Updating the Critical Perspective on Corporate Social Responsibility

Gerard Hanlon* and Prof Peter Fleming
University of London

Abstract

This paper argues that Corporate Social Responsibility (CSR) is a key element of the new neo-liberalism as it searches for both legitimacy and new sources of innovation. Rather than simply being a fraud or a drain on resources as CSR is often portrayed, we argue that it is one of a suite of practices that corporations are deploying as they seek to shift the nature of social regulation away from collective to more individual solutions. While the criticism that CSR is corporate propaganda has purchase, we explore a deeper development. This development is one wherein as the old ways of capitalist regulation were surpassed in the 1970s and 1980s new social practices such as CSR, Human Resource Management, ethical marketing etc. were deployed as a way of engineering new forms of identity, new expectations of individuals and institutions and new sources of legitimacy and social value. Social criticism needs to take this development more seriously (than the propaganda view) since it frames CSR as a predatory facet of this new neo-liberalist tendency.

Updating the critical perspective on corporate social responsibility

In this paper, we extend the critical perspective on CSR by examining how the contemporary corporate practice of CSR reflects shifts in the nature of late capitalism. We provide this examination of CSR for two reasons. One, unlike many of the authors writing about CSR (see for example, the recent *Harvard Business Review* 2003, Matten et al., 2007) we wish to examine CSR as a socio-economic phenomenon rather than simply as a business or management issue. Two, we also see CSR as one part of a broad, differentiated but related change, wherein corporations are increasingly appropriating social life and using arguments about self-actualization, social responsibility, and ethical behavior to legitimate their activities. We also suggest that CSR must be considered critically as more than propaganda; instead, in our view, the critical perspective on CSR must now integrate how CSR is a predatory form of extending corporate power under late capitalism.

Introduction

Almost every large corporation in western economies now makes some effort to indicate how they are committed to communities that ostensibly lie beyond basic business objectives (i.e., making profits). One need only take a cursory glance at the websites of large multinationals such as British Petroleum, Shell, British American Tobacco and BT to notice that firms in many industries and sectors create much fanfare around their corporate responsibility initiatives. Indeed, what has come to be called Corporate Social Responsibility (or CSR) is now a key marketing and branding reference point for most large and medium sized corporations.

This trend extends beyond controversial industries that invest in CSR policies such as those involving petroleum or tobacco products. For example, a large industry is built around ethical business (with the Bodyshop and Fair Trade being early examples). This industrial group claims to make profits while avoiding the exploitation of people and natural resources, minimizing what economists call 'negative externalities'. Moreover, today CSR is also an academic growth industry. CSR is increasingly written about in business and management journals, prestigious journals such as the *Journal of Business Ethics* are devoting more space to CSR and the UN runs a University network for responsible management.

Given that altruistic kindness to nature, animals and other stakeholders can conflict with the economic imperative to make money, there has been much discussion about what exactly drives capitalist enterprises to focus on business ethics and 'giving back' to society above and beyond minimum legal requirements. There are generally two widespread theoretical positions to make sense of CSR given this question. The first views CSR as a sincere mechanism through which corporations can balance their profit-seeking behavior with the concerns of other agents or stakeholders including workers, consumers, non-governmental organizations and so-forth. This is largely a pro-business understanding of CSR, in which capitalism is considered redeemable via a concern with ethical conduct. The second theoretical approach is very critical of the assumption that CSR represents a fundamental shift in the largely brutal corporate pursuit of profits. In this study, CSR is considered more of an ideological 'smoke screen' designed to either soften the image of firms engrossed in the rampant pursuit of profit (at any cost) or a way to deflect attention away from an unsavory core business model. As Roberts (2003) puts it:

> My fear is that all this talk of ethics is just that – talk; new forms of corporate self-presentation that have no reference to or influence on what is practiced in the name of the corporation, beyond those associated with good public relations. In this form, corporate social responsibility is cheap and easy; a sort of prosthesis, readily attached to the corporate body, that repairs its appearance but in no way changes its actual conduct. (Roberts 2003: 250).

