justifications in a single practice evaluated under more than one order of worth simultaneously; Collapsing – two justifications evaluated under one order of worth; Coupling – two justifications in two practices evaluated under two orders of worth simultaneously; Connecting – two or more justifications connected but evaluated asynchronously. "Collapsing" here is analogous to compromise in Boltanski & Thévenot (2006 [1991]). Whilst it is arguable that the use of two orders of worth simultaneously (coupling) is explicitly disallowed in Boltanski & Thévenot (2006 [1991]) the argument in Nyberg & Wright (2012) uses empirical evidence to develop the theory of public justifications further: the extended range of "compromise" constructions is reconsidered further in the light of empirical evidence in the current research.

A benefit of the orders of worth framework when analysing constructs such as the social contract is the explicit inclusion of moral dimensions that therefore necessarily constrains and makes explicit the qualified objects, subjects and particularly the judgements within orders of worth (Reinecke, van Bommel & Spicer, 2017). Moral judgements are implicit in the common good, and common humanity – in contrast, a value neutral institutional logics approach could legitimate descriptions of, say, slavery. Another alternative approach with similarities to the orders of worth framework is the ascription of moral character to (qualified) objects as in Actor Network Theory (ANT) (Annisette & Richardson, 2011), however this perspective is not considered further in the current research as the orders of worth framework is a good "fit" with a social *contract* as discussed below.

As a body of research, the varied subjects of analysis and results above support the methodological appropriateness of textual analysis when considering public justifications through the presence, absence, conflicts and compromises of and between orders of worth. There is scant detail in the above research projects regarding the mapping of specific textual elements to specific polity. Where more detailed methods are presented these are sometimes too fine grained (lexical) for the current research (Rousselière & Vézina, 2009) or at a higher level of abstraction (Patriotta, Gond & Schultz, 2011). Software enabled analysis is somewhat limited in that terms are analysed in the abstract. In contrast the manual approach in the current research utilises domain specific knowledge to make connections between elements of text to better understand the characteristics of polities, and the nature of compromise between polities, within the text.

The expressions of justifications considered above feature the co-existence of multiple concurrent justifications endangered by fragility of compromise, and the importance of shared conceptions of the common good: all the above research lends support to the framework in Boltanksi and Thévenot (2006 [1991]), however it is noted the critique of attribution *per se* in Ramirez (2013).

3.4.1 Compromise in prior research

Orders of Worth describe ways of valuing people, objects and outcomes in particular ways – the polities as described above. Polities are brought to bear as a grammar of justification in *test* situations. Such situations may result in disagreement and a breakdown in the situation, meaning that actors no longer work toward a truly "common good". Alternatively, tests may be resolved by recourse to compromise constructions. Boisvert & Vivien's (2012) discussion of Godard (2005) is suggestive of the need for a common ground for true compromise rather than fragile acceptance of alternate tests or objects pertaining to conflicting orders of worth, echoing Boltanski & Thévenot ([2006] 1991, p.278). The following section considers how compromise has been analysed in prior research.

Kietäväinen & Tuulentie (2013) find examples of domestic and market, and also civic, market, and green compromise. Whilst all industry sectors have consequences beyond their own boundaries – "externalities" – the tourism industry by definition is reliant on the attractiveness of the ecology within which it operates[29]. The direct, explicit reliance on ecologies means there is more salience to the green polity and hence more likelihood of compromise between the green polity and others such as the market profit motive.

Further in considering compromise Ramirez (2013) considers that a compromise polity cannot emerge from within the situation as a common good/organising principle is required and as such "institutional work is necessary to avoid recurrence of such situations" which also requires "material changes that allow for equitable distribution of worth" (p.850). Ramirez discusses limited examples of compromise in their analysis. Following from above the move to compromise between the audit profession and small firms was to bring new evaluative objects (assessments of audits) into play. Whilst Ramirez is not explicit this seems to compromise between the industrial (efficiency) and domestic (hierarchy, own control) polities.

Thévenot *et al.* (2000) provide examples where compromise was represented by qualified objects: restricted number of lanes on a proposed road to mediate between market (tourism, commerce) concerns and domestic (village life) concerns. Similarly adaptation of the infrastructure (industrial) to the needs of wildlife (bears and nesting birds in this case) – a green justification. The authors trace the industrial and civic compromise to France's historical acceptance of governmental industrial strategy.

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[29] Or not, in the exceptional circumstances of "dark tourism", see *inter alia* Hartmann (2014)

Business reports such as the texts analysed in the current research as sites of tension and hence potential compromise. Given that, it is worth quoting Rousselière & Vézina (2009, p.246) at length:

> "We can clearly see that policy and business reports are objects of *compromise*, which, in turn, are footholds for actions by the cooperative's various stakeholders. They ground arguments in the event of *disagreement*. They also have another function. Each year, they ground the explanation of why the cooperative acted in a particular way and why it is legitimate to continue doing so. This claim is intended not only for members but also for the collectivity when the activity reports are made public. In this approach, cooperative identity is not monolithic. Rather, it is complex since it is the expression of a plurality of values the coexistence of which is not obvious but must be *constructed*. The expression of this *compromise* can be understood in a given context, and there is thus no a priori reason why it should be identical for all cooperative organizations" (*emphasis added*)

The quote above also illustrates that the situation of a test contains idiosyncratic objects, persons, investment criteria, meaning that there is limited "generalisability" of content of justifications, however widespread applicability of the grammar of justifications, of the orders of worth framework. A notable difference between Ramirez (2013) and the current research is the former's reliance on software. The lexical construction of compromise in particular is an illustration of how the methodological approach can restrict or expand the potential set of results. A large corpus analysis may be more amenable to software than manual analysis however the nature of the results will be different. The value in the concept of a social contract is the possibility of understanding the grammar, the expected elements of a social contract as public justification rather than simply affirmation of *a priori* deontological commitments. A shared grammar of justification allows for understanding and analysis of the elements of antagonism and moves beyond rhetorical desire for compromise to ask the question, what are the objects in the compromise world? What instantiates compromise? For the FCA and PRA one object that instantiates civic compromise with market considerations is the language of the Financial Markets Act (2000) wherein the “investment criteria” concerns functioning markets. To avoid all harm from (say) capital markets by closing such markets would be to frustrate firm’s (customers) desires to bring forward consumption ahead of saving.

3.5 Critique

The sections above have considered how the orders of worth framework has been operationalised in prior research. Before considering how the framework will be used in the current research it is worthwhile considering some of the critique aimed at the theory of orders of worth developed by Boltanski, Thévenot, and Chiapello.

Parker’s (2013) critique is less concerned with the contents of the polities described and is more concerned with the totalising effects of the sociology of critique (see also Boltanski, 2011). Parker considers that Boltanski & Thévenot (2006 [1991]), and Boltanksi & Chiapello (2007) are rooted in French experience and take insufficient account of, say, critical management theory, critical accounting amongst others which means that their approach is one among many. The key criticism from Parker is that in attempting to construct a unified theory for sociology there are two consequences. One is that any prior or current resistance to current issues in society are enfolded into the orders of worth framework, the other is that the largely descriptive framework lacks a normative, appealing vision of future possibilities.

There are aspects of the orders of worth framework that Parker does not consider. Firstly, violent acts (defined as a lack of commitment to a common good) are explicitly excluded from the framework. In this case then Parker is correct to say that Boltanski & Thévenot (2006 [1991]), and Boltanksi and Chiapello (2007) are reformist rather than revolutionary – however they are not, per Parker’s reading, excluding the possibility of forms of revolution, rather their framework is bounded and cannot be used to analyse all forms of social relation. Secondly whilst Parker claims that all relations are enfolded under the scope of the orders of worth framework, one of the most important of contemporary capitalist relations is considered and then explicitly excluded from the framework by Boltanksi and Chiapello (2007), namely that of shareholders (discussed further below).

A further weakness of Parker's analysis of Boltanski & Thévenot (2006 [1991]), and Boltanksi and Chiapello (2007) is the reading of orders of worth as "ideal types". The dimensions of orders of worth are empty of content, whereas an ideal type would say more about what (crudely) "fills the boxes" of Table 1. For Parker, using ideal types with inductive analyses means "No inductive generalizations will allow you to claim, from a desk in Paris, that you understand the logics of justification that pertain in a village in Bali" (Parker, 2013, p.136). However the orders of worth framework is not intended to achieve a content filled description in the abstract as the *grammar* leads to a structuring of questions about the justifications in the "village in Bali": what are the qualified objects, what are the qualified subjects, what are the modes of evaluation, and so on. The orders of worth framework is not a predictive tool nor claimed to be so and is not tied to a notion of socio-economic development whereby expectations of justifications can be derived from economic or other indicators. The claim for orders of worth is that for a particular form of justification there is coherence between the elements of the justification. The further claim is that tests occur between orders of worth and compromises or conflicts ensue. Overall, whilst Parker (2013) is concerned that orders of worth over-reach in terms of scope, Boltanski & Thévenot and subsequent authors do not make such a claim to universality.

Callinicos (2006, p.54) claims that Boltanski & Thévenot (2006 [1991]) do not overcome the problem that 'there are no context-transcendent principles of justice common to different ways of life' (cf Rawls and the external position behind a "veil of ignorance"). The issue is if a normative basis is present for all socially constructed conceptions of the common good or indeed moral philosophies (see also MacIntyre, 2007 for an exposition of advantages of virtue ethics in this regard). In a largely positive rather than normative framework, there is no claim the OOW framework is intended to provide an etic moral perspective even if one could exist.

A final critique of conceptions of justice is that they are incomplete if the viability and potential difficulties in implementation are not considered: "Liberal theories of justice similarly elaborate the principles that should be embodied in the institutions of a just society without systematically exploring whether sustainable, robust structures could actually be designed to carry out those principles in the pure form in which they are expressed" (Wright, 2006, pp.96:97). The orders of worth framework attempts a generalisation of the conventions, the grammar, of agreement (of social contracts) that are used to solve agreements in the presence of a *test* of justice. As such, the orders of worth framework are only a part of an emancipatory project. The orders of worth framework is largely descriptive as opposed to morally normative (though normativity is present with respect to investors, particularly in Boltanski & Chiapello, p.129, pp.365-366). The critique of Wright has some applicability only if the orders of worth are taken as an end, rather than an analytic tool, the output from which deepens understanding about the conventions in play in a particular situation.

For Honneth (2010, p.376) Boltanski & Thévenot (2006 [1991]) represents "the most interesting attempt of the more recent past to give sociology a basis in moral philosophy" – in contrast to biological or economic models of society. For Honneth (2010, p.379) a concern re the constructions of orders of worth is the valorisation of the "desert principle" as the "determining norm in the justification of social orders". However, an alternate reading of "On Justification" is that the determining norm is that orders of worth are subject to tests, that the criteria for these tests are specific to each polity, and that these criteria may conflict, leading to disagreement and the possibility of compromise through appeal to higher values around common humanity. The most salient difference between each polity may well be the superior principle, and the investment formulae. Different concepts of the superior principle are tested in public justifications. On this reading then the position of the greater/lesser person is an *outcome* of tests rather than prior to tests and cannot therefore be *the* determining principle. Such an argument is also found in Boltanski & Thévenot (2006, p.222) when discussing Rawls' (1974) moves away from the "desert principle". Additionally Honneth (2010) appears to focus solely on Boltanski & Thévenot (2006 [1991]) and hence ignores the Green polity which is *not* determined by principles of desert, which further refutes the criticism.

Honneth (2010) is correct to say there is limited attention in Boltanski & Thévenot (2006 [1991]) to how canonical works from, for example St Augustine or Rousseau influence modern conceptions of justice, or the historical receptions and conditions of the analysed texts. A different set of base texts would produce somewhat different polities however as the polities are anchored in real lifeworlds and to real, qualified objects the range of alternative polities is limited. Indeed by anchoring polities to qualified objects the orders of worth framework fulfils MacIntyre's (2007, p.23) injunction that moral [or political] philosophies, to be taken seriously, must be grounded in its "social embodiment". Similarly the OOW framework supports Tyler's (2016, p.10) view that "justice, rights and all other such concepts [cannot] be understood in abstraction from particular worlds of meanings, values, practices and guiding ideals" [edited for clarity]. Had Boltanski & Thévenot, and Chiapello analysed alternate sources such as Kant with a focus on universalism, such analysis would alter the Civic investment criteria but would be unlikely to add or remove the polities as described.

The challenges Honneth (2010) presents are of under-theorisation (lack of structural influences and constraints), and of over-theorisation (by extending to consider "qualified" objects, ontology is reduced to moral justifications). By considering orders of worth as tendencies and dominant tests of circumstance, entangled, in interplay and potential conflict, the latter critique is somewhat ameliorated as polities combine ontologically to comprise the (possibilities of) all the objects in the world. Objects are valorised from a number of value perspectives (hence depending on an epistemological level playing field, a dependence that may be hard to justify, per Dotson, 2011). The omission of structures is of note however. A defence could be that structural influence is implicit in tests: a commercial firm will be subject to market, and industrial tests; a community project to predominantly civic tests. The argument depends on views of structure versus individual agency, a long-standing debate in the social sciences (Coburn, 2016). Boltanski & Thévenot (2006 [1991]) demonstrate awareness of structures and structural theories (pp.158 & 178 respectively) however choose not to engage substantially with this literature, which Honneth (2010, p.385) decries as inadequate given the "great confusion as to the question of whether such orders refer merely to mental conceptions and convictions or do, in fact, denote actual structural constructs". Here Honneth is not allowing for the contingent nature of orders of worth expressed in tests, as Honneth had earlier stated, objects can be ascribed different meanings in different polities. Further, by definition, though it is clearer in Table 1, the dimensions of orders of worth are both metaphysical and real: the orders of worth are not constructed as one or the other. When Honneth criticises the orders of worth framework for not considering the reification of justifications in institutional contexts the criticism lacks force given that any institutional test can be described in orders of worth terms, the institutional aspect will affect the depth of attachment and willingness or otherwise to compromise. The criticism from Honneth (2010, p. 388) of the "dissolution of the moral structures of the social" has worth from one perspective and less so from another. The lack of institutional perspectives is not overly problematic empirically: two people can hold the different perspectives on the value (and values) of an organisation for which they both work. Where this particular critique does possess force is in the contingent or at least unspecified nature of the common good that may allow a tautological justification that the market polity is itself justified in market terms. The tautology does appear to be present in Boltanski & Thévenot (2006 [1991], p.44) wherein market actors are, in and of themselves, defined as part of the common good.

Honneth ends with a forceful critique that Boltanski & Thévenot (2006 [1991]) have "immoderately gone past the mark" (Honneth, 2010, p.388) by ignoring the "normative pre-structuration of the societies under examination" however with a largely descriptive frame, such structures can be described when tests of legitimation or justification arise. Honneth is considering Boltanski & Thévenot (2006 [1991]) as building more of a whole sociology, rather than a sociology of political agreement and justification, *contrary* to that claimed. Honneth (2010) would benefit from considering the implications of a nonanthroprocentric polity (Green), and the explicit exclusion of violence and exploitation from orders of worth *qua* a framework of justice. More broad considerations of social life and specifically of critique are found *subsequent* to Honneth (2010), in for example Boltanski (2012).

In challenging and extending the conception of a singular Green polity, Blok (2013) contends that a better conception of ecological orders of worth is that the plurality seen above in the range of polity also extends to the green polity: "In short, there is not one, but several, common ecological worlds" (Blok, 2013, p.494). The implication for the current research is to be alert to the potential for multiple constructions of green or ecological justifications. Further Blok (2013, p.496) alerts the researcher to the possibility or indeed probability that ecological or green orders of worth are "entangled" with other orders of worth – such as the domestic polity valorisation of "tradition" or "heritage". Subsequently Blok expands further on entanglement wherein the green polity, or value, appears as "a 'natural resource' to be rationally exploited (industrial); as a 'collective good' of equal citizens (civic); […] as experiences of 'sublime grace' (inspired); and as communicative signs of 'trendy popularity' (fame)" (p.506). The implication for the current research is to be alert to multiple synchronous constructions of the Green polity and the possibility of developing another polity.

Alternative approaches with some similarities and differences to the above scheme include an *institutional logics* approach. For instance Soin & Huber (2013, p.262) evaluate regulatory change in the UK since the mid-1980s under logics of "profession-based, state-based, market-based, as well as market-based and risk-based logics". These logics could been seen to have some analogues as Domestic (qualification based on hierarchy and licensing), Civic, Market, and a combination of Market and Inspired Polity (if in the latter there is recognition of the limits to quantification of risk, see *inter alia* Taleb, 2012). Institutional logics echo some of the structures of "orders of worth" however are locally situated whereas orders of worth are intended as a general framework for test situations (within which there is a commitment to some form of "common good").

A notable omission from Boltanski & Thévenot (2006, [1991]) is the role of shareholders or investors with respect to the orders of worth framework. Shareholders influence firms' purpose and strategies by supporting or opposing management direction at Annual General Meetings, and proposing executive appointees whose aims are aligned to those of shareholders.

Boltanski & Chiapello (2007), in the context of the networked or projective polity do consider the role of shareholders/investors. For the authors the projective world relies on personal contacts and relations and hence relatively private information (p.130): “Information is not available to everyone simultaneously in its entirety, as in the ideal of pure and perfect information allowing all the participants in a market an equal footing”. As such the projective polity, reliant on the networked diffusion of information, contacts and reputation, stands opposed to the idealised markets of the “efficient markets hypothesis” and hence excludes many models of investor behaviour (*inter alia* Malkiel, 2003)[30]. For Boltanski & Chiapello (2007) market interactions are synchronous, exchange is immediate: hence ruling out long term investors from the market polity. Such an approach is also unduly limited when considering the full range of goods and services that can be traded freely: within financial services such as banking, savings (such as pensions) the outcome of purchase or use of a product is uncertain at the initial transaction. Further, technical skills and experience may be required to ascertain if a product had actually delivered as intended. For these reasons banking and other financial services are termed “credence services” (Hoepner & Wilson, 2012). The argument in Boltanski & Chiapello (2007) excludes a range of extant services. The implication of the gap between theory and practice is to problematize theoretical boundaries (Alvesson & Kärreman, 2007) and as such, the relationship between theory of orders of worth and shareholders, and the construction of the “time” dimension in the market polity is returned to in the discussion section below.

3.6 Summary

For Eulriet (2008, p.137) the concepts of pragmatic sociology set out in “On Justification” are “a significant contribution to specific discussions in social and political theory around the ‘dynamics of ideas’, ‘political rhetorics’ and ‘public arguments’. More precisely, it is suggested that the model elaborated by the two French theorists is best understood and put to use as a specific tool for

[30] There are many critiques of the EMH not least from the field of behavioural finance however a consideration of such literature is out of scope for the current research

the "study of public rhetorics and their effects on social actors' positions and identities in the polity" (p.137)[31]. The importance of this stream of literature is emphasised by Rendtorff (2014): "essential as a theoretical framework for business ethics and philosophy of management" (p.252).

This chapter has introduced a framework, "orders of worth", with which public justifications may be analysed. Public justifications are seen to be a way of expressing a "social contract" as each particular order of worth or justificatory regime is constructed of "a set of material, cognitive and symbolic elements" (van Bommel, 2014, p.1162). Importantly the material elements include the qualified actors that are parties to the "contract" implied by the orders of worth.

The chapter evaluated a number of prior research projects utilising orders of worth. The current research will employ a human researcher (as opposed to software oriented) approach; further, such an approach is appropriate given the current research is situated in a specific business sector, knowledge of which will be used to inform the attribution of textual elements of public justifications to the constructs of orders of worth. Further, from the prior studies a framework is expressed in tabular form, which will be used as the guide to analysis of texts as below (Table 1).

Having considered the characteristics of, and previous in, public justifications and the orders of worth framework, the following chapter considers the methodological approach to using the orders of worth framework to analysis constructions of the social contract for the UK banking sector.

[31] Eulriet was writing as member of GSPM: "Groupe de Sociologie Politique et Morale" founded by Boltanksi and Thévenot hence is writing as an insider to the pragmatic sociology research programme rather than a distant observer/reviewer

4 Research Methodology

4.1 Introduction

This chapter analyses the research methodology, and is structured per Denzin & Lincoln (2011, p.12, Table 1.1), namely: the personal biography of the researcher, theoretical paradigms and perspectives, the research strategy, data collection and methods of analysis, interpretation and evaluation. Additionally, this chapter considers research quality and research ethics.

4.1.1 Contribution

This chapter extends the public justifications research literature by setting out a more detailed approach to analysing texts than observed in prior researches using the orders of worth framework, and extends the method to the banking sector for the first time. The research study is a partial response to the call by Tregidga *et al.* (2012) in a similar field of enquiry:

> "[Social Environmental Reporting] research could benefit from utilizing the insights from interpretive and qualitative methodologies. These methodologies provide theoretical structures to further analyze [sic] the quality, meaning and accountability implicit in organizational reporting and communication. We argue for a move away from the 'safety' of quantitative based content analysis toward the more unfamiliar territory of interpretive and qualitative methodologies" (p. 2012).

As discussed above, qualitative, interpretive research is under represented in journals such as the Journal of Banking & Finance, which means that the current study contributes to methodological diversity.

In the narrow context of the current research, the following chapter justifies the research approach in the light of prior research and the aims of the current study and addresses justifications of the quality of the research.

4.2 Motivation for the Research or "The Social Wrong"

The banking sector can, and has, externalised losses (Wolf, 2009) – a "social wrong" (Fairclough, 2010, p.226) as the sector and many individual institutions are "too big to fail" (Tett, 2012). Banks have been found to ignore or fail to comply fully with regulations regarding interest rate setting and foreign exchange rates amongst others – approaches and activities imposing public costs for private gain. Further, regulatory bodies, as an agent of government, have narrowly defined the social contract for banks as complying with prudential regulation (Tucker, 2009) in return for the legitimation of rent extracting activities: such a scope fails to address the full range of "social wrongs" above. Additionally, there are concerns that banks are "too big to jail" – then Chancellor of the Exchequer George Osbourne used economic arguments to influence (reduce) regulatory enforcement action regarding HSBC and money laundering in Mexico (Neate, 2016).

4.3 The Personal Biography of the researcher

Denzin & Lincoln (2011, p.11) consider that researchers speak from "a particular class, gendered, racial, cultural and ethnic community perspective" and that this "leads the researcher to adopt a particular view of the 'other' who is studied". Similarly, Reiter (2017, p.132) convincingly states: "Who we are, our interests, backgrounds, training, and culture all influence what questions we ask, how we ask them, and even what we accept as confirming evidence".

It is however difficult to simply state the "particular view" as the above ignores the amount of change in a lifetime: the researcher was born to a nurse and electrician, who both retired from management roles – their life histories encompassed a transition from "working class" to "[some micro distinction of] middle class". The researcher has only worked in "professional" and managerial roles. The researcher has worked mostly in the Financial Services sector in the UK: critical concepts such as a *rentier* sector (Epstein, 2002, Dünhaupt, 2012) are relatively novel to the researcher which means the researcher needs to move from an *emic* (insider) to an *etic* (outsider) perspective to gain "critical distance" Boltanski (2011). The researcher acknowledges *a priori* acceptance of the worth (to some degree) of the financial system within a state enabled or state protected market economy (Davies, 2017) such as the UK. The implications of the researcher's biography are that the current research is concerned with *critique* and *development* in contrast to the radical transformation associated with, for example, Critical Theory (*inter alia* Landmann, 2011).

4.4 Research Paradigms and Conceptual Model

Philosophy (herein synonymous with "paradigm") is "a form of understanding" in the "broadest sense" of "how things hang together", and the subject-matter of philosophy, however broad, can be defined through "its range of questions, problems and theories embodied in the texts of the tradition" (Crane, 2015, following Sellars, 1963). Following this line of thought, this section explains how the current research paradigm "hangs together". The choice of theory has been developed above in considering the usefulness and appropriateness of extant theory with respect to the "research object". The following section positions the chosen research paradigm and then the conceptual model for the research is considered.

4.4.1 Research Paradigm

Issues of knowledge and reality underpin all approaches to research; there is no single "correct" approach applicable in all circumstances. A daunting range of perspectives and paradigmatic approaches has developed over time to create a "challenging philosophical terrain" when attempting to justify one approach compared with many potential alternatives (Pernecky, 2016, p.3). Addressing such issues is important: for Herrera & Braumoeller (2004, p.16) understanding the relationship between ontology, epistemology and methodology is to ask, "what are the connections among the nature of reality, the ways in which we come to know it, and the tools we use to do so?". Research context, motivations, and research questions drive the choice of research methods (*inter alia* Sobh & Perry, 2006, Denzin & Lincoln, 2011, Pernecky, 2016).

Ontologically the current research accepts banking as a "real" activity despite contrary views re. "fictitious capital" (Hudson, 2010). Banks and economic activity exist and have done so over time. Banking's effects are tangible, the tap of a card can be accepted as payment and we use mobile apps for banking. Indeed, the economic effects of banking as discussed above are profound, albeit often misunderstood. A realist ontological perspective, or more formally "the terms [...] accept[ed] as ultimate in the order of explanation" (Taylor, 2003, p.195, [edited for clarity]) is compatible with orders of worth, all of which are, in part, characterised by "real" qualified objects.

How banks present themselves to stakeholders is variable and the reception of that presentation is partial and subjective (indeed, "intersubjective" per Herrera & Braumoeller, 2004). In one sense then, similar to Hajer & Versteeg's (2005) analysis of environmental discourses, the technical aspects of what and how banks operate are of secondary importance to how stakeholders such as regulators, government, and NGO's make sense of the purposes, communications and effects of banking.

A realist ontological perspective combined with a subjective epistemological perspective is appropriate when considering the types of institutions in the current research. Such an approach is consistent with Searle's (2010) concept of "institutional reality". That is, speech acts ("status function declarations" in this case – or public justifications specifically in the current research) are used to create the "reality" that whilst banks may be "real" objects, *banking* is ontologically *and* epistemologically subjective and would not exist without the continued declarative acts that confirm its institutional reality.

The following table (Table 2, below) illustrates the paradigm for the current research, using a descriptive framework derived from Guba & Lincoln (2005, pp.103-115). Note: the "positivist" and "participatory" paradigms have been excluded, as neither are at all suitable for the current research. Positivist approaches are excluded by the subjective epistemology (see also Davies, 2017, p.17, who considers positivist approaches at least to some extent as "parasitical" on interpretive conceptions of value), and the participatory approach is not appropriate for the use of secondary data described below.

Bryman (2007) considers the commonality of interpretivism and related approaches to be antipathetic to a positivist approach to social studies. Whilst noting the influence of symbolic interactionism, and the hermeneutic-phenomenological tradition on interpretivism, Bryman considers "particular epistemological principles and research practices do not necessarily go hand in hand in a neat unambiguous manner" (p.16). For Bryman (2007) interpretivism is concerned with construction of meaning by research participants who may be subject to a triple interpretation: the participants own, the researchers analysis, and the researchers further positioning of the findings with respect to prior knowledge or research. Bryman (2007) sets out two ontological positions: objectivism (external reality of social phenomenon), and constructionism ("social phenomena and categories are not only produced through social interaction but are in a constant state of revision", p.18).

Guba & Lincoln (2008) set out four paradigms in research: positivism (attempting to *prove*), post positivism (attempting to *falsify*), critical theory and related ideologies, and constructivism. As above, given the current research is concerned with interpretation of texts that are themselves socially constructed, a naïve realism in a positivist sense would be in appropriate and is not considered further. Whilst acknowledging Pernecky's (2016) concern that increasing methodological plurality means that tightly defined categories are less useful than thinking "in terms of flows and continua as opposed to rigid frameworks" the longstanding mapping from Guba & Lincoln (2008) is useful to assess the current study's ontological and epistemological positions.

The colour scheme in the Table below represents the degree of affinity in the current research with the associated paradigm. Deeper green is more affinity, amber less so, ochre/red less affinity still.

Issues	Approach (derived from Guba & Lincoln, 2005 pp103-115[32])			Commentary
	Post-positivism	Critical Theory	Constructivism or Interpretist	
Issues of Knowledge				
Ontology	A single reality exists, however is obscured by the nature of nature itself (knowledge is necessarily incomplete)	Society is set within power struggles between classes, genders (and such struggles are historically influenced, or in Marxism, *historically determined*)	Reality constructed intersubjectively; multiple realities exist.	The researcher considers there is a single underlying reality: however, that individuals *experience* that reality differently through differences interpretation (bias, prior knowledge, belief, values, identity).
Epistemology	Measurement (statistics) can illuminate and reduce ambiguity, allowing more decision making under uncertainty. Validity of research from peers.	Research on social structures can be used to emancipate, to empower and reduce oppression	Findings are "co-created" with participants and shaped by the biography of researchers	The current research is an initial enquiry into the construction of the social contract in the banking sector hence this work is a theoretically based qualitative research design (Trotter II, 2012, p.399
Methodology	Hypothetical-deductive approach. Statistical analysis to	Dialogic, participatory research which "empowers the oppressed"	Interpretation of texts; qualitative; meanings are "emergent"; Hermeneutics ("recognition and	This phase of work is designed to adumbrate the construction of the social contract – hence the

[32] Omitted: rows for Voice, Training, Axiology, Inquirer posture, Accommodation, Hegemony, Action, and Control as these are less significant and in some cases cover similar ground to the included elements

Issues	Approach (derived from Guba & Lincoln, 2005 pp103-115[32])			Commentary
	Post-positivism	Critical Theory	Constructivism or Interpretist	
	interpret and illustrate.		explanation of metaphors")	interpretivist approach.
Practical Issues				
Aim	Get "as close to the answer as possible"	"Stimulate" oppressed populations to change social structures	Investigate "meaning"	The initial aim of the current research is to explore the construction of an abstract concept – the social contract. Per Boltanski (2011) – see Fig.7 in Appendix D - the current research investigates the procedural normativity (tests) of a situation
Knowledge Accumulation	Statistics and other methods to gain a better approximation to and improved analysis of reality	Revise views of history (written by the 'victors') to reduce oppression/raise empowerment	More informed "reconstructions"; focus a "sensitivity to language"	Conceptions of the social contract are expressed in texts – these are analysed with respect to conceptions of "orders of worth"
Quality	Statistical validity in the quantitative aspects, process rigour in the	Value of research is in "erosion of unearned privileges" and empowerment to action	"Credibility, transferability, dependability, and confirmability" (Guba & Lincoln, 2005)	The current research is transparent with regard to process. With respect to transferability this may be constrained

Issues	Approach (derived from Guba & Lincoln, 2005 pp103-115[32])			Commentary
	Post-positivism	Critical Theory	Constructivism or Interpretist	
	qualitative aspects			by the specific banking sector context
Values	Data/results may be valuable despite incompleteness	Results include reasoned reflection, change in practice, collective autonomy; focus on social justice	Personally relative and formative: "inseparable" from the project.	There is still some degree of "researcher distance" from the subject.
Approach to Ethics	Drive toward accuracy rather than influence – "Extrinsic –tilt toward deception"	Drive toward social justice: "Intrinsic – moral tilt toward revelation"	"Intrinsic – process tilt toward revelation". Values affect all aspects of work	In this exploratory research, the use of secondary data enables distance from the subject. Transparency of processes and attributions are important
Inquirer Posture	Removed from the process: concerned about results	Activist and "transformative intellectual"	Co-constructor of knowledge	The initial exploratory stage inevitably precludes "co-creation" however the picture would shift toward a more fully constructivist paradigm with subsequent engagement with relevant agents.

Table 2 Assessment of Paradigms. Derived from Guba & Lincoln (2005, pp.103-115), additional material author's own.

The analysis in Table 2 does not, unsurprisingly, give a neat "fit" to a paradigm – an outcome which is coherent with Bryman (2007) and Pernecky (2016) regarding blurring of labels. The approach taken in the current research leans toward a (weakly) constructionist perspective – the qualifier "weakly" alluding to the distinction in Pernecky (2016, Ch. 8) between realist ontological and subjective epistemology (the current research) compared to a subjective ontology *and* epistemology, a "strong" position that is perilously close to a solipsist approach denying the likelihood of agents beyond the self.

In the current research, the *method* used*,* attribution from texts to characteristics in the orders of worth framework may be used within a range of research paradigms. For instance in a positivistic manner (to develop generalisable theory), in a post-positivistic way (to test hypotheses), phenomenologically (to "describe the essence of a phenomenon"), hermeneutically (to analyse emergent meaning in context), and in a constructionist manner "as a way of expounding the plurality of meanings" (Pernecky, 2016, p.22). The understanding of the paradigm used in the current research then is driven by the research aim (exploration of a *social construction*) rather than by the data collection and analysis methods employed.

In short, from the above discussion the research paradigm is based on a realist ontology and a constructionist epistemology, both of which are coherent with the overall approach of using an empirical framework (orders of worth) to investigate a social construct such as "the social contract".

4.4.2 Conceptual Model

The purpose of a conceptual model is to communicate the salient actors, institutions and objects in the field under analysis and to illustrate the relations and interpretive process that combine to create a dynamic social situation.

A stylised representation of the processes considered in the current research is presented below as Figure 2. In this model, private firms (banks) consume factors of production (Barney, 2001) such as commodities (electricity, credit/money and labour, for example) which results in changes in those factors of production as they are exhausted, altered, increased to produce final products and through sales, profits. Firms also consume public goods as they rely on, *inter alia*, public transport networks, clean air, and a secure society. They produce changes in those public goods through "externalities" which are most likely to reduce the utility of public goods through, for example, pollution or exhaustion of non-renewable inputs.

Additionally, firms require a "licence to operate" – a social contract for the banks – as the banks' existence and operations ought be seen as socially beneficial by society (*inter alia* Ramathanan, 1976). In the current research, public justification of the "social contract" of/with banks is comprised of *tests* of the polities or orders of worth discussed above.

Both the "social contract" and "orders of worth" discussed below are social "constructs". Such constructs are the "metaphysics" criticised from an empirical economic (neo-liberal) perspective (Davies, 2017). An underlying epistemological postulate of the current research is that the empirical observation of constructs such as the social contract is necessarily indirect; however, there is useful information to be gathered and interpreted through the *public* manifestations or expressions of justifications in *texts,* which are *meaningful* (Milne & Adler, 1999). Boltanski (2011, pp.2-3) cautions that conceptual constructions however are readily subject to criticism of inapplicability to "reality" and to normative biases in construction.

In the discussion above of prior research, business reporting such as annual reports and accounts, to adapt Rousselière & Vézina (2009) from the specifics of "cooperatives" to general "firms", are "objects of compromise, which, in turn, are footholds for actions by the [firm's] various stakeholders. They ground arguments in the event of disagreement […] Each year, they ground the explanation of why the [firm] acted in a particular way and why it is legitimate to continue doing so" (p.246, [edited for clarity]). Annual reports are forms of *public justification* and hence amenable to analysis using the orders of worth framework.

Other actors in the sector engage in discourse regarding performance of banks or expectations of future behaviour. Such actors include NGOs such as "Move Your Money", Government, and Regulators such as the FCA and PRA.

Justifications are most obviously present in conflict or "tests" between different ways of looking at the world, different criteria of worthy objects, subjects, evidence and relations. In the case of the texts analysed below there may not be *explicit* conflict; that is, "no conflict has been *declared*" (Boltanski & Thévenot, 2006 [1991], pp.348, *emphasis added*). Texts of speeches, reviews, reporting have *expectations* of judgment from the audience. As such they are "Moments of testing and explicitation [sic] [which] are particularly opportune" (p.356, [edited for clarity]) – echoing the sentiment in Chenhall, Hall & Smith (2013, p.270) that "the production of accounts can serve to 'crystallize' the compromise in a material form [making visible] different values and principles". Similarly, "Accounts are particularly important in settings of conflicting values because they are sites where multiple modes of evaluation all potentially operate at once" (p.281) – which supports the contention above that polities as social contracts are various and contingent.

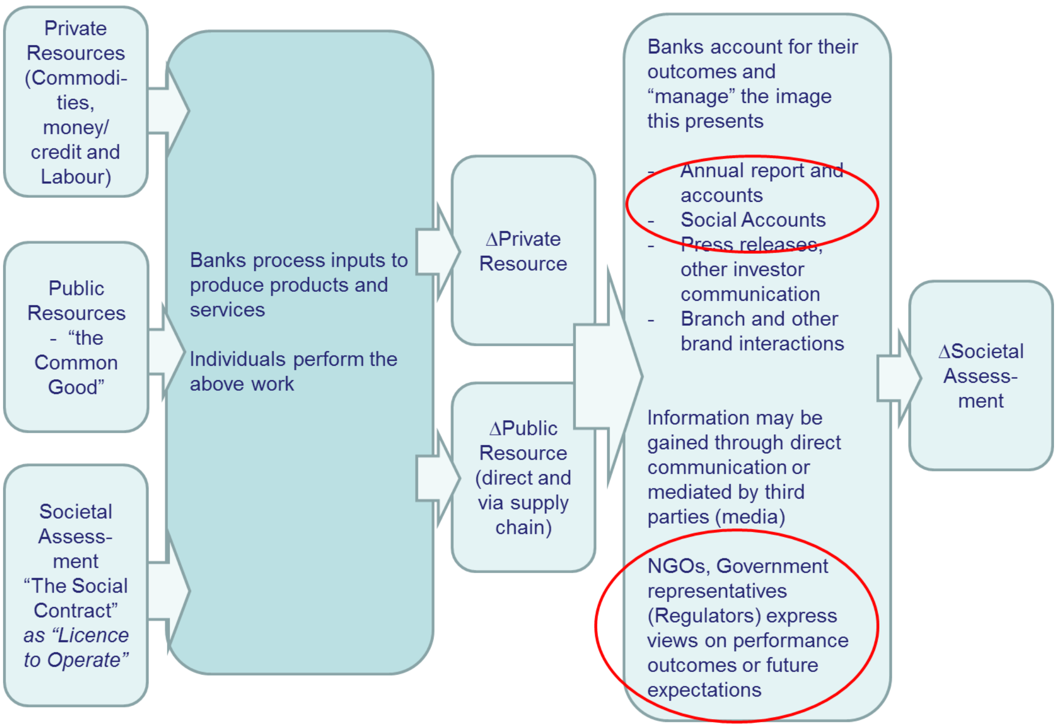


Figure 2 Conceptual Model (Source: author's own)

The encircled areas of Figure 2 comprise the scope of the current research: that is, exploring the social construction of the justification of social contracts for the UK banks through texts produced by banks, NGOs and Government representatives (Regulators).

Figure 2 above includes, for completeness, aspects beyond the current research. The study considers the researcher's interpretation of the texts produced by the actors above: it does not consider the reception of such texts by recipients, nor the influence of direct experience through brand touchpoints such as branch, mobile app or advertising interactions. There is justification for such an approach to scope given prior research into public justification, that is justifications in the public domain (see *inter alia* McInerney, 2008, Rousseliére & Vézina, 2009, Patriotta *et al.*, 2011) wherein the reception of texts by audiences such as the public at large was not considered.

Secondly, the "media" influences above are not explored further. If the final reception by recipients was being considered it is likely an analysis of media influence or media agenda setting would be required to understand the influence of the external environment on recipients (per Thomson, 2013) – literally a "mediating factor". However, as the final reception of texts is not explored it is legitimate to exclude 'media agenda setting'.[33] Further whilst there is value from including the "voices" of the public more generally, doing so in the current study would be to combine two different types of "voice." The current samples include what may be termed "strategic" communications from individual/corporates whereas surveys of public perceptions would likely be constructed from aggregation and analysis of central tendencies. One of the

[33] Whilst resource constraints are again important in the decision to exclude this aspect there is another characteristic of the media data analysis that raises questions. In particular, the number of media texts would be large – initial assessments showed the population of articles in the Financial Times for the sample banks in 2015 would be circa 500 and a similar, if slightly smaller population for The Sun (England). These two newspapers were considered, as they could be representative of the financial press and the mass newspaper circulation respectively. However, newspaper dominance in setting news agenda is being challenged by social media (Meraz, 2009): this raises questions regarding the population and sampling approach. However, given the significant resource demands occasioned by including a media agenda setting aspect to the research, at this stage, such deliberations are not examined further and this aspect is excluded from scope.

findings below, that social contracts may be limited as contracts due to ontological diffusion (wide variety of subjects and objects) also supports the narrow sampling approach. A representative sampling of the “public” would then be large scale, aggregated and to some extent incommensurable with the data analysed in the current study.

A critique of the above conceptual model includes issues of power and access (Abulof & Kornprobst, 2017, p.6), agency and voice of disenfranchised stakeholders such as the “unbanked”: ontologically invisible in the above conceptualisation and hence to an extent subject to “epistemological violence” (Dotson, 2011, p.236) that the inclusion of NGOs as representatives of societal issues can only partly assuage. Awareness of an issue does not mean the resources are available to resolve the problem at this stage of the research process: exploration and analysis of further aspects such as unbanked/financially excluded members of society could form part of a future research programme.

The conceptual model (Figure 2) shows the specific areas of analysis within a broader context. Texts associated with the highlighted areas are evaluated through the lens of the “orders of worth”.

4.5 Research Strategy

Research strategy is a “general orientation toward the conduct of business research” (Bryman & Bell, 2011, p.25). Such orientations may be mixed methods, predominantly quantitative, or qualitative, though neither will be entirely “pure” in practice (pp.619-625). There are arguments that positivist/quantitative and interpretivist/qualitative approaches “construe the social world differently— just as Newtonian mechanics and quantum mechanics do in the physical world” Ruggie (1998, p. 86). However, as Bryman & Bell (2011, p.619) note there is “no perfect correspondence between research strategy and matters of epistemology and ontology” hence such a binary view is difficult to justify – a view supported repeatedly through Pernecky (2016).

The research paradigm discussed above is weakly constructivist (a realist ontology and subjective epistemology). A subjective epistemology means a qualitative strategy is appropriate as adopted below - though with some analysis of the dominance (or otherwise) of particular orders of worth.

4.6 Qualitative Content Analysis

Content analysis can be used with both quantitative and qualitative data (Elo & Kyngäs, 2008). Elo & Kyngäs (2008, p.108) consider that "concepts and categories" are analysed in order to construct a system model or conceptual map that will inform, or be useful in constructing actions to solve research problems. The authors consider that content analysis can be (dependent on application), more than a naïve counting of words and that the method "is as easy or difficult as the researcher determines it to be" (p.108). The approach may be inductive (when exploratory work is undertaken in a little understood area) or deductive (when prior expectations or frameworks shape the approach) the latter being the case in the current research. That said the researcher is alert, per Jagd (2011, p.355) that "the strength of this framework [may] lead to a relative blindness towards forms of justification that do not fit into these categories" ([edited for clarity]) and hence is open to the discovery of new or amended "polity".

For van Bommel (2014) the orders of worth framework "provides a set of conceptual tools that allows researchers to achieve a better understanding of how this process [in integrated reporting] of gaining, maintaining or repairing legitimacy works" (p.1180, edited for clarity). *A priori* dimensions for attribution from texts echoes that in Henson & Wasserman (2011, p.55)

> The framework: "while clearly reliant on empirical observation at some level […] provides a more rigorous system that makes comparison of qualitative observations possible, but does so with an ontological system general enough to avoid the rigidity of traditional operationalisation, something which tends to be focused on content, not on form".

In a similar vein, Eulriet's (2008) review of Boltanski & Chiapello (2007) concludes, "the conceptual matrix […] makes it possible to investigate in great detail the way in which arguments are mobilized [sic]" (p.144).

The essence of the analysis is to categorise textual elements with respect to orders of worth – a "raw coding of interpreted narrative data" (Henson & Wasserman, 2011, p.45) – similar to the "prespecified [sic] format" of a checklist matrix in Miles, Huberman & Saldana (2014, pp.142-144). The initial phase for content analysis is to determine the "unit of analysis" (Milne & Adler, 1999, Elo & Kyngäs, 2008). Following previous research such as Patriotta *et al.* (2011), the unit of analysis for the qualitative content analysis is the "utterance" or bounded concept. This is justified, as the nature of the analysis is to map the concepts in the texts to existing categories found within a social contract/orders of worth framework: single words will not convey enough information in order to map across. Similarly it is unlikely that discrete sentences will map neatly, however to go to the far extreme and consider "texts" as the unit of analysis would lose the granularity required.

Elo & Kyngäs (2008) describe a second stage: organizing the data from texts. The second phase could also be described as the analytic phase of the work as the activities include coding, grouping, categorisation, abstraction, and (in more positivist work) hypothesis testing (p.110). The authors describe "deductive" analysis as working with existing "theories, models, mind maps and literature reviews" (p.111) and this is the approach taken in the current work. Texts are assessed against the extant orders of worth framework situated within the banking sector, that is, analysis is concerned for implications for understanding the sector, the relationships, the objects and the justifications used in the sector. A "categorization matrix" (Elo & Kyngäs, 2008, p.111) set out in Table 1 is derived from prior work by Patriotta *et al.* (2011), building on Boltanski & Thévenot (1991), Boltanski & Thévenot (1999), Boltanski & Thévenot (2000), Thévenot *et al.* (2000), and Boltanski & Chiapello (2007) with adaptations as discussed previously: all categories and sub-categories are "conceptually and empirically grounded" (Elo & Kyngäs, 2008, p.112). Henson & Wasserman (2011) in applying the orders of worth schema included a prior stage of analysis in characterising texts using Multilevel

Integrative Cognition (MIC) wherein levels are Static, Dynamic, Evaluative and Self-Identity. This additional step was not found to be necessary in the current research and in particular the "self-identity" construct did not map well to the aspects of orders of worth set out in Table 1.

The operations on the text were twofold. Initially, a first order analysis relating relevant text elements (utterances) to the *dimensions* of the orders of worth. For instance, mention of "bank branches" meant that bank branches were listed as a qualified object. Discussion of goals and targets would be listed under investment criteria. The word "relevant" here is doing a lot of heavy lifting as the amount of text allocated to orders of worth attributes was much less that the total text, the judgement on which text to capture being based on the researcher's experience in the sector and understanding of the constructs of orders of worth. The second level of analysis was to attribute the listed elements to a specific polity or order of worth. As discussed in the analysis below, sometimes this was a simple attribution such as "cost to serve" reductions relating to industrial efficiency, however on occasion attribution was ambiguous and a judgement required based on the context of the textual element/utterance. The context could be the surrounding themes in nearby paragraphs or more generally, the dominant tenor or theme associated with a polity running through the text. A good example of the latter would be the "Barclay's approach" text wherein most terms associated with polities appear instrumentally, *subordinate to* the market justification. The iterative nature of a cycle of considering utterances with respect to categorisation against elements of orders of worth is the first stage of "aggregation dialectics" (Jonsen Fendt & Point, 2018), a process to build a picture of the construction of the orders of worth present in the text. As the number of utterances categorised against elements of orders of worth increases it is possible to re-categorise previously ambiguous utterances, or to defer categorisation until a more immersive understanding of the text is achieved. The categories more ontologically described as presence versus absence (e.g. bank branches as a qualified object) are unlikely to be re-categorised as anything other than an object. In contrast to van Bommel (2014) the current analysis does not "zoom in" to a restricted set of polities, rather the analysis is open to attribution of utterances to any order of worth.

In considering the third stage of content analysis – reporting - Elo & Kyngäs (2008) consider the subjectivity in drawing inferences and conclusions from the data. In addition to improving trustworthiness through the use of citations to data and quotations where feasible[34], an approach which the current work follows, the limitations of single researcher subjectivity are acknowledged below. The process of reporting findings is similar to the sequencing around critical discourse analysis (Richardson, 2007). Textual analysis (p. 38) means identifying and recording representations of the common good, social relations, and other attributes from Table 1. "Repeated reading" of the text follows the Braun & Clarke (2006, p.86) approach toward "immersion" (see also Altheide, Coyle, DeVriese & Schneider, 2008). The researcher records "utterances" and commentary associated with them in the Microsoft Access database form – each "field" corresponds to the left-most column in Table 1. All textual elements regarding "tests" or investment formula, flaws revealed by evidence, are gathered together in a single field. There may be some immediate analysis in response to the phrases or sections of text considered. There are additional fields captured on the MS Access database compared to Table 1 and these are Common Good – in the second sense used in Boltanski & Thévenot (2006 [1991]) – see next paragraph, Assumptions re Natural Relationships, Social or National Grouping, Status Relations, Condition of Great/Little Persons, Decline (of the polity), Criticisms. By extending the number of dimensions of orders of worth for which data was captured a richer set of terms was built per polity. It is likely that the additional terms were not included in the original listing in Patriotta *et al.* (2011, p.1810), Annisette & Richardson (2011, p.233) as a number of the terms are contingent on the specificities of the local context rather than common terms.

It is worth considering the common good as a dimension of the polities further. The common good is used in two substantial ways in Boltanski & Thévenot (2006 [1991]). Firstly, the authors use the common good as the defining "superior principle" for each polity. For instance in the market polity, free market agents not only make judgements toward the common good, they *are*

[34] The authors needed to maintain participant anonymity

a component part of that common good (p.44). In line with the discussion in Offe (2012) the usage here could more usefully be “a” common good rather than “the”, which “suggests a definitive clarity that brooks no dissent” (p.665). Subsequently Boltanski & Thévenot (2006 [1991]) relies heavily on a higher principle such as “the” common good in order to provide a measure of stability for compromise (p.278). Without justification to a higher principle, compromise is mere forbearance even more fragile than true compromise constructions. It is useful to extend Table 1 in the data capture (MS Access database) to allow for both usages of the common good. In the analysis below then “superior principle” is the first form of common good from Boltanski & Thévenot (2006 [1991]) – this is polity specific. Data characterised under the label “common good” is defined as the second usage in Boltanski & Thévenot (2006 [1991]), a more general (truly “common”) use of the term.

Using more terms for each polity increases the confidence in attribution from texts to polities. Additionally, a comments field is available to capture other more general analysis of the texts. Figure 3 also contains a field for analysis of imagery – such a field was used in an early iteration of analysis influenced by semiotic/discourse analysis literature, however does not have a direct analogue in orders of worth and has not been used in the final analysis. An example of analysis of a PRA authored text as “work in progress” is shown below (Figure 3), as is the initial process of analysis for a HSBC text (Figure 4).

