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# The Micro-level Foundations and Dynamics of Political Corporate Social Responsibility: Hegemony and Passive Revolution through Civil Society

Arno Kourula · Guillaume Delalieux

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**Abstract** Exploration of the political roles firms play in society is a flourishing stream within corporate social responsibility (CSR) research. However, few empirical studies have examined multiple levels of political CSR at the same time from a critical perspective. We explore both how the motivations of managers and internal organizational practices affect a company's choice between competing CSR approaches, and how the different CSR programs of corporate and civil society actors compete with each other. We present a qualitative interpretative case study of how a French children's clothing retailer develops CSR practices in response to accusations of poor working conditions and child labor in its supply chain. The company's CSR approach consists of superficial practices, such as supplier audits by a cooperative business-organized nongovernmental organization (NGO) and philanthropic activities, which enable managers to silence more radical alternative models defended by other NGOs, activists, and trade unions. By this approach, the core business model based on exploitative low-cost country sourcing remains intact through self-regulated CSR. Through the case study, we develop a framework of dynamism in competing CSR programs. We discuss the implications of our study for CSR researchers, company managers, and policy makers.

**Keywords** Corporate social responsibility · CSR · Political CSR · Working conditions · Micro-level

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foundations · Dynamics · Gramsci · Civil society · Hegemony · Passive revolution

## Introduction

Academic research on corporate social responsibility (CSR) has exploded in the last two decades (Carroll 1999; Garriga and Melé 2004; Lockett et al. 2006; Aguinis and Glavas 2012). While countless studies have evaluated the business case for CSR (i.e., whether it pays to be “good”), recent work has emphasized the political and social cases for CSR. We are seeing a flourishing of the examination of political roles that companies play in society within the recent influential stream of political CSR (Matten and Crane 2005; Scherer and Palazzo 2007, 2008, 2011; Crane et al. 2008; Banerjee 2007, 2008a). Furthermore, scholars have explored practices such as corruption, abuse of power, violence, greed, and misconduct (Vaughan 1999; Griffin and Lopez 2005; Ashforth et al. 2008). They have also called for the evaluation of the social impact of CSR (Margolis and Walsh 2003; Aguinis and Glavas 2012). While we know that the “talk” (words) of companies rarely matches the “walk” (actions) in regard to CSR, much empirical work is still to be performed on why and how this takes place, especially from critical and political perspectives.

The motivation for this paper comes from the dearth of empirical research in critical political CSR. Researchers have presented critical evaluations of the rise of CSR, the related power struggles, and their implications (Bowles 1991; Frankental 2001; Boström 2006; Banerjee 2007; Egels-Zandén and Wahlqvist 2007; Hayhurst 2011; Taneja et al. 2011), but the field generally lacks insights into companies' internal practices and data from inside corporations (Campbell and Slack 2008). While analyses have

also been conducted on poor working conditions and child labor, existing research tends to focus on specific tools and tactical approaches rather than critically analyzing the phenomena, with some notable exceptions (Khan et al. 2007, Banerjee 2008a). All things considered, little attention has been paid to the micro-level foundations of political CSR (Aguinis and Glavas 2012; Scherer and Palazzo 2011), i.e., how the motivations of managers and internal organizational practices affect the choice between alternative CSR approaches and political consequences of this choice.

This study aims at reducing the gap between theoretical analyses and empirical material on political and critical perspectives on CSR by presenting a qualitative interpretative case study of how a French children's clothing retailer, Distri, developed CSR practices in response to accusations of poor working conditions and child labor in its supply chain. Our case study explores the company's internal motivations and practices as well as external interorganizational relationships related to Distri's choice of CSR approach to address working conditions and child labor concerns raised by external stakeholders. The focus is thus on micro-level foundations (understood here as the individual, intraorganizational, and interorganizational levels) of CSR. Based on the empirical material we collected, and given the explicit political dimensions of the CSR project as expressed by several of Distri's managers, we interpret the case using Gramscian (1971) concepts of hegemony and passive revolution.

In our study, we understand Distri's business model based on the exploitation of cheap labor in developing countries as a hegemonic "natural state" of economic relations. Hegemony can be defined as a situation where "a structure of power relations is fully legitimized by an integrated system of cultural normative assumptions" (Hyman and Brough 1975, p. 199). Gramscian hegemony involves elements of power, general consent, and consolidation to normalize economic and ethical relationships in a given situation (Williams 1960). As we will describe, this hegemonic stance is challenged by external actors. Distri responds by developing a CSR program based on passive revolution. Passive revolution can be understood as a way to resolve a crisis in favor of a ruling social group (in this case, business interests). It is "a set of socio-political processes in which revolution-inducing strains are at once displaced and at least partially fulfilled" (Morton 2010), and it occurs without democratic mass participation as a form of "elite engineered social and political reform" (Morton 2010). In our case, Distri uses business-organized NGOs to develop a lenient version of factory auditing combined with its own philanthropic foundation to counter NGOs, activists, and trade unions calling for more radical change. The paper provides a critical reading of the motivations and practices related to the

development of a CSR approach over time as a way to both secure its business interests (cheap labor and a low-cost supply chain) and prevent alternative competing models of CSR. In our analysis, hegemony and passive revolution go hand in hand.

The next section reviews the recent political stream in CSR research and relevant interpretations of Gramsci's work. In this paper, we use the term "political" mainly to describe situations where companies and civil society step into take-over roles and tasks typically enacted by governments (Scherer and Palazzo 2007). This definition also applies to the term political CSR that we use to describe an academic literature. Subsequently, we explain the research methodology as the interpretative analysis of interview, observation, and secondary data on the French clothing retailer and its CSR program. We then provide a detailed analysis of the case company's CSR activities interpreted using the Gramscian lenses of civil society's hegemony and passive revolution (Gramsci 1971; Birchfield 1999). Finally, we review our key findings, discuss their managerial implications, and suggest new avenues for critical scholarship.

### Political Corporate Social Responsibility and Gramsci

A recent promising trend in the CSR literature (Heath et al. 2010; Scherer and Palazzo 2011; Taneja et al. 2011) is the examination of this phenomenon as political. The CSR literature has traditionally had an instrumental and apolitical nature (Mäkinen and Kourula 2012), and the political aspects of CSR have even been considered taboo (Kallio 2007). This stream of research emphasizes the societal roles of companies, the ideological underpinnings of these roles, and the power arrangements between different actors in the development of CSR (Matten and Crane 2005; Palazzo and Scherer 2006, 2007, 2008; Crane et al. 2008). Political CSR typically perceives that firms have a positive political role to play.

#### Critical Perspectives in Political CSR

Drawing on a less optimistic perspective, Banerjee (2007), (2008a), (2010), Khan et al. (2010), and Khan and Lund-Thomsen (2011) take critical management studies and postcolonial stance to criticize CSR. These scholars challenge some of the foundations of CSR, especially its apparent depoliticized and socially beneficial nature. Khan et al. (2007) demonstrate how the CSR practices of a sports retailer in Pakistan can be interpreted as the product of an unconscious system orienting the attention of actors to already framed and designed issues (child labor rather than low wages). This, then, contributes to the status quo and the reproduction of inequalities among different stakeholders.

Within critical perspectives in political CSR, there is very little empirical research, especially regarding managerial motivations and companies' internal practices.

