



## CORPORATE SOCIAL RESPONSIBILITY & DEVELOPMENT: A KNOT OF DISEMPOWERMENT

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*Their goal is not to earn money, but to change the world  
(and, as a by-product, make even more money).*

Slavoj Žižek, 2006.

### I.-INTRODUCTION

James Ferguson describes development as an “anti-politics machine” (Ferguson 1990). According to Ferguson, development does not necessarily expand the capabilities of the state; instead it brings about a major restructuring of the state and the relations between the state and civil society. Presenting itself as technical enterprise, instead of a political one, development is always in expansion: it always has problems awaiting solution by “development” agencies and experts. By de-politicising this expansion, the state’s interventions in society are promoted and social contestation minimized. Initially conceived as the leading protagonists in the development process, states have increasingly become mere facilitators of market-based development policies (Faundez 2000a). A well functioning market economy and socially engaged corporations now occupy a preponderant role in the achievement of development. In this context, shifting the burden of development onto the private sector confirms Ferguson’s argument about the expansive nature of development and the transformation of the state on its behalf. The question remaining is how the anti-political side of development is translated in the relations between businesses and civil society? This essay contends that the language in which corporate-led development is conducted effectively precludes a critique of the corporate role in development, since contemporary development discourse, in the form of Corporate Social Responsibility (CSR), has adopted the same categories and logic that corporations use to manage public attitudes towards their activity (Blowfield and Frynas 2005; Frame 2005; Hopkins 2007).

Taking development as a discourse, instead of a theory or a fact, is both a methodological decision and a critical stance. As a discourse, development permits the systematic creation of objects, concepts, and strategies, establishing what can be thought and said. It determines who can speak, from what points of view, with what authority, and according to what criteria of expertise, and it sets the rules that must be followed for a problem, theory, or object to emerge and be named, analysed, and eventually transformed into a policy or a plan (Escobar 1995: 41). A discursive analysis of development must therefore bring out the dynamics of power that sustain the intersection of the specific form of knowledge in which the discussion is framed (e.g. neoclassic theory or environmental science), the subjective shapes that emerge within

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such discussion, and the technology – the instrument, the procedure or the device – that serves as a pragmatic vessel of the discourse itself (Foucault 1991). In this essay, I argue that CSR is an elongation of the discourse of development, sustained by a particular managerial knowledge that has as core values the economic viability and expansion of the corporation and the proactive nature of business relations. CSR is thus a powerful thread – a powerful technology of governance – that connects current thinking in corporate management and development.

The concept of “social responsibility” embedded in CSR raises the question of whether firms, operating in a privatized, deregularized and liberalized international market, have obligations that go beyond what countries require individually, and agreements prescribe internationally; and if so, how such development role can be fulfilled in a corporate manner (Sethi 1971; UNCTAD 1999; Holmes and Watts 2000; Kinley and Joseph 2002). Broadly, the main characteristics of CSR are its self-regulatory nature and, therefore, its reliance on non-endorsable codes of conduct; its transnational character derived by its link with the operation of Multinational Enterprises (MNEs) – although nation-based corporations are also using it; and its claim to address under a single banner the complete range of civil society’s concerns with MNEs’ operation in both developed and underdeveloped states. Even though it is entrenched on the development institutional agenda as an empowering governance tool for both corporations and communities, I contend that the claims made for the beneficial outcomes of CSR are mostly illusory. CSR is a major component of the “anti-politics machine”, which works primarily to consolidate its own power and neutralise its critics. CSR has found rhetorical meanings that resonate with social aims; but CSR should not be taken at face value. Within development, CSR claims to satisfy a diversity of contesting demands for labour standards, environmental protection, and community participation, yet there is still no evidence that this claim is warranted (Blowfield and Frynas 2005; Jenkins 2005). Instead, what has been occurring is the constant expansion of CSR through international institutions, ranking agencies, bureaucratic posts, professional roles in corporations and the NGO industry, academic programs, academic journals, codes of conduct, policies and pieces of legislation (Ostas 2001; de Bakker et al. 2005).

The three sections of this paper critically engage with CSR’s arrival, operation and effects in the project of development. In the first section, I review how the discourse of CSR has been legitimised in international development thinking. In particular, I discuss how CSR connects the shrinking of the state’s role and the entrance of corporate activity in the quest for development. The second section explains how CSR has evolved as a discourse in itself. In this section I am interested about CSR’s capacity to constantly create new arguments for corporate involvement in social welfare. Through such creativeness, CSR has acquired a self-perpetuating status that is characterized by its capacity to always have a response at hand to any kind of critique against it. The consequence of this discursive pro-activeness is CSR’s capacity to rephrase social dissent in its own terms. In this way, genuine political contestation is cancelled. In the third and final section I evaluate how this cancellation occurs by examining the argument for empowerment that CSR maintains as its most important moral stance. I close the paper with some suggestions about possible avenues to study CSR from the perspective of socio-legal studies.

### II. Corporate Social Responsibility in Development Discourse

In the current scenario of ongoing privatisation of public companies, the liberalization of economies and the pursuit of the establishment of global markets, MNEs have become a vital agent in the economy of developing countries. In these countries, where the impact of decisions by MNEs is profound and MNEs have a high level of visibility through their enormous financial operations and identifiable brands, MNEs have been forced to accept that their activities are no longer purely private in character (Bowman 1995; Shaw 1997; Thompson 1997; Bakan 2004). In light of these effects, it has been argued that the establishment of corporate responsibility for development is a necessary obligation to mitigate the potential adverse effects of further liberalisation of foreign investment. CSR for development is posited as a safeguard against a process of excessive liberalisation and the vanishing of state-driven development (de Feyter 2001).

The shift in value chains and trade patterns produced by the growth in Foreign Direct Investment (FDI) reflects a fundamental trend in the relationships and governance of contemporary corporate production. The nature of business relations has changed, from a model where rigidly hierarchical firms manufacture goods within wholly-owned facilities in national operations for local markets to transnational operations that consist of alliances and supplier-based manufacturing serving a range of global markets. The driving factors in the relocation of many firms' operations to developing countries include lower production costs and significantly lower labour rates for both high- and low-skilled workers. This has resulted in changes in supply chain management and the geographical displacement of their workforce to offshore factories, joint ventures and processing plants (Shaw and Hale 2002). For the most part, MNEs based in the industrialised world no longer manufacture products such as footwear, apparel or retail goods, but rather concentrate on core competencies such as design, marketing and merchandising. Production is left to an increasingly complicated network of contractors, agents, vendors, suppliers and subcontractors in the developing world (Mamic 2004: 24). In this context, the internationalization of economic structures, privatization of state owned-enterprises, deregulation and liberalization of international markets have created more space for MNEs to pursue their corporate objectives. As a consequence, MNEs are the primary beneficiaries of the liberalization of investment and trade regimes, with an increasing influence on the development of the world economy and its constituent parts (UNCTAD 1999).

Attentive to the transnational nature of corporate practices, CSR discourse is grounded on MNEs' need of normative flexibility. Historically, companies have relied on national laws and regulations to guide them in the development of operational procedures and management systems relating to FDI. Meeting the required standards prescribed by national development legislation (e.g. labour laws) provided the measure for corporate behaviour. However, today a de-regularized national market has become the best possible offer to attract MNEs. The challenge for CSR's self-regulatory and non-enforceable nature, and the codes of conduct that encapsulate CSR policies at the enterprise level, is thus to address the voluntary application of prescriptive standards and ethical parameters from the home countries of MNEs to their overseas operations. Suppliers, subcontractors and other business partners are not only placed in different economic and political nation-state realities, but they also have a very diverse grade of compliancy commitments and are under very different regimes of social accountability. A call for an active enforcement of CSR frameworks by national legislation is, therefore, against a geopolitical reality that sustains the economic operation MNEs: as

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Post-Fordist firms they are only viable if they remain flexible to capitalise on opportunities created by national normative disparities.