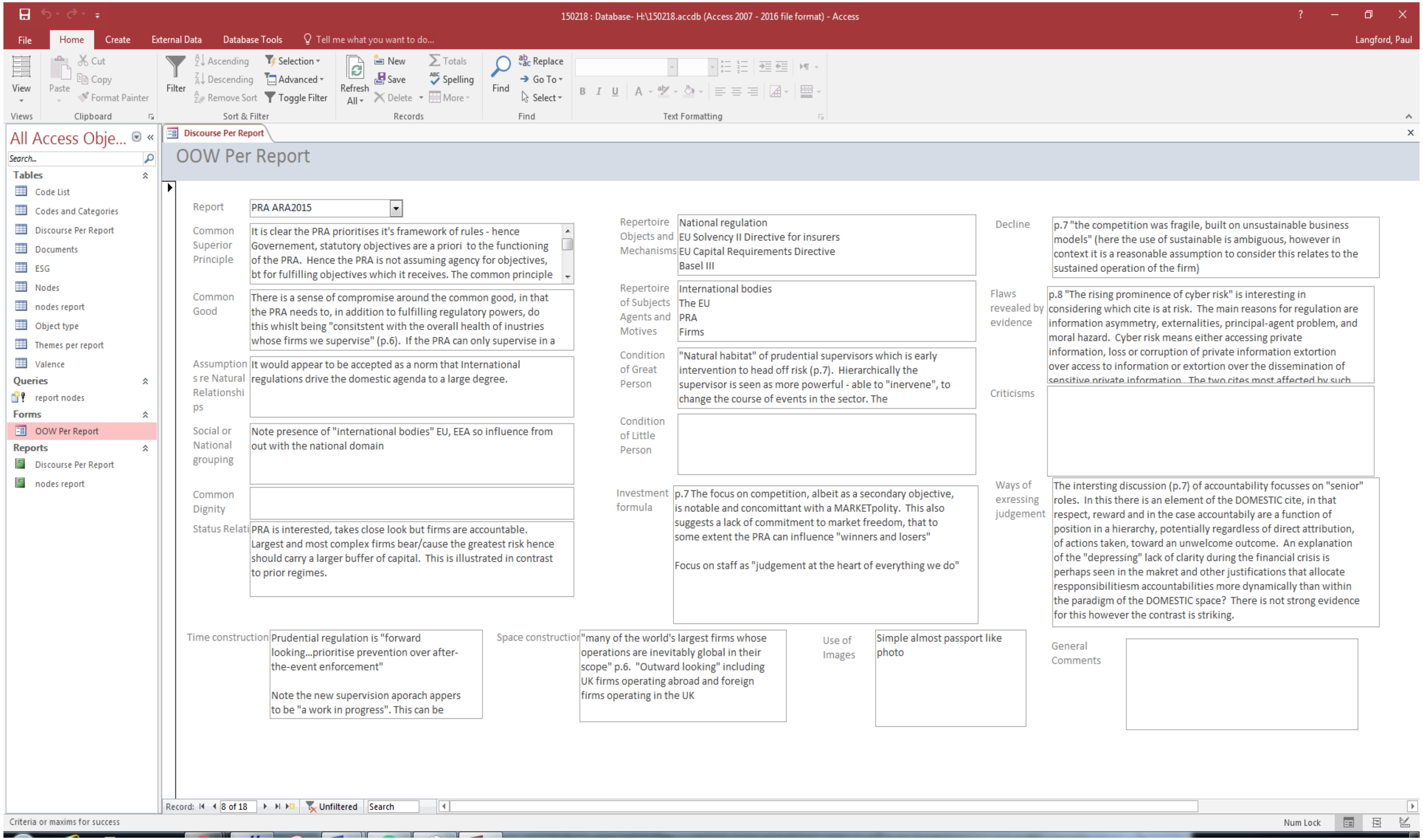
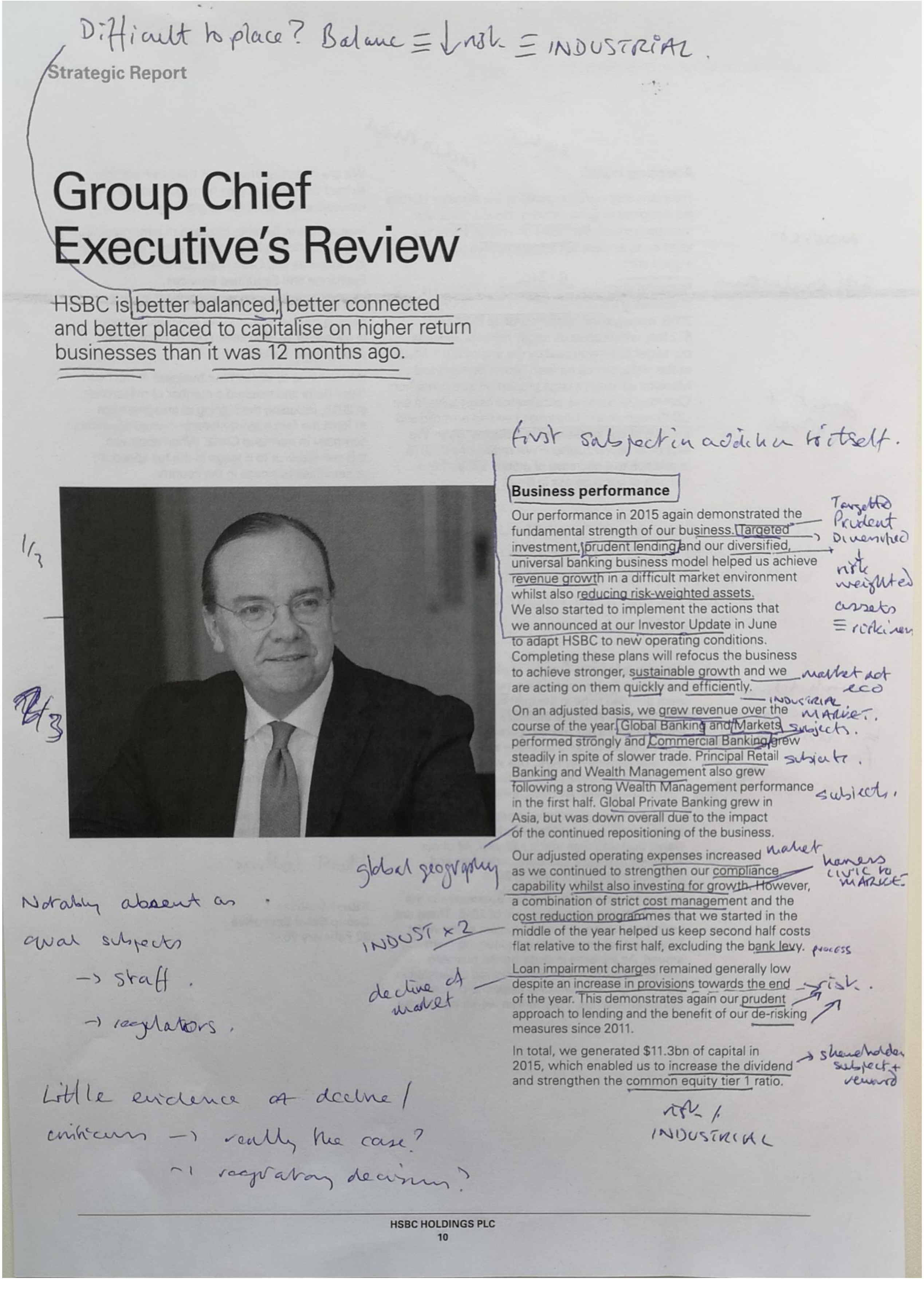


Figure 3 analysis of PRA text in MS Access as "Work in Progress". Source: author's own



Difficult to place? Balance ≡ ↓ risk ≡ INDUSTRIAL.

Strategic Report

Group Chief Executive's Review

HSBC is better balanced, better connected and better placed to capitalise on higher return businesses than it was 12 months ago.

first subject in addition to itself.

1/3

2/3

Business performance

Our performance in 2015 again demonstrated the fundamental strength of our business. Targeted investment, prudent lending and our diversified, universal banking business model helped us achieve revenue growth in a difficult market environment whilst also reducing risk-weighted assets. We also started to implement the actions that we announced at our Investor Update in June to adapt HSBC to new operating conditions. Completing these plans will refocus the business to achieve stronger, sustainable growth and we are acting on them quickly and efficiently.

Targeted Prudent Diversified

risk weighted assets ≡ riskiness

market act eco

On an adjusted basis, we grew revenue over the course of the year. Global Banking and Markets performed strongly and Commercial Banking grew steadily in spite of slower trade. Principal Retail Banking and Wealth Management also grew following a strong Wealth Management performance in the first half. Global Private Banking grew in Asia, but was down overall due to the impact of the continued repositioning of the business.

INDUSTRIAL MARKET. subjects.

subjects.

subjects.

global geography

Our adjusted operating expenses increased as we continued to strengthen our compliance capability whilst also investing for growth. However, a combination of strict cost management and the cost reduction programmes that we started in the middle of the year helped us keep second half costs flat relative to the first half, excluding the bank levy.

market

humans civic to market.

INDUST x2

process

Loan impairment charges remained generally low despite an increase in provisions towards the end of the year. This demonstrates again our prudent approach to lending and the benefit of our de-risking measures since 2011.

decline of market

risk.

In total, we generated $11.3bn of capital in 2015, which enabled us to increase the dividend and strengthen the common equity tier 1 ratio.

shareholder subject + reward

risk / INDUSTRIAL

Notably absent as actual subjects

-> staff.

-> regulators.

Little evidence of decline / criticism -> really the case?

-> regulatory decisions?

HSBC HOLDINGS PLC

10

Figure 4 Initial analysis of HSBC text - example process. Source: Authors own.

From the initial gathering of elements, the text is compared to the descriptions associated with the particular polities or orders of worth. There are two characteristic ways that elements of orders of worth are included in texts. Firstly where the elements comprise a justification of social relations or *a* social contract. This may include a single, coherent set of elements from a particular polity however, as will be seen below this is rarely the case. Texts appear to contain a number of justificatory regimes with degrees of emphasis. Secondly, orders of worth may be present but elements appear as objects or relations of critique. In both cases, tensions and oppositions, and compromises or composite structures may be discerned in the text.

When reporting findings a *limited* quantification is used (similar to Milne & Adler, 1999, Kietäväinen & Tuulentie, 2013) to illustrate which is the most frequent polity being brought to bear as form of public justification. The *limitation* of this approach is that the salience of the polity may be interpreted from context and specific framing through textual elements in the text rather than mere frequency. That said, there is value from visualising incidence of polities across a range of texts (Table 10), as the visualisation allows an accessible overview of emphasis and in graphically illustrates differences between different author groups. The use of *some* quantification is a distinction of the current approach in contrast to *thematic analysis* which, per Vaismoradi *et al.* (2013, p.400) would be "purely qualitative".

As discussed below the first text analysed was in effect a pilot test. Whilst the pilot showed the viability of the analytical approach, the first analysis was found to be initially too high level and was revised to be structured more around the database fields (characteristics of orders of worth).

4.7 Populations and Samples

> "to make such [qualitative] analysis effective it is imperative that you have a limited body of data with which to work" (Silverman, 2000, p.828, [edited for clarity])

The conceptual model above (Figure 2) shows a number of types of actor (Banks, Regulators, NGOs); these actors produce multiple *genres* of "texts" in the broadest sense. To evaluate all forms of text from all actors in the banking sector is not feasible; a sampling approach is required. Per the above quote from Silverman (2000), constrained sample sizes are important in qualitative research. The following discussion explains the (necessarily) emergent process of deciding on the final sample of actors and texts: the overriding principle for which has been to allow the development of “depth” rather than “breadth” of analysis (Guetterman, 2015).

4.7.1 Boundary Timeframe

This section sketches the process for deciding on a timeframe and approach to the data population boundaries. Two potential approaches are considered: longitudinal (through time) and cross sectional (analysing data from a single time period).

Longitudinal studies analyse data from more than one time period, either through trend analysis (different samples from the population at different times, e.g. opinion polls), panel studies (sample data analysed repeatedly e.g. British Household Panel Survey) or cohort studies (sample cohort with specified characteristics e.g. health conditions compared to control samples) (Hua & David, 2008). The numerous potential issues concerning longitudinal data analysis are out of scope; see *inter alia* Grittner *et al.* (2011), and Galbraith, Bowden & Mander (2014).

Cross-sectional research considers data at a defined point or small period and may show relationships between variables (Hua & David, 2008) however cannot show causality. A cross-sectional design is likely to be achievable in a short time span when compared to longitudinal studies. The current research attempts to open up, to uncover the forms of justification of the social contract with the UK banks, rather than develop causal hypotheses, hence a cross-sectional study is appropriate for this purpose.

With respect to sampling, 2015 (the most recent year for which full data was available at the time of writing) was chosen as the data is most complete (contra, say, 2006). This year is also not a transitional year for regulation from the FSA to FCA and PRA, and is not in the immediate aftermath of the financial crisis. The most "stable" years to choose from could be said to be 2014 or 2015, with little to choose between them.

The following section considers further how sampling is undertaken within the universe of potential populations for that year.

4.7.2 Sampling – Overall Approach

A range of sampling approaches are available: convenience (or opportunistic) sampling (first-come, first-served); purposeful (purposive) sampling (explicit and intentional selection); snowballing (word-of-mouth); quota sampling (similar to purposeful sampling) and case study (Luborsky & Rubinstein, 1995). Koerber & McMichael (2008, p.465) add "theoretical sampling" – similar to purposeful sampling albeit *emergent* in the process of grounded theory studies. Within "purposive" sampling Patton (2002) identifies a range of variants: extreme case, intensity (information-rich cases), maximum variation (diverse characteristics), homogeneous (small sample in depth), typical case, critical case (if here, then everywhere as logical generalisation), snowball, criterion (e.g. all patients with > 2 hour wait time), theory based (exemplars of theoretical or operational constructs), confirming/disconfirming, stratified, opportunistic, purposeful random (for credible, rather than representative, selection, outcomes not known in advance), politically important cases (relevance to policy, similar to critical cases), convenience sampling (neither "purposeful nor strategic" hence "the least desirable", p.242), and combination of above (e.g. if initial selection too time-consuming/costly, a random sample from within the initial selection). There are overlaps in the above typology, the range of which, and lack of firm "rules" for sample selection, illustrates that the sampling approach needs to be aligned to specific research purposes rather than follow a generic recommendation (Patton, 2002, Charmaz, 2014).

Samples need to be sufficient for the research questions/epistemological aims and coherence or credibility, given the nature of truth claims or implications derived from analysis (Charmaz, 2014, p.215). As Charmaz notes, a small sample size is incongruent with, say claims that are generalised to all of society. Further, a small sample size may be appropriate if the data (and by implication analysis) is sufficiently "rich", meaning "many layered, intricate, detailed, nuanced" (Fusch & Ness, 2015, p.1409). By way of example, in choosing their sample size, Henson & Wasserman (2011) eschewed large samples that could be used to indicate salience through word frequency, instead focussing deeply on the logics (justifications) within seminal/exemplar texts (to represent radical Islam, and radical Christianity).

There are five "lingering" sampling controversies described by Trotter II (2012): lack of consistent terminology; clarity/acceptance of criteria for quantitative/qualitative sample sizes; differences in approach between emergent theory versus theoretically based qualitative research design; understanding that qualitative measures of "reliability, replicability, and validity" are required, and accepting the lack of generalisability from small sample analyses of heterogeneous populations. Embedded as the current research is, in the orders of worth framework as representations of social contracts, this comprises a "theoretically based qualitative research design" (Trotter II, 2012, p.399). As such the research is less reliant on an open, undetermined sample size approach dependent on some (to whatever degree convincing) articulation of saturation or redundancy: the sample size may be articulated to some degree in advance of the data analysis process, for instance by focussing on the most significant banks in the UK. Such *a priori* sketching of the bounds of the population and sample echoes Trotter II's (2012, p.399) discussion regarding "special populations that need exploration in terms of specific beliefs, behaviour". The research objective driven approach leads to a "purposeful recruitment frame" (p.399-400).

From the above: sample size, in itself, provides relatively little information regarding qualitative research quality. Samples may be very small, but with rich data and analysis, as long as claims to *objective truth* and to *generalisability* are treated appropriately. The current research explores a narrow sector of the economy using an *a priori* theoretical frame; hence the sampling approach is purposive and adapted to each actor related population of texts. By taking a pragmatic but purposive approach in the context of a single researcher project, the approach avoids the potential for bias and "anecdotalism" (Silverman, 2010, p.276).

For some texts a further sampling process is required as they are too large to be analysed in depth as a single text, hence judgement sampling is required (Elo & Kyngäs, 2008, p.109). This judgement comprises an attempt to ensure a similar, strategic nature of texts as representative of organisations by extracting, for example, the CEO strategic statements or similar from the larger texts such as the banks' annual report and accounts. An "institutional" voice is anticipated in the selection of texts[35]. For the current research, the text samples within documents (such as annual report and accounts) are selected in order to represent the "head" of the organisation.

The following sections describe firstly the sampling approach for the *actors* in the sector as described above, then the approach to text sampling within actor populations is considered.

4.7.3 Sample of Banks

The scope of the current study is the UK banking sector. The conceptual model discussed above (Figure 2) illustrates Banks using channels such as annual reports and accounts and social environmental reporting (SER) in order

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[35] To explore the significance of the institutional voice it is worth considering the bodied/bodiless distinction in Boltanski (2011). Drawing on the work of Cayla (1993), Boltanski shows that, as the *intent* of personal communication cannot be understood directly (only inferred), then in conflict neither personal party can bridge the gap between them simply through personal communication. Hence an interpreter (or, arbiter) is required (Cayla is discussing the role of a judge). The interpreter is necessarily *not* seen as embodied, located in idiosyncratic time and space – to very much not embody yet another "point of view". Sociologically, Boltanski assigns such a role to *institutions* as they are by definition bodiless and not directly locatable; further, although the agents in the current research are not in conflict they are in "test" situations. For Boltanski (2011, p.75) the semantic functions of institutions are paramount: "to institutions falls the task of saying and confirming what matters". The implication for the current research is that the "voice" of the CEO or director is not simply another view; the samples in effect represent the views of the disembodied *institution.*

to communicate public *justifications*. For the banks, these are the analysed channels or sources of texts. In particular the Chairman and Chief Executive statement of the annual report or SER texts as the authoritative representatives, or “the organisational actor primarily in charge of legitimacy construction” (Beelitz & Merkl-Davies, 2012, p.109).

The population of UK based banks is a heterogeneous group of commercial, retail and wholesale, national and regional, headquartered and subsidiary firms in the UK with widely differing scales of balance sheets (BoE, 2017). There is an argument that, since the Building Societies Act of 1987 (and subsequent amendments in 1997, 2000 and 2012), Building Societies may operate in a manner much more akin to Banks than they had been allowed previously. However, none of the building societies has taken on the universal range of services seen in banks and none provides SER texts: building societies have been excluded from this analysis.

Regarding the Banks to analyse, the population of potential banks has been taken from the quarterly listing provided by the Bank of England in October (BoE, 2015). This list comprises 166 Banks. These can be split further into two types of entity, Firstly, where the bank is the parent company. For parent companies, it can be considered that corporate communications, statements and accounts represent the views of the company. The other category is subsidiary companies. For subsidiary companies, it is less clear to what extent the corporate communication is independent of the parent company, to what extent key messages and ways of communicating are inherited from, or are mandated explicitly by, the parent entity.

Additionally, there are number of Banks that appear rather like subsidiaries of State Operated Enterprises in that their capital structure is such that they are owned by only a small number of shareholders. For instance, Jordan International Bank plc is owned by The Housing Bank for Trade and Finance and the Arab Jordan Investment Bank, so this bank is classed for the purposes here as a subsidiary (the only other banks similarly categorised are Persia International Bank plc and Cambridge & Counties Bank Limited). For the purposes of this research, the population is reduced by excluding subsidiary banks leaving the population shown below.

Per Table 13, highlighted below: only six of the population of regulated banks with Head Offices in the UK produce a form of social environmental accounting. These banks are Barclays Bank Plc, HSBC Bank Plc, Royal Bank of Scotland Plc, Standard Chartered Bank, The Co-operative Bank Plc, and Lloyds Bank Plc. The sample then is the entire set of banks that are headquartered in the UK and have some form of social and environmental reporting (SER).

4.7.4 Sample - Regulatory Actors

The central theme of regulation, as the formal expression of a social contract with financial firms, as described in, for example Tucker (2009) has taken on renewed import following the financial crisis. Since then there have been a number of new regulatory bodies accountable for financial regulation.

The population of bodies affecting banks' regulation in the UK since the financial crisis comprises:

- The Banking Code Standards Board (until 2009)
- The Lending Standards Board (from 2009, partial remit of the Banking Code Standards Board)
- The Financial Services Authority (assumed much of the remit of the Banking Code Standards Board in 2009. Replaced in 2012 by the FCA and PRA)
- The Financial Conduct Authority
- The Prudential Regulatory Authority
- The Bank of England
- The Treasury (as part of HM Government)
- EU Commission (Alternative Investment Fund Managers Directive (AIFMD), UCITS V (Undertakings for Collective Investment in Transferable Securities), Market Abuse Directive (MAD), the Markets in Financial Instruments Directive (MiFID II) and the Central Securities Depositaries Regulation (CSDR))

- European Central Bank (ECB), for example through the Supervisory Review and Evaluation Process (SREP) introducing additional capital requirements (Arnold & Noonan, 2015)
- Competition and Markets Authority
- Parliamentary Commission for Standards in Banking
- International Swaps and Derivatives Association (ISDA)
- European Securities and Markets Authority (ESMA)
- The London Stock Exchange (listing rules for banks, and trading regulations)
- The Health and Safety Executive
- Trading Standards Institute
- Association for Financial Markets in Europe (AFME) (a trade association rather than a formal regulator)

Additionally it may be noted that a number of professional bodies could influence behaviours within banks such as CFA (Chartered Financial Analyst) Society of the UK, The Chartered Institute for Securities and Investment (CISI), and The Chartered Institute of Bankers. These bodies operate at the individual level rather than the firm level and are excluded from the current research.

Per Jaworski & Coupland (2014, p. 413) there is an argument for considering a "polycentric" approach to the power of international/global regulatory bodies. These would include the Bank of International Settlements (BIS) and the reporting Financial Stability Board (FSB). These bodies have *indirect* influence as their guidelines are operationalised through multinational and national regulatory authorities such as the EU Commission, Prudential Regulatory Authority and Financial Conduct Authority and as indirect agents are excluded from further consideration.

Taking a "relevance sampling" (Krippendorf, 2009) approach to regulators seems appropriate as they are not equally influential on banks especially with regard to wider systemic (hence social contract) issues. If this study were focussed on the building industry sector, for example, then the Health and Safety Executive would be more relevant.

For the current work, the “relevant sample” of regulators is those organisations directly involved in regulating the banks:-

- The Financial Conduct Authority
- The Prudential Regulatory Authority

In addition, a single significant text is joint authored by the Bank of England, the FCA and the Treasury. As such, the Bank of England has been included as a regulatory actor. This means that all publications from the Bank of England during 2015 have been reviewed. The only relevant BoE source text is the co-authored Fair and Effective Markets Review – relevance here means to be concerned with the role, conduct or purpose of the banking sector.

4.7.5 Sample - Non-Government Organisations (NGOs)

A “relevant” NGO is concerned with improving the outcomes of the UK, or international finance sector (which generally but far from exclusively means banking) with respect to Environmental Social & Governance (ESG) issues. Hence, whilst there are many thousands of NGOs worldwide, where they are not concerned with the interaction of finance with society they are excluded. The geographical scope, at least initially, is broad enough to consider international finance in that the UK banks are (generally) systemically important actors within global finance (BIS, 2015), however texts that are only concerned with global, international issues with limited direct reference to the UK are excluded.

The initial populations of NGOs are derived from:

- Signatories to the Collevechio Declaration (BANKTrak, 2003)
- Wango (World Association of NGOs) website
- Search on fossil fuel disinvestment campaigns
- Author’s experience to generate initial listing followed by snowball technique (Bryman & Bell, 2011) utilising links, sponsorship/partnerships to generate new NGO possibilities

The set of NGOs considered comprises:

- Association for Accountancy and Business Affairs (AABA, 2019)
- The ‘Association pour la Taxation des Transactions financière et l'Aide aux Citoyens’ (Association for the Taxation of financial Transactions and Aid to Citizens) (ATTAC, 2019)
- The Corner House (The Corner House, 2019)
- Move Your Money (Move Your Money, 2019)
- BankTrack (BankTrack, 2019)
- Centre for Responsible Credit (Centre for Responsible Credit, 2019)

In the sampling process it was found that only two NGOs – BankTrack, and “Move Your Money” had texts focussed on concerned with the role, conduct or purpose of the banking sector in the sample period, so both NGOs have been included.

4.7.6 Description of Institutions

It is worthwhile describing the institutions whose texts are analysed in the current research, however a note of caution is required. Any description is necessarily incomplete and the gap between description and reality is particularly acute for complex, large-scale organisations. To illustrate: RBS described below had over 90,000 employees, multiple brands in a range of countries, had met regulatory stress tests in 2015, promoted LGBT awareness, human rights, and reported in some detail the intensity of climate change related emissions (RBS, 2015). The group had also reported pre-tax losses of circa £3bn and had not been able to return any of government (societal) bailout funding of over £40bn and experienced operational difficulties: “600,000 payments and direct debits went missing” (Financial Times, 2015). The firm was fined circa $679 million over rigging forex markets (Chon, Binham & Noonan, 2015). To sum up such a complex set of circumstances depends on the relative salience of factors, so in the current context the descriptions below have a narrow purpose: solely to give some sense of the history and scale of the institutions analysed.

4.7.6.1 Barclays

Barclays has a long history, starting with two Quaker merchants in 1690, although the Barclays company name dates from 1736 (Barclays plc, 2019). Barclays has also been transformed over the years through growth, mergers, and acquisitions. Barclays employed over 129,000 staff, income was over £25bn, made a profit after tax nearly £4bn (Barclays, 2015) and was valued at circa £37.2bn[36] despite being fined $2.4bn for forex rigging (Arnold, 2015a).

4.7.6.2 Co-operative Bank

For most of its history since 1872 the Cooperative Bank has been part of the cooperative movement in the UK, and as a cooperative was owned by members. In 2013 however a restructuring necessitated by financial mismanagement meant the Cooperative Group lost financial control of the bank (Harvey, 2017) and the bank is now owned by private equity (Treanor, 2017a), albeit with a continuing commitment to “cooperative” values.

Much smaller than RBS or Barclays, though still one of the main high street banks in the UK, in 2015 the bank lost £622m on income of £299m and employed circa 5,700 staff (The Co-operative Bank, 2016).

4.7.6.3 HSBC

HSBC – “Hong Kong & Shanghai Banking Corporation” opened in Hong Kong in March 1865 and a month later in Shanghai. The “centre of gravity” of the firm has always been Asia, however when the firm bought Midlands Bank in the UK the then regulators insisted on the firm’s HQ moving to London.

One of the largest companies on the FTSE by market cap (£105.5bn[37]), HSBC employed > 250,000 staff and served over 41m customers, resulting in profit before tax of £18.9bn (HSBC, 2016a). HSBC threatened to move HQ back to

[36] Author’s calculation of Weighted average number of ordinary shares outstanding during the year from annual report multiplied by year end share price on LSE
[37] Author’s calculation of Weighted average number of ordinary shares outstanding during the year from annual report multiplied by year end share price on LSE

HK in the face of bank taxation in the UK (Arnold & Oakley, 2015) - and appeared to win the day against Chancellor Osborne (Parker, 2016)

4.7.6.4 Lloyds

The Bank of Scotland, formed in 1695 is the oldest component of Lloyds banking group – Lloyds bank itself formed in 1765. The Bank of Scotland had joined forces with Halifax Building Society to form in HBOS in 2001. HBOS suffered in the financial crisis and Lloyds was given a competition waiver in order to facilitate their rescue/takeover (Croft & Felsted, 2008).

Lloyds share price was relatively high in 2015 resulting in a market cap of £52.2bn[33]. The firm employed > 68,000 staff and made an underlying profit of £8.1bn.

4.7.6.5 RBS

The Royal Bank of Scotland has a long heritage, founded in Edinburgh in 1727 (RBS, 2019) shortly after its long-term rival, The Bank of Scotland opened for business in 1695 (Lloyds Banking Group, 2019). Like many corporations, there have been myriad changes, mergers, acquisitions, disposals in RBS's history to the point where claims to heritage are best seen as branding and employee engagement devices rather than being particularly meaningful in terms of practice.

In 2015 the bank was transitioning from one of the largest banking groups in the world following what would prove to be the disastrous takeover of ABN Amro (Croft & Bolger, 2009), toward a reduced balanced sheet with a focus on the British Isles (RBS, 2015a). With income of nearly £13bn and a market capitalisation of nearly £35bn[38] RBS was one of the largest (and least profitable) firms in the UK.

[38] Author's calculation of Weighted average number of ordinary shares outstanding during the year from annual report multiplied by year end share price on LSE

4.7.6.6 Standard Chartered

Similar to HSBC, Standard Chartered has roots in Shanghai and Mumbai in 1853 (Chartered Bank), and also the British firm 'Standard Bank' focused on S.Africa from 1862, however only took its current form in 1969 through the merger of the two banks.

Standard Chartered had a market cap of £14.45bn in 2015[39]. Whilst headquartered in the UK it had no retail presence here and over 60% of operating income was from Asia in 2015 (Standard Chartered, 2016). Profit for the year was a loss of £1.5bn and the firm employed just over 84,000 staff. Despite the bank's "centre of gravity" being in Asia, it is worthy of inclusion in the banking sample as a bank which is regulated by the BoE/FPC/PRA and FCA, and is a significant employer and taxpayer in the UK.

4.7.6.7 Bank of England

Within a broad remit, from monetary policy, to payments systems and currency issuance (via third parties such as De La Rue and the Royal Mint), the Bank of England has some specific regulatory functions. The Bank of England contains two regulatory bodies: at a whole-economy level the Financial Policy Committee scans for threats to financial stability (BoE, 2019a) and at a firm-level the Prudential Regulation Authority (PRA) monitors and supervises banks and insurance institutions to ensure they are well capitalised and well governed (BoE, 2019b).

The Bank of England supervises "financial market infrastructures" such as payments systems (though the "economic regulation" of the payments systems more generally fall in the bailiwick of the Payments Systems Regulator, which is part of the FCA).

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[39] Author's calculation of Weighted average number of ordinary shares outstanding during the year from annual report multiplied by year end share price on LSE

4.7.6.8 Financial Conduct Authority (FCA)

Reporting to HM Treasury, the FCA is funded via levies on regulated firms (FCA, 2018b). Similarly created as a response to the financial crisis, the FCA supervises the conduct of 58,000 financial firms – from the largest banks to single trader advisory firms. The FCA works closely with the PRA – a director of the latter is also a board director of the FCA.

Neither the FCA nor PRA operate a *tabula rasa* when deciding on regulatory policy, rules or guidelines. The main criteria and operation of regulations have their genesis with international bodies such as Bank of International Settlements, the Financial Stability Board, and the EU Commission (Armour, 2017).

4.7.6.9 Prudential Regulatory Authority (PRA)

A wholly owned subsidiary of the Bank of England, the PRA was part of the regulatory response (discussed above) to the financial crisis: twin peaks of prudential and conduct regulation. The PRA supervises “around 1,500 financial institutions including banks and insurance companies” (BoE, 2019-b).

4.7.6.10 Banktrack

A relatively recent activist organisation formed in 2004 (BankTrack, 2019) the scope of which is global, with a particular emphasis on global systemically important banks (G-SIBs). The organisation is small (staff of eight) hence relies on social media for audience reach. Recent campaign focus has been on lending to the fossil fuel sector.

4.7.6.11 Move Your Money (MYM)

The MYM campaign developed in response to the conduct scandals subsequent to the financial crisis (Move Your Money, 2019). The organisation aimed to encourage switching from less ethical banks to more – where ethics are ranked using criteria concerning fossil fuel finance amongst others (Move Your Money, 2014). The final blog posts from the organisation were in early 2017. The US version of the campaign would now appear to be a campaign run on behalf of Amalgamated Bank. The size of the organisation at the time is unknown.

4.7.7 Sampling of Texts

This section considers the process and outcomes from sampling texts.

4.7.7.1 Texts produced by banks

In keeping with the discussion above regarding timeframes, bank reporting will concern 2015 (this means that a report may actually be published in 2016).

The total population of texts produced by banks could include statutory reporting in Annual report and accounts, quarterly and half year results announcements, product announcements, company websites, press releases, advertising in print, online, on TV and Radio, and Social Environmental Reporting (often termed CSR, Sustainability or Citizenship reports).

From this long list of potential sources, some, such as advertising, websites at a particular point in time, are "perishable" and if they still exist will be only accessible with access to bank archives. Consideration has been given to seeking access to bank archive material, however this would likely increase the population and sample sizes under consideration by an impractical extent. Whilst Annual Report and Accounts comprise external/public reporting and may not accurately reflect the circumstances "inside" the firm, insider data is not available (and not relevant for *public* justifications). Additionally for such socially constructed data (see, *inter alia*, Gray, 2002, Collison, 2003, Davison & Skerratt, 2007, Beattie, Dhanani & Jones, 2008, Davison, 2011, Wu 2012), the concept of "a" single accurate reflection of "reality" through reporting is problematic.

Per the discussion of Unerman (2010), the earliest SER/SEA research focussed on Annual Reports. Since then, despite the requirements of the Companies Act (2006), SER has tended to be published mainly as a standalone report, often split into sections on a website. The source for SER texts is banks' websites (the firms in the current sample tend to be well structured and include archival data). Additionally, the strategic report element (typically authored, or by-lined, under the Chairman or CEO) will be analysed as this comprises a key text for how the bank presents itself to stakeholders, predominantly shareholders, but these are public documents and have a wider potential audience.

Following the discussions above and in Unerman (2000) regarding over-reliance on annual reporting, the following document sources have been chosen to attempt to balance completeness, availability and ensure the dataset is bounded:

1. CSR/Sustainability/Citizenship reports
2. Annual Reports and Accounts
3. Any documents published by the firm that are cited in (1) or (2) above *and* which are made available by the firm

Within a "relevance sampling" frame, a difficulty arises when banks produce a heterogeneous range of documents, making certain information on different timescales such as half yearly interim statements in addition to the full year annual report and accounts. An initial review of the documents produced by banks shows a wide variance in documentation available publicly and hence an approach is needed to decide on the population and sample of texts to be analysed.

When gathering data a difference in approach was noted for some banks, wherein data is available at different levels of the group or holding company: specifically banking groups such as Barclays produce reports for Barclays group, and for Barclays Bank, though the differences between the two reports are not superficially obvious as they only diverge after nearly 30 pages of the annual review. Again with a relevance frame, the question arises: is the Barclays Bank report more relevant or is the Group report more relevant to the

UK and the social contract? Due to London's influence as a financial centre (Wolf, 2009) many capital markets staff (with global reach) in banks (such as Barclays and HSBC) are based in London.

At the time of sampling texts, "ring fencing" (PRA, 2015) was yet to be implemented. The concept of "too big to fail" applies to the banking *group* companies rather than bank brands themselves. Firms such as RBS only produce group level reporting. From this then: to ensure a degree of similarity of approach across the banks, and to consider the entities for which the taxpayer may be 'on the hook' to bailout, Group level reports will be analysed in the current research. It is noteworthy that of the banks, Standard Chartered replicate much of their strategic positioning and review text from the Annual Report and Accounts to the Sustainability review text. In order to be able to compare strategic "voices" e.g. from the CEO or similar across texts only one text (AR&A) has been analysed for Standard Chartered as there is no difference between the selected sample text in the AR& and Sustainability texts.

4.7.7.2 Texts produced by regulatory actors

Texts from regulators can be classified in a number of ways: as speeches (typically by senior managers, directors), the transcripts of speeches, reviews – interim and final reports, including for thematic reviews, technical notices, administrative notes, consultation papers (CP), feedback statements (FS), submissions to third party institution reviews, discussion papers (DP), guidance consultations, handbooks, market studies, occasional papers, press releases, newsletters, statements, and press releases (FCA, 2015).

The sample of regulators was discussed above, hence the population of regulatory texts is made up of all texts listed on the websites of the Financial Conduct Authority and the Prudential Regulatory Authority and the Bank of England for 2015.

Texts were selected by a three-stage process. Firstly, searches for suitable items were made on the regulators websites (e.g. speeches, or simply the publications archive). Secondly, a review of the search results title was used to *exclude* items (e.g. a technical notice re product lists) which left a number of texts for further consideration. Finally, for the remaining items a read through of the contents of the text was used to decide on *inclusions* for further analysis. "Suitability" here implies a judgement by the researcher given the particular "social contract" frame in connection with the role, conduct or purpose of the banking sector, also utilising the researcher's experience and immersion in the field *qua* Altheide *et al.* (2008).

For the sample year there were 248 links to texts reviewed, from these the following texts were included in the final sample:-

Date	Title	Include? (Comment)
14/07/2015	Fair and effective markets review (speech) Tracey McDermott, director of supervision, investment, wholesale and specialists	Yes (contains strong statements re prior conduct of banks)
20/10/15	Chairman's speech to the Trust in Banking Conference John Griffiths-Jones, Chairman	Yes (contains themes such as "the linkage of trust to business purpose"
22/10/15	The rapidity of change Tracey McDermott, Acting Chief Executive at the Financial Conduct Authority	Yes (Contains themes on banks behaviours, cyclical regulatory change and the "unsustainable" level of regulatory change)
02/06/15	"Regulation - supporting vibrant markets" – speech (Wheatley, 2015)	Yes, includes relations between regulators and markets and market actors
22/07/15 (modified 14/09/15)	Second Annual Public Meeting: Transcripts - John Griffiths Jones speech	Yes (themes include culture change in financial institutions)
22/07/15 (modified 14/09/15)	Second Annual Public Meeting: Transcripts - Martin Wheatley speech	Yes (themes include culture change in financial institutions)

Table 3 Sampled texts for FCA

As of May 2017 the PRA section of the Bank of England's website was organised in sections:

Website section	Assessment
Banking policy	85 titles, 19 assessed further, 1 selected for sample
Supervisory statements	65 titles, 3 assessed further and none selected for sample
Letters	33 titles, 1 assessed further and none selected for sample
Annual Report & Accounts	Selected for the sample (specifically the statement pp6-8 from Andrew Bailey BoE Deputy Governor, Prudential Regulation and Chief Executive of the PRA. Exclude Chairman (Mark Carney) statement as this is internally focussed on the "how" whereas AB focussed more on the "why"; exclude remaining sections of document as more focussed on strategy and operationalisation)
Insurance policy	This section of briefly assessed and excluded as irrelevant
Consultation papers	This section duplicates the Banking Policy texts (and includes insurance texts) hence is excluded
Policy statements	This section duplicates the Banking Policy texts (and includes insurance texts) hence is excluded
Statements of policy	This section duplicates the Banking Policy texts (and includes insurance texts) hence is excluded
Regulatory Digest	Excluded as an initial assessment showed they duplicate, or rather are mostly links to, texts assessed under previous headings
Approach documents	There are none for the sample year

Table 4 PRA Publications website structure. Source BoE (2019)

The 333 analysed document headings/links for the PRA resulted in two documents sampled for the PRA:-

Date	Title
15 June 2015	Annual Report & Accounts 2015 (specifically the statement pp6-8 from Andrew Bailey BoE Deputy Governor, Prudential Regulation and Chief Executive of the PRA)
21 May 2015	Corporate governance: Board responsibilities - CP18/15 (Consultation Paper) – considers the rationale for corporate governance hence of interest with respect to how firms ought operate with respect to societal stakeholders

Table 5 PRA Texts sample

4.7.7.3 Texts produce by NGOs

The websites for the above NGOs were examined for relevant publications. The examination of the NGO websites led to the following sampling:

- Association for Accountancy and Business Affairs (AABA) - 54 search results, 15 assessed further; 1 text suitable however out with sample year – 0 sampled
- The 'Association pour la Taxation des Transactions financière et l'Aide aux Citoyens' (Association for the Taxation of financial Transactions and Aid to Citizens) (ATTAC) – 13 titles, 4 assessed further of which 2 would be of interest however are not in the sample year – 0 sampled
- The Corner House – 87 titles – 20 assessed further, 2 of interest however are not in the sample year – 0 sampled
- Move Your Money – 80 titles – 20 assessed further, 2 of interest (an additional eight out with the sample year)
- BankTrack – of the 25 texts for 2015, 2 were assessed further and 1 included for sample
- Centre for Responsible Credit – out of 7 texts 3 were assessed further and none selected for sampling

From the 336 total texts the sample comprises:

Date/Partner if applicable	NGO	Title
September 16, 2015	Move Your Money	In the age of digitalisation, do we really need branches anymore?
January 9, 2015	Move Your Money	How we can transform finance
Dec 07, 2015 | BankTrack, Les Amis de la Terre and Rainforest Action Network	BankTrack	Civil society statement in response to the launch of financial sector voluntary climate principles

Table 6 Sampled NGO Texts

4.7.7.4 List of all sampled texts

This section lists all the sampled texts from the above analysis:-

Text #	Date/Partner if applicable	Organisation	Title	# Sampled text pages	# document pages
1	September 16, 2015	Move Your Money	In the age of digitalisation, do we really need branches anymore?	6	6
2	January 9, 2015	Move Your Money	How we can transform finance	2	2
3	Dec 07, 2015 BankTrack, Les Amis de la Terre and Rainforest Action Network	BankTrack	Civil society statement in response to the launch of financial sector voluntary climate principles	1	1
4	15 June 2015	PRA	Annual Report & Accounts 2015 (specifically the statement pp6-8 from Andrew Bailey BoE Deputy Governor, Prudential Regulation and Chief Executive of the PRA)	3	94
5	21 May 2015	PRA	Corporate governance: Board responsibilities - CP18/15 (Consultation Paper) – considers the rationale for corporate governance hence of interest with respect to how firms ought operate with respect to societal stakeholders	4	10

Text #	Date/Partner if applicable	Organisation	Title	# Sampled text pages	# document pages
6	14/07/2015	FCA	Fair and effective markets review Tracey McDermott, director of supervision, investment, wholesale and specialists	4	4
7	20/10/15	FCA	Chairman's speech to the Trust in Banking Conference John Griffiths-Jones, Chairman	3	3
8	22/10/15	FCA	The rapidity of change Tracey McDermott, Acting Chief Executive at the Financial Conduct Authority	3	3
9	21/07/15 (modified 14/09/15)	FCA	Second Annual Public Meeting: Transcripts - John Griffiths Jones speech	3	3
10	21/07/15 (modified 14/09/15)	FCA	Second Annual Public Meeting: Transcripts - Martin Wheatley speech	5.5	6
11	02/06/15	FCA	“Regulation - supporting vibrant markets” – speech (Wheatley, 2015	4	4
12	Fair and Effective Markets Review	BoE/FCA/Government	Fair and Effective markets review (original report)	8	110

Text #	Date/Partner if applicable	Organisation	Title	# Sampled text pages	# document pages
13	2015	Barclays	CEO review	4	356
14			"Our Approach" (equivalent to SER)	10	356
15	2015	Cooperative	AR&A	3.5	294
16			SER (Values & Ethics report)	3	59
17	2015	RBS	AR&A CEO Q&A	2	2
18			SER	2	59
19	2015	HSBC	AR&A	2	54
20	2015		SER (Approach)	3	54
21	2015	Lloyds	AR&A	3	311
22	2015		SEA	5	10
23	2015	Std Chartered	AR&A	3	360
			Page Count Totals	87	2177

Table 7 List of all sampled texts

4.8 Data collection and storage

Copies of all relevant reports and web pages were made as soon as sources were identified.

The limitations of software NVivo 10 in supporting the analysis of comprise constructions in the current research necessitated an alternative data capture software. Whilst a spreadsheet format could be a workable solution, there was the possibility that analysis would extend to querying relationships between words, phrases and types of institutions. To support relationship based query and display of data a Microsoft Access database was constructed by the author.

4.9 Research Quality

The following section analyses issues of “quality” and “trustworthiness” of the method employed in the current study. First it is worth considering approaches to what we mean by “quality” in the context of research.

4.9.1 Dimensions of Quality

The particular criteria for assessing quality of research are contingent on the methodological approach undertaken. In a statistical analysis of a large sample intended to develop generalizable findings, facets of *validity* and *reliability* are foremost considerations. Validity ensures the analysis is actually of the purported concepts, objects or processes under examination. Reliability helps ensure the replicability of findings.

In contrast to large-scale quantitative and *confirmatory* analysis, there are different and various criteria regarding the “quality” of interpretive, small scale, exploratory analyses. Discussion of quality or trustworthiness of qualitative research may focus on the coherence of concepts, contribution, defensibility of research design, and transparency/rigour of reporting, whilst considering issues of ethics and diversity (Spencer, Ritchie, Lewis & Dillon, 2003, p.716).

Similarly an implication from Davies (2006) is that exploratory research should be credible, plausible, and trustworthy.

Research ontologies foreground and privilege objects and relations, and enable or constrain epistemological approaches. Following Potter (1996), this section excludes considerations of the nature of “reality” as the abstract ontological debate does not sufficiently advance understanding of the entities and agents and relationships between them with which this work is concerned.

More broadly Denzin and Lincoln (2011, p.13) summarise criteria for a number of interpretative paradigms (Table 1, below) which means that no singular quality framework is universally applicable, quality assessments are necessarily “context dependent” (Welch & Piekkari, 2017) giving rise to “contingent criteriology” (Johnson, Buehring, Cassell & Symon, 2006, cited in Welch & Piekkari, 2017, p.719).

Paradigm	Criteria
Positivist/Post-positivist	Internal and external validity [could usefully add reliability of measures and generalisability of results]
Constructivist	Trustworthiness, Creditability, Transferability, Confirmability
Feminist	Afrocentric [could be challenged: “global” more appropriate, or “Global South”], lived, dialogic, concerning, race, class, gender, reflexive [though see Lynch (2000) for an interesting critique], grounded, embodied
Ethnic	Afrocentric [as above], lived, dialogic, accountability, race, class, gender
Marxist	Emancipatory, falsifiability, dialogic, race, class, gender [historically situated may be a useful addition here]
Cultural studies	Cultural practice, praxis, social texts, subjectivities
Queer Theory	Reflexivity [see above], deconstruction

Table 8 Research Criteria adapted from Denzin & Lincoln (2011, p.13)) [additions, authors own]

Given the closest paradigm from Table 8 to the current research is "Constructivist", the rest of the section below considers the criteria as above, of Trustworthiness, Creditability, Transferability, and Confirmability.

4.9.2 Trustworthiness

Common discussions of validity and reliability for quantitative analyses are contrasted with calls for trustworthiness and credibility in the qualitative world. Torrance (2008) suggests that the terminology is instructive and that trust and "warrant" are terms that tend not to be applied to quantitative research, that there is a lack of critique of such issues in quantitative approaches.

In positivist/quantitative research, there is considerable emphasis on validity of constructs, models, and analysis wherein validity is concerned with the "integrity" (in the sense of coherence) of the analysis (Bryman & Bell, 2011, p.42). Whilst much of the discussion of validity in Bryman & Bell concerns quantitative methods (measurement, internal, external), and "validity" is more generally a term associated with positivist/realist approaches, Bryman & Bell further consider qualitative aspects (ecological validity) and trustworthiness (creditability, transferability, dependability, confirmability) (p.43) which parallel quantitative research concerns. For Altheide & Johnson (2011, p.585) there may be additional validity concerns for qualitative research such as: validity-as-culture (validity is defined as reflecting researchers' culture), validity-as-ideology, validity-as-gender, validity-as-language/text (discourse), validity-as-relevance/advocacy, validity-as-standards, and validity-as-marketable-legitimacy (socially acceptable research), all of which similarly impose *a priori* epistemological constraints on frames, data, and analysis. In addition to these aspects of trustworthiness above, Seale (1999, p.468) notes that trustworthiness is "always negotiable and open-ended, not being a matter of final proof whereby readers are compelled to accept an account".

The immersive approach per Altheide *et al.* (2008) challenges the realist concept of reliability in that the depth of understanding is particular to the researcher, and therefore the analysis is dependent on this particular understanding. That said, some indicators above are notably straightforward (e.g. time orientation). A mixed picture of trustworthiness emerges: some of the analysis does depend on the researcher's understanding of the field and hence results may not easily be reproduced by other researchers with less subject matter expertise: for other aspects, a high level of "reliability" (a realist term) would be expected.

Other potential issues identified in Welch & Piekkari (2017) include descriptive errors such as not quoting texts correctly, interpretive errors due to lack of understanding of meaning of texts, and theoretical issues of incoherence or lack of links between texts and claimed meanings. In addressing the first of these errors, the current research uses publicly available texts hence quotes and attributions may be checked by third parties; as a single researcher project there is a reliance on the accuracy of the researcher. The issue of attribution of meaning echoes concerns in Ramirez (2013), that *a priori* meanings are forced onto texts in ways that may be inappropriate, without challenge to the theoretical framework. To address such concerns, for the current research, instances of ambiguities in attribution are discussed explicitly and the reasoning for attribution given. There is still a reliance on domain expertise to some extent (a researcher not familiar with the banking sector may make different attributions in some cases). Finally in terms of alignment to theory: the use of an explicit *a priori* framework helps constrain the analysis within a public justification theoretical field, which means that links to theory are reasonably clear, even if the specific attributions and constructs may require some explanation.

All data used is viewable in the public domain which means that there is the opportunity for others to challenge the analysis herein, and most importantly to see that samples are what they purport to be.