For sure, the fact that British American Tobacco consistently ranks extremely well in the Dow Jones Sustainability Index,' which showcases the world's most ethical firms, is cause for cynicism. In this sense, and as Banerjee (2007) points out, CSR might be considered more a public relations gimmick, or representative of some cynical 'enlightened self-interest,' than a serious corporate concern with the ethical and political implications of capitalism. From the critical perspective we identified earlier, any sustained analysis of CSR ought to be sympathetic to the view that CSR is a form of capitalist ideology that is intended to pull the wool over people's eyes. One only has to contrast actual actions against the CSR polices of British America Tobacco, Shell and Easyjet (to name but a few), and their espoused commitment to the environment and consumer health, to confirm this critical perspective.

In this paper we extend the critical view of CSR by examining how the contemporary corporate practice of CSR reflects shifts in the nature of late capitalism. We provide this examination of CSR for two reasons. One, unlike many of the authors writing about CSR (see for example the recent *Harvard Business Review* 2003, Matten et al., 2007) we wish to examine it as a socio-economic phenomenon rather than simply as a business or management issue. Two, we also see CSR as one part of a broad, differentiated but related change, wherein corporations are increasingly appropriating social life and using arguments about self-actualization, social responsibility, ethical behavior etc. to legitimate their activities. We suggest CSR must be considered as more than propaganda. In our

view, the critical perspective on CSR must now integrate how CSR is a predatory soft power form of extending corporate influence in late capitalism. We argue that CSR is a key element of the neo-corporate search for both legitimacy and new markets.

We advocate an understanding of CSR that extends beyond viewing CSR as just a fraud or a drain on resources, as CSR is often portrayed. While the criticism that CSR is corporate propaganda has much credence, we hope to advance the critical perspective by placing CSR initiatives within the context of a changing nature of capitalism, whereby new sources of legitimacy are sought outside the traditional realm of business. This development is one wherein as the old ways of capitalist regulation were surpassed in the 1970s and 1980s and new social practices such as CSR, Human Resource Management (HRM), ethical marketing etc. were deployed to engineer new forms of identity, new expectations of individuals and institutions, and new sources of legitimacy and social value. Social criticism needs to take this development more seriously than the propaganda view, as CSR is now an important predatory arm of this neo-corporate tendency.

What is corporate social responsibility?

In some of the less wealthy areas of London, one can see a strange collection of people that is almost reminiscent of a Lars Von Trier film. Indeed, one of the authors came across such a tragic-comedy gathering a few months ago in East London. A group of smiling young men and women dressed in uniform t-shirts were leading another group of decidedly anxious blind people down a street in which the encroaching business district was hastening the gentrification process of East London. The crowd bustled along, white canes tapping erratically and the young t-shirted chaperones dragging them along, creating a spectacle in which passers-by (such as myself) either stopped and watched, or briefly glimpsed up as the haphazard show moved by. From a distance, most of the audience to this little theatre of the blind would have surely assumed it was the work of a Christian group attempting to provide services to the less fortunate (and let others know about their good deeds by putting on such a display). However, upon closer inspection it was not a crucifix or the insignia of the local parish that was observable on the uniformed t-shirts – rather, the name and trademark of a very prominent management consultancy was visible. These young men and women of the corporate world were engaged in a popular CSR exercise in which employees with social progressive values are able to 'give back to the community' during company time.

CSR now represents a large and relatively prominent aspect of management and business practice and scholarship. In corporate business, firms now aim to give the impression that their pursuit of economic rationality is either aligned with other values and interests (that might have been previously ignored) or can add social goods to the community above and beyond profit-maximization. For example, in the above example of *pro bono* work, CSR is an attempt to assure the community that an otherwise ruthless management consulting firm does have a 'heart' and a 'soul' and can do good even in the brutal climate of corporate consultancy.

