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## ACADEMIC PAPER

# Politicized CSR: How corporate political activity (mis-)uses political CSR

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In this article, we posit that corporate political activities (CPA) such as lobbying make use of corporate social responsibility (CSR) to advance instrumental goals. We juxtapose the theoretical foundations of the normative concept of political CSR and the strategic notion of nonmarket strategy to show that they are in opposition conceptually regarding the role of corporations in public policy. Using a systematic theoretical comparison along seven dimensions, we discuss the juxtapositions and identify the common ground of the two theories. Building on examples from the alcohol industry, we describe how CPA uses instrumental CSR to advance goals in public policy—we call this *politicized* CSR. Hence, we illustrate the shift from political to politicized CSR, a misuse of CSR for purposes of CPA, and discuss consequences for the theory and practice of public affairs and CSR.

## 1 | INTRODUCTION

When looking at the overlap of political and corporate spheres, we find that the two realms are growing closer and closer. On the one hand, corporations have become ever more active in the political arena developing “nonmarket strategies” (Baron, 1995): Legislation that results from political negotiation decides about success, failure, or even the license to operate for corporations, which leads to increased activities in public affairs. On the other hand, due to less powerful nation-states, researchers observe a “new political role of corporations” (Scherer & Palazzo, 2011) contributing to solving global public issues as part of their corporate social responsibility (CSR).

We find that the political role of corporations as described instrumentally in nonmarket strategy and as depicted normatively in political CSR are in breach, particularly when it comes to CSR and lobbying (Den Hond, Rehbein, Bakker, & Lankveld, 2014; Lock & Seele, 2016). A growing body of research engaged in a discourse on the alignment of both strategies and the consequences of misalignments. This was observed in companies in potentially harmful sectors, such as automotive (Anastasiadis, 2014), tobacco (Moodie et al., 2013), and alcohol (Fooks, Gilmore, Collin, Holden, & Lee, 2013). However, so far, an analysis of the theoretical fundamentals of classical nonmarket strategies (Baron, 1995) and political CSR (Scherer & Palazzo, 2011) is lacking, although such a reflection would foster understanding of the reasons why they are often in breach and why the use of CSR in CPA is often critical.

In this conceptual piece, we discuss inconsistencies in corporate strategies regarding two theoretical concepts that are established

and consistent within their fields. However, when combined, they show conflicting objectives and contradictions. In a nutshell, nonmarket strategy’s goal from a strategic point of view is to “produce public policy outcomes that are favorable to the firm’s continued economic survival and success” (Keim & Baysinger, 1988, p. 171). In contrast, CSR understood here normatively as political CSR attributes a “new political role” to corporations, addressing issues such as “public health, education, social security, and protection of human rights” (among others) that previously belonged to the domain of nation-states (Scherer & Palazzo, 2007, p. 1109); moreover, corporations are called to “go beyond instrumental (i.e., profit-focused) arguments for CSR” (Whelan, 2012, p. 712).

Citing examples from the alcohol industry and its contradicting corporate political and CSR activities, we show that the two underlying theoretical concepts, nonmarket strategy and political CSR, are in opposition conceptually regarding the political role of corporations. Thus, by using CSR in lobbying, nonmarket strategy not only subverts political CSR but applies a different instrumental form of CSR in the political arena that we call *politicized* CSR to distinguish it from the normative concept of political CSR.

To discuss this point, the theories of strategic nonmarket strategy and political CSR are analyzed regarding similarities and juxtapositions derived from the theoretical foundations of the two concepts. We identify four criteria establishing common ground between them: liberal market economy, globalization as paradigm of today’s global market, transnational corporations as powerful organizations to influence public policy, and the acknowledgment of the stakeholder approach. Based on these, the article engages in a comparison along seven

criteria to point out the differences that indicate a conflict between the two concepts. The seven criteria are different understandings of CSR orientation, notion of politics, perspective on firm, business objective, voluntariness dimension, scope, and tool box.

Building on examples from the alcohol industry, we describe the turn from political to politicized CSR and discuss consequences for the theory and practice of public affairs and CSR.