In contrast to legal duties (“hard law”), such as domestic laws covering anti-discrimination or domestic laws covering the extraterritorial operations of MNEs, e.g. the US Alien Torts Claims Act 1789 that grants rights to aliens to seek civil remedies in US courts for certain breaches of their human rights inside and outside the US, CSR is prescribed in quasi-regulatory regimes or “soft law” (Muchilinski 2007). Governments, corporations and non-governmental organizations CSR guidelines are mainly sets of commands that stand as international standards in an arena where there is neither a global consensus about content, nor political will to enforce social accountability. Several regulatory bodies of norms that outline codes of conduct have been adopted worldwide by political and economic multilateral organizations, for instance, the *OECD Guidelines for Multinational Enterprises*, the ILO has *the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy*, the UN has the *Global Compact* and the *Global Reporting Initiative*.

CSR is also mentioned across dispersed and extensive self-regulatory codes of conduct and certification standards, regardless of the activity, ownership and history of the corporation (Rodriguez 2005). This has been the direct result of a broad argument for corporations to develop normative bodies and certifications that embrace compliance with human rights, environment, labour obligations and so on. For instance, certification has appeared in almost every major industry targeted by environmentalists and social activists, including the chemical, apparel, diamonds, footwear, toy industry, coffee, forest products, oil, mining, nuclear power, and transportation sectors. The main presumption of CSR initiatives is that in countries with stringent, rigorously enforced labour and environmental laws, CSR accountability mechanisms provide a private layer of governance that moves beyond state borders to shape global supply chains. In countries with ‘nascent or ineffective’ labour and environmental legislation, CSR private or quasi-public initiatives promise to draw attention to low standards and help mitigate these disparities (Gereffi et al. 2001).

The prevalence of CSR as a self-regulatory arena is based on a “cocktail of convictions” that includes a belief in free markets, a mistrust of economic and social rights, a resistance to the role of civil and political rights in development, and the perception that the raising of the responsibility of MNEs and international financial institutions will allow developing countries to escape monitoring of their domestic human rights record (De Feyter 2001: 207). Underpinning these positions is a substantial scholarship and institutional commitment that suggests the inevitability of moving away from the old command-and-control regulatory model to consensual, softer, non-adversarial regulations (Ayres and Braithwaite 1992; OECD 2001a; OECD 2001b). For instance, during the 2005 International Symposium for Employers at the ILO the official summary recalls:

CSR can never replace the government’s role in implementing and enforcing legislation. It is vitally important that governments be effective in enforcing national legislation all through their territories, creating a framework through which CSR can flourish. CSR should never be considered as an alternative to good governance. Governments should continue to respect the voluntary nature of CSR (ILO 2005).

As Ronen Samir points out, ‘corporate voluntarism has become the corporations’ most sacred principle, a crucial frontline in the struggle over meaning and an essential ideological locus for disseminating the neoliberal logic of altruistic social participation that is to be governed by goodwill alone’ (Shamir 2004). CSR power is thus established as a mechanism that works and reproduces by itself. In this scenario, even the scope for management resistance is limited because the rhetoric of CSR as an ensuring discourse has become intertwined with ideas of “good” and “enlightened” management practice (IOE 2003; IOE 2005; The Economist 2005).

If this has been the general history of the entrance and expansion of CSR in the landscape of development, the actual institutionalisation of CSR in development practice occurred in the context of the Monterrey Consensus where the Organisation for Economic Co-operation and Development (OECD) launched the 2003 *Initiative on Investment for Development* (OECD Initiative). Even though the relationship between trade openness, economic growth, and poverty reduction still remains controversial amongst macroeconomists, the OECD Initiative recognised mobilizing private investment as a priority area for development so that ‘poor countries are not left further behind’ (OECD 2005a). While the ‘trickle down effect’ has been the most widely publicised benefit of economic growth, the OECD Initiative recognized that FDI alone cannot break the circle of poverty. In the vacuum left between economic growth and a more holistic view of development, policies were needed to emulate those policies that have brought success to democratic governments and the market economies of the 30 OECD member countries. A key challenge in this context was how to frame FDI in a way that supports and reinforces economic development but unleashes the full benefits of investment, poverty reduction and sustainable development. At that time, ‘Policy Coherence’ became the archetype to ensure that new legal reforms were successfully implemented in developing countries. This was considered necessary if policy makers were to look beyond the limited confines of single legal doctrines or individual public policy areas (for instance reforming labour law but not financial law) and consider the compatibility of the new rules and institutions with the rest of the legal and political systems of the recipient countries (Faundez 2000b: 7; Kennedy 2003: 17). This is well linked with the concept “trade mainstreaming”, which furthers the goal of policy coherence by incorporating trade policy in a country’s overall development framework and ensuring that it complements the country’s other economic and social priorities (McGill 2004: 396).

OECD defines the term “policy coherence for development” as ‘the systematic promotion of mutually reinforcing policy actions aimed at taking account of the needs and interests of developing countries in the evolution of the global economy’ (OECD 2003). The OECD points out that the likelihood of achieving coherence between different policies can depend on several factors. They can include the similarity of the policies; the range of interests and stakeholders involved; the level(s) of governance that are engaged (which could include international, regional, national, and community actors); and the types of cooperation or other action involved. There is a general concern, however that efforts to increase policy coherence might result in a homogeneity of approaches and that seemingly coherent policies may mask very inconsistent approaches in their implementation. In Monterrey, the concept of Policy Coherence was thus extended to encompass coherence and *consistency* of the international monetary, financial and trading systems, with particular emphasis on supporting the achievement of the Millennium Development Goals in Third World countries. In this scenario, a Task Force was formed to identify the “building blocks” of

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development, to produce a *Policy Framework for Investment (PFI)*. The PFI is described as:

... a non-prescriptive checklist of issues for consideration by any interested governments engaged in domestic reform, regional co-operation or international policy dialogue aimed at creating an environment that is attractive to domestic and foreign investors and that enhances the benefits of investment to society (OECD 2005b).

Investment Policy, Investment Promotion and Facilitation, Trade Policy, Competition Policy, Tax Policy, Corporate Governance, Human Resource Development, Infrastructure and Financial Services, Public Governance and Corporate Responsibility and Market Integrity have been identified as the policy building blocks for attention and reform by any country engaged in the process of receiving investment for development. In this list, *Corporate Responsibility and Market Integrity* encapsulates the “global phenomenon” known as CSR, taking into the scenario of development the *OECD Guidelines for Multinational Enterprises (OECD Guidelines)* - initially adopted in 1978 and subsequently revised on 1979, 1982, 1984, 1991 and 2000 (OECD 2000) .