The components of CSR

In the realm of scholarship, CSR is studied from a business ethics point of view, and generally takes two forms. The CSR framework can be used as a criterion to dissect various business practices, usually in a critical mode that we will soon discuss in relation to legitimacy. The second take on CSR is more managerially oriented and attempts to identify

the value added potential for firms that adopt CSR initiatives (here CSR has largely been subsumed by strategic management [see Mcwilliams and Siegel 2001]). In the corporate world, CSR has a long and variegated history. Industrial capitalists (especially the exceedingly wealthy ones from the US including Carnegie, Ford, Rockefeller and Gates) set up philanthropic arms in order to enhance the reputation of their firms. In the US, much of the debate was around the meaning of corporate capitalism in the context of private ownership and the politics of redistribution in the face of market forces. For some, including Berle and Means (1932) and most notoriously Milton Friedman (1970) social responsibility was outside of the remit of managerial expertise, and actually undermined the broadening of social wealth via the market mechanism (also see Leavitt 1958). Interestingly, CSR was initially a term of indictment by right-wing intellectuals regarding the dangers of corporations turning to social issues outside of their profit-seeking mandates.

While various forms of corporate social responsibility initiatives have been a keen aspect of industrial capitalism (especially in the form of charities, philanthropy and so-forth), today CSR has developed into a prominent and cogent corporate discourse involving marketing, recruitment, employee motivation, governmental regulation and a keen awareness of shifting consumer values. In its contemporary guise, CSR is defined in pretty consistent ways in various quarters of the business world. For example, these are some of the definitions used to capture the phenomenon (see Blowfield and Murray 2008: 13):

> CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis (European Commission, Directorate General for Employment and Social Affairs).
> Corporate Social Responsibility is the proposition that companies are responsible not only for maximizing profits, but also for recognizing the needs of such stakeholders as employees, customers, demographic groups and even the regions they serve (PricewaterhouseCoopers).

Corporate Social Responsibility in business practice has today moved well beyond mere philanthropy. It includes a multifaceted set of corporate practices that attempt to attend to the ethical implications of the firm. This may include recruitment initiatives (whereby the corporation is considered a more 'progressive' employer), social accounting and reporting (where firms publish a report on its impact on the environment, workers, etc.), an aspect of corporate culture (using fair trade coffee in the office) and most importantly, a high level of brand and reputation management. Key reference terms in the jargon of CSR are stakeholder management, corporate sustainability and corporate accounting. Stakeholder theory argues that the for-profit firm must consider all stakeholders (consumers, workers, government, etc.) as having a stake in the organization. Proponents often argue for this point in terms of good business practice rather than mere altruism since some stakeholders may damage the reputation of the company (e.g., Greenpeace) or could be useful to enhance value. Corporate sustainability calls for activities that are sustainable for future generations (along social, economic and environmental dimensions) and accountability connects in with the post-Enron drive for managerial transparency and dialogue.

In much business literature, a quiet contradiction that lies at the heart of these definitions is put aside – that is, whether the business enterprise can 'do good for society' as well as make profits for itself. Answering this question depends on the firm under investigation, and more importantly, taps into a deeper ideological framework regarding how capitalism is thought to function. Many governments and big business think tanks, for example, believe that there is little contradiction since the goals of business and other

stakeholders can be aligned. Notwithstanding these tensions, it is safe to say that not even the quintessential philanthropist, Andrew Carnegie, would have envisaged the CSR capabilities of the corporate form manifesting in a manner where employees would venture into the poorer areas of the metropolis with cane-tapping blind people in tow. Why are firms and the corporate business world suddenly so interested in being perceived as agents of community ethics and 'social justice?

