REVIEW ARTICLE

Corporate Social Responsibility: An Anthropological Approach to Understanding CSR as Global Governance

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ABSTRACT

Corporate social responsibility (CSR) has become a crucial element of development projects, and this has led anthropologists to speculate on the unintended consequences of positioning big business as givers of aid. Supported by international law and governments that deregulate businesses who practice CSR, corporations move freely across borders into countries whose communities become dependent on corporate aid dollars. Corporations assert their financial might by funneling their aid dollars through partnerships with non-governmental organizations (NGOs) in the countries where they operate. An examination of the structure of partnerships formed between and among corporations, governments, and NGOs shows that they are imbalanced in their power structure and this imbalance extends to the target populations of CSR programs. This paper examines the ramifications of these power imbalances through an assessment of Coca-Cola's activity in India and Israel alongside a review of the work of anthropologists in the area of CSR. Through this examination, I argue that CSR programs are instilling corporations with political influence that enables them to vie for global governing power, demonstrating that this dynamic has dire consequences for both the communities with whom corporations are interacting and the environment.

Keywords: corporate social responsibility, Coca-Cola, partnership, governance, NGOs, anthropology, sustainability

INTRODUCTION

On a recent episode of Shark Tank an up-and-coming business declared that in an effort to offset any potential harm their business activities would have on the environment, they would be donating a portion of their profits to charitable organizations that focus on conservation (Shark Tank 2020). The practice of attempting to negate one's bad deeds with a seemingly ethical offset is prolific in business, not only in new businesses just starting out. When Coca-Cola was presented with evidence that their business practices were leaving villagers in India without clean water, something that threatened the villager’s health and livelihoods, Coca-Cola put forth a report in which the company glazed over the ill effects of their practices and drew attention instead to their aid work. Rather than address concerns surrounding water usage, Coca-Cola's report outlined their financial support of various agencies working in India, including UNICEF, who carry out projects surrounding HIV/AIDS (Raman 2007, 109). The question of whether corporations inherently carry social responsibility for their actions permeates popular culture. As comedian Jim Gaffigan laments, “McDonald’s is like, excuse me, we sell burgers and fries . . . what do you want
from us America?” (Gaffigan 2020, 8:00). Further, Anthropologist Dinah Rajak asserts that not only do the public have expectations of corporations’ social responsibility, but much of academia is positing corporations as the next step for development initiatives (2016, 30).

In 2002 at the World Summit on Sustainable Development, corporate social responsibility (CSR) was predicted to be the panacea for development issues (Dolan and Rajak 2016). CSR has since become the norm in both development and transnational business (Dolan and Rajak 2016) and anthropologists are in a position to examine the reciprocity of the relationships that CSR programs create with local populations. In “Corporate Social Responsibility and Development: An anthropological perspective,” John Sharp argues that the role of anthropologists in the study of CSR should be to speculate on the implications of positioning big business as engines of development. He asserts that currently academia is too focused on whether or not CSR is functioning in the way that corporations claim it is and not enough attention is paid to the process of how they are attempting CSR (2006, 213). By looking at the work of anthropologists Robert Foster (2014), Dinah Rajak (2016), and Ravi Raman (2007), as well as sociologist Tamar Barkay (2011), it is revealed that much of the research surrounding CSR for consumer goods businesses has focused on the operations of the corporations themselves. A further assessment of CSR programs demonstrates that the impacts of corporate activities have serious implications not only for the people in the communities in which they operate but also for the environment. Partnerships, policies, and international laws favor corporations and create power imbalances that impede governmental and community action aimed at addressing sustainability issues inherent in consumer businesses. With a focus on Coca-Cola, a company that had a head start on globalization and is now in over 200 countries and territories (The Coca-Cola Company Investors 2019), I assess corporations’ global influence. This paper examines the ramifications of the rise of corporations as engines of development and shows that positioning corporations as givers of aid infuses them with political and financial power over the communities and organizations with whom they partner.

