Neo-liberalising corporate social responsibility: A political economy of corporate citizenship

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ABSTRACT

In this paper we situate the rise of corporate social responsibility in the context of a re-casting of the boundaries between corporate- and state-centred regulation. We argue that this process can be understood in a theoretical framework of "rolling-out" neoliberalisation. We focus firstly upon an emergent CSR consultancy industry within the UK context, demonstrating that there is now a network of organisations dedicated to making profit out of socially-responsible corporate behaviour. These organisations have helped to re-define the nature and meaning of the private sector. Then we interpret global framework agreements on corporate behaviour (such as the UN Global Compact, the Equator Principles, and the World Economic Forum's Global Corporate Citizenship Initiative) as examples of how neoliberalism is created in and through new "in-between" spaces that set the rules of political action. Subsequently, we note that some NGOs have recently recognised the limits on campaigning for more socially responsible corporate activity, and re-connect these concerns with longer-term debates on corporate voluntarism versus state-centred regulation. We conclude that demonstrating how hegemony is constructed in and through neo-liberalising corporate social responsibility remains to be fully explored, but argue that it is beneficial to consider the diversity of political projects involved in this ongoing process.

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1. Introduction

Corporate social responsibility (CSR), broadly defined as the notion that companies should accompany the pursuit of profit with good citizenship within a wider society, has become an increasingly prominent feature of business life over the last 10 to 15 years. CSR now features on most board room agendas, and has in some countries become a management sub-discipline in its own right. This growth has been accompanied by the emergence of a steady stream of research centres, business school programmes, and CSR champions. All of these are dedicated to the identification, understanding and dissemination of the benefits (to both business and society) of the adoption of outwardly more socially-progressive forms of corporate behaviour (see for instance Hawkins, 2006; Hopkins, 2003; Vogel, 2006). The age of the corporate citizen has, at least in some accounts, dawned (Zadek, 2001).

In part, the rise of more socially-responsible corporate behaviour can be interpreted as a response to increasingly well-organised anti-corporate campaigns, which have been spurred on by the possibilities of global scale coalition-building, and have targeted in particular the worst (or at least the most visible) excesses of corporate exploitation over issues such as labour standards, workplace conditions, and environmental impacts (Sadler, 2004).

In that sense there is a lively debate over the significance of particular ways of implementing and monitoring corporate responsibility programmes, such as ethical trading initiatives and corporate codes of conduct (Hughes, 2001; Jenkins et al., 2002). There is an emergent literature exploring geographical variations in the impacts of CSR in practice (see for example Gouldson, 2006; Hughes et al., 2007). Research has explored how retailers learn to trade ethically; in particular Hughes (2006) explored some of the practices through which firms are adapting their ways of operating so as to incorporate the idea of ethical responsibility. It is now widely accepted that ethical trading and corporate codes of conduct – two of the most significant manifestations of corporate responsibility programmes – involve a displacement of core regulatory functions (over issues such as working conditions and environmental sustainability) from the state to the corporate sector. As yet, however, there has been relatively little sustained critical engagement with the wider implications of CSR as a set of activities in its own right, in terms of the re-drawing of the boundaries between corporate- and state-centred regulation that CSR represents. In this paper we therefore seek to situate the changing relationship between corporations and society as one part of an ongoing process of "rolling-out" neoliberalisation (Peck and Tickell, 2002). This process has been contested, but in this paper we focus in particular upon some of the key actors and frameworks that have constituted the recent rise of CSR as business discourse and practice. These are the emergent CSR consultancy industry – the

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firms and organisations that facilitate socially-responsible corporate behaviour through creation of codes of conduct and communications strategies – on the one hand, and the global statements on corporate social and environmental priorities which have become increasingly prevalent on the other.

The paper is structured as follows. We develop further the argument that CSR is appropriately understood in terms of the shifting role and nature of private versus public political space. We chart the rise of the CSR consultancy industry in the United Kingdom, identifying the issues that have emerged within a country which has in many ways been at the forefront of these developments. Then we interpret global framework agreements on corporate behaviour as an example of how neoliberalism is created in and through new "in-between" spaces that set the rules of political action. Subsequently, we argue that re-capturing the political economy of CSR necessitates going back to a more critical perspective on the nature of the firm in society. Here, we argue that lessons from an earlier era of debate on global corporations are instructive, and that some NGOs have recently recognised the limits of corporate-centred campaigning. This section also describes some of the tensions and dilemmas that engaging with CSR programmes poses for anti-corporate campaigning organisations. The conclusions pick up on these historical parallels and current debates. We suggest that exploring the diversity of political projects in debates around corporate citizenship is an important area for further research.

