

## Introduction

# Towards an Ethnography of Corporate Social Responsibility

*The duties of a manufacturer are far larger and wider than those merely of an employer of labour; we have a wide commercial character to maintain, which makes us into the great pioneers of civilisation*

(Mr Thornton in *North and South*,  
Elizabeth Gaskell 1854–1855).

IN AUGUST 2002, when Johannesburg was playing host to the World Summit on Sustainable Development, a cartoon by the renowned South African satirist, Zapiro, appeared in the *Mail and Guardian*. The cartoon, entitled ‘A Gift from the Corporate World!’, shows the doors of the summit opened wide to embrace a Trojan Horse. On the outside of the horse the inscription, ‘sustainable development’ is written. On the inside, Zapiro shows us cigar-smoking corporate fat cats holding a banner of ‘profit, self-regulation and unfair trade’ (Zapiro 2002, see Figure 1.4). Zapiro warns us that, like the Trojans<sup>1</sup>, in receiving gifts we can unwittingly be embracing our own enslavement. The veiled power of the gift to empower the donor while oppressing the recipient was summed up most poignantly in the words spoken to me by a community worker from South Africa’s platinum mines: ‘As long as we’re dependant on handouts from the mining companies, we’ll be their slaves’.

In the past decade transnational corporations (TNCs) have become increasingly important players on the landscape of international development, under the banner of corporate social responsibility (CSR)—a movement promising to harness the *global* reach and resources of transnational corporations in the service of *local* development and social improvement. As big business is brought more closely into the development process—not only as agent of empowerment, but as its architect—novel regimes of local, national and global responsibility are emerging in which corporations are elevated as guardians of the social order and purveyors of a new global moral authority. TNCs have ‘cleaned up their act’, it seems; they have become responsible, even caring,

their power valorised by their status as champions of sustainable development. Disenchantment with the rampant free market fetishism and hard-line neoliberalism of the 1980s has given way to the (re)birth of an era of compassionate capitalism with corporate citizens as its midwives, offering, it appears, moral, and perhaps even spiritual, revitalisation of the ‘Market’. It has become commonplace to hear the language of commerce and that of community, of enterprise and ‘the social’ coupled together where once they were seen as antithetical; as instruments of capital become agents of social improvement, merging bottom line economics with a new register of corporate responsibility. The CSR movement thus claims the happy confluence of economic value and ethical values packaged together in the new human (or humane) face of capitalism. Yet nothing is straight forward about this apparently win-win formula.

As the phenomenon of CSR asserts a symbiosis of ‘enlightened self-interest’ and social improvement, this book sets out to explore what lies behind this marriage of moral imperative and market discipline. In bringing anthropological approaches to bear on corporate capitalism, my aim is to reveal *how* power is accumulated and exercised through the practice of CSR; to shed light on the new regimes of authority enacted through the (re)emergence of a moral economy of responsibility at the heart of the market economy.

Conventional models of modern capitalist economics claim the independence of ‘the market’ from the realms of political and social life<sup>2</sup> and from the concerns of morality. Yet even *The Economist* tells us, ‘Greed is out. Corporate virtue . . . is in’ (*The Economist* 2004). The image of ‘corporate virtue’—which conjures visions of Victorian industrial philanthropists, of Cadbury, Carnegie and Rockefeller—is juxtaposed with that of ‘corporate greed’, recalling the unbridled corporate greed embodied in Wall Street’s Gordon Gekko (Stone 1987) or Tom Wolfe’s *Bonfire of the Vanities* (Wolfe 1990). CSR is widely held up as the triumph of corporate good over the selfish pursuit of profit. And the widely used phrase ‘compassionate capitalism’<sup>3</sup> even seems suggestive of a merciful and beneficent ruler. How do we make sense of this reconnection of morality to, as Marcel Mauss put it, the ‘cold reasoning of businessman, banker and capitalist’ (1967: 73)? And, more importantly, what are its effects?

