A cultural political economy of Corporate Social Responsibility

The language of ‘stakeholders’ and the politics of new ethicalism

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Introduction

This chapter presents a cultural political economy (CPE) approach to the discourses and practices of Corporate Social Responsibility (CSR) in the context of global neo-liberal capitalism. It has four parts. The first briefly explains the main features of the CPE approach. The second examines the changing nature of global capitalism with special reference to the rise of global production-retail chains, such as Wal-Mart. The term ‘Wal-Martisation’ is introduced to capture the changing social relations between retailers, suppliers and labour along these chains. As these extended into developing countries, there was mounting criticism of their impact on local labour and environmental conditions. This is evident in growing demands for more corporate responsibility reflected in the rise of consumer activism, local protests and non-governmental organisation (NGO) name-and-shame activities. Part three examines corporate responses to such criticisms. It focuses on attempts to reinvent corporate relations with society by promoting a business case for Corporate Social Responsibility. This is reflected in the institutionalisation of codes of conduct and then the ‘stakeholder-engagement’ discourses and practices. Part four investigates how ‘stakeholders’ are constructed as objects of governance and illustrates this from two cases. These show how stakeholder-engagement discourses and practices are managerialised and technicalised through the UN Global Compact and World Bank Stakeholder Analysis methodology. The cases indicate how CSR involves a ‘new ethicalism’ that is continuously resisted by civic activism. The chapter ends with some theoretical and empirical remarks on CPE’s contribution to understanding language and politics.

What is cultural political economy?

CPE integrates the ‘cultural turn’ (a concern with sense- and meaning-making) into the critique of political economy (Jessop & Sum 2006; Sum & Jessop 2013). It explores the articulation of structural features of capitalist economic–political relations (without
denying that they also have semiotic properties) with the more contingent discursive features of language use, knowledge production, the problematisation of truth regimes, modes of calculation and the remaking of social relations. More specifically, it explores the interface between these semiotic and material moments as they transform social relations and political processes. The contingent nature of these interactions becomes more visible during crisis conjunctures, when previously sedimented social relations (e.g. capital–labour or capital–nature relations) are challenged and new ones are imagined (e.g. capital–community). One response to such crises is that networks of actors imagine new policies and practices that might resolve these challenges. This can be seen in the case of CSR as a repository of new hopes and social obligations. This case is explored in terms of what neo-Foucauldian scholars, inspired by Foucault’s micro-level work on governmentality and power–knowledge relations, call knowledging technologies (Dean 1999; Miller & Rose 2008). In this regard, CPE explores both ‘how’ knowledge is constructed and how its transformative impact is mediated through discursive networks of actors.

This entry examines the relations between language and politics in the current phase of neo-liberal capitalism, with special reference to CSR, especially since the 1990s. In this context, the CPE agenda is re-specified to include the following questions: (1) when do particular economic imaginaries emerge in changing structural contexts; (2) who participates in the discursive networks that construct/promote new objects of corporate governance and energise feelings for change; (3) what additional ideas and practices are selected and deployed to recontextualise these proposed objects in the interdiscursive space; (4) what governmental knowledging technologies are involved in constituting particular subjectivities and identities related to the furtherance of these schemes; (5) how far, and in what ways, do such schemes impact unevenly on people’s everyday experiences; and (6) how are they represented and resisted by differently situated agencies as they engage in the uneven and contested remaking of social relations? Adequate answers require attention to hegemony, discourse, power and structural constraints.

**Neo-liberal globalisation of production/retail: towards Wal-Martisation**

The idea that corporations have social obligations to serve the public interest dates back to the late nineteenth century. However, in the US, formal writing on social responsibility did not emerge until the twentieth century. Prominent work in the 1950s included Howard R Bowen on *Social responsibilities of the businessman* (1953), which appealed to the social conscience of individual businesspeople rather than to firms. Later work in the 1960s and 1970s (e.g. Joseph W McGuire on *Business and society* in 1963; the Committee for Economic Development on *Social responsibilities of business corporations* in 1971) called for firms to recognise social responsibilities towards their environment that went beyond their legal and economic obligations. This short chapter cannot present the full evolution of this discursive construct (but see Carroll 1999) and will concentrate instead on its development since the 1980s with the rise of neo-liberalism and globalisation of the production and retail trade.