IN PARTNERSHIP TOWARDS CSR: CORPORATIONS, GOVERNMENTS, AND NGOS

Anthropologists Rajak (2016) and Foster (2014) both maintain that partnership is the umbrella under which CSR functions and maintains itself. While corporations have formed partnerships with many outlets, including governing bodies, it is with non-governmental organizations (NGOs) that they have found their most productive home. Foster traces the birth of partnerships between corporations and NGOs to the 1999 Seattle World Trade Organization protests. Following the protests, the public relations firm, Edelman PR Worldwide, conducted a survey that concluded that NGOs hold positions of trust among the public at twice the rate of corporations (Foster 2014, 250). According to Foster, partnerships operate as a way for corporations to divert attention away from critiques of their business practices (2014, 243). He provides two examples of partnerships that Coca-Cola has maintained, which appear to pander to this goal. One of the examples, World Wildlife Fund (WWF), with whom they partner to address water conservation, is an NGO. The other example that Foster provides is Coca-Cola’s partnership with musical front man will.i.am. for a lifestyle brand called EKOCYCLE, in which sports apparel is marketed as having been made with recycled bottles. Coca-Cola claims the goal of this initiative is to educate the public about recycling and responsible buying (2014, 243). This example shows the differing ways that corporations can use partnerships. While
projects like EKOCYLE satisfy customer concerns, it is partnerships with NGOs that corporations use to quiet their critics.

Foster delves deeper into the role of partnerships in CSR through his examination of the writing of Coca-Cola's 2004–2008 CEO, Neville Isdell, who coined the term connected capitalism. In his assessment, Foster describes connected capitalism as a system in which those who form partnerships are working together towards their own interests and proposes that the partnerships maintained by Coca-Cola extend beyond self-interest to a type of “postpolitical governance” (2014, 250). Arguing that Isdell’s system relies on the assumption that corporations have personhood, Foster contends that the nature of partnership is reciprocal and that in a reciprocal relationship the person, “precedes the relationship of partnership” (2014, 248–249). However, he points out that corporations as artificial persons do not have all of the rights or responsibilities of a person. The person, therefore, is usually a representative of the company such as a corporate executive (2014, 249). As a corporate executive has limited liability, this caveat reinforces their role as simply an actor within the corporation. The structure of a corporation, which provides protection of the individual, inhibits any responsibilities tied to that individual’s actions. The personhood then is found in the corporation as a single entity, who acts in partnerships with other single entities, such as NGOs. Thus, through these processes, the definition of personhood is redefined in relation to partnerships. Foster asserts that postulating personhood onto corporations may have unintended consequences that will, “end up enlarging the corporation’s rights, privileges, and immunities” (2014, 250).

Dinah Rajak also explores the role of partnerships in CSR. In, “Theatres of Virtue: Collaboration, Consensus, and the Social Life of Corporate Social Responsibility” she asserts that while partnership has always played a role in development projects, the appeal of partnerships has broadened in the practice of CSR (2016, 32). Her field work on the subject takes place in what she refers to as the “social life” of CSR, namely, conventions, conferences, and awards ceremonies of the global elite, who act as representatives of corporations, governments, and NGOs (2016, 31). These conventions are commonplace, and her description shows that they resemble any other kind of business conference with shiny pamphlets and luxurious breakfasts. However, Rajak asserts, these gatherings are where the players of CSR enact their global corporate citizenship (2016, 31). The ability for corporations to enact global citizenship is accelerated by their relationships with governments. Both Foster and Rajak assert that the role of governments in partnership with CSRs is one of de-regulation, with Rajak citing former British Prime Minister, David Cameron, who promised to reduce regulations for businesses who practice CSR (Rajak 2016, 35; Foster 2014, 243). Deregulation provides clearance for partnerships between corporations and NGOs that absolves govern- ments of their own obligations to development work and allows them to shift responsibility to corporations. Further, governmental action is hindered by international treaties that include Investor-State Dispute Settlement (ISDS) systems, which discourage governments from introducing regulations that may impact the finances of foreign corporations. ISDS systems allow foreign corporations to sue host governments if those governments enact regulations, including environmental protections, that lead to a loss of income for the corporations (Jovanovic 2017, 155). The threat of legal action combined with deregulation allows corporations to move across borders in ways that governments cannot. This freedom of movement further solidifies corporations as suitable partners for NGOs.
THE BALANCE OF POWER