The OECD Guidelines have been the OECD benchmark for corporate responsibility since their release. Apart from a General Policies section that represents an emerging consensus on the social dimension of MNEs, the business community is encouraged by the Guidelines to contribute to economic, social and environmental progress with a view to achieving sustainable development; to respect the human rights of those affected by their activities; to encourage local capacity building and human capital formation; to refrain from seeking or accepting special exemptions to environmental, health, good corporate governance principles. The OECD Guidelines promote self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between MNEs and the societies in which they operate. The Guidelines explicitly note that MNEs should promote employee awareness of, and compliance with, company policies, refrain from discriminatory or disciplinary action against employees who make bona fide reports to management, encourage business partners, including suppliers and sub-contractors, to apply principles of corporate conduct compatible with the Guidelines and abstain from any improper involvement in local political activities (OECD 2000). The OECD Guidelines goes a step further than other mechanisms of CSR having included as obligation for the members countries to set up a National Contact Point. Even though the Guidelines remain only suggestions for good corporate behavior, these Contact Points are responsible for encouraging observance of the Guidelines in a visible, accessible, transparent and accountable manner (OCDF 2005c).

In the machinery of development, CSR has become part of the broader panoply of governance-related conditionalities that gained a place in lending programs (Tshuma 2000). Over the last two decades, the World Bank has, for instance, become active promoting the agenda of governance that includes CSR, corporate governance, service quality, human capital development and stakeholder relations (Kofele-Kale 2000: 7). All of these concepts have been seen as a step further towards the process of establishing the necessary market-friendly environment for development (The World Bank 1992). The World Bank’s enlarged agenda aims to foster a stable political climate, removing legal barriers to pro-poor associations and fostering state-business-

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community synergies in order to improve popular participation in development and local government (The World Bank 1999). This framework for development revolves around a procedural and institutional version of the rule of law. The agenda emphasises the role of legal reform in structuring incentives and influencing individual and social behaviour. This can be done by the establishment of new pieces of legislation, the de-regularization of key areas of economic activity or the delegation of development regulation to technical bodies or private agents.

As one of these strategic elements, CSR is now well established in the Bank's *Comprehensive Development Framework*. Initially focusing on promoting partnerships for sustainable development between the public and private sectors, the World Bank has recently created a more inclusive CSR Practice (The World Bank 2008). The main purpose of this is to provide technical advice to developing country governments on the role of the public sector in stimulating corporate responsibility and to assist them in developing policy instruments that encourage corporate social responsibility. It has developed a diagnostic framework and appraisal tool that includes checklists to examine the status of business activities in the field of corporate social responsibility, as well as an inventory of public policy options. These options include "mandating" (development of the legal framework and penalties), "facilitating" (incentives, stakeholder dialogue, harmonization of non-binding guidance and codes), "partnering" (combining public resources with those of business) and "endorsing" (showing political support for companies performing well on corporate social responsibility).

CSR has been further institutionalised in the context of the World Bank activities by the way lending agreements are structured by the International Finance Corporation (IFC). The IFC is part of the World Bank group and its aim is to promote sustainable private sector involvement in developing countries as a way to reduce poverty. The IFC is the largest multilateral source of loan and equity financing for private sector in the developing world. Fulfilling this role the IFC promotes CSR in a number of ways. Most important is the IFC's review procedure to appraise the social and environmental impact of its lending operations in developing countries. The review is based on an exclusion list, ten safeguard policies and 30 guidelines, developed after consultations with stakeholders. To receive IFC funding, a project cannot involve activities mentioned in the exclusion list and must comply with applicable safeguard policies and guidelines. If the IFC proceeds to invest in the project, performance is monitored against the applicable standards (IFC 2005).

CSR is thus no longer the domain of the individual firm operating in a local/national regulatory framework, with a localised single-enterprise-based code of conduct governing its operations. Increasingly, CSR is more aptly described as a suite of institutional and private voluntary social initiatives governing the range of international transactions and corporate negative externalities that are encompassed by joint ventures, licensees and disaggregated supply chains, with their varying degrees of attachment between business partners and involvement of stakeholders. Posed as a whole package, CSR purports to enhance the quality of national and global governance and to empower communities in the process of MNEs investment for development. In words of Michel Hopkins:

CSR has paved the way for corporations to examine their wider role in society in ways that have never been done before. ... The wide role of CSR, coupled with the power and technological capacity of corporations, provides additional

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impetus for corporations and the private sector to be more involved in development than ever before. Clearly, governments will be the overall arbiters of development through the public purse, but their failure, along with their international partner the UN, in many developing countries has provided an empty space that must be filled by another entity – the private sector and its champions, the large corporations (Hopkins 2007: 14).

In this interaction between business and society, investment is considered to promote development, where “development” unproblematically means either “progress” or “modernity” (Escobar 1992). Nonetheless “progress” and “modernity” have obscured stories of “necessity”, “aspirations” and “suffering” in the development project (Orford 2004; Pahuja 2004a; Pahuja 2004b). At this site, CSR acts as a polyvalent set of presumptions that transforms an economic entity – the corporation, which essentially acts in the interest of its shareholders – into a normative invention that is suitable for use in the worldwide search for an economic life without friction where development can be finally achieved (Kennedy 2003). CSR can be described as part of the ‘machine metaphor’ that describes the *weltanschauung* of modernity, a triangulation of individual libertarianism, fragmentation and competition (Ehrenfeld 2000; Korhonen 2002). Assuming that the state has become nonexistent, corporate managers are enlightened, and workers, communities and activist are empowered, CSR bestows MNEs with new authority across discontinuous terrains that were once within the jurisdiction of international development agencies and governments (Sornarajah 2004).

### III. CSR: A SELF-PERPETUATING DISCOURSE

In the previous section I discussed how the power of CSR’s discourse is entrenched in the current global economic structure and sustained through its pre-eminence in development institutional thinking, program design, its normative frameworks and its language. The OECD, the World Bank Group, the UN, the ILO and many other international organizations and numerous multi-stakeholder actors have embraced CSR. The prevalence of CSR on the international development agenda alone ensures CSR’s legitimacy and expansion. For instance, both the United Nations Development Programme, in its umbrella programme for engaging the private sector and its *Money Matters Initiative*, and the World Bank Institute on Corporate Governance and Corporate Social Responsibility, have embraced CSR at an institutional level to engage the private sector in development as never before. Moreover, although groups as disparate as the International Organisation of Employers (IOE) and the International Confederation of Free Trade Unions (ICFTU) have outlined the problematic nature of CSR, they have found it difficult to disentangle CSR’s expansive institutionalisation and potential normativization from the alleged benefits of the codes of conduct enacted by MNEs and still conceived as self-regulatory and aspirational tools with no binding power (IOE 2003; ICFTU 2004)

CSR has being accepted as truth and norm not only in the arena of international policy making but it has also become the prevailing paradigm in university classrooms, boards of directors, international conferences and national legislative discussions. Additionally, CSR is now inextricably blended through scholarship and businesses practices that traverse different areas of management (Korhonen 2003). Stakeholder theory, social responsible investment, business ethics theory, corporate social performance, social audits, corporate environment management, triple bottom reporting, and corporate



citizenship are only some of the guises in which CSR occupies academic and popular journals of management, business, marketing and, now, development studies (Post et al. 2002; Lawrence et al. 2005; Carroll and Buchholtz 2006). CSR discourse has been able to establish and maintain its own field of support because it imaginatively captures the deepest concerns of the public regarding the relationship between business and society relationships (Carroll 1999). From this anxiety, CSR and its variants gain credibility because they suggest at once a descriptive, instrumental and normative approach (Freeman 1984). A clear example of this discursive dynamic of CSR can be seen on a series of rhetorical questions that introduce the chapter on CSR in the management textbook: *Business and Society* by Lawrence et al. In a self-reflexive gesture, the authors put the following scenario to their readers:

Do managers have responsibility to their stockholders? Certainly, for the owners of the business have invested their capital in the firm. Do managers also have a responsibility, a social responsibility, to the people who live where the firm operates? Since community development often is closely related to productivity, being socially supportive of the local community seems to make good economic sense. What happens when these multiple responsibilities seem to clash? (Lawrence et al. 2005: 45).