**Neo-liberal globalisation of production and retail**

In structural terms, the 1980s saw the stretching of global commodity (Gereffi & Korseniewicz 1994) and retail chains in the broader context of the rise and spread of neo-
liberalism. This was partly facilitated by the free-trade agenda pushed by the World Trade Organization in securing free-trade/export processing zones as well as opening of services, including the retail sector (Sum 2009). These global changes allow transnational corporations (e.g. Wal-Mart, Nike, Apple) to engage in global production and retail by integrating cheap land and workers from the Global South into their networks. In critical political economy, this process of transnationalisation has been related to changes in labour regimes, capital–labour relations, and class formation and struggles. For example, Pun (2005) identified a new work regime in southern China, the labour-dormitory system, which supports global production. Workers are housed in dormitories close to the factories so that they can be mobilised to perform overtime work at any time. A report by the Catholic Agency for Overseas Development (2004, pp. 30–34) on electronic-sector workers in China showed that they had to work illegal overtime (making a total of 15–16 hours per day under very poor conditions) to earn the minimum wage. Likewise, in Thailand, sub-contracted workers earned a ‘minimum wage’ that does not even cover food and household expenses. Such sweat-shop conditions occur not only at specific sites where class, gender, ethnicity and caste intersect to facilitate labour exploitation in specific ways, but elsewhere around the globe to form the nexus of sites that facilitate what Selwyn (2015) calls ‘the making of the global labouring class’. Global producers and buyers resort to local sub-contractors at different sites to optimise control over labour so that they can benefit from transnational low-cost production and surplus value extraction on a global scale.

Wal-Martisation as a low-cost accumulation strategy

This chapter will use Wal-Mart’s approach to the globalisation of retail chains, described here as Wal-Martisation, to illustrate some of the strategies and stakes in this more general process. As a global discount chain, Wal-Mart thrived on its ‘Always Low Prices’ label but replaced this in 2008 with ‘Save Money. Live Better’. Its bargain-based accumulation strategy depends on global–local factors that include: (1) entering into ‘glocal’ partnerships at specific sites; and (2) using micro-management techniques such as ‘category management’ and ‘scorecards’. First, Wal-Mart entered national markets by forming partnerships with local governments (e.g. the state-owned Shenzhen International Trusts and Investment Company in China) as well as with private commercial concerns (e.g. ASDA in the UK, Seiyu in Japan, Best Price in India and Massmart in South Africa). These and other ventures enable Wal-Mart both to sell and source in these countries.

Second, underlying these partnership strategies is the use of information technology that integrates retailing and sourcing within the global supply chain. Wal-Mart has developed its own communication-logistical-inventory system that enables it to link the retailer with its suppliers worldwide. Since 1983, Wal-Mart has installed bar-code readers in all its distribution centres and introduced radio-frequency identification in 2005. It has also deployed a software programme since 1991 called Retail Link that connects all stores, distribution centres and suppliers. This innovation has made Wal-Mart into the largest private satellite-communication operator in the world. It operates a four-petabyte data warehouse that collects and analyses point-of-sale data (e.g. store number, item number, quantity sold, selling cost, etc.) as well as keeping track of inventory down to item level. These capacities allow Wal-Mart and its suppliers to examine and forecast consumer-demand patterns as well as to co-ordinate product sales and inventory data through the Retail Link system. Mainstream economic and management studies argue that this technological prowess enables Wal-Mart to ‘share information’ with its suppliers and gain
cost advantages based on automation, joint demand forecasting, and the ‘just-in-time’ supply system (e.g. bar-code-triggered replenishment, vendor-managed inventory and faster inventory turnover time) (Holmes 2001; Basker 2007). However, this kind of ‘information-sharing’ in lean retailing (Bonacich & Wilson 2006, pp. 234–235) can also be employed coercively (Free 2008, pp. 14–16). Given that price-value and cost competitiveness drive supply chains of this kind (Christopher 2005, p. 123), the everyday operations of mega-retailers are based on particular calculating practices that manage costs and margins. More specifically, these practices include ‘category management’ and ‘open-book accounting’.

‘Category management’, which is a business practice that began in the supermarket business, allows giant retailers to improve sales and profits by managing product categories (e.g. apparel, toys) as separate business units with their own pricing. Wal-Mart’s category managers work with suppliers to develop category plans and such routine contacts are facilitated by the Retail Link. To monitor profitability and efficiency, suppliers are trained and required to submit scorecards to the Retail Link. This entails opening their accounting details (e.g. inventory, pricing, performance and sales) to the retailer (called ‘open-book accounting’), with the aim of co-ordinating activities to reduce costs and/or maximise margins.