A characteristic of the foregoing discussion is the contingent nature of quality criteria. In contrast, Tracy (2010, p.839) adumbrates eight "universal" criteria for qualitative research: "(a) worthy topic, (b) rich rigor [sic], (c) sincerity, (d) credibility, (e) resonance, (f) significant contribution, (g) ethics, and (h) meaningful coherence". A critique of all these characteristics is out with the scope of the current research, suffice to say there are a number of issues of particular note, not least that a "criteriological" approach necessarily relies on socially constructed criteria (Smith & McGannon, 2017) - implying infinite regress or, more commonly, "turtles all the way down"[40]. Further, naïve application of criteria may privilege a narrow approach to the exclusion of novel ways of producing knowledge; to apply strict quality criteria may be undesirable, unsustainable and unlikely to be achieved in practice.

4.9.3 Creditability

Following Potter (1996), the current research excludes considerations of the nature of "reality" as the abstract ontological debate does not sufficiently advance understanding of the entities and agents and relationships between them with which this work is concerned[41]. A singular ontology has been chosen, per Rousselière & Vézina (2009). The *ex post* texts from social actors as objects in themselves, however per Jagd (2011) these represent *outcomes* rather than *processes* (epistemologically and practically, the latter are difficult to discern and analyse). Whilst in contrast, Saunders *et al.* (2009) suggest multiple approaches to ontology are usable in one project, this would appear problematic given the arguments for incommensurability between ontologies highlighted by Guba & Lincoln (2005, p.198, Table 8.5). As discussed above, the current research is ontologically objective whilst epistemologically relative, which is appropriate when considering the *interpretation* of real objects (texts) from real institutions.

Altheide *et al.* (2008) emphasise the need for a familiarity with the field of discourse before analysing text samples in detail. Research familiarity (comfort, even) with textual material raises a question of how the researcher avoids sample selection that supports a particular *a priori* notion of the concepts to be examined. Altheide *et al.* do not address this issue. To address

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[40] A saying regarding infinite regress, attributed to Barker & Berg discussion & Four sermons by T. Parker: A collection of 12 pieces (1854): "My opponent's reasoning reminds me of the heathen, who, being asked on what the world stood, replied, "On a tortoise" But on what does the tortoise stand? "On another tortoise." With Mr Barker, too, there are tortoises all the way down" (p.48)

[41] Potter (1996): "reality (or 'reality') cannot enter this debate except as another description, which would beg the question of whether this new description is *itself* descriptive or constructive" (p.2, *emphasis in original*).

the issue of potential bias in the current work a heuristic to select samples has been developed: to sample texts associated with the head of organisations such as banks and regulators, this means there is consistency in the type of texts analysed. NGO texts are more challenging in this regard: sample selection relies on the researcher's familiarity with key topics in the sector and hence the most salient and general texts have been selected. Transparency with respect to the population and sample for NGO texts helps reduce the risk of bias.

One consideration from a cross-sectional design is to understand how typical of organisations texts are the particular sample set. For instance, "Materially improved [financial] returns" and "deliver good returns" (p.4) (Standard Chartered, 2016) raise questions around "good compared to what?" Given Standard Chartered is in a "turnaround" process then the emphasis in constructs could be different in other than in texts prior, and subsequent to, the sample period. Herein there is a reliance on the researcher's familiarity with the sector to be alert to this risk. The texts in the sample do appear to be broadly similar to texts out of sample. Further, the sample year 2015 was chosen in part as not being particularly notable with respect to crises, major geo-political changes, or legislative/structural changes within the regulatory space. In short, 2015 is as near as possible to a "typical" year.

4.9.3.1 Warranted belief in the trustworthiness of texts

The analysed texts transmit beliefs from an institution to an audience: they are the "testimony" of the institution (Lackey, 2006). Testimony ranges from the mundane to political or legal declarations with profound consequences. Publications from NGOs, Speeches from Regulators, and Strategic statements from banks' executive are testimonies on behalf of the institution and may be said to represent the firms' beliefs regarding their activities, values, motivations (see also consideration of "institutional voice" above). In the Belief View of Testimony (BVT), for knowledge to be passed via testimony, a necessary (though not sufficient) condition is that the speaker needs to be sincere (Lackey, 2006, p. 78). What is important in the BVT is that the speaker's beliefs are warranted, and that there are known epistemic characteristics of the statements made. However, the most important aspect is the speaker's warranted belief. It is worth considering the approach to trust in institutional communication in the content of the analysed texts in the current research. Each type of author or institution can be considered in turn.

The production of banks' texts is set in a long history of business deception – indeed Adam Smith (2005 [1776]) took a dim view:

> "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."

RBS were sued for £4bn after allegedly overstating the prospects of the bank whilst raising fresh capital (Binham & Thompson, 2013) and settled for £200m (Dunkley, 2017b); RBS CEO was accused of "misleading parliament" (Binham, 2018); the CEO of Barclays called for reduction in "bank bashing" just before the LIBOR scandal broke (Goff, Jenkins & Jones, 2012); HSBC were fined for enabling tax evasion (Keohane & Arnold, 2017), and the Cooperative Bank chief exec was filmed buying drugs (Guthrie & Bounds, 2013). The scale of such misconduct is such to raise doubt over the trustworthiness of banks' reporting. Banks are no exception in attempting to construct brand image for differing stakeholder groups (Beelitz & Merkl-Davies, 2012, Solomon, Solomon, Joseph & O'Doherty, 2013). However investors who bear risk dependant on their analysis of firms' prospects, seem to give (some) credence to strategic statements conveyed from firms, e.g. in annual report and accounts (Barker, 1998).

Considering source data in more detail, all of the banking Annual Report and Accounts/Strategic reports and SER texts are assured by third parties, and this may confer some legitimacy[42] on the documents as a valid and reliable source of information. A number of initiatives purport to improve the quality and standardisation of assurance. The International Auditing and Assurance

[42] Indeed a specific award category within the Corporate Register Reporting Awards is "for the assurance statement which adds the most credibility to the overall report." http://www.corporateregister.com/crra/help/crrahelp.html

Standards Board (IAASB) introduced the ISAE 3000 (Revised) standard "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" which may be applied to social and environmental matters (there is also a specific standard for assurance of GHG emission statements). AccountAbility introduced the AA1000 standard for assurance of compliance with AccountAbility reporting guidance (ACCA, 2014).

That said, concerns regarding assurance have been raised, such as management involvement in, and control over, assurance processes and a lack of external stakeholder involvement (O'Dwyer & Owen, 2005); assumptions of uniform levels of assurance and inconsistencies between national approaches (Manetti & Becatti, 2008); and concerns over the diversity of approaches and actors "promoting their own commercial, professional and ideological agendas" (Smith, Haniffa & Fairbrass, 2011). On balance, it would appear appropriate to (cautiously) warrant that the constructions of the strategic statements in banking texts represent the constructions of the social contract as intended by banks.

NGOs demonstrate heterogeneous ideologies (Fisher, 1997) and these ideologies will inform, guide and constrain texts (Richardson, 2007). For NGO texts, warrant for belief in the sincerity of the beliefs in testimony may be derived from the very fact that the institution exists as an NGO in order to create positive social change. That is, unless there is suspicion that the NGO is falsely representing itself and may actually be an agent for (say) the banking industry, it seems reasonable to say that the beliefs expressed in testimony are likely to be sincere at that time – otherwise the NGO would be a different organisation with a different purpose.

For regulators the determination of sincerity is difficult, not least due to concerns over "regulatory capture" (Kwak, 2013). Regulators are to some extent held to account for public strategy or public justifications and financial sector outcomes (particularly customer outcomes). There are three processes by which regulators are accountable. The first is by publishing texts of speeches, regulations, guidance and so on, there is the possibility of public scrutiny, however there is a lack of engagement of the public in such topics (and in politics in general, see *inter alia* Marsh, O'Toole & Jones, 2006). Limited public oversight weakens reasons to consider regulatory texts warranted knowledge. Secondly, part of the public scrutiny is by the press and broader media sector. It is noteworthy that parts of the UK media landscape are focussed on topics of finance, the economy, and regulation (The Financial Times, The Economist in particular) – such focus may allow for more skilled analysis and reporting of financial news. However media institutions do not really hold institutions to account *unless it serves their interests* (Carrington & Nelson, 2002) and if such institutions are to *truly* to act as the "fourth estate" watchdog (Besley, Burgess & Prat, 2002) they should be (impossibly) independent "of other institutions, especially government, *business* and industry" (Newman, *et al*., 2012, p.7, *emphasis added*). This second, media-led form of accountability may then also be weak. Finally, regulators may be subject to parliamentary scrutiny through management accountability and more publicly through select committees. At the time of writing, the work of the FCA is under review (Treasury Committee, 2019). Such public scrutiny provides stronger warrant for believing in the sincerity of the regulatory texts especially in the atmosphere of heightened scrutiny following apportionment of (some) of the blame for the financial crisis on regulators and subsequent changes in regulatory structures in the UK.

The considerations above consider empirical evidence, for example if we have seen evidence of wrongdoing in the past we are less likely to assume good faith in the future. Relatedly Boltanski (2011) addresses tensions in societal relations toward institutions. As disembodied entities, institutions have the possibility of taking and speaking to a general position or "*sub specie aeternitatis"* (p.84). Disembodied entities cannot speak for themselves, so rely on spokespersons to do that on behalf of the institution. For Boltanski (2011, pp.84-87) the audience *knows* that the spokesperson is not fully identifiable with the institutions as the spokesperson has their own agendas, desires, failings and so on and so forth. As a result, a "dress code" such as a uniform or priest's attire for instance may be used to frame the spokesperson's speech as "official" or institutional rather than personal. The tension between relying on institutions to declare "what is", and being aware of the fallibility of the people within institutions Boltanski refers to as “hermeneutic contradiction”. For the current research the warrantedness in believing in the good faith at least, or the truthiness of texts, depends on resolving the hermeneutic contradiction, or at least holding this in abeyance. As discussed above the varied stakeholders of regulatory institutions and of corporations act (with some potential delays) as governing mechanisms in order to increase the warrantedness of the belief in the truth of texts *from the perspective of the institution*. For NGOs it is less clear that such governing mechanisms pertain excepting that, were texts to depart too far from institutional mission then support for the NGO would be withdrawn.

From the above then it seems reasonable that there is sufficient public scrutiny, or alignment to institutional aims and purpose, to *warrant* that text contents do reflect the views of the institutions “owning” those texts – albeit cautiously in the case of the banks.

4.9.4 Transferability

Sobh & Perry (2006) consider generalisability for a realism paradigm in contrast to positivist (generalisation of results to wider populations) and in contrast to critical theory and constructionist paradigms wherein results (constructed, by definition), cannot be generalised. For the current study, generalisability or rather *transferability* to wider populations is constrained in two ways: firstly, banks are “special” due to credit creating capabilities and hence banking relations with the economy and society are not easily generalizable to non-financial firms (or indeed many other types of financial firms, such as insurers) (Ashcraft, 2003). An additional constraint on transferability is that, despite increasing influence of global institutions such as the Bank of International Settlements, “all banking is local” due to the influence of regional and national legislators. This discussion echoes Trotter II’s (2012, p.400) concern that qualitative research “has more epistemological difficulty with generalizability to large populations, especially highly diverse populations which are multi-modal on beliefs, values, knowledge, processes”. Whilst the choice of the UK banking sector is defensible solely on pragmatic grounds, it is possible that UK banks, regulators and NGOs are idiosyncratic, which means that further research to contrast UK construction of the social contract with other jurisdictions would be desirable. More pointedly, in the earlier discussion of the social contract for the banking sector it was noted that all social contracts are *necessarily* incomplete and contingent on local specificities. In short, the *results* of the current research are not intended to be transferable albeit there are methodological implications from the current research which are of a more general nature.

Further, Lewis & Ritchie (2003) consider representational generalisation as not dissimilar to the positivist generalisation above to wider populations from which samples are constructed – the limits here are per the above discussion. The authors also consider inferential generalisation, to other contexts that are "similar": however a similar constraint applies for the current research as discussed above. Finally the authors consider theoretical generalisation (enhancing theoretical perspectives), and this is the type of generalisability pertinent to the current research, as an example of a construction of the Social Contract and empirical use of the orders of worth schema of justifications.

4.9.5 Confirmability

Rousseliére & Vézina (2009) note in the *construction* of orders of worth that justifications are not simply obvious. Hence they consider that justifications and perceptions of co-operative organisations' identities are constructed in each organisation - such contingency then could be said to limit generalisations of the specific constructions of polities, however this does not challenge the general applicability of the *grammar* of conventions, of justifications and hence the social contract. The occasional difficultly in attribution of utterances to polities highlights the tension between empirical data and theoretical frameworks (Alvesson & Kärreman, 2007, Ramirez, 2013).

4.10 Research Ethics

The secondary data analysis herein uses publicly available information. The ethical considerations regarding handling secondary data in a qualitative approach are concerned with understanding the context of primary data (text) production and in sensitivity in handling data not intended for the analysis undergone in the current research (Irwin, 2013, Morrow, Boddy & Lamb, 2014). The processes by which judgements are made in the current work are spelled out in the process discussions above and in the analytical and concluding sections below and the researcher is sensitive to ambiguities and the possibilities of misinterpretation. There are no ethical issues in the current research that required consideration by the research ethics committee in the Business School.

4.11 Research Methods Summary

The above chapter has considered the justifications of the approach with respect to prior research and the aims and objectives to be attained. A conceptual model has been developed and used to delineate the boundaries of the research. The methods employed – qualitative content analysis within a framework of orders of worth – has been set out. The pilot study showed the viability of the research and is written up as text #1 below (further reflections on the pilot study are included at the end of the discussion chapter below). There is transparency regarding populations and samples. Limitations of the research are acknowledged.

5 Findings

5.1 Introduction

This chapter explores the characteristics of orders of worth present in the sample of texts examined through a qualitative content analysis method. For each text the characteristics uncovered by the repeated re-reading and analysis of the text are discussed, including where appropriate discussion of decision making in the presence of ambiguous utterances. A summary of each analysis includes a discussion of the most prevalent of the polities. The analysis of Text #1 formed the pilot study above and the change in approach can be seen between this analysis and the remaining texts: rather than discuss the text in the order as written, subsequent narratives are more directly structured around the characteristics of the polities.

Following the discussion of the texts, two further analyses are presented. Firstly an overall pictorial representation of the presence/absence of polities in the texts. Rather than a detailed quantitative analysis this representation is intended to develop an easy to access overview indicating the dominance and absence of polities in the texts.

Finally, there is consideration of the most prevalent and absent characteristics of the polities in the texts. The analysis raises interesting questions about the relative presence and absence of elements of polities as some texts have a notably more complete, rich representation of the elements of polities than others.

5.1.1 Contribution

This chapter explores the presence, absence and construction of justifications of social contracts in texts. Given an *a priori* framework, this chapter illustrates the range of polities utilised and the relative predominance of each (taken to be meaningful, similar to Milne & Adler, 1999, re the prevalence of terms in content analysis). This initial analysis describes “who said what” in terms of dimensions of orders of worth: the following chapter analyses patterns of justifications across the whole dataset.

Methodologically this chapter illustrates the use of orders of worth in a novel area (the banking sector), and finds there are limits to the use of the framework. One limitation is in attribution, similar to concerns of Gale, Heath, Cameron, Rashid & Redwood, (2013) who note the difficulty in analytic choices regarding attribution, and Ramirez (2013) who uses difficulty or tension in attribution to problematize limits of extant theory (see also Alvesson & Kärreman, 2007). The other is that a normative element to what may superficially be considered a positive framework is present: Boltanski & Chiapello (2007, pp.365-366) explicitly exclude shareholders as "qualified subjects" which is problematic when addressing the construction of the banks' social contract *by the shareholder "owned" banks*. Similarly shareholders are problematised by the criticism in van Bommell (2014, p.1160) wherein the authors finds it "difficult to position integrated reporting as a durable legitimate compromise since it violates the principle mechanisms of finding a common interest, avoiding clarification and maintaining ambiguity. In particular, *accountants and investors are often accused of capturing the dialogue and pursuing private interest* rather than searching for a common interest" (*emphasis added)*.

5.2 Texts Analysis

In each of the following analyses, the justifications found within the text are considered using the "qualitative content analysis" approach described above. After the analysis for each of the texts, a summary of the main "polities" found is presented including a summary count of polities found.

5.2.1 #1 "In the age of digitalisation, do we really need branches anymore?" (Move Your Money, 2015a)

5.2.1.1 Justifications within the text

There are few direct indicators of the "common superior principle" in the text, which may be because the text is an even-handed critique of market justifications from civic demands. Ontological and epistemological assumptions that underlie a common capacity to hold banks “accountable” are present through the text – that bank branches enable tangible evidence of bank behaviours and hence critique and accountability.

The concept of common dignity appears through the article in the form of *de minimus* expectations of what *should* be expected from banks and banking services (a market justification). That a wide range of face-to-face and bespoke services are available to all (and even that all should have internet access): “you can’t get bespoke advice from a FAQ page”. Further interactions with banks should be “meaningful” – as opposed to automated, homogenised: the appeal to “all”, or equality, is a civic justification.

The “common good” is not explicit in the text. The article, in allowing space for both market and civic orders of worth, appears to be based on a conception of taming and mediating financialised capitalism rather than a more radical approach.

The initial focus of the article concerns “mis-selling, criminal behaviour”. The focus on breaches of law and regulation is a focus on the non-justifiable, out with the polity, an act of violence out with the orders of worth (Boltanski & Thévenot, 2006 [1991], pp.37-38, Shafik, 2006). The focus in the Move your Money article on public and private debt suggests concerns of a civic and market nature respectively however the concerns regarding retail credit (PRA, 2017) have recently been more acute than those for public debt. Some of the key subjects within the text are Banks, Regulators, Government (Politicians), and Debtors.

There is substantial criticism of regulatory change since the crisis (“watered down”, “practically worthless”, “in tatters”) that is suggestive of a test that shows *decline* within the civic polity. In the “capitulation to HSBC lobbying” the co-existence of civic and market justifications is seen to resolve to a ‘victory’ for market justifications. As part of this critique, regulatory capture is said to have occurred. This echoes the discussion of Glinavos (2013) and Posner (1974) above, however there is no further evidence adduced in the article.

In two paragraphs discussing change in the banks there seems to be a recognition and acceptance that market justifications (ways of expressing judgement, investment formulae) are to be expected from a commercial firm. There is also a sense that the banks in aiming to be seen as an "ultimately benevolent institution" is placed hierarchically superior to customers within the domestic polity demonstrating assumptions regarding natural relations. However this is something of a strawman in the article given the lack of evidence – surely all firms wish to appear benevolent toward customers.

Placed in the third page of text there is a large graphic representation of a Royal Bank of Scotland credit card, with the long card number replaced with £15,530,000,000 to signify the amount of investment by banks (or just RBS? This is not made clear though the scale of number is most likely to be for a single bank). This graphic, which calls for divestment from fossil fuels is placed within the green polity, though strangely is rather free floating and not directly connected to the narrative of the surrounding text.

There follows a discussion of the market world of the banks such as "cross-selling and customer profiling" which is followed by criticism of "abuse, with near-complete legal impunity, over and over and over again". The impunity here is suggestive either of corruption, which lies out with the orders of worth, or of market justificatory hegemony meaning that it is difficult in practice to challenge the "dominant market position". As discussed above one of the (deliberate) limits to the orders of worth framework is the exclusion of violent acts (exploitation of customers is a form of financial violence, see Marazzi, 2011). The charge in the article is (in part) that banks' behaviour is not always oriented toward justice, toward a common good.

The article challenges the "inevitable" move to a cashless society (industrial and market justifications) on civic grounds – a "threat to civil liberties", showing again the tension between justificatory regimes indeed hinting at incommensurability between the justifications even at a higher level of "the common good".

"Disempowerment" of staff is a representation of the status of the "little person" within a market justification – there is no discussion of the condition of the "great person" because this article comes to bury that justificatory regime, not to praise it. Such disempowerment is seen to constrain "holding bad bank behaviour to account" which is another way of saying that the *tests* of a non-market justification cannot readily be applied. Interesting to reflect that "little" person in one polity may be a "great person" as judged under the criteria of an alternate polity. Ultimately, by focussing on industrial justifications and actions (such as making it difficult to find helpline phone numbers) there is a sense that ultimately the consumer loses out: one justificatory regime is employed excessively in circumstances where a range of stakeholders have a range of demands for services, prices, and relationships.

Efficiency through digitalisation leads to the claim by RBS that their busiest branch is "the Reading to London" train. The authors find this claim "as risible as it is ridiculous". The strength of critique is an indicator of the gap perceived here between civic and market/industrial justifications. Some of this antipathy must surely be rooted in the discussion above, that within a civic order of worth, the bank branch is reified as a bearer of social cohesion effects, conferring an element of fixity to the nominalisation of complex, interacting social processes. As such, there is a reactionary critique lurking here, whilst there is a trend elsewhere (e.g. fintech) wherein banking is becoming less "somewhere you *go* and more something you *do*" (King, 2012, *emphasis added*), for instance via mobile phone. A similarly reactionary tone is prevalent discussing the tangible barrier e-commerce places between customer and bank engagement – this elides the problems of prejudice as face to face bank managers were more prone to bias against minorities than is likely in an "app" environment – for instance with respect to gender see Fay & Williams (1993), Bellucci, Borisov & Zazzaro (2010). From the above the principle of differentiation is apparent: within the market justification. Consumer choice has axiological drivers hence is somewhat independent of *form* (as long as choice is provided) whereas within the civic polity the ontological fixity of a branch is freighted with expectations of broader social functions producing a normative demand that form follows function, and that functions of social cohesion are attached to banks and banking.

When discussing the geography of banking and internet access the authors are illustrating areas of decline of the market polity wherein customers are not, and cannot be served effectively. The test here appears to be "services". This test could be rooted in a market justification, however given the focus on "the public" desire for a full branch network the conflation of civic provision and market services suggests that certain functions of banking are best seen as a utility (see also Mullineux, 2011). Such a view reduces risk (possibly) and de-emphasises margin *per se* albeit aiming to be profitable– a view also expressed in Wolf (2007) and Milne (2013), though countered by the CEO of JP Morgan as unrealistic with respect to risk operations in Jenkins (2016).

There is a normative judgement hidden behind critique of market norms ("money-making machines", "short-term profits") leading to "significant personal reward". The judgement is coherent with the condition of the "great person" – differences in criteria for this aspect of the market polity. There is however no outside framework to judge the rightness of income distribution. This example shows that the tension between different stakeholder justifications is not always inter-polity as is most often discussed by Boltanski & Thévenot (2006 [1991]), but also *intra*-polity wherein test criteria differ.

In Table 1 above the approach to time was noted for each order of worth. In particular the market polity: "short term, flexible", civic: "perennial", industrial: "long term planning", and green: "future generations". It is interesting to note the several criticisms in the text of the banking sector's short termism especially with respect to short-term profits. This is implicitly a critique of market justifications from either a civic, industrial, or green order of worth (though in the current context civic seems most likely).

When discussing the "monoculture" of banking, this suggest that market tests have resulted in mimetic isomorphism. This section of text is suggestive of differing views of the market justification – that a test associated with market competitiveness within the market polity should be a risk-weighted calculation leading to a more heterogeneous sector characterised by reduced risk correlation.

The discussion of the need for local banks is a call to the domestic justifications of local geography or a call to refocus the “detached” civic and globalised market geographies. Altering the tests, altering the focus of time or geographies could give rise to hybrid polities, objects and tests of justification. Boltanski & Thévenot (2006 [1991], p.285) are concerned that the proliferation of objects and tests accompanies an “indeterminacy” of the common good around which the order of worth is created which leads further to fragility and repeated tests of justification. The article provides an example here, containing calls for local focus linked to “investment in renewable energy”. So far so local on the face of it, a bucolic image of a local wind farm. However, renewable energy technologies depend on imports such as cheap solar panels and rare earth metals from China. Hence, a call to invest in renewables in a local context elides the efficient interconnected global supply chains (industrial) this implies, and the associated management of forex risk and price volatility through derivatives (complex products decried earlier in the article) (market). The implication here is that for relations and justice to work well in a domestic order of worth there needs to be sufficient underpinning from efficiency (industrial justification) and depth of liquidity (market making and price dynamics within a market justification).

Given this complex interdependence and tensions between orders of worth per Boltanski & Thévenot (2006 [1991]), resolution in a sustained manner can only occur through shared conceptions of the common good, in which case excesses of the markets may be tamed. Indeed, in the final page the article criticises the “weighting” in terms of commercial (market) interests as opposed to “maintenance of essential social functions” (civic), further the article calls for “different types of banks that perform different types of functions—including the maintenance of branches, and the stable provision of banking services to the public”. It seems reasonable from the wording to see such a call as civic rather than using, or compromising with market justifications to achieve civic ends. This accords with Boltanski & Thévenot (2006 [1991], p.325) who state that amongst many compromises between polities in their analysis they “did not come across any compromise” between market and civic orders of worth.

The final call to action in the article is for HM Government to use what is in essence a state-owned bank (RBS Group) to fulfil the civic mission discussed above. This could be interpreted as an injunction to act within a Rousseau inspired social contract between the people and the state, illustrating the multiple logical levels at which the social contract is conceived in the article: between local communities and local branches as part of larger banks, of society with respect to banks, and of society with respect to government.

5.2.1.2 Summary of analysis of text #1

The article comprises two main themes: one is that too much, too often, the behaviours of the banking sector are *illegitimate* – that is, it stands as a form of financial violence (Marazzi, 2011) out with the orders of worth framework of *justification.* The second theme is the contrast and comparison, a near attempt at compromise, between the market and civic justificatory regimes – discussion of the dimensions of these polities far outweigh other mentions of industrial, domestic or green polities. The near constant difficulty and tension in the attempt to gain compromise is unsurprising on two counts. Firstly, that Boltanski & Thévenot ([2006] 1991, p.325) themselves found no compromise in their data between these worlds. Secondly there is little explication of concepts of common good and common humanity in the text, and in any case compromise would be dynamically created with other market participants such as banks and regulators. Compromise, per Boltanski & Thévenot always fragile, relies on a commitment to common causes.

In considering the presence of market justifications in particular the above text often features market polity characteristics within criticism therefore these instances are not “counted” when considering the relative dominance of polities. Overall, there are eight market and civic justifications, two industrial and domestic, and one green.

5.2.2 #2 “How we can transform finance” (Move Your Money, 2015b)

5.2.2.1 Justifications within the text

In considering the Common Superior Principle, "people and planet first" and "long term interests of society" and the idea that the Green Investment Bank could "invest in our society's future" is appealing, however ignores wider sustainability issues such as perpetual growth; the concern for societal and ecological sustainability is a combination of a civic justification with a green perspective. Such combinations elide the possibility of conflict: if the trajectories of "people" and "planet" were incommensurable, there would need to be "Restrictions […] on population growth and the scale of human activity" (Spash, 2012, p.34, edited for clarity).

Further support for a civic justification is demonstrated in the discussion of *decline* of this polity. In describing the "decimation of the welfare state and the savage and unnecessary period of austerity" this alerts the reader to what is unacceptable within this order of worth echoing concerns in, *inter alia*, Mishra (2014), and the concerns over the role of government in supporting the social contract in Esping-Andersen (2002, p.11-12).

Whilst the Repertoire of Subjects Agents and Motives overlaps substantially with other texts analysed above, there is emphasis on failed banks (a market failure), community banks, stakeholder banks (neither if which are delineated), "values based principles" for investment, and "mutuals". All are suggestive of, at least a civic justification (though the ‘values’ aspects are left vague of uncertain attribution to an order of worth.

The “great person” power of state bodies to influence the market - the reference to the CMA "investigation into retail banking" as a "great opportunity" suggests the state/regulators are seen as having power to shape the financial system supports a civic justification.

In discussing “natural relationships” the "Standard plc model of banking institutions" - elides the market and institutional processes that produced this "standard" and also ignores for example the largest building society

(Nationwide) which is a co-operative, and other less “standard” business models such as Triodos Bank (albeit the latter’s market share is admittedly small). The statement that "the taxpayer was left picking up the pieces" can be read two ways: that the taxpayers collectively have sufficient agency, sufficient resources, to be able to rescue some of the largest financial institutions in the world (supporting a civic interpretation). However, the alternative reading is that taxpayers *lack* agency: Too-Big-To—Fail (TBTF) banks leave taxpayers no choice but to "pick up the pieces" (see Oxera, 2011, Tett, 2012) – a dominance of the market perspective. In a similar way, the agency of individual investors in (say) pensions is both present, and weak. Present, as investors may be able to choose responsible investment funds. Weak, due to collective action problems (*inter alia* Ostrom, 2014, Gavrilets, 2015) and as the text notes, a lack of transparency that a "Responsible Investment Bill" could address - a civic justification. Another aspect of agency of concern, critically showing a market over a civic order of worth is the discussion of the "important function" of the broad money supply (M4), which is in the hands to the private banks and as such out with the *direct* control of the BoE (McLeay, Radia & Thomas, 2014).

The critique of a market perspective "Risky, speculative lending and ever-more complicated financial products got us into the financial crisis" and there is an implicit rejection of profit (market) motives in the mention of "unaccountable private profiteers" (to whom they should be accountable is unstated here but the general sense is that a civic duty is lacking).

5.2.2.2 Summary of analysis of text #2

Overall, the above text is dominated by civic justifications (7 instances) in contrast to a single green justification. The market order of worth is invoked only in a critical manner to illustrate *decline* of the civic polity. There are no constructs of industrial, INSPIRATIONAL, domestic orders of worth.

5.2.3 #3 Civil society statement in response to the launch of financial sector voluntary climate principles (BankTrack, 2015)

5.2.3.1 Justifications within the text

There is no specific mention of the common good, common superior principle or common human dignity.

The title contains the phrase "Civic society statement" suggesting the NGOs see themselves as both within, and speaking for, civil society. As such, this suggests a position within a civic order of worth, and that NGOs are “qualified subjects” within this.

It is noteworthy that when mentioning objects e.g. banking sector or mechanisms e.g. Paris COP Summit they are not always explicitly qualified (or disqualified) and therefore may be difficult to assign to a polity. However contextually, as "coal mining and coal power" are within a paragraph discussing drivers of climate change, it is reasonable to assess these as not qualified objects and processes within a green order of worth.

In considering status relations between qualified/unqualified subjects or persons, global banks are seen as instrumental and important in "financing of fossil fuels". Hence, the banks are seen as having an enabling role with respect to business or economic relations toward climate change activities – a critique from a green justification.

Within a green polity the flaws revealed by evidence concern lack of leadership, lack of urgency in addressing "the biggest drivers of climate change". Further criticisms include "These new principles still focus on the risks posed by climate change for the business activities of banks. What we urgently need is for banks to focus on the risks their business is posing to the climate" - this statement shows a critique of market orders of worth from the green order of worth. There is disqualification of the market justifications; though how far this should go in negating market justifications in total is unclear (should the firms/banks simply cease to operate?)

An indicator of decline of the green polity is the lack of financing for renewable power generation, as the report notes there is less than half the financing of renewables than coal alone (i.e. excluding oil, gas).

5.2.3.2 Summary of analysis of text #3

This relatively short text is unsurprisingly limited in the range of polity on which judgements are based, with a strong emphasis on the green (4) justificatory regime with just one other polity – civic – used once. Whilst the market polity is present it is only as a subject of criticism.

Unsurprisingly the global scope of the document aligns with the planetary scope of the green polity. A notable contrast to the framework in Table 1 is that rather than taking an inter-generational or future generations-long timescale to frame arguments the text throughout calls for a sense of *urgency*.

5.2.4 #4 PRA Annual Report (PRA, 2016a)

5.2.4.1 Justification within the text

It is clear the PRA prioritises it's *framework* of rules - hence Government, statutory objectives are a priori to the existence and functioning of the PRA. The PRA is not assuming agency for objectives, but for fulfilling objectives which it receives. The common principle herein is respect for the rule of law, which is a civic justification.

There is a sense of compromise around the common good, in that the PRA needs to, in addition to fulfilling regulatory powers, do this whilst being "consistent with the overall health of industries whose firms we supervise" (p.6). If the PRA can only supervise in a manner that fulfils market norms (e.g. "health" of industries) market outcomes may be considered as synonymous with the common good and in effect *a priori* to the rules of supervision – such a view is consistent with the first form of the common good discussed in Boltanski & Thévenot (2006 [1991]). Similarly the PRA states, "statutory objectives shape our judgements": statutory is *a priori* to operational judgement. Additionally it would appear to be accepted as a norm that international regulations drive the domestic agenda to a large degree.

There is a notably large number of “objects and mechanisms” mentioned in the text (see Appendix C for detail). There is a bias toward rules and regulatory processes that is indicative of a civic polity. The breadth and complexity of qualified objects and mechanisms may suggest a less concrete anchoring in a specific polity, at the level of the market sector the diversity of objects and mechanisms may work in various ways to construct justifications for contingent operations and relations. The diversity of objects and mechanisms also undermines singular conceptions of *a* “social contract”.

In that "Natural habitat" of prudential supervisors is early intervention to head off risk (p.7), hierarchically the supervisor is seen as more powerful - able to "intervene", to change the course of events in the sector. The presuppositions here share some of Boltanski's (2011) requirements for critique. These include a certain critical distance from the milieu being critiqued - critique is a forerunner to effective supervision. This is still critique rather than Critical - the nature of the system *per se* is not under analysis, simply the behaviours, incentives, outcomes within the system. PRA is “interested” and takes a close look but firms are accountable for their behaviour. There is an emergent recognition here that although the PRA is hierarchically dominant in a civic polity sense, in *tests* the firms may well pursue other justifications such as the market and hence the PRA does not justify its approach with respect to a singular justificatory regime.

Largest and most complex firms bear/cause the greatest risk hence should carry a larger buffer of capital. This is illustrated in contrast to prior regimes. "London is a major international centre for insurers and banks" illustrates the status of London within a financialised globalization – an element of the market polity, The inequalities (albeit implicit in the text) between London and the rest of the UK can be seen as a result of free markets (market), that is there is no *a priori* concept of a normative vision of a “fair” distribution.

When considering "the competition was fragile, built on unsustainable business models" (p.7) the usage of sustainability is ambiguous, however in context it is a reasonable assumption to consider this relates to the sustained operation of the *firm* rather than *ecology*. The focus on competition, albeit as a secondary objective, is notable and concomitant with a market polity. Whilst competition may be associated with the market polity, the call for continued operations, a sense of stability over time, seems to draw more on the planned future of the industrial polity, which unwittingly expresses a frustration at the lack of state control over contingent market outcomes. This is echoed on p.8 with respect to a wish to control "excessively high household debt through mortgage borrowing".

Focus on staff as "judgement at the heart of everything we do" is suggestive of a domestic polity (per Table 1).

"The rising prominence of cyber risk" (p.8) is interesting when considering which polity is at risk. The main reasons for regulation discussed above are information asymmetry, externalities, principal-agent problem, and moral hazard. Cyber risk means either accessing private information, loss or corruption of private information extortion over access to information or extortion over the dissemination of sensitive private information. The two polities most affected by such operations are the market polity, and the industrial polity. The market polity depends on price and demand as indicators of the validity of the product or service. Being unable to price (say, stocks and shares) would disrupt the market world. Relatedly, being unable to complete activities/production efficiently disrupts the industrial world. The domestic world is less susceptible to such challenge, however information may come to light to challenge the legitimacy of hierarchy or other social relations. The inspired polity is relatively immune, though incentives for innovations may be reduced if property rights are insecure. The green polity would not be challenged in the financial sense (apocalyptic scenarios of nuclear plants held to ransom are certainly possible if fantastical, however such scenarios are not rooted in the financial sector).

The focus on a stable institutional structure of supervision, something which has been "elusive" is redolent of a call toward a domestic justification: where relations are fairly fixed between institutions.

Transparency and public accountability of the PRA are seen as aims and the annual report is an improvement in this regard. This suggests a lack of transparency in the past. The interesting discussion (p.7) of accountability focusses on "senior" roles. In this, there is an element of the domestic polity, in that respect, reward and in this case accountability are functions of position in a hierarchy, potentially regardless of direct attribution, of actions taken, toward an unwelcome outcome. An explanation of the "depressing" lack of clarity during the financial crisis is seen in the market and other justifications that allocate responsibilities and accountabilities more dynamically than within the paradigm of the domestic space. There is not strong evidence for this though the contrast is striking. Prudential regulation is "forward looking…prioritise prevention over after-the-event enforcement" (p.7) which as a construct regarding time is suggestive of the detached abstraction from immediate crisis aligned to the civic polity.

Note the new supervision approach appears to be "a work in progress", which can be interpreted as supportive of a market polity wherein the outcome is flexible and will be adapted to external drivers, or the industrial polity wherein the changes form part of a rational calculative planning approach. Given the phrase "work in progress" tends to imply uncertainty over the outcomes, and the PRA are "working through the implications" this tends to support a market orientation.

Absences from analysis of text include “common dignity” and “condition of little person”. To some extent, the latter is implied as the obverse of the hierarchical positioning of the PRA as being *a priori* to the firms it regulates.

5.2.4.2 Summary of analysis text #4

There is a wide range of objects and mechanisms in the text. Whilst these are biased towards rules and regulatory processes indicative of the civic polity, many of the qualified objects are market agents. As such, this particular aspect may illustrate the essential tension or compromise facing the regulator in applying civic justifications within a market polity. This finding is in contrast to Boltanski & Thévenot (2006 [1991], p.325) wherein compromises from the civic world with the market were absent from their analysis.

In considering the presence of orders of worth in the text there are five discussions relating to market worth, four relating to a civic polity, three for domestic and two for industrial. There was no evidence of inspired or green polity.

5.2.5 #5 CP18/15 Corporate governance: Board responsibilities. (PRA, 2015a)

5.2.5.1 Justification within the text

The "common superior principle" appears to be implied by the focus on "the continuing stability of the financial system" (p.2). The concern here is implicitly with collective welfare, a civic concern, as one of the raison d'etre of regulation is the impact of externalities (Campbell *et al.* 2011). These impacts are on the wider economy and society, occasioned by banks' collapse, or in other words, financial *instability*.

The discussion (Appendix, p.2) of relationships between key actors includes consideration of the "collective responsibilities" of the board (a civic justification) however that the Chairman and Chief Executive have "leading individual roles to play in the board's development and maintenance of the firm's business model", the latter being either an industrial or a domestic perspective. The first of these suggests authority through competence, however given the travails of various senior bank position holders (e.g. at the Cooperative Bank, see BBC News, 2013) competence cannot be taken as a given. The domestic perspective, which qualifies persons through position in a hierarchy, aligns well with the way the PRA is discussing this matter.

Perhaps unsurprisingly in the context of this particular text, the *qualified objects and mechanisms* relate very much to the civic polity with rules and regulations paramount. These include Senior Managers and Senior Insurance Managers regimes, risk control framework (though see discussion of risk below) (see more detail in Appendix C).

The repertoire of subjects and agents and includes the formal *hierarchy* characterised as domestic polity including boards, sub-committees including dedicated "risk committee". From a rules-oriented civic perspective, the Financial Reporting Council is included (see more detail in Appendix C).

In considering success or "Condition of Great Person" the PRA text (p.2) states:-

"an effective board, which is one that:

- establishes a sustainable business model and a clear strategy consistent with that model;
- articulates and oversees a clear and measurable statement of risk appetite against which major business options are actively assessed; and
- meets its regulatory obligations, is open with the regulators and sets a culture that supports prudent management."

Whilst the meaning of "sustainable" business model is not explicated in context this appears (again) to refer to the continued operations of the firm hence from a market competitiveness perspective rather than an ecological viewpoint. The use of a risk framework is suggestive of a planned, industrial approach, however risk appetite overall is more suggestive of the self-interested desire for success attributable to a market polity. It is noteworthy that Table 1 does not include approaches to risk. Boltanski & Thévenot (2006 [1991]) do not address risk taking behaviours, although the term "risk" is used often, in connection with processes of conflict and the possibilities of compromise. The discussion with the PRA text which accepts and aims to aid the *management* of risk has no counterpart in Boltanski & Thévenot (2006 [1991]) wherein the only discussion of risk is in connection with the risk of misunderstanding or the risk of not reaching agreement.

With regard to status relations, repeatedly the PRA text holds that non-executive directors hold the board "to account" and whilst being "cooperative and collegiate" this should not "inhibit the non-executive directors from challenging executive management and holding them to account effectively" whilst “The PRA expects the chairman to play a pivotal role in facilitating this culture” (Appendix, p.3). Such constructs, of collective working however within a defined and bounded hierarchy are suggestive of a domestic polity. The focus on formality of relations, of evidence that boards should not be “stage managed” (Appendix, p.4) is suggestive of a civic justification. The use of domestic and civic justifications forms a compromise justification that enable aims of hierarchy to be met within a broader set of societal aims. Consider the methods of evaluation for the polities: civic: Collective welfare, civic duty; domestic: Esteem, reputation, position in hierarchy. The former are broadly constructed with respect to society and it is clear that the latter, domestic forms of evaluations could be used within a number of different operational contexts. The difference in scope of the evaluator criteria may imply that domestic justifications can readily be invoked to support other polities, that the domestic polity could be yoked more readily than others to support the aims of a range of polities. However this does not apply to all polities - situations that may appear hierarchical but are justified by the market polity use hierarchy as a means to an end – sales people are only as good as last week’s/month’s sales Figures, no matter the position in the hierarchy.

Omissions from the text include constructs of “the common good”, “common dignity”, and “condition of the little person”. Whilst there is no discussion of social or national groupings, this may be implicit in that the role of the PRA in this context is geographically constrained to the UK. As time construction of the text is future oriented around stability (the former suggestive of an industrial justification whereas the latter “perennial” approach is suggestive of the civic polity) there is no review of past performance and so little consideration of “flaws revealed by evidence”.

5.2.5.2 Summary of analysis text #5

The PRA text is narrowly conceived regarding specific expectations from the PRA regarding governance of banks. The dominant polity is civic (six constructs) with relatively few other justificatory perspectives used – domestic (focused on hierarchical relations) (three) and the market polity features once. The compromises between the domestic and civic world described by

Boltanski & Thévenot (2006 [1991], p.306+) have echoes in the PRA text, of formality, *politesse* and respectful operations allowing effective (hierarchal) working relations that create a space for "judgement" and pragmatism in following rules.

5.2.6 #6 FCA Speech re Fair and Effective Markets Review (FEMR) (FCA, BoE & HM Treasury, 2015)

5.2.6.1 Justification within the text

Similar to other texts analysed the "common superior principle" appears assumed re the positive function of the specific markets under discussion (see also #18) – suggesting a market polity.

There is little explicit discussion of the "Common Good" in texts analysed so far. In the particular text it is stated that markets are for "delivering for the good of society" - though what that "good" comprises is unclear, albeit the societal focus suggests a civic justification.

Notably despite being one of the economies most badly affected by the financial crisis, there appears to be a positive view of the potential role of the country: "The UK, by virtue of its prominent role in these markets and its long and hard-won reputation for innovation, fair dealing and consistency". In one sense, this is an appeal to the REPUTATIONAL polity however, the emphasis on creating markets is more suggestive of a market polity.

Within the description of the market, there is little elucidation of success or failure, however tentatively the importance of the actors (many in the audience) is emphasised as a "critical group of users within the vast complexity of today's wholesale securities markets". Such a position is dangerously reminiscent of "too big to fail" that may give rise to moral hazard as extra risk is taken due to asymmetric risk sharing. Risk may be somewhat diffused by the heterogeneous nature of firms and nationalities as risk is spread across a number of jurisdictions. That said the "decline" of the polity is sketched as a "culture where there was complete disregard for the integrity of the markets and fair play". This forms a market justification – the overriding principle again being the continued functioning of the Fixed Income, Currencies and Commodities (FICC) markets. The invocation of “fair play” relates to a civic justification, showing an attempt at compromise between market competition and a broader sense of justice. By using “fair play” rather than, say “fairness”, the author invokes a metaphor of sport, and in particular of an “honourable” commitment to justice within sport, that to be otherwise is “simply not cricket”, a mythologisation of a Britain of stiff upper lips and “gentlemanly” conduct (see for an example *par excellence* Cavallini, 2007). Such a metaphor undermines the seriousness of impacts of market abuse and places market activities in a separate “gaming” sphere separate to the rest of society: in games after all, “gamesmanship” and “gaming the system” are not explicitly disavowed. Such attitudes are though condemned further in the text “Announcements of huge penalties for the manipulation of the foreign exchange market were accompanied by those dismayingly familiar trader messages"…”we saw participants in an unregulated yet hugely important market demonstrating a cavalier disregard for the interests of their clients, their employers and the wider market". Terms such as “clients” and “employers” need qualification in order to be anchored to a specific polity and as such, the (again) overriding need for success of the “wider market” positions this sentiment within a market polity.

With respect to the “Investment formula” the focus is on a civic justification with “a massive policy, legislative and regulatory response aimed at ensuring that never again could banks benefit from the implicit taxpayer subsidy”. This is accompanied by support from a market perspective: "the importance of transparency, open access, competition and choice". Using the example of RBS the tension between market and industrial justifications are revealed, as there are “trade-offs here between cost, efficiency and choice This is illustrated with an example of RBS with approximately 1,000 bonds trading on a wide range of arrangements, giving huge variety; however complexity adversely affects secondary market price discovery and hence affects primary market prices.

With respect to “flaws revealed by evidence” the text sets out six forms of root cause: market structures, lack of use/salience of extant guidance in unregulated markets, organisational structures (controls too far from "front line"), weak competitive forces (reduced market discipline), short-term remuneration incentives, and “culture of impunity" in some areas of the market. These criticisms are really of one type, in that the market polity is failing *on its own terms* rather than being a critique of the market justifications *per se*.

The underlying principle of market effectiveness or market justification is apparent when considering “ways of expressing judgement”. The markets are seen to “broadly work and fulfil their function. They allow you to sell your sovereign and municipal securities to investors. And elsewhere they allow investors, borrowers and those wishing to mitigate their financial risks to have their needs met in most circumstances”.

5.2.6.2 Summary of analysis text #6

The superior, or underlying, principle of the text – that FICC markets are a social good, which therefore are required to work “well” may well be inherited – intertextually – from the FEMR itself. The dominant justificatory perspective is market, with some consideration of civic and, in a minor way, industrial polities. At first sight the focus on markets (rather than, say, consumers, or society more generally) appears unexpected. However considering the roots of the objectives of the FCA which lie in the Financial Services and Markets Act (2000, p.2), the main objectives of the FCA are: “Market confidence, Public awareness, The protection of consumers, The reduction of financial crime”. There is no explicit prioritisation in this list of objectives however the ordering can be inferred as prioritisation. In part, this is supported by the general guidance for achieving objectives which includes “the need to *minimise the adverse effects on competition* that may arise from anything done in the discharge of those functions” (*emphasis added*). The underlying principle here is of *predominantly* private market provision. National Savings and Investments (NS&I) is one exception to this. The Green Investment Bank was another – now sold, and the temporary public ownership of (all of) Northern Rock and (most of) RBS are others, however the latter was not seen as a desirable relationship between State and private sectors (Treanor, 2015).

Through the broad range of stakeholders in the sector (see Appendix C), and of the variety of financial instruments or financial products, the tests for success within the sector become obscured. The nature of the justification, or in Boltanski & Thévenot's (2006 [1991]) term, the nature of the *dispute* are less clear in an arena with so many potential "qualified" persons. For customers the risk adjusted return may be predominant in assessing a firm, whereas a provider of nominee services may be more concerned with efficiency and the reduction of operational risk.

5.2.7 #7 Chairman's speech to the Trust in Banking Conference) (FCA, 2015j)

5.2.7.1 Justification within the text

In a similar manner to other texts the Common Superior Principle concerns market functioning: "our overriding objective is to ensure that markets work well". This indicates the fundamental market polity is used to frame the text. Also in common with a number of other texts, there is no explicit consideration of the "Common Good".

Following from the general discussion above, the Assumptions re Natural Relationships reinforces the mutual dependence of regulator and regulated actors: "both need to succeed for trust in banking to be rebuilt" and there needs to be a "relationship of trust between regulator and regulate". However, trust in banking more generally has always been hard won (Hoepner & Wilson, 2012). The overarching principle is present again, in that *both* parties (regulators and industry) are subject to the demands of effective markets. Following discussion of increased penalties such as bonus clawbacks for staff, there is comment that "as the chairman of one large bank commented, leaving the shareholders alone to bear the brunt of penalties is not a desirable or sustainable model." This elides other important stakeholders that also "bear the brunt" – in particular increased costs of penalties may affect customer value (rates) and also the public has borne the brunt of bailouts (*inter alia* Treanor, 2017). The interdependence of regulator and regulatee is indicative of the presence of both civic and market polities.

There is no discussion in the text aligned to “Social or National grouping” or “Common Dignity” (though see below).

Empowering the “customer” through increasing choice is a focus of the FCA allied with "rapid advances in technology" which should result in lower barriers to entry into the sector. Reliance on technology suggests the reification of connected customers and implicitly reinforces issues of financial exclusion of the less affluent communities (Leyshon *et al.*, 2008) and less technology “savvy” consumers. Customer empowerment is important in maintaining/increasing competitive pressures within the market polity.

In unpicking the discussion of Status Relations, the importance for the FCA of the banking sector is clear: “The banking industry is too important to the prosperity of the country, too essential a utility for its citizens, to be run other than for mutual benefit”. Again mutuality is stressed, a conflation of differing polities. The utility of banks is perennial: a civic perspective. “Prosperity” in this context *could* be seen as an expression of “common dignity” however given the overall market framing of the text this seems more likely an expression of prosperity as in wealth, an indication of the market polity.

When considering the “Investment formula” it is noted the Chancellor of the Exchequer “wants the UK financial services to be the best regulated in the world with markets of unquestioned integrity and the highest standards of conduct”. “Best” regulation is somewhat underspecified here and is part of the *compromise* between civic and market polities. “Best” leaves open questions of “prudential”, “light touch” or other variants of regulatory framework. “Unquestioned integrity” maps well onto the “fairness” criteria of the civic polity as does “highest standards” to the basis of the civic polity in rules and regulations.