In this way CSR behaves like development. It captures reality in its own terms; judge such reality according to its own norms and values; and finally, offers solutions to these problems according to its own script. Managers will thus say what people want to hear, for example with respect to human rights and labour standards, while being ready to provide their corporations with a readymade script for confronting external scrutiny. The CSR position simultaneously manages to occupy the moral high ground and reap the economic benefits of social recognition (Bryane 2003: 116). It enables MNEs to endorse economy as a core value; promoting a vision of the world in which poverty, AIDS, child labour and suffering bodies all appear as proof of the need to overcome the limitations of our current politics and to achieve greater freedom and prosperity by empowering individuals through the market (Petersmann 2002). Moreover, it is possible to see that CSR has become a self-perpetuating discourse not only because of this moral ambivalence. CSR has been able to reach such a state because it also provides a highly adaptable prismatic language and narrative for apprehending the world to those willing to take advantage of it. A good example of such ability can be revealed by unpacking William C. Frederick's description of the theoretical grounds of CSR.

In general terms, Frederick poses CSR in the metaphoric language of corporate "growing-up". CSR as a discourse is situated outside the binary of victory/defeat, eliding the notion of internal conflict altogether. According to Frederick, firms historically have passed through four alternative stages in their relationship with society: corporate social responsibility (CSR<sub>1</sub>), corporate social responsiveness (CSR<sub>2</sub>), corporate social rectitude (CSR<sub>3</sub>) and finally the cosmos science religion stage (CSR<sub>4</sub>) (Frederick 1978/1994, 1987, 1986, 1998; Mitnick 1995). These stages are not distinct "theories" about corporate responsibility in the technical sense, rather they are complex and overlapping groupings of normative and behavioural descriptions that are concatenated according to the corporation and its managers ability to respond to the world that surround them every time in a more sophisticated and holistic manner. These stages are therefore chronological steps that involve a ranking of institutionalised practices and structures. They give corporations a linguistic readiness for social, environmental and cultural

engagement, while remaining highly slippery in confrontational discussion. As a narrative strategy, CSR, according to Frederick's description, places corporations on an active quest for good corporate citizenship.

According to CSR<sub>1</sub>, firms follow the preferences of their management guided by two principles: the charity principle to extend comfort to those less fortunate, and the stewardship principle. The second principle has allowed corporate executives to view themselves as stewards or fiduciary guardians of society's resources. It leaves the decisions regarding appropriate acts of obligation to the managers' own moral devices (Mitnick 1995: 11). Corporate Social Responsiveness (CSR<sub>2</sub>) refers to the capacity of a corporation to respond to social pressures. As the capability to act, CSR<sub>2</sub> looks for mechanisms, procedures, arrangements, and behavioural patterns that, taken collectively, would mark the organization as more or less capable of responding to social pressures. Given that CSR<sub>1</sub> had been already achieved, CSR<sub>2</sub> assumes that the important task for business is to learn how to respond in fruitful, humane, and practical ways from the micro-level to the macro-level, where the firm is engaged with the government to produce socially responsive outcomes (Frederick 1978/1994: 160). In CSR<sub>3</sub>, Frederick recognizes that the empty normative core of CSR should be filled explicitly with different values from within a society's ethical culture. Various moral platforms such as Judeo-Christian, Marxist and humanist thought serve in his construction as "moral archetypes". Disregarding the differences between these ideologies, they could serve as ethical drivers for managerial decision-making. In other words, these readily available discourses provide an ethical framework for the impetuses of managers. The ultimate goals can be utilitarian (economic self-interest of the firm), human rights (individual level concerns of parties beyond the firm's managers), and social justice (distributional or societal level concerns).

Not satisfied with the three stages of corporate enlightenment, Frederick argues that '[t]he three CSRs have ensnared our minds. We are caught within what might be called a "CSR<sub>1-2-3</sub> trap"' (Frederick 1998). He argues that CSR discourse has failed to recognize the corporation as the Sun around which society revolves. He sees that corporations lacking *responsibility* may breach social expectations and incur penalties; lacking *responsiveness*, the corporation may fall victim to public wrath and regulatory entanglements; and lacking *rectitude*, it may stand accused of gross moral crimes. A new generation of CSR must be thus put forward. Showing once again its self-perpetuating nature, CSR as CSR<sub>4</sub> departs from a Frederick's self-critique of his previous conceptualisations (Fort 1999). In the renewed final stage of CSR<sub>4</sub>, the "C" is understood as cosmos. The corporation has expanded and been reoriented to touch on the most fundamental normative concerns of business and humanity. It is now capable of dealing with the forces and powers that 'literally define human existence, human consciousness, and human purpose' (Frederick 1998: 45). Cosmological processes, astrophysical forces, biochemical and thermodynamic processes and ecological systems are all put together with business under "C": business, for Frederick, is an integral element of the cosmological context because '[o]nly then will the force and impact of its values and actions become apparent' (Frederick 1998: 46). In this view, the corporation is literally a child of the cosmos, subject to its forces and interacting with them. As a result of the refiguring the corporate as cosmos, scientific inquiry and scientific methods change "social" for "science". Replacing the "S", science is the wellspring of cosmological knowledge affecting human and business behaviour. In Frederick's words, '[n]o theory of the corporation is possible that disregards the directive power of the thermodynamic engine buried deep within the bureaucratic

layers of people and technology' (Frederick 1998: 47). Science in Frederick's understanding is the metaphysical quest for meaning in the intersection of types of knowledge. Business and society, their interaction and possibilities are seen as inextricably united. This position is advanced in how Frederick's "R" comes to signify religion in CSR. Frederick affirms that a nature-based religion is a fact of corporate life. For him, '[i]t is folly to pretend otherwise. Corporate managers are caught up in their own personal quest for life's meaning, as are employees and other stakeholders' (Frederick 1998: 52). In this way, CSR's normative and positive commitments shift from a business-centred perspective to a cosmic-focussed, all-inclusive vision (McIntosh 2003). Business and society here collapse in an unbreakable relation to be interpreted and negotiated in CSR terms.

Interestingly, Moving in the same direction of Frederick's allegory of corporate growth (CSR<sub>1,2,3,4</sub>), CSR practitioners in the late 1990s coined a new term: corporate citizenship (CC). Extending the metaphoric language of corporate "growing-up", CC not only claims maturity for corporate behaviour, but also - and perhaps more ambitiously - figures the corporation as a living entity status equivalent to a natural person (Carroll 1998; World Economic Forum 2002; Hempill 2004; Matten and Crane 2005; Valor 2005). In doing so, CC seeks to connect business activity to a broader sense of accountability in an eschatological discourse where corporations are part of a social redeeming path.

Even though both CSR, in general, and CC, in particular, are placed in a broader discussion about the shift of power within the current market-driven society, CC finally comes to describe a stage where corporations are both the administrators and providers of individual rights. Ultimately, the corporation performs a role administering citizenship rights: as a provider in terms of social rights, as an enabler of civil rights, or as a channel in terms of political rights. Such a definition reframes corporate citizenship away from the notion that the corporation is a citizen in itself (as individuals are) and toward the acknowledgement that the corporation administers certain aspects of citizenship for other constituencies (Matten and Crane 2005: 173). Critically examined, CC takes CSR a step further away from an actual engagement with the actors that it claims to represent at the corporate level. Instead, CC legitimises from the beginning a corporate pre-eminence in any kind of social engagement.

