

# **The Market-Based Justification of CSR: A Double-Edged Activist Tool**

**Pauline Barraud de Lagerie**

Georgia Tech Center for International Business Education and Research

Working Paper Series 2007-2008

Working Paper 004-07/08

<http://www.ciber.gatech.edu>

For further information: email: [ciber@mgt.gatech.edu](mailto:ciber@mgt.gatech.edu)

October 2006

(c) 2006

**The Market-Based Justification of CSR:  
A Double-Edged Activist Tool**

**Pauline Barraud de Lagerie**

**Sciences Po, CNRS**

Many justifications can be used to convince firms to adopt a socially responsible behavior. This paper addresses the genesis and impact of the rhetoric stating that ethics is a tool of competitiveness. Through the empirical study of a French coalition of organizations that campaign for the improvement of working conditions in developing countries, we will shed light on the ways it gave visibility to the sweatshop issue and tried to implement “judgement devices” so that consumers could commute their indignation into denunciation. Thus, we will show that using the consumers’ preferences to make firms behave more responsibly requires an adaptation of initial goals and sometimes can lead to minor or even counter-productive results.

**The market-based justification of CSR:  
A double-edged activist tool**

“Under any economic, social, or political system, individuals, business firms, and organizations in general are subject to lapses from efficient, rational, law-abiding, virtuous, or otherwise functional behavior. (...) Each society learns to live with a certain amount of such dysfunctional or misbehavior; but lest the behavior feed on itself and lead to general decay, society must be able to marshal from within itself forces which will make as many of the faltering actors as possible revert to the behavior required for its proper functioning.” [Hirschman 1970: 1]

Written at the very moment when the idea of Corporate Social Responsibility (CSR) developed, the first lines of the famous book by Hirschman – *Exit, Voice, Loyalty: Responses to Decline in Firms, Organizations, and States* – might belong to this field of reflection. Whilst going beyond the specific issue of corporate citizenship, they suggest the firms’ deviance is an inescapable problem which “society” is bound to overcome. Thirty years after this text was published, the various non-governmental attempts to frame the negative externalities of companies (particularly in the social and environmental fields) appear as a deployment of forces against “faltering” corporate behaviors. But, whereas Hirschman scarcely questioned the genesis of consumer dissatisfaction and the concrete mechanisms leading to organized protest movements, inasmuch as the expression of dissatisfaction sometimes does not occur spontaneously, one should wonder how some “moral entrepreneurs” [Becker 1963] proceed to mobilize consumer forces to bear on firms?

We will show that the quest for the recovery on the part of the “declining” firms is sometimes largely led by actors who *label* – in Becker’s sense of the word – the deviant firms and activities, but who also implement means of consumer protest. We will thus observe that using consumer preferences to modify how firms behave is not a process devoid of any constraint. On the contrary, making “social quality” a tool for competitiveness requires an adaptation of initial goals, which may sometimes lead to minor or even counter-productive results.

**On market justification of CSR: reintroducing the mediators of consumer pressure**

The notion of corporate social responsibility was born and grew in a field of conflict in which the supporters of a purely economic definition of corporate obligations clashed with those who considered the latter should also help to protect and further the interests of society<sup>1</sup>. With a sometimes normative, sometimes positive approach, many researchers then developed various typologies of the principles – economic or moral – underlying the socially responsible commitments of businesses (“corporate social responsiveness” [Carroll 1979<sup>2</sup>]). For instance, Maignan and Ralston [2002] shed light on three rationales used by corporate managers to communicate on the socially responsible policy of their firm. The first one relates to the affirmation of a “value rationality” [Weber 1968] according to which social responsibility, whatever its consequences, is considered as being part of the corporate policy (“value-driven CSR”). As for the other two, they pertain to an “instrumental rationality” in which socially responsible commitments are seen as a means to improve corporate performance (“performance-driven CSR”) or stakeholder satisfaction (“stakeholder-driven CSR”). In view of the overlap between the latter two, we prefer to consider that they both express a concern for performance and to focus on the difference between the performance in the sphere of production (production-driven CSR) and the performance linked to the partners’ behavior in the market sphere (market-driven CSR)<sup>3</sup>. Indeed, the strategic use of CSR rests upon the firms’ belief that some gains can be secured by a socially responsible behavior [McWilliams *et al.* 2006]. On the one hand, within the industrial field, a socially responsible behavior may lead to a stronger motivation of workers or a better control of risk. On the other hand, within the framework of market exchange, some stakeholders may give financial support to a firm because they agree with its ethical commitments or because they see them as the signal of a good and reliable overall management of affairs<sup>4</sup>.