It is noted that "Complaints to FOS [Financial Ombudsman Service]” are reducing. Complaints are tangible evidence of flaws in the operationalisation of the polity and as such, in being complaints against equitable or fair treatment are indicative of the civic polity. Another tangible form of evidence could be “Knee jerk responses” leading to many new rules however whilst ‘The size of the rule book is testament to this pattern, but it has not, to date, prevented the next “bad thing”’. Claims of over use of regulations and rules (qualified mechanisms in the civic polity) is a critique from the market polity (more freely circulating goods and services), in addition a critique could also be sited in the industrial polity wherein the concern is that over regulation becomes over complex and costly and hence inefficient. The inefficiency is in two senses: one is that undesirable cost is allocated to compliance, control and reporting functions: Binham (2016) shows increasing concentration of responsibilities and hence pay inflation due to senior manager responsibility regime. Secondly, that costs of entry (the “c” in Blanchard & Giavazzi, 2001) are raised (Dunkley, 2017c). Additionally a caveat in discussion of the expected Cost Benefit Analysis (CBA) comes from Coates IV (2014) who considers such analyses to be (at best) “guesstimates” given the difficulty of modelling and assigning costs.

One the concerns about the financial sector is that “too big to fail” firms induce “moral hazard” as bailouts are guaranteed and hence losses may be socialised, at least to some extent (Mullineux, 2014). This is addressed in the text: “From the prudential angle, 'too big to fail' is being tackled by more capital, measures around ring fencing and resolution regimes” (FCA. 2015j). This shows that there is a judgement that competition should apply to all market participants: alternate approaches (from a civic) perspective could include nationalising more of the “utility” elements of the banking sector.

Conduct criteria includes senior managers regime. There is an element of the domestic justification here: that within a hierarchy certain responsibilities are attached to roles. The conflict with the market perspective is that hierarchical fixity contends with flexibility of roles, functions and structures. This may be why relatively few individuals are registered under the regime than expected - the more senior roles are more stable compared to "middle" management.

Other performance indicators from the market perspective include competitiveness with respect to customer loyalty: “customers remember tone at the till long after they have forgotten tone from the top". The assumption is that in a competitive environment customers would switch provider however this is low "when you might expect otherwise". Reasons given include inertia, lack of choice, fear of worsening situation, information asymmetry and difficult to change debt contracts. Additionally "In order for it to become a commercial imperative for banks to treat their customers well, and for this to sit at the heart of their business model, there must be the ability, willingness and motive for the customer to move supplier". This has been a concern of the Competition and Markets Authority (CMA, 2016) and customer inertia is a particular concern: "We are more likely to get divorced than change bank account" (Rovnick & Cook, 2016).

The few discussions relating to "time construction" in the text are difficult to assign with confidence to a particular polity. The text contains a sense of an *"inflection point"* (*emphasis added*) - of "opportunity" given some issues (LIBOR for example) have been addressed and that forward-looking approaches are required. The text does not appear to be referring to green (future generations), domestic (customary, cyclical) or civic (perennial) timescale constructions. An *inflection point* alludes to an inspired (revolutionary, visionary moment) however, this is not a good fit in context. Hence construction could be pointing to *either* a market (short-term) or industrial (planned, long-term) polity construction.

5.2.7.2 Summary of analysis text #7

Given prior discussion regarding the roots of the FCA's remit in the FSMA (2000) legislation, which prioritises market concerns, it is no surprise to find market perspectives used more frequently (8) than civic justifications (6). There is the possibility of a critique form the industrial polity of over-regulation, however this is the only industrial construct in the text (1). The accountability justifications include the tests and compromises between market and domestic polity (1). There are no justifications based on inspired, green or fame/reputation polities.

5.2.8 #8 The Rapidity of Change (FCA, 2015h)

5.2.8.1 Justification within the text

Whilst not explicit the “general superior principle” could be considered as the effective functioning of competitive markets as this is a theme returned to repeatedly in the text – a market polity. There is no clear explication of “the common good”.

The market polity is present in the assumption throughout that customers naturally appreciate markets – and this would be hard to gainsay in the sense that customers seek novelty and choice, both of which may be delivered through market mechanisms. However, this elides market failures such as information asymmetries (Barth *et al.*, 2004, Brunnermeier *et al.*, 2009).

In noting that “The FCA is currently one of only two regulators in the world to have both competition and more traditional regulatory powers” this alludes to other “usual" or natural relations of regulation (the specifics are not detailed). However, discussions of the purposes of regulation generally include promotion of competition (Armour, Awrey, Davies, Enriques, Gordon, Mayer & Payne, 2016). Additionally, regulators have been criticised for slowing recovery from financial crises by suppressing competition in order to “prop up” banks (Phillips & Heriard-Dubreuil, 2009). The FCA needs to work with the Competition and Markets Authority (CMA), another example of compromise between market and civic polities not found in Boltanski & Thévenot (2006 [1991]).

There is some focus on the City of London as a financial centre, which could be interpreted as calling on justifications of the domestic polity with local, proximal anchoring of activities and justifications. Given the only other reference to domestic polity is through a call to “restore the trust and confidence, of this those [firms] are here to serve” care should be taken not to make too much of this.

Given LIBOR, PPI, Swaps, and Forex scandals it is a remarkable statement that "[London's rise in importance] was driven by professional excellence, creativity and integrity. And I cannot imagine a future under which that will be any different". In addition to the commonly known scandals, there are many critiques of London (the City of) as a tax haven for instance (Gravelle, 2009, Christensen, 2011). Professional excellence may be attributed to the industrial polity (technical efficiency, performance), creativity to the inspired polity, and “integrity” to the civic polity. This type of construct, bringing together multiple criteria is another example illustrating that a *single* polity as representative of a social contract *singular* is untenable.

The regulator is portrayed metaphorically as referee "Constantly on the pitch, keeping up with what is going on, respected, fair and consistent. Tough where required. At the centre of the action without being the centre of attention" - which requires rules (civic polity) - however note these are apparently only worthwhile if there is "competition between the players in the first place" (market justification). This though is clearly nonsense. A state monopoly would still require standards of governance, communication, and risk assessments and so on. Competition is not a precondition for regulation (consider State monopoly of highly regulated Armed Forces).

The text contains an interesting characterisation of the market as "characterized by complexity, customer biases, potential conflicts of interest and information asymmetries. The demand side is, therefore, less likely, or less able, to correct market excesses" which is a justification for exogenous agency to correct market failure: a civic justification.

Whilst there is evidence of investment of time and money, this is seen as problematic - "the intensity and volume of regulatory activity over recent years is not sustainable – for regulators or for the industry" - however it is unclear what the appropriate criteria are here. A focus on cost is suggestive of a market polity, though similar to ambiguities discussed with respect to other texts, there is an alternate justification around efficiency or an industrial polity. The latter though seems less likely when the range of indicators for such a justification are considered (see Table 1).

A similar discussion follows: “We are often told that boards are now spending the majority of their time on regulatory matters. This cannot be in anyone’s interests. If that continues indefinitely we will crowd out the creativity, innovation and competition which should present the opportunities for growth in the future". The focus on innovation and creativity may be seen as an inspired justification, and labelling this as such highlights the contrast to what may be considered the key role of boards, which is governance. Interestingly "governance" is a civic term regarding the rules, regulations and formality with which the board approaches these duties. Governance (civic polity) may always be in tension then with inspired or market justifications. The focus on competition suggests the inspired creativity is *subordinate* to a market polity. "Crowding out" is term reminiscent of criticisms of public debt "crowding out" the private sector (see Blyth, 2013 with roots in Hume, 1907 [1758]). The use of such a term may be suggestive of an alignment of the regulator with the private sector, by definition *not* aligning with the State.

The outcome of regulatory development should be "if regulation achieves its aim – of changing behaviour – the result should be a need for less, or at least differently focused, regulation". Hence the status quo is insufficient, and simply "more" regulation in inadvisable. The latter interpretation supports the market polity however there is ambiguity in the use of "differently focused" regulation.

Again, there is an attempt to combine the market and civic polities: "We want to create the best environment we can to allow competition to take place. To have a level playing field which does not advantage one participant over another". The emphasis on competition (market) and fairness (civic) does not have a direct analogue in Boltanski & Thévenot (2006 [1991]) however the market polity to some degree rests on the notion of "fair prices" (Boltanski & Thévenot, 2006 [1991], p.44), a notion resting on the writings of Adam Smith (2005 [1776]).

Flaws revealed by evidence: the financial crisis and "conduct failures" are evidence leading to "a deep, and critical, re-examination of the cultures, behaviours and incentives - of regulated and regulator - that created the conditions which allowed this to happen". This is interesting in framing the responsibility jointly and again alludes to a compromise between market and civic polities. Perhaps this tension causes uncertainty and hence agility in response: “Regulators have too often allowed issues to grow in size and importance when rapid action may, although unpopular, have prevented much larger problem".

Whilst the financial crisis and subsequent conduct behaviours are criticised, more fundamental issues concern “Complacency and lack of historical awareness [which] can result in believing 'three lies of finance': this time is different - markets always clear - markets are moral”. These “lies” or propositions are of note with respect to:

a) time construction - that “now” is ahistorical

b) markets always clearing is an idealisation of the “market” polity (“market efficiency” is not to be confused with efficiency in common usage). Markets always clearing is contra to the views of Minsky and others who consider market equilibrium may include slump (non-clearing) conditions (Keen, 2011).

c) the most interesting proposition concerns “moral markets” which brings together two justifications: market and civic. Such a compromise is not found in Boltanski & Thévenot (2006 [1991]) and is discussed further below.

There is an unqualified judgement in the text: “our major financial institutions are now safer and stronger”, which could be interpreted in either of two ways. Firstly, this is a civic concern with the reduction in externalities from market failure being passed onto society, violating the “fairness” criterion. Secondly, this can be seen as risk reduction in market operations, a market justification, as for instance market “credit crunches” disrupt the free flow of products and services. This is another example of the ambiguity associated with assigning specific phrases to justificatory regimes (cf Ramirez, 2013). The methodological implication, tentatively at this stage, may be that the ambiguity may be resolved by reference to the trend of assignments to justifications in the text overall. Such an approach however is open to critique as something of a tautology (ambiguities resolve in the way that ambiguities resolve), or that such an approach is unduly influenced by early decisions which in effect create a bias toward initial attributions.

It would appear that the implicit prioritisation is, similar to other texts, focussed on the market polity: “How do we work together to create a sustainable model that works for markets, consumer and industry?” The “industry” comprises market actors, and consumers are only consumers when active in a market. There is no consideration of non-market actors, financial inclusion, or wider externalities.

It is notable that in the text there is significantly more focus on constructing, framing the current moment in historical terms (and in looking forward). Whilst the discussion of cyclical relations of regulation chime with the “perennial” construct of the civic polity, this is not an entirely good fit. A cyclical construct does not have a direct analogue in Table 1 which suggests that the short-term variability of the market polity may usefully be expanded to include considerations of “the business cycle”.

5.2.8.2 Summary of analysis text #8

Throughout the emphasis remains on market (9) justifications and to some extent on *compromise* between market and civic (7) polities, which as discussed below, is not found in Boltanski & Thévenot (2006 [1991]). There are two domestic justifications and one each for industrial and inspired polities.

5.2.9 #9 “Opening Remarks” FCA Second Annual Public Meeting (FCA, 2015f)

5.2.9.1 Justification within the text

As seen in other regulatory texts, the Common Superior Principle is expressed as “our overriding objective of ensuring that financial markets work well." This ambiguous, market oriented phrase is doing a "lot of heavy lifting". It is not clear for whom the market functions: consumers, firms, bystanders, or the ecological systems on which society and hence the markets themselves depend.

A relatively rare mention of “Condition of Great Person” is shown in considering recruitment and training approach: "For all the strategies and structure, policies and procedures, we […] can only ever be as good as the people who work on a daily basis in our organisation to achieve what we are setting out to do. Recognising this, we have taken further steps during the year […] to develop long-term strategies to attract and retain the very best people we possibly can”. However, this statement is not anchored in any specific justificatory regime, and therefore forms another example of the difficulty in assignment of *all* textual elements to *a* polity, an issue raised in a different context by Ramirez (2013).

The text claims an inclusionary policy "proud that we have, for the first time, joined the top 100 employers on the Stonewall Workplace Index". The immediate analytic move is to assign such proud boasts to the free, equal, solidarity promoting civic polity. However, there are no good grounds (considering Table 1) why such a boast could not be attributed to *any* of the other polities, which appear agnostic in this regard (and to gender, ethnicity). The civic is the only polity with a non-instrumental approach to *qualified persons*. For instance, the market polity concerns either end (buyer, seller) of trades – without trade, no polity. Similarly, the industrial polity is agnostic around most personal characteristics and yet demands *expertise.* The civic polity is the only such that proclaims the value of the person *qua* citizen and is the only polity for which a statement regarding approaches to equal citizens, employees and so on with respect to personal characteristics is coherent. In addition the “pride” taken in inclusion in a public ranking is associated with a fame/renown justification that relies on development of reputation.

In evaluating performance, a leading indicator is used “emphasis [of CEOs] during the year has remained firmly on good conduct” – good conduct being related to regulations and rules (and other normative expectations) suggests a civic polity. Similarly the lagging indicator that “Complaints to FSO is down rather than up" as a proxy of "Another year of solid progress" is associated with the civic justification.

Looking to the future the FCA "evolution will see us take a more markets-based approach, conducting fewer but more focused pieces of work. Underpinning this structure is a coherent strategy based on even stronger commercial awareness than we have historically had" which is suggestive of moving toward a market polity or at least a compromise (in some way) between market and civic justifications.

In expressing judgement of the FCA as an organisation, there is discussion of the evaluation of the regulator by the regulatees: "satisfaction of the firms with their regulator – always, I have to admit, a bit of a two-edged sword as a metric – nevertheless has shown a further improvement". This shows the balancing act required of a regulator – that some degree of cooperation, as mentioned in the "social contract" discussion of Tucker (2009) , is required to be able for regulators to function effectively, as otherwise the cost of reducing information asymmetries between regulators and firms could prove disproportionate. The balancing act can be seen as a compromise between the civic (regulatory), market (cost, attention) *and* industrial (efficiency) justifications.

5.2.9.2 Summary of analysis text #9

The relatively short text contains a balanced mix of market (3) and civic (5) justifications, with the latter subordinate to the former. The focus on equality shows how the inclusion, potentially, of personal characteristics in the civic justification means that such characteristics may form a mode of evaluation under other justificatory regimes. There is a risk that legitimation or reification of the superior principles of the market, industrial and other polities allows discrimination to enter the polity "under the radar". There is also present in the text, one industrial and one reputation justification.

5.2.10 #10 “Outstanding Achievements” FCA Second Annual Public Meeting (FCA, 2015f)

5.2.10.1 Justification within the text

Regarding an overall superior principle, a civic perspective is observed: "Since the FCA was created, there has been no doubt that the issue of *conduct* has gone from being an optional extra to being top of the agenda for CEOs and chairmen across the financial sector” (*emphasis* added). The author notes, "We are not in regulation to regulate for the sake of it. We are here to help firms raise their standards, to ensure that *markets work well for firms*, for consumers and for the UK economy" (*emphasis added*) which can be interpreted as a market perspective. The statement is interesting in the way that civic regulations (which are also for the benefit of non-consumers) are in effect subordinate to market justifications and the implications of this are considered below.

There is no evidence of a “common good” through the text.

The text contains emphasis on common human conditions hence “common dignity”: 1 in 60 over 80s with dementia. As such a need for regulators and firms to work together to ensure inclusion and (not their word) care for vulnerable groups. This is an example of market participants working with the regulator toward a civic justification.

Again a comment on the broad range of regulatory mechanisms such as the "Senior Managers Regime” (see Appendix C) suggests a high level of complexity within the sector. The more complex the sector in terms of products, stakeholders, regulators and regulatory processes, the more heterogeneous the range of justifications are likely to be and hence the less likely to characterise texts as employing a singular or limited set of justificatory regimes or polities.

In terms of hierarchical relations, the “great person” is represented "at the top" - "senior persons" – “are held accountable for the decisions and behaviour carried out by themselves and the people that they are managing". In contrast, the "Little Person" is indicated by "Culture change and consumer vulnerability" which suggests a power imbalance, that the interests of a consumer may be thwarted. This is suggestive of either an example of the "decline" of the market polity, or further, implicitly a possibility of "financial violence" (see Marazzi, 2011). As described above, violence, by not cohering with a concept of or commitment to the common good, is external to the orders of worth framework.

When considering success and hence investment criteria the focus on "trust of consumers, they [firms] need to demonstrate that they get the need for good conduct to be at the heart of everything that they do" suggests that qualification is dependent in trustworthiness which in Table 1 is associated with the domestic polity. This is an attempt to combine market (firms' success) values of the domestic polity however elides the lack of profit motive in a domestic situation. Trust by consumers toward profit making firms will always be partial, always *approached* rather than realised given the multiple and potentially contradictory aims and strategies of the firm. Relatedly, a rare example of consumers placed ahead of markets – "protect consumers and markets in the UK" is suggestive (mostly) of a collective duty, or more specifically a collective of firms having a duty to an even broader collective *qua* society. "Competition in the interests of consumers" echoes earlier aspects of bridging market needs toward a collective civic need, however also noting the limited application of a civic justification here, which is broader than solely consumers within the market.

Another bridging construct is found in "giving consumers clear targeted information so that they are able to quickly compare their accounts and that providers should be more transparent when reducing interest rates on variable rate savings" Here the competition (market) through information availability also supports a focus on fairness (civic). Similarly this tension is found when discussing credit markets where "the challenge for us is clear: to ensure that this market works well and that consumers can have confidence in the products that they use" and "However, it is not about closing down the market. We want credit firms to respond positively to our rules and guidance".

The FCA, through supporting “100” start-up firms (20 through to authorisation process) in developing innovations and working with PRA to introduce more competition for banks – suggests a market polity perspective.

In working toward successful implementation of “Pensions Freedoms”[43], the FCA support for removing restrictions on consumers reduces the influence of civic justifications in that the common dignity of the *consumer*, the ability to access funds, is foremost, in contrast to (say) long term societal concerns re the risks of funding pensions individually versus collectively (Berry, 2016). However the focus in reducing complexities of “at retirement” options and information sits well with welfare promotion policies from the civic justificatory regime. However "unauthorised business [increased] which coincided with the increase in pension freedoms”: this shows the tension between unfettered markets (market) versus concern for exploitation of the vulnerable (civic).

When criticising, the flaws as related to polities seem to be around the market concern with competitiveness, such as in insurance markets: "lack of competition, a lack of information at point of sale, all of this preventing consumers from making comparisons and informed decisions about products. That led to a low level of claims and consumers potentially being overcharged by up to £200 million each year for products that they may not need or even use”. However some criticisms are more oriented to fairness or the civic polity: “evidence in the market that some brokers were taking fees without informed consent or explaining what the fees were for, and were then passing on customers’ bank details to other firms who could also charge fees".

The critique of LIBOR and Forex market issues emphasises that this “undermined confidence in the UK financial system and put its integrity at risk. The FX issue was disappointing; disappointing because it arose after LIBOR”. The former criticism appears to be concerned from a market perspective with

[43] Pensions Freedom, introduced in 2015 allows savers in “defined contribution” schemes more options than simply waiting to buy an annuity at normal retirement age. The Government supports information sharing on this and other pensions topics by funding The Pensions Advisory Service (see www.pensionsadvisoryservice.org.uk/about-pensions/pension-reform/freedom-and-choice)

interruptions to the “flow” within the financial market. The latter criticism is from the civic perspective – that rules and regulations were repeatedly ignored.

5.2.10.2 Summary of analysis text #10

There is a relatively even split in the main polities present in the text (9 market, 7 civic, 1 domestic). In the analysis above it is notable how often the discussions in the text form compromising or bridging constructs between market and civic polities, suggestive again of the tension in the construct of the market regulators.

5.2.11 #11 “Regulation - supporting vibrant markets” – speech (FCA, 2015i)

5.2.11.1 Justification within the text

In considering the Common Superior Principle then throughout – including the title – the emphasis is on a market orientation rather than state (civic) alternatives. The title "Regulation - supporting vibrant markets" naturalises markets: markets are supported, as if they exist *a priori* to regulation, and are not co-constructed by economic agents *and* the act(s) of regulation. The market perspective is echoed in considering “assumptions regarding natural relationships”: Credit from markets rather than the State - no mention of the Green Investment Bank (a market justification); regulation should be a “friend” to business and consumer – which is an extraordinary term given the criticism of the FSA with respect to RBS (FSA, 2011) and while the term friend hints at a more domestic justification, that latter polity is less predicated on friendliness than hierarchical relations hence this term is more rooted in a market justification. Throughout, whilst there is mention of shadow banking, and of alternative methods of finance such as P2P (Peer-to-Peer), the heterogeneity of banking (Luyendijk, 2015) is underplayed, the simplified view of “modern” finance then playing to a rational industrial (somewhat mechanical) perspective.

Per Patriotta *et al.* (2011, p.1810) a “globalised” view of space/place can be interpreted as aligned to a market justification. So whilst the UK is mentioned (as a place to do business, implicitly in competition with other nations), the FCA is described as “leading global work” amongst “global regulators”. Further, digital currency is mentioned in an uncertain context not rooted in a particular nation state, further reinforcing the market perspective (Sterling can largely be viewed as a digital currency as less than 3% of the money supply is notes and coins, however these do not have transactional value outside the UK). In terms of spatial constructions, digital currencies can be said to occupy two types of space. One is the Cartesian special context of the moment an agency reifies digital currency in some form: on an app, conversion to currency, on a computer screen. Secondly is in the virtual or conceptual realm not rooted in national borders (especially with respect to so-called crypto currencies such as bitcoin, ripple). The freely circulating nature of digital currencies aligns with the market justification and hence this finding can be used to extend Patriotta *et al.* (2011, p.1810) to include a “virtual” or “cyber” construction of space as well as the globalised view already present.

When considering the Condition of Great Person the Business leader is promoted and is seen as concerned about constraints (on business activity). Perhaps surprisingly there is a hint that certain consumers could be seen in the “little person” role: in the discussion of PPI consumers were seen as not making rational decisions because PPI was costly (circa 20% increases in costs of loans). However, as McConnel and Blacker (2012) point out, some claimants were at risk of losing their homes due to non-payment, so such insurance was rational. Further, the "irrationality" of the purchase only became obvious when considering ex-post claims ratios (for every £100 in premiums only £14 was paid out for PPI claims, compared to circa £55 for general insurance claims). There is a hint of victim blaming here. In order of worth terms the consumers were not supported by a market justification here but were expected to play their “rational utility maximising” role (Rabin, 1998, p.11) as a cog in the industrial machine.

The “decline” of the polity is considered in two ways: "You want profit [market] for good firms without the envy and unrest [civic decline] that's created in the past" - clearly showing there have been periods of "decline" however, how was this envy and unrest manifest? This is left open for the reader. "The wrong approach […] is for firms to unpick principles [civic] in the pursuit of profit [market] with no apparent social utility [civic]" echoes concerns by Turner (2009) regarding "socially useless" financial innovation. There is a compromise here across polities of a “If…then…” construct showing a boundary to a market justification, which cannot be allowed to impinge too far on the civic world (to become a “monstrous construct” in Boltanski & Thévenot’s (2006 [1991]) terms)

In considering how the sector is evaluated there is a hint, in framing this topic as “complex” and the future as “uncertain” that evaluation of outcomes is to some extent dependent on factors out with the regulators, and indeed the sector's control. The lack of long-term vision, the sense of reactivity, lends further support per Patriotta *et al.* (2011, p.1810) of a market perspective on the finance sector.

Wheatley constructs a narrative of "existential crisis" which is now past, moving to a "new growth imperative". However, for firms such as RBS, "existential crisis" seems to sum up the current performance of the firm (although payments to HM Government obscure an improving underlying picture - see RBS, 2016b). The narrative of a turn toward growth ignores debt levels (both post crisis deleveraging and more recent debt increases) and ignores ongoing conduct costs for banks: hence elides “decline” from three perspectives: civic, market, and industrial. Further Wheatley sees an "optimistic" reading of deregulation in 1986 that created efficiencies – linking regulation to an industrial justification. However there are views that the 1986 deregulation was a partial cause of the crisis of 2008 (*inter alia* Crotty, 2009, Ertürk *et al*., 2011) so this is not especially even handed. The turn to growth and the importance of the FCA and regulation more generally within that movement are taken as uncontroversial within Wheatley's narrative, however this is in contrast to critical perspectives such as Engelen *et al.* (2012), and Bowman *et al.* (2012b). Wheatley notes the "frustration" for retail banking in particular such that concentration in the market increased during the crisis - though elides policy decisions regarding the takeover of HBOS by Lloyds

(Froud *et al.*, 2010, p.28) that supported the market at the potential cost to the taxpayer (contra a civic justification).

A modernist view of time, of progress (Calinescu, 1987), is evident in two aspects of the text: "the value of looking forward has *only ever* magnified over time" (*emphasis* added) suggests an unbroken unrepeatable time period - though this is unbounded and there is a focus on the future – the value will *only* increase. Similarly, the use of the term "sustainable growth" and "long run, sustainable prosperity" ignores limits (Meadows *et al.*, 2004). This is an example of the regulator not considering a holistic approach to the sector within a wider set of ecological constraints. "Sustainable" prosperity may hint at a green justification; however the focus is on sustainable success for today's generation rather than explicitly concerning (say) conservation in order to enable the success of future generations. Both of the above ways of handling "time" are more suggestive, per Patriotta *et al.* (2011, p.1810), of an industrial justification.

5.2.11.2 Summary of analysis text #11

Overall the text, not surprisingly given the title, has a notably market justification orientation – 10 market, 4 industrial, 2 civic and no INSPIRATIONAL, domestic or green constructs of orders of worth. This bias toward the market raises questions about the critical distance between the regulator and the regulated, questions that are also raised by Levi-Faur (2005).

5.2.12 #12 Barclays AR&A: Chief Executive's Review (Barclays, 2016a)

5.2.12.1 Justification within the text

In setting out the overall goal for Barclays, Staley (CEO) states the goal is to be "the bank of choice for our stakeholders" via a strategy that is "commercially successful" generating "long-term sustainable returns". This "superior principle" then is rooted in a market polity. The use of "sustainable" is ambiguous, however given the lack of attention to green polity perspectives through the text it is reasonable to interpret this as sustainability in terms of the firm's place in the market per, say, Porter (2008) rather than broader ecological concerns per, say, Glavič & Lukman (2007). This – potentially strategic - ambiguity has analogues in the *pragmatic* usage of the term (Dunne, 2008, albeit in the context of CSR).

Barclays is positioned as *transnational*, based on capital centres of London and New York indicating a market polity. The international reach of regulations is noted, including the UK bank levy which applies as Barclays is domiciled in the UK (Meeks & Meeks, 2015). Rules and Regulations are indicative of a civic polity albeit in this case not tied to a particular location.

In considering the "Condition of Great Person", there is an interesting discussion of the status of bankers in the past (which is returned to near the end of the text):

> "in 1979, because I was excited to be a part of a respected profession [*a domestic polity wherein deference is a prior conferred on position in hierarchy*] […] The practitioners of the profession of banking were skilled [*industrial* polity] at understanding the complex topics of capital, credit, savings and investor returns; and they were highly regarded [*REPUTATIONAL polity which generally has been excluded from the analysis up to this point*] […] It was a profession because it was moored to a commitment for integrity [civic polity]" (Barclays, 2015, p.6, [*edited for commentary and for brevity*]).

The use of "moored" above denotes a connection between market justifications and civic polity. The identity of bankers in society is presented as a multi-faceted construct incorporating domestic and industrial justifications with a hint of the REPUTATIONAL polity which may be seen here as subordinate. When discussing how the bank *performed* its business function in the past as "principled" (p.6), there is reference to the "300 year" history of the Bank. This is suggestive of a civic or "perennial" nature of the firm however the implications are ambiguous. Stressing history is suggestive of path-dependency, which may constrain, or enable, future successes: a form of "survivor bias" – that by definition, having survived 300 or so years, the culture and processes and assets that make up the firm must be justified otherwise through market mechanisms the firm would no longer exist. Such an approach elides the "grandfather's axe" problem: "I have my grandfather's axe, my father replaced the shaft and I replaced the blade". A focus on continued existence obscures the dynamic composition of the firm through time.

Investment formulae include measures of success appearing repeatedly in the text such as "attractive earnings" and "return on tangible equity above 'cost of equity'". The bank should be "well capitalised with a balanced funding profile, supporting solid investment grade credit ratings" (p.6). Throughout, market outcomes such as accounting ratios, market indicators such as dividends are used to express judgement. Whilst broadly such evaluations are of the market polity, when attempting to assign seemingly technocratic narratives of financial outcomes to polities it is worth considering each in detail, below.

The importance of shareholder returns in clear: "All of this has been done to move us towards becoming a Group which can generate the *returns our shareholders deserve*" (p.4, *emphasis added*). The discussion of forthcoming dividend policy: Staley recognises "the importance of paying a meaningful dividend as part of total shareholder returns and am committed to doing so in the future. But for now, the reduction of the dividend is the right choice. *These are hard decisions*, but we believe the shareholder value created by getting Non-Core closed will greatly exceed the downside of cutting the dividend for the next two years."(p.5, *emphasis added*). The "hard decisions" relate to restriction in dividend not the associated loss of employment as the bank's balance sheet is reduced. Given the discussion of the role of investors within the orders of worth framework below, the discussion regarding dividend policy is not allocated to a specific polity.

Return on Tangible Equity is a measure of profit from the shareholders perspective, comprising Return on Assets, and a leverage ratio (Equity Multiplier) (Sinkey, 1998, p.87). Return on Assets gives a measure of efficiency - how effectively were assets (such as loans to customers) utilised? This relates in part to price (market) justifications and efficiency (industrial), and indeed, with respect to the latter, the text refers to reducing the cost of new business to less than 60%.

Being well capitalised, with a "balanced funding profile" concerns risk. Risk of a decline in assets (loans not being paid back) and risks of funding - run on deposits, frozen wholesale money markets - see Northern Rock for example (The Economist, 2007). In one sense risk reductions increase reliability, which is an industrial justification. However, this is also related to market continuity, the free flow of goods and services. Industrial justification could be interpreted here as *subordinate* to a market justification. This can be seen as an interdependence between polities. Such interdependence is not discussed in Boltanski & Thévenot (2006 [1991]), excepting brief mention (p.175) of the interdependence between professional and family (domestic) life: the authors do not explore the implications of interdependence between polities.

A similar construct arises when common equity tier 1 capital is discussed: "We will run the Group's CET 1 ratio at 100-150 basis points above our regulatory minimum level". To go beyond a regulatory minimum seems on the surface to be a strong endorsement of a civic position, and indeed reference to Barclays "Quaker" heritage and proclamation of the bank's "intrinsically valuable role in society" again "moors" the commercial entity in civic justification. However the move to over-perform against regulatory metric also supports a market focus in two ways: falling below regulatory minima may result in withdrawal of the "license to operate" by the regulator, so keeping a cushion above the minimum is prudent, and similar to above, a higher equity cushion, whilst reducing RoE for the same asset utilisation, reduces the risk of breakdown in freely circulating goods and services. The instrumentalism with regard to civic measures rather than as intrinsically valuable outcomes, as supportive of market measures demonstrates the fundamentally entwined nature of civic and market polities in the banking sector and is in somewhat stark contrasts to the original constructions of the polities in Boltanski & Thévenot (2006 [1991]).

Despite the attempts to link or moor the organization in civic justifications, past conduct and "culture", which over previous years has been noteworthy (Baker, 2012, Goff *et al.*, 2012, Binham & Jenkins, 2013, Confino, 2013) is criticised in the text. Rather than a normative, prescriptive (civic) justification, it is the cost to the bank, or market implications that are highlighted, which is suggestive, per the discussion of the superior principle above of the dominance of the market polity for the firm. This is not to suggest that finding a market justification as a fundamental principle for a commercial firm is at all revelatory, what is noteworthy is the extent of such prioritisation, when considering the bank's (and banks') egregious breaches of regulations.

5.2.12.2 Summary of analysis of text #12

From the above analysis it is clear that the market polity is dominant within the text (8), with the civic polity used half as frequently (4) as is the industrial polity. The domestic and reputation justifications are present once each.

Similar to other texts there are composite constructions such as professional (competence – industrial) integrity (civic) and attempts to moor, or anchor, market justifications with respect to a civic polity. Financial metrics such as RoE are found to elide, under ontologically positive constructs, justifications based on composite qualifications from market and industrial polities.

The text is notably narrow in scope, addressed primarily to investors, which is problematic given the discussion in Boltanski & Chiapello (2007, pp.365-366) regarding shareholders. This narrow approach may due to a structural approach to reporting or "genre" of text (Fairclough, 2010).

5.2.13 #13 Barclays "Our Approach" (Barclays, 2016b)

5.2.13.1 Justification within the text

This text does not specifically state an overriding goal or "Common Superior Principle", however as will be seen below there is instrumental use of orders of worth subordinated to the market polity. For example, within the text a lengthy discussion of risk approaches and focus is framed with respect to adverse impact on “long term goals”. Risk management *per se* is not the goal; risk management, described in dry technical terms (which can be placed in the industrial polity), is subordinate here to market success (see below for how risk management is a useful addition to the orders of worth framework). .

There is no articulation of a “common good”.

Barclays is placed in an international context as a Global Systemically Important Bank (FSB, 2014). Barclays states this means they "have the responsibility – indeed the obligation – following our designation as a GSIB, to work together with our regulators to help reduce risk in the industry and provide a more sustainable banking landscape over the long term". This shows that the bank is subject in part to "social contracts" out with the UK. A global outlook is aligned with the market polity.

When considering technology as part of the “investment formula”, the text states “It has also reduced the cost-to-serve through automation, process improvement and innovation, while making customer experiences faster, more personalised and lower risk”. This presents efficiencies (industrial) as instrumentally in the service of competitiveness (market). This discussion is repeated in somewhat expanded form later in the text (p.10). The discussion ends in stating this is “the way Barclays adds value and provides benefit to all of our customers and clients through our approach to banking” (p.10). “Value” is in this case a nominalisation of process to create benefit for the consumer (Prahalad & Ramaswamy, 2004) that elides the capture of surplus value creation inherent in wage labour (Wolff, 2013) and the focus on *shareholder value* (defined and defended in Jensen, 2001) as noted in the Barclays CEO text.

The market polity focus on *customers* appears subordinate to *investors* as the bank seeks to “deliver a diversified income stream and long-term sustainable returns”. *Investors* are not present in prior analysis leading to the framework of Table 1 and are not present at all in Boltanski & Thévenot (2006 [1991]).

There is concern that "Conduct issues have hurt Barclays, causing loss of trust among stakeholders" (p.7) which suggests the civic rule-breaking is not judged in and of itself, but on the impacts this has on relationships with market qualified stakeholders. Civic concerns are subordinate in this case to market justifications.

As above there is considerable focus in this text on “ways of expressing judgement”. A variant of a “Balanced Scorecard” is presented on p.11 - albeit no overarching goal presented. Approaches such as balanced scorecard are criticised by Jensen (2001) as not enabling managers to make purposeful decisions and progress. The lack of an explicit goal means that an overriding “superior principle” is obscured, however noted above the instrumental use of orders of worth toward a market justification. That said one of the elements of the BSC (the Barclays version has five “C”s rather than four quadrants) is Company, so this may be viewed as the overriding metric for the firm - herein comprising RoE (Return on Equity) and CRD IV CET1 (Capital Requirements Directive IV Common Equity Tier 1) which are market (profitability) and civic (compliance with regulations) priorities. Again per Jensen (2001) it is not clear which of these measures takes precedence, however earlier discussions favour CET1 compliance. The other metrics can be assigned orders of worth also: Customer and Client - two metrics market oriented; Colleagues: two metrics, the percentage of women in senior leadership roles is a civic fairness polity, however there is some ambiguity around “Sustained engagement of colleagues score”. Engagement could refer to the “emotional involvement” of the Inspired polity, however in context is more likely to refer to “work energy” of the industrial world. The “Citizenship” score appears solely as a civic polity metric, however this elides underlying factors. There is little detail in further discussion (p.14) however notably there is reference to a green measure of reduced CO_2 emissions. The discussion of this metric is interesting as the drivers of the success of the measure are industrial measures - energy efficiency and travel management. As discussed in Jeucken & Bouma (2001) the direct environmental footprint of banking could be viewed as less significant than the indirect effect through financing polluters. The metrics here only consider direct impacts rather than lending criteria (there is discussion of environmental impacts and Equator Principles in the “data supplement”). There is a form of “double counting” here - energy efficiency is also captured in cost and hence profit metrics[44]. Under “conduct”, the remaining “C”, there is a composite construct of “Conduct reputation” as administered by a third party (YouGov). Further explanation of some of indicators behind the conduct measurement (p.14) reveal an ambiguity, the construct, Conduct (a civic measure) includes a measure: “Delivers value for money for customers and clients”. The focus here on what is in effect ensuring a competitive offering for customers is oriented to a market polity however is embedded in an civic term, which suggests an instrumentally with respect to civic justifications in the service of market outcomes. Additionally, “value for money” is in the eye of the beholder, the customer, and yet such an evaluation is hampered by information asymmetries and the nature of banking “credence services” (Hoepner & Wilson, 2012).

A good example of the indirect effects (positive or negative) from a financial intermediary is the investment into Green Bonds (a green polity supporting initiative). The bank has invested £2bn over two years in its "liquidity pool" function (p.14). Whilst this is claimed as "one of the largest investments into this sector to date", this represents only 1.4% of total liquidity pool funding and 2% of non-cash/central bank deposit liquidity pool funding (authors derivation based on p.191).

In another example of the dynamic between two orders of worth, Conduct civic justifications allow an industrial object to be qualified: surveillance technology in monitoring Investment Bank positions.

In considering “time construction”: "long term goals" are mentioned (p.7) though not explicated at that point: long term goals are associated with industrial, civic and green polities however in context it is appropriate to allocate this to the industrial polity.

[44] For further detail, readers are directed to the Citizenship Data Supplement 2015. Within this document the initial introduction concerns reporting, not the approach of the firm to meeting citizenship (CSR) metrics (this is one reason why the Citizenship Data Supplement 2015 has not been selected as a text for further analysis). Within the report there are measures which would support a “green” polity, such as Carbon Dioxide emissions reductions.

Whilst there is little explicit "space construction" within the text, there is a delineation of key activities "Particularly our UK and US home markets". Perhaps unsurprisingly as a global business post crisis the geographical changes (shrinkages) appear to be underway including US Wealth (which in itself is a little surprising), Spanish and UK Secured Lending businesses, and Portuguese and Italian retail businesses. Spain and Portugal as "periphery" countries of the EU have suffered significant economic distress after the financial crisis.

5.2.13.2 Summary of analysis of text #13

In quantifying the different orders of worth, these are market 9, civic 6, industrial 5, green 2, and zero for domestic, REPUTATIONAL or inspired polities.

5.2.14 #14 Co-operative Bank CEO Review (Co-operative Bank, 2016a)

5.2.14.1 Justification within the text

In the initial paragraphs, rather than state an overriding aim or *superior principle* for the bank, there is a focus on 'resilience' and on cost cutting - both are industrial polity criteria. Similarly, there seems to be external validation of the overall goal "As agreed with the PRA in December 2014, the focus for 2015 was to derisk the Bank and increase its capital resilience" - an industrial polity focus. There is some mention of performance – related to market polity, however the initial paragraphs seem to indicate that survival of the bank is dependent on technical competences and efficiency. Prioritisation seems evident when considering "We remain positive that we are developing a more resilient bank, underpinned and differentiated by values and ethics, and that a profitable Core Bank will emerge from the turnaround creating further value for all our stakeholders" - that is market tests underpinned by civic values - not the other way round.

There is an *instrumental* use of civic polity values: “We are engaging with customers who, like us, believe values and ethics have an important role to play in banking. Our current account Net Promoter Score (NPS) increased from 15 to 24 and we were recognised as the most improved brand of the year by YouGov” in that the civic justifications are “part of” rather than “the essence of” banking and are yoked to the service of market justifications. Similarly, “in an effort to sustain our differentiation from others in the marketplace, in 2015 we took some key steps towards demonstrating our values and ethics in action” the market justification appears ahead of the civic polity.

The above prioritisation of orders of worth ahead of civic concerns is seen in the final “outlook” paragraphs which do not return explicitly to values and ethics, only “differentiation” (market), meeting regulatory requirements (civic) and returning to profit (market)".

There is more explicit evidence of “the common good” as seen in a number of examples:

> "the focus on our donation on behalf of our customers to one of seven charities enabled us to reinforce our status as the ethical alternative to other high street banks”.
>
> “In October 2015 we announced a £1m investment and partnership with Co-operatives UK to support the development of the UK Co-operative and social enterprise sector”
>
> “heartening to see the Bank returning to its *campaigning heritage* by working with Refuge to reveal the scale of financial abuse in the UK where, unfortunately, a particularly high number of victims are women. Since the launch, we have been working with the British Bankers’ Association and Citizens Advice Bureau to drive real, valuable change” [*emphasis added*]

The above examples rely mostly on charity (civic justification) – albeit again yoked to market justifications by alluding to *competitive differentiation.* The use of “campaigning heritage” highlighted above is an example of a compromise object Boltanski & Thévenot (2006 [1991], p.279), between the civic (campaigning for rights, for equality) and domestic worlds (customary: "heritage"). Such a compromise, Boltanski & Thévenot note, can be inherently fragile. In this particular case, tensions may exist between the "campaign" and the traditional (patriarchal, patronising) "heritage" of social relations. The choice of campaign may signal prioritisation of scarce (attentional, financial) resources and as such is essentially political.

In considering how "natural relationships" are evidenced in the text, there are some interesting developments in the structure of the firm - outsourcing IT to IBM and mortgage processing to Capita (as well as securitising mortgages which not only take risk of the balance sheet, this also moves accountability for processing activities out with the firm). The focus here is on industrial efficiency however is also notable in echoing approaches to the firm as a "nexus of contracts" (Thompson & Valentinov, 2017). By outsourcing functions this means that the employees performing those functions are no longer necessarily engaged with a firm explicitly constructed as an "ethical alternative". Increased outsourcing can be seen as dominant industrial logic, as opposed to civic or even domestic wherein the latter justifies long term relations with staff as more important than efficiency. Perhaps the test here has been "won" by industrial justification, as the bank may simply not have existed at all due to prior mismanagement (Guthrie & Bounds, 2013). In a similar vein "At times, this means we have had to make difficult people-related decisions but this is critical to delivering a cost base which supports a sustainable Core Bank" is again an industrial justification whereby "people" are reduced to costs or at least the industrial justification is more salient.

There is a notably dynamic relation with customers: "Over time it seems customers increasingly want frictionless transaction services from the Bank. These are best delivered digitally and using straight through processing. This has benefits for both the Bank and the customer. In almost direct contradiction to this, however, when something goes wrong, customers want a real person to talk to". The latter point suggests an industrial strategy needs to be allied with the domestic polity - the qualified industrial object (mobile app, PC screen) elides a "subject" from the firm, however under duress the justification shifts to a (different) qualified *subject*. This is a good example of the use of qualified objects in orders of worth. There exists a tension as industrial priorities inhibit the “generation” of worth, of customer value, by eliding the personal subject. Here the order of worth could be said to fail the industrial (ease of use, reliability) test and then be subject to a domestic test (comfort, support, trustworthiness). There may still be a further test for the competence of the employee serving the customer (this reintroduces the industrial polity through consideration of credentials, qualifications). Further, the mix of technical and personal capabilities is deployed toward market justifications (e.g. mobile banking is the “price to play”).

With respect to “Condition of Great Person” the importance of customers is emphasised:

> “In line with the commitments of our expanded Ethical Policy, we have *taken steps to involve customers* and incorporate their views in developing other products. Our revised overdraft policy, launched in April 2015, was the first of our products to *be created together* with customers. The consumer group Which? were also engaged throughout the proposition development and have provided positive feedback around the Bank’s approach of *listening to customers* and making products that work for them. The Bank also received praise for making a ‘positive move’ towards transparency, living up to its values and ethics and delivering a much fairer overdraft tariff. Perhaps the most significant indication of the increased transparency was a 77% reduction in complaints related to overdrafts comparing the three months before and after the changes were made” (*emphasis added*)

The involvement of customers through a co-creation process (Cambra-Fierro, Pérez & Grott, 2017) here is indicative of a market polity wherein “customers” are automatically “qualified” within the polity simply by being customers. There is also, in the above quote, evidence of a compromise between market polity and an ethical stance (civic) however this very much seems to label a standard marketing approach as somehow worthy of an “ethical” label: this is a form of “capture” or subversion of the meaning of ethical behaviour or CSR (O’Dwyer, 2003).

In considering success, or investment formulae, this text refers to *actual* "tests", stress tests from the Bank of England (BoE, 2017) and the response to such tests explicitly, in addition to obliquely relating "tests" of orders of worth. Within this discussion, the reduction in risk-weighted assets makes the bank more resilient and hence reliable. Discussion features competence as a qualification: "The Non-core and Treasury team, in conjunction with other colleagues across the Bank, have deployed their considerable experience and skill to manage the deleveraging activity effectively, securitising £3.1bn of the Optimum [mortgage book] portfolio" [edited for clarity]. As discussed above risk (of failing stress tests, or failing due to market conditions) can be seen as a risk to free flow of goods and services (market) or from the *reliability criteria* of the industrial polity. Perhaps, given there is relatively little upside to meeting capital requirements (this can be viewed as a hygiene factor, the risk is all on the downside) the focus on meeting regulatory (civic) requirements is best viewed through the industrial polity, though there is some ambiguity here. In contrast, if there had been a focus on upside this would tend to be in market terms. This shows that caution is required in analyst assignment of texts to polities (cf Ferguson, 2007).

Again, multiple orders of worth are present within the same text and it could be argued in the "stress test" itself. The process of stress testing can be seen as civic polity (follow rules to avoid externalities), industrial response (reduce RWA rather than increase capital), civic validation ("we have met our CET1 ratio and RWA commitments to the Regulator"). Customer numbers ("prime current accounts"), customer satisfaction, and brand metrics are suggestive of a market polity investment formula.

Whilst there is a notable focus on costs (industrial) there is significant discussion of market indicators (e.g. net outflow of current account holders, mortgage lending increases, and net promoter score). As discussed above there is instrumental use of civic justifications: "We are proud to be the only high street bank with a customer-led Ethical Policy and in January 2015, we relaunched our expanded Ethical Policy which was well received by customers, colleagues and stakeholders. We kept all of the existing policy commitments and expanded the policy in new areas voted for by customers".

As heterogeneous customer perspectives are used (at least in part) to the development of the firm's "ethical" stance, there is no singular normative basis for the ethical policy. The "qualified subjects" are the customers – the importance of whom would support a market polity. The question arises, if this were truly a civic justification *without compromise*, would the same ethical stance be taken, by whom using what justifications? Could an uncompromised entity actually exist? Is it possible to conceive of texts and hence firms perspectives on the social contract to be constructed on a single order of worth? A religious order could be constructed around an inspired order of worth. However operating in world *as it is* means dealing with, *inter alia* social externalities from own operations and obligations (such as regulatory demands, taxation of income, wealth) (civic concerns), attracting new customers/adherents (market concerns, albeit unduly forcing market metaphors onto a non-profit organization), waste (industrial) and impact on the wider ecosystems (green). Additionally per Boltanski & Thévenot (2006 [1991], p.143) the sociological construction of "reality" the construct of the leader for example, leads to the REPUTATIONAL polity. Perhaps an idealised construct of a singular order of worth is an abstraction never present in reality and indeed in discussing the construct of the inspired word (p.162) qualified worth can only be present when detached from "demoralizing [sic] reality".

In addition to the discussion above of the focus on survival, there are other "flaws revealed by evidence". The text notes "the increase in conduct charges has to some extent been driven by factors impacting all banks, in particular PPI". Such a statement is a way to imply the PPI scandal is an exogenous event affecting "all" banks rather than an endogenous calamity of their own making. Further, the following sentences seems to distance the bank from accountability and consequence:

"They do not reflect the considerable progress in the Bank, on which I will elaborate below, and importantly have no major impact on the Core Bank which produced a close to break even [sic] result".

An interpretation of this construction could be “yes, we violated civic justifications however don't worry, in market terms we're fine” – a similar prioritisation seen in text #12 Barclays AR&A CEO review.

External validation (fame/reputation) is noted and focused on customer measures:

“It is particularly pleasing to note that the Bank received a number of awards for customer service in 2015, which is welcome recognition of the excellent service being delivered by colleagues in our contact centres and branches […] we remain one of the top 3 banks for customer satisfaction and current account NPS[45]” [edited for brevity] and similarly “We have made significant strides in dealing with complaints with the overall level of complaints falling by 19%. Based on industry data provided by GfK FRS, we are one of the leading banks for resolving complaints to customers’ satisfaction."

The use of measurable non-monetary standards supports an industrial polity. The qualified subjects include “industry” bodies – these are not competitors in this particular market, they stand *outside* the market, which reinforces the sense in which the usage here of consumer metrics can be interpreted as supporting and industrial polity.

5.2.14.2 Summary of analysis of text #14

In a similar fashion to the analysis of the Barclays CEO text above there is little surprise in the predominance of market justifications (14) in a commercial firm’s text. However, the Co-operative Bank brands itself as an “ethical alternative” and this is reflected in greater use of civic justifications (12) – which were only just behind market in frequency. The greater frequency of market justifications is also reflected in framing wherein civic and industrial justifications are instrumentally harnessed toward market justifications. Although the frequency of market and civic justifications was similar, the framing emphasised the market. Additionally a theme through the text was

[45] NPS = Net Promoter Score

"survival": this is a bank that needed special dispensation regarding resolution regulations in order to avoid more pressure on capital reserves. The survival mechanisms are couched in industrial terms (9) as they rely on competence, planning and efficiency. Further there were 2 instances of domestic justifications and none for REPUTATION or green (the latter result somewhat surprising for a self-styled "ethical" bank).