This book then, is about the performance of corporate virtue—at times ritualised and theatrical, at others routine and quotidian—and its place within late capitalism. It is about a new global orthodoxy which claims to unite the exigencies of social well-being with the dictates of profit maximisation in the emancipatory promise of the market. And it is about how CSR

becomes a crucial mechanism by which corporate structures reinvent, reproduce and extend their authority, not only over the economic order, but over the social (and indeed moral) order, both in the international sphere of global governance and within the national and local context of post-apartheid South Africa. Claims to moral purpose, after all, have an enormous power to naturalise economic and political authority.

Through a multi-sited ethnography, I track the trans-local dimensions of a transnational mining corporation in pursuit of the slippery notion of CSR. This pursuit took me from the corporate boardrooms of a company's global headquarters in London and Johannesburg to its mineshafts on South Africa's platinum belt. The company provides a lens through which to reflect on the wider global CSR movement. As the largest private sector employer, not only in South Africa but on the whole continent, the company has emerged as a champion of CSR and leader of the business for sustainable development agenda, projecting itself as a 'global corporate citizen of tomorrow', and, at the same time, as deeply rooted in its legacy, as *Proudly South African*.

Not until you are inside 20 Carlton House Terrace, London, will you see a small sign letting you know that you are inside the London headquarters of the third largest mining company in the world: Anglo American. The impeccably designed lobby is a multi-storey glass atrium decorated with a fountain, pieces of mineral ores in glass cases, a plaque to Sir Ernest Oppenheimer who founded the company in 1917, and beaded decorations, sourced and imported from Kwazulu-Natal. Books of African art sit on the coffee table alongside copies of the *Financial Times*, and on the reception desk there is a framed photograph of two small children outside a rural village school in South Africa. Scrawled in children's handwriting at the bottom of the picture, are the words, 'Thank you Anglo'.

In Johannesburg the Anglo American complex is well known. With its huge stain-glassed windows and sandstone eagles guarding the front façade, 44 Main Street was built by Ernest Oppenheimer himself. It is said that he told his architect that he wanted something between a cathedral and a bank (Johannesburg City Council 1986: 130). A fitting command centre, it would seem, for a company which the London *Financial Times* described as 'virtually an alternative government . . . until little more than a decade ago, to be chief executive of Anglo American conferred, at least in South Africa, the status of cabinet minister or top official at the Reserve Bank' (Bream and Russell



**Figure I.1.** Anglo American headquarters, Johannesburg. Author's photograph.

2007: 9). Around the corner, Anglo American's subsidiary, Anglo Platinum Ltd (the world's biggest platinum producer), is housed in a fifteen storey, 1980's glass office-block—another globalised hi-tech corporate temple.

It is hard not to feel the visceral contrast of moving from these sites to the barren landscape of the Platinum Belt in South Africa's North West Province.

The single lane highway from Pretoria to Rustenburg—“The Bakwena Platinum Highway”—takes you past the Magaliesburg mountains. The clouds of smoke on the horizon and the huge slow trucks signal the platinum mines and refineries which encircle the town of Rustenburg, the urban hub of the Platinum Belt’s Western limb. In 2005 the South African Broadcasting Corporation



**Figure 1.2.** Anglo Platinum headquarters, Johannesburg. Author’s photograph.

(SABC) news declared Rustenburg the fastest growing city in Africa second only to Cairo<sup>4</sup>. On first entering, the groundswell below the quietened surface becomes evident. Almost as if the mines are physically pushing up through the ground, the pressure from their expansion and the resultant commercial boom is stretching Rustenburg at its seams. In certain places at 5pm every day the ground shakes, accompanied by loud though distant bangs, much like the sound of fireworks far away—the sound of blasting somewhere in the miles of mines underground. Surrounding the mining areas on the outskirts of the city, informal settlements bearing names suggestive of a very different reality—Edenvale, Park Heights and Mayfair<sup>5</sup>—house somewhere between 50,000 and 150,000 people in densely packed rows of semi-permanent homes.