## 2 | NONMARKET STRATEGY AND POLITICAL CSR: A COMPARATIVE FRAMEWORK

The surfacing inconsistencies (Slob & Weyzig, 2010) between the two strategies are rooted in the conceptual underpinnings of the concepts. To corroborate this theoretically, we juxtapose nonmarket strategy<sup>1</sup> and political CSR by identifying similarities and difference. Despite being conflictive in many points, both theories build upon some common notions.

1. First, nonmarket strategy and political CSR assume a liberal market economy as the basis of current business conduct.
2. In line with that, both concepts accept globalization as the paradigm of today's global market, although the responses to it differ strongly.
3. From both points of view, transnational corporations are powerful and through their vast resources have the possibility (nonmarket strategy, Baron, 1995) or the responsibility (political CSR, Scherer & Palazzo, 2007, 2011) to influence public policy.
4. Political CSR and nonmarket strategy adopt a stakeholder approach, even if Baron puts emphasis on the importance of shareholders given a corporation's fiduciary responsibilities (Baron, 2001).

Next to the similarities and the common ground, there are at least seven criteria, derived through brainstorming and inspired by Scherer and Palazzo (2007), by means of which nonmarket strategies and political CSR are not in accordance. These can be considered the roots of

the inconsistencies described above. These seven criteria center on the understanding of (a) CSR and its direction, (b) the concept of politics applied, (c) the perspective on the firm (business–society relationship), (d) the main objectives, (e) the notion of voluntariness, (f) the scope of operations, and (g) the practical “tools” employed in both concepts. In the following, the article compares nonmarket strategy with political CSR separately by each of the seven criteria. The comparison is structured and summarized in Table 1.

### 2.1 | Corporate social responsibility

CSR is a central concept to political CSR and nonmarket strategy as both address the relation of businesses with society or societal actors. However, the way how social responsibilities are dealt with varies immensely between the two. Following Garriga and Mélé's map of CSR theories (2004), political CSR delimits itself from ethical (e.g., Carroll, 1991), instrumental (e.g., Kotler & Lee, 2005; Porter & Kramer, 2006), and integrative theories (e.g., Freeman et al., 2010) in that it “goes beyond” (Scherer & Palazzo, 2011, p. 900) the notion of CSR consisting in merely complying with stakeholder expectations. Thus, political CSR is to be put under political-normative CSR theories (Schultz et al., 2013). It employs a broadened definition of corporate responsibility that accommodates for the globalized business world in which firms nowadays operate. Globalized and crossing-border business conduct goes, on the institutional level, along with an increasing regulatory vacuum that nation-states cannot fill with their domestic power. This results in a decreased power of nation-states and a gap in global governance that neither nation-states nor supranational bodies such as the United Nations (UN) alone can bridge. Transnationally operating corporations, however, have the power to step into this governance gap and engage in solving societal challenges. These issues that were formerly solved by nation-states are now more and more approached by corporations through means of self-regulation. This implies a shift from hard to soft law, where transnational regulations that result in global standards (such as the Global Reporting Initiative - GRI, 2013 - or ISO 26000, 2013) are established through a discursive process between corporations on the one hand and multiple stakeholders on the other hand (Mena & Palazzo, 2012). Dialog and rational communication, as proposed by the theory of communicative action of

**TABLE 1** Criteria for comparison of nonmarket strategy with political corporate social responsibility (CSR)

	Nonmarket strategy	Political CSR
CSR	“Tool” to optimize economic performance	New relation between business and society “beyond CSR”
Direction/orientation	Instrumental	Normative/deliberative
On politics	“[P]olitical activity to enhance the value of the firm” (Hillman et al., 2004, p. 839)  Views engagement in political activities as “resources developed by the firm to operate in a country's environment” (Cuervo-Cazurra & Genc, 2011, p. 442).	“[P]eople organize collectively to regulate or transform [...] their shared social conditions” (Young, 2004, p. 377).
Perspective on firm	Inside out; business-centered	Outside in; business-in-society centered
Objective	Reducing regulatory pressure	Filling regulatory gaps
Scope	Domestic/multidomestic	Globalized/transnational
Voluntariness dimension	Voluntary or involuntary/proactive or reactive	Voluntary/proactive
Tool box	Lobbying, grassroots initiatives, astroturf	Multistakeholder initiatives, self-regulation, deliberative lobbying