5.2.15 #15 Co-operative Bank Values and Ethics report 2015 (Co-operative Bank, 2016b)

5.2.15.1 Justification in text

An overriding (superior) principle appears to be *ethicality* within the bounds of an "Ethical Policy" (Co-operative Bank, 2016), which is reasonable to attribute to a civic polity. The Ethical Policy is discussed rather than restated and this means that the terms for ethics, values are ambiguous and not anchored in concretely visible aims, objectives or principles. The common superior principle is however enacted through assessments for credit decisions (extending loans). This is explained further in the report when the referrals and declines of business are set out by business area and by topic. Two referrals out of 304 were declined (compared to 4 out of 290 in the previous year). It is noteworthy that the Cooperative bank is the only bank in the sample[46] to set out this level of detail regarding operationalisation of the credit risk/screening policy.

Whilst much of the discussion on p.5 is oriented to a civic justification (e.g. ethics, values, customer consultations, fairness, transparency) these are in the end harnessed to "stability of our franchise" - in other words, stability of market position. The use of stability in the text is another example of the instrumental use of one polity in furthering the aims of the market polity.

[46] And, to the author's knowledge, such information is vanishingly rare out with the sample

As with most of the texts analysed, there is no explicit adumbration of the "Common Good".

There is a clear example of "assumptions re natural relationships" in that ethical campaigning "Represents an exciting return to our campaigning roots". This is an interesting statement in effect of "intertextuality" broadly understood, to encompass the founding ideals of the organization (albeit without explicit referent). The ethical emphasis places this in the civic polity.

Whilst not defining a social grouping *per se*, the text shows an engagement with "financial inclusion" - p.4 - "we ensure access to banking in socially deprived areas". There appears to be a broad construction of the scope of social groupings through which the bank, including customers, is formed, and the focus on reducing deprivation/exclusion forms a civic justification. That said, as a fairly small organisation, it is difficult to consider suitable criteria for such an unbounded aim of providing banking in deprived areas - there is only one "Co-op" branch in the whole of Scotland which has many more deprived areas than that.

A unique social grouping relating to the Cooperative Bank is the relation between the bank and Cooperatives UK (p.6). This comes about as the Cooperative bank is no longer member owned and therefore not a cooperative, however in order to retain its current name, has formed an agreement to commit to and engage with Co-operatives UK. This is an interesting example of how the *signifier* relates to the *signified* (see Frawley, 2013). Here the signifier, "Co-operative", means shared civic values. This example also shows how a civic body or association (Co-operatives UK), has resisted a break between signifier and signified by insisting on a set of relations that keep the signifying relations intact – at least to some degree (Murray, 2014). An object (and process) supporting these civic relations was in the launch on October 2015 of the Hive which is a business support programme for people keen to start or grow a co-operative or community enterprise

There is a notable ambiguity in the construction of the Common Dignity aspect: "Help our colleagues be the best they can be" – begs the question, be the best at what? Unadorned however there may be justification in attributing this description to the “Oral, exemplary, personally warranted” judgements of the domestic polity (aided also by the construction of “our colleagues” which may be – linguistically at least – a more inclusive mode than, say, “the firm’s employees”).

In the text there is one main “Mechanism” which relate to polities: as previously mentioned, the Ethical Policy is central to the construction of the text: the Ethical Policy as mechanism for referral, consultation albeit not spelled out in the text. It is now apparently “embedded […] into our Articles of Association” (edited for clarity). This is an example of using institutional processes to produce a law-like (rather than individual-dependent) constitution or culture to the firm. This could in a sense be seen as anti-democratic (current generation attempts to bind future generation), and has echoes in the constitutional liberalism present in the founding of the United States (Capaldi & Lloyd, 2011). Again, the emphasis is on a civic polity.

In support of a strong presence of the civic polity throughout the text, the “Condition of Great Person” is illustrated in the statement that the "Values and Ethics committee is a relatively new innovation (2014) but already its influence is being felt across the Bank, and it has become a key committee of the Board” (p.5).

In contrast, though still relying on civic justification, the “Condition of Little Person” could be seen as a *rejected* customer, excluded through the ethical policy screening. Notably the Bank expects to engage with fewer such cases as it focusses on smaller businesses and charities, implying that, in the firm’s view, larger business are more likely to be problematic from an ethical lending policy perspective.

In deciding strategic investment or nature of the firm, there is a strong statement: "Without our Values and Ethics we might be just like any other bank. Our customers have repeatedly told us that these values are a key reason for banking with us”: the test here interestingly is a market validation (through gaining and retaining banking customers) based on broadly civic ideals. This is an illustration of the subordination of one polity (civic in this case) to an overriding or superior polity (market) which may be viewed as surprising in context, however may also reflect *realpolitik*: within a commercial firm, insufficient earnings will result in crisis.

In contrast to the previous instrumentalism, considering the ways of expressing judgement, market justifications are sometimes subordinate to civic: "Organisations that conflict "with our ethical policy" will not be customers. As this stance "guides our activities", this means in effect this prioritises civic values explicitly over market justifications. In this the Co-operative bank is notably different to, say, RBS and Barclays in construct of the firms "social contract".

Running the business in an "environmentally friendly" manner shows a green justification, albeit the environment "friendliness" – an unfortunate term – of any business is open to question. If all customers left the Cooperative bank and were spread across extant banks in the UK it appears plausible there would be no marginal increase in the requirement for branches at the other firms. It is tentatively suggested then that "the" most environmental "friendly" strategy for the Cooperative bank would be to cease operations, at least in the short term. There is a more positive argument that by growing market share at the expense of less environmentally "friendly" banks, the net impact on the environment is reduced. Though even in the latter case total harm may increase despite a fall in harm/sales or other normalised metric.

The use of "transparent and open manner" for the running of the firm is interesting as there are always information asymmetries between firms and stakeholders in finance, see *inter alia* Kodres & Pritsker (2002), Roberts (2015) or more generally, Bosse *et al.*, (2008). The text itself may be one way of reducing that asymmetry. This is an example of ambiguous attribution to the orders of worth framework as these terms may be "industrial" if the terms mean publication of measurable variables for comparison, or "civic" in terms of formal, welfare enhancing policy. Given the context of the text overall it seems reasonable to assign this to the civic polity.

In considering how "time" is constructed in the text, some of the discussion is recent (2014 - ethics and values committee), 2015 - extended ethical policy. Notably however the Chairman (p.5) constructs an open-ended perspective "[we have] built on this during the year and will *continue to do so in future years* through everything that we do" (*emphasis added*). An open ended time construction is analogous, and can be attributed to, the “perennial” construct of the civic polity.

5.2.15.2 Summary of analysis of text #15

In terms of justificatory regimes observed in the texts, the Co-operative Bank has, as it suggested in the text, discursively as well as materially constructed the firm in a differentiated manner to rivals RBS and Barclays. There are 12 civic justifications, 3 market, 1 domestic and 1 green (no industrial or inspired polity constructs were observed).

5.2.16 #16 RBS annual report and accounts 2015 (RBS, 2016a)

5.2.16.1 Justification in text

With respect to the “Common superior principle”: Economic growth seems to be the superior principle alluded to (p.10): financial success could be interpreted as a market order of worth justification. Similarly, The EU referendum is mostly framed with respect to customers “unfettered access to the European Single Market" (p12). Explicitly however "our primary responsibility is to serve and support our customers" (p12) which is undoubtedly a market perspective.

There is no consideration of the common good *per se*, social activities of the bank are mostly expressed in terms aligned with the bank itself (not entirely inappropriately, see for instance the discussion of alignment in Brammer *et al.*, 2007, or Porter & Kramer, 2011). Utilising this alignment there is emphasis on financial literacy education ("Moneysense" p12) - despite there being little evidence more generally of the efficacy of such initiatives and the concern that such activity is substantively a defensive ploy to forestall more onerous product regulation (see Willis, 2009). The development of entrepreneur "hubs" including at the Gogarburn HQ, is aligned through a market perspective with growing "the economy and creating jobs" (this from a firm that has lost in excess of 90,000 jobs through intrinsic and extrinsic reasons - see Treanor, 2017). The Chairman notes the "zeal" (suggesting an INPSIRATIONAL justification) with which staff supported Comic Relief (civic) in the "the largest corporate fundraising event in Sport Relief's history" which is a success indicator – size - more suited to a market justification; this shows the instrumental use of one justificatory perspective (civic) in the service of a market justification.

When considering the "assumptions regarding natural relationships" (p.11) contains a hint at push back on complexity of regulatory regime in noting "many regulators" as stakeholders. Hence, the natural relationship includes some tension between the firm and regulators. In contrast, it was noted the FSA were rather too friendly with RBS ahead of the financial crisis (FSA, 2011).

"All our staff" suggests a patriarchal "ownership" or at least hierarchic domestic relation to employees (p.12). Whilst the bank positions itself as "RBS is a core part of the communities it serves and undertakes a number of initiatives to support them and help them succeed" (p.12) which positions RBS in a domestic justification, this is an implicitly circular justification that it is in that position because it is core. What a "core part" really means in this regard is unspecified, as is "community" - the term could be increasingly problematic given the rise of mobile/internet banking (Gupta, 2013): being a core part of the community harks back to the central role of a bank manager and bank branch in small communities (Collins, 2012).

Whilst there was little direct read off regarding "common dignity", the discussion of the "focus on culture and diversity" (p12) is noteworthy as the text then hints at a civic order of worth focussed on "integrity" which can be related to the common dignity attribute. However this is linked to a market perspective as the culture is harnessed to serving the needs of customers and shareholders; another example of one order of worth being compromised instrumentally in order to serve the needs of another order of worth. Similarly mention of “Culture” and “Diversity” (which, standalone, could be symbolic of the "expression" and "expressiveness" of the activity in the firm (inspired polity) is again harnessed to "innovation" (market in this context) and improved "decision making" (industrial). Boltanski & Thévenot (2006 [1991]) discuss the processes of compromise (though they did not find any cases in their work of comprise between the civic and market worlds – see p.332). The authors note (p.277) that the presence of objects appropriate to differing polities is not in and of itself to recognise a compromise. Compromise is enabled by allowing the identities within each world to remain in the service a higher good (conflict rather depends on the asserted primacy of a particular polity). In the text analysed however the presence is not of incommensurate objects but “higher” (more abstract) concepts such as expressiveness which is associated in the polity with the level of common dignity or investment formula within the *test* situation. A fragile compromise then is present in the text albeit the common good within which the validity of the compromise is endowed is not explicit. What is not readily apparent in the text is the linguistic composites signalling a compromise such as in Boltanski & Thévenot’s (2006 [1991], p.277) example of “worker’s rights” combining industrial and civic justifications.

The “status relations” within the bank show a hierarchical perspective: the Board is the shareholders' representative, protecting their "long term interests" (p.11) though these are undefined (either capital growth, or dividends, could be considered). The board is "supportive" [of management] whilst "exercising strong oversight" (p12). The board is presented as important then in a structural sense through a domestic justification, though later (p12) retail financial expertise has been added to the board - an industrial order of worth in the expression of “competence”.

The “decline” of the polity is largely expressed in market terms: Within a "market" order of worth the lack of profit, and return to shareholders would be seen as a serious issue. The Chairman acknowledges this (p12) - at the time of writing RBS had not made a profit for seven years. The concerns expressed about the ongoing low interest rate environment are interesting in that there is a potential tension arising from a simplistic consideration of the market justification. Low interest rates support customer's borrowing and raise expectations of economic growth - a market justification as has been used earlier in the text. However, the market decline is shown in reduced profits within the retail bank. Further, flaws are revealed such as delays to separate Williams & Glyn (p11); “significant conduct issues which the banks has faced and continues to face" are discussed in terms of profitability hence a market order of worth, however what is notable in this description is the passive nature of "the bank": there is no sense that the bank created or allowed a culture to develop which allowed such conduct issues to develop. However, the further expression of regret can be viewed as decline of the civic order of worth wherein reputation rests on trustworthiness. Later (p12) there is determination to guard against "behaviour that held us back" - there is less distance in the statement and even a hint of the domestic perspective of "us". Essentially criticisms are muted: this is not an "easy" year for banks or its shareholders (p.10).

As might be expected in an evaluative/summative report such as the Annual Reports and Accounts of a firm, there are many criteria for evaluation: A “simpler bank” with “low risk” (p10) - an industrial perspective; a fair bank (p10) suggests a civic motivation; Capital ratio (CET1) - it is unclear if this is driven by a civic justification or an industrial (de-risking) strategy. The customer is present in terms of measures of “Advocacy”, “Service”, “Trust” (all p10) – suggesting a market perspective. “Reduce costs and enhance IT capability” (p.11) (industrial). The (p11) "detailed oversight" of capital improvements suggests a focus on measurable criteria - per Patriotta *et al.* (2011, p.1810) suggestive of an industrial perspective. The (p11) desire for a period of "stability and reflection on the new rules, alongside an assessment of their overall impact" is from an industrial perspective as the justification for the approach depends on the management and deployment of technical expertise. This is followed by a market justification regarding financing "the rest of the economy" and supporting "growth". The consideration (p11) of the ring-fencing regulation (HM Treasury, 2013) which alters the operational and capital structures of banks, ostensibly to reduce the risk of future taxpayer funded bailouts, is presented in market terms in that this "will have an important impact on the way we serve our customers" (p.11). Following from the discussion on diversity (p12) there is pleasure noted at the “emphasis on the business on ensuring women taking a significant number of roles throughout the bank and at all levels" (p12). Leaving aside the ambiguity of the term "significant" here what is more important is what is unsaid, but found elsewhere - that the gendered distribution of roles in the banks has not changed since 2011 (RBS, 2016d).

There is further evidence of “self-evaluation” in that the bank is ahead of plan (downsizing investment bank, p.10) - note no mention of staff losses hence an industrial justification rather than a domestic or civic. P.11 notes "mixed feelings about a reduction of its activities on this scale" hinting at a number of conflicting orders of worth or justificatory perspectives. Other banks are noted to be similar however, this elides some notable exceptions to this (e.g. Barclay’s success in investment banking post crisis): the comparison with other banks is then superficial.

5.2.16.2 Summary of analysis of text #16

The above analysis found 15 instances of market justification, 7 industrial, 4 civic, 4 domestic, a single (fairly weak) allusion to INSPIRATIONAL justification and no instances of green justifications. Hence the market and the somewhat related (through a common focus on business success) industrial justifications dominate the text though when the discourse touches more specifically on the relations between the bank and external agencies this tends to be couched in civic terms. Perhaps given the nature of the report, which is to some extant an evaluation of the previous year’s performance, there was much more text dedicated to evaluative statements than more general framing (e.g. with respect to the common good).

The key conclusion is that the narrative within the bank’s report is not surprisingly focussed on commercial success and efficiency, with Civic and Internal (staff) foci a distant second. The absence of any consideration of climate change even from an instrumental (e.g. stranded asset value risk- Andersson, Bolton & Samama, 2016) perspective is notable. Perhaps this is not too surprising as “Even sophisticated scholars well versed in social theory, it seems, are nowadays at a loss when it comes to articulating nature's worth beyond market grammars" (Blok, 2013, p.493).

5.2.17 #17 RBS Sustainability report 2015 (RBS, 2016c)

5.2.17.1 Justifications in text

The superior principle is to support the *economy* through lending to SMEs and supporting financial literacy and development of capabilities. A similar tone is evident regarding the "Common Good" (though relatively little direct evidence of this topic was observed): Economic and customer focus values dominate e.g. p.3 "our commitment to the small businesses at the heart of our economy. If they grow, the UK's economy will grow, and that is ultimately good for our business. That's what we mean by 'sustainable banking', and we are committed to it now and in the future". Similarly, an economic rationale is present in considering services to educate people about finances: "Being knowledgeable and confident with money can only be a good thing for customers and their families, the bank, and the UK economy" (p.3). The focus on customer again supports a market justification whilst the (planned) future betokens an industrial perspective

Interestingly the relationship of RBS to the banking sector is framed in two ways: one is competitively, the other is somewhat of an "outsider" perspective challenging "some established industry practices" (p.3). The former is a market perspective whilst the latter suggest a civic justification. There are suggestions of a domestic order of worth regarding the relationship between the CEO (Ross McEwen) and the rest of the bank employees as the language employed includes "*my* vision" (p.2, *emphasis added*) and "pride" (p.3): both are suggestive of a familial, or more critically, "patriarchal" relationship (a discussion of definitions is in Gneezy, Leonard & List, 2009). There is support for the latter critique elsewhere in RBS (2015, p.51) wherein it is reported that 73% of clerical (hence relatively low paid) employees are female whereas the senior manager positions are distributed 73% male and executive positions 80% male[47].

The “national grouping” is defined explicitly in the text as UK and Ireland, though there is no contrast to prior scope, hence is a context free statement of intent. The repertoire of “objects” include organisations/brands such as Royal Bank of Scotland and Nat West however subsidiary organisations such as Coutts and Adam and Company are absent. Citizens bank is mentioned only in connection with its recent sale – it is no longer a part of the RBS group. With respect to the orders of worth framework, it is noteworthy that the repertoire of objects does not support a specific *polity*. Hence, this supports the Boltanski & Thévenot (2006 [1991]) perspective that justificatory “worlds” can be used within the same “real world”. The construction of space suggests an increasing focus of virtual space – through mobile banking apps for instance, less tied to a specific location which is in line with declining use of bank branches across the sector (French, Leyshon & Signoretta, 2008). With respect to assigning such a virtual space formation to a polity it is worth reconsidering the use of “globalised” space formation in the market polity in Table 1. The globalised world reduces the importance of national borders, national governments and regulations and the salience of national identities. The use of apps and mobile/virtual space additionally elides the importance of borders and transitions between national spaces: Facebook is the same everywhere (or everywhere it is allowed, which is a separate discussion). The use of mobile, “virtual” space as the “place” where market interactions occur (see also Jobber, 2013 for the “four P’s” of markets and marketing) suggests that Table 1 can usefully extend space constructions for the market polity to include virtual/mobile space.

With respect to relations between subjects: service to customers predominates in a market justification; within the firm itself there appears to be the domestic concern between the CEO and “colleagues”. Regulators as a stakeholder are implicit in the discussion of capital requirements however the

[47] The RBS report also shows these proportions have not significantly changed from 2011 to 2015

importance (and agency?) of regulators is undermined by the framing of capital requirements making banks safer “theoretically” (p.2) – this is a (slight) undermining of civic justifications.

Whilst customers are mentioned repeatedly (“complaints” in contrast could be viewed as the “decline” of the polity), the metric of concern here is “customer advocacy” (p.3) whereby customers promote the firm to others (Bendapudi & Berry, 1997, p.30), which reveals the instrumental underlying paradigm to customer’s welfare – rather than a good in and of itself the customer is employed to extend the bank’s marketing efforts which is indicative of a market order of worth. Customers are also presented as homogenous in the discussion (p.3) of the move to fewer branches and greater utilisation of technology, which views customers through the industrial lens of efficiency and reduced costs.

Removing £983m costs from the business is seen as positive: whilst the market justification is made: "the less we spend on running the bank the more we can spend on making it better for customers" (p.2) this construct simultaneously supports efficiency justifications through the industrial polity. This latter justification is the dominant perspective in the discussion of the "break" with "144 year old tradition" to open busiest branches on "bank holidays” as whilst this is market justification regarding customers, this could also be construed as a neo-liberal approach to employees as assets to be exploited (see *inter alia* Selwyn, 2013).

There is critique of past performance from both a civic and market perspective. The former is illustrated by concerns over fines for “conduct” regulation and “legislative” breaches: the latter is then evidenced by concerns over the financial losses such breaches produced.   The construction of time as “now and into the future” is in keeping with a view of “sustainability” as the continuing success of the firm (a market perspective).

5.2.17.2 Summary of analysis of text #17

Overall this text predominantly constructs a market justification (with 6 instances) with few alternatives (industrial 3, INSPIRATIONAL 1, domestic 2, civic 3).

A priori expectations of a "sustainability" report would be that such reports might include presence of a "green" order of worth or justification: the most striking finding in this part of the analysis is the *absence* of a "green" order of worth in this particular text[48]. Thus whilst "sustainable banking" is considered a number of times this is in the context of gaining the licence to operate, gaining positive customer advocacy. Hence, the over-riding perspective regarding the "common good" appears narrowly constructed with respect to satisfying customer requirements rather than broader societal concerns (which by definition include non-customers). This is in contrast to the discussion of Jagd (2011) and Daigle & Rouleau (2008) wherein the latter posited a constraint on *genre*, such that it could be anticipated that an ecological or green order of worth would be paramount, however this is not the case here.

5.2.18 #18 Fair and Effective Markets Report (FCA, BoE, HM Treasury, 2015)

5.2.18.1 Justification within the text

Similar to other texts analysed, the "common superior principle" is not addressed directly. However there are unstated assumptions or fundamentals that are not subject to critique that are suggestive. That there should be a private market for Fixed Income (products), Currencies, and Commodities (collectively, FICC), is not examined. That a fixed outcome (an interest rate)

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[48] Notably the "sustainability committee" for RBS group does have more evidence of a GREEN justification in its remit (http://www.rbs.com/content/dam/rbs/Documents/about/boards-committees/new-termsofreference/07%20SBC%20ToR%20HWMRBS%20approved%20Grp%20Brd%20260116.pdf)

can be constructed from myriad of variable fixed factors is not challenged (the challenge could be that such an outcome by necessity introduces complex mechanisms including hedging and contrarian trading which *may* increase systemic risk due to herding, per Beck, Coyle, Dewatripont, Freixas & Seabright, 2010). If the end user does not bear risk in the normal course of events, some parties *must* take risk in order to produce an outcome independent of volatility amongst underlying assets. "Capital liquidity" is *the* underlying principle behind markets and approaches to regulation: however, this is not stated. "Capital liquidity" allows for flexibility, for short-term changes in allocation: it is a market justification.

It is worth examining how judgements are constructed in the text. For *fair* markets, there are five particular components:

i) "clear, proportionate and consistently applied *standards* of market practice" (*emphasis added*). Here the focus on standards fits with objects and mechanisms of the civic polity.

ii) "are transparent enough to allow users to verify that those standards are consistently applied". Similarly, another focus on standards fits with objects and mechanisms of the civic polity.

iii) "provide open access (either directly or through an open, competitive and well-regulated system of intermediation)". There are two conceptions of a market here: one, with low or no barriers to entry is aligned to the market polity whereas the latter conception is an interesting *comprise* construction in the same phrase. Here "open" and "competitive" are from the market polity, however "well-regulated system" is from the civic polity. In effect, the market is open to those who are willing to comply. Such a construction avoids the loaded and misleading terminology of "free" markets (*inter alia* Glinavos, 2013).

iv) "allow market participants to compete on the basis of merit". This construction is solely aligned to the market polity if "merit" is taken to be assessed by typical marketing indicators such as market share, profits.

v) “provide confidence that participants will behave with integrity”. Here “integrity” is used as an endogenous quality separate to exogenous regulations. However, integrity suggests an alignment within a polity albeit not which particular one. This is an example of a construction of justification that says “this far and no further” regarding tests within a polity. As such any order of worth may be followed “with integrity”: to go further than is allowed within the particular context is to commit a form of violence, such as the “financial violence” considered in Marazzi (2011). The ontological fluidity of the noun “integrity” may be a reason why this term was not used in Boltanski & Thévenot (2006 [1991]). As a noun “integrity” is a nominalisation of a host of actions toward coherence within a social contract or order of worth, and actions away from deficiencies in the social contract, away from violations of successful qualifications within the polity.

In contrast to the market and civic justifications of *fair* markets, *efficient* markets (Paragraph 5, p.9) are constructed around industrial concerns: “a predictable way”, “*underpinned* by *robust* trading and post-trade *infrastructures*” (*emphasis added*). In addition, there is the presence of market justification through enabling participants to “discover and trade at competitive *prices*” (*emphasis added*). It is less obvious how to place phraseology such as “ensure proper allocation of capital and risk”. There are a number of elements within this phrase that increase uncertainty for the reader. “Risk” in Boltanski & Thévenot (2006 [1991], p.161) is associated with the inspired polity, however this is in connection with risks to beliefs, habits, identity and so on – rather than risks to value or money. This suggests that the best placement for this phrase is within the market polity. Yet the word “proper” is suggestive of a normative and even rules based framework with which proper and improper allocations of capital can be judged. Within the market for capital, Governments may or may not try to affect capital flows, by improving rates on its own liabilities for instance or by structural changes to capital markets. “Proper” here then is an “empty signifier” (Barthes, 1972) to be assigned by those with power to enforce the signification. Tests of im/propriety are dependent on access to salient data.

Judgements are operationalised positively as:

> "tight pricing and deep liquidity for more actively traded instruments, including government bonds, standardised derivatives and major foreign currencies. And they have also facilitated trading in a wide range of less standardised assets, tailored to users' needs. Commitment of capital by market makers, trading as principal, has helped sustain liquidity in a number of secondary FICC markets, particularly for more bespoke assets, larger trade sizes, and during periods of market-wide stress" (p.9).

Several general remarks may be useful before considering the implications for orders of worth. "Tight pricing" here refers to narrow bid/ask spreads. Broad spreads imply greater returns for market makers. Less standardised assets may include insurance products such as Credit Default Swaps (CDS) and Collateralised Debt Obligations (CDOs), and whilst these are liquidity enhancing in the market these are also relatively opaque leading to difficulties in assessing risk, especially systemic risks (Beck, Coyle, Dewatripont, Freixas & Seabright, 2010). Normative judgements regarding the scale and social worth of capital markets are commonplace (*inter alia* Gray & Bebbington 2006, Bowman *et al.*, 2012b). It is unclear where the normative judgements would take the markets: a lack of liquid secondary markets reduces or even halts issuance on the primary market. Less liquid markets imply higher risk for market makers and therefore increased cost for users of the capital markets. In analysing the orders of worth in the statement it is clear that free circulation (liquidity) of the market goods (financial assets) are important and this is associated with a market polity. However to take more risk "as principal" to ensure liquidity to maintain the market is harder to align with the short termism of the market approach. Market agents may have actually being planning for only short-term risk (in that a long-term crisis could not be forestalled by market actors). Alternatively, they may have taken a "perennial" – civic justification. In this case that the existence of the market could in and of itself be justified as a public good rather than solely a construction or forum for market making/commercial success. The current research is limited with respect to understanding agents' motivations and hence this is suggestive of a possibility for future research.

Further "flaws" shown by evidence include

- "Market structures that presented opportunities for abuse, including: poor benchmark design; unmanaged conflicts of interest in intermediaries acting as both principal and agent, exacerbated by horizontal integration across diverse business lines; vulnerabilities to collusion; and thin markets for less liquid assets;
- Standards of acceptable market practices, particularly in bilateral over-the-counter (OTC) markets and less heavily (or un-) regulated instruments including spot FX, that were sometimes poorly understood or adhered to, short on detail or lacked teeth;
- Systems of internal governance and control that placed greater reliance on second and third lines of defence than on trading or desk heads, proved incapable of asserting the interests of firms and the wider market over those of close-knit trading staff, and failed to identify emerging vulnerabilities or ensure that conduct lessons learned in one business line were fully applied elsewhere;
- Limited reinforcement of standards through bilateral market discipline from sell-side and buy-side firms, or from end-users;
- Remuneration and incentive schemes that stressed short-term returns over longer-term value enhancement and good conduct; and
- A culture of impunity in parts of the market, coloured by a perception that misconduct would go either undetected or unpunished" (pp.8-9)

There are a number of types of criticism in this quoted section above. Firstly criticism that the market polity was not working *on its own terms.* That is, a market polity is in part justified by effective, competitive price discovery and rewards to best performers. "Thin markets for less liquid assets" alludes to a lack of effective price discovery; "poor benchmark design" suggests a skewed approach that means that fund managers more easily reach or exceed benchmark performance, increasing their rewards. Secondly, criticism that where regulation (civic polity) was introduced this was ineffectively implemented, was unclear or “lacked teeth”. Thirdly, that some participants looked out for each other’s interests as “close-knit trading staff” (a domestic justification) ahead of “true” market principles. Finally the fourth type of criticism is that market justifications of timescales (flexible, short term) are not appropriate compared to civic, industrial or green timescales (long term). More simply then, the criticisms are that the market polity was not effective on its own terms, or compromises with other justifications are not reached.

5.2.18.2 Summary of analysis text #18

The underlying principle adumbrated above is that liquid markets should exist for FICC. Given this, critique from the authors of the text concerns where the market justification fails on its own terms, or where compromises with other polity such as civic (5) appear to be ineffective (that is, dominated by market (5) or occasionally domestic (1) concerns). There is one justification around the industrial polity, none for inspired, REPUTATIION, or green.

5.2.19 #19 HSBC Group Chief Executives review (HSBC, 2016a, pp10-11)

5.2.19.1 Justification within the text

The “Common Superior Principle” in the text is oriented toward a market justification, "Revenue Growth", "Capitalise on higher return businesses" (p.10), "better return for shareholders (p.11) – though as discussed below the presence of shareholders as qualified subjects problematizes the orders of worth framework.

There is no articulation of the “Common Good” in the text.

When considering “Assumptions re Natural Relationships” it is noted the intertextual reference(s) to "Investor Update" suggests the current text can be read as a continuation of the discourse with investors: the latter are the "natural" audience for the text. Also noted are multiple references to the "network" of "collaborative" businesses and partners within the Group. This is not the "networked" or individual project based polity of Boltanski & Chiapello (2007) but part of the "natural relationships" within, and external to, the firm. The discussion below of the role and positioning of investors with respect to the orders of worth framework means it is problematic to assign the relationship with investors to a specific polity, however in context it seems not unreasonable to see the focus on investors as relating to “bottom line” market justifications.

Social or National grouping: There is a wide-ranging, almost global construction of the business: "Global Private Banking" for instance as a business unit. There are mentions of the US, Brazil, Mexico, Turkey, and Asia, in particular the Pearl River delta area in China (albeit Brazil particularly in respect of disinvestment from the country). The globalised aspect of the text is suggestive of a market justification.

There is no articulation of “Common Dignity” in the text.

Similar to other banking texts there is a wide range of qualified objects and mechanisms in the text: "Development of Asia business”, “Higher return businesses”, “US Consumer Lending and Mortgage portfolio”, “Industrial Bank” (stake now sold, p.11), “Risk Weighted Assets [RWA]”. The latter is a hybrid type of “object” in that the RWA are derived from underlying assets adjusted by risk weightings per asset type. The assets themselves may be derivatives sold on the basis of risk expectations: the “object” obscures the technical/social ontology of derivatives giving rise to possibilities of an ontological “spread” that depends on initial assumptions regarding the nature of assets and monetary values (Bryan & Rafferty, 2016). Overall, the “qualified” objects are market oriented rather than, for example, civic or domestic – notably absent from the text are discussions of regulators, or employees.

A similarly ontologically diffuse “Repertoire of Subjects Agents and Motives” is found in the text: "Investors”, departments or business units such as: “Global

Banking & Markets”, “Commercial Banking”, “Principal Retail Banking”, “Wealth Management”; Clients, and the North American Free Trade Area (NAFTA), and by implication the agents within NAFTA markets. Whilst the qualified subjects appear market oriented investors as a class are not discussed at all in Boltanski & Thévenot (2006 [1991]) and specifically excluded from orders of worth as not oriented toward common humanity or justice in Boltanski & Chiapello (2007, p.365) as “the premier exploiters […] in a long chain of sequential exploitation” ([edited for clarity]).

There is no discussion in the text of “Condition of Great Person”, “Condition of Little Person”, “Status Relations” or “Decline”.

The “Investment formula” appears to be oriented toward "Cost reduction programmes - "strict cost management" (p.10) which could be allocated to an industrial efficiency perspective however in context is supportive of results around “Revenue Growth” (p.10), “return on equity" (p.11), "increase the dividend" (p.10) and “Shareholder wealth" all of which are best allocated to the market justifications. Similarly, when considering offers for a business "none of which were deemed to be in the best interests of our shareholders" (p.11) is again financially oriented and hence best suited to the market polity albeit further discussion of the role of shareholders is considered below.

There is an indirect indication of “flaws revealed by evidence”: "we are committed to *turning them around*" [*emphasis* added] referring to US and Mexico businesses (p.11) suggests a failure to meet required goals in this year and recent past and in context is a failure associated with the market polity.

There are no direct forms of (self) “criticisms” in the text.

Most of the “Ways of expressing judgement” are concerned with managing or reducing risk, some of which are difficult to assign to a polity *per se*. For instance: "targeted investment, "prudent lending", "diversified", "increase in provisions", "de-risking measures", "strengthen the common equity tier 1 ratio" (p.10), "reducing our risk weighted assets", "strength and resilience" (p.11). It is not always immediately apparent to which polity these terms refer. Some of the terms indicated increased compliance with civic regulations (increased equity capital), some seem to be mostly concerned with efficiency in an industrial sense (“de-risking measures") and some see to support increased (risk adjusted) capital gains ("targeted investment") that could be evaluated under a market justification.

5.2.19.2 Summary of analysis text #19

There are nine examples of market justification within the text two industrial polity justifications and only one civic. The neglect of civic justifications is somewhat surprising given recent conduct issues at the firm (Nasiripour & Scannell, 2012, Jenkins, 2013). Notable absence from the text includes any reference to employees. In common with other banks’ texts above, there were no green justifications observed.

5.2.20 #20 HSBC Approach (HSBC, 2016a, pp36-39)

5.2.20.1 Justification within the text

Common Superior Principle: highlighted is “Fair outcomes for customers” (p.36) - the customer focus seems to suggest a market justification. Additionally "financial market integrity" is a civic justification of maintaining “a” public good (in contrast to "the" common good). Overall a "sustainable" business model that means persistence and success of the firm rather than ecological sustainability.

Common Good: “reducing global carbon dioxide emissions is a critical challenge for society” (p.36) is one of the few instances of a *societal* as opposed to *firm-centric* perspective. There is relatively weak ownership of HSBCs role in fossil fuel investment - HSBC “see the potential for financial services to facilitate investment that can help the world transition to a low-carbon economy” (p.36, similarly on p.37) – a rare green justification. Given the scale of challenge apparent even in 2015, this statement falls far short of a leadership role that could be expected of the most valuable company on the

FTSE 100. There are further civic and green evocations of common goods: “education and environment are essential to resilient communities and thriving economies” (p.39).

There are no statements pertaining to: Assumptions re Natural Relationships, Social or National grouping, Common Dignity.

The Repertoire Objects and Mechanisms is extensive and heterogeneous, overall weighted toward market and civic polities with some green justifications also:

Market:

Product Governance Processes (p.36)

Alert customers by text message p.36

Customer complaints (and “tools for understanding their causes”)

Seeking feedback from customers (p.36)

Commercial banking research programmes (p.36)

Competitor benchmarking

Brand Tracking

Customer surveys

RBWM (p.36 - Retail Banking & Wealth management)

“350,000 customer surveys”

Innovation and digital capabilities

Financial Transactions

Customer Data

Apple Pay mobile payment

Live-chat online customer service

Online banking platform

Extel survey

Civic:

Enhancing security

Flexible working programmes

“agenda free exchange meetings” (p.38)

Webcasts with senior executives

Training programmes (including “values led leadership training for all employees” p.38)

HSBC Confidential Whistleblowing platform

Performance review processes

Variable pay considerations

At our best online recognition tool for all employees (p.38)

Suppliers' code of conduct

International Slavery Act

International Bill of Human Rights

UN declaration of human rights

International Labour Organisations Declaration on Fundamental Principles and Rights at Work

Community Investment Activities

UK Code of Practice for the taxation of banks

US/Foreign Account Tax compliance act

Green:

Climate Change (note as “challenge” as risk) - also stated as “opportunity” for customers (presumably green technology providers)

Asset management business joined the Montreal Pledge[49] to disclose the carbon intensity of its portfolio (p.36).

Green bond issued 2015 for the first time

Investment sectors: renewables, energy efficiency, sustainable waste and water management, sustainable land use, climate change adaptation, and clean buildings and transportation.

Certified, sustainable palm oil

Training on sustainability risk policies (2,300 attendees)

Sustainability risk policies

OECD Standard for Automatic Exchange of Financial Account information

CRD IV

OECD Base Erosion and Profit Shifting (“BEPS”) Initiative

The Repertoire of Subjects Agents and Motives is less extensive:

Market

Customers

“50,000 businesses” (customers and potential customers) p.36

Apple

Extol

HSBC France

Agricultural Bank of China (ABC)

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[49] https://montrealpledge.org/ states “investors commit to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis. The Pledge […] is supported by the Principles for Responsible Investment (PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI)” [edited for clarity]

Green

United Nations Partnership on Sustainable Low Carbon Transport

Civic

Team dedicated to bus rapid transit systems

Parents returning to work

“International Labour Organisation"

Condition of Great Person: "Our Global Research team was ranked number one for Integrated Climate Change…" (p.36) combines REPUTATIONAL as recognition- this time with respect to a green concern (albeit instrumentally in terms of portfolio values and risk).

Condition of Little Person: Non-compliance with (green) forestry and agricultural policies meant that 160 customers were refused service and needed to find alternate banking providers.

Status Relations: "Global Research team was ranked number one for integrated Climate Change" (p.36) is an instance of a REPUTATIONAL or “opinion” polity justification.

Decline: "The firm is aware of “bias in hiring, promotion and talent identification” or at least the possibility thereof. Such bias is a decline in the civic justifications toward equitability of employment. The text alludes to past problems (p39), “our banking services are not associated with any arrangements known or suspected to be designed to facilitate tax evasion”

Investment formula: Rather more literally than is intended by Boltanski & Thévenot (2006 [1991]), "HSBC also pledged to invest $1bn in a portfolio of green, social or sustainable bonds" (p.37). Such investment forms a green justification, albeit as investment rather than donation or gift a market mechanism is also present. There is a form of compromise here between green and market justifications; however as discussed below "investors" are not a legitimate stakeholder concerned with justice in Boltanski & Chiapello (2007, p129, pp.365-366). Similar, if more indirect example on p.37 is in helping ABC launch an international green bond and in facilitating rapid bus transit systems to "reduce pollution and increase road safety" (green and civic justifications respectively). Social or green investments may be viewed as instrumentally using green justifications or means to further market ends.

There were no direct examples founds of “Flaws revealed by evidence” or “criticisms” though as seen below customers do complain.

Ways of expressing judgement: "Customer complaints have reduced by 67%” (p.36) is a market (customer) oriented criteria. With a similar market focus, 'Customers have saved more than $129.9m, in fees' (p.36) is interesting, as this saving comprises fees foregone by HSBC. Customer fee payments are reduced, which means HSBC income is reduced by the same amount. However, linking to “lasting” and hence *retained* relationships with customers the superior principle overrides the short-term fee income reduction. As such this example illustrates the “time construction” of the banks is somewhat different to that found in prior literature and summarised in Table 1. Preservation or retention of client relations is especially important when there is use of capital upfront (annuities, life assurance reserves, loans). Although Table 1 shows market constructions of time as “Short-term, Flexibility”, the construct in the text is longer term, which suggests that market justifications as actually constructed by banks are not constructed solely in terms of short-term transactions. This is an important distinction not made by prior research; such a lack problematises current theory.

Similar to the discussion above, financing of renewable energy deals in the US and UK (p.37) is important. Green justifications are present however again the *financing* is the dominant justification, the fulfilment of a service/product or a market justification.

The text highlights “Diversity Team of the Year” and Top Global Employer (the latter from Stonewall, both p.38). These are appeals to REPUTATION through global recognition.

The company is “proud” to provide an “open, supportive and inclusive workplace” (p.37) which is a civic justification based on equitability and highlights “our award winning Balance employee network”. These justifications are linked to commercial performance by recruiting and retaining talent - a market justification and hence the civic justification in this reading is subordinate to the market imperatives.

By “reducing environmental impact” - reducing energy usage and increased percentage from renewables the firm uses a green justification – albeit as discussed above, Jeucken & Bouma (2001) note direct environmental effects of banks are less significant than the indirect effect through financing polluters.

Sustainability risk is mentioned (p.39), though the nature of the risk is somewhat vague: risk to the ecosystem/carrying capacity to the planet, risk of specific damage from HSBC operations, risk to reputation if the focus on behaviours do not change. The ambiguity here means this particular phrase is not assigned to a specific polity.

The firm is “recognised as a leader in the Forest 500 ranking of 150 investors' policies on the sustainability of forest commodity supply chains” which is a justification that combines of REPUTATIONAL and green polities. One of the difficulties for the text audience is in understanding the warrant of claims based on third party evaluations – how independent, valid, reliable, rigorous and trustworthy are the claims.

From a civic perspective, the firm donated $205m to charitable programmes, an extra $150m over three years donation extra to mark their 150th year, and $62m to HK charities from sale of commemorative bank notes: all in some tension with financial, market outcomes. Employees volunteered 304,555 hours during the working day - the latter point illustrates a tension with industrial efficiency and productivity.

The civic polity related, “We pay our fair share of tax in the countries in which we operate” seems like a low bar to meet, however several firms have been criticised in this regard (Gravelle, 2009) and indeed subsequent to the claim in the text HSBC was found to be supporting tax evasion by customers (Keohane & Arnold, 2017).

Time construction: the subheading (p.36) contains "building lasting business relationships". This is of interest as the time construct of business relationships may be expected to be market oriented and short term (you are only as good as your last delivery/project etc.). The use of "lasting" here then suggests either that the construct in the text problematises the theoretical approach to time construction in the market polity or that a different polity is a better fit. None of the other polities seem a good fit however for customers as "qualified subjects", so in this case the use of "lasting" or long-term problematises the narrow expectations associated with the market polity of short term relations.

Space construction: Global: India, UK, US, HK, France, Argentina, Philippines, Denmark, Ghana, S. Africa, Birmingham (UK), China, Asia, Europe, Middle East North Africa (MENA), N America , Latin America; “employees lead seven global employee networks to promote diversity” […] “in more than 30 offices around the world” (p.38) – per Table 1, this global construction supports a market polity.

5.2.20.2 Summary of analysis of text #20

Notably in the above text, there are as many green (10) justifications as market justifications (10) with almost as many civic justifications (8). In contrast as above the green polity has been seldom called on in banks’ texts. That said, some constructs of green justifications appear subordinate to market concerns. There is some appeal to reputation justification also (3). There are no constructs based on industrial, domestic or inspired polities.

5.2.21 #21 Lloyds Annual Report and Accounts (Lloyds, 2016a)

5.2.21.1 Justification within the text

Common Superior Principle: Throughout shareholder and customer expectations are paramount and used to express judgement (see more examples below): a market justification.

Common Good: The links to a strong economy could be seen as a background level of economic welfare [notionally] shared across society. Whilst some indicators (p.9) are genuinely "common", such as "reduced household indebtedness", others such as "increased house prices" are more narrowly positive for asset owners (and the lenders such as Lloyds bank who presumably have less leveraged customers). If Lloyd's text is taken as a proxy for the voice of "capital" then the view of common dignity is partial and most notably does not include a broader view of societal and ecological capital, echoing Hickel (2018) "From the perspective of capital, what most of us see as tremendous ethical and even existential problems literally don't count" (Hickel, 2018). Overall then whilst the common good sees some articulation in civic terms there are indications of a more narrow framing under the market polity.

Assumptions re Natural Relationships: "the UK economy, to which we are inextricably linked" is suggestive of a more *nationally* bound business model (which is the case) than compared to other banks such as Barclays and HSBC that include a global perspective in their texts. A national focus can be read as a more domestic justification in contrast to the global/globalised justifications of the market polity. The bank is in part "owned" by the state: in discussing (pp9,11) the Government part "ownership" of the bank due to the bailout following the financial crisis (Nilsson, 2010), the assumption of natural relationships is that the firm ought to be entirely private, that is a market justification, rather than state-controlled (civic – wherein wider social goals *may* be prioritised).

There are no constructs pertaining to "Social or National grouping", or "Common Dignity".

In a similar finding to other banks, the "Repertoire Objects and Mechanisms" is diverse, albeit weighted toward market and civic polities. The repertoire of Subjects Agents and Motives is similarly oriented toward civic entities (for detail see Appendix C).

There are no constructs pertaining to "Condition of Great Person", nor "Condition of Little Person".

Status Relations: Following state aid concerns (Lodge, Warwick-Ching, Cumbo, Kelleher, 2009) there was a "commitment to the EU" to dispose of TSB bank. The statements show a civic engagement with the EU albeit obscuring the reason for this - that the disposal plan was imposed on, rather than sought by, the bank.

Decline: Complaints from customers are instances of flaws in the market polity. The bank claims that, excluding PPI, its reportable complaints are the lowest of its peers. There is an attempt here to soften the "flaws revealed by evidence". Lloyds is the bank most affected by PPI (Dunkley, 2017a) so excluding PPI claims as complaints distorts the picture. In terms of total customers, Barclays and HSBC are much larger, so any comparison of complaints should be normalised (not that there is quantification in the text).

Investment formula: "Cost leadership" and similar phrases, indicating an industrial polity, are mentioned repeatedly through the text, e.g. "lower operating costs" and "cost to income ratio" and "£150m run rate savings" as success indicators (p.10). Explicitly two polities are yoked together: "absolute focus on cost management [industrial] and the resilience of our income generation [market]" (p.10). Risk is also present implicitly and explicitly in a number of places in the text. Emphasised (p.9) is a "low risk approach". As discussed elsewhere, there is no immediate analogue in Table 1 for "risk".

With an aim for "c55 per cent of customer needs being met digitally" and "automated solutions for simpler customer transactions in nearly 70 per cent of branches" there is a focus on industrial efficiency. Similarly, "halved the time to open a new bank account" is industrial in focus on efficiency (and has market customer benefits given that new banks such as Starling enable bank account opening in minutes remotely).

Flaws revealed by evidence: "Increased PPI provisions (by £4.0 billion) (£2.1 billion of which was in Q4 2015), "charges we have taken for PPI" are indicators of a lack of judgement: civic regulations were broken, yes, however even within a purely market polity PPI is invalid due to customer impairment and reputation damage. Bland statements regarding "charges we have taken" elide the scale of costs to the bank and the censure of the (civic) regulator.

Impairment charges albeit decreasing (p.10) are an indicator of failures or shortfalls in credit risk assessment (though cannot be reduced to zero due to random life events affecting borrowers). Risk is characterised under the industrial polity.

There are no explicit “Criticisms” constructs in the text.

Ways of expressing judgement: "Increased net lending in key customer segments” (p.9) is a market justification. Similarly, “Our financial performance has continued to improve underlying profitability and returns” is a market justification

Whilst as for other banks above, the focus on shareholders such as “increase the ordinary dividend and return surplus capital through a special dividend” can be seen as “bottom line” market polity criteria, the problematic of investors, particularly as found in Boltanski & Chiapello (2007), is discussed further below. Relatedly civic compliance is seen as aligned to the market: The directive regarding capital requirements by the FPC “supports the Group's expectation to be able to distribute a significant proportion of the capital it generates going forward”.

“Our differentiated business model continues to provide competitive advantage” is a market justification.

The deadline for PPI complains is presented as bringing “certainty” for customers and shareholders. Given the extraordinary costs to Lloyds of the PPI debacle (Dunkley, 2017a) it is easy to see why shareholders would welcome certainty in an end to ever increasing liabilities. However to bracket customers in the same way is puzzling - customers are either unaware of their potential to claim PPI (would welcome an open ended process), are aware and pursuing a claim (ditto), are aware and decided not to claim (agnostic), or have already claimed and are at the end of the claims process (no longer interested). The use of customers in this construct then appears to add a market gloss (good for customers) to what is actually a costly process (decline of market justifications) that is required in order to comply with regulatory (civic) requirements.

Increasing CET1 ratio to 13% (p.10) meets civic regulatory requirements however also decreases risk (industrial).

The liquidity position (risk criteria) is “strong” (p.10): £123bn liquid assets covers £120bn wholesale funding (borrowing). The low “credit default swap spread” is also a risk indicator, in this case an indicator constructed by market participants rather than the bank itself. Risk indicators here (as for other texts) are categorised under the industrial polity.

Delivering “sustainable growth” is an ambiguous term: in context, this is more likely to relate to market measures than green “sustainability” of the ecosystem.

The UK's “no.1 rated banking app” (p.10) is an appeal to REPUTATIONAL justifications. The net promoter score (amongst customers) has increased and can be seen as a compromise between market (customer satisfaction) and REPUTATIONAL polities.

Credit card balances are growing at 4% compared to the market growth of 2%, a market justification (customers are using the service more). The growth of 4% in consumer debt (at high interest rates) is positive for the firm but somewhat at odds with “prosperous” Britain. In 2015, wage inflation was only 3.9% (ONS, 2016) and hence by definition for Lloyds credit card customers, payments on, and interest payments for, credit card purchases are higher as a percentage of income at the end of 2015 than they were at the start.

Donated £17m to four charities, £1m funding for credit unions, 320,000 colleague-volunteering hours – civic justifications.

“Good progress on targets for gender diversity” - a civic polity focus on equitability. However somewhat strangely the paragraph (p.11) turns to how the above equitability results in a customer-focused culture and on market outcomes. This construction appears to position civic justifications as subordinate to market concerns.

Time construction: The initial statements in the text celebrate the longevity of the firm (250 years old in that year). It is not surprising that firms appeal to longevity as symbolising success. That longevity elides the differences in markets, activities, subsidiaries and personnel making up the bank. A perennial time construct is characterised under the domestic polity.

Space construction; somewhat in contrast to global Barclays and HSBC the business model is focussed on the UK. The (relatively) local nature of this construct is more suggestive of a domestic polity.

5.2.21.2 Summary of analysis of text #21

As in most bank texts the justifications are weighted toward the market (16), followed by civic (10), industrial (6), domestic (3) and REPUTATIONAL (2), there are no constructs pertaining to inspired, or most notably in current circumstances, green polities.