Conventionally assumed drivers of CSR

The so-called 'business case' for companies adopting a CSR policy that requires resources above and beyond the regulatory and legal minimum is manifold. CSR enhances reputation among consumers and lobby groups, pre-empts government regulation and offers other benefits. Because of broader cultural shifts that have occurred in an era of late capitalism, CSR has now become a new phenomenon. For example, what exactly makes organizations such as BP and British American Tobacco invest so many resources into its apparent contribution to broader society, when only 20 years ago, it would have been exceedingly difficult to find a CSR statement in the corporate sector? It is also doubtful that the corporation would have put such emphasis on CSR issues on its own accord. Therefore, what has changed?

Most of the assumed causes of CSR in business posit the motivations for CSR as being outside the firm. In this view, organizations are reacting to shifting societal values and expectations. For example, in the post-Enron era of skeptical consumers and citizens alike, organizations now have to place more emphasis on what their corporate practices are actually adding to the well being of the community at large. Consumers are now decidedly more unwilling to accept visible profiteering. The Nike and Gap cases from the 1990s are good examples. Child labor and sweatshops discovered within their supply chains markedly changed the marketing (if not the actual material production) process. The consumer boycott of Nestle following the powdered baby milk scandal had a major impact on the firm's operating practices (also seen in permutations in governmental regulation). However, these are extreme cases. In relation to mainstream purchasing patterns, there is indeed much debate about whether consumers really care about the CSR profile of the products or firms that they endorse. For sure, ethical products associated with environmental and worker friendly business processes are often purchased by middle and upper-middle classes who are more likely to afford them. Some surveys tracking the consumption patterns in the European Union indicate that most consumers are concerned about the ethical status of the products, but only 1 in 5 would purchase a more expensive product on these grounds (Crane and Matten 2007). In the grip of an economic crisis, fewer are willing to do so. The recent attempt by organic produce farmers to reform regulations to allow them to use pesticides in the face of dwindling demand reveals an increasing willingness to have cost considerations trump ethics.

Another driver for firms to take up CSR is considered the changing values among employees. The contemporary firm is attentive to the problem of enticing and motivating the emergent generation-Y group of employees who might otherwise find capitalism and the world of business antithetical to their own values. Increasingly, business ethics and CSR consulting firms are selling the programmes to companies as a way to ameliorate classic human resource problems in the face of a changing employee demographics (the so-called unmanageable generation-Y group) and in light of a pervasive anti-corporate cynicism in the popular imagination. CSR becomes not only an external branding exercise to appease the consumer, but a way of tapping into and addressing the otherwise

extra-employment concerns of workers, and smoothing over the dissonance that may arise in enterprises that might have more harmful effects on the community (petroleum, arms, alcohol and tobacco companies are good examples here). British and American Tobacco (or BAT), for example, have articulated a charter regarding the importance of human capital in their enterprise. The company openly acknowledges that its products are somewhat 'controversial' and nevertheless, they have developed a very elaborate CSR programme concerning the importance of bio-diversity, human rights and fair wages for workers down the supply chain.

The final driver to identify is linked to the central tenet of our overall argument. Many rightly suggested that CSR is driven by a heightened concern with corporate reputation and legitimacy. Indeed, in a post-Enron and 2008 credit crisis environment, the firm has undergone a major legitimacy crisis. Given the market and that private enterprise is failing in terms of economic crisis and corruption, and in broader social terms of worker and consumer rights, the natural environment and the creation of poverty, a distinct and profound distrust now exists among most citizens of the west regarding the corporation, even through they participate, depend on and support them now more perhaps than they ever have.

2   It is clear that in many cases CSR represents a pre-emptive or reactionary public relations exercise for consumers, the state, workers and so-forth. However, we suggest that the typical criticism of CSR as propaganda that is intended to soften the image of an otherwise uncaring profit-seeking enterprise) needs to be contextualized within broader shifts in the nature of capitalism. Once we do this, we then can outline how CSR is coming to represent a predatory corporate practice, in which firms prospect and appropriate aspects of the non-corporate (and even anti-corporate) sectors in order to enhance their own interests.