Partnerships forged between corporations and NGOs are imbalanced in their power structure. The asymmetric nature of this relationship can be understood in gendered terms, as is demonstrated by interpreting Rajak’s (2016) ethnography through the lens offered in Sherry Ortner’s, “Is Female to Male as Nature is to Culture.” Ortner (1972) argues that the universality of women being considered inferior to men stems from an association of women with nature, which is socially devalued in comparison to culture, with which men are associated. As the projects of NGOs often involve addressing environmental issues, these entities are associated with the earth and placed in an affiliated role with nature. Additionally, human rights initiatives undertaken by NGOs position them as caretakers, much as women in many societies are the caretakers of children. Conversely, cultural activities, as described by Ortner, create artificial resources, which sustain the culture of a society (1972, 16). The activities of corporations, for example, wealth accumulation and the creation of consumer goods, maintain and contribute to the cultural activity of the global economy and marketplace. Ortner asserts that women are not “‘in reality’ any closer (nor farther from) nature than man,” but rather, the association of women with nature is expressed by the devaluing of women’s roles within society (1972, 28). NGOs are similarly devalued as their association with nature activities places them on the outskirts of the economic marketplace. Corporations subsequently feminize NGOs and assert their dominance by othering and excluding NGOs who do not co-operate wholly with their vision.

The role that governments play in development work also perpetuates the feminization of NGOs. Governmental policies, particularly those aforementioned relating to the deregulation of corporations, lead to governments shirking their responsibilities for development work onto corporations. As such, the partnerships between governments and corporations sustain the imbalance because as the governments withdraw their support, NGOs become dependent on corporations for the monetary resources they hitherto received from governments. Rajak (2016) speaks with a representative of WWF who asserts that it is necessary to work with corporations to effect change, as the only solution to sustainability will be a common solution. However, Rajak points out that when NGOs disagree with corporations, they are accused of being adversarial and uncooperative (2016, 40). Those who argue against specific CSR programs are accused of being reckless and destroying corporate reputations (2016, 41). This attitude leads to critics being either silenced or excluded from the conversation around CSR. Similar to Ortner’s description of subversive women, symbolized as witches and castrating mothers (1972, 26), the accusations mounted against NGOs portray such critiques as the “overreactions”, of an “hysterical” woman. Therefore, both the formation and maintenance of partnerships between corporations and NGOs are influenced heavily by the corporation’s position of power, which is effectively levied by the respective government, and through the feminization of NGOs. This structure leaves NGOs vulnerable to having their funding slashed if they do not act in accordance with the will of corporations.

Rajak describes a similarly imbalanced relationship between corporations and activists that is explored in greater detail by Ravi Raman (2007). Raman conducts his study of CSR in India where Coca-Cola has been accused of depleting water sources that villagers rely on. He examines how the claims Coca-Cola presents in their documentation interact with the lived experience of both local populations and those communities for whom Coca-Cola states their programs are developed. Two years after Coca-Cola set up a bottling plant in Plachimada in Kerala, public health officials told villagers that the local water supply was
no longer safe for consumption. Many villagers, however, were already plagued with skin and stomach disorders (Raman 2007, 108). In response to the accusation of groundwater depletion, and the presence of heavy metals in the environment as a result of their bottling practices, Coca-Cola said, “We take these concerns seriously and we continually work to ensure that our products and practices are world class and safe” (Raman, 2007, 109). Although Coca-Cola attempted to assuage fears, their focus remained on the safety of their products and not on how their actions were affecting those in the communities in which they operate. Additionally, while Coca-Cola insisted that they not only follow but exceed legal standards, Raman points out that when the high court in India ruled that the water belonged to the citizens, and that the government had had no right to allow access to private companies, Coca-Cola continued their extraction (2007, 109–110). Raman writes that in their report Corporate Responsibility Review, Coca-Cola maintains that they listen to both NGOs and their critics (2007, 106). However, when informed by community members that their activities were causing harm, Coca-Cola did not cease their operations (Raman 2007, 108). Coca-Cola’s refusal to address the concerns of the locals, and their disregard for the high court, led to an initiative of protests referred to as the Anti Coca-Cola Campaign (Raman 2007, 108). This campaign received support from various human rights activists and as the protests grew, other communities joined in what Raman referred to as a “Solidarity of ‘everyday’ forms of resistance” (2007, 109).