---

<sup>1</sup> For a presentation of the theoretical grounds of Corporate Social Responsibility, see Gond [2006], particularly chapter 1.

<sup>2</sup> More precisely, Carroll attributes the notion of Corporate Social Responsiveness (CSR<sub>2</sub>) to William C. Frederick. The latter developed this idea in a working paper (“From CSR<sub>1</sub> to CSR<sub>2</sub>: the maturing of business-and-society thought”) written in 1978 (Graduate School of Business, University of Pittsburgh), and finally published in 1994 (*Business and Society*, 33(2), 150-164).

<sup>3</sup> This typology may be linked with the one elaborated by Boltanski and Thévenot [2006] and then developed by Lamont and Thévenot [2000]. It notably echoes back to what they call “market worth”, “industrial worth”, and “civic worth” (and also to “inspiration worth” and “renown worth”).

<sup>4</sup> In some cases, the concern for satisfying the stakeholders does not rest on the hope of a short term reward. Apparently closely related to a value-driven commitment, this behavior remains reactive (it is a kind of “negative duty” and not “positive duty” in Swanson’s terminology [1995]). It may be relevant to speak, at first, about performance in the symbolic sphere (image-driven CSR).

The rhetoric of corporate citizenship as a value sometimes appears in the communication of firms<sup>5</sup>, and is occasionally supported by speeches boasting the ethical clear-sightedness of some managers. On the opposite, such an argument barely appears in the speeches of those promoting CSR from outside the companies. Their discourse is based on a vision of the firm as a whole calculating entity whose sole purpose is to maximize profit.

“Corporations have no sense of altruism, nor willingness to adjust their behavior to protect future generations. Corporations pursue a single-minded goal – profit – and are typically legally prohibited from seeking other ends”. [Consumers International 2001: 7]

Consequently, CSR promoters try to convince corporate executives of the profitability of a sustainable development policy<sup>6</sup>. Whether this profitability is real or not – this point has been discussed for thirty years without leading to any definite conclusion [Gond 2006: 333] –, this argument seems to have been fully integrated into the discourse of many managers (maybe to convince their shareholders of the necessity of a social orientation) [Vogel 2005]. Leaving the sphere of production aside, we will examine the progressive construction of the idea of CSR profitability in the market sphere.

The analysis of market incentives to CSR emphasizes above all the role of “primary stakeholders” [Clarkson 1995], i.e. people or groups engaged in transactions of major importance for the smooth running of the firm – or even for its survival. Among them, corporate managers are particularly concerned with investors (financial markets) as well as with consumers (market for goods and services), since their contribution is essential to a firm’s earnings. Indeed, as shown by Mitchell *et al.* [1997], different categories of stakeholders can be identified by their possession (or alleged possession) of one, two, or three of the following attributes<sup>7</sup>: their *power* to influence the firm, the *legitimacy* of their relationship with the firm, and the *urgency* of their claims towards the firm. Since stockholders and consumers are both powerful and legitimate, their influence upon the firm is generally assured (in these authors’ typology, they are “dominant stakeholders”).

---

<sup>5</sup> It is the case of 28 % of the 172 firms’ websites (referring to CSR) studied by Maignan and Ralston [2002]: 58 % of the 53 American firms, 17 % of the 29 French ones, 17 % of the 24 Dutch ones, and 12 % of the 66 British ones.

<sup>6</sup> “Many contemporary advocates of CSR have implicitly accepted Friedman’s position that the primary responsibility of companies is to create wealth for their shareholders. But they have added a twist: in order for companies to do so, they must now act virtuously.” (Vogel 2005: 26)

<sup>7</sup> It is important to stress that these attributes are variable, socially constructed, and not necessarily used by their holders [Mitchell *et al.* 1997: 868].

Our purpose here is to depart from the vision of a mere bilateral interaction between the firm and its primary or dominant stakeholders, in order to reintroduce the mediation role of some third parties (in the case of consumers). Indeed, even if consumers can individually express their expectations, there is no doubt that they will be heard by firms only if they are numerous enough (hence the idea of “collective individualized action” by Micheletti [2003]). Consequently, some groups often set themselves up as an interface between firms and consumers. Far from being just a cog in the machine, they form and transform the messages they convey, and so appear more as *mediators* than as *intermediaries* [Latour 2005]. Among these groups, we find of course consumer groups, but also other activist organizations that use the consumers to see their fight through. Our analysis will draw on the empirical study of a French coalition of NGOs, trade unions, and consumer groups, whose goal is to change the behavior of multinational companies towards their suppliers so as to improve the working conditions in the factories of Southern countries<sup>8</sup>. Created in 1996, member of a powerful international coalition, this activist organization is one of the most famous in France in its field of action, i.e. the promotion of what its members call “social quality”<sup>9</sup>.