Habermas (1984), thus are at the heart of political CSR. Furthermore, the license to operate of corporations in society shifts from the old notion of pragmatic and cognitive legitimacy to moral legitimacy, which is defined as “based on moral judgments and an exchange of arguments on whether an individual, an institution, or an action can be considered socially acceptable” (Scherer & Palazzo, 2011, p. 915). Pragmatic and cognitive legitimacy are very much grounded on a closed context, such as a domestic arena, whereas moral legitimacy is negotiated in a more pluralistic or transnational context that also corresponds to the globalized business environment. Scherer and Palazzo (2007, 2011) hence propose a normative concept of CSR that rests upon Habermas’ theory of deliberative democracy (Fung, 2005; Habermas, 1996; Young, 2004).

On the contrary, nonmarket strategy regards CSR from a strategic point of view outside the regular “market” activities. Baron (1995) advocated for a strict separation between the market and the nonmarket environment, thereby also implying a distinction between the business and the political sphere. He holds that property rights are the fundamentals of a firm’s social responsibilities, which is why corporations have fiduciary responsibilities with regard to their shareholders. This suggests an instrumental notion of CSR: “firms should seize any opportunities for strategic CSR just as they seize market opportunities to improve profits” (Baron, 2001, p. 36). More recently, we observe a change in nonmarket strategy’s understanding of CSR that also attributes self-interest aside from profit maximization as a motivation to engage in CSR: When pursuing integrated strategies, thus conducting business in the market as well as nonmarket environments, firms should regard moral concerns of stakeholders and respect the social responsibilities. Market, as well as nonmarket strategies and activities, “should be evaluated in terms of moral principles in addition to their effects on shareholder value” (Baron, 2013, p. 557).

## 2.2 | On politics

The political conceptions of political CSR and nonmarket strategy appear to differ in several respects. Although political CSR subscribes to deliberative democracy in a Habermasian sense (1996), nonmarket strategies follow an instrumental understanding of politics. Political CSR conceptualizes politics on the grounds of deliberative democracy (Habermas, 1996), moral legitimacy, and the embeddedness of the corporation in global political structures (Crane, Matten, & Moon, 2008; Kobrin, 2008). Through globalization and the increasing power of transnational corporations along with a diminishing role of nation-states, political CSR assumes that the political and economic spheres are conflated. Corporations move into the global governance arena to resolve economic and social challenges that were formerly regarded as nation-states’ responsibilities. Thereby, corporations themselves become political actors in public policy (Scherer & Palazzo, 2007) due to globalization, which has been contested in the literature (Whelan, 2012). Democratic will formation, in this view, is based on ethical discourse combined with economic bargaining (Habermas, 1996). The goal is to “domesticate economic pressure by democratic control” (Scherer & Palazzo, 2007, p. 1097f) and to integrate corporations as legitimate parts of deliberative democratic processes.

On the contrary, nonmarket strategy strictly separates between the political and the economic sphere. Although the nonmarket

environment consists of “social, political, and legal arrangements” (Baron, 1995, p. 48), the firm is not seen as a political, but an economic actor outside of the political realm. In this view, the main focus is laid on political strategies that deliver beneficial outcomes for the company. “Managers choose to engage in political activity to enhance the value of the firm” (Hillman, Keim, and Schuler, 2004, p. 839) not in order to solve social and environmental problems. As a result, political activities are seen as “resources developed by the firm to operate in a country’s environment” (Cuervo-Cazurra & Genc, 2011, p. 442). The notion of democracy inherent in nonmarket strategies is based on “majority rule, the sovereign enfranchisement of all actors, the use of voting and legislating to supersede the price system in allocating resources, and the recourse to noncontractual and involuntary exchange mechanisms” (Boddeyn, 2003, p. 303). In this majority rule system, “people attempt to further their interests by imposing their will on others” (Baron, 2003, p. 33), which is usually the minority. Firms as actors outside of the political domain aim to influence this system with political strategies such as lobbying in order “to shape government policy in ways favorable to the firm” (Hillman et al., 2004, p. 838).