In trying to resolve the questions about the limits of social responsibility by business and its discourse on behalf of the public domain to remedy environment, social or political claims, the biggest loser is the nation-state and its citizens as the space and the vehicles to politically contest the meaning or nature of development. As Matten and Crane have argued, the extended conceptualisation of the social role of corporations should be given a new name, *corporate administration of citizenship* (Matten and Crane 2005: 173). In this renewed vision of the corporation, the commitment is clear: '[l]eading civil corporations will be those that go beyond getting their own house in order, and actively engage, the wider business community to address, effectively and without contradiction, the aspirations underpinning sustainable development' (Zadek 2001: 221).

From here it is possible to see that there is an assumption within CSR discourse that it is an effective mechanism for re-engagement with the communities in which MNEs are located. This curiously happens against an explicit background of MNE's complicity in, for e.g., the brutality of a host state's police or military, the use of forced and child

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labour, suppression of rights, violations of cultural heritage and religious practices, community disruptions, financial mismanagement, environmental degradation or bribery. Counterpoising the horror past of MNEs with the benevolence offered by the image of a corporation that embraces fully its social *development* responsibilities, CSR set an aspirational ground to fulfil the multiple economic, legal, ethical, and discretionary expectations that society demand from corporations. As a result, the promotion of CSR departs from the presumption that society has granted legitimacy and authority to corporations with concomitant legal and extra/voluntary responsibilities besides simply maximizing the shareholder value (Carroll 1991; Pava and Krausz 1997; Garone 1999; Boatright 2007; Steiner and Steiner 2008). If corporations do not use their delegated power in a manner that society deems responsible, then society is, according to this picture, still entitled to reclaim those prerogatives (Keith 1973; Clarkson 1995; Banerjee 2000). The proposed relation between corporations and communities instituted through CSR echoes the conditions of the Lockean social contract: the embedded claim is that CSR is synonymous with democratic governance, and therefore it has the capacity to bring benefits to shareholders, employees, communities, and the society as a whole (Osborn and Hagedoorn 1997; Boehm 2002).

Posing corporations in this intense and unavoidable contractual relation with the development of a society contributes to CSR's skilful discursive capacity to absorb and transcend any type of critique. CSR works as a transformative fable of how corporations have pass from a state of miscomprehension or disregard for social obligations, to a phase where MNEs receive "citizenship" and are fully aware and rationally equipped to respond to social critiques or development challenges. CSR enjoys in this way certain kind of invulnerability.

Effectively, corporations embracing CSR have taken over claims that previously belonged to strong critics of corporate behaviour; and reinterpreted them according to a managerial dialectic. And they do so by avidly using CSR's set of responses: exhaustive community consultations processes, safe avenues for community support (e.g. community grants), keeping up with reporting requirements full of self-proclaimed statistical improvements (e.g. in terms of factory auditing), rhetorical archetypes that are inescapably good (e.g. sustainable development), or by saturating their corporate image and their CSR reports with candid images and colors that are difficult to confront. Although these reports and their images are deeply problematic because of their ambiguities, their commoditization of human bodies and lives and our natural resources, they configure hyperreal representations of legitimate social aspirations: the need for clean water, decent labor conditions and training or the protection of the environment (Eco 1986). The exacerbation of these social claims by CSR imagination generates not an open denunciation. They cause, in its place, a cynical silence (see for instance Image 1.).

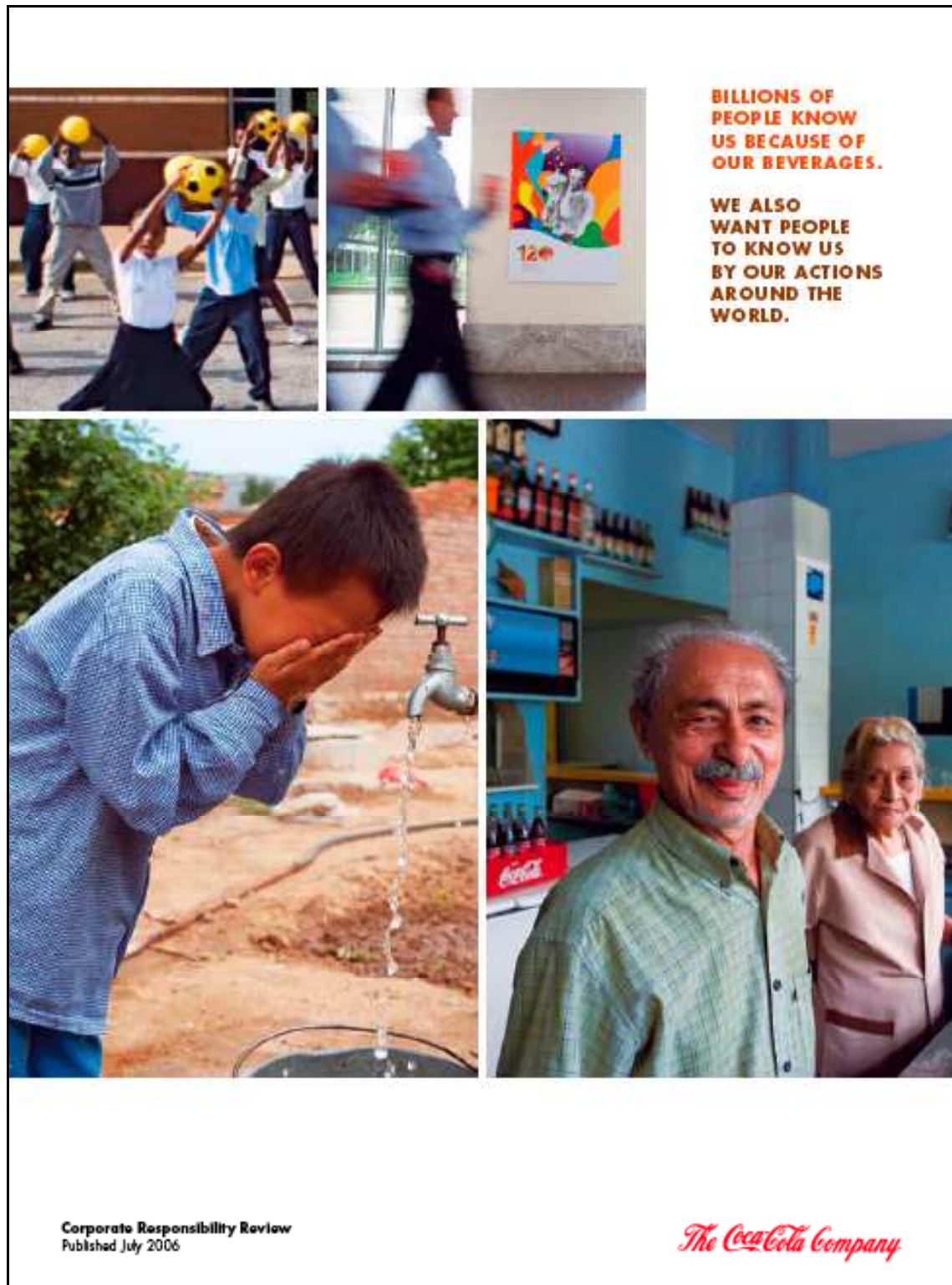


Image 1. *Corporate Responsibility Review 2005* (The Coca-Cola Company 2006: Front Cover).