### **From indignation to denunciation: when associations mobilize consumers**

Consumers have strong means of action to constrain the irresponsible behavior of firms: they can stop buying their products (exit) and they can make their voice heard (voice). But these means of action remain virtual as long as no source of dissatisfaction justifies their use. As previously shown, exhibiting both *power* and *legitimacy*, consumers already constitute a “dominant stakeholder”; as soon as they express an *urgent claim*, they will become a “definitive stakeholder” [Mitchell *et al.* 1997], whose interests will probably be given great attention by firms. There are many examples of claims from consumers as well as control plans implemented by firms to anticipate the possible motives of exit. But in most of these cases, the causes of consumer dissatisfaction derive from their own experience with the

---

<sup>8</sup> A field investigation was conducted within this coalition, through seventeen interviews with its members and the analysis of its ten-year archives (working papers, internal and external communication etc.). Moreover, nine interviews were led with corporate managers of the retail sector, whose firms were attacked by the coalition of associations. To respect the guarantee of anonymity, the latter will be named “the Coalition” in this paper.

<sup>9</sup> The term “social quality”, as used by the Coalition, refers to the working conditions (hygiene, safety, wages, union rights...) of the people who produce goods and services. “Promoting social quality” actually means

product. This does not mean that the consumers have clear pre-established preferences. It is not unusual that among the countless features of a product, one starts being a criterion of quality through the intervention of third parties. Indeed, “a consumer can obtain information from relatives and friends, consumer magazines, or even from advertising” [Nelson 1970: 312], and the latter may stress aspects that the consumer had not previously taken into account. But it is certainly more frequent when it is a “credence characteristic”, i.e. a characteristic that is hardly measurable by consumers [Darby and Karni 1973] and sometimes all the more difficult to identify. Indeed, in the absence of any information as regards an aspect of a good, many consumers may be totally unaware of its existence... Part of the work initiated by the organizations fighting for the improvement of working conditions in developing countries was to put the sweatshop issue on the consumers’ agenda. In so doing, they tried to match the legitimate and urgent claims of Southern workers – dependent stakeholder – with the legitimate and effective means of actions of Northern consumers<sup>10</sup>.

Making people acknowledge the difficult working conditions in the factories that produce the goods they buy was a condition obviously necessary but nevertheless insufficient to mobilize them. The Coalition initially started its actions by developing various media (pictures, movies, interviews etc.) to put the suffering of Southern workers in the spotlight.

“Thailand, with a vast workforce in the clothing industry and the production of toys destined for exportation. Thousands of Thais leave their provinces to work in factories where everything is lacking: safety, hygiene, unions, freedom in general..., everything but not work. Some heartrending testimonies relate how the workers tried to organize themselves to protest. But in 1992, a fire devastated the factory, where 188 people were killed and more than 500 injured.” (Synopsis of a documentary by the Coalition (18 min.) 2002)

But its work was also intense on demonstrating the responsibility of Western firms, by shedding light on some chains of causal relationships and by suggesting that the happiness of the “persecutor” relies on the suffering of the unfortunate. [Boltanski 1999]

“The definitive removal of importation quotas on textiles since January 1<sup>st</sup> 2005 sheds light on industrial and commercial practices that “destroy the market”. The most striking example is the sportswear sector. The supplier who increases its

---

“promoting *good* social quality”, the latter being partly specified on the basis of the ILO Declaration on Fundamental Principles and Rights at Work (1998).