The shift from people as actors in the target populations of CSR programs to activists affects the relationships between corporations and community members. As community voices morph into those of protest, their message is devalued and is purposefully left out of the conversation of CSR. Rajak describes a situation during the conference, “Spheres of Influence: Understanding human rights in business,” that surprised her fellow convention goers and which at first glance appeared to be giving marginalized activists a voice. Protesters who had gathered outside of the conference hotel were invited in and briefly given a platform to speak. The activists, who had travelled from Thailand to London to protest the convention, contradicted the theme of the gathering by declaring that claims that community members were giving consent to corporate planned projects were false. They asserted that within their community people were not in co-operation with corporations and were being “forcibly removed from their land” to make way for a pipeline (Rajak 2016, 36). The activists appeared to have circumvented the high entrance fees that normally present a barrier to having their voices heard, and Rajak states that the unusualness of this was pointed out by paid conference attendees who exclaimed that they had never seen anything like it (2016, 36). The effectiveness of the activists’ trouble was short lived, however, as their presence took up only a small paragraph in the conference report, which declared simply that they had been there and had voiced their displeasure (Rajak 2016, 36). Allowing the activists in to speak but silencing their words postscript highlights how presentation of moral character contributes to maintaining partnerships. As NGOs have different relationships with activists than corporations do, allowing the activists in was likely designed to placate the NGOs and to sell them on corporations’ good intentions. As Foster writes, Edelman asserts that fostering relationships between corporations and NGOs helps to protect the global reputations of corporations and aids in averting negative press (2014, 250). 

GOVERNING POWER
To further the preservation of their reputations, corporations utilize language from NGOs for their CSR programs. This works to borrow from the trust that NGOs have built
with the public. However, Rajak asserts that it is appropriation and amounts to a colonization of the language (2016, 43). Arturo Escobar states that, “Language is alive, its meaning always dictated by the context” (1995, 169) and corporations guide the life of the language of CSR. Raman asserts that the discourse surrounding CSR is constructed by the corporations themselves (2007, 105). The language used by corporations further contributes to a power imbalance and allows for corporations to increase their governing power. In India, for example, Coca-Cola termed their hazardous waste byproducts, ‘biosolids’ and gave them to local communities to use as fertilizer (Raman 2007, 112). These byproducts, however, were found to contain toxic metals and other materials that could lead to a host of medical problems. Raman asserts that Coca-Cola's terming of their hazardous waste byproducts as biosolids showcases the “Power politics played by hegemonic forces” (2007, 109). Foster further argues that the allegations against Coca-Cola in India highlight the purpose in partnerships between corporations and NGOs as being one of harm reduction and he specifically addresses Coca-Cola's relationship with WWF. Foster describes the partnership between Coca-Cola and WWF, which began in 2007 with a purpose of water conservation and climate protection, as representative of Isdell’s ideas of connected capitalism (2014, 252). The benefits of these partnerships are succinctly described by Rajak, who asserts that alliances between corporations and NGOs are an exchange of moral capital for monetary capital (2016, 43). WWF receives monetary benefits for helping Coca-Cola to, “Minimize their water and energy use throughout their supply chain” (Foster, 2014, 252). The criticism of this exchange, Foster points out, lies specifically with the language Coca-Cola used by promising to minimize their use of water to make bottles of water. Language is used by corporations to elevate their actions and Foster points to what Benson and Kirsch call corporate oxymorons, alleging that Coca-Cola's use of language is designed to minimize their harm and protect their reputation, similar to terms such as, “safe cigarettes” and “sustainable mining” (2014, 252).

Sharp however, argues that these practices are not merely a smokescreen to hide corporate intentions, rather, CSR is, “An orderly system of knowledge and practice that embodies particular ways of interpreting and acting on the world” (2006, 215). The discourse of CSR changes the path of development from the government model of categorizing beneficiaries as those entitled by citizenship, to one whose recipients are stakeholders in host communities (Sharp 2006, 215). As corporations gain power in governance their decisions in “host communities” begin to usurp those of the local governments. This is demonstrated by Sociologist Tamar Barkay in her study of Coca-Cola's presence in Israel in, “When Business and Community Meet: A Case Study of Coca-Cola.” Coca-Cola's CSR programs in Israel included A Child’s Smile, a program that provided monetary and fundraising support to fourteen women’s shelters. However, even though the shelters had become dependent on Coca-Cola’s funding for their operations, in 2004 Coca-Cola’s marketing office in Atlanta determined that A Child’s Smile did not properly integrate community programming with their business interests, and it was de-funded (Barkay 2011, 282). Coca-Cola decided instead to begin renovating parks, as this was a community project more closely aligned with their “healthy lifestyle” programming. Barkay’s study of the project showed that while Coca-Cola partnered with local government officials, who suggested certain parks badly in need of renovation, Coca-Cola quickly overruled their suggestions and sought instead parks with high visibility for the logos that they incorporated into the design of the park. Barkay asserts that Coca-Cola took liberty to frame and define the community’s needs, a direct demonstration that corporations’
CSR projects benefit their own branding and marketing needs over the needs of the target populations of their programs (2011, 284).