The whole corporate growth metaphor (CSR<sub>1,2,3,4</sub> + Corporate Citizenship) and the CSR discursive capacity to lure any critical attempt creates an interface that places the corporation on a biological time-line of growth that envisages a future of social/corporate harmony. In that future place, social and entrepreneurial expectations are reciprocally fulfilled in terms of environment, human rights, labour standards,

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taxation and so on. In terms of The Coca-Cola's *Corporate Responsibility Review 2005*, where the previous image come from, this can be translated in the following couple of statements:

'We are more than a beverage company, we are corporate citizens of the world.'

'We believe the greater our presence, the greater our responsibility - the greater our opportunity to make a real difference' (The Coca-Cola Company 2006: 6).

Which such certainty of their global position and effective role in development, The Coca-Cola Company legitimizes through CSR its position as an interlocutor of the future of the societies surrounding its operations. In this process of corporate expansion and redemption, it is possible to see how CSR has gained a stake in the whole machine of development. In the CSR era, corporate goals and social claims are amalgamated with the result that CSR discourse shrinks, rather than agitates the social milieu in the development context (Rajagopal 2003). CSR is not only a symptom of the privatization of government. It is a way of re-thinking about the society-corporation interaction in a way in which management of discontent becomes possible (Foucault 1991; Fitzpatrick 2003). The discursive power of CSR pretends to be hegemonic: as it expands, it consolidates itself as the only lens through which to view society/corporation relationships. CSR constrains how we see, what we see, and how we think, in ways that limit our capacity for resistance (Hardy and Leiba-O'Sullivan 1998: 460). On this level, while some actors may derive certain advantages from the power relations embedded within CSR, they can neither control them nor escape them. CSR is a form of governance without government; what Lipschutz and Rowe (2005) have called a form of governance without actual politics.

## IV. CSR: MANAGEMENT OF DISCONTENT

In this last section I review how CSR is able to manage community dissatisfactions in a way that suspends confrontations. My argument is that managing discontent is an operative consequence of CSR. While CSR increasingly lures more international and national development agencies, CSR's capacity to manage discontent lays in its proactive engagement with the subjects that dislike its arguments or want to simply refuse its propositions. CSR permanent call "to do" something about underdevelopment is the inner core of its ability to act as a kind of benevolent tyrant.

As an overreaching attempt to formulate a "psychological contract" between governments, corporate leaders and community leaders, CSR has been widely criticised since the 1950s (Boehm 2002). The left, CSR has been accused of ambivalence, a way of moving toward 'market socialism' (Arnold 1994) or the 'third way' (Giddens 1998) between free markets and socialist concern for social rights, without actually offering a clear social policy. From the neoclassical perspective, CSR has been regarded as a discourse that attacks free enterprise and property rights and thus threatens the foundation of a free society. This view reiterates that the role of a corporation is simply to generate wealth, while attending to the legal framework where it operates. Fulfilling strictly this role is seen as crucial to economic and political development in any society (IOE 2003). Indeed, *The Economist* explicitly affirms that 'even to the most innocent

observer, plenty of CSR policies smack of tokenism and political correctness more than of a genuine concern to “give back to the community” (The Economist 2005). Finally, CSR has been internally criticized by its supporters because of its thin content that makes CSR liable to degenerate into a public relations exercise (Bryane 2003).

Although the positive and normative aspects of CSR are contested and there is no consensus in the corporate social performance literature about the progress resolving these critiques, the institutionalisation, practice and literature in CSR continues to grow (de Bakker et al. 2005). Each of the critiques has been absorbed and reworked as new support for the main tenets of CSR. Retrospectively, it has been clear that vagueness of CSR remains more subjectively appealing than the arguments of objective critiques. CSR supporters on the neo-liberal side of the political spectrum stresses the role of market incentives in encouraging corporate responsibility, arguing that company responsiveness to customer preferences is sufficient for responsible behaviour in product and input allocation decisions. For instance, Bryane sustains that: ‘The corporate sector benefits from investing in long-term sustainable community development (their source of product demand as well as labour and capital supply) rather than simply reaping the simple tax advantages of philanthropic donations’ (Bryane 2003). CSR supporters on the state-centred school, on the other hand, denies the role of the ‘invisible hand’, especially in developing countries, in providing the optimal amount of social attention by firms. In this way, they continue advocating that CSR creates innovative ways to engage businesses with state-driven efforts towards the achievement of development. For them, CSR generates positive externalities – in terms of higher consumer welfare, environmental protection and employee satisfaction – that individual companies may not be able to appropriate or internalise in their investment decisions. To complete the political landscape, people affiliated to the ‘third sector’ school stresses the important role that CSR plays in the legitimization of NGOs and public-private partnerships initiatives. Using the discourse of social responsibility, these non-state organizations and quasi-public programs become proficient to achieve social objectives better than actions undertaken by dysfunctional developing states and greedy firms alone (Roddick 2001).

Somewhere in this ongoing process of self-correctness, the mature corporation reaffirms its image without actually satisfying social claims. It happens due to the mere fact that CSR is thought in a business-framed of mind. The openness necessary for a truly engagement with a community does not fit within the revenue structure of corporations and their managers. CSR is instead a complicated and “costly gesture” that mimics change without transforming the nature of the subject - the corporation - as a whole. CSR is a metaphor for a discourse that establishes a fertile ground for ‘contention by convention’, what Balakrishnan Rajagopal has identified as a resistance only expressed ‘in the secular, rational, and bureaucratic arenas of the modern state’ (Rajagopal 2003). CSR practice draws upon conventions that naturalize particular power relations and ideologies and the ways in which they are articulated. The act of invoking CSR through the creation and dissemination of texts, speech and images, and through the use of its narratives and metaphors, represents a political strategy by those that have command over the rules of the discourse.

In the nexus of corporate and social claims, CSR transfers political power from the government to corporations meanwhile it transforms the very nature of the relations of power between corporations and the communities that surround them (Litvin 2003). This transformation belongs to a peculiarly contemporary tendency to regard

transparency as an unmitigated good, and to pursue accountability as an end in itself. As an expression of greater social accountability, corporations declaring their support of CSR are seen to endorse transparency, preventative consultation, community engagement and so on. More than ever before, corporations are open to release reports on environmental performance or labour practices. Yet while accountability is necessary to ensure that corporate behaviour complies with legal prescriptions, it is also in some tension with other conditions and values of sound governance, such as the exercise of informed discretion by decision-makers and the promotion of sound deliberation about common ends (Bessette 2001). A critical scrutiny of CSR would regard its promise of empowerment as a surreptitious exercise in the management of discontent, which enhances the legitimacy of the corporation's organizational goals and allows them to influence behavior unobtrusively (Hardy 1994; Hardy and Leiba-O'Sullivan 1998).

CSR has accelerated a trend of international institutionalisation that generates multi-layered government, shifting and redefining power to international organizations and MNEs. Anne Orford has called this an "epistemological misappropriation", a dispossession that operates not only in the 'hard' reality of system of governance, rationality and facts, but also in the realm of identification, imagination, subjectivity and emotion (Orford 2004). It has occurred as a result of CSR's ability to define the extent to which the market and corporate presence is permitted to determine social policy. Rather than opening development consequences for political discussion, CSR reframes the core of social issues as an exercise in management. Transforming the question of development into a matter of corporate responsibility, CSR efficiently depoliticises the inherently fraught decision-making process of social objectives. Both social issues and aspirations are organized to be ready for development.