We propose a return to a more classical post-Marxist perspective (Jones 1996), where CSR practices can be interpreted as an intentional progressive window dressing hiding classical capitalist exploitation and domination. Based on a reading of Gramsci's original work (Gramsci 1971) and various interpretations of the original work of Gramsci (Anderson 1978; Burawoy 2003; Jones 2006; Morton 2010), we use Gramscian notions of the strategic role of civil society in securing hegemony through passive revolution.

### Gramsci's Hegemony and Passive Revolution

Gramsci's work has recently been employed as a theoretical frame in the CSR literature to interpret complex social dynamics among companies, NGOs, trade unions, and other institutions (Levy and Egan 2003; Levy and Kaplan 2007; Levy and Scully 2007; Levy 2008; Böhm et al. 2008). Levy and Egan (2003) use a Gramscian framework of hegemony to interpret the social dynamics between different actors in climate change. The authors depict how NGOs tried to pragmatically form alliances with non-natural allies, such as insurance companies, after all parties acknowledged the existence of global warming. Gramsci describes this type of action as a temporary tactical alliance to reverse a hegemonic position of a historical bloc (Jones 2006). In a similar dynamic, environmental NGOs formed alliances with insurance companies by convincing them it was in their best interest to push for a deal in climate change negotiations because some of the financial costs of global warming (e.g., natural disasters) would need to be covered by insurance companies. Levy and Scully (2007) extend the analysis of Gramscian hegemony by examining institutional entrepreneurship as strategic action. In their analysis, NGOs and activists try to reform failing institutions, such as corporations and governments, through the promotion of private mechanisms such as certification. Our study aims to extend the work of Levy and colleagues by using Gramsci's concept of passive revolution to examine corporate engagement with civil society as a CSR practice.

For Gramsci, civil society is the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance but manages to win the active consent of those over whom it rules (Burawoy 2003, p. 217). In his view, civil society includes political parties, the church, the school system, sports teams, the media and the family. It is the "ensemble of organisms commonly called private" (Gramsci 1971, p. 12). Gramsci emphasizes the role of civil society in the hegemony of capitalism. Hegemony can be defined as a situation where "a structure of power relations is fully legitimized by an

integrated system of cultural normative assumptions" (Hyman and Brough 1975, p. 199). Gramsci sees civil society as, together with the state, absorbing challenges to capitalism and thus securing hegemony. In this way, hegemony is for Gramsci a new form of domination combining force and consent at the same time. "Indeed, the attempt is always made to ensure that force will appear to be based on the consent of the majority" (Gramsci 1971, p. 80). Consent for Gramsci differs from the traditional consensus in that it is produced and organized by specific institutions and, if necessary, enforced with the approval of the majority. Force is present backstage, waiting to be mobilized if needed. Hegemony is not only political through the ideological state apparatus but also through civil society. A strong civil society is a central characteristic of advanced capitalist regimes. As Burawoy (2003) notes, it constitutes a trench that prevents any attempt to seize state power directly. Revolution may only come through the patient reorganization of civil society entities, such as associations and trade unions. Revolutionary activity is rendered all the more difficult when civil society absorbs, silences, and contains radical change attempts within capitalism.

Dominant groups also manage waves of discontent through what Gramsci called passive revolution (Gramsci 1971; Jones 2006; Morton 2010; Callinicos 2010). In passive revolution, a ruling class concedes part of its economic advantages in favor of the long-term preservation of order to avoid a real revolution. Passive revolution can be understood as a way to resolve a crisis in favor of a ruling social group. For Gramsci, change without a real democratic participation leads to the reproduction of authoritarian and patronizing forms of the relationship between leaders and the led (Jones 2006, p. 98). Although these Gramscian concepts have been forged within a specific socio-historical context, we build on these notions of civil society, hegemony, and passive revolution and apply them to our case. The development of CSR practices by Distri's managers with the help of civil society organizations can be interpreted as a way to secure hegemony. In our case, CSR practices represent a form of passive revolution where minor reformists practices (self-regulated CSR) help in preserving the economic interests of the company (business model based on low-cost and wage supply chain). We discuss this further after presenting the methodological choices we made in this research.

## Methodology

### Research Design

This paper is an interpretative case study of the CSR practices of a French children's clothing retailer (Holstein

and Gubrium 2005). The name of the company has been changed to Distri, as was agreed with the human resources department of the firm. The company's internal primary and secondary data are complemented with primary and secondary data gathered on the perspectives of a wide range of stakeholders. Extensive access allows for a rich, detailed, and thick description (Snow and Trom 2002), and a case study methodology using qualitative data gathering and analysis is especially well suited to understand companies' internal processes. Our open access to Distri's employees was partly granted because one of the authors was conducting dissertation research at a university with whom the founder had shared relationships.

We do not aim toward statistical generalization based on the elements of this particular case. Instead, we intend to provide a careful analysis of specific organizational processes that occurred during the development of the CSR policy within one particular company. In terms of the generalizability of the case study, we are able to achieve analytic generalizability through an in-depth case study design. We use this case to demonstrate how civil society can be used by firms as a tool to prevent social and environmental claims of their stakeholders by giving in, in terms of minor changes while protecting the core business model. Gramsci calls this process "the passive revolution." The utility of the case study lies in its illustrative capacity (Siggelkow 2007) of a complex theory, not familiar to management scholars. In this sense, the case study can inform further empirical work and extensions of theory (Yin 2003; Snow and Trom 2002). However, as for all single case studies, statistical generalizability is limited. The critical interpretation of this study risks giving the impression that all corporate philanthropy foundations are instrumental projects representing their employees' cynical and intentional use of power and exploitation. This type of generalization is not our intention. However, the case company's intentionally misleading approach to CSR is not likely to be a rare exception, and individuals can unintentionally be part of larger developments that they are not aware of. In the conclusion chapter, we discuss how these limitations offer new avenues for research.

The critical approach was motivated by the field work in the sense that there seemed to be an apparent discrepancy between the company discourse on CSR and the actual CSR practices (i.e., between the "talk" and the "walk"). Inconsistency between the picture that the founder, his wife, and several of the top managers tried to depict front stage and the different visions of Distri emerging in other interviewees back-stage caught the authors' attention early on in the research project. The founder and his wife, who were in charge of the company's CSR efforts for a period, were not sparing their efforts to make Distri's CSR policy look natural and as part of the DNA of the firm. At the

same time, media sources emphasized the negative social consequences of the purchasing policy of the company in South East Asia and China. Journalists specifically criticized Distri's commercial links with suppliers in Burma and the rationalization of the company model by the economic benefit for the Burmese population. At that stage, none of our interviewees at Distri had mentioned this controversy, and we decided to pursue this line of questioning. The research became more inquiry oriented and focused on the critical perspective (Kincheloe and McLaren 2005). As agreed with the company at the beginning of the research, the names of the case company and interviewees are not revealed. This is intended to limit any negative effects on company interviewees.