From a neo-Foucauldian viewpoint, these scorecards operate as a discursive apparatus that provides a form of selective and asymmetrical knowing. It allows Wal-Mart category managers (and their assistants) keyhole views into the suppliers’ ‘sales’, ‘markdown’, ‘margins’, ‘inventory’ and ‘return’ (see Table 37.1). This produces a new knowledge space that renders suppliers’ financial conditions visible in order to identify cause-and-effect relations bearing on the chain’s efficiency and profitability (Edenius & Hasselbladh 2002, pp. 249–57; Norreklit 2003, p. 601). Under constant pressure to review product categories, the identification of these cause-and-effect relations provides the everyday bases of calculation, intervention, hard-nosed negotiation and control. Mechanisms of control enable category managers to perform the following routine activities: (1) evaluating the change of each supplier’s costs and margins, and requiring it to match its lowest price or even cut it; (2) comparing each supplier’s costs and margins with the average; (3) introducing a form of co-ordinated competition between suppliers (e.g. asking a specific supplier to match the lower prices of competing suppliers); (4) asking for alternatives based on a panoramic view of the suppliers’ costs and margins; and (5) clawing back funds in the forms of suppliers’ contribution towards ‘volume incentives, warehouse allowances, and reimbursements for specific programmes such as markdowns, margin protection and advertising’ (Wal-Mart 2007, p. 44).

Seen through the micro-accounting practice of scorecards, this ‘information-sharing’ in the supply chain also sustains a kind of organisational control based on informational ‘supervision’. The visibility and benchmarking of suppliers enable Wal-Mart’s ‘category managers’ to demand lower prices, benchmark the average, and demand refunds from suppliers. This way of disciplining suppliers can be seen, in neo-Foucauldian terms, as a virtual panopticon. Computerised corporate ‘wardens’ conduct organisational surveillance of suppliers who are also enrolled in their own disciplinary gaze. In short, the use of scorecards and similar micro-accounting practices enable Wal-Mart to expropriate margins from suppliers. This seemingly ‘managerial-logistical-information fix’ is not only techno-economic in nature but also political. In the latter regard, it exhibits asymmetrical power relations that assist the transformation of capital-to-capital social relations, in particular by tilting the balance in favour of the retailers vis-à-vis the suppliers-manufacturers in buyer-driven commodity chains (Gereffi & Korseniewicz 1994; French 2006).
Table 37.1 Knowledge produced through Wal-Mart supplier scorecards

<table>
<thead>
<tr>
<th>Measurement criteria</th>
<th>Elements of measure</th>
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<tbody>
<tr>
<td>Sales measurements</td>
<td>• Overall % increase</td>
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<td></td>
<td>• Comparable same-store sales</td>
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<td></td>
<td>• Average sales/store</td>
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<td>• Sales at full prices vs. markdown</td>
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<tr>
<td>Markdown measurements</td>
<td>• Markups and markdowns (dollars, units and %)</td>
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<td></td>
<td>• Prior and current retail price</td>
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<tr>
<td>Margin measurements</td>
<td>• Initial margin</td>
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<tr>
<td></td>
<td>• Average retail price</td>
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<td></td>
<td>• Average cost</td>
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<td>• Gross profit at item level</td>
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<td></td>
<td>• Gross profit/item/store</td>
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<td></td>
<td>• Margin mix</td>
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<tr>
<td>Inventory measurements</td>
<td>• Replenishable store inventory</td>
</tr>
<tr>
<td></td>
<td>• Non-replenishable store delivery</td>
</tr>
<tr>
<td></td>
<td>• Warehouse inventory</td>
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<tr>
<td></td>
<td>• Lost sales from out-of-stocks</td>
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<td></td>
<td>• Excess inventory</td>
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<tr>
<td></td>
<td>• Past date codes</td>
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<td></td>
<td>• Total owned inventory</td>
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<tr>
<td>Return measurements</td>
<td>• Customer defective returns</td>
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<td></td>
<td>• Store claims</td>
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(American Logistics Association, Exchange Roundtable 2005)

Aided by this informational ‘super-vision’, Wal-Mart’s procurement staff members are constantly making deals with thousands of suppliers to produce goods tailored to Wal-Mart’s own stringent specifications, including pricing, quality assurance, sales, efficiency, delivery and, more recently, sustainability requirements. This firm grip over suppliers-manufacturers and the unrelenting push for cost and price-value competitiveness mean that manufacturers, in turn, must pass on their costs and production insecurity (e.g. termination of orders) to their workers. Workers in Wal-Mart’s supplier factories, which the International Labour Rights Fund terms ‘Wal-Mart Sweatshops’, see their wages cut and safety and welfare measures ignored. This was evident in a report produced by Students and Scholars Against Corporate Misbehaviour (SACOM 2007), a Hong Kong-based NGO, that monitored Wal-Mart activities. This report identified extensive labour abuses (e.g. wage and hour violations, unsafe working conditions, deprivation of labour-contract protection) in five toy factories in China that manufactured for Wal-Mart. Similar problems were identified by the Clean Clothes Campaign in its Cashing In report (2009). The latter focused on the garment supply chains of the five big retailers (Wal-Mart, Tesco, Carrefour, Aldi and Lidl) and highlighted the poor conditions of their workers in Thailand, India, Bangladesh and Sri Lanka.