CSR and the changing logic of capitalism

Corporate Social Responsibility is good business only in so far as it does not hinder the bottom-line. Moreover, CSR is good business in that it fulfils an important ideological function linked to the legitimacy of the corporation. This is important in the context of the widespread cynicism and political opposition that corporations have attracted in the last few years. However, we need to move our analysis to deeper structural permutations in order to grasp the full complexities of this legitimation strategy. CSR has entered into the mainstream discourses of large corporations and governmental policy. The 'new' corporate form coincides with a certain change in the cultural logic of capitalism. We argue that CSR mysteriously appeared to fill the legitimation breech left in wake of a reconfigured state. As Hanlon right points out, this is not to say that the state has disappeared, as 3 some assume in the CSR and business ethics field (see Matten and Moon [2005] for example in relation to corporate citizenship) but has been rebooted to be more supportive of the transnational corporation. How do these changes connect with CSR discourse and practice?

The post-Fordist moment

4 Building on the work of Aglietta and others, we argue that capitalism has shifted from 5 one regime of accumulation to another – what could be termed from Fordism to post-Fordism. These two systems of organizing capitalism are different (see Aglietta 2000; Hanlon 2007; Lipietz 1987). For the purposes of this paper what is significantly different

are two things – sources of legitimacy and of innovation or appropriation. Fordism's legitimacy was built upon a strong labor movement, rising productivity and profits and a strong state with an emphasis on welfare and full-employment. At the core was an agreement about the division between accumulation and consumption.

In the 1970s, this tripartite agreement between capital, labor and the state began to break down for economic reasons (e.g. the power of organized labor, the oil crisis, the collapse of profitability, the rise of Europe and Japan's challenge to the USA), but also for social reasons, as people rejected the way of living Fordism offered to them. For example, one could interpret the women's movement, civil rights movements, growth of alternative ways of living, anti-colonial and neo-colonial movements and so on as a desire by those deemed to be excluded from Fordism's benefits to develop better lifestyles. People on the right (Bell 1974, 1976) and on the left (Harrison and Bluestone 1988; O'Connor 1973; Young 2001) both argued this point. But capital also sought an end to the tripartite regime because it was beginning to undermine profit. It expressed its discontent through an increased desire to shift overseas, to expand the international nature of the division of labor, to undermine trades unions in the West and to put pressure on the state to undermine the social gains achieved by labor.

A significant transformation in the social structure occurred when capital shifted production away from a national mass production system, to now a global system of flexible specialization. They also altered how labor was socially reproduced from collective to individual solutions – hence they shifted the value of 'abstract labor' (Aglietta 2000; 388–445). All of this brings in its wake the need for a new form of social regulation – that is a new way of legitimizing a changing capitalism and its social relations. If the old tripartite system between the state, labor and capital was demolished new forms of organizing and legitimizing were required. Here, we argue, is where CSR, HRM, and ethical marketing emerged to fill the void. If one accepts them then corporations will be responsible (no need to regulate or to task the state with tasks); HRM will ensure that the corporation will look after the individual employee who works hard so we do not need collective solutions; ethical marketing means that our consumption, wants, desires, dreams are safe in the hands of our long term partner – the corporation. We are not suggesting that this is a thought out, pre-planned strategy, it was not and it is still being worked out today (see Aglietta 2000). However, we believe the curtain is lifting on what this new legitimacy will claim. These claims are based not on chastening capitalist social relations but deepening them. Post-Fordism has two notable features; one, the spatial expansion of capitalism and its social relations and two, an expanding and deepening of commoditization so that more and more areas of social life are opened up to the market place, e.g. education, health, childcare, care for the elderly, biodiversity, genes, etc. It is within this heightened exposure of the social processes that legitimacy must be considered. Not only does the corporation mystify business practices by manipulating bio-diversity, fair trade, and other forms of traditionally non-corporate resources, but these resources themselves must be prospected, objectified and put to work.