<sup>10</sup> The firms-consumers dyad, turned into a triad with the insertion of activist associations, should finally be seen as a tetrad including the silent Southern workers.

market share is always the worst. Everyone knows that the absolutely unbeatable prices come from workforce exploitation. (...) By following a principle of short term profit, retailers and major brands bear a great part of responsibility as regards these disastrous working conditions.” (Press release of the Coalition, 2005)

And last, the Coalition had to convince consumers of their power – and of their own responsibility. In this way, the recurrent assertion of “consumer power” appears more as a *performative utterance* than as a *constative* one<sup>11</sup> [Austin 1962]. Austin explained that, in a certain context, the sentence “there’s a bull in the field” must be considered as performative in the sense that its real purpose is not to assert something about how the world is (which can be true or false) but to warn its addressee of a danger (with more or less “felicity”). Hence the possibility to paraphrase the sentence using an explicit performative: “I warn you there’s a bull in the field”. Albeit more complex as there is no undisputable evidence of the effectiveness of consumer power (whereas the bull is really in the field), the sentence « the consumers have the power to change things » must also be seen as performative for two reasons. Addressed to consumers, it is expected to act as an incentive to action (“I remind you that you have the power to change things”); addressed to firms, it is expected to be interpreted as a threat – or a promise – (“I warn you that the consumers have the power to change things”). All in all, the vision of corporate social behavior as a tool of competitiveness partly appears as a construction by certain third parties who undertook to convince firms that consumers would adopt the “social quality” of goods as a criterion of purchasing. Being a kind of consumer representatives – supposedly able to motivate people –, these mediators had certain legitimacy and credibility when predicting the development of committed consumption. This does not mean they were only pretending. On the contrary, they did whatever they could so that consumer power could become a reality. Referring to Austin [1962], Bourdieu [1991: 239] wrote that “in politics, saying is doing, it is, more exactly, giving oneself the means of doing while making believe that one can do what he says”. The leaders of the Coalition exactly behaved in this way, whatever the result.

During its ten-year existence, the Coalition experimented various ways to mobilize consumers. The exercise of “consumer power” was meticulously framed. Some mass voice campaigns targeting large firms were used by the Coalition to count up its supporters and, in

---

<sup>11</sup> Austin himself finally rejected this initial distinction, concluding that all utterances are performative. Nevertheless, we use it for heuristic purposes, so as to make the performativity of the association’s words explicit.

## The market-based justification of CSR: A double-edged activist tool

so doing, to generate the commitment of the consumers with wait and see attitudes as well as a show of force vis-à-vis the retail sector.

“The results reached by the Coalition confirm the increasing consumer demand for goods made under decent conditions. More than 170 000 people signed the petition set up by the Coalition.” (Press release of the Coalition, 2005); “Nearly 800 000 signatures were collected during its campaigns.” (Brochure of the Coalition, 2005)

Other voice campaigns focused more on the exit threat. Clients addressed their own retailers and expressed demands based on the report of irresponsible behavior. The assessment of the firms on their “social quality” was communicated to the consumers in the shape of a rating: the Coalition chose about fifteen companies and gave them a sort of grade based on three criteria: commitments, practices, transparency. Paradoxically, this rating did not aim at directing consumers towards some firms more than others, but merely at reinforcing their voice. All the rated firms were criticized and the underlying principle was above all denunciation – even if, contrary to its initiators’ will, the ranking was used by a few consumers to transfer their purchases to the least poorly rated retailers.

“Our goal was to say “here is a document that concretely tells you who does what, and we give them a grade.” There was a big debate on the mere fact of grading, precisely because we were aware of the risk of a misinterpretation of the ranking in “the best is this one, and the worst is that one”, because it is far from being as simple as that.” (Representative of a NGO member of the Coalition)

In sum, the Coalition seems to have made consumers express themselves more than they spontaneously did. After providing them with a motive for *indignation* through the exhibition of the distant unfortunate workers’ suffering, it allowed them to commute such indignation into *accusation* through the identification of the persecutors [Boltanski 1999]. More than an identification, it was actually more a kind of pre-selection among possible candidates, since a choice had been made to target businesses rather than political authorities for example [Spar and La Mure 2003], and some firms rather than others. At last, it made possible the switch from accusation to *denunciation* by providing them real means of action.

**From negative to positive sanctions: the ambiguous effects of CSR as a tool for competitiveness**

## The market-based justification of CSR: A double-edged activist tool

From the firms' viewpoint, the lack of transparency the Coalition's campaigns partly prejudiced the incentive for the improvement of "social quality". As observed by the Coalition, the targeted firms contested the impartiality of its identification of the persecutors and considered that the mere fact of appearing in the ranking was adverse publicity.

"The fact that we choose 19 retailers that are the biggest is already a choice, a selection. We are going to choose the biggest targets, the market leaders. That is to say we draw people's attention on the bad practices of those who make most money. Thus (...) even if one retailer is at the top of the ranking (...), being cited is, in any case, not good." (Employee (1) of the Coalition)

Having doubts as to the Coalition's capacity to honestly admit their possible progress, the firms thus considered that playing the Coalition's game was dangerous insofar as transparency sometimes tends to expose them even more to public criticisms [Vogel 2005, Fung *et al.* 2001].