This overall process can be summarised as Wal-Martisation. Building on the definition provided by SACOM (2007) and concentrating on the production side, this paper treats Wal-Martisation as a change in the social relations of production where power shifts from suppliers-manufacturers to giant retailers, with the former trickling insecurity and poverty downwards to their flexible workforce in their search for a disciplinary low-cost strategy. This process is mediated by changes in technological-logistical and managerial-calculative
practices that enable: (1) giant retailers to more effectively conduct organisational surveillance of suppliers; and (2) suppliers to engage in self-monitoring as well as, to some extent, tactical manoeuvres in the buyer-supplier game.

**Reinvention of CSR since the 1980s: ‘stakeholder’ languages and practices**

Wal-Martisation and its cost-reduction practices have prompted (trans-)national and local concern among unions, NGOs and community groups such as AFL-CIO’s Eye on WalMart, Wake-Up Walmart, Wal-Mart Watch, Clean Clothes Campaign, and SACOM targeting the activities of the corporation (Sum 2010, p. 60). In general, these groups are challenging its lack of support for improvement of suppliers’ safety standards, low wages, worker intimidation, gender-based discrimination, unpaid overtime, replacing full-time workers with part-timers, and firing workers who complain or seek to organise their co-workers (Wang 2013). These forms of labour subjugation are not unique to global retail chains. In fact, civic groups challenging global production and retail have taken aim at brand-name producers such as Nike, Levi-Strauss, the GAP and Reebok since the late 1980s. Such practices have gained more publicity since the 1990s as civic activism has adopted name-and-shame strategies to highlight labour and environment abuses. These movements and their broader ‘alter-globalisation’ campaigns keep a close eye on corporate activities and try to hold them accountable. Well-known campaign and civic groups in the garment industry include Clean Clothes Campaign (Europe), Maquila Solidarity Network (Canada), United Students Against Sweatshops (the US), Oxfam’s Clothes Code Campaign, and the Interfaith Centre on Corporate Responsibility (the US). They participate in the new politics of consumption to challenge sweat-shop abuses. This new politics includes calls for transnational corporations (TNCs) to assume more responsibility for their employees; consumers to look behind the label and think about which products they buy, and for the general public to address issues of global and local inequality.

Corporations, with expensive advice from management consultants and development practitioners, responded to these counter-hegemonic challenges by reinventing the discourses on CSR. Moving on from the 1960s and 1970s constructs, they recast their CSR knowledge to incorporate new themes such as stakeholder management, corporate social performance and business ethics (Carroll 1999, p. 290). Other corporations broadened them further to include corporate citizenship, sustainable development, corporate philanthropy and community engagement, and so on (Itanen 2011, p. 14). The multiplication of such polysemic and overlapping discourses led Pearson (2008) to argue that CSR is a new interdiscursive (dis-)order that has resulted from socio-political struggles (Fareclough 1992, pp. 115–120; Wodak 2001, p. 67). Given its unstable and ambiguous nature, it is also appropriated and reinterpreted by strategic actors in specific conjunctures. The rest of this entry examines one such moment, which Sum and Pun (2005) call the ‘code-rush’ conjuncture, when corporations – aided and abetted by policy gurus, management consultants and development advisers – selectively deployed the discourses and practices of ‘stakeholder theory/management’ to reinvent CSR in new directions.

**‘Stakeholder’ languages and practices**

The code-rush conjuncture occurred in the late 1980s as these corporations adopted their own company codes (e.g. Wal-Mart’s Code of Ethics) and carried out self-regulatory
auditing of their suppliers in accordance with the stated standards. Given their in-house nature, some of their auditing practices were criticised for: (1) window-dressing and being self-serving as most audits were conducted by their own internal or associated monitors; (2) announcing their site visits beforehand to suppliers; and (3) coaching workers to give the right answers to assessors (Sum & Pun 2005). In response to these criticisms, management consultants sought to go ‘beyond audit’ and rebuild corporate reputation and performance by recontextualising particular management fads to fill the regulation gap.

