Development and Change

Published on behalf of the Institute of Social Studies, The Hague

Debate

Governing Capital? Corporate Social Responsibility and the Limits of Regulation

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ABSTRACT

The current concern with corporate social responsibility must be seen in the context of major shifts in the functioning of the market, the state and civil society, and of the boundaries between them, and in the ways that we envision them. Capitalism has been reconfigured as an ethical order in which transnational corporations can, indeed must, be accountable for the global well-being of citizens be they rich or poor, capitalists or workers. This ethical commitment to global justice is to be promoted by the mobilization of civil society, governing with integrity both large corporations and a somewhat marginalized regulatory state. In short, regulation is being privatized. Contributors to the debate which follows vary in the extent to which they accept this vision of how capital is to be governed. There are three principal grounds for scepticism. First, in a world so marked by sharp inequalities of both income and conditions of life, how can corporate initiatives be both profitable and consistent with the interests of the poor? Second, how can global civil society, which is itself structured by relation of power and class, be counted on to regulate corporations in the interest of the poor? Third, do limited corporate reforms undercut alternative transformative projects? Those with greater sympathy for civil society involvement in governing corporate capital point out that transformative projects grow out of everyday experiences of progressive change, not out of defeatist visions of an untransformable hegemonic capital. Readers — please decide.

THE VARIETY OF CAPITAL

The presence of transnational corporations is hardly a new phenomenon in developing countries. Chartered companies were organizers of colonial occupation and conglomerates found profit in plantations, mineral extraction or international trade. In the contemporary era of globalization and liberalization, however, the range, scale and variety of corporate operations have augmented sharply. There is a new rapidity and flexibility in the international movement of capital towards developing countries.

Transnational corporations (TNCs) often operate at higher levels of value-chains, leaving production to local contractors and making it difficult to draw

Development and Change 39(6): 945–957 (2008). Published by Blackwell Publishing, 9600 Garsington Road, Oxford OX4 2DQ, UK and 350 Main St., Malden, MA 02148, USA

a precise line between foreign and domestic capital. They have even linked franchising with micro-credit schemes for small independent retailers or producers. They have also moved into areas of activity once considered to be outside the realm of profit, forming private–public partnerships to manage, for example, water or power systems or conservation zones formerly viewed as public goods. Under the various reforms undertaken in the wake of structural adjustment programmes, governments are expected to contract commercial providers or to respect commercial criteria in their provisioning of services. At the same time, international non-governmental organizations and private voluntary organizations (NGOs and PVOs) increasingly work on the basis of commercial principles, configuring their intended beneficiaries as clients and taking account of the sustainability of their activities within competitive market environments.

As Gill (2003) has pointed out, the primacy of market liberalism is now even written into many national constitutions (particularly those of countries that were once socialist) in the context of neoliberal reforms. This 'new constitutionalism' secures the rights and freedoms of capital against alternative political frameworks for social and economic development based on collective property, frameworks that might better challenge global poverty and inequality (Gill and Bakker, 2006).

Concern with corporate social responsibility thus arises in a context when the functioning of the market, the state and civil society — and the boundaries between them — are all shifting, and the ways that we envision them have shifted even more. The idea of a state that regulates by enforcing compliance with statutes, licensing and inspection is giving way to the idea of a state that demands and facilitates responsible and prudential behaviour from citizens, enterprises and civil society groups (Ericson, 2005; Shamir, 2008). In a remarkable conjunction of Foucault's notion of *gouvernementalité* with the new public management, the World Bank projects good governance as a persuasive ethical power that allows for self-regulation, making it possible for governments to intervene less intrusively and more efficiently in society. The boundary between the market and society is blurred because both are part of the same moral order. As Elam and Arrow (1993: 34) put it: '*all* markets are liable to fail without some measure of moral regulation and . . . all goods, therefore, are to some extent public goods'. Karl Polanyi's notion of the social embeddedness of markets, once relegated to the realm of the heterodox economics, now seems to have become conventional wisdom for both left and right (see Lipschutz and Rowe, 2005).