5.2.22 #22 Lloyds SEA “Making Britain Prosper” (Lloyds, 2016b)

5.2.22.1 Justification within the text

Common Superior Principle: "Prosperity" seems to be a key word (p.2). A somewhat ambiguous term, suggestive of wealth, however anyone could be viewed as "prosperous" if their needs were much less than their resources/capabilities. The link between prosperity and commercial success is suggestive of market justifications wherein trade is not simply goods and services but also capital and labour.

There are no constructs of “Common Good” in the text.

Assumptions re Natural Relationships: "250 years’ banking experience has taught us that a successful society and successful banks go hand in hand – When Britain prospers so do we." A construct linking the bank to the national (rather than global) economy is suggestive of a domestic (perennial, somewhat static in relations) polity. Notably the construct of “Britain” is somewhat vague as Northern Ireland is encompassed within “UK”, or “Great Britain & Northern Ireland” but not “Britain”.

There are no constructs of “Social or National grouping” or “Common Dignity” in the text.

In a similar finding to other banks, the “Repertoire Objects and Mechanisms” is diverse and somewhat weighted to civic criteria. In contrast, the Repertoire of Subjects Agents and Motives is relatively limited (for detail see Appendix C).

Condition of Great Person: SMEs are described as "the bedrock of the UK economy" (they are also an important market sector for the bank). As SMEs function by freely traded goods and services this is an appeal to market justification.

There is no construct of “Condition of Little Person” or “Status Relations” in the text.

Decline: “almost one in five people are saving nothing for their retirement. We’re helping by providing much needed financial education and advice” is a “decline” in the civic polity wherein financial security is unavailable to a substantial proportion of society.

Investment formula: There is some ambiguity around aims "help 1 in 4 first-time buyers" (p.3). If "help" were replaced with "sell to" would practice really change? A similar construct appears in "help 100,000 customers save through company pension schemes” (same page). Presumably the bank's group pensions team already have sales targets which seem to be repurposed here as altruistic "helping". The discussion of "3.2 million people in the UK have low digital and financial capability" (p.2) is double-edged. There is the civic perspective wherein supporting people without such skills is empowering and builds agency and contribution within society, however more financially aware and literate people are more likely to become consumers of financial products, so a sceptical perspective may categorise the focus on such consumers to also rely on a market justification.

There is no construct of “Flaws revealed by evidence” in the text.

Criticisms: "Net growth in [pensions] customers was only 6,000 [against a targeted 100,000]." The targets had been set on a gross rather than net basis and are to be adjusted. As the target was set from both a market and civic perspective the criticism is categorised under both polities also.

Ways of expressing judgement: “rebuilding trust in -our Group and our sector” (p.2) is an appeal to civic justifications. £17m donations to charitable foundations similarly supports a civic polity.

There is ambiguity (p.3) in the aim to help make “Britain’s economy more productive, agile and sustainable” - in particular it is far from clear that “sustainable” in this sense has any green connotations, the statement is better categorised under the industrial (efficiency) polity.

The metrics used (p.3) to measure performance are vague - “help more customers get on the housing ladder” gives no sense of scale of challenge or scale of how many people “success” comprises. Further, seven key areas of activity/aims are set out on page 3:-

1) “We’ll help more customers get on the housing ladder – and more customers climb up it” – is a market polity aim

2) “We’ll help our customers plan and save for later life”. Whilst this seems civic oriented in ensuring more people avoid poverty in later life there is a commercial market benefit also, suggesting this construct is a somewhat indirect compromise between civic and market polities

3) “We’ll take a lead in financial inclusion to enable all individuals to access and benefit from the products and services they need to make the most of their money” is a similar combination of civic (developing skills to work, to make a living in this polity) and market polities - more financially aware customers are more likely to buy financial products such as pensions.

4) “We’ll help UK business to start up, scale up, and trade internationally to support the long term strength of the UK economy” would appear to be a quid pro quo oriented to further market polity justifications.

5) “We’ll help businesses and individuals to succeed with expert mentoring and training” - it is not clear if these people being supported are existing customers, however existing relationships are the most likely route for such a process. Oriented toward the “win-win” market polity.

6) “We’ll be the banking Group that brings communities closer together to help them thrive” - this is almost impossible to understand. Which communities, how? Ostensibly a civic focus on communities actually analytically opaque, indeed meaningless and hence not finally categorised under a specific polity.

7) “We’ll better represent the diversity of our customer base and our communities at all levels of the Group” - to represent diversity is an aim towards equitability, a civic justification. However, the mention of “customers” (rather than “society”) is suggestive of a market polity also.

Time construction: There is reference to 250 years of banking experience (p.2) since the bank's "foundation in the industrial revolution". Such a call on “perennial” existence is suggestive of the domestic polity.

5.2.22.2 Summary of analysis of text #22

The overall justification of how the bank helps ‘prosperous’ society is dominated by market (9) and civic (6) concerns followed by domestic (2), industrial (1). There are no justifications bases on the inspired, REPUTATIONAL or green polities.

5.2.23 #23 Standard Chartered Annual Report 2015 (Standard Chartered, 2016)

5.2.23.1 Justification within the text

Common Superior Principle: Whilst most bank texts above draw primarily on market justifications, this is less clear in the Standard Chartered text. The bank is undergoing a “turnaround” strategy and hence whilst market justifications are littered throughout the text there is an almost equal focus on efficiencies, cost reduction, reducing risk, and delivering to plan - industrial justifications. To some extent, the tone of the text is oriented to *survival*, indeed the final sentence of the text is revealing: as "*custodians* of a fabulous franchise" [*emphasis added*] is suggestive that the over-riding principle is the continuation of the firm, beyond the tenure of the current staff/leadership team.

Common Good: There is no construct in the text around the common good, the focus is largely internal or limited to the company and key stakeholders (subjects) such as investors, clients, and regulators (though the latter not notably prevalent).

Assumptions re Natural Relationships: The use of a redundancy programme to reduce staff numbers is illustrative of a contingent and commodified approach to labour. In this sense, labour is a freely marketed/traded/bought and sold commodity: the market logic applies not just externally, but also to the relationships between Management (as agents of Capital) and Labour.

There is no construct of "Social or National grouping" or "Common Dignity" in the text.

The Repertoire Objects and Mechanisms is varied, on balance weighted to market polity. The repertoire of Subjects Agents and Motives – mostly market oriented with some civic (regulators) (see detail in Appendix C).

The "Condition of Great Person" seems to rest on knowledge and other market oriented attributes: "significant global experience and deep knowledge of our businesses" (new hires): "we have deep local-currency financial markets knowledge and capabilities", and "strong cross border capabilities".

There is no construct of "The Condition of Little Person" or "Status Relations" in the text.

The sole construct of "Decline" of a polity is market related: "low returning relationship RWAs [Risk Weighted Assets]".

Investment formula: "There are two considerations of investment in the text. One is that the firm needs to create "capacity to invest" (p.3). The other is in the investment for the *a priori* "repositioning" (p.3) change programme to become “leaner and more focussed” (similar themes are returned to on p.3) indeed the final cost is estimated as $3bn (p.4). The focus on efficiency is an industrial justification. In contrast a “comprehensive set of products which are directly relevant to the clients it serves” is a market construct. A criteria of a “stronger and more diverse balance sheet” (p.3) relates to financial outcomes however the diversification is to provide for resilience and reduced risk over time. Hence, it appears this particular way of describing the balance sheet, which essentially relates to profits (market polity) is also compromising with the industrial polity regarding rebalancing balance sheet to reduce risk.

Flaws revealed by evidence: “"we are not unwitting victims” and “the challenges we created for ourselves” (p.3) (are not specified, however later the possible effect of conduct fines is alluded to). The ambiguity means that these phrases are not categorised to a specific polity.

Separately it is stated that returns have been reduced by “loan impairments, income pressures and high expenses as a proportion of income” (p.4)" – which are flaws in risk (industrial), market, and efficiency (industrial) characteristics.

Criticisms: There is an interesting construct (p.3) - "the weakness in our performance in 2015 is also partly the result of deliberate management actions", including by way of example, "up front charges of some $400million" (p.4). The performance alluded to is financial, return on equity for instance. The problem then with market outcomes is that in some cases these need to be foregone, at least in part, in order to invest for the future. Hence the concept in accounting and reporting of "underlying" performance which excludes one-off items. However, the text does not make a move to call on strong underlying performance hence suggests a weak performance made worse rather than an acceptable performance made to look weak, albeit temporarily. The discussion of weak results is one of the few criticisms found in the banks' texts. Similar points made later on p.3 "reduced income", "upfront costs", "higher levels of impairment [of loans]"; also, "[CET1] suppressed by our restructuring initiatives" are market, market, industrial, and civic concerns respectively.

Ways of expressing judgement: “focus on execution” concerns delivery against plans, which suggests an industrial polity. The CEO (Bill Winters) states he “admired Standard Chartered from the outside for years” which suggests he considers a strong reputation or opinion - A REPUTATIONAL polity criteria - to be an important criteria for the bank. A “differentiated franchise” is discussed (p.3) similar to other banks - though it is not clear what this differentiation comprises, the differentiation would be in the ‘eye of the beholder’, that is, the customer so this construct is a market justification. The phrase “committed to *demonstrating* real discipline…” (p.3, *emphasis added*) is another appeal to opinion (REPUTATIONAL).

There are some key success measures: “8% ROE by 2018” is aimed at shareholders (the distinction of return on *tangible* equity is not made here) and despite the discussion below regarding investors, is allocated to a market justification given the “returns” aspect linking to profit. In contrast, “CET1 of 12.6%” (p.3) is aimed toward fulfilling civic obligations – as are “liquid asset ratio of 30.9% per cent and a leverage ratio of 5.5 per cent”. Reducing risk features often in the text: “operational risk, conduct risk, market risk and credit risk […] idiosyncratic risk” (p.3) which is an industrial polity concern.

Other criteria include “[pensions] savings of over $100million per annum”, “consistent coverage and risk management organisation”, both indicative of an industrial polity.

The criteria of “best-in-class control and conduct capabilities” (p.5) is vague and to be critical to the point of being cynical, if the set of comparator banks includes Barclays, HSBC, RBS, JP Morgan, Goldman Sachs, all fined heavily due to conduct regulatory breaches, “best in” is meaningless. The investment in this area is “up 40% year-on-year” (albeit there is no detail how this compares “in class” on a basis normalised to sales volumes). A notable feature of banking texts is the broad range of metrics and indicators. The lack of comparisons to trends or to sector averages. In these sample texts, it is not possible to read across the texts to compare the relative scale of investments, of challenges, of growth relative to sector/economies.

Time construction: the strapline “relentless focus on execution” is suggestive of a perennial view of time, there is no end point envisaged and as such forms a domestic justification. Similarly as found with the analysis of HSBC texts above, client relationships are to be “preserved and promoted” (p.3) which is a construct that problematises prior constructs of market justifications relating to short term transactions.

Similarly there is “no quick solution” to the performance issues at the bank (p.4) which again constructs the evaluation of the justifications for the bank's approach over the longer term."

The “Space construction” includes China, Africa, “global experience”, Indonesia, [S] Korea, the reporting in US$ for a British based bank speaks to an international construct, or global given the role of the $ as a worldwide reserve currency, “Renmimbi services across the world” (p.4) – all indicating a market polity.

5.2.23.2 Summary of analysis of text #23

The text is somewhat weighted to market justifications (15) however with also a large number of industrial constructs (9). These are followed by civic (3), REPUTATIONAL (2) and domestic (1). There are no constructs for the inspired or green polities. The latter is particularly notable as the text analysed above is the same in the Annual Report and Accounts and the “sustainability” review texts.

5.3 Summary of Findings Chapter

The above analysis considered a number of NGO, regulatory, and banking texts in depth. Within a qualitative content analysis approach, “utterances” were considered in relation to the orders of worth or polities (Table 1). Whilst a number of assignments to polities was straightforward, a number were ambiguous and relied on judgement based on the context of the banking sector. The following chapter uses these findings to discuss the presence and absence of polities in the texts and how the practices embedded in texts problematise or challenge aspects of the current theoretical framework of “orders of worth”.

6 Discussion

6.1 Introduction

The purpose of this chapter is to analyse the initial findings from the qualitative content analysis above. As there are many different aspects uncovered in the analysis, the discussion below is structured around synthesis of key themes identified by repeated review of the constituent findings. There are three sections to the chapter: one discussing the construction of social contract(s), followed by a section considering orders of worth and the constructs in the texts. The final section discusses a number of process observations: absence/presence of dimensions of worth characteristics, ambiguity of attribution, reflection on the operations required in the method and finally discusses an approach toward a visually accessible overview of the dominant polities.

6.1.1 Contribution

The analysis below contributes a richer understanding of the way in which stakeholders to the banking social contract develop their justifications of how the social contract ought to be operationalised. The results have implications for three areas of literature (Social Contractarianism, Pragmatic Sociology, and Banking & Finance), plus methodological implications. This chapter discusses individual topic areas, the impact on literature is summarised in the subsequent chapter.

6.2 Text constructions of social contract(s)

6.2.1 Dominance of market justifications

The most frequent justification regime throughout the sampled texts is that of the market polity. For banks as commercial entities this finding matches intuitive and common sense understanding of the ways in which firms justify what their purposes are and how these are fulfilled. One benefit of the visual representations in Tables 11 and 12 is that it is easy to see this dominance of market justifications in five out of eight texts produced by regulatory actors. The weighting toward market justifications by regulatory actors is a surprising finding given the "natural" justifications for regulators may be expected to utilise the civic polity (though see below for consideration of the possibility of "regulatory capture").

There are a number of implications for a social contract weighted toward market justifications. One implication is that the social contract so constructed is exclusionary, not available to some members of society that are not part of the financial system, the "financially excluded" (Leyshon & Thrift, 1995, Leyshon, French, Signoretta, 2008, Chambers, 2010). It could be argued that a social contract does not have to be inclusionary (e.g. a social contract for the elderly). Given the pervasive and utility nature of banking as discussed above, it would seem appropriate to critique the construct of a social contract for the banking sector on market terms as being inappropriately narrow.

Another implication, within a highly regulated sector such as banking, is the need for compromises with civic justifications. Such compromise constructions are discussed in more detail below, however here it is worth reiterating the *foundational* nature of market and civic compromise for banks. Given the fragility of banks through their functions in maturity transformation, the presence of agreements such as the Financial Services Compensation Scheme (FSCS, 2019) serves to reassure customers regarding safety of deposits: a regulatory function supporting market functioning.

One of the notable features of the texts is the relative absence of ecological or green considerations - as discussed below. Here it is worth noting the particular tensions between justifications based on green versus market polities. Ever increasing profit criteria in the market polity is at odds with finite resources (*inter alia* Meadows, Meadows & Raner, 2004). Market considerations are for the most part short term, at least compared to ecological time horizons. Markets are nationally constructed even if the market polity has a more global outlook. Local rules (of origin, of safety) apply, customs checks operate at national borders. In contrast, neither ecological collapse nor climate change are national issues and require a globally coordinated response. Similar to the constraints of markets and financial inclusion above, markets more generally are constructed for those with liquid assets with which they may participate which by definition means the success criteria excludes poorer sections of society and elides non-human impacts e.g. on animal welfare. Capitalist markets commoditise nature – even to the point where some conservation efforts are judged on the value of "natural capital" (*inter alia,* Fuentes-George, 2013) such that "it is easier to imagine the end of the world than to imagine the end of capitalism"[50]. The tensions between the market and green polities are difficult to resolve, by excluding green considerations at a strategic level, the tensions between the polities are unlikely to be resolved in practice given that ecology ultimately is reality.

In short, whilst a *totally* market justification (*qua* the philosophies of Ayn Rand) is not feasible, the emphasis toward market justifications means that green issues are less likely to be resolved and the ongoing tensions between market and civic justifications remain.

6.2.2 Under-representation of the green polity

Across the texts analysed the green polity appears under-represented. For some texts, a narrow scope (e.g. consideration of branch banking in text #1) precludes inclusion of green concerns (albeit in that particular text there was "free floating" green polity related imagery).

The BankTrack text contains the most constructs relating to the green polity. BankTrack is particularly concerned with financing of fossil fuels and leverages public relations campaigns to promote disinvestment by banks (BankTrack, 2005). Banks themselves (operationally) are not particularly notable *direct* polluters except for air-travel for international firms (Jeucken, 2001, Jeucken & Bouma, 2001).

[50] Attributed to Jameson (1994), page number unknown

In contrast, the regulatory and banking texts give little or no space to green polity concerns. The lack of green concerns is surprising in texts that set out the sustainability or citizenship approach of the banks. The CEO of RBS (text #17) does not address green concerns at all in the initial preamble to the RBS *Sustainability* report. Whilst it should be noted that ecological concerns are present in the remainder of the document (and similarly for other banks), it is of particular relevance that the strategic communications from the banks ignore (deliberately or otherwise) some of the most important existential issues for society (IPCC, 2014, Maibach, Perkins, Francis, Myers, Engblom, Yona & Seitter, 2016). Similarly, contemporaneously with text production during 2015 the EU was actively promoting changes to how banking and finance relates to sustainability (European Commission, 2019).

One of the criticisms of the concept of a social contract is the lack of third party enforcement (Hardin, 2014); the concept of third party enforcement is absent from the orders of worth framework, by definition, given the focus on compromise and to some extent resulting from overtones of state sanctioned *violence* in the concept of enforcement. However, there is at least implicit use of enforcement in the association of rules and regulations with the civic polity. Boltanski & Thévenot (2006 [1991], pp.185-193) smuggle in enforcement through *membership*, through adherence to common will (cf the "general will of Rousseau), and indeed show the application of rules may, for example require abstraction from a domestic polity toward the civic including from informal (first name) relations to formalised procedures (pp.307-308). In short, Boltanski & Thévenot do not consider the limiting case where decline of the polity becomes a form of violence against justice. In the context of the green polity, the lack of enforcement is felt in two ways. Firstly, the lack of justifications with respect to the green polities in the strategic communications of banks and regulators suggests, normatively, that insufficient focus, energy, prioritisation is given to the banking sector's role in funding industries with significant negative externalities. NGOs do not have the power to be an "enforcer" of a social contract with respect to the green polity hence the focus on boycott, disinvestment campaigns, and public relations exercises in order to influence the strategic direction of banks through indirect means. Secondly, despite the lack of focus on green justifications, relatedly there may be two weak forms of enforcement relating to banks "CSR" related activities and reporting. One of these is that auditor firms give at least some assurance that reporting of sustainability issues is representative of actual behaviour (though for critique see Gray, Dey, Owen, Evans & Zadek, 1997, Morimoto, Ash & Hope, 2005). The other weak form of control is through compliance with voluntary reporting standards: generically in GRI (2019), sector related in GRI (2013), or in guidelines for reporting large scale lending (The Equator Principles Association, 2011). These weaker forms of enforcement would be more effective if aligned at a strategic level with green polity justifications. The lack of green polity justifications may lead to incoherent strategy execution and in particular to accusations of "greenwash", see *inter alia* Parguel, Benoît-Moreau & Larceneux (2011).

"Sustainability", depending on definitions, could be related to green justifications. Throughout banks' texts however the context and usage of the term is more suggestive of the continuance of the firm. Such usage is a mild form of greenwash in itself given the associations with ecological sustainability: firms may benefit reputationally from such associations. Whilst the discussion about the ineffable nature of terms such as sustainability in Ramsey (2015) is worthwhile, the central point Ramsey makes, of definitions not being as important as word use *in practice*, highlights further the dangers of a *commercial* definition of sustainability. In practice, such a perspective elides concerns for social justice, and ecology, in favour of ongoing trading for the firm. The definitions of terms set the boundaries of (to borrow terms from orders of worth) *qualified subjects* and *qualified objects.* Such boundaries prescribe and proscribe acceptable strategies toward "sustainability". It is likely that a true commitment to ecological sustainability would result in a very different approach to lending by the sampled banks.

For Coulson (2009), analysing the constraints on banks with respect to inter-firm environmental approaches, "Methodologically speaking, the act of governance cannot be separated from the representation" (p. 151). For the above discussion then of the notable lack of representation of the green polity takes on more significance, the representation, or lack of green polity characteristics in banking and regulatory texts is likely to result in less effective action toward reduced impact from banks' activities, particularly lending. That is despite social and environmental criteria being used by banks in the credit process - such concerns are subordinate to market outcomes. Given the possibilities of highly sensitive positive feedback loops from environmental harm with long-term effects (p.159) it is increasingly important that a precautionary principle be applied by banks and that such issues are taken more seriously in text production/reporting more widely (Atkins & Warren, 2018).

Despite integrated reporting by definition requiring coverage of environmental issues, it is notable that van Bommell (2014, p.1174) found that green justifications "emerged relatively infrequently". The relative lack of green justifications echoes the findings of the current research, surprisingly even in the CSR/Sustainability/Citizenship texts produced by the banks. Given the gravity of environmental threats (IPCC 2018) this omission is not only surprising, the omission is part of political and business discourse that elides climate risks. The lack of focus on green justifications means that there is a missed opportunity to change the general discourse toward addressing societal challenges.

6.2.3 "The Common Good": notable by its absence

There are two usages of the term "the common good" in Boltanski & Thévenot (2006 [1991]): as the defining principle of specific polities, and secondly as overarching principle that allows compromise to develop toward a higher and common aim beyond specific polities. The former usage is well represented in texts wherein it appears in 20 out of 23 texts. The common good discussed here is the second usage of the term. Only 4 out of 23 texts (Table 9) engaged in an explicit manner with the concept of the common good, and then not all such engagement was unambiguous. The common good is a core part of the concept of the social contract.

Constructions in texts characterised as "the common good" tend to be somewhat vague and included statements such as: "markets are for "delivering for the good of society" (FCA, BoE, HM Treasury, 2015) - though what that "good" comprises is unclear. The PRA stated they needed to follow statutory obligations “consistent with the overall health of industries whose firms we supervise" (PRA, 2016a, p.6) which suggests an overarching imperative toward market stability. Lloyds focuses on the economic importance of banking for the country overall, HSBC on the broader implications of pollutions and hence fossil fuel investments.

The lack of explicit constructions of “the common good” – in the second sense of Boltanski & Thévenot (2006 [1991]) – raises questions about the utility of this aspect of the orders of worth from both a theoretical and methodological perspective. Conceptions of the common good may be immanent and unexpressed in particular contexts, the ambiguity of which risk that one metaphysical concept and intangible concept, the social contract, is constructed using another metaphysical and intangible concept, “the common good”, a risk of infinite regress. That said, the ontological indeterminacy is coherent with MacIntyre (2007, p.xii, *emphasis added*), who contends that “liberal political societies are characteristically committed to denying any place for a *determinate* conception of the common good in their public discourse, l*et al*one allowing that their common life should be grounded in such a conception”. Further, the examples quoted above leave open three of the questions from Offe (2012) concerning the construction of the common good: who is it for (“the social referent”, p.673), by when should it be achieved (and for how long – “problems of temporal horizon of action”, p.675), and who should judge the completeness and appropriateness of the common good construct (the “social location of competence”, p. 679). The final challenge from Offe (2012) concerns the “substantive components of the common good” (p.678) and here the orders of worth construct is useful given dimensions concerning success/investment criteria and qualified (material) objects and persons, for example. In short then, the analysed texts contain limited engagement with the common good and when they do so theoretical concerns regarding the construct remain unaddressed.

Methodologically, limited presence of one of the dimensions of the polities limits the analytical power of the framework to build definitive assignments of texts/utterances to polities – this aspect is discussed further below.

6.3 Practice compared to Theory (Orders of Worth)

The following sections analyse the constructs found in the texts with the framework of orders of worth, specifically by considering investors, compromises, critique, time, risk, and the wide range (and large quantity) of qualified subjects.

6.3.1 Investors as "Qualified Subjects"

A number of analysed texts above, particularly authored by banks, feature investors or shareholders as "qualified subjects", however the attribution of shareholders to polities within the order of worth framework is non-trivial. The absence of shareholders from Boltanski & Thévenot (2006 [1991]) and the treatment of investors/shareholders in Boltanski & Chiapello (2007, pp.365-366 in particular) was considered above. In short, in the former investors are notable by their absence, and the latter excludes investors or shareholders from the market polity as long term (investment) relations are deemed irrelevant in a polity based on spot priced exchange. Investors are excluded from the projective polity as shareholders are said, by acting at a distance, to be unconcerned with the common good of employees in shareholder-controlled firms and hence to be unmotivated by justice in this regard. Given the prevalence of shareholders as important in the banks' texts analysed above, the arguments in Boltanski & Chiapello (2007) may be augmented or extended – or challenged.

To sketch out the implications for orders of worth, the following discussion first considers the position of investors with respect to ethics and hence justice, initially considering MacIntyre's trenchant critique, followed by discussion of some responses to this work. Subsequently, the role of investors within the orders of worth is revisited.

MacIntyre (2015, p.7) questions narratives of lapse from virtues when financial crises arise. All that is required, in conventional narratives, is that traders/people generally better comprehend what is required to "both make money successfully and conform with what the virtues require". MacIntyre (2015, pp.9-10) sets out four supposed traits of good "moral character": realism (about oneself), courage (balance between rashness and cowardice - risk taking properly understood), balance between the "care and commitment for particular others" (p.9) and similar towards oneself, and a commitment to sustainability, prioritising neither short nor long term outcomes to the detriment of the other. In contrast with these traits, MacIntyre considers capital markets/forex traders as necessarily unrealistic about their own abilities (over-confident and persuasive). Secondly, to be poor judges of risk, over-reliant on others' models: "bad judgement or at least the incapacity for good judgement has worn the mask of mathematical sophistication […] they fail not because they fall short of their own professional standards, but just because and insofar as they meet those standards" (p.11, [edited for clarity]). Thirdly, traders are concerned with a narrow range of stakeholders (themselves, clients, firms, people they rely on) - to the potential detriment of others: "their understanding of the relationship of their professional actions to the common goods that they share with others is inevitably and radically defective" (p.11). Finally, due to professional and financial pressures traders focus on short-term gain: "Thought of and for the long term is professionally precluded" (p.11).

From the above analysis MacIntyre (2015) concludes "were we successfully to impose on someone the kind of discipline that issues in the formation of genuine moral character, we would have disqualified that someone from success as a trader and, most probably from employment as a trader" (p.12). MacIntyre further considers that although there are differences between traders and other roles in the financial markets, the foundations of the markets are trading and hence it is "the financial sector as a whole that is from a Thomistic Aristotelian[51] perspective a school of bad character" (p.12).

[51] The win/lose (zero sum game) of trading violates the "formal" (in contemporary terms, non-rivalous) character of human flourishing (eudemonia). That is, per Sison & Fontrodana (2012)

One challenge to MacIntyre (2015) is that in considering the financial sector to be in effect a homogenous superstructure on a base of capital markets trading, as MacIntyre does (p.12, explicitly), is a fallacy of composition (a similar critique may be levelled at Boltanski & Chiapello, 2007, who do not distinguish between types of investor). Some traders hold investments in firms for a few seconds (Harford, 2012, Brogaard, Hendershott & Riordan, 2014). Market makers hold investments yet are in effect fee oriented[52] agents in the market for shares having committed to trade at published prices and hence increasing liquidity, and (surprisingly) can comprise the bulk of high frequency trading compared to a minority of "opportunistic" traders (Hagströmer & Nordén, 2013). Increasing use of passive funds affect principal/agent relations differently to active strategies (Appel, Gormley & Keim, 2016). An important contribution of Rocchi & Thunder (2017), like that of Luyendijk (2015), is to deconstruct the heterogeneous nature of the finance/banking sector. Rocchi & Thunder discuss hedgers, arbitrageurs, speculators, and within these groups, scalpers (very short-term holders of assets), day traders, and position (longer-term) investors. To this list could be added socially responsible investors who take a range of non-financial criteria into account (van den Brink & van der Woerd, 2004, Hoepner & McMillan, 2009). Whilst singling out speculation as morally suspect (Rocchi & Thunder, 2017, p.93), it is far from clear that trades executed in a legal market between informed participants are necessarily immoral, especially if subject to a "no bailout with public money" constraint. A flattening, homogenous view of traders and finance more generally limits the distinctions which may be made in analysis and may lead to overly general policy prescriptions.

Whilst MacIntyre is forthright in condemnation of finance writ large as unethical, in contrast Rocchi & Thunder (2017, p89) argue, "there exists a realistic possibility of integrity and growth in moral virtue for those who work in the financial sector, and specifically, in financial trading". For the authors "MacIntyre's moral indictment of financial trading is too sweeping and general

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Aquinas considers the formal/material, and actual/potential virtues (p.215) and win/lose trading, being rivalous is by definition a violation of "the virtues".

[52] Where the "fee" is the bid/offer spread. Could even be described as rentier agents.

in scope to survive serious scrutiny" (p,90). The authors narrowly address themselves to MacIntyre's consideration of behavioural characteristics of traders and virtues rather than the dynamics and implications of debt. Rocchi & Thunder (2017) cite Barber & Odean's (1999) analysis of behavioural bias in investors as supporting MacIntyre's characterisation of trader's overconfidence. Barber and Odean can be read as attributing over confidence to anyone and everyone placed in a trading situation rather than traders being different *qua* traders: "Our common psychological heritage ensures that we share biases […] And in our overconfidence, we act on our misguided convictions" (p.52, [edited for clarity]). If a trait truly is universal, that trait could be judged as morally neutral. In contrast to the findings of Barber & Odean (1999) regarding overconfidence, Hirsch (2018) considers that by definition successful traders (over the long term) must be more realistic and self-aware (hence fulfilling the first test of the virtues) than the caricature drawn by MacIntyre (2015).

The argument of Rocchi & Thunder (2017) is that the practice of trading results in positive externalities (*contra* MacIntyre's emphasis for practices on internal goods). Further, the authors attempt to distinguish between *finance* for welfare enhancement and time shifting of consumption (e.g. mortgage to buy a home) in contrast to mere money-making activities for their own sake divorced from such projects. This begs the question, given financialised chains of economic activity, how such differentiation between activities and hence judgements of worth could be achieved either by insiders or from an external perspective. The ultimate effects of apparently speculative trading and other financial activity may include provision of insurance (through derivatives) for projects that would otherwise not take place. The original use of option contracts was to encourage/ensure crop production nearly 2000 BCE in the Code of Hammurabi (Kummer & Pauletto, 2012). Intuitively the tenuous link between, say, forex markets and actual international trade (the value of the former being circa thirty times the scale of the latter) may lead to questions of social utility however this "is" does not translate simply to an *ought.* If non-hedging trading were to be restricted it is far from clear what the justification for any ratio of financial trading value to actual goods traded value ought to be. Ethically the concern (fourth of MacIntyre's virtues) should be with externalities however this begs the question about the epistemology of risk in the financial system and the ability of regulators to enforce real time transparency of net liabilities in a high-frequency trading environment.

Hirsch (2018) makes some similar arguments to Rocchi & Thunder (2017) concerning the social utility of risk diversification and liquidity provision. Hirsch (2018) also considers that long-term success is by definition founded on prudence (though does not take luck into account). A notable point of departure for Hirsch (2018) is that it is unfair to apply a burden of justice toward the "common good" to traders given that a lack of focus on the common good in other commercial or public sectors. However, "everyone else is doing it" is a weak defence. What this defence does do though is illustrate how avoidance of discursive closure regarding how the common good is to be realised in turn allows the operation of the market to proceed unmolested by existential concerns of long-term social utility – regardless of actual utility.

Prior research has mostly ignored (or to avoid impugning motives, missed) the role of investors with respect to orders of worth. All the previous research analysed above, that used OOW to analyse public justifications, were published after Boltanski & Chiapello (2007), which is cited in only four of the papers. Of these, only Nyberg & Wright (2012) and van Bommell (2014) discuss shareholders. Nyberg & Wright (2012) simply analyse shareholders as subjects within the market polity, without further explanation and without reference to Boltanski & Chiapello (2007).

Van Bommell (2014) interviews reporting managers whose broad range of stakeholders include investors and NGOs – one of the participants notes the difficulty in producing integrated reports – "how do you make integrated reporting relevant for a broad audience other than investors and financial specialists?" (p.1169). Van Bommell, commenting, notes the difficulty in finding a "broadly shared common goal" between the "perceived dominance of the financial agenda rather than a concern for sustainability" (p.1169). In the discussion about respondents' views with respect to the difficulty of reconciling stakeholder perspectives the concern is with "private interests taking over from common interests”. Such an analysis elides the possibility of “private interests” combining to generate sustainable/green outcomes (private interests in grant income, subsidies, and in aesthetics may, for example lead to a farmer repurposing or rewilding land). Later van Bommell (2014) refers to private arrangements as “temporary”, however it is possible that a private view of the common good becomes hegemonic or dominant and may not therefore be as fragile as the author suggests. Market, industrial, or other polities’ criteria within the orders of worth framework do not in and of themselves preclude alignment toward a conception of the common good (indeed enduring compromise requires some degree of alignment). As van Bommell (2014, p.1170) notes the absence of direct statements of goals, aims or opinions especially toward the common good may be a tactic for avoiding discursive closure, maintaining ambiguity to allow space for (fragile) compromises to persist, in a way that would not be possible if ambiguity collapses to certainty (see also Huault & Rainelli-Weiss, 2011). Van Bommell (2014) considers one of the appealing features of integrated reporting is that ambiguity may enable compromise justifications however if this is “pulled into a market and/or industrial worth” the compromise may be perceived as illegitimate. The texts analysed in the current research exhibit the two characteristics found in van Bommel (2014) of “avoiding clarification” (particularly at the level of common interests) and of “maintaining ambiguity” similarly. Van Bommel (2014) does not directly address the exclusion by Boltanski & Chiapello (2007) of investors from the market (and networked or projective) polity. By claiming (from evidence from participants), that investors utilise *both* short and long-term timescales the author is able (at least in part) to side-step part of the critique of Boltanski & Chiapello (2007), however if the approach is by design or omission is uncertain.

In research on reputational (share price) impacts associated with financial conduct enforcement actions Armour, Mayer & Polo (2017) inadvertently shed unflattering light on shareholders. When harm is to second parties (investors or customers that deal with the firm), there is a notable negative impact on share price around the event window. If however the harm is to a third party (such as the state), there is no statistically significant reaction (there is a hint, statistically insignificant, of “relief” at the lack of second party harm demonstrated by a slight increase in share values). As such investors can be characterised as narrowly and selfishly focussed in direct risks to franchise values and agnostic toward wider societal harm, which supports to some extent the characterisation by Boltanski & Chiapello (2007) of shareholders as being unconcerned (professionally, at least) with respect to broader conceptions of social justice (p.366).

From the discussions above the omission of investors from Boltanski & Thévenot (2006[19991]), and the exclusion by Boltanski & Chiapello (2007) of investors from the market polity lacks warrant for two main reasons. One is that the exclusion of investors, by the same logic excludes many “credence services” in the financial sector. Secondly, notwithstanding centuries-old critique of the exploitative role of capital versus labour or the arguments from MacIntyre (2015) against the possibility of traders/investors as good persons, a descriptive framework from within which to analyse orders of worth must accommodate qualified persons or processes (shareholders, dividends) that form part of the test of situations *for the participants in those situations*. The participants of particular concern here are the banks.

The current study is the first[53] to engage with the gap between the theory in Boltanski & Chiapello (2007) of investors from the market polity and the practice of banks[54] in focussing on shareholders as qualified subjects. As such, the study extends the literature regarding public justifications and orders of worth.

6.3.2 Compromise Constructions

The possibility and presence of compromise between polities was discussed above. In contrast Boltanski & Thévenot (2006[19991]), pp.225-228) consider the “Monstrosity of composite setups”. Such a monster could be in the inappropriate introduction of (say) industrial concepts (schedules,

[53] According to extensive searches
[54] Or other types of firm

stopwatches) to arranging a domestic family picnic. Such composite constructions “clash” and do not lead to agreement or compromise.

Compromise constructions arise in part because of a lack of will to “pursue to the end the work of going back to the principle of justice that supports […] arguments” (Boltanski, 2012, p.34). Another related factor in construction of compromise relate to strategic ambiguity which occludes disagreements (Guthey & Morsing, 2014, Reinecke *et al.*, 2017). In the NGO documents above the reading of the texts suggests that compromises are not sought as the texts critique the tension between market forces and wider issues of sustainability, service to the wider community, and accountability.

In the PRA text regarding governance (#5, above), the most notable compromise (in a text containing a narrow set of justifications) was between the domestic and the civic polities (this is also present in more limited form in text #4, the PRA annual report). As text #5 was discussing the *governance* function of boards of directors, hierarchical approaches from the domestic world strongly support the civic outcomes. This is an example of an asymmetric compromise – civic outcomes would not necessarily support domestic evaluations to the same degree. It may be that domestic evaluations can be used instrumentally in support of other polities albeit alternative justifications do not share the same final evaluations, which suggests there may be lower barriers to compromise between the domestic polity and any of the other polities discussed above. A limiting factor to the dynamic of instrumental use of domestic justifications is that the latter polity is based on long standing relations, which are then in tension if placed in a dynamic and changeable environment. Market relations affected family life during epochal shifts as the economy developed from feudalism to industrialist nature of production, with local contingencies affecting demography (Levine, 2013) through to, more recently “marketization of the self” and “indifference” of capital to labour’s social (family) relations (Crompton, 2002, also broad overview in Fine, 2012).

In text #6 from the FCA discussing the rapidity of change, again in contrast to Boltanski & Thévenot (2006 [1991]) a compromise is present between the importance of market functioning balanced against effects on or risks to society through bailouts. The compromise is not achieved directly in a single utterance such as “workers’ rights” which Boltanski & Thévenot (2006 [1991], p.277) see as a direct contraction of industrial (workers) and civic (rights) polities. Rather the emphasis in the text is through equal emphasis within paragraphs toward civic and market concerns. There is no construct based on prioritisation here, both must exist and neither can be omitted, in this sense the compromise is *foundational*. Both aspects, per Boltanski & Thévenot (2006 [1991], p.277) feel “familiar” – this is not apparently a “monstrous” composite albeit the consequences of societal risks of financial crises are now known all too well.

There is a single example of compromise constructions in text #7, the FCA Chairman’s speech to the Trust in Banking conference. To be the “best” regulated markets “in the world” leaves the investment criteria and measures of success underspecified. The compromise is between market success (indeed in a global evaluation) and the application of civic regulations. “Regulated markets” is a very similar construct to that discussed in Boltanski & Thévenot (2006 [1991], p.277) (workers’ rights) as the regulations, rules and policies of the civic polity are introduced are equally qualified as the commercial sales successes of the market. The nature of this compromise is *foundational* to the financial sector. Customers desire payment services and hence liquidity providers such as banks. Customers desire (or need) to manage timing differences between income and expenditure (especially in the housing sector) and hence require intermediaries to solve the problems of direct lending through market making[55], maturity transformation, aggregation, and risk transformation (Howells & Bain, 2008, Lin, 2015). However maturity transformation (long-term assets, short-term liabilities leads to fragility in financial intermediaries vulnerable to “bank runs” (Beck, Coyle, Dewatripont, Freixas & Seabright, 2010). Bank fragility, especially of institutions deemed “too big to fail” raises the risk of bailouts from the public purse – hence impacts on civil society. Indeed the market/civic tensions are visible in the title of the

[55] Solving the problem of “location” specifically

Beck *et al.* paper cited – “Bailing out the banks: reconciling stability [civic] and competition [market]” [edited for clarity].

In text #8 (Rapidity of Change, FCA) there are a number of examples of compromise between market and civic polities. The FCA is seen to have “*both* [compromise] competition [market] and more traditional [civic] regulatory powers” [edited for clarity, *emphasis added*]. As an institution then the FCA is a site of tension and compromise *by design* so it is to be expected this tension is apparent in FCA texts. Another compromise discussion concerns a “level playing field [of civic rules and regulations]” for the fostering of competition [market]. This is an uncomfortable mixing of metaphor and polities: markets, competition and games tend to be between two (or more) *competitors* however this both elides the presence of a third party – the customer, or society more generally, and downplays societal agency to influence through purchasing behaviour, or through democratic processes (voting for parties that promise to “rein in” predatory finance). This type of construct, with market concerns pre-eminent could be suggestive of regulatory capture (Baker, 2010). Regulatory capture is not explored further here as the construction of the compromise is of more interest in the current work, the processes leading to regulatory capture could be examined in future research.

Text #9 – Second FCA Public Meeting alludes to the tension and hence compromise between market, civic *and* industrial justifications as the regulator requires cooperation with (for instance) data provision in order to be able to apply rules in an efficient manner. The tension is apparent in the measurement of firms’ “satisfaction” with the performance of the regulator – a “two-edged sword as a metric”. This type of compromise is present in the text through utterances or discussions rather than tightly bound compromise constructions such as “workers’ rights” as discussed previously. The methodological implication is that a narrow focus on semantic constructions of compromise would elide the presence of compromise within the situation or *test* that are indicated by utterances in texts which do not need to be closely situated within the text structure. A holistic approach rather than a word/phrase level of analysis is vindicated by the apparent tensions and compromises, explicit or implied, shown at the level of utterances and at the level of *texts* themselves.

In Text #10 Martin Wheatley speech the fundamental tension and necessity of compromise between market and civic polities is starkly obvious: “ensure that *markets work well for firms*, for consumers and for the UK economy" (*emphasis added*), and, “it is not about closing down the market. We want credit firms to respond positively to our rules and guidance”. Similarly, there is an extended discussion of the consequences of reducing regulation in the area of “pensions freedom”. The question raised here concerns boundary conditions. What if there were no regulation (pure market “laissez-faire)? Conversely, what if there were such stringent regulation that the market no longer exists? On the assumption the market currently exists because consumers desire the products or services in the market, the latter boundary would be unacceptable due to restrictions of freedom to trade and restrictions on utility (particularly restrictions on utility of insurance functions of banks through, at a minimum, safe-keeping of deposits and risk transformation through intermediation). A laissez-faire approach would put consumers at risk by ignoring the drivers for regulation. The main drivers are: information asymmetries, principal-agent issues, moral hazard, externalities/spill-over risk, see Brunnermeier *et al*., 2009, also Hanson, Kashyap & Stein, 2011 (including the implications of regulator indifference to capital raising/balance sheet shrinkage – the latter has much more impact on the economy by shrinking availability of credit). By definition then the role of *any* regulator involves civic and market compromise justifications.

The title of text #11 “Regulation - supporting vibrant markets” by Martin Wheatley of the FCA signals clearly the compromise inherent in the FCA’s role as discussed above. Further, this is spelled out quite explicitly: “You want profit [market] for good firms without the envy and unrest [civic decline] that's created in the past”.

The Cooperative Bank text #14 CEO review echoes the tension and compromises discussed in the regulatory texts above regarding civic and market polities. The Cooperative Bank is explicit in instrumental rather than principled use of civic values in the service of market outcomes: "an effort to sustain our *differentiation from others in the marketplace*, in 2015 we took some key steps towards *demonstrating our values and ethics* in action" (*emphasis added*). A very similar construct is found for the Coop Bank in text #15. After the financial crisis and subsequent decisions regarding mergers and acquisitions The Cooperative Bank changed its capital and hence legal structure away from a cooperative organisation to a shareholder (actually, hedge-fund) owned firm. The bank was fortunate in receiving dispensation to retain the "cooperative" moniker (Murray, 2014). A further avenue for research could be to compare the constructions of the "social contract" before and after the ownership change. Notably the prioritisation of market justifications is reversed when considering text #15 Cooperative Banks Values and Ethics report. The Coop Bank is the only bank in the sample to enumerate the business turned away due to ethical principles: two referrals out of 304 were declined (compared to 4 out of 290 in the previous year). This is not to say that the other banks do not have exclusion policies: they do. However <u>only</u> the Cooperative Bank is transparent about (some of) the market implications from a civic stance.

In RBS banking text there are notable although limited volume of compromise: text #16 (RBS annual report and accounts) contains examples of compromise: instrumentally between civic and market polities; between inspired and market, and industrial polities. Text #17 (RBS Sustainability report, CEO statement) has no notable compromise constructions (similar to Barclays). An emergent theme could be that the regulators, and to some extent the Co-op "ethical" bank, are, in their texts making the justifications of, and therefore the tensions between, polities more salient and more explicit.

Compromises are notable in text #18 Fair and Effective markets review by their absence. Specifically the regulatory bodies are concerned that either the market justifications are not working effectively in practice or that market/civic and other compromises are not reached. The focus on compromise agreement (even if implicit in the text) speaks to the fundamental nature and necessity of compromise between the market polity and other polities within the sector. This in turn echoes Baradaran (2013, p.1330) in a new post-crisis view of the social contract of the banks. By stating "In reviving the social contract, the government needs to be clear that of paramount importance in banking are safety and soundness, consumer protection, and access to credit" Baradaran is appealing to civic and market justifications as a compromise construct fundamental to the role of banks.

The frequent use of market/civic compromises has implications for regulatory approaches when considered in the context of the UK's "twin peaks" approach to regulatory structure. Financial stability as a public good is the remit of "prudential" regulation. As discussed above, whilst the FPC and PRA are mostly concerned with prudential regulation, the FCA is the prudential regulator to many smaller firms. The foundational nature of the market/civic compromise in regulatory and bank texts suggests a bias toward market efficiency/continuation of the firm. As such the implication of the above findings is that regulators may need to examine further the possibility of increased moral hazard arising from the construction of the social contract for the banks being weighted toward market justifications. Such market justifications could mean firms are more likely to be seen as "too big to fail" (Tett, 2012) and as such may take more risk as a result of implicit 'insurance' from regulators (and the Bank of England and HM Government for 'bailouts').

Above, the categorization of Nyberg & Wright (2012) of the moves to reconcile polities, Combining, Collapsing, Coupling, Connecting (p.1830) showed a wider range "compromise" constructions than seen in Boltanski & Thévenot (2006 [1991]). The current research has found evidence of foundational and instrumental compromise between the civic and market polities. Instrumental compromises are distinct from the Combining, Connecting, or Coupling categorisations in Nyberg & Wright (2012). The example of "collapsing" as compromise (Nyberg & Wright, 2012, Table 4, p.1830) is similar to the instrumental usage found in the current research, however the definition of "collapsing" is more general regarding the agreement to use a particular test. In the Barclays texts in particular there are two forms of justification (compliance with regulation, monetary success). In the *instrumental* form of compromise construction, one form of justification is explicitly used in the service of another "higher" worth (in this case, profit). It could be argued the example of “collapsing” in Nyberg & Wright (2012) is actually a better fit with an “instrumental” usage of justifications rather than “collapsing” as defined, which, as noted earlier, is a restatement of “ordinary” compromise in Boltanski & Thévenot (2006 [1991]). The current research extends Nyberg & Wright (2012) to add “Instrumental” as a compromise category in addition to Combining, Collapsing, Coupling, Connecting, and in addition forms of such compromises when between market and civic polities are *foundational* to the understanding of the banking sector.

From the above analysis compromises are *fragile* (Boltanski & Thévenot (2006 [1991]) because the appeal to a common good is implicit rather than explicit. For Ramirez (2013) too, the mere presence of compromise objects is insufficient for compromise. In the compromise situations above however the objects within the situation (rules, say) are not used to invoke comprise, rather the investment criteria, the success criteria, necessarily at a higher level of abstraction, are invoked as justifications for compromise. Whilst being alert to the possibility of regulatory capture in which civic justifications may not be presented in good faith, the higher abstraction of compromises within the texts may allow for more stable compromises to endure by avoiding discursive closure (van Bommell, 2014).

Practically, there will always be tensions between justifications of commercial activity and ecology. The former relies on, and hence depletes, commodities, raw materials, energy sources provided by the latter. The only actors focussed on ecological concerns are the NGOs and this is reflected by the presence of green justifications in their texts. The relative absence of green justifications leads to an absence of attempts to compromise with, or actual compromises with the other polities. The absence of green justifications raises questions concerning the nature of the “common good” implicit within the texts, that such a construction is by definition anthropocentric and ill-suited to an appropriate response to global ecological challenges (Morton, 2018).

There are two main implications from the above analysis. The lack of compromise construct with the green polity follows from the absence of that polity as discussed above and highlights the ambiguousness nature of “the common good" in the texts. In turn, such ambiguity means that the analytic framework of orders of worth is somewhat incomplete. The second implication is that compromise, rather than something to be sought and found as occasional examples in Boltanski & Thévenot (2006 [1991]), is *foundational* to the financial services sector and compromise is often used in an *instrumental* way. Compromises in the texts are less comprised of *qualified objects* than recourse to *investment formulae*. As such the contribution of this section is to alert future researchers to the foundational nature of compromise and therefore that research approaches should account for the *a priori* expectation of compromise, especially between market and civic polities (absent from Boltanski & Thévenot (2006 [1991]), and all polities with green justifications. The latter, in today's society, may be narrowly contextual (sustainability reporting, reports of externalities/damage to the environment through crisis situations as in Patriotta *et al.,* 2011).

6.3.3 Presence and absence of critique

The conclusion of Boltanski (2011) discussed above was that meta-reflexivity from spokespeople could only result in *confirmation* rather than *critique*, that critique would come from outside the institution which itself could not be a force for revolutionary change.

In considering the texts however, it is clear that there is self-critique and indeed criticism present. By way of example, the Barclays Approach document discusses conduct issues and the impact on stakeholder trust in the firm. Here civic concerns are subordinate to market perspectives, however critique is present. Similarly, RBS's sustainability report contains self-criticism of restructuring costs, conduct costs (fines), and costs associated with the Williams & Glyn spin off. The Co-operative bank annual report and accounts refers to restructuring costs (though interestingly seems to frame PPI redress costs as coming from an exogenous event rather than a calamity of the banks' own making).

The banks' self-criticism is a particular form of critique wherein the banks have (say) incurred cost, which is a violation of the market polity by reducing profitability, and market competitiveness. The critique is in the abstract with no blame attached (certainly not to the spokesperson who is the most culpable of the firms' agents in this case as either Chair of the board of directors, or CEO).