This is a landscape scarred by imposing mine shafts and smoke stacks, smelters, refineries, crushers, barracks style hostels and mountainous slag heaps. It is here that over 40 percent of the world's platinum is produced: blasted from the rock, transported to the surface, crushed, smelted and refined by Anglo Platinum's 25,000 employees until it is ready to be flown to the coast. From there it makes its way across the globe to be moulded into auto-catalysts for cars or jewellery for those who can afford it. Rustenburg is the global centre of platinum production, where Anglo Platinum is the dominant player among five multinational mining houses. It is here that I went looking for the tangible products of the phenomenon known as CSR.



**Figure 1.3.** Processing plant, Rustenburg. Author's photograph.

## The Rise of CSR

At the World Summit in Johannesburg corporations became firmly established at the vanguard of the global development agenda in an atmosphere of enthusiasm and ebullience (rarely unsettled by warnings such as that of Zapiro's cartoon), heralding a new era of public-private partnership in pursuit of universal goals<sup>6</sup>. Indeed, at the start of the 21st century, few goals have appeared so persuasive in their capacity to recruit support from diverse corners as that of sustainable development. An article covering the event for the *Guardian* newspaper noted that seated next to Tony Blair on his flight to the summit was Sir Robert Wilson, then the Chief Executive Officer (CEO) of the world's largest mining company, Rio Tinto (Vidal and White 2002). Surely this, the article went on, symbolised the extent to which big business has been embraced as both a partner and advisor in international development planning.

In less than a decade since the summit, CSR has been enshrined in a proliferating maze of international codes of conduct, standards, ethical principles and guidelines, management systems, toolkits and toolboxes; all of which serve to delimit an accepted register of values, norms and practices that constitute this new orthodoxy and establish its status as a global regime. The emphasis on the global dimension of corporate citizenship, not only reflects the vast reach of companies and the transnational flow of capital they generate, but claims a capacity for de-contextualisation, abstraction and re-contextualisation in diverse local contexts, enabling TNCs to claim 'the art of being local worldwide' (Nelson 1998: 11). Global values articulated and established in the cosmopolitan realms of CSR in London, New York, Geneva or Beijing and established in international codes and compacts, are seen to give rise to a corresponding set of local practices as they elevate corporations as vehicles of social improvement in localities across the world. Taking on the mantle of global corporate citizenship, TNCs supposedly transcend the parochial politics of national government or the failure of state-led development, promising instead the universal rationality and efficiency of business. It is this marriage of global values and local practice that is held up as the essence of corporate citizenship, promising to incorporate the excluded margins and impoverished people into the webs of social responsibility of TNCs, and the empowering opportunities of the global market.

CSR thus appears as a collaborative venture that subsumes diverse projects and potentially divergent interests (and values)—communal and commercial,

ecological and social—within a collective project (Tsing 2000). As it confronts new social and environmental challenges, the CSR movement has demonstrated a powerful capacity to adapt, incorporate and offer itself up as the answer to an apparently limitless range of global concerns within the all-encompassing commitment to sustainable development: from good governance, anti-corruption and responsible payment of revenues to governments, to environmental stewardship, biodiversity and climate change; and from human rights, labour rights and indigenous land claims, to HIV/AIDS, socio-economic development and empowerment. It is the last three on the list which provide the main, though not exclusive focus of this book.

As CSR has gathered momentum over the past decade, and as it recruits support from an extensive and diverse constellation of actors, it has become a platform from which corporations can take an increasingly active role in setting, as well as implementing, the development agenda at a global level. The rise of CSR has established TNCs as more the solution to the challenges of global poverty and under-development, than the cause. Companies themselves have become purveyors of best practice and ethical standard-bearers. The moral high-ground once occupied by NGOs has been usurped, so to speak, by the former targets of their campaigns.