The near hegemony of this vision of contemporary capitalism has something to do with the political contradictions of social democracy, but it also reflects the failures of critical socialist visions of alternatives to capitalism in eastern Europe and the developing world (with China being particularly important). There are, however, theoretical visions of contemporary capitalism that dispute the neoliberal vision of society as a universal utilitarian moral order. Work on both 'Varieties of Capitalism' and 'Regulation Theory' challenge the idea that there is a single emerging form of capitalism based on the liberal market economy (Boyer, 2005). Regulation theory emphasizes the importance of particular histories and politics in the ways that markets work, entertaining the possibility of wide variation in the forms of capitalism in emerging capitalist countries. There are also still Marxists who emphasize the historical specificities of capitalism, reject a reductionist economistic reading of Marx and insist that socialism remains a viable political project. And there are radical liberal utopians such as Boaventura de Sousa Santos (2006) who suggest that democratic post-modernist alternatives to capitalism will appear as they are constructed.

The reconfiguration of capitalism as an ethical order is reflected in corporate rhetoric. Many of the new forms of corporate activity in developing countries are carried out in terms of 'mission statements' that stress moral imperatives. Corporations draw attention to their non-profit activities. A transnational logistics corporation, for example, may collaborate with the World Food programme, providing free transport for emergency food distribution. Whereas governments and international agencies were once expected to be the principal residual providers for the poor, the marginalized and dispossessed, large philanthropic foundations have now taken on aspects of this role — some, like the Gates Foundation, explicitly identified with a particular corporation and others, like the Clinton Foundation, heavily dependent on corporate sponsorship (Amrith, 2001; Edwards, 2008). 'Venture philanthropy' has also emerged as an alternative source of development funding. Multinational corporations have begun to draw on an old discourse of corporate social responsibility (hereafter CSR) long left mouldering in dusty corners of US business schools (Shamir, 2008). This discourse construes the corporation as a moral agent; like individuals, the enterprise is understood to have a social conscience (DeWinter, 2001). Speaking at Davos, Bill Gates called for a 'creative capitalism' through which companies, especially the biggest ones, would improve the lot of the world's least privileged by better aligning their self-interest with the good of society.[1]

However, the terrain of CSR is contested. It would be wrong to suggest that corporations undertake CSR initiatives in developing countries only for ideological reasons. The forces of globalization that underlie the new diversity of capital have also given rise to groups that have appropriated the rhetoric of CSR to call capital to account for its activities in developing countries. The omnipresence of global brands such as Nike has opened a global space for ethical trade campaigns. CSR activists are strongest in industrialized countries, often relying on a student base, but they usually

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1. D. Kirkpatrick, Senior Editor, *Fortune* 24 January 2008, http://money.cnn.com/2008/01/24/news/international/kirkpatrick_davos.fortune/?postversion=2008012414 (accessed 18 August 2008). Kirkpatrick noted that applause for Gates's endorsement of CSR was tepid. He remained uncertain as to whether the audience found nothing new in what was said or if they belonged to the school that holds with Milton Friedman that 'business is business'.

have NGO partners in developing countries. They are often linked to human rights groups or to anti-globalization networks. Constituting themselves as advocacy and lobbying groups, they have organized broad alliances and pushed corporations to adopt codes of conduct for their environmental and labour practices in countries where they function.

In the absence of global governance of corporate activity, civil society groups have found novel ways to pressure TNCs. They have organized shareholder protests, campaigns that 'name and shame', and consumer boycotts in developed countries against brands marketed by offending enterprises. Campaigns are often very sophisticated. Recognizing the importance of sub-contracting, for example, they target the higher levels of the value chain as well as immediate producers. Campaigns often bypass local governments, which civil society groups tend to distrust. Regulation is thus principally a privatized domain with civil society groups directly negotiating with and monitoring corporations.