From many such fads, it was ‘stakeholder theory’ that was selected to reorient CSR in a social direction. This theory of the firm was initially popularised by Freeman (1984) who posited that corporations should address not only their shareholders’ interests, but also those of their other stakeholders, such as consumers, workers, NGOs and governments. He defined ‘stakeholder’ as an organisation that enters into relationships with many groups that influence, or are influenced by, the company. This made managing stakeholder relationships essential to effective enterprise management.

This narrative had various foci, ranging from the normative (e.g. Austrom & Lad 1989) through the managerial (Mitchell, Agie & Wood 1997) to the relational-communicative aspects of stakeholder relations (Clarkson 1995; Harrison & St. John 1996). The original discourse of ‘stakeholder management’ now co-exists with ‘stakeholder-relationship management’ and ‘stakeholder engagement’. The specific implications for power dynamics depend on which discourse prevails. ‘Stakeholder-management’ language implies that all stakeholders can be ‘managed’ by companies (Andriof & Waddock 2002), and makes it hard for external stakeholders to influence corporate practices. ‘Stakeholder-relationship management’ recognises the inherent mutuality of stakeholder relationships in a network structure that is not necessarily centred on the firm’s interests. ‘Stakeholder engagement’ denotes power sharing, interaction and partnership.

This set of discourses and its associated knowledging practices continued to gain popularity as corporations faced mounting challenges to go ‘beyond audit’. But their fluidity has enabled ‘stakeholder management’ to morph into ‘stakeholder relationships’ and ‘stakeholder engagement’ and vice versa. In the 2000s, this rhetoric was given a central place in important works such as the Post, Preston and Sachs book, Redefining the corporation (2002a), and a related paper in California Management Review, ‘Managing the extended enterprise: The new stakeholder view’ (2002b). Further, this ‘stakeholder’ language began to circulate in the consultancy, corporate and policy worlds and acquired certain hegemony in formulating major CSR schemes.

On the corporate level, in the early 2000s, Wal-Mart broadened its stakeholder base from shareholders and customers to include external stakeholders such as suppliers, NGOs, academic leaders and governments. In 2004, Wal-Mart, through Martha Montag Brown and Associates, a global head-hunter, advertised a new position using the stakeholder language. A ‘Senior Director on Stakeholder Engagement’ would ‘pioneer a new model of how Wal-Mart works with outside stakeholders resulting in fundamental changes in how the company does business’ (2004). This model could be described as a communicative–management one in which new techniques such as ‘stakeholder analysis/mapping’ and communicative strategies such as global responsibility reports, newsletters, web sites, podcasts and blogs have been deployed since 2008.

These changes in Wal-Mart were informed and mediated by the concurrent development of global norm-based CSR schemes/standards such as the United Nations Global Compact, the Global Reporting Initiative and AccountAbility’s AA1000 Stakeholder Engagement Standard. These are mainly formulated in terms of multi-stakeholder schemes that combined
a principle-based platform for dialogue with emphasis on ‘best practice’ learning between partners. The UN Global Compact was designed by John Ruggie, the Kirkpatrick Professor of International Affairs in the Harvard Kennedy School of Government, and officially launched in 2000 (Sum & Jessop 2013, p. 320). Drawing from his constructivist theory of international relations, Ruggie sees the Compact as a network that will socialise and stimulate corporations about CSR ‘to bring about convergence in corporate practices around universally shared values’ (Kell & Ruggie 1999, p. 104). Firms are encouraged to learn and adopt socially responsible principles such as human rights, labour standards, environment and anti-corruption, and thereby improve their governance and performance on these issues wherever they operate. The making of this network-based mechanism also requires discursive practices that can reinvent the relationship between corporations and their NGO/union critics.

The ‘stakeholder’ languages, which moved round the corporate-consultancy-policy circuits, were selected and reinvented in two ways. First, the language of ‘stakeholder engagement’ was selected rather than ‘stakeholder management’ to denote network partnership. Second, the link between CSR and stakeholder engagement was embedded within ‘social-risk management’ and articulated to the alleged economic rationality of ‘competitive necessity’. This new combination can be seen from a 2005 working paper by the Corporate Social Responsibility Initiative of the Harvard Kennedy School of Government:

Current network-based operating models highlight the growing importance of the extended enterprise by establishing greater connectivity among and between stakeholders across the globe. This connectivity has also created entirely new stakeholders and requires innovative forms of risk management. These changes in the operating model have led to a significant shift in market power – not just to customers and traditional investors but also, and more importantly, toward stakeholders: communities, employees, regulators, politicians, suppliers, NGOs and even the media. As a result of this shift in market power, ‘social risk’ is a rising area of concern for global corporations.