Legitmation by appropriation

The analysis of the capitalist context of CSR demonstrates how its strategy of corporate legitmation is strategically linked to broader shifts in capitalism. However, we want to emphasize how legitimation in this sense is not merely window dressing (or 'green-washing'), but involves a tactical corporate foray into the social body itself in the wake of vast societal restructuring. Now, given the rise of a variety of social protests, including the

anti-corporate movement, CSR frames grass root initiatives to deal with this crisis as an opportunity to exploit and/or create new markets. As Foucault (2008; 117) puts it 'What is at issue is whether a market economy can in fact serve as the principle, form, and model for a state, which because of its defects, is mistrusted by everyone on both the left and the right, for one reason or another.' Such a task means that the market is given the role of informing the state about how it should act and reform social relations.

Our contention is that in the present environment, the state has freed up the firm to be more at the heart of institutional life and the social structure. The firm now has more power to reshape society but in order to do so, it needs legitimacy in the eyes of the population. Here is where some of the corporate shifts of the past 20 years begin to make more sense. As Foucault highlights, unease with the state extended on both the left and right as the glow of the postwar boom faded. The state was increasingly seen not as a solver of problems but a generator of them and more and more groups began to seek solutions outside the state. Corporations via CSR are one such group although what CSR is seems to be a moving feast as we grow our way toward a new legitimacy. We can see this in the very language expressed in the definitions of CSR mentioned earlier – lets read them again in light of the above argument:

> CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis (European Commission, Directorate General for Employment and Social Affairs).
> Corporate Social Responsibility is the proposition that companies are responsible not only for maximizing profits, but also for recognizing the needs of such stakeholders as employees, customers, demographic groups and even the regions they serve (PricewaterhouseCoopers).

All the trappings of capitalist prospecting are present here. However, what seems key is an attempt by corporations to take over roles that were once considered more rightly those of the state, unions etc. e.g. environmental protection, responsibility for employee welfare, regional development, and so on. In short there appears to be a bid by the corporation to legitimate itself as the main source of security in Post-Fordist society even though many would see it as a source of instability (Polanyi 1957). Yet the corporation is doing so at the very time that it is downsizing, job insecurity is on the increase, and regional inequality is growing. Is CSR and the corporate claim to probity in this context merely a cynical ploy? At one level yes, perhaps it is, but we also believe the modern CSR is more than this. Like the commodity form, CSR is complex and can legitimately be a variety of contradictory things, e.g. the desire of senior management to clean up the environment, to increase profitability and to ensure basic human rights (Roberts 2003). CSR also can be concealment, contradiction, structure, domination, power, but it is also an embodiment of desires, wants, aspirations, talents. In a newly emerging social structure CSR can be both a way to imagine a better future and to socialize and justify an unequal present. This basic legitimating function is one strain of CSR. However, perhaps as important if not more is its second more predatory function – to appropriate innovation and opposition.

CSR as social parasite

We might view the vast majority of CSR initiatives and programmes like the one with which we opened this chapter with a degree of scepticism. When we observe companies such as Shell, BAT, McDonalds, Nike and those active in the arms industry for example, develop, communicate and revise extremely elaborate CSR.

polices and initiatives, then for most, at least, alarm bells ring. One of the best instances is that of Royal Dutch Shell. In the 1990s, its Nigerian drilling activities were linked to the oppressive governmental polices of the Nigerian government and its gangs who perpetrated human rights violations. The Ogoni peoples protests against Shell's activities and its profiteering in Nigeria reached its zenith when the government executed the poet Ken Saro-Wiwa. Shell, has had a questionable history in Nigeria and Africa, involving accusations of environmental and human rights abuses on an massive scale.