### Data Gathering

The list of data sources is presented in Appendix 1. The main sources of primary data were interviews, direct observations at company meetings, such as the annual meeting of the firm the second author took part in, and internal documents that were provided to the authors by company employees during interviews. Because most of the interviewees preferred that the meetings not be recorded, notes were taken during and after the interviews. When possible and relevant, direct quotes from interviews were noted. We began our interviews with employees of Distri and key stakeholders of the firm, such as a business associations and NGOs. Interviews continued with persons representing various direct and indirect stakeholders for contextual understanding. Although the initial list of interviewees was negotiated with the human resources manager of Distri, further interviews were selected using a snowball-sampling technique. Primary data were gathered until the researchers felt they reached data saturation. Primary data were supplemented with secondary data, including Distri's archival documentation provided by the firm, the company's social audit reports, and activity reports from key informants, background research on the company, and its suppliers' operations provided by two NGOs, collected newspaper articles, and information on the Internet about the company's operations.

### Data Analysis

The data collected were analyzed according to a qualitative case methodology (Stake 2005) that consisted of drawing a story out of the data collected. Notes taken during interviews were scanned, and other data were catalogued in conjunction with writing the case description. Both authors discussed the content of the interviews and the secondary documents, and they identified key CSR themes and issues within the data. Special attention was paid to not over-

interpreting the interview notes, even if this paper remains one interpretation among many competing ones following the interpretative tradition (Holstein and Gubrium 2005). The numerous interviews the authors had with people from various backgrounds and cultures and with different values belonging to organizations pursuing radically different goals allowed them to identify part of the different realities in which people live. This data richness allows for triangulation, understood as a process of using multiple perceptions to clarify meaning by identifying different ways the case is being perceived (Flick 1998; Silverman 1993; Stake 2005). Redundancy of data gathering was one of the goals of both authors for facts and figures. In addition to data triangulation in terms of data types and sources, the study benefits from researcher triangulation with multiple authors examining the same data. Other important tools for analysis included a historical timeline of key events and a detailed case description. Finally, the sort of generalizations this paper provides can be regarded as the extension of existing theories to new or different materials, contexts or processes (Snow and Trom 2002).

#### Limitations of the Study

In addition to the generalizability issues discussed above, the study involves two data limitations. Firstly, the primary data are from a period of 3 years and further interviews were not awarded to the authors. In addition to capturing this important period in the development of CSR of the company, primary data are complemented by secondary data from a period of 10 years to be able to offer a longer time perspective on Distri's CSR. The longer time period allows us to examine both the emergence and the development of CSR at the case company. A second limitation is the lack of access to Burmese suppliers, mainly due to the local political context, making critical research difficult. To understand the context of local working conditions, the researchers used secondary data such as ILO reports (ILO 1998, 2000, 2005), human rights NGOs' and trade union reports (ICFTU 2009), documentaries and newspaper articles that all converged to the conclusion that commercial collaboration with the Burmese regime reinforced repression of its population rather than democratizing the country. The authors did not gather data in Burma or access Distri's suppliers in Burma because foreign journalism and research in the country is dangerous (Brooten 2006), forbidden by the state and severely repressed (Lin 2009). However, the second author gained practical experience and contextual knowledge of retail supply chains, local working conditions and related CSR challenges during visits to competitors' factories in Cambodia, another Southeast Asian nation, for another research project.

An important consideration is the adaptability of Gramscian concepts to our case (Morton 2010; Callinicos 2010). Gramsci's concept of hegemony has been employed in a number of studies, including the work of Levy and Egan (2003) and Levy and Scully (2007). The idea of passive revolution has also been extended far beyond the examples of Gramsci in terms of temporal and geographic scope, for instance, in Scottish, Canadian, Mexican, Russian, German, Chinese, and Japanese contexts at different time periods (cf. Morton 2010). We employ the term in the contemporary French context, but unlike studies in political science focusing on the role of the State, we emphasize the relationship between business and civil society and take the perspective of a company. Thus, we argue that hegemony and passive revolution are appropriate and fruitful concepts to interpret our case.

#### Distri's CSR Practices as Hegemony

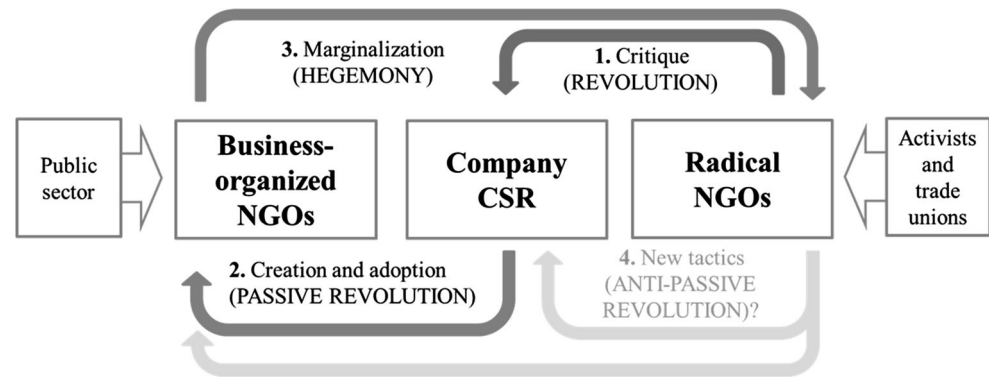
In this section, we present the case narrative of the French children's clothing retailer. The key events and developments in our case study are provided in the timeline of Table 1 and will be discussed throughout the case.

Below, we present the case analysis and its Gramscian interpretation together. Figure 1 summarizes the key dynamics that take place in the development of the case company's CSR. The central organizations are portrayed in the three middle boxes (the case company and its CSR; radical NGOs; business-organized NGOs) and supporting actors in smaller boxes on the sides (public sector; activists and trade unions).

**Table 1** Timeline of development of case company and its CSR program

Year	Event
1996	The company is founded in France
2000	The brand Distri is created
2001	The first retail store is opened outside France
2002	A journalist confronts the company founder about working conditions in Burma
2002	Distri becomes a member of an industrial association, Initiative Clause Sociale (ICS), conducting social audits of its suppliers' foreign factories The wife of the company founder starts Distri's CSR project
2003	The corporate philanthropic foundation is created
2005	Distri buys a competitor and forms a clothing retail group
2006	Distri produces 95 % of its clothes in Southeast Asia (50 % in China)
2010	Distri buys a firm selling toys for children
2012	The company has more than 1,000 stores worldwide and a turnover of over €600 millions

**Fig. 1** Gramscian dynamics in development of case company's CSR program



The darker arrows show three key actions taken by the key players and the Gramscian interpretation is presented in parentheses in Fig. 1. In our case study, we start by describing Distri as trying to portray social concerns as integral and natural to their company. However, in the first action, media investigations and activist attacks have revealed poor working conditions in Distri's supply chain. Radical NGOs call for a revolution in the sense that Distri should change its entire business model. In the second action, Distri, unwilling to change its business model based on exploitative low-cost country sourcing, develops its CSR based on civil society programs. Distri forms a partnership with Alliances, a business-organized NGO, and uses a factory auditing scheme developed by the industry. Thus, CSR becomes a form of self-regulation, as only industry actors are involved, although under the guise of civil society organizations. This is done using public sector support. In addition to these partnerships, Distri has a corporate foundation providing a compelling narrative of responsibility and caring. We describe these developments as a passive revolution, i.e., "a set of socio-political processes in which revolution-inducing strains are at once displaced and at least partially fulfilled" (Morton 2010). In countering the real revolution proposed by activists and trade unions, Distri's passive revolution happens without mass participation as a form of "elite engineered social and political reform" (Morton 2010). It becomes a conservative restoration program instead of revolution by disaggregating competing CSR models through absorptive logic. In the third action, Distri managers successfully marginalize competing stricter NGO auditing programs and silence activist and trade union criticisms of its operations. Thus, Distri's business model and CSR takes a hegemonic position. In creating CSR through civil society, hegemony and passive revolution go hand in hand into legitimize a business model based on exploitation. A fourth possible action, which did not take place in our case study, is that radical NGOs would deploy anti-passive revolution to counter the

company passive revolution. We discuss this idea further in the conclusion.