"We want everybody to play the game. To be happy, let's keep hiding: for the moment this principle is profitable. We can see it through the actions of [the Coalition]: in spite of being very transparent, we are always the ones they track. On the contrary, those who do not do anything are never threatened." (Manager of social auditing, retailer 1)

The soundness and the fairness of the ranking established by the Coalition being denied, the firms refused to consider the "social quality" so assessed as a relevant tool for competitiveness. Nevertheless, while they considered the criticisms directed at them as illegitimate – not necessarily in the absolute but as regards their competitors' behavior – they could not remain unconcerned about them. And the fear of being subjected to a mass boycott – even if this means of action is far less utilized in France than in the United States – was sufficient to make them engage in ethical commitments that hopefully would give them protection. Nevertheless, they know that they are always vulnerable since they have a weak capacity to being heard when they are targeted by a campaign and that they are never shielded from scandal.

"Once when I explained what we do, a journalist asked me the question: "why don't you say that loud? Everybody would be interested." I answered: "Well, you would be the first journalist to be interested in speaking highly of retailers! What you are interested in is not whether the sky is blue with a little cloud in the corner (we obviously know that even if we make audits, there may be a 14 year-old child who slips through the net to stand in for some cousin of his, we cannot keep an eye on everybody all the time). What you are interested in is this little cloud, it is not in

saying that our firm makes hundreds of audits each year and spends money for that purpose, because this does not interest anybody. It will not boost your papers' sales." (Sustainable Development Manager, Retailer 2)

Being aware of the limits of a not enough transparent, rigorous, and discriminating tool -thus offering weak incentives – the Coalition finally gave up the rating system strategy. From its creation, its actual goal was to implement a label so as to reward responsible firms as well as to blame the irresponsible ones. Many practical and ideological rationales got the better of this project<sup>12</sup>. But, as a general rule, as soon as one takes an interest in the plans that aim at making ethical aspects a tool of competitiveness, a major limit of activist organizations' power is reached: the wider elasticity of consumer demand for products made under good conditions than for those made under bad ones [Elliott and Freeman 2003] makes criticisms towards firms easier than encouragements. Companies are not fooled, and even when they recognize the validity of a "judgement device" ("*dispositif de jugement*" [Karpik 1996, Musselin & Paradeise 2005], *i.e.* any information tool – label, rating, ranking etc. – addressed by a third party to consumers so that they can distinguish between two products, services, or firms as regards a "credence quality"), their fear of being sanctioned remains a far stronger motivation to ethical commitments than the hope of a reward<sup>13</sup>.

Our aim was to discard the bilateral approach to the interaction between consumers and firms. Nevertheless, we should not oust the consumer too quickly by considering him as a puppet in the activist organizations' hands. Unless we bear in mind that the puppet's movements are not merely determined by the puppeteer's handling [Latour 2005], even if the latter obviously tries to anticipate the puppet's reaction. The large elasticity of consumer demand for products made under good conditions fits the first point; the formatting of the assessment in the consumer's image is characteristic of the second one. Because if only to hope for the consumers' *attachment* [Callon *et al.* 2000, Musselin & Paradeise 2005] to products made under good conditions (and thus to activate the ethical competition), it is necessary to develop a distinguishing sign which would be held relevant by consumers. Let's take the products' labelling as an example. For practical and strategic reasons, it seems that only a few products can be given a label providing information about their whole supply chain<sup>14</sup>. But above all,

---

<sup>12</sup> This aspect was developed more at length in Barraud de Lagerie [2006a].

<sup>13</sup> It is important to note that the mechanisms of consumer demand transfer are uncertain: the banning of a firm never secure a substantial gain for its competitors.