## 2.3 | Perspective on firm

The diverging position regarding politics also results in a differing perspective on the firm. As mentioned above, nonmarket strategy places the firm outside the political domain, from where it interacts with the market and the nonmarket environment. This view also places the firm at the center of its concerns and from there analyzes, in an output-oriented manner, the economic possibilities and rationalities for business conduct (Dahan, 2005). Companies here “enact the economy through competitive markets,” while “governments impose peace and order” (Boddeyn, 2003, p. 302). Thus, corporate and political responsibilities are clearly separated, which results in a business-centric perspective.

Political CSR, on the other hand, argues with transnationally operating businesses. As Jones and Haigh (2007) note, there is a difference between the “generic” firm and the transnational corporation (which is the focal business of political CSR theory) in that the latter has superior bargaining power for jobs and resources, as compared to a domestic business, which puts workers in transnational competition for the benefit of the corporation (Jones & Haigh, 2007, p. 60). Globally operating corporations must bear responsibilities not only inside their firm’s boundaries, but the scope of responsibility also expands along the supply chain. This shift toward “social connectedness” (Scherer & Palazzo, 2011) is not inherent in the concept of nonmarket strategy, where the firm operates in narrower (domestic) contexts and takes on responsibilities predominantly within its own scope of operations.

## 2.4 | Objective

Political CSR’s as well as nonmarket strategy’s key objectives can be understood to center around the question of regulation and legislation to achieve firm-specific benefits (Hillman, Zardkoobi, & Bierman, 1999). Thus, firms’ competitive advantage is the core concern for nonmarket strategy (Frynas, Mellahi, and Pigman, 2006). One way of (instrumental) nonmarket strategy is to use political affairs, for instance by blocking the availability of substitute resources for competitors

(McWilliams, Van Fleet, and Cory, 2002). A second example can be seen in strategically “buffering” or “bridging” with the firm’s political environment and the associated legislation processes (Mezner & Nigh, 1995). However, although nonmarket strategy considers regulation a task genuinely pursued by political actors such as national governments and influenced by public affairs, political CSR sees it as a new responsibility of private business actors.

Political CSR holds that neither nation-states nor international institutions such as the UN alone are capable of governing global business and caring for the provision of public goods. It is thus up to deliberative discourse of private actors such as corporations, civil society groups such as NGOs, or international organizations such as the UN to engage in the resolution of public issues. Global governance is here defined as a “polycentric and multilateral process to which governments, international institutions, civil society groups, and business firms contribute knowledge and resources” (Scherer & Palazzo, 2011, p. 900). This process takes place “above and beyond” (Scherer & Palazzo, 2011, p. 903) the scope of domestic policy.

## 2.5 | Scope

In political CSR, globalization is defined as “a process of intensification of cross-border social interactions due to declining costs of connecting distant locations through communication and the transfer of capital, goods, and people” (Scherer & Palazzo, 2011, p. 901). Corporations operate transnationally and have to bear responsibilities along their supply chain in different national contexts at the same time, while also engaging in political actions on a global level. In this transnational context, “questions of corporate responsibility are of a much higher level of complexity than in more homogeneous national contexts” (Scherer & Palazzo, 2007, p. 1108).

Although corporations, according to Scherer and Palazzo (2007, 2011), can only be successful with a global/transnational strategy, Baron holds that “[a] comprehensive global or international nonmarket strategy seems unlikely to be successful” (1995, p. 62). Nonmarket strategies are dependent on the domestic context in which the activities are pursued, and these legislative and regulatory contexts differ from nation-state to nation-state. Moreover, many issues treated with nonmarket strategies have a national focus and thus are only addressed successfully on a domestic level. In case a nonmarket strategy above the national level is needed, the success of such a multidomestic strategy “involves issue-specific action plans that are tailored to the configuration of institutions and interests in individual countries” (Baron, 1995, p. 63).

## 2.6 | Voluntariness

Political CSR encourages transnational corporations to engage in the resolution of global public issues. This requested political commitment is considered voluntary, which might seem a paradox, particularly with regard to the results of the study on noncommunicable diseases in the processed food industry mentioned above (Moodie et al., 2013) or the examples of the alcohol industry. “[G]lobal governance rests on voluntary contributions and weak or even absent enforcement mechanisms” (Scherer & Palazzo, 2011, p. 900). Self-regulation by corporations

(alone or in concert with civil society groups or international institutions) takes place through soft law, which “is characterized by voluntary action (low level of obligation), imprecise rules, and delegation of authority to non state actors” (Scherer & Palazzo, 2011, p. 912; see also Jones, 1995). Soft laws are constituted by proactive actions. Hence, the “low level of obligation” conflicts with the new political responsibilities that companies must take on globally along with a broadened scope of responsibility along their supply chains. Self-regulation is particularly problematic in public health, as it is pursued instrumentally with the goal to prevent hard laws (Fooks et al., 2013).