The banks self-criticism is somewhat superficial: there is no critique of governance, decision-making, greed or exploitation of information asymmetries. The critique is aimed at effectiveness within the justificatory regimes assessment of effectiveness ("legacy conduct and litigation issues", RBS in text #17, "conduct issues have hurt" in Barclays text #12). In this sense, the reflexivity is constrained to a limited form of critique that does not question the disputes between the polity used as justification and the range of alternate polities that could be brought to bear (e.g. the green polity). The critique is not reflexive with respect to conceptions, however implicit, of the common good as articulated (by a combination of presence *and* absence) in the texts. In this sense then there is criticism present which is not the same as "critique" per Boltanski (2011). Indeed as the banks are "inside" their situation their self-criticism does not reach the level of sociological description which is "outside" the situation (banks' own criticisms are therefore located in the "structure" form of critique in Boltanski, 2011 – see also Figure 6 below): self-criticism may be classified as "truth tests" (Boltanski, 2011, p.103). Such insider "truth tests" are coherent with the expectations discussed above of the warrant of accepting the texts as truthful (albeit a constructed version of "the" truth). Annual reports and accounts cannot forever diverge from independent sources of information about a firm (for example, dividends are a form of empirical test of firm's statements regarding financial reality).

The banks' approaches to self-criticism support the view of Boltanski (2011) that insiders, spokespersons for institutions are not expected to be reflexive and to the extent they are, will only produce a confirmatory perspective within the specific polity used for justification. The implication is that the banks cannot be expected to be an agent for significant change: colloquially, "turkeys don't vote for Christmas", more formally, the implication from the lack of true critique is a continuation of the status quo. The current research acts as a way to open up critique by exploring the tests and justifications in the texts constructing the social contract for the banks. For Boltanski (2011) there are two forms of critique: reformist, or more existentially, radical. In the latter case, the chain of exploitation explored by Boltanski & Chiapello (2007) could frame radical critique; in contrast, the discussion above shows that the banks' texts situate critique within the reformist category. A brief overview of forms of critique developed by Boltanksi (2011) is included for reference as Appendix D.

6.3.4 Time Construction in the market polity

Previous studies have considered the "time construction" in the market polity to be oriented toward immediate or short-term transactions – the moments of product purchases (see Table 1). There are a number of studies that challenge such a view and the current research both supports the challenge to short termism, and highlights an issue for the financial services sector.

The discussion above of the construction of the market polity showed the assumption that market relations are "atemporal" (Boltanski & Thévenot, 2006 [1991], p.194). The authors give reasons for avoid repeat transactions in the market polity view, such reasons (distinguishing from industrial polity, avoiding construction of a dynamic market equilibrium economic model). However such rationale is insufficient in when considering the dynamic, repeat transaction nature of many market interactions in practice.

Studies showing the benefits of retention predate research into pragmatic sociology. Narver & Slater (1990) considered a successful business "must build and maintain a long-run, mutually beneficial relationship with its buyers" (p.21). Zeithaml (2000, p.74) created a conceptual model used in an empirical study to demonstrate the effects of customer retention on profitability through, for instance, repeat purchases. The conceptual model could though have usefully been extended to consider long-term subscription style purchases (e.g. life assurance, pensions) whereby customer retention is a pre-requisite to defray upfront costs such as sales costs (fees to advisors, sales staff, offices), or build capital reserves required against risk products. A similar critique could be levied at Gupta & Zeithaml (2006) albeit there is more focus on the impact of customer retention on returns, shown to be much higher than, say, reductions in acquisition costs. Eling & Kochanski (2013) do mention the potential adverse impact on returns if life assurance policy lapses occur before acquisition costs are recovered, though this is not the focus of their research. Whilst there is a relative lack of prior academic research in this area (despite being of great interest to banks as “bancassurers”) a number of practitioner sources cover the topic in detail such as Verma *et al*. (2017) which shows the impact of economic crises on lapse rates (which “surged” circa 20% during the financial crisis).

Issues of retention for the industry go hand in hand with issues of comprehension for customers. Banking products (investments, long term savings) are often opaque and may not be obviously good value for money or effective, requiring expert judgement to assess performance: such products and services are termed “credence services” and require more trust on behalf of the customer in the institution providing those services (Hoepner & Wilson, 2012, p.427).

In the text analysis above banks are criticised for short-termism (Move Your Money, 2015a), however per Boltanski & Thévenot (2006 [1991]) in the market polity short termism is a feature, not a bug. Other examples in banks’ texts of the issue of retention and longer-term “lasting” customer relations are found in HSBC (2016a) and Standard Chartered (2016): in the latter, client relationships are to be “preserved and promoted” (p.3). The implications of the prior research which is made salient through the examples in banks’ texts is that the time construction description is Table 1 can usefully be extended to consider longer-term client relations. A suggested constructed is “Short-term, flexibility, *and retention of relationships over time*”.

6.3.5 Representations of Risk

A number of texts analysed above mention risk, even “risk framework” in PRA (2015a). Such representations show a gap between practice as represented in texts and theory – as discussed in this section, risk is not a feature of the orders of worth framework currently as conceived in Boltanski & Thévenot (2006 [1991]) or Boltanski & Chiapello (2007).

Risk is present in texts in a number of ways. NGOs decry excessive risk taking (Move Your Money, 2015a) and appear to call for a "utility" approach to retail banking (Move Your Money, 2015b), also call for more understanding of climate risk *from* banking actives as well as *to* them (BankTrack, 2015). Some representations of risk, such as cybercrime/cyber-risk are ambiguous in texts with respect to which polity is affected (PRA, 2016a). Risk transformation, which is a core function of financial intermediaries (Lin, 2015), is present in regulatory texts (FCA, 2015h). Banks discuss risk in a number of ways: regarding "balanced funding profile" (Barclays, 2016a), "resilience" (Co-operative Bank, 2016a), simplification and "low risk", Capital Ratio (CET1) – unclear if the latter relates to civic or industrial motivation (RBS, 2016a).

Risk is not discussed in a substantive way in Boltanski & Thévenot (2006 [1991]) nor Boltanski & Chiapello (2007). Risk as such is not a feature of the orders of worth dimensions and is not present in Table 1. Given the gap between theory and practice, the question to address then is should "risk" be present in a sociological description of ways to reach agreement more generally or is the discussion of risk more localised to the financial sector. Risk is a fundamental aspect of the nature of the financial sector, both as a core function of risk transformation (Lin, 2015) and due to risks from contagion/externalities (Campbell, *et al.*, 2011). However, in business and society, risk is omnipresent: for example, from food preparation/standards, health and safety regulations, political oppression, through to individual risk, such as lifetime earnings uncertainty, capital appreciation and loss, and idiosyncratic health risk. The "superior principle" for orders of worth may be assessed differently if the risks taken to reach such outcomes were known. market success may be regarded less favourably if huge financial risks were required, industrial outcomes similarly if, say, efficient supply chains had been unprotected against chance disruption from weather or terrorism, say; green outcomes in reduction on reliance on fossil fuels for energy production may be invalidated if this is achieved through risky expansion of nuclear power. Given the presence of risk beyond the financial sector, it would be useful to include risk within the orders of worth. The dimensions of worth are to an extent interlinked, so despite the presentation of Table 1 as "boxes" the boundaries between dimensions are not well defined. In practical terms the lack of distinct boundaries mean that, whilst it is reasonably uncontentious to suggest that the dimension for “ways of expressing judgement” includes a *risk weighting* or similar *risk assessment*, such judgements will also have implications for the “investment formula”. The assessment of risk is context dependent; Table 1 cannot be adapted to give a normative scale of risk. It is possible to conceive of the inspired polity (seldom present in the texts analysed above) as requiring *more risk* to reach a revolutionary outcome, which is the opposite of, for example, the industrial polity.

Representations of risk are present in many of the texts above, but not in the orders of worth framework. The gap is worth considering given risk is endemic in society. From the above the practical recommendation is to extend considerations of “ways of expressing judgement” to consider the degree of risk in actions toward fulfilling the “superior principle” of the polity.

6.3.6 Ontological Diffusion: heterogeneous range of qualified subjects

One of the findings in the analysis of texts above is that many of the texts reference a broad range of subjects (economic actors) – examples are included in Appendix C. The following discussion considers what implications there are for the dimensions of “orders of worth”, in particular “qualified subjects”.

The construct of “qualified subjects” is somewhat under-examined in Boltanski & Thévenot (2006 [1991]), and is entirely absent in Boltanski & Chiapello (2007). Qualified subjects are valid within a polity due to their “worth” set against the superior principle of the polity. By way of examples, a qualified subject in the green polity is an ecologist, within the market polity could include merchant, consumer, seller (see Table 1). Qualified subjects are coherent in their actions with the superior principle of the polity, yet the specific characteristics of a qualified subject are contingent on the situation being analysed.

In the banks' texts analysed above the qualified subjects could be classified as external or internal to the organisation. Employees, salespeople are internal, customers and regulators are external. Customers are related to the market polity, regulators to the civic. So far, so uncontentious. However if the customers are considered further they have a range of characteristics that suggests the firm may operate differently with them. Barclays (2016c) comprises 22 million retail customers, 1 million corporate customers; Co-operative Bank (2016a) includes "vulnerable" customers. Such varied subjects would be coherent with varied investment formulae, qualified objects. The range of subjects then suggests that even within a polity there are variations of proof, of relationships, and possibly of objects, space and time dimensions. From a practice perspective, management would need to be aware of and relate to a set of dimensions for a polity that varied from one set of subjects to another, not unlike segmentation of the marketing mix (Jobber, 2013). The question remains open, however how such a diverse set of relations at a lower logical level of detail is reconciled with the higher levels of dimensions of the polity.

The above discussion is the obverse of Patriotta *et al.* (2011) which raises concerns that too narrow a range of qualified subjects will lead to continued conflict or controversy. In contrast a very broad range subjects may find agreement with the banks dependent on the particular nature of the relations, investment formulae and objects in "their" agreement, however it is less than clear how an ontologically diverse set of agreements coheres within a single order of worth.

6.4 Process Observations

This section considers a number of observations about the process of using the orders of worth framework.

6.4.1 Absence/Presence of Dimensions of Orders of Worth

To evaluate the use of the orders of worth framework in textual analysis it is worthwhile considering if there are any noticeable features of the data characterisation, particular presence or absence of particular aspects of the orders of worth. Tables 9 and 10 below enumerate the occurrences in the analysis of the codes or dimensions of the polities, based on a count of non-null cells in the MS Access database. Notably no aspect is "null", all dimensions are represented in at least one text:-

Dimension	Occurrences (max = 23)
Repertoire of Subjects Agents and Motives	23
Repertoire Objects and Mechanisms	22
Ways of expressing judgement	22
Investment formula	20
Flaws revealed by evidence	20
Common Superior Principle	19
Condition of Great Person	19
Time construction	17
Assumptions re Natural Relationships	15
Social or National grouping	13

Dimension	Occurrences (max = 23)
Criticisms	13
Decline	12
Space construction	12
Status Relations	10
Condition of Little Person	9
Common Good	6
Common Dignity	5
Self-evaluation	2

Table 9 Frequency of dimensions of OOW (source: author's analysis)

There are a number of observations to make about the relative presence of the characteristics of the polities. As already noted, there is relatively little discussion that can be categorised under "the common good". The limited presence of this characteristic may be due to the *genre* (Fairclough, 2010) of many of the texts (corporate reporting). Genre may also explain the relative lack of "criticisms" or "decline" in texts given they are (for the banks in particular) presenting justifications for confidence in the banks, particularly for shareholders, employees, and customers. From a methodological perspective, there is an open question concerning how many of the polity characteristics are required to ensure the orders of worth framework is an appropriate analytic tool. None of the prior researches above (or in Appendix B) appear to discuss the extent to which polity characteristics are represented in text, in part because the analyses in their presented form are constructed at the high level of polities rather than the constituent characteristics. There is no normative yardstick then and researchers are left (if they consider the question at all) with recourse to intuition and common sense: the development of a normative analysis for the coverage of elements of an analytic framework is beyond the scope of the current research and is included as a suggestion for future research below.

Further to this analysis, considering the reports themselves, it would be useful to understand how full, or partial, the description of the polities was within texts. Table 10 below shows the “gaps” per report.

Report	Common Superior Principle	Common Good	Assumptions re Relationships	Social or National grouping	Common Dignity	Objects	Subjects	Great Person	Little	Status Relations	Decline	Invest formula	Flaws revealed by evidence	Criticisms	Judgement	Self eval	Time	Space	Count	% coverage
RBS15																			16	89%
RBS SUST 15																			15	83%
MYM 160915																			14	78%
PRA ARA2015																			14	78%
FCA 020615																			12	67%
FCA 221015																			12	67%
BARCLAYS ARA 2015																			12	67%
HSBC Approach																			12	67%
Lloyds ARA 2015																			12	67%
Lloyds SER																			12	67%
Std Chtd AR&A																			12	67%
FCA 201015																			11	61%
FCA 220715 2																			11	61%
Coop SER																			11	61%
BANKTRACK071215																			10	56%
PRA CP18/15																			10	56%
FCA 140715																			10	56%
Coop ARA																			10	56%
MYM 090115																			9	50%
FCA 220715																			9	50%
Barclays Approach																			9	50%
BOE 2015																			8	44%
HSBC15																			8	44%
Dimensions count	19	6	15	13	5	22	23	19	9	10	12	20	20	13	22	2	17	12		

Coverage of a dimension is shown by dark cells in the Table.

Table 10 Gaps per report (Source: author's analysis)

Table 10 shows a wide range in “completeness” with respect to the dimensions of polities in the analysed texts. The RBS annual report has the most full set of dimensions, lacking only “common good” (in the general sense) and “condition of little person” (which is one of the least common constructs in the texts). In contrast, the FCA/BoE/Treasury report and the HSBC Annual Report and Accounts texts have the least full coverage with only eight out of a possible nineteen aspects found in the analysis.

6.4.2 Ambiguity of Attribution

Ramirez (2013, p.854) notes that “Boltanski & Thévenot essentially use archetypical situations as examples, one of the problems in applying their theoretical framework is the difficulty of defining a real-life situation and its attribution to a given world of reference [polity]”. The reasons for this difficulty are explored below.

There are two forms of ambiguity noted in the sampled texts[56]. Firstly, use of words or phrases whose meaning is inherently ambiguous and/or contested. For instance “sustainability” (see for example text #19 HSBC Approach): it is not often explicit if the term is used in an ecological sense, or in the sense of “continuation of the firm” (from which may be inferred continuation of margins, surplus, market share – indicators of “success” in the market). Similarly phrases such as “financial markets work well” (Text #8, FCA) beg the questions – in what way, for whom, with what effects? Without primary data to analyse, it is difficult to assign *intention* to such ambiguities as potentially deliberately equivocal semantics or reputation management (Bull, 2008). As discussed below it is by no means certain that primary data is sufficient to resolve the ambiguity. *Strategic Ambiguity* may arise unintentionally though beneficially if conceptual ambiguities forestall discursive closure, which enables a wider set of discursive or practical responses for social actors, see *inter alia* Guthey & Morsing (2014).

[56] Linguistic ambiguities of pronouns (for example) are out with the scope of the current research as the current level of analysis is at the level of the “utterance” or bounded concept rather than at the level of singular words

The second form of ambiguity of attribution arises when assigning a phrase or theme to an “order of worth” based on Table 1. Examples include: FCA – “The Rapidity of Change” – the statement "the intensity and volume of regulatory activity over recent years is not sustainable – for regulators or for the industry" is superficially ambiguous: which polity is being denied here? A focus on disruption through frequent change may be attributable to the industrial polity however compliance with regulation is of the civic polity. In this case there are two contextual aspects that inform the researcher attribution: firstly a local contextualisation regard costs/effort which relate to earnings and hence the market polity. Secondly, this focus on cost is coherent with broader sectoral debates regarding the cost of change (Noonan, 2015) which supports this attribution. In a similar manner to Ramirez (2013) the wider context is required to inform attribution. The wider context is available to the actors in this case (the regulators) and to the researcher. A methodological implication is that there is an implicit process in the current research which relies on researcher awareness of sectoral context. In terms of replicating the research process there should be an explicit operation of contextual analysis, which echoes Thompson’s (2013) approach to discourse analysis and means that necessarily researchers must understand the sector under analysis. In turn, the reliance on context dependent knowledge suggests a limitation in the approach in that not all sectors may be assessed similarly by researchers with differing knowledge bases (or indeed the same sector may be analysed differently by more or less experienced researchers).

Again in the same text: the judgement that financial institutions are now “safer and stronger” suggests a test has been applied and criteria met, however can be read both as supporting market and civic polity criteria. The focus on safety suggests a civic polity however the context of the theme is around market participation, market strength and hence it is difficult to be definitive.

In the Coop Banks CEO review (Co-operative Bank, 2016a) there is an ambiguity around attributing banks’ performance against “stress tests” (BoE, 2017) to a specific polity. The meeting of regulatory requirements could be attributed to civic polity, however failing stress tests also carries market risks, and the focus on the skills required for deleveraging relates to the qualified subjects of the industrial polity.

The above examples problematize (Alvesson & Kärreman, 2007) aspects of the theory – though Boltanski & Thévenot (1999, pp. 373–74) do recognise that situational tests may be insufficient to determine relative worth. It is not immediately obvious that further empirical material acquisition such as from author interviews would be sufficient to resolve the ambiguity in part as *post-hoc* justifications may be limited by common methods variance such as social desirability bias (Spector, 2006).

6.4.3 Reflections on process of data analysis

One of the potential limitations of the framework such as that in Table 1 above as an analytical guide is that this may constrain analysis to *expected* categories or dimensions in the text rather than being sufficiently open to novel constructs. For this reason the analysis of the first text (#1) – did not use the MS Access database to structure the recording of analytical data, instead the text was simply analysed for presence of justificatory constructs. This meant that each paragraph in the text was analysed in depth at a higher level (polity) rather than dimension initially, with subsequent drill-down to dimensions such as "position of little person"; additionally this encouraged quite a full narrative rather than the "boxes" of the database which seemed to encourage bullet point capture. The pilot approach had been to scan the text multiple times for evidence of dimensions of the polity. The issue with analysing the text at the higher level is this does not guide the analysis toward *absence* of dimensions such as the "common good". Hence, from the initial test of analysing text #1 it was decided to revert to structuring the findings using the database categories, whilst allowing for fuller notetaking and construction of narrative alongside these short notes in order to capture linkages to other areas of text as appropriate.

6.4.4 Visual Overview

The following Tables 11 and 12 show the presence and absence of orders of worth in texts. The darker the colour the more the polity was represented in the text. As the text (number of words) varies from one text to another, a simple count would be misleading; the "heat map" of Table 11 is constructed using the count for each polity divided by the total instances of polities for that text. The operation produces an ordinal range of positive numbers (there is no base mean/median around which the values are distributed). Table 11 illustrates the frequent use of market justifications. The visual representation in Table 11 shows where certain texts relied very heavily on a particular type of justification (e.g. HSBC AR&A #19) and where a more even distribution occurs (e.g. PRA #4).

As the frequencies of polities are in a narrow range, the visual display does not discriminate well between the most and least present polities. A further iteration (Table 12) uses the log values from Table 11, in effect exaggerating the differences between polities (and obscuring those with minimal presence in texts). Table 12 is a much more stark representation.

The usefulness of such a visual is context dependent: in a presentation format, Tables 11 and 12 are more accessible than a lengthy narrative. In the context of a long form document however there is relatively limited value (in academic contexts a picture does not always paint a thousand words as much as raise a thousand questions regarding the symbolism and construction of the picture).

#	Organisation	Market	Industrial	Civic	Domestic	Inspired	Green	Fame
1	Move Your Money							
2	Move Your Money							
3	BankTrack							
4	PRA							
5	PRA							
6	FCA							
7	FCA							
8	FCA							
9	FCA							
10	FCA							
11	FCA							
12	Barclays CEO review							
13	Barclays Approach (SEA)							
14	Cooperative Bank							
15	Cooperative Bank Sustainability							
16	RBS AR&A CEO							
17	RBS Sustainability							
18	Government/BoE/FCA							
19	HSBC AR&A							
20	HSBC Approach							
21	Lloyds AR&A							
22	Lloyds SEA							
23	Std Chartered AR&A							

Table 11 Visualisation overview of distribution of polities in texts (Source: author's own analysis)

#	Organisation	Market	Industrial	Civic	Domestic	Inspired	Green	Fame
1	Move Your Money							
2	Move Your Money							
3	BankTrack							
4	PRA							
5	PRA							
6	FCA							
7	FCA							
8	FCA							
9	FCA							
10	FCA							
11	FCA							
12	Barclays CEO review							
13	Barclays Approach (SEA)							
14	Cooperative Bank							
15	Cooperative Bank Sustainability							
16	RBS AR&A CEO							
17	RBS Sustainability							
18	Government/BoE/FCA							
19	HSBC AR&A							
20	HSBC Approach							
21	Lloyds AR&A							
22	Lloyds SEA							
23	Std Chartered AR&A							

Table 12 Representation of Log values view of distribution of polities (Source: author's own analysis)

7 Conclusion: Objectives, Contribution and Future Research

7.1 Introduction

The previous chapter discussed the findings from the analysis: this chapter concludes the study by evaluating how these findings fulfil the objectives of the research. The limitations of the study are acknowledged. This chapter fulfils the aim of objective RO6: Develop an overview of findings from practice in order to develop recommendations for further research in, and development of, "the social contract for the banking sector".

7.2 Achievement of Objectives

This section considers in turn how the findings and discussion above have fulfilled the objectives for the study set out in Chapter 1.

7.2.1 Analyse contemporary understanding of "banks and the social contract"

The following section summarises the initial contextual discussion above regarding banks, the social contract, and the social contract for the banks.

There are four ways in which banking institutions in particular play key roles in the economy and only the first two in the following could be described as common knowledge:

- Banks feature in almost all transactions in a credit based economy (Jeucken & Bouma, 2001, p. 27).
- Bank interest rates are an important transmission mechanism for policy rate changes by the central bank;
- Credit is a necessary (albeit not sufficient) condition for commercial firms to realise profits (Bruun and Heyn-Johnsen, 2009, Keen, 2010)
- Most "money" is created by commercial banks (Ryan-Collins *et al.*, 2012, McLeay *et al.*, 2014).

Regulation of banks is important to financial stability and customer utility/protection and has undergone significant change since the "Great Financial Crisis" (Chennells & Wingfield, 2015). Alessandri & Haldane (2009) and Baradaran (2013) focus on the inherent fragility of banks arising from the maturity transformation function of financial intermediaries. Banking and credit creation is endogenous within a modern economy and hence its utility, and financial stability may be considered a "public good" (Schinasi, 2005, Griffith-Jones, 2009 and to some extent Keen, 2010, and from a moral hazard perspective, Mullineux, 2011)[57].

Conceptions of the Social Contract have deep historical roots, notably through the works of Hobbes, Locke, Rousseau, and latterly through Gauthier, and Rawls. The characteristics of the concept of a social contract are informed by the contrasting "State of Nature". Hobbes' perspective is one of war of all against all (hence, allegiance required to a strong government/monarch). Locke envisages a gentle pastoral scene, proceeding from which means there is relatively little required of a limited form of government. Rousseau considers the state of nature as a paradise lost to the institutions of modernity: society is rescuable by way of a social contract formed voluntarily by "the general will" (albeit dissenters will be "forced to be free"). Social contract theories, as abstract and dependent on group-oriented decision making have been criticised: by David Hume in the 1700s on the grounds *inter alia* of a-historicism; from a libertarian perspective (Capaldi & Lloyd, 2011); as utopian and redundant (Frederick, 2013); unrealistic with respect to "the general will" (Brown & Tregidga, 2017); the difficulties associated with assigning agency to social constructs (Sacconi, 2006, 2007, 2012, Boullion, 2011); vague definitions of "the common good" (cf Friedman, 1953, Frederick, 2013); as a convention rather than a "contract" (Hardin, 2014); and more narrowly regarding Rousseau's concepts as emanating from a hypocrite, and worse (McManners,1968, Hunter, 2007).

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[57] N.N. Taleb is a vocal advocate for utility banking however does not seem to have formalised this position beyond interviews for example http://blogs.reuters.com/james-saft/2009/01/30/save-capitalism-from-the-banks-nassim-taleb/

In contrast to “classical” perceptions of a singular “social contract”, particularly between a sovereign or government and “the people” as described in, for example, Hobbes, Locke, and Rousseau, multiple social contracts may be operant in society depending on historical relations (Granovetter, 1985). The particular form of a social contract is dependent on conceptions of justice and acceptable levels of inequality (Rawls, 1971). Whilst personal utility maximisation strategies may point to “success” in theoretically perfect markets, in scenarios that are more realistic a group or social focus is more successful (Gauthier, 2013). As a society, we cannot refer to a single homogenous social contract.

Alessandri & Haldane (2009) and Tucker (2009) emphasise the support from the state for the banking sector through lender of last resort mechanisms is one side of the “social contract”. The social contract for the banks (like many other contracts) is incomplete and constantly renewed. Classically contracts are incomplete due to time variance, and incompleteness of definitions of scope and success criteria (e.g. Tirole, 1999). In addition one of the findings in the current study, that the “common good” as a feature of a social contract or public justification is most often not present, or ambiguous if present, is a further reason why “social contracts for banks” are incomplete. The tension between market concerns and civic or societal effects from moral hazard and the externalities from banking failures is present in Tucker (2009), Baradaran (2013) and Glinavos (2013).

For the current study, the most salient aspects of the contemporary understanding of the “social contract with the banks” are the importance of banking to society, the necessarily incomplete definitions of social contracts given the ambiguity of “the common good”, and the tension between market and civic values. The latter has analogues in the findings discussed further below in the frequent compromise constructions found in texts between market and civic polities.

Critical analysis of the conceptual relation of public justifications to "the Social Contract"

Public justifications have been suggested as a way that constructs of the social contract may be expressed (Gaus, 2013). In the current research the framework of public justification types, or "orders of worth" is used as the analytical frame applied to texts of stakeholders to analyse the social contract for the banks. Developed by Boltanski & Thévenot, further by Thévenot *et al*., then Boltanski & Chiapello, the orders of worth are archetypal justifications or "polity" that are present in any "test" situation where approaches need to be justified. Orders of Worth are constructed toward a "common good" – at least, sufficiently common to allow for compromise constructions, however fragile, to be agreed by participants in the "test" situation. The polities constructed as orders of worth are made up of dimensions that are analogous to the dimensions of commercial contracts. Dimensions include aims, criteria for proceeding (investment), the contractees (qualified subjects), and evaluation processes (qualified processes, criteria for evaluation), the material objects are clear (qualified objects) and boundaries are set out (time and space). The power relations of parties are included as "condition of great/little person". In this, the orders of worth follow Rawls' (1971) "difference principle" which allows for inequalities albeit if these are not injurious to the poorer/weaker party to the contract. In outline then, the orders of worth are shown to be a good fit with the concepts of contracts and further, with the inclusion of criteria for common dignity and the common good, form a suitable framework to analyse the dimensions of *social* contracts.

An issue brought into focus in the current study concerns how the polities in orders of worth accommodate – or otherwise – shareholders as "qualified subjects". Shareholders are absent from Boltanski & Thévenot (2006 [1991]), and are explicitly excluded from the market and projective polities by Boltanski & Chiapello (2007, pp.365-366). The orders of worth framework needs to cater for all the "qualified subjects" in the analysed texts as the authors of texts include shareholders – which means that shareholders are important in constructing the authors' justifications. One approach would be to extend the argument of Boltanski & Chiapello (2007) to exclude justifications based on shareholders. The argument would be that as shareholders are the "peak exploiters" (p.365) in a chain of exploitation, any justification based on shareholder requirements would be a justification based on exploitation, on a form of financial violence (Marazzi, 2011) and not oriented toward conceptions of "the common good" nor Hobbes' injunctions toward peace. Such an argument appears unsatisfactory for a number of reasons. Firstly, that shareholding is ubiquitous in current capitalist economies without producing a Hobbesian dystopia[58]. Secondly, that many workers are themselves shareholders in the firm within which they work, through workplace pensions. Thirdly, that it is in the interest of all shareholders that the firm is well run. Even intraday-trading, algorithm-operated market participants are at least minimally exposed to the consequences of badly run firms. If dividends are anticipated, a positive value depends on the firm avoiding ruin. It is possible to argue against capitalist ownership of the means of production *a la* Marx, however the scope of the current research is to consider existing modes of production, existing relations between banks, NGOs, regulators, to aspire toward development through better understanding of how the social contract is constructed within actually existing economic and regulatory relations. Finally, as discussed above the exclusion of investors by constructing market transactions as spot price activities only implies exclusion of long term, complex, financial products that are "credence services" also.

The final limitation in using orders of worth to analyse the construction of public justifications in the texts above concerns the absence and presence of dimensions of the polities actually found in the texts. There was little evidence of the following dimensions in the texts: Self-evaluation, Common Dignity, Condition of Little Person, Common Good, Space Construction, or Status Relations. Given the original orders of worth were constructed from analysis of particular texts (Boltanski & Thévenot (2006 [1991]), the relative absence of the above dimensions raises a number of questions. That all dimensions are present, in a small sample size, lends support for the constructions from

[58] The author recognises this may appear a privileged view and that exploited workers toiling for anonymous multinationals or layered shell corporations fictively residing in tax havens, would disagree. However, whilst not being complacent, many macro indicators of human flourishing have improved over recent decades

Boltanski & Thévenot (2006 [1991]). There is a possibility of a bias toward a subset of dimensions of orders of worth given the nature of the topics in the texts, specifically banking and finance. Other studies in other business sectors may find a different pattern of presence and absence of polities. The original construction in Boltanski & Thévenot (2006 [1991]) is at a business rather than sector level and so variation amongst different sectors could be expected. That said, when actors are promoting their own organisation, a form of impression management (Merkl-Davies & Brennan, 2007), the absence of "self-evaluation" and "condition of little person" could be anticipated.

In short, the above discussion concludes with two recommendations: that the dimensions of the market polity be enhanced to cater for both shareholders and credence service products, and that further research be undertaken to better understand the relationship between business sectors and *genres* (types of texts) with the coverage of the dimensions of the orders of worth.

7.2.2 Critical analysis of the construction of justifications produced by UK Banks regarding their social contract

Intuitively it may be anticipated that commercial firms such as banks justify their approach predominantly with respect to the market polity. For RBS and Barclays this bias toward market-oriented justifications extends to texts that are primarily concerned with justifying the banks' approaches to sustainability or "citizenship". Only Co-operative bank and HSBC include green justifications to a notable degree in sustainability texts. Whilst there is some limited presence of this polity in the Barclays citizenship reporting, the green polity is notably absent from all RBS, Lloyds, and Standard Chartered texts. Whilst it is acknowledged that environmental concerns do feature more frequently in banking texts not analysed in the current research[59], the absence of such topics at a strategic communication level is significant for a number of reasons. Firstly, strategic communication sets the priority for resource allocation and hence activity. Topics absent from strategic communication are likely to less highly prioritised and hence have reduced impact compared to a notional high

[59] For all sampled banks *except* Standard Chartered.

priority resource allocation. Secondly, absence is suggestive of support for the status quo. Such implicit support is problematic as there is ample evidence that status quo approaches to environmental impacts is inadequate given the ecological challenges faced by society (IPCC, 2018). Absence also suggests a lack of accountability for social impacts and other externalities caused by the firm's operations (see *inter alia* Gray, Owens & Adams, 1996).

In contrast to Boltanski & Thévenot (2006 [1991]), the analysis above found frequent instances of compromise constructions between market and civic polities. The need for compromise reflects the regulatory concerns from societal actors. Such concerns include: banks risk costly externalities Campbell *et al.* (2011), which may be unforeseeable (Taleb, 2012); deposit-taking institutions are inherently fragile; information asymmetries act in both directions but particularly can lead to exploitation of customers by financial institutions, and moral hazard exists, as banks are too big or too systemically important to be allowed to fail. Additionally, per Hoepner & Wilson (2012), banks provide "credence services" with associated time lags and complex, opaque processes and outcomes that are difficult to assess.

Compromise between market and civic polities appears to be foundational to the financial sector (and arguably, to other sectors). Such compromises illustrate the depth of social contract between the banks and regulators. The law-like nature of financial regulation imbues the social contract with a Hobbesian inevitability, however regulation is a contested space. In some texts (e.g. Barclays) it appears that civic justifications are used instrumentally, that compliance with regulation is important not as a good in itself but in so far as market justifications are supported. Hence, fines for misconduct violate the market oriented criteria of profit as well as civic adherence to rules and regulations. Fines can also damage reputation: it is somewhat notable that the "reputation" polity is only present in banks' texts as some banks draw on awards to bolster their standing, a form of "impression management" (Merkl-Davies & Brennan, 2007, 2011).

Banks engage with a wide range of "qualified subjects" (see Appendix 2) which means that there remain open questions about how such ontological diffusion results in a lack of clarity of who the banks are contracting with, and how. The emergent complexity is not best served by framing within a *singular* social contract for the banking sector: in future it may be best to refer to “the regulatory social contract”, “the customer’s social contract”, “employee’s social contract” and “partner firms’ social contract”. One of the important types of qualified subjects for the banks are shareholders or investors. The focus on shareholders is problematised in Boltanski & Chiapello (2007, pp.365-366). Investors are not involved in spot price exchange of goods and services (at least, *investors* are not, *speculators* may be much more focussed on the long term). Investors are mobile and hence by definition a “threat to firms” (p.366) in that capital may be withdrawn from the firm. Although authors are not specific in this regard the most egregious examples are through private equity investors (Froud & Williams, 2007). The exclusion of investors by Boltanski & Chiapello (2007, pp.365-366) has not been considered in prior research using orders of worth: the current research problematises a gap between theory and practice.

Overall the banks’ constructions of their social contract is dominated by market and then civic concerns (and compromises). The distinguishing characteristic of banks texts, in contrast to those of regulators, is the additional emphasis on industrial perspectives (due to pressures on cost to income ratio).

7.2.3 Critical analysis of the construction of *justifications* from the regulatory agencies regarding the social contract of the banking sector

Given the law-like nature of regulations (Glinavos, 2013), and the associations of law and regulation with the civic polity, the notable finding from the above analysis is the dominance of market justifications in *regulatory* texts. There are a number of possible reasons for this. One is, as the discussion of compromise constructions has shown, that the compromise between market and civic worlds is *foundational* to the financial sector in general and banking in particular. Consider boundary conditions: no regulation at all would result in risks from externalities, asymmetric information and moral hazard and would likely cause harm to consumers. The opposing boundary condition is where regulations are so onerous or expensive as to render a market unviable, which means that consumers are denied safe deposit functions as well as denied access to liquid debt markets such as mortgages. A non-functioning market would look like the financial system as Lehman Brothers collapsed in October 2008 – the availability of credit would be severely restricted with consequences beyond the financial sector.

The concept of a foundational compromise between the justifications of the market and the civic worlds is not the same as “regulatory capture”. Regulatory capture occurs when regulators are biased towards firms rather than consumers or other stakeholders, resulting in inequitable relations between capital and labour. Prior work on financial regulatory capture (Baxter, 2011) considered the concept to be “seductive” yet “difficult to define” (and a “matter of degree”) (p.176). The contention of the current research is that compromise between market and civic polities is foundational and as such exists independently of the degree of regulatory capture in the banking sector. The foundational nature of the compromise between market and civic polities means that one justification cannot hold without the other. In contrast, Glinavos (2013, p.63) considers that state intervention (regulation) should be judged “independent of economic efficiency” as the intervention is intended to deliver public or “social needs”. However, to ignore or remove all market (or industrial) justifications begs the question(s) around the nature of provision of financial services including possible nationalisation (to remove the profit motive). It is difficult to define in advance what the normative balance should be between market and civic polities. Glinavos’ (2013) focus on following the “popular will” (pp.62-63) (cf Rousseau and the “general will”) is appropriate (the author calls for increased democratic oversight of financial markets). What is clear is that a foundational compromise or tension between polities is ever present, which means that policy and future research should acknowledge and be framed within such a paradigm.

The near absence of green justifications in banking texts is noted above, similarly there is a notable and indeed complete absence of green justifications within the regulatory texts. There are a number of questions that arise given the lack of ecological aims, subjects and objects within the regulatory texts. Firstly, we can ask how important it is that the strategic texts from regulators take into account broader concerns. With apologies to Primo Levi, if not them, who?[60] Such concerns echo Hardin's (2014) critique of the metaphor of a social contract – it is not clear which agency is out with the contracting parties and hence the ultimate arbiter of contractual dispute. Regulators could consider ecological issues within the sector. Whilst banks in their own operations are not significant polluters, there are a number of concerns regarding the links between finance and environmental outcomes. Scholtens (2006) is concerned that environmental externalities are not captured by the cost of finance, that third party ownership of production (shareholders, lenders) reduces demand for sustainability best practice (market versus green justifications) and that innovative "green" projects experience financial exclusion (loans, insurance). Banks may find they own polluting assets that were pledged as collateral to loans. As such, it is notable that some jurisdictions actively exempt banks' management from responsibility for externalities from such assets: CERCLA (the Comprehensive Environmental Response, Compensation, and Liability Act) in the U.S. specifically exempts financial institutions for clean-up responsibilities and costs of sites which they fund, as long as the lender does not actively participate in the management of the site.

The lack of green justifications in the regulatory texts suggests a policy gap between Britain's commitment to a range of environmental goals (Department for Environment Food & Rural Affairs, 2019) and the active promotion and policing of lending practices in line with those goals.

7.2.4 Critical analysis of the construction of *justifications* from Non-Government Organisations (NGOs) regarding the social contract of the banking sector

For NGOs, civic justifications dominate in promotion of the civic good, compliance with regulation and law. Whilst market justifications are frequently invoked this tends to be for the purposes of critique and contrast to alternative polities. In contrast to banks and regulators, green justifications are present.

[60] Primo Levi (1985) "If not now, when"

NGO texts comprise a form of test whereby justifications are in the public realm and may be accepted or rejected and as such are a form of procedural normativity (Boltanski, 2011). A narrow form of critique falls short of a meta-critique that could extent to include concerns over infinite growth within a finite ecosystem (*inter alia* Meadows *et al.,* 2004).

The implications of differences in justifications between NGOs and banks, and regulators, and banks and regulators fall into two categories. Firstly that the critique of market polities from a civic perspective, echoing perspectives from Boltanski & Thévenot (2006 [1991]) suggests that compromise between the current constructs of civic and market polities in banking and NGO texts cannot easily be reached. Secondly, the banks' relatively narrow conception of the social contract does not cater for green justifications in the NGO texts. In the absence of compromise, a social contract between the NGOs and banks around expectations of *banking* is unachievable. If NGOs such as BankTrack have a meaningful and useful perspective, the implication for banks is to consider further the range of justifications and understand, and act on, the increasing importance of ecological concerns. Whilst banks' activities are to some extent guided by, for example, the Equator Principles with respect to the environmental impacts of (large scale) lending, the absence of such justifications at the highest level of strategic communication is significant and the NGO construction of texts, of the social contract, could be a catalyst for a strategic commitment from the banks.

7.3 Achievement of overall aim

The overall aim of the research has been to explore public justifications of "the social contract for the UK banks". Exploration is a suitable approach given the ambiguous and even contested ontological and epistemological nature of "the social contract".

As exploratory work, the current research is intended as an initial analysis of an under-examined topic. In exploring moral claims that are made public and hence available to "test", the current research enables a sociological perspective on the constructs within actors' justifications (texts). The exploration has shown the utility of the orders of worth framework and suggested potential improvements, in particular with respect to considering products that are credence services, as well as considering the role of shareholders. The use of an *a priori* framework allows for a systematic data gathering and comparative analysis. Applying a framework to a context constrains what can be said about that context - the frame brings its own limitations. At first sight the orders of worth framework is largely descriptive, however the discussion of Boltanski & Chiapello (2007) in particular has shown the construct of some of the polities include ideological (normative) judgements regarding shareholder capitalism.

The ontological and hence epistemological ambiguities of the social contract motivate the current study, yet the ambiguities remain. It may be ambiguity will always be present for a multi-faceted dynamic social *construct*. A useful avenue of future research could be to examine the implications of replacing vague terms such as the common good (a more positive and substantive label than is warranted) with conceptions from Hobbes' first law of nature: to seek peace, to "do no harm". Having begun with, and appreciating, Rousseau's dynamic, contestable form of a democratic social contract, somewhat surprisingly the final word goes to Hobbes (2013 [1651], chapter XIV), "Do not that to another, which thou wouldst not have done to thyself"[61].

7.4 Implications

The following section considers the findings with respect to the main conceptual topics considered thus far: Social Contractarianism, Pragmatic Sociology, and Banking & Finance. Additionally the methodological implications of the research are discussed.

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[61] Labelled "The Silver rule" (as opposed to the Golden Rule) in, for instance, Taleb (2018)

7.4.1 Social Contractarianism Implications

"A" singular, generalised social contract is unrealisable: multiple, contingent and compromising articulations of social contracts are present in texts – similar to arguments in Donaldson & Dunfee (1994), Dromi & Illouz (2010), and Boltanski (2011). Discursive constructions of singular views of social contracts are open to critique from alternative polities and cannot encompass the range of qualified subjects and objects used to construct a coherent justification. The current research then reinforces perspectives calling for contingent constructions of social contracts rather than a totalising single contract – this is in contrast to the traditional constructions seen in, say, Hobbes and Rousseau and more recently such as in Rawls (1971).

One of the features of social contracts is the qualified subjects "party to" the contract. Notably there is a diverse range of qualified subjects discussed in texts (see Appendix C). Ontological diversity is problematic for understanding the construction of "a" social contract for the banks and such difficulty from diversity and hence in prioritisation is reminiscent of some of the more trenchant critique of stakeholder theory. A consideration for future research is how the "ontological diffusion" present in justificatory texts produced by banks may further be operationalised: is there really a social contract for the bank, or multiple social contracts with respect to (say), investment clients *and* for retail clients *and* for regulators *and* for local, branch-serviced communities? A further research question could be to understand how executive managers conceive of and operationalise such micro social contracts *and* broad statements toward mission/vision and values of the corporate entity: further, how such perspectives through an orders of worth "lens" relate to stakeholder theory.

7.4.2 Pragmatic Sociology Implications

Given the metaphysical nature of a socially constructed “social contract”, the current research usefully sets out and uses an approach to empirical analysis of justifications of the social contract. There are limits to the approach, notably that *tests* or justifications are operant only in the absence of violence (orders of worth do not comprise a sociology of *everything*) and that there is a normative aspect to the orders of worth framework that problematises one of the dominant corporate organisational forms from the framework (shareholder controlled firms).

That the market order of worth is dominant would not be surprising if confined to banking texts, however this polity is *also* dominant in the construction of *regulatory* texts, which is a surprising result for civic institutions.

NGOs texts show a broader range of justifications and NGOs feature green justifications – such approaches are notably absent or most often minimally represented in other actors’ texts, even within Social & Environmental Accounts.

The current research demonstrates that the orders of worth framework, with roots in pragmatic sociology, is a useful framework for analysing conceptions of social contract(s). Whilst claims to “generalisability” are avoided in the (weakly) constructivist research paradigm the current research has methodological applicability beyond the banking sector. As such, the work supports the development and enhancement of the theoretical base of pragmatic sociology: there are both *findings* that support and challenge the literature, and pointers to future research questions raised by gaps or tensions between theory and practice.

Per Boltanski & Thévenot (2006 [1991]), compromise constructions are commonplace though there are two differences found compared to their seminal work. Firstly, that there are many compromises between civic and market polities in contrast to Boltanski & Thévenot who did not find, or therefore consider further, the construction of such. Secondly, that a variant on compromise is constructed, wherein polities are instrumentally promoted in the service of a dominant polity – for instance, civic (compliance with regulations) as a way to protect financial performance – a market justification: means rather than ends. Above, the categorization of Nyberg & Wright (2012) of the moves to reconcile polities: Combining, Collapsing, Coupling, Connecting (p.1830) showed a wider range "compromise" constructions than seen in Boltanski & Thévenot (2006 [1991]). In the *instrumental* form of compromise construction, one form of justification is explicitly used in the service of another "higher" worth (in this case, profit). The current research then extends Nyberg & Wright (2012) to add Instrumental as a compromise category in addition to Combining, Collapsing, Coupling, and Connecting. Future research could be framed with expectations of a broader range of compromise than in Boltanski & Thévenot (2006 [1991]) or Boltanski & Chiapello (2007).

The findings that banks in particular construct their justifications around shareholders highlights a gap between theory and practice – the current study is the first to engage with the implications of Boltanski & Chiapello (2007). The orders of worth as originally constructed explicitly exclude shareholder firms as not being oriented toward justice, toward a common humanity. The discussion by Boltanski & Chiapello treats shareholders as homogeneous, which seems a limited basis from which to judge the motives or justice orientations of widely differing groups of economic agents. The current research then problematises current theoretical boundaries concerning investors in a way not found in the current literature (cf Alvesson & Kärreman, 2007) and calls for further theorisation and empirical research on this topic.

In a similar vein, the findings above raise questions about the operationalisation of the "common good" in texts. The "common good" is present in two forms: firstly as the superior principle relating to a specific polity as in Boltanski & Thévenot (2006 [1991]), secondly as a more general principle under which compromises may be formed (pp.278+) – this latter conception is the usage here. Table 9 above shows only 6 out of 23 texts engaged in an explicitly with the concept of the common good, and then not all such engagement was unambiguous. The lack of explicit constructions of "the common good" raises questions about the utility of this aspect of the orders of worth – that this aspect is immanent and unexpressed in contexts. Ontologically there is a risk that one metaphysical concept, the social contract, is replaced with another metaphysical and intangible concept, "the common good". That said, the ontological indeterminacy is coherent with MacIntyre (2007, p.xii, *emphasis added*), who contends that "liberal political societies are characteristically committed to denying any place for a *determinate* conception of the common good in their public discourse, l*et al*one allowing that their common life should be grounded in such a conception".

There is no readily available analogue for "risk" within the orders of worth, however risk is an essential characteristic of financial instruments. Within the banking sector the Independent Commission on Banking (2011) and subsequently Tyrie *et al*. (2013) called for reduced risk through "ring-fencing" banking activities and increasing capital held against potential depreciation of assets. Reducing risk of bailouts of banks by the taxpayer is a theme running through the regulatory response to the crisis. Risk appears in the sample texts above with respect to risk appetite of firms, risk control/risk officers, risk culture, risks from "speculative lending", and risks of climate change. The consideration of risk in Boltanski & Thévenot (2006 [1991]) comprises the risks of new novel activities in the inspired polity (p.161), of excess bureaucracy in industrial/civic compromise, risk of *seeking* glory (hence being "inauthentic") in critique from the inspired world (p.282), the risk of betraying anger rather than reaching agreement (p.350), risk of lack of ontological agreement (p.351), and risk of being seen to abuse power if a judgement is seen as not time bound or time context specific (p.354). Similarly, in Boltanski & Chiapello (2007) risks are for capitalism due to inequality (p.511) – which stretches the evaluation of great and little "person" to breaking point, the risk of an "opportunistic profit-taking by a wage earner" (breaking the bonds of the projective networked polity) (p.389), the importance of reporting healthy profitability to deter takeovers (p.407) – in effect promoting the benefits of the *status quo*; the risk to individuals in not sufficiently portable skills for the projective world (p.370). Risk was not a part of the public justifications analysed in prior research using the orders of worth framework. In the analysis above, there is no "risk weighted returns" equivalent in the market polity. It may be that the "forms of relevant proof" (Table 1) could be amenable to development of risk weightings or risk adjustments. Such an approach would be familiar to the world of banking and finance from a market perspective; such a concept is not immediately applicable in the other polities. In the green polity, a high-risk justification would violate the test of “sustainability”. From the above the current research finds a gap between practice and theory. Practice includes a risk orientation or dimension in public justifications. In theory, risk has limited salience or a different meaning. The finding directs attention to future research questions regarding how a risk based approach affects the test criteria and other dimensions of the orders of worth approach.

A notable feature of some of the banks’ texts is the focus on longer-term client relations. Such constructs are antithetical to the original construct for “time construction” in Table 1. As discussed above, the findings can usefully be positioned with respect to general marketing literature such as Zeithaml (2000) and with respect to practitioner literature such as Verma *et al.* (2017). Retained clients may increase the number of purchases but most importantly in a financial sector context, policy persistence is necessary to defray acquisition costs (Gupta & Zeithaml, 2006). The findings problematise prior constructions of “time construction” for the market polity (a suggested alternative is include in the above discussion).

7.4.3 Banking and Finance Implications

The justifications produced by the banks are weighted toward market justifications. Such findings support a common sense or intuitive view of industry: there is some value in the confirmation of such a view through an analytical framework. Further, the correspondence between a common sense view and the results of the formal analysis support the appropriateness of the framework which is being used with respect of the banking sector for the first time.

An orientation toward market functioning in the regulatory texts could be seen as “regulatory capture” (*inter alia* Barth, Caprio & Levine, 2008). The primacy of market functioning seems more fundamental than the concept of regulatory capture however as the latter concept is suggestive of a fall from grace, that there was some putative time *without* regulatory capture. There is no evidence that such a state existed. Without considering a full analysis of the historical relations between regulators and the regulated, two examples are illustrative: in the Financial Services and Markets Act (2000), it is meaningful that the role of the regulator has as the initial aim, smooth functioning of the market. Secondly, restricted competition was intended to avoid a “reach for yield” as reduced franchise values induced moves to riskier assets and at the same time favoured oligopolistic incumbents, and markets have consolidated further after the financial crisis (Mullineux, 2011, 2014). The foundational compromise between market and civic polities will persist in future regardless of specific institutional forms and relationships.