With the mounting criticism of its highly dubious business practices still continuing in Nigeria (especially in relation to flaring in which oil field gas emissions are burnt off, causing considerable health hazards for the local people −95 percent of emissions are flared in Ogoniland compared with 0.6 percent in the United States), Shell Nigeria has crafted a very colorful CSR campaign. One only has to visit the Shell Nigeria website to witness some major damage control in action, with the ideology almost dripping off the webpage – consisting pictures of fresh fruit and happy locals. At one level, CSR is functioning here as a legitimating ideology. How so? It creates a false impression of the firm and attempt to legitimate its activities by demonstrating how ethical they are. In this sense, CSR may detract from the firms more nefarious operations, or function as a kind of 'smoke screen' for consumers and regulators. Shell Nigeria executives probably think to themselves that even if its looks like a hypocritical sham to most commentators, orchestrating such a colorful CSR veneer is better than nothing or admitting the brutal truth.

Legitimacy as innovation

Legitmation via CSR entails an important predatory element. Rather than CSR representing harmless and easily dismissible propaganda (as many critics suggest), CSR is a form of propaganda that preys on non-corporate forms of life or even opposition in order to enhance economic value through reputation. For example, one recent thrust of the CSR discourse has been the importance of authenticity (for further analysis, see Fleming 2009). The trick is to pre-empt the criticism that a firm's CSR campaign is 'fake' or 'phoney' and yield a manufactured aura of authenticity. In relation to youth empowerment programmes, one consultant advises the following techniques:

> Generation-Y are the future consumers and employers across the private and public sectors. The need to create an authentic experience to this market is paramount … The authenticity of your CSR initiatives depends ultimately on the people you choose to leverage. In the areas of youth and ethnic diversity – you must engage those who have strong reputations in their communities and who have the ability to connect to these audiences …. (Dockery 2008, 2).

The proper political economy of CSR is evident here since the authenticity claims that underwrite the legitimacy of the firm are actively sought through traditionally non-corporate sources. For CSR to be authentic, it must not only point to something that is outside the commodity form (an event that instantly draws this so-called exterior into a tenuous relationship with economic rationality) but also utilize it, parasitically feeding on its connections and networks.

The parasitical logic of CSR can be positioned in the context of an emerging social structure of accumulation in which the state has cast aside a number of its 'social welfare' functions, creating the requirement for an autonomist civil social order if capital is to reproduce itself. Consider this excerpt from advocates of the business case for CSR in relation to its benefits for corporate innovation: 'this [CSR] spending may well be a source of growth, since many of today's most exciting opportunities lie in the controver-

sial areas such as gene therapy, the private provision of pensions, and products and services targeted at low income consumers in poor countries. These opportunities are large and mostly untapped, and many companies want to open them up' (Cogman and Oppenheim 2002: (1). In a similar vein, *The McKinsey Quarterly* has recently suggested that the next big markets for corporations are based in the developing world, new technologies especially biotechnologies, and through privatizing the welfare states of the major economies (Cogman and Oppenheim 2002; Davis 2005). In an attempt to open up these markets, capital and the corporation have to be seen to be legitimate, ethical, and responsible. Similarly if corporations are to exploit the innovative power of civil society via a 'get volunteers to build your business' (Cook 2008) then they need to be seen as entitled to such appropriation rather than parasitic. We ought to consider CSR as an extension of this prospecting logic.

Opposition and life as innovation

This conceptualization of CSR is a far cry from the view that CSR represents: (1) a corporate world finally finding its ethical compass, reining in its more excessive and damaging elements to come into line with the values of society or (2). an easily dismissed piece of reactive corporate ideology. From a more critical perspective, CSR is not harmless propaganda or the humanization of the corporation for consumers or workers, but an attempt to colonize the non-commodified world and an attempt to further entrench the logic of profit within the social body. As Hanlon notes:

> CSR represents a further embedding of capitalist social relations and a deeper opening up of social life to the dictates of the marketplace … CSR is not a driving force for change but the result of a shift from a Fordist to a post- Fordist regime of accumulation at the heart of which is both an expansion and a deepening of wage relations (Hanlon 2007: 157).