The recent crisis in global credit markets drew attention to the ways in which the architecture of the world financial system has been rapidly remodelled in the last twenty years, placing some operations of financial capital outside the control of regulators.[2] This renewed focus on the problem of regulating new forms of organization of financial capital should apply equally to the new grey areas of activity undertaken in the name of CSR. The fact that a corporation claims that a particular activity has been undertaken as a reflection of its ethical concerns is no guarantee that it is contributing either to the general public good or to the well-being of the poor. Similarly, there is no assurance that civil society organizations and development agencies that presume to promote corporate social responsibility actually do so, nor that the actions they demand really benefit the poor and the oppressed.

THE DEBATE

There is currently much furore around CSR in development practice and its theorization. Most large development NGOs and the big governmental development agencies (loosely speaking, 'the donors') now have departments called 'corporate responsibility'. Many important development journals have recently published papers, even special issues on the topic.[3] The editors of *Development and Change* found it difficult to determine what we thought about CSR on the basis of this now expanding literature. We decided that

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2. This was written, as were the contributions to the debate, before the current much more severe credit crisis and the plunge towards global economic recession.
3. See, amongst others, *Third World Quarterly* 28(4), 2007; *International Affairs* 82(5), 2006; *Development in Practice* 15(3), 2005; *Development Southern Africa* 20(2), 2003; and the WIDER/DESA project on 'Innovative Sources for Development Finance'. There is also a very large literature on ethical trade that is only tangentially discussed here (cf. Hughes, 2006).

the debate space of the Forum issue could usefully be used to allow some of those who have been thinking about CSR to stand back from their particular cases and issues to reflect on the question of changing forms of regulating capital. We set a central proposition for debate, though we expected that some of the participants might come up with a better formulation or might demand a radical redefinition of the terms of the debate. The proposition set was: Regulatory governance, backed by political pressure from civil society, can persuade transnational corporate capital that promoting the reduction of poverty and inequality in developing countries is consistent with the pursuit of profit and corporate legitimacy.

In setting the debate, and in light of existing discussions, we expected responses to be nuanced, but perhaps clustered around two alternative positions: a group that would be sceptical of regulatory standards jointly promoted by corporations and advocacy groups;[4] and a group that would see such regulatory regimes as an appropriate form of governance of capital in the contemporary world. We also thought that divergences would focus on three areas.

- *The extent to which corporate initiatives can be consistent with the interests of the poor in a world so marked by sharp inequalities of both income and conditions of life*

The sceptical position here would suggest that there is an important difference between the ethical positions assumed by particular people within corporations and treating the corporation as an ethical subject, a distinction not always made by the anti-sweatshop movement in the United States (DeWinter, 2001). They would note that corporations favour certain forms of control and not others. They prefer self-regulation through industry standards and selective international regulation to level competitive advantage. As profit-making institutions, corporations must give priority to establishing institutional frameworks that will secure their rights in relation to foreign direct investment, 'free trade' and flexible labour markets. Their response to consumer boycotts or shareholder protests that challenge these in a particular country will be withdrawal, not reform. As for corporate philanthropy, large foundations can influence the policies of states; they may wield budgets many times the size of those of ministries or even international organizations charged with developing policy in areas such as public health. They will not fund social programmes that challenge the underlying distribution of wealth and power upon which their profitability depends.

The alternative position would argue that the nature of corporate action, whether philanthropic or for profit, is not a given but a historically

4. For the sake of editorial honesty, I should admit that I belonged to the relatively uninformed but sceptical group, which undoubtedly still influences the way the issues are discussed here.

shaped outcome, subject to different forms of governance; amongst these, the shaping of moral values may be as important as legal directives and enforced compliance. This is in fact the position taken by DeWinter (ibid.). Despite (perhaps because of) theoretical inconsistency on their definition of corporate moral agency, the anti-sweatshop movement was able to shift the boundaries of what counts as legitimate corporate behaviour, the context of profit-making if you will.