<sup>14</sup> The Belgian social label (delivered since 2003 by the public authorities) testifies to the respect of the ILO fundamental conventions as regards the whole supply chain of goods or services. To date, only two services and

the necessary reduction of a complex reality to a few indicators will be generally guided, not only by pragmatic considerations (is this aspect measurable?) and supply characteristics (will we find any product satisfying our requirements?), but also by an anticipation of demand (what are consumers sensitive to?). Thus, as regards the field covered by the assessment (first reduction), the most emotional topics will certainly be predominant for specialized labels [Lee 1997], maybe even more than it is already the case for mass campaigns [O'Rourke 2005]. Concerning the scale used for assessment (second reduction), high clarity is held as a fundamental necessity. That is why labels are mostly conceived as unambiguous signals providing consumers with an easy way to identify the supposedly "virtuous" firms. Now, for instance, while stigmatizing those which still employ children, such labels do not value the long term efforts of the firms which try to gradually put an end to child labor (instead of simply firing all the children without subsequently caring about the safety and welfare of the latter) [Hilowitz 1997]. The will to foresee and satisfy the expectations of consumers – which typifies any marketing process – tends to supplant the early ideals of CSR activists. Although it may cheaply foster the good conscience of consumers, this strategy entails a harmful side effect: hiding the core issues behind some targeted measures (field reduction) and leading to radical responses (scale reduction), it will sometimes result in counter-productive outcomes. Such drawbacks are all the more actual as it seems in the interest of firms to comply with unsophisticated arrangements rather than to pursue more ambitious ends.

“When we thought about labelling one firm or another, we noticed that it was easier to get from them the banning of child labor or forced work than the guarantee of union freedom.” (Representative of a trade union, member of the Coalition)

The advocates of “social quality” are often led to bitterly acknowledge the perverse effects of products’ labelling, especially when they seek to modify pre-existing conventional supply chains –instead of creating *ex nihilo* new ethical supply chains. As long as the characteristics of an ethical product are not legally framed, activist organizations could admittedly take some

---

three products have received the label (source: <http://www.social-label.be>). Some consider this as the proof of the difficulty to follow and to certify “complex products”: “A sports shoe is manufactured in several countries and stitched in another. One should thus spend a lot of time and money to lead audits in various factories at the same time... It is extremely complicated, and for the moment nobody can do it. We would like to but that is not so easy; or we must focus on single-material products. Anyway, nobody can do it, and even consumers associations and NGOs, though they are quick to criticize, acknowledge that it is not possible. You have the example of the Belgian social label, and the only firms being certified are service firms. Even they admit it. I was in Lille a short time ago for a debate on these issues and [the representative of the Belgian Coalition] acknowledged that it was frustrating: they had strongly believed in this label but after all that it was a bit of an anticlimax.” (Sustainable Development Manager, Retailer 3)

liberty towards consumer preferences by creating a so-called generalist label (something like “ethical product”), which they would base on the criteria they find most relevant – while being measurable and reachable<sup>15</sup>. But they would run the risk of being discredited if these criteria were discussed. In the same way, the rating or certification of firms allow a wider flexibility, provided that they are concerned with procedural criteria. But the correlation between the management system of a firm and its concrete results – *a fortiori* within its suppliers’ factories – being poorly guaranteed, this approach also remains criticized. Besides, it is significant to note that the members of the ISO working group on social responsibility (ISO 26000) actually rejected the consumer groups’ proposal of elaborating a standard for certification purposes. [Barraud de Lagerie 2006b]

Matching Southern workers’ concerns with Northern consumers’ means of action is not a neutral process. And the mediating role of activist associations is often highly questioned by firms, as their profound irritation proves. Thus it is quite striking to see how firms turn some weaknesses of this mediating work to their advantage so as to justify their possible wait-and-see attitude in the social field – or at least their behavior more reactive more than proactive –. Denouncing the associations’ incapacity to make consumers reward their good actions, the firms can partly resist the performative discourse and deny the competitive efficiency of corporate social commitments. The consumer, touchstone of the associations’ incentive system, makes their whole plan collapse.

“[The Coalition] maintains “the consumer screams he wants decent working conditions” but, between you and me, during Christmas period the consumer looks at prices. The retailers have to give the consumers what they want. And the consumer cannot hope for good working conditions, when paying 15 euros for a great fire truck with a siren and which can fly. Then, it must be a collective calling into question, the consumer must also call himself into question.” (Employee of a retail federation)

Moreover, the mediation role played by activist associations when they provide discriminating information implies the framing of a relevant “social quality” in the consumers’ eyes. The firms, even when they are quick to satisfy the consumers’ requests, tend to present the Western translation of developing countries’ claims as a pure betrayal of their actual concerns.

---

<sup>15</sup> See the example of the Belgian social label, cf. note 8.