### CSR in Distri's DNA

CSR has always been at the center of our preoccupations, in fact it is in Distri's DNA (Interview of the founder in 2006).

As far as I remember, my husband has always expressed deep concerns about social issues. In fact, he has always been more preoccupied by social issues than business. (Interview of the wife of the founder 2006).

The above are the answers given by both the founder and his wife when they were asked about the origins of Distri's actual CSR practices. According to his wife, who was in charge of the company's CSR efforts in 2002, the company's humanist concerns come from a religious tradition and her work in a Catholic proselyte association. She described her husband as constantly mixing up business and social responsibility, thus putting the social mission at the core of Distri.

The company founder presented himself to us as a humble artist without a specific formation and a former seminarian who built the company up from practically nothing. The founder also referred to Bill and Melinda Gates as an example of successful business people and humanists who gave most of their fortune to their foundation, although the founder also used philanthropy for fiscal optimization. During our interviews, the founder described Distri as a capitalist political project to give globalization a human face and meaning to the free market. He aimed at compensating for excessive free market behaviors, to which he declared he is strictly opposed. Distri's founder mentioned he was also a founding member of a regional business association called Alliances, whose goals were to promote CSR practices among local firms.

“For a world helping children to grow” is the motto placed at the entrance of Distri’s headquarters beneath pictures of children from around the world. Instead of the headquarters of a retail group, the place seems fitting for a nongovernmental organization, especially when combined with statements from the company foundation’s or CSR department’s employees. These managers presented common examples of CSR practices such as energy conservation and general waste reduction as well as child care centers created by Distri for its employees. The head of the company foundation described at length the philanthropic association created in 2003 to help in educating and taking care of poor children in countries where the company is operational. The issue of working conditions was dismissed with a single sentence by the head of CSR issues as being under control: “social issues with our suppliers are no longer an issue thanks to social auditing.” The company is portrayed in a positive light in the local press, and CSR associations such as Alliances regularly award Distri with CSR prizes. Based on anonymous online questionnaires filled by employees, Distri was awarded one of the ten best places to work in France at the end of the 2000s by a French newspaper. Had we stopped our research at this stage, we would have depicted the company as a CSR best-in-class firm.

Distri’s communication, portraying business and social goals as going hand in hand, is a hegemonic win–win discourse of CSR, i.e., both the company and society “win” through Distri’s business activities. For Gramsci, the “persistence of economic and social structures [...] is not dependent on coercive control by a small élite” (Levy and Egan 2003). Hegemony involves broad consent, which demonstrates itself in coalitions between societal actors and in the discourse about economic and social structures. The social concern within the company’s business model is presented as natural (“in Distri’s DNA”), the discourse is supported by institutional structures, and the general public sees it as an exemplary firm. Next, we turn to how this hegemony was challenged by what Gramsci might have referred to as revolutionary activity.

#### Distri’s CSR as a Genetically Modified Organism

“The Burmese workers should not be abandoned” was the answer given by the founder when asked by journalists about Distri’s commercial ties with Burmese suppliers (Smée 2004). These commercial links were revealed after the name of Distri appeared on the Burma List, a list of companies operating in the country, in the early 2000s. Human rights violations by the Burmese government, ruled by the dictatorship of a military junta, had been unanimously denounced by international organizations such as the ILO (1998, 2000), governments, trade unions, and

NGOs. Criticism of the Burmese regime dates back at least to the early 1990s, when Nike had struggled for years with trade unions and human rights organizations denouncing its suppliers’ working conditions (Boje 1998). The social and environmental production conditions in Southeast Asia have also been widely criticized by international organizations, trade unions, and NGOs. The working conditions in some Southeast Asian countries can resemble modern forms of slavery (ILO 1998, 2005; ICFTU 2009), especially in countries such as Bangladesh, Pakistan, and Burma. The large labor force (the reserve army of labor for Gramsci) wanting to work keeps the wages very low, and thus, workers have trouble providing for their families, which forces children to work as well. China, which accounts for more than half the world’s textile production, is an important target of NGOs and trade unions. These organizations accuse the Chinese government and corporations of disrespecting ILO standards on working conditions and the environment, not improving and enforcing local labor regulations, and basing the country’s economic development on the exploitation of its own working population.

The French textile retail industry had been the target of such criticisms long before 2002, the beginning of Distri’s CSR project. Indeed, the French retail sector and textile industry have been targets of much criticism and public denunciation since the mid-1990s. One of the strongest critical voices has been an NGO called Collectif Ethique sur Etiquette (ESE), the French branch of the European social movement organization Clean Clothes Campaign. The organization launched a public denunciation campaign in the mid-1990s after the aborted attempt of an ESE director to win over executive managers of French retailers who maintained that the working conditions of their suppliers were not their responsibility from a legal perspective. This campaign was intended to force retailers to take responsibility for the poor working conditions at their suppliers. They also addressed environmental issues such as water consumption in cotton production, the use of pesticides in fields and emissions related to the transportation of clothes.

Some of the answers we obtained from several of Distri’s employees regarding these issues is that “a bad job is better than no job” or “in poor countries, prostitution or drugs are threatening children outside of factories.” Harsh working conditions in sweat shops were considered better than a life of drugs or prostitution, a rhetoric reminiscent of the way slavery has been justified for centuries as a way to civilize “savages” (Weil and Dufoix 2005). Still, one of the interviewees, the head of the corporate foundation, stated at the end of a long interview that she had personal concerns about this specific issue and even admitted she had begun to look for another job outside the firm. When



employees expressed their discomfort about some of the questions we had asked and what exactly the purpose of our research was, we turned to external stakeholders. Instead of something that came naturally to the company, CSR seemed more similar to a Genetically Modified Organism, created to respond to external concerns by trade unions, journalists, and social movements.

When we began our research on the development of Distri's CSR practices, it was with curiosity in a firm that appears to be a leader in CSR issues, is present in almost every regional event on CSR and business ethics, and has a heavy positive presence in the local press. The first round of interviews was instructive and revealed the strategic intent of company managers behind a public-relations-oriented CSR. Based on the discrepancy between the official rhetoric and actual practices, and when the firm appeared on the Burma List, our research took an inquiry-oriented stance. It soon became apparent that the intentions of Distri managers were not in the social consequences of CSR. This case is an excellent illustration of the Gramscian hegemonic intent of the firm on CSR issues. As the founder stated: "If you control the social, you control everything." The ultimate goal was to secure Distri's business model while externally insisting on the positive consequences. The solutions developed aimed to secure the control of the social agenda and prevent "leftists," such as trade unions of human rights NGOs (in the words of the founder), from entering these CSR initiatives. The company was and still is considered one of the leading corporations regarding CSR issues. Distri received a CSR award in 2011 from Alliances, the corporate association promoting business interests.