2. Corporate social responsibility and "rolling-out" neoliberalisation

Neoliberalisation (as process) and neoliberalism (as resultant condition) have become both increasingly used and contested concepts over recent years. As the reach of neoliberalism spreads ever-wider however, it appears that there is growing debate and disagreement over its meaning, significance, and explanatory power. Ward and England (2007, pp. 11–13) identified four broad readings of neoliberalism, and we utilise this categorisation here to situate our account.

Firstly, neoliberalism can be seen as an ideological hegemonic project, in which political dominance is secured through the exercise of class power. Some in this tradition have tended to be totalising in their assertion of ruling class supremacy. For instance Harvey (2007, pp. 23, 41) argued that neoliberalism had "swept across the world like a vast tidal wave of institutional reform and discursive adjustment", a consequence of a "whole generation of sophisticated class struggle on the part of the upper strata to restore class dominance".

Secondly, Ward and England (2007) distinguished neoliberalism as policy and programme. This interpretation emphasises the transfer of ownership from public to private, and a re-working of what these two terms mean. This is closely related to a third view, as restructuring of state form, through the re-drawing of boundaries between civil society, market and state. For example Peck and Tickell (2002) distinguished between "roll-back" and "roll-out" neoliberalisation. "Roll-back" neoliberalisation was a first stage of a process that began in the late 1970s in North America and Western Europe, particularly the USA and UK. This was characterised by deregulation and dismantling of previous regulatory systems, as the boundary between public and private spheres was dramatically (and in some cases forcefully) transformed. During the 1990s however, a new phase of roll-out neoliberalisation emerged, one marked by the construction and consolidation of new state forms. These are at one and the same time powerful and intangible precisely because rolling-out neoliberalisation has invaded what they term the "spaces in between". These are the

rules by which public policy, corporate performance and social welfare, amongst others, are measured and judged.

Fourthly, Ward and England identified neoliberalism as governmentality: the way in which relations across and between peoples are imagined, assembled and translated to create neo-liberal subjects. In this tradition, the emphasis is on neoliberalisation as an embodied process of subject formation.

To date, much of the debate about rolling-out neoliberalisation has emphasised its welfare, social and urban policy dimensions. Peck and Tickell (2002) for instance highlighted issues such as crime and policing, immigration, urban surveillance, and community regeneration, as arenas in which new principles of service delivery had been constructed (see also May et al., 2005; Ward, 2006). Individualisation and marketisation go hand in hand in this new world. Research has thus documented some of the forms of what has been called "actually existing neoliberalism", its precise manifestation in specific and varied circumstances (see for example Brenner and Theodore, 2002).

Presenting an alternative viewpoint, Barnett (2005) has argued that theories of neoliberalism provide a "consoling" image of how the world works, but one which is fundamentally flawed. He suggested that the use of "neoliberalisation" as an explanatory concept reproduces a narrative in which recent history is understood in terms of a motivated shift away from public-collective to private-individual values. In this story, neoliberalism describes a hegemonic project, a programme of governance arrangements that emphasise privatisation and competition. This hegemony works by uniting elite interests and subordinating wider populations. Those concerned with the geographies of neoliberalism "can reassure themselves about their sensitivity to difference and contingency by insisting that 'neoliberalism' arrives differently in different places, combining with other processes to produce distinctive manifestations" (p. 8). But, he argued, a recurrent limitation in this invocation of hegemony is that it lacks any clear sense of how consent is actually secured, particularly at the level of everyday life. On that basis, he continued, "perhaps the best thing to do is to stop thinking of 'neoliberalism' as a coherent hegemonic project altogether" (p. 9). Instead, attention should turn to the pro-active role of bottom-up socio-cultural processes such as changing consumer expectations, the decline of deference, the refusals of the subordinated, the politics of difference, and contested inequalities.

The hegemony of neoliberalism has been confused, argued Barnett, with what is instead a muddled set of opportunistic adjustments to the unstable dynamics of social change. Rather than coherence, the political processes of the last three to four decades represent a series of unscripted responses to grass-roots processes. Worse still, the narrative of 'neoliberalism' sets up an over-simplified view of the world divided between forces of hegemony and voices of subversion, with no room for "political actors that do not conform to a romanticised picture of rebellion" (p. 11). Theories of neoliberalism are thus unable to recognise "new and innovative forms of individualised collective action because their critical imagination turns on a simple evaluative opposition between individualism and collectivism, the private and the public".

Barnett's critique of neoliberalism is provocative and powerful, and his call for greater sensitivity to the diversity of forms of political agency is timely. The criticism that many theories of neoliberalism appeal to hegemony without demonstrating how it is secured at the base is well made. We argue however that to infer there are no coherent political projects (or none of any significance) is false. Rather, we seek to show in our analysis of the rise of CSR how a range of sometimes mutually reinforcing, sometimes contradictory, political processes are at work. To argue this might be criticised on the grounds that it is simply another "characteristic gesture of revelation" (Barnett, 2005, p. 10), but there is a world of difference between magically "unveiling the real workings of hege-