Barkay (2011) interviews two key players in the projects that showcase the intricacies of government and corporate partnerships. First, she speaks to a government official who laments that every year they have less funding from municipalities, and, as such, are dependent on outside sources of funding. Second, she interviews a representative of Coca-Cola. The representative complains that recipients of funding do not anticipate new CSR practices and instead expect donors to be like old style philanthropists, who gave money with no expectation of participation in the projects. The participation of corporations in the execution of CSR programs, coupled with the governments increasing dependence on them for development, form what Barkay says in the literature is a type of new governance, which she refers to as, “a configuration whereby state and non-state stakeholders share authority and divide social tasks between them through dialogue, learning, and cooperation” (2011, 285).

However, as demonstrated, while corporations posit themselves as partners, these partnerships, whether with NGOs, governments, or community members, operate with a power imbalance that favors the corporations. The cooperation that Barkay speaks of, while present, is controlled by corporations that strong-arm the other parties. Corporations take no responsibility for this as Isdell accuses governments of lagging behind corporations and NGOs as they form strong partnerships with each other (Foster 2014, 253). Furthermore, if “new governance” entails competition, as Barkay asserts it does (2011, 280), then governments are playing a role that will ultimately benefit corporations as they contribute to a dependency on corporate money for development, leaving the door open for corporations to pick and choose their target demographics based on their bottom lines.

The bottom lines of corporations have evolved beyond profit to encompass political power. Friedman, whose 1970 essay Foster refers to, calls social responsibility “A fundamentally subversive doctrine” (Friedman 2020, 4). Friedman argues that because corporations are responsible to their stakeholders, any money spent on social responsibility is money that belongs to someone else—namely the stakeholders. As such, social responsibility forms a kind of tax system where corporations’ appropriate stakeholders “tax” dollars for aid programs. He contends that as this should be a function of government, social responsibility runs the risk of “Taxation without representation” (Friedman 2020, 2). As corporations access increasingly larger pools of money and expand their roles as givers of aid, their political influence increases and perpetuates dependency in the communities in which they are present. Moreover, the fulfilling of corporations’ bottom lines brings with it an additional cost. Just as bottom lines have evolved from financial purposes to governing power, the cost of granting corporations these rights and freedoms has evolved beyond risks to local communities to encompass risks surrounding global climate change.

**SUSTAINABILITY AND ENVIRONMENTAL IMPACT**

Coca-Cola’s former CEO Neville Isdell laments, “As if companies owe society a debt for making a profit” (Foster 2014, 250) and anthropologists have uncovered that corporations are not paying their debts to the communities in which they operate. Furthermore, corporations cannot return to the earth those resources which they deplete from it. When Coca-Cola implements environmental programs aimed at water preservation they are not working for the environment, or for the people from whom they have taken the water. Rather, they are working to fill their bottles, manufacture their bottles, and to make a profit.
Coca-Cola’s product is dependent on the use of water in both production and design. Without water, Coca-Cola has no product and as a consumer business, they rely on consumption of a product and thus, they rely heavily on water. Coca-Cola set an objective of increasing the efficiency of their water use within their manufacturing practices by 25% from their 2010 usage (The Coca-Cola Company 2018). However, not only is a 25% reduction from overuse still overuse, but the reduction is based on a per bottle system. As such, any increase in sales increases the number of bottles manufactured, which negates any reduction in water usage. In fact, ten years after their pledge, in their second quarter earnings in 2021, Coca-Cola reported an increase of 14% in soda sales and a 25% increase in their juice and dairy products over their 2019 numbers (Lucas 2021). Increasing consumption is fundamental to the success of consumer business plans and this introduces a conflict of interest for corporations who wish to address climate change.