#### Distri's Business Model of Exploiting the Low-Cost Supply Chain

Despite the attempt of the founder to depict himself as a humble artist and an entrepreneur, the textile industry was familiar to him because his father was a textile broker. After completing an engineering degree in a school specialized in textiles, the founder joined one of the largest French general retail companies. At the time, the sector was in its infancy, and he rapidly rose to the position of head of the purchasing department in charge of textile products. Subsequently, he participated in creating two clothing retailers in the 1980s and purchased children's clothing stores in 1996 with his business associate, a friend he had met in a Catholic boy scouts program 30 years earlier. The name of the Distri brand was chosen because it reminded them of the chorus of a boy scouts' song. The total wealth of the families of both founders was estimated at €140 million in 2011. The same year, the turnover of the firm was over €800 million, with more than 5,000

employees, and 1,100 outlets (two-thirds of which are company owned) in more than 60 countries. According to the head of the purchasing department, most of Distri's suppliers were located in Southeast Asian countries and in China (75 %), a proportion common in the textile industry, which heavily relies on low-cost countries for its sourcing. Like its competitors, the firm benefited from the GATT and WTO's (World Trade Organization) free-trade political agreements (Berger 2005), which led to the search for cheaper production costs. In fact, Distri and its competitors had an indirect active role in these political agreements, as they belonged to the *Fédération des Entreprises du Commerce et de la Distribution* (FCD), an organization defending the commercial interests of the retail industry through lobbying public authorities. Since the beginning of the twenty-first century and the end of Multi-Fiber Arrangement and textile quotas, the percentage of textile industry output in Southeast Asian countries has increased dramatically (Gereff and Memedovic 2003).

Different studies (e.g., Scheffer et al. 2006) have noted that most of the value added created among the textile industry goes into the pocket of the brand owner and retail shops. In the case of Distri, a brand owning most of its shops, this part represents the lion's share. From a business perspective, only a tiny fraction of the price being paid by consumers of developed countries actually goes to factory workers. "The result is an unequal partition of the total value-added along the apparel commodity chain in favor of lead firms" (Gereffi and Stacy 2010).

A 2009 report on how French retailers take into account social quality described in detail the strategies of four of the largest French retailers. Downstream in the supply chain, these companies focus on high-profit and low-quality products with rapid life cycles, sometimes with more than one collection per season. This trend, which is sometimes called planned obsolescence, has been widely criticized by NGOs, such as Emmaus France. At the end of the 1990s, this association complained that it was very expensive to dump donated textile products, which were of such poor quality that it was not possible to recycle them. In France, this led to the creation of the Emmaus tax, an eco-tax paid by the consumers to cover part of the cost of recycling (Law no. 2010-788, 12 July 2010, Art. 69). Numerous life-cycle assessments of modern textile products have shown how wasteful in terms of energy, water, and chemical products the textile industry can be (Nieminen et al. 2007). Other studies (UNEP 2011) have documented how toxic chemicals are used in developing countries without the appropriate protection for workers. Upstream of the supply chain, large retailers are putting immense pressure on tens of thousands of suppliers around the world, pushing production prices down. Issues such as child labor have typically been perceived to be under the

legislative power of local authorities. Using this business model common among French retailers combined with acquisitions, Distri has been able to grow rapidly since its foundation.

Questioned in 2010 by journalists on its business model of low-cost country sourcing, and accused of impoverishing the French economy, the founder justified that Distri's business model had allowed his firm to grow, export products, and create employment in France as well in the marketing, purchasing, logistics, and sales departments. Other studies have noted the negative consequences of this business model: if citizens of developed countries seem to benefit from buying affordable products as consumers, they are in fact paying for a variety of different hidden costs. These costs include the disposal of poor-quality nonrecyclable clothing (Touboul 2006) and unemployment, and social benefits to people who have lost their jobs in the outsourcing process. Certainly, the founders of Distri and several of its employees grew very rich thanks to this business model, and these managers took great care to protect and defend it. Arguing that this business model benefited the whole society may well echo the Gramscian enlightened interest of the capitalist class, a rhetoric hiding the particular interests of a specific group under the mask of general interest.

What was presented as active DNA-programmed humanist concerns from the founder and managers to tackle CSR issues we interpret as a strategic move to prevent alternative programs from emerging, especially programs threatening Distri's business model. What is at stake is the less effective amelioration of working conditions than the control of the whole supply chain and business model. The CSR practices developed by Distri are the product of a deliberate strategy to impose its hegemonic conception of CSR.

### Civil Society as a Rampart in Passive Revolution

To understand Gramscian hegemony, it is important to provide some background on the roles of the State and especially civil society. As Burawoy (2003, p. 240) notes, market utopianism is a rhetoric that is resurrected time and again, for instance, in World Trade Organization negotiations. By imposing the liberalization of labor and natural resources on developing countries, multinational enterprises are securing a cheap supply of labor and natural resources, while their products are protected by intellectual property regimes and the control of distribution chains. Distri certainly benefited from the price competition between its thousands of suppliers. These justifications can also be considered as having strong neo-colonial undertones. As Banerjee (2008b) notes, market mechanisms can

be perceived as a way for developed countries to achieve neo-imperialism, with free market rhetoric acting as a soft power masquerading the exploitation of poor countries' workforce and natural resources. Recent work on British (Cooper 2005) and French (Klein 2012) colonial empires considers former colonial employers and contemporary market economy employers as similar imperial employers. According to a Gramsci, reformed civil society aligns with the state to absorb challenges to capitalism. In our case, self-regulated CSR is a form of passive revolution, a conservative and defensive transformation instigated from above crowding out alternative approaches (Burawoy 2003, p. 242).

Because civil society organizations are less susceptible to being suspected of defending particular interests, they can be used as a tool for masking business interests behind general interests. This echoes Gramscian notions of the political function of civil society as described by Burawoy (2003, p. 225): "An effective hegemonic force, a dominant or potentially dominant class must make economic concessions to elicit the consent of a subordinate or allied class. But these concessions must not touch the essential, and in the case of capitalists they must leave profit intact." In our case, Distri makes concessions in the form of business-organized supplier audits and philanthropic donations to appease critical NGOs, but leaves the exploitative business model intact. By focusing on incremental and symbolic improvements in CSR, broader political justifications of the business model are unnecessary. Civil society, in our case business-organized civil society, contains political crises in describing and transforming them into economic crises that do not challenge the existing order. Civil is understood here as the extension of the State to the newly constituted civil society, the complex of institutions, and organizations that stands between state and economy (Burawoy 2003, p. 215). This includes business associations, trade unions, and NGOs, which all compete in a complex web of organizations that stand between the State and the economy.

Civil society organizations play a central and strategic role in our case in promoting a model of self-regulated CSR. When the wife of the founder took an early retirement from a previous job, she started developing the company's CSR program, the Distri Way, modeled on the Danone Way, another French company. In developing a CSR program, she relied mainly on civil society organizations. One of her first tasks was to implement a questionnaire developed by CSR Europe, a professional association of large European corporations lobbying the European Commission to promote and defend a model of self-regulated CSR at the European level. The goal of the questionnaire was to help firms situate themselves in terms of their CSR approach, and it was filled by different Distri

managers. In a benchmark of competitors' practices, the survey found that social audits and partnerships with charitable organizations and corporate foundations were common practices among large French retail corporations at that time. The questionnaire had been adapted to the local context by one of the employees of Alliances, the French equivalent to CSR Europe, having Distri as one of its founding members in 1996.