Another MNE's CSR report may help illustrate this point. The CSR report from the extracting company Statoil, *Statoil and Sustainable Development Report 2005*, has a detailed description of a project to build community development capacity in Akassa – a fishing community located on the outer Niger delta. In order to create an institutional distance that that allowed the community to take charge of its own development, Statoil choose to support the setting up of an institutional framework through which the community could implement its own development programs. The report describes how with the company limiting its involvement in the running of the project, the community has been able to take an active part in the planning and execution of development programs which have ensured the success of the project and the significant increase in the communities' living conditions (in terms of economic security, health, childcare and infrastructure). Due to the responsible design and achievements of the project, Statoil was awarded a distinction for best community project by the World Petroleum Council in 2005. This history of corporate/social success is then accompanied by a photo from members of the community. Similar to the front cover of The Coca-Cola Company's *Corporate Responsibility Review 2005*, the Statoil's CSR report also uses images to stage its involvement in the development of the Third World. In the case of the project in Akassa, the photo portraits two kids and two women cooking in front of their houses. In this colloquial image, women are laborious and kids are smiley. They are captured enjoying themselves sharing the making of the meal (see Image 2.).



Topic: Akassa  
A development project  
with local responsibility

Akassa is a fishing community located on the outer Niger delta. The clan's 30,000 members are scattered throughout 19 villages. There is no road system, no electricity supply and no clean drinking water.



The Akassa project is special because solutions have not been brought in from outside, but formed through internal discussions and decisions. In the early phase of the project, local residents gave priority to improving health services.

62 STATOIL AND SUSTAINABLE DEVELOPMENT 2005

Image 2. *Statoil and Sustainable Development Report 2005* (Statoil 2006: 62).

As well as the description of Statoil's involvement in the development of the community, the photo conveys a natural peacefulness. People are happy to pose for the photo, the company is glad to report its achievements. The conventions of good development practice have been placed in action. And the community, represented through the people photographed, responds positively. By following the conventions expected from a well-managed development project, the corporate presence appears

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natural and makes its participation in the development of the community essential. In this way, the structural running of the community as well as the subjectivity that surround the daily life of Akassa is re-arranged according to Statoil's CSR script. They become a case study of good CSR practice; they are ready for consumption – something that is actually part of Statoil's CSR strategy, which includes providing training of the lessons learnt in Akassa as the “Akassa Model” in other communities in Nigeria (Statoil 2006: 63). Even though social reality is much more resilient and rich than the text and photo brought in the report, CSR allows an appropriation – a misappropriation as Orford (2004) affirms – of the bodies and aspirations of the community. They are inscribed in a new model of governance where the politics of daily-life is re-read as a technical issue that can be calibrated once empowerment is strategically – and voluntarily – given by a corporate partner.

This malleable, indeterminate character of CSR has allowed it to be established as an expansive body of regulation on both the local and the translational level. In this context, the depoliticising effect of CSR is a consequence of the move from a traditional, hierarchical notion of law to the horizontal growth of instrumental regulations. Defined by Julia Black, regulation is the intentional activity of attempting to control or to influence the behaviour of others, with the intention of producing a broadly identified outcome or outcomes (Black 2002). Diametrically opposed to the traditional understanding of law, which is supposed to be the unique expression of democracy in western societies and, as a result a ground for political confrontation, regulation considers itself as a mainly instrumental set of commands which are not political in nature. In order to become a legitimate body of rules, however, attempts at regulation must recognise and incorporate noteworthy values, which in the case of CSR is, as mentioned above, empowerment of both communities, consumers, and well-intended corporate leaders.

Yet CSR, corporate citizenship and their surrounding constructions reliance on “empowerment” have negatively contributed to the goal of social control over the outcomes of the market economy. CSR talks about empowerment but of a very particular kind. Instead of a non-interested version of empowerment, CSR takes the concept to serve as a smokescreen that allows the corporation to achieve organizational goals more smoothly. In place of a liberating speech, CSR is intended to reduce conflict, rather than pose new or challenging questions about the relationship between the corporation and the human community. As Carmen Valor has observed, ‘[t]his enlightened version [of corporation] reinforces the ownership of the firm; therefore, it does not provide society with means for sanctioning corporate failure’ (Valor 2005: 200).

Once CSR is identified as a powerful corporate discursive strategy, the true damage of CSR to those who were once legitimate critics of corporate behaviour becomes clear. Such groups include people who have faced the grime of local environment degradation, or have fought for decent labour conditions. Rhetorically at least, it is these communities who are supposed to be the final beneficiaries of the development enterprise. Managerial effectiveness in discussing corporate responsibility conceals the fundamental avoidance of responsibility that, supposedly, constitutes CSR.

The equilibrium that CSR scholars presumes to exist in the contractual relation between community leaders, workers, government, consumers, social activists and corporate leaders is a fiction that only serves to obscure the actual communicative

practices that create the organizational realities and identities that constrain individual action (Boehm 2002). As a result of the wave of industry regularisation through CSR, it is not always apparent that MNE codes of conduct, multi-stakeholder initiatives and certification efforts do not necessarily bolster, for instance, workers' attempts to organise - being one of the groups that have been traditionally targeted as the main beneficiaries of corporate responsible practices. Instead CSR initiatives have been implemented by companies in conjunction with policies that prevent workers from joining unions. CSR standards are normally audited by outside monitors which undermines union legitimate position to advocate at the internal level for the benefit of the workers or to denounce corporate misbehaviour outside the confines of the corporation. Given that the objective of these monitors is to check on a set of standards that are seen as objective across certain industries, the realities of the individual corporation under scrutiny are easily overseen (Mamic 2004: 65). Ironically, the very organization and group of people capable of doing these checkups on corporate responsibility - a trade union and the workers themselves- are the very group that CSR is supposed to protect through the development of these social auditing activities (Hunter and Urminsky 2003).

To be a politically persuasive argument for the governance agenda in development, CSR should work to bridge the imbalances of power between business objectives and social expectation. But CSR's claim of empowerment is inherently problematic: empowerment must be taken, not given. Empowerment is a process, a mechanism by which people, organizations, and committees gain mastery over their affairs. This process works to counter existing power relations that result in the domination of subordinate groups by more powerful ones.

The real meaning of empowerment is that traditionally disenfranchised groups become aware of the forces that oppress them and take action against them by changing the conditions in which they live and work. It involves not only the attainment of a greater sense of pride, self-respect, and personal efficacy, but also the acquisition of economic and political influence. Yet in order to initiate this process, both subjective and objective changes are necessary. Subjectively, individuals recognize their powerlessness, which motivates them to take action. As members of a community, individuals then must collectively seek out and gain the necessary power - resources, social capital, access to political systems - to change the status quo. The top-down implementation of management theories cannot replace, or even replicate, this factual empowerment.