This reminds us that CSR has evolved from a movement amongst campaigners to compel TNCs to ‘clean up their act’, to a discourse of unity and partnership led by corporations themselves<sup>7</sup>. From behind the barricades at Seattle, Gothenburg and Prague, and in response to consumer vigilantism and non-governmental organisation (NGO) ‘brand-jacking’, corporations re-emerged extending the hand of CSR to their former combatants; or as one senior executive at Anglo American put it (rather less dramatically), ‘we were sick of getting rotten fruit thrown at us on our way in to work, so we decided to engage rather than hide’.

In the vanguard of this movement are those companies which had previously been seen as the very epitome of irresponsible capitalist exploitation—the extractive industries. Once the pariahs of capitalism, those very same companies have emerged today as leaders of the CSR cause. They have done so in the wake of a catalogue of scandals surrounding allegations of the irresponsible exploitation of people and resources through the past century: illegal uranium mining in Namibia (Rio Tinto); exploitation of the black workforce in apartheid South Africa (Anglo American); involvement with paramilitary outfits in Columbia (BP); complicity in the oppression of



the Ogoni in Nigeria (Shell); environmental disaster in the Gulf of Mexico (BP again); armed conflict surrounding the Panguna Mine on Bougainville, Papua New Guinea (Rio Tinto again); asbestos poisoning in the Cape (Cape Industries); ChevronTexaco in Angola; Talisman in Sudan; the list goes on. Yet this portfolio of environmental and social irresponsibility has given way to a decade of initiatives<sup>8</sup> aimed at making the mining business, not only socially responsible, but 'sustainable' (perhaps an oxymoronic promise considering the inherently unsustainable nature of extraction<sup>9</sup>). Meanwhile, in the broader arena of CSR, captains of the mining industry have taken up leading or prominent positions on almost all of the central compacts, frameworks or coalitions that have evolved to constitute a 'global' architecture of CSR, such as the UN Global Compact, Business Action for Africa, the Global Business Coalition on HIV/AIDS and the World Business Council for Sustainable Development (WBCSD) (see Chapter 1)<sup>10</sup>.

CSR is thus widely seen to be rooted in the age of neoliberalism, arising from increasingly vocal concerns about the overweening power of corporations extending daily into greenfield territories and new areas of economic and social life. Such fears are underpinned by broader discontent about the ravages of the neoliberal economic reforms of the 1980s and structural adjustment imposed as purely technical market mechanisms, without regard for how they might work (or not work) in social terms. CSR is, therefore, emblematic of a post-Washington Consensus era of development which promises to combine a humanised approach to development, with the compassionate face of capitalism, in place of a hard-line devotion to the rigours of free-market liberalisation and a long-awaited trickle down from capitalist growth. But of course CSR has a much longer history, rooted in the twinned legacies of corporate colonialism and industrial philanthropy; a history that has all too often been overlooked in the preoccupation with the apparent novelty of this age of responsible capitalism.

The conventional history of CSR narrated in official reports, the accounts of industry insiders and much of the literature<sup>11</sup>, begins, not as one might expect with the renowned philanthropic (and often Quaker) industrialists of Victorian Britain such as Rowntree, Cadbury or Lever, and their self-proclaimed commitment to social improvement (Satre 2005); nor with the philanthropic foundations of their US counterparts, Rockefeller or Carnegie<sup>12</sup>. Nor does it start with the subjugation of large areas of the colonised world by imperialist enterprises such as the British South Africa Company

in Rhodesia, or Hudson Bay in Western Canada. Rather, CSR is all too often presented as a distinctly modern phenomenon, the product of millennial concerns about social and ecological sustainability in an era of neoliberal globalisation. Yet, while lauded as a radical re-orientation of business for the 21st century within a new era of responsible capitalism, when we look closer, we find striking continuities with much older forms of corporate philanthropy and the ‘empires of profit’ (Litvin 2003) it sustained. By re-contextualising the contemporary phenomenon of CSR within these interwoven genealogies of benevolence, power and profit, I hope to draw out the patterns of continuity and change, and in particular, how old regimes of corporate paternalism are reinvented within a modern morality of social responsibility.