#### Cooperation with Alliances, a Business-Owned NGO

Distri's views on CSR align well with Alliances, a regional association devoted to the promotion of CSR practices for regional firms, especially because the company took part in founding the association. Alliances has different activities, one of which is the organization of meetings between managers of the region on CSR issues such as diversity at work. Several of these meetings are organized on responsible purchasing. At one of these meetings, Distri's purchasing and logistics managers found answers to the issue of child labor and working conditions in the supply chain that they admitted in interviews had bothered them. They were provided with providential answers: labor is better for children than prostitution or drug use, and social auditing companies are the solution to the issue.

Created by a former bank director, Alliances was originally devoted to an open-minded promotion of CSR. It later evolved into what can be called a business-owned NGO or an industry association, especially after the departure of its founder. Alliances includes a number of influential founders of the largest local firms. Distri belongs to its founding members, and the company's founder sits on the board of directors. According to a local entrepreneur representing a small- and medium-sized enterprise, Distri's new board quickly took over the original reformist agenda of Alliances to focus on a more conservative conception of CSR centered on self-regulation, where external stakeholders of firms were allowed to participate only in a collaborative mode. External participants need to agree that companies are managing the association and that their profitability is not to be threatened. Local actors promoting stricter, often regulation-based, models of CSR, such as solidarity-based organizations, social movements, or trade unions, are not welcome. With less financial and human resources and less support from public authorities, the models of CSR defended by these organizations have almost no visibility compared to that of Alliance. Alliances' activity proves to be an efficient way to defend a specific model of CSR and prevent alternatives from emerging.

The association organizes the identification of best practices and their promotion through an annual CSR award ceremony at the regional level. Distri regularly won

prices, the last being a gold distinction in the category of responsible business in 2011. Since 2006, Alliances has organized the "World Forum," an international public relations event designed to "advance the Responsible Economy through showcasing best practices adopted by corporations (whether SMEs or large groups) that exercise their activities responsibly, anywhere in the world, while setting the stage to promote their example" (Alliances website). The strategic dimension of civil society developed by Gramsci as a rampart against critics or potentially dangerous forms of contestation is apparent in this case. Alliances' activities allow specific minor issues to be debated, while others unaligned with the core values of "business as usual" are excluded. Behind civil society, the role of the State is in conformity with the founder's wishes. In 2005, when asked by a journalist to share his views about government, the founder declared that "public authorities should avoid creating too much regulation on a national level and that binding norms should be kept to a minimum at the international level." In a company internal document, the founder specified that "every firm must be able to set up its own engagements with a total control of its objectives."

Public money is used to finance almost half of Alliances' activities to protect business interests. Although 45 % of the organization's budget came from public funds in 2011, none of its board members represented a public organization. Voluntary CSR allows the firm to avoid norms imposed by external actors, such as activists, NGOs, and trade unions. The company founder wants to maintain control of the CSR agenda without letting external actors dictate the terms of Distri's operations. The model of CSR built and defended by Alliances as a civil society's organization forms a rampart protecting its members from critics and alternatives models that could threaten their business model.

In accordance with a Gramscian understanding of hegemony and passive revolution, Distri managers use civil society organizations because they appear as neutral not-for-profit entities seeking to defend general interests. Associations such as Alliances are the perfect vehicles to convey an interested message on CSR issues externally. Cooperation with associations such as Alliances focused on business development through best practices, toolkits, trainings, and a limited social audit program. With the World Forum, Alliances provides its members a possibility to showcase their positive role from both an economic perspective (free markets creating wealth) as well as social issues (the ability and resolve to lead the search for solutions). The message is clear: industry-led self-regulation is the solution, and the core business model is to be left intact. Another key civil society organization Distri resorts to in developing its CR practices is Initiative Clause Sociale.

### Initiative Clause Sociale's Industry-led Auditing Scheme

Initiative Clause Sociale (ICS) was created in 1998 by the largest French retail corporations as a reaction and counter-initiative to the Collectif Ethique sur Etiquette and its boycott campaign of 1996. Distri has participated since 2002. ESE's criticism of working conditions had a great impact, if not directly on the practices of French retailers, at least on the perceptions of owners and top managers. The French retail sector was especially worried about the social movement, ESE, which was campaigning on supplier working conditions. Most managers at Distri perceived social movements in a very negative light, including the founder, who stated: "Those leftists are jealous of our corporate success."

ICS offers its members a social auditing program based on an industry code of conduct and third-party auditing of suppliers by for-profit social auditing companies. The head of CSR at Distri considered that working conditions at suppliers' factories were no longer considered an issue due to the ICS program, while admitting he had never visited a single factory. In interviews with Distri's competitors, a former social auditor for large retailers was less categorical about the efficacy of social auditing. The former social auditor explained that tricks to circumvent social auditing controls are numerous. For instance, announcements allow factories to be cleaned up before audits. The 2006 ICS report described 735 social audits that took place in factories of the suppliers of its members, including 501 factories in China and 80 in Bangladesh. In China, the report describes missing or forged documents and numerous difficulties in implementing improvements. In Bangladesh, some social audits were canceled for safety reasons for auditors due to social unrest at factories. For the audits that took place, 46 % of factories audited for the first time had major nonconformities, while 66 % of follow-up audits had major nonconformities. In India, the numbers were, respectively, 50 and 62 %. The 2007 ICS report mentioned 33 and 20 % of nonconformities concerning child labor for the overall 1,180 social audits that were made and approximately 70 % nonconformities both for first and follow-up audits concerning work hours and remuneration.

Despite these severe limitations, French retailers, among them Distri, are still resorting to the same ICS social auditing programs. As Distri's the head of Marketing Department stated: "Studies have shown that our customers are not very sensitive to these type of CSR issues, which they are not very aware of." Or, as Distri's CSR manager stated: "Social auditing companies are responsible for the quality of the control of working conditions at our suppliers, not us." Despite several contacts attempts by alternative initiatives, such as the certification program

Fibre Citoyenne by the French NGO Yamana, ICS remained the only social auditing program used by Distri.

In our case, civil society approaches eclipse the role of the state in building CSR practices. With the help of civil society organizations such as Alliances and ICS, Distri manages to give the impression of consultation and dialogue with civil society, a process highly encouraged by public authorities, and praised by public opinion. ICS was designed, as noted by Distri's founder, to maintain control of the social agenda to avoid trade unions or NGOs taking the lead on CSR issues and imposing their particular conception of CSR. In fact, the firm was at all times in control of defining CSR as self-regulation supported by the State. The blurring of boundaries between the State, civil society, and the economy is a process of depoliticization, allowing dominant actors such as Distri to hide domination behind civil society associations.

The CSR practices developed by Distri emphasizing self-regulation combined with philanthropy prevent alternative mechanisms from developing. In annual reports, ICS auditors find that freedom of association is missing in visited factories in China, Vietnam, and Bangladesh. A recent study of social audits performed by FLA (Anner 2012) noted the limited effects social audits supported by business associations have on freedom of association and bargaining because they are perceived as "lessening managerial control without providing significant reputational value."