- *The extent to which civil society groups can build sustainable forms of regulating corporations that are of benefit to the poor in developing countries*

Sceptics would argue that global civil society is structured by relations of power and class just as is global society as a whole. They might note that some of the concerns of those calling for obligatory labour codes or free trade reinforce protectionist interests of constituencies in their own countries, not necessarily of those they claim to protect. Socially responsible investment must reflect the interests of the large pension funds that dominate many shareholder ownership organizations (Aglietta, 2000). NGOs involved in verifying compliance with CSR standards can become clients of the corporations they are supposed to be monitoring. Sceptics would also note the transitory and *ad hoc* nature of the techniques of governance used by civil society groups, arguing perhaps with Houtzager (2003) that suspicion of the state has led to an underestimation of the importance of what it does.

The alternative position might observe that global inequality of course cuts across the polity including the state and civil society as well as the economy. To confront hegemonic inequality means to destabilize discursive, institutional and political structures, not to construct bureaucratic substitutes for the state.

- *The extent to which civil society groups subscribing to systems of voluntary governance of transnational corporations can develop a transformative project*

This leads us to the final issue. Is corporate social responsibility really a social movement with a transformative project? Some of its critics have suggested that it is precisely the contrary, a discourse promoted by corporations and international development agencies to justify global imposition of neoliberal prescriptions.

The sceptical position has been strongly put by Blowfield and Dolan (2008: 1) in a recent issue of this journal. They argue that ethical trade is grounded in a neo-utilitarian ethics which is: 'at the core of a form of governmentality that advances the project of neoliberalism, not by force but rather through the technologies and embedded norms of voluntary regulation, resulting in a model of governance that is fundamentally constrained by structurally embedded limitations'. A similar point is made by Shamir (2008: 1) who concludes 'that the moralization of markets further sustains, rather than undermining, neo-liberal governmentalities and neo-liberal visions of civil society, citizenship and responsible social action'.

The response to this might be that one never knows from the outset whether a particular social movement will be counter-hegemonic or not. Civil society groups working across the globe have been able to use the discourse of corporate social responsibility to change conditions of life and work for many poor people and to build networks that promote economic and social justice. Whether they are successful or not depends both on their own internal organization and the particular political contexts within which they function. This is a tentative but realistic response that underlies the apparent diffuseness of the literature on CSR. One finds very few confident endorsements, rather a cautious optimism with many warnings about what can go wrong. The question then of course is whether there is anything more generally to be learned from myriad specific cases about the politics of regulation in CSR.

CONTRIBUTORS TO THE DEBATE

True sceptics are a shadowy presence in this debate, as are unreserved advocates of CSR. Most of the contributors are social scientists who have worked in some way with civil society organizations (CSOs) involved in CSR. They are cautious critical advocates. They focus principally on the second of the topics discussed above: to what extent can civil society groups build sustainable forms of corporate regulation that are of benefit to the poor in developing countries?

Peter Utting provides a dense introduction to new research on corporate accountability. He puts the struggle by civil society organizations to challenge neoliberalism, to redress North–South inequality and to promote more inclusive forms of development at the centre of the debate. He is particularly concerned with the ways that NGOs and trade unions use contestation and advocacy to affect the functionings of transnational corporations. His first central point is that understanding the terms of this struggle depends on locating it within changing relations between state, civil society and business. The controlling state has given way to the regulatory state, the structural power of big business has increased and the strength of the labour movement declined. There is a correspondingly greater institutional diversity with emphasis on private regulation, public (as opposed to state) policy making, and private–public partnership in management. For civil society strategies of struggle this means that new areas of law and litigation have emerged, that risk management has become a terrain of struggle between corporations and CSOs, that CSOs can and do play a role in influencing policy agendas.