“Unhappily, we often have to answer the claims of the domestic French Coalition, who never moved his ass from his home country and who talks rubbish just to catch a multinational enterprise. Ok, it may be a funny game... But one can observe that when these people go on the spot, they come back with their minds changed, and they do not necessarily agree anymore with the actions of their own local correspondents.” (Sustainable Development Manager, retailer 2)

« When you are in Madagascar, you see women working 72 hours a week. It is obviously appalling. Except that for them, the alternative is starving. It is not eating less, it is not eating at all. So, we are not anymore in the same dynamic, and what we have to work on first is “how can we manage things so that these people do not die of hunger. Afterwards, we will care about social progress, well-being, and qualitative improvements.” (Sustainable Development Manager, Retailer 2)

Showing “social quality” as a tool of competitiveness turns out to be a double-edged activist tool. Especially in the absence of any strict plan of control of the firms, the risk of pure cosmetic moves (a kind of social “greenwashing”) remains really present. Thus, even if the Coalition may be proud of succeeding in putting working conditions on the agenda of many big firms – as the increase of codes of conduct proves – it goes on wondering about the concrete improvements achieved.

“People who campaign, as we do, relied on codes of conduct because it was a corporate document that stated “yes, we admit it must not go on like that, things must change on this or that point”. (...) That is the reason why nowadays we have so many tools, and we wonder “have our ten years of work really led to improvements regarding working conditions? Are human rights better respected?” (Employee (2) of the Coalition, during a meeting)

### **Conclusion**

The idea according to which being socially responsible confers a competitive advantage on firms is the core of many activist associations’ argumentation. But to make this assumption credible and to convince firms of their interest to commit to ethical behavior, the latter still have to be distinguishable by their level of “social quality”, which must be an important criterion in buying decisions of consumers. That is the reason why many activist associations try to inform consumers so as to modify their utility function. The moral entrepreneurs’ issue is then to produce “judgement devices” that are legitimate for the firms – especially in the case of denunciation – and relevant for the consumers – especially in the case of rewards. In addition to practical difficulties, this can often be done at the expense of reducing initial goals, which leads to counter-productive outcomes. Thus, if activist associations go on relying on

## The market-based justification of CSR: A double-edged activist tool

consumer pressure, using the almost-discretionary boycott threat (competitive disadvantage) may remain, for lack of anything better, their favorite means of action to encourage a few firms to be concerned about “social quality” at least to protect themselves.

Austin, J. L. 1962. *How to do things with words*. Oxford: Clarendon Press.

Barraud de Lagerie, P. 2006. Quel consumérisme politique pour promouvoir la responsabilité sociale des entreprises ? *Gestion, revue internationale de gestion*, 31(2): 119-124.

Barraud de Lagerie, P. 2006. *L'ISO et la responsabilité sociétale : un projet de norme pas très standard*. Paper to be presented at the annual "Métamorphose des organizations" colloquium, Nancy (France).

Becker, H S. 1963. *Outsiders: studies in the sociology of deviance*. London: Free Press of Glencoe.

Boltanski, Luc 1999. *Distant suffering: morality, media, and politics*. Cambridge, UK ; New York, NY : Cambridge University Press.

Boltanski, L., & Thévenot, L. 2006. *On justification : economies of worth*. Princeton : Princeton University Press.

Bourdieu, P. 1991. *Language and symbolic power*. Cambridge, Mass. : Harvard University Press.

Callon, M., Meadel, C. & Rabeharisoa, V. 2000. L'économie des qualités. *Politix*, 13(52): 211-239.

Carroll, A. B. 1979. A Three-Dimensional Conceptual Model of Corporate Performance. *The Academy of Management Review*, 4(4): 479-505.

Clarkson, M. B. 1995. A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. *The Academy of Management Review*, 20(1): 92-117.

Consumers International. 2001. Corporate Citizenship in the Global Market. *World consumer rights today*: 5-22.

Darby, M. R. et Karni, E. 1973. Free Competition and the Optimal Amount of Fraud. *Journal of Law and Economics*, 16(1): 67-88.

Elliott, K. A., & Freeman, R. B. 2003. *Can labor standards improve under globalization?* Washington, DC: Institute for International Economics.

Fung, A., O'rourke, D. & Sabel, C. 2001. *Can we put an end to sweatshops?* Boston (Massachusetts): Beacon Press.

Gond, J.-P. 2006. *Contribution à l'étude du concept de performance sociétale de l'entreprise. Fondements théoriques, construction sociale, impact financier*, thèse de doctorat en sciences de gestion, Université Toulouse 1.

Hilowitz, J. 1997. Label social et lutte contre le travail des enfants : quelques réflexions. *Revue internationale du Travail*, 136(2).