### Yamana's Competing Certification Program

With a price tag of €10,000, Distri considered Yamana's certification program as too expensive and without sufficient return on investment. The program is not internationally known and would not bring reputational value when attempting to penetrate new markets. In our interview, the CSR manager dreamed of a partnership with more internationally known NGO-brands such as WWF and the value of its Panda logo on Distri's clothes. Similar to other members of ICS, Distri rejected collaboration with Yamana. In an interview, a Yamana employee assessed the situation in the following way: "The distributors and their federation gave a very cold welcome when we launched our program. We tried to contact them, but it was quite difficult. They had already launched their own program [ICS] and do not see what the point of our program really was and what we could bring them."

Yamana's Fibre Citoyenne program was more stringent than ICS in the sense that it not only included stricter environmental norms but also aimed at improving working conditions in the multiple tiers of Distri's suppliers. Nonetheless, Distri rejected Yamana's terms, including the

provision of a list of all suppliers, a contractual agreement with the NGO on a CSR performance review, and an independent stakeholder board including company, NGO, trade unions, and public sector representatives. Yamana's approach, although collaborative in nature, was unacceptable to Distri's managers because it put in question their own authority. ESE campaigns did lead to Distri managers meeting Yamana representatives, but the company did not see that the NGO's call for higher supplier wages was a possibility. The interviewed Distri founder stated: "Economic issues should be left to businessmen because NGO activists did not understanding anything about business." Some Yamana representatives considered that keeping product prices and wages low could not lead to real CSR as they defined it. These NGO representatives and a founder of a fair trade textile company observed that such firms as Distri developed philanthropic programs for public relations purposes while never changing the core business model based on low-cost-country sourcing.

#### Distri's Corporate Foundation as a Public Relations Tool

Distri's foundation grew from a small philanthropic association created in 2003 with a €10,000 budget to a corporate foundation in 2008 with an estimated budget listed in 2010 in a local newspaper article of about one million euros, while the company's turnover at the time was approximately €780 million. Distri benefits from tax exemption for its corporate foundation (60 % of the corporate foundation's budget reduces taxes by 0.05 % of the company turnover), and financial support for its kindergarten and child care facilities under a public–private regime. The aim of the foundation remains the same: providing educational care and social assistance to poor children in countries where Distri is commercially present. Distri's foundation does not provide direct support to children's educational and development projects but rather prefers to carefully select business-friendly and Catholic NGOs in the field. These organizations would not try to empower local workers at factories as activists of ESE had done with another French retailer during their partnership in the late 1990's.

The corporate foundation has because its inception, and despite a small budget, another major function: it seems to take a central position in Distri's corporate culture. The managers we interviewed had internalized the corporate motto of a firm conducting business to create a better world for growing children. To external stakeholders, the foundation allows strong communication, with one-fifth of the corporate website being built around the foundation. Distri became a corporation with a corporate foundation playing

an important role in the consolidation of its hegemonic position.

Interestingly, the company's CSR project was originally managed by the wife of the founder, whom some interviewees called "dame patroness" (lady factory owner) in the 19th century tradition, where the husband imposed harsh economic conditions to company suppliers and the wife tried to provide healthcare services and care to poor children affected by these economic conditions through philanthropy (Lambert and Lester 2004). In its modern meaning, philanthropy has been perceived narrowly as the private giving for public purposes, but its roots go back centuries (Sulek 2009). In our case, philanthropy is taking a step further as it evolves into corporate spending for corporate goals presented as public purposes. Corporate philanthropic activity in developing countries can also be observed to hinder the development of institutional capacity in developing countries. This is especially true of social auditing mechanisms that are supposed to control working conditions within factories (Anner 2012). Voluntary CSR practices and NGO-based market mechanisms are elements of a growing self-regulated bureaucracy functioning without democratic control of the population they benefit or intended to benefit (Vogel 2010; Banerjee 2008b). For these reasons, Distri's CSR practices can be interpreted as hegemony through passive revolution.

#### Conclusions

In a context in which CSR practices are becoming increasingly part of the business environment, this study examines of the motivations and practices at the origin of the development of CSR practices of a French retailer of children's clothing. Our focus is on a Gramscian framework on the strategic role of civil society to secure hegemony of business interests. The case company employs a form of passive revolution of countering criticism by engaging with business-organized civil society. These lenses allow us to describe how the development of CSR practices by Distri, under the appearance of reformist practices, is a passive revolution where dominant groups can manage waves of discontent while at the same time reinforcing their hegemonic stance. Our novel framework presented in Fig. 1 provides a summary of the key dynamics involved in the development of the company's CSR practices over time.

The contributions of this paper are twofold. First, we contribute to political CSR literature (Scherer and Palazzo 2011) by providing an empirically grounded analysis from within a firm of the motivations of managers, the development of CSR practices over time, and the dynamism of competing CSR programs. Thus, we participate in bringing

a more micro-level analysis of CSR to political CSR (Aguinis and Glavas 2012; Scherer and Palazzo 2011), evaluating competing CSR programs instead of seeing firms as monoliths (Halme and Laurila 2009). We provide an in-depth case analysis including data from inside the firm as well as its external stakeholders. While an increasing number of studies explore CSR in a critical light (Banerjee 2007; Boström 2006; Egels-Zandén and Wahlqvist 2007; Khan et al. 2007), few studies critically and empirically analyze companies' internal mechanisms leading to the development of CSR practices. While we also know that corporate CSR communication and action do not always match, we provide insights into why and how this takes place through an example of misuse of CSR. Second, we adopt a critical Gramscian (1971) perspective to develop a new conceptual framework, analyze the political consequences of CSR approaches, and we extend the work of Levy and Egan (2003) and Levy and Scully (2007). Hegemony and passive revolution offer us a novel way to understand the political implications of self-regulation and CSR that is not based on wider democratic participation. We clarify how a company can use civil society organizations to counter more radical change and silence competing programs.

Our study has a number of implications for company and NGO managers and policy makers. In terms of company managers, this study can be perceived as a critique of incremental improvements in CSR, especially those motivated by a continued exploitation of cheap labor in poor working conditions and child labor. While exploitative business models and superficial CSR may be good for the financial bottom line, CSR programs and corporate self-regulation would need to be evaluated in a substantial and comprehensive manner to better understand social impact and involve all parties affected. The challenge of incremental developments is that they can crowd out more substantial change. In our study, we highlight the challenges related to self-regulation, but also call for more research on alternative approaches and their creative combination. As is presented in Fig. 1, NGO managers could consider what can be anti-passive revolution strategies (Morton 2003). This often involves the analysis of power mechanisms and the creation of coalitions to create awareness, mass participation, and voice-giving.

This study encourages future research on CSR to focus on alternative mechanisms to mainstream CSR and an evaluation of their consequences. The classic CSR agenda of different market mechanisms is not the only possible way to solve social and environmental problems. This means that researchers should attempt to reveal alternative realities and give voice to the voiceless (in this case, the

employees of Distri's Southeast Asian suppliers) instead of objectifying them. Furthermore, a major negative impact of the modern marketized philanthropic model is that it depoliticizes the social issues it intends to tackle (Nickel and Eikenberry 2009). In doing so, it removes trade unions or political parties as possible alternatives and builds market activities as the only solution to these problems. Thus, while self-regulation and modern corporate philanthropy aim to cure the root causes of humanity's ills, they can be perceived as strengthening the economic system that has generated most of the inequalities (Arnove 1980; Arnove and Pinede 2007).