Corporations seek to address the issue of overconsumption with sustainable manufacturing. However, the overuse of resources cannot be managed by sustainable manufacturing if corporations’ business models are based on increasing consumer consumption. The United States Environmental Protection Agency (EPA) touts sustainable manufacturing as a solution for businesses looking to minimize environmental impacts while improving their brand ideation (EPA 2020). “Sustainable manufacturing” continues the trend of corporate oxymorons presented by Foster (2014) and discussed earlier. Manufacturing inherently involves the use of resources and as such, challenges the notion of sustainability. For example, the company Etee promises to manufacture their products using only sustainable materials. Instead of plastic containers, their soaps are encased and shipped in biodegradable beeswax (Etee, 2021). While this model addresses the issue of after-product pollutants, it does not address the resource extraction that would be required to provide this product worldwide. The EPA suggests that sustainable manufacturing involves focusing on competitiveness rather than efficiency (EPA 2020). This presents a problem for companies, like Etee, who are addressing global environmental issues, as competitiveness relies on growing their consumer base. As consumption of Etee’s product increases so too will the need for beeswax and eventually the balance of sustainability will shift.

Coca-Cola and Etee’s “sustainable manufacturing” practices are implemented and regulated by the companies themselves. By showcasing Coca-Cola’s disregard for their impact on community member’s health in India, Raman demonstrates that allowing corporations like Coca-Cola to self-regulate has had detrimental outcomes. While Coca-Cola asserts that they follow local laws (Raman 2007, 109), they do not acknowledge that local laws vary from country to country and do not take responsibility for those countries unprepared for the impact that corporate activity brings to their communities. Developed countries have strict laws and policies surrounding corporate governance and corporations do not inherently carry those policies into the developing countries where they manufacture and set up aid programs. Additionally, treaties that include ISDS systems not only lead to further de-regulation, but most ISDS claims are made against the governments of developing countries by corporations who hail from established economies (Varghese 2017, 6). ISDS systems disadvantage developing countries by limiting their governments' options for recourse once the corporations have established business practices in their country. If governments wish to enact policies that interfere with the profits of foreign corporations, it leaves governments financially responsible for those corporations' losses. Further, continuing a trend of self-regulation of environmental impacts places corporations in opposition with themselves.
The financial outcomes of consumer corporations are dependent on access to resources, such as the water that Coca-Cola is reliant on. Self-regulation with any hope for a meaningful impact on climate change would require corporations to initiate regulations that restrict access to the resources that they utilize in their products. As governments and international laws encourage deregulation, corporations are left with no oversight but their own. This leaves communities, NGOs who partner with corporations, and those who care for the environment in a position of reliance on corporations to choose to undermine their own consumer growth and ignore opportunities to seek financial gain through legal recourse.

CONCLUSION

The work of the aforementioned social scientists demonstrates that corporations are superseding governments in development, in both action and financing. Corporations carry increasing influence in the countries where they operate, and that influence goes beyond consumer habits and into governance. Imbalanced partnerships between corporations and NGOs further increases corporations’ influence as they pick and choose which NGOs will be able to continue operating based on whom they choose to fund. Governmental policy and international law have provided opportunities for corporations to become the main funders in community projects; however, as Raman and Barkay point out, projects undertaken by corporations often ignore the needs of the community. So, while there may be representation, the interests by which a corporation’s development dollars are distributed are determined by the corporations themselves.

Partnerships between corporations and NGOs have created a system where corporations are not dependent on the communities in which the resources they need are housed, but rather the communities become dependent on corporations for their development dollars. Rajak writes about corporations’ involvement in local projects and global partnerships stating, “The service of local development have proved a particularly powerful tool for recruiting support from noncorporate actors, while marginalizing dissenters from the arenas in which these cosmopolitan alliances are forged” (2016, 40). When corporations gain credibility as instruments for social change, those who oppose them become increasingly marginalized. If deregulation continues and corporate power increases, the checks and balances will belong to the corporations themselves and global decision making will be in the hands of artificial structures, posited as people, with limited liability to either humanity or nature.

REFERENCES