By contrast, policy-makers (from governments, multilateral and bilateral development agencies and civil society), corporate leaders and analysts have heralded this movement, as nothing less than the dawn of a *new* era in which CSR, and ‘Private Sector Development’ (Department for International Development [DFID] 2009) more broadly, aim to bring the great financial resources of corporations and the creative spirit of competition to bear on issues of social development<sup>13</sup>. This notion of ‘responsible competitiveness’ claims then, that while the laws of the market are irrefutable, our conception of ‘value’ can be broadened to include sustainability and social welfare, so making social responsibility itself subject to the competitive rigours of the market: ‘the challenge is to evolve a responsible basis on which competitiveness is achieved . . . the market will pay a premium for something that meets people’s values’ (Zadek et al 2005: 4). The result, according to Zadek et al, will be to invert the race to the bottom, and make it a race to the top. Proponents of this vision thus highlight the capacity of CSR to incorporate social goods and attendant values such as community and solidarity (conventionally seen as *opposed* to the cold-blooded rationalism of the market). The assertion is that by providing a template for governance and social responsibility within capitalism itself, produced by the powerful interests which drive it, ‘the global market’ (if mobilised according to the doctrine of CSR) will incorporate and empower the marginalised and disempowered. This is encapsulated in another of the mantras of the CSR industry—‘the triple bottom line’—which urges a new conception of profit that includes, ‘sustainable development’ and ‘environmental quality’ alongside ‘economic prosperity’, claiming an implicit symbiosis of social goods, ethical imperatives and market rationalities, rather than an inherent conflict between them (Elkington 1998: 32). But the notion of re-

sponsible competitiveness implies the reverse: social responsibility reshaped by market principles.

CSR thus appears to fill a veritable ‘gap in the Market’, endowing it with much-needed ethical values and virtues, enabling corporations themselves to address the social and environmental consequences of capitalist development. This view is exemplified by Hopkins who writes, ‘it is relatively easy to argue . . . that corporations should stick to making profits and leave development for governments. This, though, is a dance to the death, since the market left purely to profit maximization will not, as things are, fulfil major social roles’ (Hopkins 2007: xi). Thus the powerful populism of the ‘Make Poverty History’ campaign, which captured the imagination of celebrities and school children across the United Kingdom (UK), has been spun to reflect the prominence of business in this mission with the catchy, yet unintentionally ambivalent message: ‘Make Poverty Business’<sup>14</sup>. And, according to CK Prahalad’s now ubiquitous model (Prahalad 2006), in order to achieve this synergy of corporate profit and poverty alleviation, a company must simply chase the ‘fortune at the bottom of the pyramid’, incorporating the world’s poor as a mass of untapped consumers and grass-roots entrepreneurs waiting to seize the empowering promise of the market.

At the base of this ‘business case’ for corporate responsibility, we find therefore, a proselytising project that claims to spread market discipline as the source of social mobility. It is here that we hear the battle-cry of a capitalism that presents itself as liberator of the economically disenfranchised; a capitalism which, as Comaroff and Comaroff put it, offers itself up as a ‘gospel of salvation’ (2000: 292). This celebration of grass-roots capitalism is certainly not new. What is of particular interest and importance is that here it is the goliath of corporate capitalism that, we are told, will deliver on this promise to the Davids of petty enterprise.

For critics, however, CSR represents at best an empty promise or a case of emperor’s new clothes; at worst a Trojan Horse cloaking the market in morality, all while companies pursue their own profit-hungry interests and avoid regulation under the guise of benefactors<sup>15</sup>. Thus critics work to expose the gap between the rhetoric of responsible capitalism and the truth about corporate irresponsibility<sup>16</sup>. For others, it is nothing more than a distortion of the pure market and the true purpose of business<sup>17</sup>. In contrast, advocates have elevated big business as the path to development where states, characterised (so we are told) by chronic incapacity or corrupt rapacity, have failed<sup>18</sup>.