Activities in the nonmarket environment are either voluntary or involuntary (Lawton, McGuire, & Rajwani, 2013), or as we posit, proactive or reactive. Lobbying for particular regulation, for instance, is voluntary and proactive. From a strategy perspective, companies may be forced to engage in nonmarket activities, when “[p]ublic policy, regulation, and social preferences affect the overall attractiveness of an industry and the competitive forces and dynamics within it” (Doh, Lawton, & Rajwani, 2012, p. 31). Hence, corporations can be pressured by governments and also by civil society groups such as NGOs to engage in regulations, which corresponds to “private politics” (Baron, 2001). An example is the boycott of Shell by consumers after a Greenpeace initiative due to Shell’s plan of the disposal of an oil rig named Brent Spar in deep Atlantic seas.

## 2.7 | Tool box

There is a strong discrepancy between the theory of political CSR and nonmarket strategy when it comes to corporate political activities and managerial implications.

Scherer and Palazzo (2011) in general define two main tools of political CSR: self-regulation and multistakeholder initiatives. “[S]elf-regulation is moving centre stage in the CSR debate” (Scherer & Palazzo, 2011, p. 912), because more and more political initiatives on the global level emerge. Given the expansion of responsibility that also reaches into the global public policy realm, increasingly self-regulatory activities result in multistakeholder initiatives. They are defined as “private governance mechanisms involving corporations, civil society organizations, and sometimes other actors, such as governments, academia or unions, to cope with social and environmental challenges across industries and on a global scale” (Mena & Palazzo, 2012, p. 528). These initiatives are based on soft law standards, which are often the result of corporate self-regulation. These “private governance” (Mena & Palazzo, 2012, p. 528) rules are weak instruments in the light of standardization and therefore often criticized. For instance, companies signing the multistakeholder initiative UN Global Compact (2013) were criticized for “blue-washing” (Seele & Gatti, 2015, p. 2) their social commitment, as compliance to the Compact’s principles is not controlled by external parties. The credibility of such initiatives is crucial and might directly affect the credibility of the companies’ political commitment. Recently, Lock and Seele (2016) proposed “deliberative lobbying” as a lobbying strategy based on the principles of transparency, participation, and accountability in a political CSR sense.

On the contrary, the “interest group approach to politics (lobbyism) [...] does not meet the normative demands of a deliberating public” (Scherer & Palazzo, 2007, p. 1111). The instrumental approach

of nonmarket strategy views corporate political activities as “attempts to shape government policy in ways favorable to the firm” (Hillman et al., 2004, p. 838). The corporation is an actor that aims to influence public policy by different means such as lobbying or other public affairs activities such as grassroots campaigns and astroturfing (Lock, Seele, & Heath, 2016). “Lobbying is essential in addressing issues in legislative, regulatory, and administrative arenas” (Baron, 2013, p. 213).

Public affairs as the more recent term for activities that were governed by lobbying previously responds more to the notion of participation and “government relation functions” (Baysinger & Woodman, 1982) in that it expands further to reach other constituents such as civil society, any stakeholder or regulator. Public affairs include corporate political activities such as so-called grassroots lobbying, a constituency-building strategy, where public affairs professionals try to “influence public policy by gaining support of individual voters and citizens, who, in turn, express their policy preferences to political decision makers” (Hillman & Hitt, 1999, p. 834).

Baron differentiates between high- and low-profile nonmarket strategies, where broad-scale lobbying and grassroots campaigns are considered high-profile activities that “involve [...] more visible activities,” whereas astroturfing, understood as artificially created activism for an issue, might fall under low-profile strategies as “behind-the-scenes activities” (Baron, 2013, p. 195). Further nonmarket activities are summarized as coalition building, testimony, public advocacy, and judicial actions (Boddewyn, 2012).