From a company perspective, social risk, like any other risk, arises when its own behaviour or the action of others in its operating environment creates vulnerabilities. In the case of social risk, stakeholders may identify those vulnerabilities and apply pressure on the corporation for behavioural changes. As the ability to listen to corporate stakeholders’ perspectives on social issues becomes a competitive necessity, managing social risks will need to become more fully embedded in corporate strategy.

(Kytle & Ruggie 2005, p. 1)

Thus, CSR programmes are seen as essential to effective ‘risk management’ and, in turn, ‘stakeholder engagement’ is functionalised as a counter-measure for these risks, especially those along the supply chains (Kytle & Ruggie 2005, p. 2). This pragmatic meaning-making was ripe for further functionalisation as ‘social risks’ were translated into economic objects that might serve as means to the ends of product innovation. This is evident in a subsequent 2006 Harvard Kennedy School working paper by Bekefi, Jenkins and Kytle on ‘social risks’:

Social risks flag opportunities for companies to innovate around products, business processes, and leadership methods to translate risk into opportunity and position themselves for more sustainable, long-term success. A proactive and strategic approach
to social risk management can therefore lead to new shareholder value creation in addition to existing shareholder value protection.

(Bekefi, Jenkins & Kytle 2006, p. 2)

The reification of ‘social risk’ and identification of ‘stakeholder engagement’ as a social risk-management tool create opportunities, not only for the companies, but also for the consultancy-policy world. Stakeholders become objects of governance, and companies introduce newly invented positions such as director of stakeholder engagement (see above) or stakeholder-relations manager. Consultancies such as APCO Worldwide offer advice on corporate communicative practices for these managers. For example, one position announced by Shell in 2015 described the task of its ‘NGO and Stakeholder Relations Manager’ as being to assist the Vice-President of this section to ‘deliver stakeholder strategy, policy, standards, guidelines, tools and processes related to Stakeholder Management and dialogue techniques’.

4

Stakeholders as objects of governance

These stakeholder-engagement guidelines and tools are available on the consultancy-policy market. Consultancies such as SustainAbility design and facilitate engagement for firms such as Wal-Mart, Microsoft, Shell, Starbucks, and so on. Sedex and Twentyfifty provide management-training programmes to country-based networks of firms that have subscribed to the UN Global Compact. Many of these programmes problematise social risks and create stakeholder engagement as a tool to manage their risks and reputation. They construct knowledge products that include methodologies for identifying, prioritising, mapping and engaging stakeholders. From a neo-Foucauldian viewpoint, these products embody the art of identifying and visibilising stakeholders as objects of governance that are pertinent to governmental calculations. These calculations produce a whole new pedagogy of stakeholder engagement that governs and/or disciplines them. New governing tools such as surveys, methodologies, manuals, charts, matrices and scales co-exist with practices that include dialogues, document feedback, advisory panels, focus groups, interviews, information gathering, data analysis/mining, and so on.

These constellations of power configurations are uneven, with some more intrusive than others in the organisation of stakeholder-engagement life. For example, the arrangements recommended in the United Nations Economic and Social Commission for Asia and the Pacific’s United Nations Global Compact Training of Trainers Course Guidance Manual (2013) can be seen as promoting a lighter touch of stakeholder engagement. In its manual, stakeholders are sorted into two broad types. The first is ‘reflective stakeholders’; these comprise individuals/groups who identify themselves as stakeholders and have expressed interest in the firm. The second type is ‘strategic’; it consists of those who may be able to influence other stakeholders and the firm’s management decisions and are therefore important agents to help achieve the firm’s objectives. Some stakeholders may belong to both types. As a process-focused mode of engagement, stakeholder liaison uses tools and practices such as regular dialogues, surveys, document feedback, advisory panels, focus groups, interviews, local networks, and so on (see Figure 37.1), to facilitate participation, learning and communicative action.