The current research has identified a process of “ontological diffusion” in the construct of banks’ social contract(s) for the first time. That is, the constructs of the social contract for the banks often feature a large and heterogeneous set of “qualified subjects”. The number of subjects raises a question regarding the coherence of a single polity from the perspective of so many stakeholders. A wide range of stakeholders raises coordination costs, so ontological diffusion may be associated with reduced accountability for institutions such as banks. In a similar vein, Patriotta *et al.* (2011) are concerned that a firm avoiding ontological diffusion by narrowing the range of qualified subjects may result in weak grounds for justification: “Discursive strategies aimed at maintaining a controversy within a purely technical arena or in a domain related to the organization’s core business may appear to be safe options, yet they may fail to restore legitimacy when the heterogeneity of organizations involved in a controversy is high” (p.1832). The managerial and regulatory implications arising from the ontologically diffuse constructs in banking justifications could form a useful avenue for future research, the start point for which could comprise how segmentation of the marketing mix (Jobber, 2013) is reconciled with superior principles and constructions of the “common good” for the polity.

Discussed above, banking and finance research journals contain limited to almost nil discussion of matters beyond market and technical efficiencies and outcomes. By using a hermeneutical approach reliant on an understanding of the banking sector, the current study adds to knowledge regarding the relationship between banks and stakeholders, and other agents/agencies and bank stakeholders, and may help promote greater breadth of research questions as well as methodological diversity.

Earlier, Boltanski (2011, pp.95-96) was seen to consider the use of “the common good” as a generalising trope which elides the particular effects of institutional behaviour on actors. The common good can be used as a “pacifying” move semantically and can be part of a process of abstraction away from personal accountability to corporate behaviour “out there”. As such, it is interesting to note the lack of engagement with the generalised “common good” in any way explicitly in the banking texts. One explanation is that the banks see the market justification as *synonymous* with the “common good”, at least for their stakeholders, who are the only people that are worthy of consideration - such a perspective echoes the initial usage of common good in Boltanski & Thévenot (2006 [1991]). The definition of the common good (explicitly or implicitly, through valorisation of salient stakeholders, or objects, or processes) becomes then a rhetorical device to define “reality”, and simultaneously a challenge to another’s “reality” (Boltanski, 2011, p.97). The common good then in Boltanskian terms is a “horizon of pacification without residues” (p.95) however through the tension between the need for generalisation, and the limited scope of conceptions of the common good, the dispute(s) between the NGOs on one hand and the banks on the another *cannot* be resolved.

The above analysis suggests the need to examine attribution of the term “social contract”. If a “common good” is in practice determined with respect to a narrow section of society then the term “common” is a misnomer. Groups, institutions or individuals professing to promote the common good, ought to be interrogated with respect to definitions of who, and what, are contained in the set of “common” qualified subjects and objects (see also Offe, 2012). A contribution of the current research in this regard is to problematise the lack of agreement or even explicit discussion of “the common good” and to point to further research with banking stakeholders regarding their conceptions of the common good – and how truly “common” this is.

Perhaps the most alarming finding, and one that warrants further, urgent investigation, is that at the strategic level of public justifications few banks and none of the regulators construct their social contracts in relation to ecological criteria. Given the urgency of actions to ameliorate the effects of climate change (IPCC, 2018) and the role of the banking and financial sectors in supporting fossil fuel sectors a positive rather than normative approach to research questions in this area may be untenable. London has outsized influence on capital markets and a significant number of global, systemically important banks are under the purview of the PRA. It could be argued the key future research question arising from the current research is in respect of the nature and scale of regulatory and commercial change required to support achievement of (*de minimus*) the Paris Climate Agreement goals (Rogelj *et al*., 2016). Such questions ought to be of concern to banks given risks to investment projects from climate change (Nieto, 2019) and the possibility of green "supporting" or "brown" penalty in risk weighting of assets by European regulators (Thomä & Gibhardt, 2019)[62].

There are a range of perspectives considered above, from banks, regulators and NGOs, and the difficulty in developing singular social contract for the banks has been observed. The difficulty arises from potentially incommensurable perspectives such as the clash between a strongly green justification and a market justification, and more simply from current conceptions of the social contract as expressed in public justifications. The difficult in answering an overarching question such as what "is" the social contract for the banks, is illustrated by the Venn diagram, Figure 5, representing the gap or "empty set" between the parties to the social contract for the banks:

[62] The contemporary EU regulatory discussions being in sharp contrast to the regulatory texts analysed above

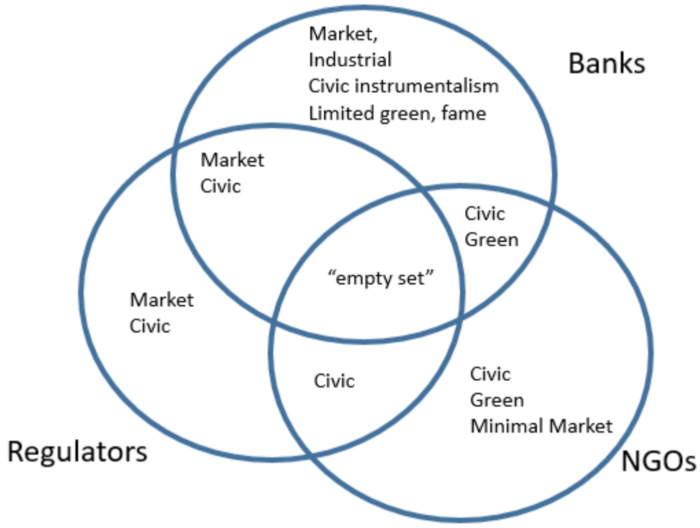

Figure 5: incommensurability of public justifications (Source, author's own)

Figure 5 is derived as a high level summary of the findings chapter above: the "empty set" represents the overarching lack of agreement between the three parties to the social contract for the banks. A singular, social contract cannot simply be "read off" texts due to the range of justifications (polities) and the range of qualified subjects: the social contract for the banks is constructed, dynamic and contested. The foundational market/civic compromise leads to government agencies' support for markets (Alessandri & Haldane, 2009, Tucker, 2009, Baradaran, 2013); the lack of "green" justifications from regulators and most banks not only does not meet NGO concerns but also fails to meet the challenges of our times; regulations narrowly conceived as compromise with market justifications fail to address wider calls for social justice (Glinavos, 2013). Given the damaged reputation of the banking sector after the financial crisis and subsequent scandals it is important that trust is restored in the banking sector, which means that the banks and regulators need to give more attention to societal demands for social justice, including ecological concerns, within a framework of a "social contract for the banks".

There are many theoretical perspectives that could be taken in considering the banks' and society: CSR, stakeholder theory, legitimacy theory, shareholder value maximisation, actor-network theory, feminist theory (meso or micro levels), corporate reputation, image management, resource dependence, system theory to name a few. The start point for the current research is the call for a new social contract for the banks (Tucker, 2009): one of the findings for banking and finance is that the social contract, especially as justified by regulators and banks themselves, is too narrowly drawn – an alternative theoretical lens would doubtless shed different light on the relationships between actors in the banking sector. Banks and regulators, in the sampled text, do not engage sufficiently with, much less compromise (in orders of worth terms) with the green polity. Given the foundational nature of the compromise between market and civic justifications more consideration is required of the potential conflict of interest for a regulator that may be required to hinder the efficient operation of the market by penalising a firm for conduct or other regulatory breach. In short banks and regulators need to draw on a more holistic conception of a social contract, and regulators need to critically examine the Janus like position they occupy as justifiers of market and civic perspectives in the light of the instrumental use of civic *means* of justification toward market *ends*.

7.4.4 Methodological Implications

Ontologically, a social contract is immanent, constructed, and contingent and hence impossible to measure directly. The current research addresses the difficulty of analysis by considering texts as epistemologically and axiologically meaningful representations of how firms and institutions conceptualise the (their) social contract. Using the orders of worth framework in a qualitative content analysis provides a structured approach to analyse the dimensions of orders worth in texts and analyse coherent or antagonist elements. The current research provides support for such an approach as producing trustworthy results. The study also challenges some aspects of the orders of worth framework, for instance that shareholders are not included as discussed above, and also that analysis showed (Tables 9 & 10) that not all texts had equal coverage of the dimensions of the polity. Some texts such as HSBC Annual Report and Accounts contained less than half of the dimensions of the polities. Such texts provide weaker alignment between texts and polities assigned. Whilst the current work is the first to utilise the orders of worth framework in the banking sector, prior research shows the applicability of the framework to other contexts of public justification. As such, the current research comprises an initial attempt to develop the data analysis method herein as an approach to understanding *constructs* of social contracts and the dimensions of orders of worth beyond the banking sector.

One of the methodological observations is the influence of domain knowledge. A naïve content analysis (counting words/concepts) would not allow for the relations between orders of worth to be understood. In particular, where civic (regulatory) justifications are used instrumentally in the service of market aims, an understanding of the nature and context of regulations is required. In short, the current research demonstrates that domain specific knowledge is a prerequisite for the *qualitative* researcher.

In ensuring that analysis of texts using orders of worth is trustworthy it is notable that *some* text constructions are difficult to assign simply to one polity or another, or one dimension of a polity, though such difficulties of attribution may signal a challenge to the current bounds of theory (Ramirez, 2013). By using human coding rather than software (see Alceste software approach above) *compromise* constructions were more readily observed, notably the above analysis found compromise between market and civic worlds to be foundational – in contrast to Boltanski & Thévenot (2006 [1991]) wherein this compromise is notable by its absence. The "foundational" nature of this compromise extends the discussion in Nyberg & Wright (2012).

There are three specific ways in which the orders of framework proved limited when attempting to analyse the social contract through justifications in texts relating to the banking or financial sector. Firstly, articulation of the "common good" is absent from many of the texts analysed. This absence is problematic as the orders of worth are oriented toward sense of justice broadly understood. Justice solely for one stakeholder set at the expense of other stakeholders is no justice at all when considered in terms of the "common good". The lack of definition of the common good is also prevalent not only in the texts analysed, but also in prior research and is used in two contrasting forms in Boltanski &

Thévenot (2006 [1991])[63]. If the common good is ill defined and even contingent rather than universal then the concept seems to have little analytical power or utility. The lack of positive definition may be that positive universals are difficult to agree. In contrast, Narveson (2013) takes as the guiding pole for the social contract Hobbes "First Law of Nature" which could be paraphrased in Hippocratic terms as "first, do no harm". For Hobbes, and later in Boltanski & Chiapello (2007) the exploitation of others is disavowed – for Hobbes exploitation is a form of warfare, in Boltanski & Chiapello a form of violence. The problematic of "the common good" in the orders of worth framework is much reduced if the concept is replaced with a form of Hobbes' first law: "seek peace" (Narveson, 2013)[64].

The current research is the first to demonstrate that orders of worth, as normatively constructed cannot account for actually existing shareholder firms (by absence in Boltanski & Thévenot, 2006 [1991], and explicitly in Boltanski & Chiapello, 2007, pp.365-366). It is worth considering if the absence of such a result previously was by chance, by omission, or that the scope of prior research meant there was no focus on shareholders. A review of titles and abstracts of prior research discussed above suggests that none of the prior research was concerned with justifications aimed at shareholders, most often as the actors were not listed firms. Where there was the potential for the issue of shareholders as legitimate stakeholders in, for example, Patriotta *et al.* (2011) the focus was on communication aimed toward a broad range of stakeholders. Nyberg & Wright (2012) allocated shareholders as qualified subjects to the market polity, however such allocation is directly *contra* the perspectives in Boltanski & Chiapello, 2007, pp.365-366) and is not justified in the authors' research as presented. The current research finds the framework of orders of worth limited, and points the way to future research to consider if, and if so how, shareholders may be incorporated into a framework oriented toward justice broadly understood. It is noteworthy that in much of the investor/shareholder literature such agents are treated as homogenous

[63] With no definition of the *second* sense of the more generalised form "common good" in Boltanski & Thévenot (2006 [1991])
[64] In personal correspondence Narveson appeared to approve of the replacement of "the common good" with Hobbes injunctions to seek peace/avoid war.

whereas it may be fruitful to consider differences between intra-day trading, high-frequency algorithmic trading, value investors/long term investors and more generally the differences between speculation and investment.

7.5 Limitations

In the discussion of populations and samples above it was noted there a limited number of banks that produce suitable reporting that can be analysed as secondary data. Similarly, with a small sample of NGOs and NGO related texts some caution is required when interpreting findings. That said, small sample sizes are a feature of the type of qualitative analysis above and as such the main implication from small sample sizes is to be wary of over-claiming generalisability of the results.

A methodological limitation is the potential "fallacy of internalism" (Ferguson, 2007, p.918) which raises concerns regarding interpretations of texts without analysis of *reception* of those texts by recipients. Denzin & Lincoln (2011, p.11) express similar concerns, especially if within mixed methods research the qualitative aspects are exploratory and quantitative work confirmatory, that stakeholders are "excluded from dialogue […which…] decreases the likelihood that previously silenced voices will be heard". Relatedly, the current research does not include an equivalent to "respondent validation" (Bryman & Bell, 2011, p.618) hence validation of the interpretation(s) herein may be wildly misconstrued: however, the current author's experience in the sector, combined with peer/team review of the analysis, should ensure that the research findings have sufficient trustworthiness. In addition, the *process* of text production is not analysed. In order to achieve the level of analysis that Thompson (1990, 2013) suggests is desirable, access to texts' authors would be required. For the banks in particular, commercial sensitivities may make access problematic.

Per Potter (1996, p.3) the current research, reliant as it is on construction of meaning through the double hermeneutics of creation and interpretation of texts, cannot truly be considered an attempt at a "neutral and objective picture of this set of social relations". However the meanings interpreted are developed from both a research perspective and (to some extent and albeit tangentially) from praxis – the researcher's prior experience in co-creating and analysing professional discourses in the financial sector.

A further consideration of the above approaches is the distance from actors as a result of the use of secondary data - an "etic" approach (Morris, *et al.*, 1999, p.781). Silverman (2000, p.822) considers the need to focus on descriptions of "societal members' actual methods for achieving whatever they do achieve". The texts analysed in the current research do relate to achieving organisational outcomes however they are only part of the range of activities undertaken by the actors producing or responsible for the organisations producing the text. The directors of the regulatory bodies for example will, in addition to producing speeches, meet with politicians, business leaders and representatives of NGOs in the course of their work, and will influence and be influenced by, such third parties. Regulators will enact some of their vision of (one side of) the social contract for banks through new and amended regulations, though these, like law itself, will always be incomplete (Pistor & Xu, 2002).

Thévenot *et al.* (2000) note "the configuration of public space and the dynamics of discourse depend heavily on the mode of acting [which is] *privileged in a political culture*" (p.239, *emphasis added,* [edited for clarity]). The implication for the current research is to recognise the embeddedness of institutions within current political and broader society, hence occupying a privileged space, at least to some degree, in public discourse. Privilege for one set of "voices" by definition suggests other voices are suppressed, marginalised or at least in the background. A potential critique of the conceptual model used above includes issues of power and access (Abulof & Kornprobst, 2017, p.6). Power and access relate to agency and voice of disenfranchised stakeholders such as the "unbanked": ontologically invisible in the above conceptualisation and hence to an extent subject to "epistemological violence" (Dotson, 2011, p.236). The inclusion of NGOs as representatives of societal issues only addresses such limitations partially. More generally, no matter the form of violence, epistemological per Dotson, or financial (Marazzi, 2011) a limitation of the orders of worth framework is that in effect a boundary is reached beyond which violent acts are no longer in scope of the framework.

7.6 Suggestions for future research

The word choices of actors on societal concerns such as banking are indicative of how authors view the world and how they wish to be viewed. Given the importance of the social contract with the banks, the effects on “the social contract” through communications from key stakeholders warrants further enquiry. Following the guidance from Ferguson (2007), Fairclough (2010), and Thompson (1990, 2013), it is important to understand the reception and understanding of texts for audiences. A future direction for research is to extend the current research to understand interpretations of the texts from NGOs, banks, and Government/regulators by stakeholders such as policy makers, other active participants in the regulatory dialogue, and customers of banks.

Further, given the influence the linguistic/discursive construction of texts can have on audience perceptions of organizational reputation there could be the possibility of combining the orders of worth perspective above with frameworks to consider reputation construction (Craig & Brennan, 2012); with linguistic devices (Merkl-Davies & Koller, 2012) that “guide audiences’ interpretations and legitimize and normalize violence and destruction” (Tregidga *et al*, 2012, p.151); or with constructions of rhetoric including dimensions of ethos, logos, or pathos (Higgins & Walker, 2012). A combination of approaches could yield deeper understanding and insight into the way in which orders of worth link to building and sustaining reputation, or to how the orders of worth are constructed, not only in the detailed construction of the polities but how such construction is embedded in persuasive approaches to language.

Throughout there is an ambiguity in the literature, and in the analysed texts, as to what construes “the common good”. Whilst there is extensive debate about this, there is value in understanding more fully how the common good is construed by actors and how this relates to orders of worth. The research question here could concern how common the "common good" really is, and how the common good is constructed across differing polities and by different agents.

It is not clear, from an ecological or "green" perspective how "sustainability" may be operationalised at a societal level. The trivial answer – Government responsibilities, policy and oversight in coordination with supranational bodies, seems inadequate for two reasons. One is that the evidence from around the world is current arrangements are ineffectual (Harari, 2018). The other, more specifically rooted in the current research, is that the construction of social contracts by significant commercial and regulatory actors largely excludes consideration of key sustainability themes. The research question for the latter is around why this may be the case: why there is no *substantive* "greening" of the economy to date (Murray, 2012). More narrowly, given initiatives such as the "Action Plan on Financing Sustainable Growth" from the European Commission (2018), the increasing demand for green justifications of the social contract for the banks warrants further investigation.

The discussion above of the deliberate exclusion in Boltanski & Chiapello (2007) of shareholders from justifications oriented toward justice or the common good leads to questions regarding future research in this area. The authors may well demur at any attempt to bring shareholders into the fold given the categorical exclusion in "New Spirit of Capitalism" (pp.365-366). However not all shareholders are the same in terms of scale of holdings/control, of distance from the firm (some may well be workers within the firm), or time horizons and investment aims. To exclude all shareholders seems totalising with respect to the concept of shareholders and investment. Future research then could be centrally concerned with categorisation of shareholders and the relationship between investors and commitments to "justice" broadly understood.

There is a range of international bodies that feature in the text and that influence the processes of regulation. Whilst it is out of the scope of the current research, this suggests there is merit in considering further how such influence affects the boundary conditions of nationally constructed "social contracts".

Moreover, discussed above is the possibility that UK banks, regulators and NGOs are in some way *idiosyncratic* and as such there an international comparison of social contract constructions could be worthwhile.

Earlier it was noted that Hardin (2014) argued for the efficiency of conventions and constitutions over the loose terminologies of social contracts, in part because conventions and constitutions impose costs on non-conformists without third party enforcement (in contrast to business contracts, to a large degree). What is not clear from the analysis in the current research is to what extent the public justifications analysed can be viewed as conventions with such "automatic" powers of enforcement. Given the roots of the orders of worth framework in conventions theory a useful line of future enquiry could be to explore when and how such justifications in the texts analysed herein form *conventions* – if at all.

The current research finds a gap between practice, in which justification constructs include a risk orientation or dimension, and theory of orders of worth in which this dimension has limited salience. The finding directs attention to future research questions regarding how a risk based approach affects the test criteria and other dimensions of the orders of worth approach. Further, given that the point of departure for Mullineux (2011, 2014) was the current practice of the banks, there may be a fruitful line of research that deepens the understanding of the processes of banks (e.g. payments) by considering the detailed characteristics and implications (e.g. for taxation revenues, for financial inclusion) in relation to the qualified subjects and qualified objects (processes too) of the orders of worth polities.

Noted above was a newly identified characteristic of banks' public justifications, that of the ontologically diffuse nature of the sets of "qualified subjects". The managerial, accountability and regulatory implications of such a characteristic could be worthy of further research given the potential implications arising from increased coordination costs amongst stakeholders leading to reduced accountability of the banks. Further the role of NGOs may be worth investigating in this regard, they may to some extent act as coordinators of *some* stakeholders albeit there was no evidence in the limited sample of NGO texts that the NGOs "represented" the *emic* subjects within the banking sector, rather the NGOs adopt an *etic* viewpoint.

Methodologically, there was found to be no normative analytical process to assess the usefulness of a framework such as orders of worth. The potential usefulness of a "framework for frameworks" arises given the uneven coverage of dimensions of the OOW framework in the analysed texts (see Table 10). A further avenue of research is to consider the discriminatory power of frameworks including the range of qualitative categorisations. Prior work on converting qualitative self-assessments (survey data), or qualitative biological indicators into quantitative scales has been done, however these types of research whilst useful in themselves do not give a systematic way of assessing the completeness or appropriateness for an *a priori* set of categories given a particular sample text (or to generalise, to all possible sample texts). In the review of prior research using orders of worth above, the analyses were at the polity level rather than "dimensions of polity" level, which suggests an avenue for future research comprised of fine-grained analysis of the dimensions of orders of worth in texts as in the current study. There may be value in exploring the relationship between genres of texts and business sectors with coverage of the dimensions of orders of worth.

7.7 Summary

This final chapter has considered the achievement of the outcomes of the current study as well as the claimed contributions to the literature regarding the social contract, pragmatic sociology, banking & finance, and qualitative methodologies. Whilst, in common with all research on any scale from single researcher to international programmes the current research contains limitations as discussed above, these limitations do not reduce the value of the contribution of the current research to theory. Finally, suggestions for future research are made: it is hoped the current research is the beginning rather than the end in understanding the construction of the social contract through public justifications in the banking sector.

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Appendix A – List of Banks

Banks incorporated in the United Kingdom (excluding subsidiaries)	Scope	Comment	Public SER?
Large, universal banks[65]			
Barclays Bank Plc	Globally important financial institution		Yes
HSBC Bank Plc	Globally important financial institution		Yes
Royal Bank of Scotland Plc, The	Globally important financial institution[66]	Part nationalised	Yes
Standard Chartered Bank	Globally important financial institution		Yes
Retail and Commercial Banks			
Airdrie Savings Bank	Retail and Commercial (Central Scotland)		No/now defunct

[65] whilst the Bank of England and PRA (2013) consider Santander UK one of the seven major banks and building societies in the UK it has been excluded above as a subsidiary of a foreign bank

[66] At the time of writing RBS was a G-SIB however was removed from the list of G-SIBs by the FSB in November 2018 (http://www.fsb.org/wp-content/uploads/P161118-1.pdf)

Banks incorporated in the United Kingdom (excluding subsidiaries)	Scope	Comment	Public SER?
Aldermore Bank plc	Retail and Commercial (National)		Limited, in strategic review in annual report
Co-operative Bank Plc, The	Retail and Commercial (National)	Formerly a subsidiary of the Co-op Group however demerged in 2014	Yes
Lloyds Bank Plc	Retail and Commercial (National)	Part nationalised. Also some wholesale activity but not a universal bank	Yes
Metro Bank PLC	Retail and Commercial (London/online)	Opened in 2010	No (brief mention community involvement on website)
Sainsbury's Bank plc	Retail (National)		No
Scottish Widows Bank	Retail (National)	Limited scale	No
Tesco Bank plc	Retail (National)		No
TSB Bank plc	Retail (National)	Recently bought by Sabadell (Spanish Bank)	No

Banks incorporated in the United Kingdom (excluding subsidiaries)	Scope	Comment	Public SER?
Virgin Money plc	Retail (National)		No (though community contribution on the company website)
Independent Private Banks			
Arbuthnot Latham & Co Limited	Private Banking		No
C Hoare & Co	Private Banking		No (however ESG policies including downstream agents ratings are in a paper August 2014)
Close Brothers Limited	Private Banking		No Statement of principles (3 pages) within Annual Statement of Accounts
Hampden & Co plc	Private Banking		No
Harrods Bank Ltd	Private Banking		No
R. Raphael & Sons Plc	Private Banking		No
Weatherbys Bank Limited	Private Banking		No

Banks incorporated in the United Kingdom (excluding subsidiaries)	Scope	Comment	Public SER?
Commercial Banks			
British Arab Commercial Bank Plc	SME Arab Mediterranean focus		No
Bank of London and The Middle East plc	International wholesale bank		No
Havin Bank Ltd	Cuban trade financing		No
BIRA Bank Limited	SME focussed bank	Trade Association owned bank	No
Smith & Williamson Investment Services Limited	Banking services within an accounting group		No Brief statement on website
United Trust Bank Limited	Commercial banking		No
Cause related banks			
CAF Bank Ltd	Charities Banking (Charities Aid Foundation)	**	No
Charity Bank Limited, The	Charities Banking	**	No

Banks incorporated in the United Kingdom (excluding subsidiaries)	Scope	Comment	Public SER?
European Islamic Investment Bank Plc	Wholesale banking in a Sharia context		No
Gatehouse Bank Plc	Islamic Banking		Limited information on charitable projects on website
Islamic Bank of Britain Plc	Islamic Banking		No
Kingdom Bank Ltd	Christian ethics banking		No (limited ethics statement on website)
Methodist Chapel Aid Limited	Christian ethics banking		No (statement of ethical investment policy)
Reliance Bank Ltd	Christian ethics banking (Salvation Army)		No (statement of ethical investment policy)
Unity Trust Bank Plc	Union movement banking (social enterprise lending specifically)		No (statement of ethical investment and ethical business operations policy;

Banks incorporated in the United Kingdom (excluding subsidiaries)	Scope	Comment	Public SER?
			impact statements of lending)
** It could be argued the need for CSR reporting is much reduced for such organisations since their *raison d'être* is in itself, ethical and welfare promoting. That said, there are environmental and employee issues that could be addressed explicitly through SER accountability however the lack of external reporting means it is unknown to what extent this occurs			

Table 13 Parent Company Banks in the UK grouped by scope of activities. Source, author's own analysis

Appendix B – Analysis of Jagd (2011) – selection of prior research into OOW

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
Early works					
Jean Louis Derouet (1989)	L’e´tablissement scolaire comme entreprise composite. Programme pour une sociologie des e´tablissements scolaires	Sociology of schools. The main justifications civic, domestic, and industrial (inspiration, fame and market only to a limited degree)	In French (hence not accessible to the author), not notably influential	1.14	N
Claudette Lafaye (1989)	Re´organisation industrielle d’une munipalite´ de gauche	Study of a left wing council or municipality – finding the coexistence of civic, industrial and market worlds	In French, not notably influential	0.46	N
André Wissler (1989)	Les jugements dans l’octroi de crédit	Study within a credit co-operative found domestic, civic, industrial and commercial polities.	In French, not notably influential. Rousseliére & Vézina (2009, p.245) note “The loan applications are the moment of the expression of the various worths and compromises: domestic/civic/industrial/ commercial.”	2.18	N

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
Pierre Boisard and Marie-Thérése Letablier (1987 & 1989)	Le camembert: normand ou normé. Deux modéles de production dans l'industrie fromagére, and Un compromis d'innovation entre tradition et standardisation dans l'industrie laitiére	Exploring local, regional French cheese production in the context of increasing globalisation and hence competition. The authors found conflict between domestic and industrial orders of worth (the "standardisation" of the second title is associated with the industrial polity).	In French	3.17, and 1.14	N
Eymard-Duvernay and Marchal, 1993, 1994	S'accorder avec les usager: á l'interface d'un office HLM et de ses locataires and Les régles en action: entre une organisation et ses usagers	Business forms of coordination in a social housing office – Jagd (2011) does not explicate further however it would be reasonable to assume Civic and Domestic orders of worth are challenged by Industrial or Market considerations.	In French hence inaccessible	0.5 & 6.13 respectivel y – the latter clearly influential	N
"Competing orders of worth in non-profit organizations and co-operatives"					
Emmauelle Marchal (1992)	L'entreprise associative entre calcul économique et désintéressement	In considering cooperative organisations these authors show civic, domestic,	In French	2.76	N

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
Enjolras (1993)	Vers une théorie socio-économique de l'association	industrial, and markets orders of worth co-exist	In French	2.61	N
Rousseliére (2003)	Economie sociale et organisation industrielle: Le cas des groupements coopératifs d'entreprises		In French	0.21	N
Dodier and Camus (1998)	Openness and specialisation: dealing with patients in a hospital emergency service		This study is not actually a good fit with orders of worth, comprising an interesting however only peripherally relevant study of prioritisations (patient "worth") in hospital admissions. Was reviewed by Rousseliére & Vézina (2009, p.245) who noted of the results: "Tensions between a civic logic (to answer with the needs for all) and industrial (effectiveness of specialization)"	2.95	N

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
Dapporto and Sagot-Duvauroux (2000)	Les arts de la rue	inspired, civic, and domestic orders of worth co-exist in non-profit theatres	In French	1.06	N
Provost, 2002 (also follow up study by Moursli and Cobbaut, 2006)	Analyse de la coexistence d'organismes non-lucratives, lucratives et publiques dans le secteur de maisons de repos. Une approche par les logiques de qualité also "Analyse de la coexistence d'organismes non-lucratives, lucratives et publiques dans le secteur des maisons de repos"	Differing care home organization types can be seen as a way of accommodating differing perspectives on orders of worth: "between civic and domestic orders of worth (non-profit organizations), between market and industrial orders of worth (profit organizations), and between civic and fame (public organizations)"	PhD Thesis in French – also follow up study	0.53	N
Pascale Daigle and Linda Rouleau (2008)	La fabrication de l'accord entre art et management dans les organisations artistiques: une analyse	A surprising result – a single "industrial" order of worth despite expectations of differences between artists and management which is explained by the purpose of the documents studied –	For the current research, this result is interesting due to the structuralist overtones: form follows function. This means that, in understanding regulatory or firm communications it	0.44	N (in French)

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
	conventionaliste de trois plans stratégiques	investor orientated strategic plans.	can be considered that the potential range of orders of worth is not open to the authors as the nature of the text – the *genre* in discourse analysis necessarily constrains the available set of expressions of orders of worth		
Rousseliére & Vézina (2009)	Constructing the legitimacy of a financial cooperative in the cultural sector: a case study using textual analysis	A quantitatively oriented study, classifying related “chunks” of text (a rather vague term considering the discussion of unit of analysis below). This study is the only prior research to find the presence of a “projective” or project-oriented order of worth given the flexible nature of the organisation.	Worth exploring further to understand how units of analysis may be constructed.	3.13	Y
Paul-Brian McInerney (2008)	Showdown at Kykuit: field-configuring events as loci for	Exploration of tension between Civic, and Industrial and Market orders of worth in a non-profit foundation.	Interesting for the current research as McInerney identifies institutional justifications in a field – which echoes (say) the	10.44	Y

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
	conventionalizing accounts		justifications of the FCA within the regulatory sphere		
Organizational change and competing orders of worth					
Yannick Fronda and Jean-Luc Moriceau (2008)	I am not your hero: change management and culture shocks in a public sector corporation.	The authors considered a public sector organisation over a 10 year period. Having found the presence of “three worlds which appear hard to reconcile: the industrial, the commercial and the civic world” they sum up the reaction to change as “culture shock” and illustrate how this results in varied resistive practices (e.g. “go slow”)	There is a focus on individual actors’ reactions and understandings in contrast to the current work focussed on public justifications.	6	N
Stéphanie Gagnon and Francine Séguin (2010)	Institution and change: possible coexistence	Within a Canadian health care facility the successful navigation, through “strategic” and “professional” competence of potential conflicts between the domestic, the industrial and	The way competence is used to sequence valorisation of orders of worth has echoes of the translation process above.	0.43	N

Author(s) (year)	Title	Subject summary per Jagd (2011)	Commentary	Citations/ year	Include for analysis?
		fame orders of worth are explored.	There is a notable lack of detail methodologically regarding how “values and indicators of social acceptance” and “social worlds” were also analysed – simply “[t]hey were gathered through interviews and administrative documents” (p.141). This lack of detail means that the study is not analysed in detail.		

Table 14 Initial consideration of the studies in Jagd (2011)

Appendix C – Repertoires of qualified objects and subjects in texts

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
FCA 020615	In this text the objects comprise firms, some of which are categorised as banks, others as "shadow banks"	Regulators - priorities include reducing barriers to entry
	The UK (as a place to do business, implicitly in competition with other nations)	Banks
		"The City"
		Customers
		Big banks - existing customers
		Challenger firms "hungrier"
		Established brands "without legacy issues" such as M&S, Post Office and Tesco (elides the fact that Tesco started by using RBS as banking provider behind Tesco brand).
		New or revived brands - Williams and Glynn mentioned however this was work in progress by RBS (which has now been cancelled - results 2016?)
		P2P
		Shadow banks

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
		Small and mid-size firms fintech innovators fintech incubators optimists and pessimists
MYM 090115	Society; Economy; Planet;	Banks (traditional plc), specifically failed banks; p2p lenders; community banks; stakeholder banks (neither if which delineated); "values based principles" for investment; Competition and Markets Authority; "mutuals"; Pension funds; Savings and Investment vehicles; State investment banks; Green Investment Bank; Fund managers;
RBS SUST 15	Royal Bank of Scotland Nat West (Other brands such as Coutts, Adam and Company are not mentioned). Citizens Bank (US) is mentioned only with respect to disposal	Stakeholders Customers: are customers in effect viewed as rational, utility maximisers? What assumptions are there behind customer advocacy as a key goal? Ross McEwen himself. Colleagues.

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Branches are mentioned as "core" (p.3) however also regrettably contingent. European Commission (which forces RBS to divest of branches due to state aid received) is mentioned but not the state: the European action could be interpreted as arbitrary, such a construction distances the bank from an official institution. New technologies such as ApplePay, bank apps with fingerprint authentication, "accessible cards accredited by the Royal National institute for Blind People (RNB)" (p.3)	
RBS15	UK and Irish retail and commercial bank RBS Capital Resolution (RCR) Citizens Financial Group NatWest Coutts Royal Bank of Scotland Ulster Bank RBS in jersey	I (Chairman) recently arrived (not my fault) Predecessor Philip Hampton - thanks Implicitly "the state" as in "state aid" European Commission Williams & Glyn Banks Shareholders RCR Oversight Committee (toward closure) The Board (the board decided p11)

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	"other linked entities" (note no mention of Adam and Co)	independent Commission on banking
	The "global regulatory and supervisory environment"	Department of Justice
		Federal Reserve
		Federal Housing Finance Agency
		National Credit union Administration
		"several" states Attorneys General
		Shareholders Action Groups
		Financial Conduct Authority (FCA)
		UK Government
		UK Financial Investments
		the UK electorate (in respect of the EU referendum)
MYM 160915	big banks which "dominate" the UK market	Banks
	the UK market	Government
	regulations	Regulators
	government ownership	Local communities

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Nominalisation of branches. See also discussion of reading to London train	
BANKTRACK071215	Voluntary principles (document) Coal (mining and coal fired power) Paris COP Summit Paris Pledge to Quit Coal (document) It is noteworthy that when mentioning objects or mechanisms they are not always explicitly qualified (or disqualified). However contextually, as "coal mining and coal power" are within a paragraph discussing drivers of climate change, it is reasonable to assess these as not qualified objects and processes within a green order of worth	Civil Society Global Banks "The sector" (Banks) Climate and Energy Campaign Coordinator at BankTrack Private Banks Campaigner at Friends of the Earth France Climate & Energy program director at Rainforest Action Network The Equator Principles "only adopted language referencing climate change in 2013 […] still have no requirements for banks to reduce their financing of carbon-intensive fossil fuels"

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
PRA ARA2015	National regulation	International bodies
	EU Solvency II Directive for insurers	The EU
	EU Capital Requirements Directive	PRA
	Basel III	Firms
	Pillar 2 Capital Requirements	The Bank of England as a synthesising entity between aspects of regulation?
	Depositor Protection Policy	"Our staff"
	Coverage Ratio	colleagues
	Stable Funding Ratio	Bank of England Resolution Directorate
	Ring-fencing arrangements	Parliamentary Commission on Banking Standards.
	Stress tests	Parliament
	Senior Managers Regime	"boards of firms"
	Senior Insurance Managers regime	intra-firm "legal entities"
	CBEST framework to improve resilience in the sector	new entrants
	Household debt and mortgage borrowing	branches of overseas banks and relatedly, "home state supervisors"

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	The life assurance market	EEA
	"A prolonged low interest rate environment" - there's perhaps a lot to unpack here?	The MPC
	"The official bank rate"	
	the crisis	
PRA CP18/15	regulated firms	boards
	UK corporate Governance Code	management
	PRA approach documents	Financial Reporting Council
	robust and well targeted management information	Chairman
	Senior Managers and	Chief Executive
	Senior Insurance Managers Regimes	recovery and resolution strategies
	Culture (of the firm)	employees
	boards of "material subsidiaries" (of firms)	"relevant sub-committees" - somewhat ambiguous as to what comprises "relevant".
		Dedicated risk committee
	Statement of risk appetite	Chief Risk Officer
		Non-exec Chairman

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Risk control framework	
	Threshold conditions Financial Services Markets Act 2000.	
	Ring fenced banks	
BOE 0615	Fixed	Trading teams
	Income, Currency and Commodities (FICC) markets	Second or third line defence
	Market Abuse and	Sell side firms
	European Market Infrastructure Regulations (MAR and EMIR)	Buy side firms
	and the new Markets in Financial Instruments Directive and	End users
	Regulation (MiFID2) in Europe and the Dodd-Frank Act in the	G20
	United States	international foreign exchange
	Senior Managers and Certification Regimes.	committees
	board levels including "tone from the top"	Banking Standards Board ("established by leading firms")
	ethical and conduct training, peer reviews,	FSB (Financial Stability Board)

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	‘balanced scorecards’ EMIR, MiFID2 continuing professional development new FICC Market Standards Board (FMSB) producing guidelines, practical case studies sharing and promoting good practices on control and governance structures around FICC business lines contribute to international convergence of standards	Parliamentary Commission on Banking Standards (PCBS). senior executive and board levels
FCA 140715	FICC MAR MiFID 2 Dodd-Frank Act (US)	Debt Management Offices "global bond markets" Governments (as borrowers) Investors Bob Diamond (calling for "remorse" to be over)

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	A new global FX code.	Traders Bank chiefs ("appalled") Chancellor of the Exchequer International standard setting bodies like FSB and IOSCO Bank of England FCA RBS, BP Bank for International Settlement's Market Committee
FCA 201015	Firms, Industry Price cap for pay day lending Responsibility for consumer credit now with the FCA	Regulators Industry "Leaders of our banks" FOS (Financial Ombudsman Service) Customers

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
		EY (Ernst and Young) Centre for Compliance and Trust (Cambridge Judge Business School) Shareholders, boards, management and employees. CMA
FCA 221015		Regulator Regulated London's financial markets consumers FICC Market Standards Board Banking Standards Board
FCA 220715	A majority of firms now have cultural change programmes FCA Academy, providing education and training to our	CEO chairman

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	people in order to help them deliver on their job	FCA (then) OFT (transferred consumer credit to FCA Simon Davis [David Review] Martin Wheatley (then CEO of FCA)
FCA 220715 2	Senior Managers Regime Certification Regime (new) conduct rules Culture change credit cards, cash savings, retirement income, as well as looking at the current account switching service Pensions freedom Mortgage Market review	FCA Firms Directors Government Smaller firms including credit unions PRA Retail Distribution Review (RDR) Financial Advisors Treasury, the Department for Work and

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	FCA Mortgage Conference	Pensions and The Pensions Regulator
	Mortgage Credit Directive	
	five add-on	
	markets like travel, gadget insurance, GAP insurance for the motor industry, home emergency,	
	personal and accident add-on insurance	
	Consumer Credit Regime	
	Pay day loans (and cap of 2x borrowings as maximum total repayable)	
	Scams and national campaign	
BARCLAYS ARA 2015	legacy products and businesses that are neither sufficiently profitable nor strategic for Barclays	Shareholders
		debt investors in Barclays
	Barclaycard	Barclays Africa Group Limited
	Barclays UK	22 million retail customers, and almost one million
	Barclays Corporate & International	Business banking clients.

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	UK ring-fencing requirements	Barclaycard is the number one card issuer in Britain with close to 11 million UK card customers.
Coop ARA	Stress Tests - a literal test	SME customers
	Individual	Bank Of England
	Capital Guidance (ICG) by 2019 and the Regulator's PRA buffer	The Core Bank
	the Risk Management	IBM (outsourcing IT)
	Framework	customer facing colleagues
	Senior Managers Regime	YouGov
Barclays Approach	Stress testing	Stakeholders
	risk "frameworks, policies and standards"	Customers
		Financial Policy Committee of Bank of England
Coop SER	The Ethical Policy as mechanism for referral, consultation albeit not spelled out in this text. It is not apparently "embedded [] into	Customers, businesses and organisations
	our Articles of Association" (edited for clarity)	"Vulnerable customers and those in financial difficulty"
	Workplace values, codes of conduct and culture	Suppliers and external organisations

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Overdrafts, credit cards and new current account	Regulators
	The Hive launched in October [business support programme for people keen to start or grow a co-operative or community enterprise]	Colleagues
		Government
		Shareholders
		Values and Ethic Committee
		Refuge (charity) - "My Money, Mylife" campaign (p.6)
		Fundraising "festive fundraiser" activity generated £100,00 - note specifically there is mention of (some form of) bank match funding - that is to some extent the bank matches volunteer money raising.
HSBC15	Development of Asia business	Investors
	Higher return businesses	Departments or business units such as: Global Banking & Markets, Commercial Banking, Principal Retail Banking, Wealth Management
	US Consumer Lending and Mortgage portfolio	Clients
	Industrial Bank (stake now sold)	NAFTA
	RW Assets	

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
HSBC Approach	Product Governance Processes (p.36)	Customers
	Alert customers by text message p.36	"50,000 businesses" (customers and potential customers) p.36
	Customer complaints (and "tools for understanding their causes")	Apple
	Seeking feedback from customers (p.36)	Extel
	Commercial banking research programmes (p.36)	HSBC France
	Competitor benchmarking	Agricultural Bank of China (ABC)
	Brand Tracking	Team dedicated to bus rapid transit systems
	Customer surveys	United Nations Partnership on Sustainable Low Carbon Transport
	RBWM (p.36 - Retail Banking & Wealth management	Parents returning to work
	"350,000 customer surveys"	International Labour Organisation
	Technology	
	Climate Change (note as "challenge" as risk) - also stated as "opportunity" for customers (presumably green technology providers)	

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Innovation and digital capabilities	
	Enhancing security	
	Financial Transactions	
	Customer Data	
	Apple Pay mobile payment	
	Live-chat online customer service	
	Online banking platform	
	Extel survey	
	Asset management business joined the Montreal Pledge to disclose the carbon intensity of its portfolio (p.36).	
	Green bond issued 2015 for the first time	
	Investment sectors: renewables, energy efficiency, sustainable waste and water management, sustainable land use, climate change adaptation, and clean buildings and transportation.	
	Flexible working programmes	
	"agenda free exchange meetings" (p.38)	

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Webcasts with senior executives	
	Training programmes (including “values led leadership training for all employees" p.38)	
	HSBC Confidential Whistleblowing platform	
	Performance review processes	
	Variable pay considerations	
	At our best online recognition tool for all employees (p.38)	
	Certified, sustainable palm oil	
	Training on sustainability risk policies (2,300 attendees)	
	Suppliers' code of conduct	
	Project finance lending policies	
	Sustainability risk policies	
	International Slavery Act	
	International Bill of Human Rights	

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	UN declaration of human rights	
	International Labour Organisations Declaration on Fundamental Principles and Rights at Work	
	Community Investment Activities	
	UK Code of Practice for the taxation of banks	
	US/Foreign Account Tax compliance act	
	OECD Standard for Automatic Exchange of Financial Account information	
	CRD IV	
	OECD Base Erosion and Profit Shifting ("BEPS") Initiative	
Lloyds ARA 2015	Key customer segments; SME customers	Customers (the best bank for… p.9)
	Helping Britain Prosper Plan	Shareholders
	"time barring" (PPI)	Financial Conduct Authority
	low interest rates - can be seen as a mechanism constraining	The UK Government

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	bank profitability (amongst the other effects of low interest rates otherwise known as "financial repression")	Competition and Markets Authority
	the UK economy	SME customers
	EU referendum	Financial Policy Committee
		TSB (Trustee Savings Bank, now sold)
	ring-fencing	Fitch, Moody's, and Standard & Poor's (ratings agencies)
	Minimum Requirements for own funds and Eligible Liabilities (MREL)	Suppliers
	capital requirements	
	Credit Default Swaps	
	Multi-brand and multi-channel [approach]	
	Remote advice proposition	
	Online real-time mortgage approval in principle	
	Simplification programme	
	Consumer Finance business	
	Help to Buy (Govt scheme)	

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	Funding for Lending (Govt scheme)	
	Scottish Widows with profits fund	
Lloyds SER	Britain	Construction Industry
	Social Housing	First Time buyers
	UK economy	SMEs
	the pensions market	António Horta-Osório, Group Chief Executive
	"Our Group"	[Charitable] Foundations
	Branches	Sara Weller CBE, Independent Director & Chair, Responsible Business Committee
	Online [services]	
	Stakeholders	
	Senior Leaders	
	External Partners	
	Independent Stakeholder Panel	
	Scottish Widows	
	Opinion formers	

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	colleagues	
	community formers	
	Responsible Business Committee	
Std Chtd AR&A	External environment (also "economic and geo-political backdrop") (p.3) and "underlying demographic trends" (p.5)	Clients (and client relationships)
	each "set of results"	Bankers
	Chinese equity markets	Management Team
	commodity markets	"Rising affluent populations in our markets" (p.3)
	Balance sheet	Mark Smith Group CRO
	Rights issue	Simon Cooper to head Corporate and Institutional Banking
	"these [idiosyncratic risk] positions are being assertively managed out"	Shareholders
	Corporate and Institutional Banking	"Small and medium sized corporate clients"
	Commercial Banking	"experienced regional managers"
	"Special Retirement Plan"	"emerging affluent client segments"

Repertoire per text		
Text	Repertoire Objects and Mechanisms	Repertoire of Subjects Agents and Motives
	UK Bank Levy	Priority Clients (as a subset of Retail Clients)
	Regulatory costs	Shinsegae (one of the largest retailers in Korea. SCBK agreed to place small banking units in the retailer's stores)
	Cash management and financing mandates	US Authorities
	Renmimbi services	Financial Conduct Authority
	credit risk approach	
	Corporate and Institutional Banking; Private Banking; Wealth Management (divisions)	

Table 15 Repertoire of qualified objects and subjects in texts

Appendix D – Overview of Boltanski's (2011) paradigm of "Critique"

In considering Boltanski's (2011) discussion of the nature of critique, Figure 6 illustrates the Kantian critique of rebellion against the law/sovereign (Williams, 2003) as a form of "substantive normativity". From Figure 6 and the above discussion, the current research is concerned with a non-constructivist form of the social contract that allows for examination of tests of "procedural normativity" (Boltanski, 2011) – as highlighted in Figure 6 below. The orders of worth framework provides a means of examining the testing of ideals or norms developed from a non-constructive perspective on the social contract.

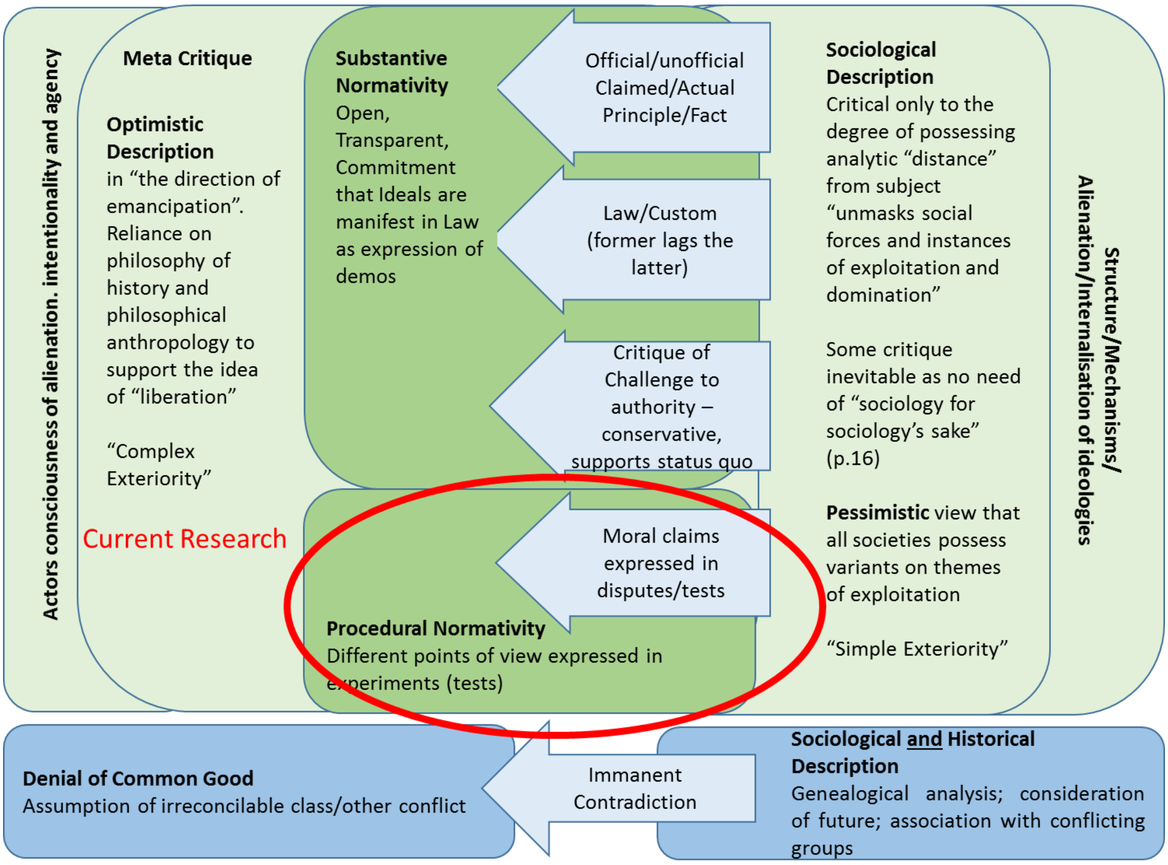

Figure 6 Approaches to "Critique", author's interpretation of Boltanski (2011, pp.10-17)