Hirschman, A. O. 1970. *Exit, voice, and loyalty; responses to decline in firms, organizations, and states*. Cambridge, Mass. : Harvard University Press.

## The market-based justification of CSR: A double-edged activist tool

- Karpik, L. 1996. Dispositifs de confiance et engagements crédibles. *Sociologie du travail*, 4: 527-550.
- Lamont, M., & Thévenot, L. (Eds.). 2000. *Rethinking comparative cultural sociology: repertoires of evaluation in France and the United States*. Cambridge, UK ; New York : Cambridge University Press.
- Latour, B. 2005. *Reassembling the social: an introduction to actor-network-theory*. Oxford ; New York : Oxford University Press.
- Lee, E. 1997. Mondialisation et normes du travail : un tour d'horizon. *Revue internationale du Travail*, 136(2): 187-204.
- Maignan, I. et Ralston, D. A. 2002. Corporate Social Responsibility in Europe and the U.S.: Insights from Businesses' Self-Presentations. *Journal of International Business Studies*, 33(3): 497-514.
- McWilliams, A., Siegel, D. S., & Wright, P., Guest Editors Introduction. Corporate Social Responsibility: Strategic Implications. *Journal of Management Studies*, 43(1).
- Micheletti, M. 2003. *Political Virtue and Shopping: Individuals, Consumerism and Collective Action*. New York: Palgrave Macmillan.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. 1997. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. *The Academy of Management Review*, 22(4): 853-886.
- Musselin, C., & Paradeise, C. 2005. Quality : a debate. *Sociologie du travail*, 47: S89-S123.
- Nelson, P. 1970. Information and Consumer Behavior. *The Journal of Political Economy*, 78(2): 311-329.
- O'Rourke, D. 2005. Market Movements. Nongovernmental Organization Strategies to Influence Global Production and Consumption. *Journal of Industrial Ecology*, 9(1).
- Prasad, M., Kimeldorf, H., Meyer, R., & Robinson, I. 2004. Consumers of the World Unite: A Market-based Response to sweatshops. *Labor Studies Journal*, 29(3): 57-80.
- Spar, D. L. et La Mure, L. T. 2003. The Power of Activism: Assessing the Impact of NGOs on Global Business. *California Management Review*, 45(3): 78-101.
- Swanson, D. L. 1995. Addressing a Theoretical Problem by Reorienting the Corporate Social Performance Model. *The Academy of Management Review*, 20(1): 43-64.
- Vogel, D. 2005. *The Market For Virtue: The Potential And Limits Of Corporate Social Responsibility*. Brookings Institution Press.
- Weber, M. 1968. *Economy and society: an outline of interpretive sociology*, New York, Bedminster Press.

The concept of "corporate social responsibility" has become pervasive enough that it has earned its own acronym in business circles: CSR. The term means that a corporation should be accountable to a community, as well as to shareholders, for its actions and ...  
When a corporation adopts a CSR policy, it aims to demonstrate a goal of upholding ethical values, as well as respecting people, communities and the environment. The corporation undertakes to monitor its compliance with its stated CSR policy and report this with the same frequency that it reports its financial results. Advantage: Profitability and Value. A CSR policy improves company profitability and value. Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental. To engage in CSR means that, in the ordinary course of business, a company is operating in ways that enhance society and the environment, instead of contributing negatively to them. Understanding Corporate Social Re... Corporate social responsibility helps build trust, raise awareness, and encourage social change. Although there are tens of thousands of companies doing their part, large global corporations' efforts have far-reaching results that can impact major world issues from hunger and health to global warming. Here are examples of how some major brands are doing CSR successfully. Examples of Corporate Social Responsibility in Action. Corporate social responsibility comes in many forms. Even the smallest company impacts social change by making a simple donation to a local food bank. Some of the most com This article introduces a conceptualization of corporate social responsibility (CSR) that emphasizes the role and potential contribution of the marketing discipline. The proposed framework first depicts CSR initiatives as the actions undertaken to display conformity to both organizational and stakeholder norms. In particular, scholars have examined consumer responses to CSR initiatives (e.g., Brown and Dacin 1997; Sen and Bhattacharya 2001), the perceived importance of ethics and social responsibility among marketing practitioners (e.g., Singhapakdi, Vitell, Rallapalli, and Kraft 1996), along with the marketing benefits resulting from corporate actions with a social dimension (e.g., Maignan, Ferrell, and Hult).