This scheme has been criticised on three grounds. First, the Global Compact deploys the languages of management, ‘best practice’ learning and partnership, rather than accountability and obligation. The former largely supplement and complement market relations in which
Engagement

Tools

1. Regular dialogue with regulators, suppliers, etc.
2. Surveys of employees, customers, etc.
3. Feedback on documents, policy papers, etc.
4. Involvement of professional stakeholders, advisory panels
5. Structured engagement through focus groups, interviews
6. Ongoing two-way engagement as regular interaction

Outcomes

- Information
- Views
- Opinions
- Perceptions
- Reflections
- Positions on issues
- Expert advice
- Identification of gaps
- Priority areas
- Key concerns
- Solutions
- Trust

Figure 37.1 An example of UNESCAP’s way of identifying and prioritising stakeholders
(Source: Adapted from UNESCAP's United Nations Global Compact of Trainers Course Guidance Manual 2013, p. 27)

Businesses can choose to be involved in the ways that best suit their strategies. The latter, which emphasises building a social and equitable economy that directly addresses the excesses of capitalism, is avoided. Second, this premier global forum is designed in the light of ‘best practice’ learning and focuses chiefly on communication rather than legal-material actions such as third-party monitors, legal regulation or sanctions (Knight & Smith 2008, pp. 4, 7–8). Third, they involve largely top-down dialogues that are dominated by business participants and international organisations, with good attendance by market-oriented NGOs. Thus, they are largely learning events to elicit participation of elites to discuss the business case on socially responsible principles (Gregoratti 2012, p. 99). Accordingly, Global Compact has been criticised as an instrument for public-relations ‘bluewash’ (i.e. draping themselves with the UN flag), which helps to reproduce and legitimate the existing power of corporations (Bruno & Karlina 2000; Banerjee 2008).

This communicative mode can be contrasted with a scaled-up version that focuses on ‘stakeholder analysis’ as a key part of stakeholder engagement. For example, the World Bank’s anti-corruption effort introduced this methodology (its term) in 2002. Stakeholders and stakeholder analysis are seen as follows:

A stakeholder is any entity with a declared or conceivable interest or stake in a policy concern. The range of stakeholders relevant to consider for analysis varies according to the complexity of reform area targeted and the type of reform proposed and, where the stakeholders are not organized, the incentive to include them. Stakeholders can be
of any form, size and capacity. They can be individuals, organizations, or unorganized groups […]

Four major attributes are important for Stakeholder Analysis: the stakeholders’ position on the reform issue, the level of influence (power) they hold, the level of interest they have in the specific reform, and the group/coalition to which they belong or can reasonably be associated with. These attributes are identified through various data collection methods, including interviews with country experts knowledgeable about stakeholders or with the actual stakeholders directly.

(World Bank 2015)

This World Bank narrative sees stakeholders as objects of policy governance, with diverse political and social attributes that can influence the policy outcomes. They become time-sensitive targets for data collection, profiling and monitoring. Data generating and organising tools, such as Darzin software, charts, weightings, matrices and continuums are deployed to construct stakeholder profiles. Based on this data, they are mapped on:

a continuum indicating support for the reform on a scale of 0 to 100 from low (far left) to high (far right). Their varying degrees of support are marked on the line with a value indicating their reform preference. This implement also provides a quick visual of the ‘lay of the land’, illuminating clusters of groups that support, oppose or are indifferent to reform.

(World Bank 2015)

This form of engagement rule may facilitate participation, but it is also overlaid by ‘panoptico-style’ systems of disciplinary tools and practices that are designed to: (a) map and contain resistance towards policy reforms; (b) visibilise the micro-political economy of a policy area; (c) build stakeholder coalition and support; and (d) produce value for the firms and policy agencies.

Technique of obfuscation and the politics of new ethicalism

These constellations of discourses and practices based on stakeholderism are promoted with great rhetorical energy in consultancy-corporate-policy circuits. Its pro-capitalist versions cohere and consolidate a new CSR strategy that foregrounds the stakeholder community, while older collective identities (e.g. fractions of capital, workers, unions, NGOs, etc.) recede. Whereas, before the 1990s, globalisation of production and retail denoted changing social relations between retail and manufacturing capital, as well as capital and labour, it now seems only to signify companies and communities of stakeholders who contribute towards economic value production for the firms. This shift in meaning can be seen as a ‘technique of obfuscation’ (Neilson & Rossiter 2005) that diverts attention from the dark side of exploited suppliers and labour to the bright face of stakeholder communication, engagement and control. This way of obfuscating contradictions can be seen as an ideological instrument of passive revolution where challenges by civic activism are resolved in favour of business interests (and a ruling group).