### 3 | ON THE CONFLICT OF NONMARKET STRATEGIES AND POLITICAL CSR: EXAMPLES FROM THE ALCOHOL INDUSTRY

“We believe that with great beer comes great responsibility” (Miller Coors, 2013a, p. 12), states one of the best-selling beer brands in the world in its sustainability report. Such full-bodied CSR statements of alcohol producers such as Miller Coors were criticized as “air cover” (Daube, 2012, p. 108f) to draw the public’s attention away from the harmful activities of the alcohol industry in the realm of public policy. It was argued that alcohol manufacturers and ultraprocessing food companies applied the same deceiving lobbying tactics as tobacco companies did in the 1990s, such as biasing research findings, co-opting politicians and health experts, lobbying legislators and bureaucrats to oppose public regulation, and encouraging voters to oppose health legislation (Moodie et al., 2013, p. 671–674). The link between the alcohol and tobacco sector is intrusive. Miller Coors is one of the biggest beer producers and distributors in the United States; its mother firm, Miller Brewing Company, is owned by SABMiller (58%), the second largest beer brewer globally, which in turn is partially (26.8%) owned by Altria, formerly named Philip Morris (Altria, 2013).

Supporting their lobbying strategies with biased research, the alcohol industry sponsors several industry-friendly but formally independent research institutes and think tanks that provide the data to substantiate public claims. One such example is the Australian organization Drinkwise that was referred to by Australian alcohol producers as an “evidence-based organization” (Miller, de Groot, McKenzie, &

Droste, 2011, p. 1563). Drinkwise, sponsored with 5 million dollars by the alcohol industry, was used “either in terms of it being evidence for social responsibility and therefore deserving credibility, or in terms of suggesting the industry-friendly actions of Drinkwise as alternatives” (Miller et al., 2011, p. 1565).

Diageo is one of the founding members of this think tank, a brand conglomerate holding brands such as Smirnoff, Guinness, or Veuve Clicquot. On the company’s CSR website, Diageo writes, “[c]reating a positive role for alcohol in society is fundamental to our company purpose” (Diageo, 2013a). Diageo further states that it is committed to “[g]etting policy right by arguing for effective regulation based on evidence” (Diageo, 2013b). Seemingly independent organizations such as Drinkwise serve as vehicles to support the lobbying positions of the alcohol industry in public policy processes. Often, research stemming from such bodies is biased and sometimes their partnership is used as a proof of social responsibility by alcohol companies.

Underage access prevention to alcohol, drunk driving, or binge drinking are examples of CSR issues that think tanks and alcohol producers such as Miller Coors address in their CSR strategies. Miller Coors states in its CSR report regarding the topic of minors and drinking: “we do not want underage consumers. We work with stakeholders [...] to help prevent underage access to alcohol” (Miller Coors, 2013a, p. 15). However, internal communications show that Miller Brewing Company, Miller Coors’s mother company, lobbies covertly in the United States on a state level to prevent States that do not yet have a minimum age for drinking alcohol from imposing legislation (Bond, Daube, & Chikritzhs, 2009). Thus, alcohol companies applaud themselves for their socially responsible action regarding underage access prevention to alcohol, while at the same time, they lobby against such issues in the political arena. Daube (2012), thus, finds that companies actively promote drinking among minors while opposing legislation to prevent harm caused by such a drinking culture, which makes them socially irresponsible actors. However, in the corporate political accountability and disclosure rating, Altria scores 14th, with 200 companies examined in total (CPA, 2012).

The alcohol industry’s self-regulation of marketing messages serves as further evidence of the discrepancy between the voluntariness and proactivity of actions in the political realm (as proposed by political CSR) and the misuse of this freedom to engage in strategic nonmarket strategy actions. This becomes visible in the alcohol sector’s lobbying regarding responsible marketing and voluntary bottle labeling. When the WHO prepared a “global strategy to reduce the harmful use of alcohol” (2009), it invited various stakeholders, including from industry, to argue their positions. During a public hearing, the beer producer Miller Coors stated that its “marketing meets best practice in terms of responsibility messaging” and that it adheres “to both mandatory and voluntary regulations and codes in both spirit and letter” (WHO, 2009, p. 30). However, in earlier years, the sector had fought to prevent mandatory package warning labels as in the tobacco industry. During this fight, alcohol producers introduced voluntary product labels such as “enjoy responsibly, get the facts—Drinkwise.org.au,” which were criticized as “small, low-impact messages” (Daube, 2012, p. 109). Research has proven such slogans to be less impactful (Daube, 2012) than more direct messages as observed on cigarette packages. Again, industry-sponsored think tanks

such as Drinkwise serve to support weak marketing messages with an aura of scientific proof.