Critical management studies and political CSR offer a way to understand the business environment in a wider sense than mere strategic stakeholder relations through the employment of political theory. Future research should shed light on the role and perceptions of public policy decision-makers promoting CSR. The developments discussed in this paper are supported by public policy. The French government and public actors at different levels promoted self-regulation and reformed its legal framework for philanthropy in 2003, creating financial incentives (tax exemption) for firms to promote corporate philanthropy. The role of the state in CSR has received relatively little attention, and systemic perspectives and theories from political science could provide insights into the link between CSR and political ideology, democracy, and justice.

In addition to looking at the roles of states in CSR, a comprehensive evaluation of CSR programs' societal impacts and their interconnectedness with public authorities is in order (Margolis and Walsh 2003). Similarly to the role of states in CSR, NGOs deserve more attention. The real and potential influence of NGOs on multinational corporations' CSR practices should be critically examined, both theoretically and empirically (Delalieux and Kourula 2011; Laasonen et al. 2012). While NGO influence is typically perceived as significant and NGOs are perceived as part of key global decision-makers alongside states and multinational corporations (Doh and Teegen 2003; Kourula and Laasonen 2010), this does not always seem to be the case. The marketization of NGO practices (Ponte 2008), the counter-movements within the range of voluntary environmental and social initiatives, and the internal power struggles within the NGO field merit further attention.

## Appendix

See Tables 2, 3, and 4.

**Table 2** Data sources

Organization	Interviewee	Type	Length	Year
Distri	Head of HR department	Face to face	3 times: 2 h. and 35 min	2005, 2006, 2007
	Head of CSR department	Face to face	2 h	2007
	Founder—CEO	Face to face	45 min	2006
	Wife of the founder—responsible of CSR issues at Distri (2002–2004)	Face to face	1 h	2006
	Head of logistics	Face to face	45 min	2006
	Head of quality department	Face to face	45 min	2006
	Head of marketing/communication and sustainable development	Face to face	30 min	2006
	Head of Distri's foundation	Face to face	1 h 30 min	2006
	Trade union representative at Distri	Face to face	40 min	2006
	HR consulting—partner of Distri	Face to face	1 h	2006
	Occupational physician of Distri	Face to face	30 min	2007
	Observations during the annual conference of Distri	Notes taken		2006
	ADECCO (Distri partner)	Project manager	Face to face (numerous)	
Occupational physician (Distri partner)	Founder	Face to face (numerous)		2006
Yamana	Responsible of public relations	Face to face	1 h	2006
	Founder	Face to face	1 h 20 min	2006
	President	Face to face	45 min	2006
Alliances	Project manager	Face to face	Numerous	2005, 2006, 2007
	Accounting department	Face to face	1 h	2006
Collectif Ethique sur Etiquette (ESE)	Secretary General, Secretary of Textile Trade Unions Confederation	Phone	30 min	2006
	Confederal secretary at CFDT (French Trade Union in charge of CSR issues): Former member of Collectif ESE	Face to face (numerous)		2006
	Responsible of federation Hacuitex—Habillement Cuir Textile at CFDT	Phone	30 min	2006
	CFDT, former member of Collectif ESE	Phone	40 min	2006
	Pascal Errard: founding member of the Collectif ESE	Phone	1 h 20 min	2006
European Commission	Deputy head of unit for social dialogue and adaptation to change, directorate general for employment and social affairs of the European Commission (in charge of the development of the European CSR policy)	Phone/face to face	25 min	2006
European Parliament	Member of the European Parliament, Head of CSR issues for Party of European Socialists	Face to face	1H30	2006
French general retailers	Member of CSR department in charge of the relationships with Collectif ESE	Face to face	1 h	2006
	Member of CSR department (former social auditor)	Phone	40 min	
Distri competitors	In charge of program Fibre Citoyenne at SNCF	Phone	20 min	2006
	Head of HR—competitor of Distri	Face to face	20 min	2006
	Founding member of SEYES (Fair Trade in textile, alternative business model from Distri)	Phone	45 min	2006
City Council	Adjunct of the Mayor in city where Distri is located		30 min	2006
SGS	Social auditor	Phone	Twice: 1 h	2006

**Table 3** Secondary data: consulted documents on Distri

Type	Theme	Year
Internal Distri documents	Working notes on the CSR project of Distri written by wife of the founder	2004
	Benchmark of competitors' philanthropy practices	2004
	Benchmark of DISTRI's stakeholders	2003
	List of CSR practices of Distri's CEO's as of May 2004	2004
	SME Key: CSR self-evaluation of Distri made by Alliances	2002
	Mind mapping of CSR project by the founder of the firm	2006
	CSR practices of Distri as of 2005 (including interviews of founder)	2005
	CSR Europe questionnaire on CSR filled by founder and his wife (including data on financial activity of Distri)	2004
Publicly available documents	Newspaper Article Novethic: how the retail industry is pressuring its suppliers and the consequences on working conditions in poor countries (Distri in Burma)	2004
	Conference report: conference organized by a consulting firm in sustainable development and a think tank: how translate a firm CSR engagement into its marketing practices ? (Including interview of the founder)	2005
	Newspaper Article Novethic: retail industry and social auditing in developing countries mentioning ICS program	2006
	Newspaper Article Novethic: increased competition in the textile industry	2004
	Newspaper Article Novethic: how globalization is favoring anti trade union practices	2004
	Report: CSR report made on Distri by Alliances	2006
	Company journal: official status of Distri's foundation	2008
	Report: ernst and young: Panorama of corporate foundations in France	2010
	Report: annual report of child care centers of Distri	2012
	Article: Presentation of Distri's founder by French Chamber of Commerce	2011
	Article: Presentation of Distri's founder by a famous French weekly newspaper	2011
	Article: Distri bought French seller of toys for kids	2011
	Article: Stress and Unrest for employees of Distri's shops	2012
	Article: French Minister on visit at Distri child care center wants more efficient social services	2012
	Website: Distri's corporate website	2012
	Website: Distri's foundation website	2012

**Table 4** Secondary data: background information on stakeholders and their reports

Organization	Theme	Date
ICS	Annual Reports Website: <a href="http://www.ics-asso.org/doc4/presse/2007_rapport.pdf">http://www.ics-asso.org/doc4/presse/2007_rapport.pdf</a>	2006, 2007
	Future perspectives for retailers members of ICS Website: <a href="http://www.ics-asso.org/doc4/presse/cp18-05-06/pdf%20fiche8%20DP.pdf">http://www.ics-asso.org/doc4/presse/cp18-05-06/pdf%20fiche8%20DP.pdf</a>	2006
Consumers International (CI)	Checked out: Are European supermarkets living up to their responsibilities for labour conditions in the developing world? Website: <a href="http://www.consumersinternational.org/media/394236/checkedout-english-02">http://www.consumersinternational.org/media/394236/checkedout-english-02</a>	2010
ESE	How 4 French retailers are taking into account social quality ? (By Syndex) <a href="http://www.ethique-sur-etiquette.org/IMG/pdf/Synthese_Syndex_pour_ESE_-_V4.pdf">http://www.ethique-sur-etiquette.org/IMG/pdf/Synthese_Syndex_pour_ESE_-_V4.pdf</a>	2009
European Commission	Communication on CSR: COM(2006) 136 final on CSR	2006
	Communication on CSR: COM(2011) 681 final	2011
European Parliament	Recommendation on CSR (2006/2133(INI))	2006



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