This passive revolution reveals the emergence of ‘new ethicalism’ in which strategies such as ‘stakeholder engagement’ aim to reconnect economic policies with (new) social-community norms that are dominated by the use of techno-managerial tools and practices (e.g. training, interviews, dialogues, data gathering/profiling, charts, matrices, etc.). In this
regard, ‘new ethicalism’ can be seen as an ethicalised-managerial regime that seeks to stabilise/enhance neo-liberalism through ‘managerialisation’ and ‘technification’ of CSR with disciplinary and/or governmental effects. These efforts to build neo-liberal CSR produce temporary strategic fixes; however, they cannot prevent opposing discourses and continuous challenges arising from and/or responding to the contradictions rooted in the global production and supply chains. Beside the promotion of ‘new ethicalism’, we find the attempts of ‘progressive’ workers and glocal movement-orientated NGOs to resist these changes. For example, they criticised ‘stakeholder engagement’ as a divide-and-rule strategy that was recommended to TNCs by public-relations gurus ‘to isolate the radicals, cultivate the idealists and educate them into becoming realists; then co-opt the realists into agreeing with industry’ (John & Thompson 2002, p. 44). CorpWatch (2005, p. 20) resisted these governing techniques because “‘radicals’ feel not only isolated by NGO/corporate engagement but sold out by it’. It therefore calls for the continual use of confrontational language such as ‘social and ecological justice’ and ‘equality’, rather than of compromise narratives such as ‘stakeholder engagement’ and ‘dialogues’. The former informs their solidaristic actions rather than as being absorbed as stakeholders in the micro-political economy of data collection, profiling and monitoring of civic activism.

Concluding remarks

Theoretically, this chapter has argued that a CPE approach can contribute to our understanding of the relationship between language and politics in two ways. First, it explores the articulation of structural features of capitalist economic–political relations (without neglecting their semiotic properties) to the more contingent discursive features of language construction, selective knowledge production, and remaking of social relations. Second, it adds to the agenda of Critical Discourse Studies by highlighting the importance of structural contexts for the emergence of new economic imaginaries. It examines which individuals, groups, or organisations participate in this discursive network, what ideas and practices are selected, what disciplinary and governmental technologies are involved, and how are they resisted in the remaking of social relations.

Empirically, this chapter has used CPE to examine how capitalism is changing in the neo-liberal age. It concentrated on the rise of global retail chains and the consolidation of Wal-Martisation as a low-cost accumulation strategy. With the development of scorecards and data supervision, these global retailers seek to maintain a firm grip over suppliers-manufacturers and pass their costs and production insecurity to their workers. Labour unions and NGOs have challenged their labour and environmental excesses via mixed use of outright criticisms and name-and-shame strategies. In response, corporations, with advice from policy gurus, management consultants and development practitioners, have constructed the language of Corporate Social Responsibility. They started by introducing in-house codes of conduct and have gradually moved towards stakeholderism since the 1990s. The unstable and polysemic nature of this discourse is also subjected to appropriation and interpretation by strategic actors at specific conjuncture. The discourses of ‘stakeholder engagement’ were repeatedly selected, managerialised and technicalised by TNCs, international organisations, global communication consultancies, and so on. The UN’s Global Compact and its reporting initiative have been criticised as instruments for public-relations ‘bluewashing’. This resonates with the critique of ‘greenwashing’ levelled by some NGOs at the close relations between TNCs and pseudo-green groups. Stakeholders gradually become objects of governance and subject to governmental calculations. New governing tools and practices
include dialogues, information gathering, methodologies, data analysis, profiles, charts and matrices. This complex constellation of stakeholder discourses, techniques and procedures helps to divert attention from the deep-rooted capital–capital, capital–labour and capital–nature tensions. These quick fixes can be seen as the emergence of new ethicalism that is continuously challenged by workers’ and movement-oriented NGOs and community groups based on the language of social/ecological justice and solidarity.

Notes

1 Problematisation is one of Foucault’s analytical methods: it questions accepted ‘truths’ and examines the thinking that comes to constitute our condition (Foucault 1977, pp. 185–186).

2 Panopticon was first proposed by Jeremy Bentham as an architectural form for a circular prison characterized by a central observation tower from which guards could survey all inmates. Foucault (1975) used this idea of an all-seeing, all-controlling space as a metaphor to examine the oppressive use of information and knowledge in modern disciplinary society. This chapter explores the development of a ‘virtual panopticon’ that rests on Wal-Mart’s disciplinary use of database information, such as ‘RetailLink’, and calculating practices in the scorecards.


4 For details of this post, see: www.rigzone.com/jobs/postings/524749/NGO_and_Stakeholder_Relations_Manager.asp?utm_source=ind_sp-euaf_uk&utm_medium=aggregator&utm_campaign=indeed_sponsored.

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