Utting thus provides a series of interesting political answers to the third aspect of the debate: how to ensure the transformative content of civil society calls for corporate responsibility. The entrenched sceptic might still ask — with Shamir (2008) and Blowfield and Dolan (2008) — are you really convinced that the power relations inherent in the stakeholder approach to policy making do not reproduce precisely the inequalities that many civil society groups oppose? Does the way the rhetoric of corporate accountability assigns the role of the provident, responsible citizen both to business and civil society not ensnare opposition within a neoliberal project?

Stephanie Barrientos puts her argument right into her title: corporate codes do not do much to regulate labour practices when production is dependent on casual and migrant workers supplied by third party labour contractors. The problem is that shifts towards outsourcing in global production networks have made labour contracting the dominant form of production in labour intensive industries. Contractors evade national labour legislation and casual workers are difficult for trade unions to organize. Recourse to mobilizing consumer power for fair trade certification is proposed as a possible answer, although experiences show that the same kinds of difficulties in monitoring compliance that arise in applying national labour legislation also apply to such corporate codes. Barrientos argues that what is needed is an effective international architecture with teeth that would link social and commercial dimensions of corporate accountability at both national and international levels.

A more sceptical interrogator in this debate might ask Barrientos whether design and enforcement of national labour legislation might not be a more important political goal. She herself notes that the relative success of the WIETA (Wine Industry and Agriculture Ethical Trading Association) was assisted by the fact that post-apartheid South Africa has strong national labour legislation. They might also ask her to identify more clearly who the civil society actors are who will push for this international architecture. Must casual and migrant workers depend on international patrons to defend their rights?

Like Barrientos, Gay Seidman looks at transnational labour practices, drawing on her case-study of three campaigns that are highly regarded as successful in the international literature on CSR, although less so in their home countries. She observes that regulation ultimately depends on the monitoring of labour codes, generally carried out by local NGOs. Her cases allow her to raise some doubts about voluntary privatized regulation of labour practices. Whether one can expect a positive response on monitoring from a corporation depends at least partially on whether its consumers are likely to accept higher prices being passed on to them. NGOs involved in the monitoring are ultimately dependent on the corporations they monitor for access to sites and very often for the funding of their activities. International labour campaigns are good at mobilizing pressure around dramatic abuses of human rights such as child labour or physical attack, but it is not clear that they can respond quickly to ordinary labour grievances. Seidman argues that boycotts should be thought of as a first step, that perhaps labour activists should focus on promoting democratic state institutions that allow workers to speak on their own behalf rather than on mobilizing consumers against corporate brands. Both the sceptic and the advocate of CSR might ask her whether or not that means abandoning appeals to the discourse of corporate responsibility and private regulation of corporate practice altogether.

Peter Lund-Thomsen also focuses on codes of conduct as ways of regulating corporate activity in global supply chains to make it socially and environmentally responsible. He corrects various misconceptions about CSR. First, its spread in corporate investment in developing countries is in actuality minimal. Second, any presumption that companies are going beyond legal compliance is false, because many corporations are in violation of existing legal frameworks on social and environmental responsibility. Third, compliance with international codes of conduct may worsen social and environmental conditions for workers and communities. Fourth, traditional auditing techniques often do not work well in developing countries and in practice are often substituting for or replacing the authority of national government inspections.

Lest one take Lund-Thomsen for the ultimate sceptic, he actually thinks that there is a role for codes of corporate conduct in developing countries, if better ways of assessing their impact are developed, if they are contextually appropriate, and if national governments and international organizations and those people envisioned to be the ultimate beneficiaries play a role in ensuring socially and environmentally responsible behaviour on the part of corporations. He also argues that global sourcing companies that wish to act in a social responsible manner must be willing to engage with suppliers in the long-run and invest themselves in the costs of running a social programme. Given this long list of conditionalities, the sceptic might still ask whether Lund-Thomsen thinks that the kind of private voluntary regulation that is part of the corporate responsibility rhetoric has any future in developing countries at all.