Rather than questioning whose norms are used, CSR tends to normalize conflicting criteria for the problematic notions of development and progress in general, and corporate involvement in particular (Banerjee 2000). CSR smooths the advancement of MNEs between seeking returns from positive consumer, employee and investor perceptions and avoiding the risks of negative government intervention, adverse media exposure, stock market declines and customer boycotts. The diversity of claims to limit or modify corporate behaviour are redefined by CSR as points to be discussed on the negotiation table where they can be profitably managed (Freeman 1984; Freeman 1994; Steiner and Stainer 2000; Klein 2000; Joker and Foster 2002; Post et al. 2002; Vos 2003). For example, the stakeholder theory explains how a social structure can be divided according to pre-established categories of power, urgency and legitimacy (Knights 1992). A manager must therefore accommodate stakeholder interests and the type of corporate response according to a predefined rank that by engaging appropriately and quickly stakeholders looks to pre-empt any strategic move or further

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coalition between actors. Through the smart systematisation of the firm's ability to respond to stakeholder dissatisfaction, stakeholder theory allows managers to achieve their objectives by "understanding" employees, suppliers, shareholders, protesters, local communities and customers, and responding to their changing needs and expectations. It is not just a matter of knowing that the stakeholders are out there; stakeholder theory (and CSR more generally) 'posits a model of the corporation as a constellation of cooperative and competitive interests possessing intrinsic value' (Donaldson and Preston 1995: 88). Managers in this way are able to develop theories and models about these new groups that allow them to understand how they operate, the significance of issues to them and their willingness to expend their own resources helping or hurting the firm (Freeman 1984). The objective is clear, once relationships between the corporation and stakeholders are efficiently established and negotiated, the corporation benefits from the reduction of agency problems, transaction costs, and team production problems, giving the firms that solve them a competitive advantage over those that do not (Jones 1995). This perception has fixed a locomotive dynamic since the 1980s that led to claim that socially responsive firms -those able to face social issues that arise by their operation - were also profitable enterprises, an appealing stage of CSR as a win-win managerial exercise (McWilliams and Siegel 2000). With the objective of maximize shareholder value, CSR has thus assumed a large role in capital markets in particular equity markets (see for instance: Dow Jones Sustainability Group Index, FTSE4Good UK Fund, Calvert Social Index Fund (CSXAX), Vanguard Calvert Social Index Fund (VCSIX), Walden B&BT Domestic Social Index Fund (WDSIX) and the MMA Praxis value Index Fund).

There is an obvious rationale behind the managerial take over of the corporation-society relationship, one that poses a serious danger to the groups that rely on CSR policy for security or protection. An honest appraisal of CSR must acknowledge that a business's ability to invest in CSR initiatives is contingent upon the corporation's needs and financial conditions; the initiatives themselves are replaceable and may not survive an internal audit or management re-organization. Trade-related rights, community concessions, environmental compromises - if awarded through CSR - are granted to individuals and communities for instrumental reasons. Both individuals and communities are seen as economic agents for particular purposes rather than as holders of rights. They are "empowered" in order to promote a specific approach to economic policy, but not as political actors in the full sense and nor as a holders of a comprehensive and balanced set of inviolable individual rights (Orford 2004; Rahnama 1992: 117).

Relaying on things like partnership synergies or stakeholder management - rather than meaningful action on social claims - have become the key to obtaining satisfactory social reporting standards. As BHP Billiton openly affirms in its 2005 Sustainability Report: '[t]he change has been a result of the increasing breadth of our reporting, reflecting the maturing of BHP Billiton's approach to sustainable development through the improved integration of social, environmental, ethical and economic factors into all that we do' (Bhp Billiton 2005). In these terms, CSR is essentially a change in the corporate style of reporting. Development objectives such as social integration, environmental and ethical concerns enter in the visual spectrum of the corporation via CSR as disjointed facts that can be now solved, and sometimes can only be solved, because the corporation willingly has turned its gaze towards them. These facts are not understood as part of structural failures of the system in which the corporation plays a key part and CRS helps to lubricate.

The consequences of CSR's engagement with development are therefore erratic. In a paper for *International Affairs*, Frynas eloquently explains how this actually occurs in the context of the extracting industry:

In contrast to best development practice advocated by the World Bank or Oxfam, CSR initiatives have often been conceived by the 'helpers' in the air-conditioned offices of oil companies and consultancies rather than through ongoing participation with the beneficiaries; again, the approach follows the logic of CSR serving corporate objectives. Where oil companies have consulted local communities, the consultation exercises have usually been superficial and grossly inadequate. In villages visited by the author in the Niger Delta—even in some where the local community had signed a formal memorandum of understanding with an oil company for the delivery of a wide range of development projects—the local people sometimes saw a representative of the company less than once a year. When oil company representatives do visit local communities, they do not stay overnight and their consultation exercise may involve only one or several meetings with the key community representatives. In the words of one development professional: 'No one is happy to stay in a village, so they [oil companies] do quick PRAs [participatory rural appraisals] to put it on paper [rather than staying overnight in the village].' Oil companies usually fail to consult beyond local chiefs and community leaders. The author's research suggests that such brief encounters usually result in the local people spontaneously demanding obvious amenities such as electricity, a school or a hospital, without proper consideration of the economic cost, the local needs, the impact of such schemes or the causes of the community's problems (Frynas 2005: 589-590).

Even though the notion of empowerment through CSR was intended to provide corporate involvement in development with a source of legitimacy, the review carried out here suggests that the political function of CSR can eventually produce opposite results. CSR is located within a broader tendency that views and pursues accountability or empowerment as ends in themselves, as unmitigated goods. MNEs declaring support of CSR endorse transparency, preventive consultation, community engagement and reporting standards on environmental performance or labour practices. Nonetheless, the fact that CSR is "managed", implies that it is done with business ethics, that it is deployed as a strategy designed to benefit the corporation under notions of progress and development, and obscures the fact that the corporation itself is defining the appropriateness of contesting social claims. While accountability should remain a powerful political tool to resist and to bring attention to corporate misbehaviour, the contention by convention proposed by CSR neglects the exercise of informed discretion by former decision-makers and the promotion of sound deliberation about common ends (Bessette 2001). As a result, the depoliticization of empowerment under the rubric of CSR places the discontent of employees, activist, protesters, communities and the society in a vacuum of silence.

### V.- CONCLUSIONS

CSR represents a new vehicle to speak about education, disaster relief, environmental protection, health promotion, human rights, poverty relief, AIDS, health awareness,

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community economic development, community involvement, promotion of labour standards, social engagement, equality, truthful relationships between management and workers, mutual confidence between enterprises and workforce and *bona fide* negotiations (Henderson 2001). Critically, however, CSR is an ambivalent discourse that is able to mask with kindness the complex web of foreign supply chains, inexperienced workforces, zones in conflict, differing local, custom and cultural values, conflicting legislation, inconsistent enforcement, and powerful managerial expertise that characterise MNE operations in the developing world.

To understand how CSR's discourse disempowers the objects of its development policies, the salient features of CSR are institutionalization, regularization and managerial capture. The combination of these features reveals how CSR is able to depoliticize social critique meanwhile it advances through new institutions, norms forms of knowledge, and subjective shapes. CSR exemplifies how the institutionalization of practices and structures embodies sets of power relations that constrain action (Clegg 1989). The highly political aims of CSR can be seen as a technical exercise of 'depoliticization' (Ferguson 1990; Sethi 1994).

There is a clear need to study the history of CSR from the point of view of the civil society. The critiques alluded to in this paper mainly depart from the work that originates within the business academy, rather than the body of work by grassroots movements engaged in MNE accountability. How the discourse of corporate responsibility oscillates from a civil society concern to the management of discontent by corporations remains an important area of investigation. Rodríguez and Shamir have already advanced part of this task from the perspective of counterhegemonic studies (Rodríguez 2005; Shamir 2005). These contributions have set an exciting research agenda to both to contest CSR discursive misuse of ideas such as empowerment or social accountability and to refine our means for political action in a time where traditional spaces for contestation (e.g. the factory, the community, the academia, the state) have been colonized by CSR rhetoric. Alternatively, as a place of contestation for the rights to determine social objectives, it would be interesting to examine how CSR as an international discourse of deregulation clashes with nation-state structures. A further critical engagement with CSR should be addressed from the perspective of international law, and especially international economic law. With many topical discussions coming together - labour clauses in bilateral and regional trade agreements and the WTO, Weak Zones of Governance, Investment for Development, and so forth - CSR represents a polyvalent subject that could serve as an entry point for socio-legal thought in this arena.

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