A prominent example of what Hanlon refers to is perhaps the way criticism of the corporation itself is now targeted as a source of innovation and corporate legitimacy via CSR policies. A firm proponent for CSR argues that 'From a defensive point of view, companies that ignore public sentiment make themselves vulnerable to attack' (Davis 2005). But Davis then goes further, seeing this unease with capitalism not as a threat but a market opportunity. He comments 'Social pressures often indicate the existence of unmet social needs or consumer preferences. Businesses can gain advantage by spotting and supplying these before their competitors do'. To be innovative, to be strategic and spot these opportunities, corporations increasingly need to engage with their interlocutors. They need more porosity and engagement with those who are antagonistic, they may need CSR to unlock new markets and value? Take for example, the way in which Fair Trade has been co-opted by companies such as Nestle. The company continues to sell its usual products, but also aims to position its brand among the shelves of more 'ethical' products in the hope that it will enhance their overall brand value and reputation. CSR here is a pro-active incursion into the social, be that the impoverished blind, charismatic members of youth networks or indigenous landowners (in the case of BP's pre-emptive CSR strike to secure the Baku-Tblisi-Ceyhan pipeline [see Crane and Matten 2007).

Conclusion

This paper has argued that CSR should be seen as a contradictory corporate practice that represents predatory modes of legitimacy and appropriation. A key element of CSR today

is the importance of perceived corporate authenticity. This facet of CSR harbors contradictions since many see through CSR policies as rather clumsy propaganda – it cannot deliver the promise it offers us. But this does not make CSR a lie since the effects of the discourse are of utmost importance. If CSR highlights capitalism's increasing need and desire for legitimacy, then it also demonstrates how corporations are appropriating increasing areas of social life, the weakness of capital as a source of social innovation and finally the ongoing desires, wants, dreams of a better future expressed on behalf of the many. CSR's contradictory nature allows us some access to capitalism's truth. It is also a good example of how 'civil society' is not a given but is rather a created entity. CSR is also only one element in the unfolding regulatory structure of Post-Fordism alongside HRM, ethical marketing, an emphasis on identity, social entrepreneurship and forth.

Short Biography

Gerard Hanlon is a Professor of Organizational Sociology at Queen Mary. His research interests include social theory, the nature of market societies, corporate social responsibility, the relationship between the state and the market, political economy, the work of the middle class, professional organisations, and industrial sociology.

These interests coalesce around the contested goals of organisations, how labor is mobilized to achieve these, the reasons why, and the ways within which, these goals are reconfigured.. Such processes take place within a broader societal environment that, under capitalism, is structured by the shifting relationship between state and market. He has researched these interests with particular reference to middle class and professional employment and within organisations such as the large accountancy firms, law firms, and the NHS.

Peter Fleming's research focuses on the political economy of corporations and the relations of power that underlie them. One line of investigation explores the way in which conflict and resistance constitutes the formal corporate form currently dominating western economies. Another area of interest is the cultural politics of work organizations, and the modes of ideological control that operate to enlist the participation of labor. He also researches corporate corruption and the social dynamics that characterize it. He has published the following books:

Fleming (2009). Authenticity and the Cultural Politics of Work. Oxford: Oxford University Press.

[8] Fleming and Zyglidopoulos (2009). Charting Corporate Corruption: Structure, Agency and Escalation. London: Edward Elgar Press.

[9] Fleming and Spicer (2007). Contesting the Corporation: Struggle, Power and Resistance in Organizations. Cambridge: Cambridge University Press.

Note

* Correspondence address: Prof. Gerard Hanlon, Mile End Road, London, UK, E1 4NS.
E-mail: g.hanlon@qmul.ac.uk

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