Elizabeth Umlas looks at the expansion of 'Socially Responsible Investment' (SRI), or ethical investing or social investment, from niche markets in industrialized countries to emerging markets in developing countries. Here the ethical subject may be individual share-owners or institutional investors such as public pension funds. Umlas is ambivalent about the transformative potential of SRI. She recognizes that the definition of what is ethical is a social construction (and has included some religious investors in the US withdrawing investment from companies considered to be opposed to 'family values'). She highlights some possible limitations to the positive impact of SRI, having to do with reconciling corporate profitability with social objectives: a reluctance to commit to long-term investment projects, expanding investment into areas that not everyone would consider socially acceptable such as nuclear energy or tobacco, and quick-and-dirty checklist assessment of social acceptability. There are also some specific limitations in developing countries — less public company ownership, weak standards on company disclosure and limited resources for monitoring by local researchers.

At the same time, Umlas argues that there is consensus that good corporate governance implies upholding core international labour standards in global corporate supply chains and striving to reduce any negative environmental impact of corporate activities. Nor is it inevitable that corporate responsibility is unprofitable. Umlas notes that according to a recent Goldman-Sachs report, ethical investors outperform their peers on a major international stock index, though subject to some possibly very limiting caveats. She suggests that the transformative impact of SRI could be greater if SRI groups allied with others such as human rights activists (as they did in the Bhopal protests and anti-apartheid campaigns).

Sceptics would probably take exception to Umlas's use of the term 'the SRI community' since it seems to encompass a very broad range of investors with diverse interests as well as individuals (not necessarily monied) interested in promoting shareholder activism. As Umlas recognizes, there are divergent visions of what is ethical. For example, is carbon trading ethical investment or not? Umlas urges the 'SRI community' to get involved in public policy debate, including scrutiny of corporate political involvement and its social impact, but that depends on being able to sort out what is regarded as proper corporate behaviour and what is not. Umlas suggests that social investors are different to traditional investors in that their goals go beyond return on investment to broader aims such as increasing corporations' accountability for their impact on society. Sceptics would probably observe that shareholders who do not make profitability a necessary condition will rapidly disappear from the market. As Vogel (2005: 1–2) puts it, 'in the final analysis, CSR is sustainable only if virtue pays off'.

Patrick Bond is not ambivalent; he thinks the CSR discourse is 'greenwash'. Bond argues that multinational corporate profitability is consistent neither with the reduction of poverty and inequality nor with environmental stewardship. He does not expect that regulation of the ways that corporations function in the market does much good, whether it be voluntary or enforced by the state. He summarizes case-studies of three social movements that have won significant concessions from multinational capital in South Africa: the efforts of the Treatment Action Campaign (TAC) to secure cheap AIDS drugs, agitation leading to the cancellation of Suez's contract to manage water supply in Johannesburg, and watchdog protests by environmental activists against corporations that pollute. Bond argues that what activists have won in these cases is the decommodification of basic goods and services. What they must do to secure their gains is to ensure that the state is run by a political party that is accountable to its poor and working-class constituents and exhibits environmental, gender and race consciousness. Bond also sees the movement to secure damages in US courts from corporations functioning in South Africa under apartheid as a direct challenge to the language of corporate responsibility.

A reflective observer of CRS initiatives might note that the activist successes Bond describes in South Africa have not been based on a general denunciation of corporations, nor do they seem to be involved in the quest to eradicate corporate power for which Bond calls. Rather they have been based on the premise that some corporations exhibit worse behaviour than others and those that do can be called to account for their actions. In short, have they not used, particularly in their strategies for gaining international support, a political space created by the discourse of CSR?

Peter Knorringa and Bert Helmsing think that the debate around CSR is clouded by a more general problem in the theorization of development: a kind of Manichaean dualism that pits a potentially virtuous state and civil society against an irredeemably bad private sector. They point out that the private sector is composed of very different kinds of agents, from multinational corporations to shoe-shine boys. They note that many development NGOs now cross the line between civil society and the private sector, employing private sector management techniques in their own organizations. They observe that accumulation of wealth in private hands in the rich countries since World War II has led to a boom in international philanthropy as a form of development assistance, whether by corporate foundations or wealthy individuals. Knorringa and Helmsing recognize that these new development actors may have social goals that are different to those of the older established development NGOs. They argue that the best way to address this is for scholars of development to engage with the private sector in identifying ways in which the developmental impact of CSR initiatives can be strengthened while continuing to challenge the notion that private sector development is a panacea for poverty.

Knorringa and Helmsing's contribution implicitly raises a theoretical issue that hovers over much of the debate around CSR, the question of class. Their essay addresses the private sector, not capital. They efface the analytical boundary between those whose source of income is their own labour (e.g. their shoe-shine boy) and those whose profits arise from the exploitation of workers (e.g. the transnational corporation). For those who make this distinction, capital acts the way it does in the necessary pursuit of profit, not because of the personal ethical commitments of individual capitalists. From this perspective, one would agree with Knorringa and Helmsing that neither the state nor civil society is inherently good or bad. Both reflect the politics of class struggle. The accumulation of untaxed wealth in private hands that underlies the philanthropic boom observed by Knorringa and Helmsing is a *political* outcome of the internationalization of capital since World War II. Such a perspective will of course be much less sanguine about the positive developmental impacts of private–public–civil society partnerships than are Knorringa and Helmsing.

Peter Newell, like Utting, places the debate over CSR in its wider political and economic context, but he takes a much longer view. He reminds us that corporate philanthropy in the nineteenth century was, like CSR today, a way to regain public trust in the wake of denunciations of corporate abuse and a means for weakening the case for regulation. He also calls for caution in discussions of the nature of the changing relation between state and capital, noting that the conditions for the exercise of private power have been constructed by states, at least in the industrialized countries. Newell then challenges some of the premises underlying the way the terms of the debate were set. He emphasizes that suasian is not the essence of regulation; where states are powerful they can assure public over private interest without relying on support from civil society. Corporations should not need to be persuaded to tackle poverty; to do so is a responsibility of corporate citizenship. More fundamentally the coupling of regulation and activist pressure is a western model that need not apply elsewhere.

Newell suggests an alternative starting point for the debate — the causes of poverty — which lie in the organization of the global system itself, and particularly the convergent interests of state and capital. The focus of CSR should not be regulation but rather the fundamental issues of global patterns of distribution, mobility and consumption. He notes that in these respects we cannot assume that all capital acts the same, although what corporations do best is usually to provide jobs, tax revenue and technical innovation, not social development. He argues that we are at a critical crossroads where we must choose between a *laissez-faire* approach to capitalism and a regulated capitalism that would serve broader social and environmental goals such as social justice and sustainability. The sceptic would certainly appreciate Newell's beginning point — the global system of accumulation and corresponding forms of state regulation that underlie global poverty and inequality — but would probably ask who 'we' is and who it is that gets to choose. To call upon transnational capital to exercise the social responsibilities of liberal citizenship would seem a rather feeble way to try to dismantle structures of global inequality.

CONCLUSION

To return to the beginning point of this debate, the interest of the editors of *Development and Change* was in exploring just what kind of animal 'Corporate Social Responsibility' is. It is certainly not a useful descriptive or analytical concept since it describes a multiplicity of different things in ways that are difficult to define. As a claim to legitimacy by transnational corporations or ethical investors, any particular case clearly requires critical, perhaps even suspicious, examination. What about its usefulness for civil society groups concerned with redressing global poverty and inequality or environmental degradation? Here participants in the debate have taken different positions. I will leave the reader to decide. For myself, I remain a sceptic. CSR belongs to the category of things that C. Wright Mills (in relation to Parsonian structural-functionalism) once called 'the Emperor's new clothes', misleading intricate schemes that fit all but ultimately have little usable content. For social movements that wish to address exploitation, oppression and inequality in the world, it seems to me better that they say so directly and then figure out how to do it, rather than call on transnational corporations to remember their civic duties or to spend time monitoring how they regulate themselves.

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