These inconsistent CSR and CPA strategies surface due to their conflicting theoretical roots, nonmarket strategy, and political CSR. Given that all literature cited here refers to and is based on a Western understanding of democracy and liberal markets, this analysis is also limited to such contexts. However, as argued theoretically and as evident from the examples, we find that the described inconsistencies can occur in any kind of Western democratic system and economy. The differences lie predominantly in the various regulatory approaches that governments choose in response to corporate policy influence and the strategies that companies apply in the different political systems. Even more interestingly, companies use their global presence strategically: Miller Brewing Company, for instance, sponsors organizations such as Drinkwise to support its CSR claims and issues a global CSR report, where it attends to underage access. On a state level in the United States, on the other hand, the company lobbies against regulation of underage access.

Generally, however, it would be about time for a non-Western perspective on the use of CPA and CSR. A lot of research has been conducted on CSR (see, e.g., Lam, 2014) and some on CPA (He & Tian, 2008) in China. But it would be further interesting to investigate how domestic and foreign companies apply CSR and CPA strategies in a Chinese context and what their impact is on China's economy.

## 4 | DISCUSSION: THE MISUSE OF CSR FOR LOBBYING RESULTS IN POLITICIZED CSR

As argued in the theoretical comparison, nonmarket strategy and political CSR differ along at least seven dimensions. This explains why misalignments between CSR and political activities occur (Den Hond et al., 2014). Most importantly, we find that political CSR and nonmarket strategy are in breach because of their differing understanding of voluntariness and the tools used.

The examples from the alcohol industry show how corporations can run into criticism and accusations of greenwashing due to inconsistencies between their lobbying and CSR strategies. In consequence, authors from a study concerned with the lobbying tactics of the ultraprocessed food industry assert that self-regulation of the industry regarding CSR and lobbying was not successful so far and any voluntary self-regulation should be replaced by regulation without participation of corporations (Oswald, 2013). Contradictions between lobbying and CSR can arise when one corporate department such as the public affairs department engages in lobbying activities such as biasing research findings, while at the same time discloses progress on social and environmental issues in its CSR or sustainability report, engages as a corporate citizen, and participates in stakeholder initiatives. Although on the outside the company appears to be socially and environmentally responsible, on the inside, it engages in lobbying activities that undermine such commitments (Laufer, 2003; Lock & Seele, 2016).

The issue provoked by "responsible marketing" activities as in the example of Miller Coors is that they are explicitly labeled as CSR practices (Miller Coors, 2013b). However, they have nothing to do with the political role of corporations as attributed by political CSR. They serve

as an example of companies' (mis-)use of CSR for their lobbying efforts, because alcohol producers engage in such self-regulatory activities not out of responsibility toward their stakeholders but from a nonmarket strategy understanding to anticipate regulation. The same pattern has been documented in the tobacco industry (Fooks et al., 2013).

Therefore, we suggest labeling such instrumental CSR used in nonmarket strategy as politicized CSR to prevent misconceptualizations (Fooks et al., 2013; Morsing & Roepstorff, 2015). Using politicized CSR, alcohol companies can claim to adhere to voluntary and mandatory codes in "letter and spirit" and sell themselves as responsible companies, even though it is evident to the companies that such slogans have only weak impact. To prevent upcoming legislation on package labeling, companies (involuntarily) act under the "air cover" (Daube, 2012, p. 108f) of politicized CSR to advance their nonmarket strategy agenda. Political CSR is thereby misused in an instrumental way, which breaches its normative demands—participation, accountability, and transparency—and leads to politicized CSR. This nonmarket strategy type of CSR is used as a "smoke wall" (Banerjee, 2007) that contradicts the deliberative nature of political CSR, because it is added to the toolbox and applied—in the same vein as lobbying—to reach a "more favorable hearing" (Thomson & John, 2007, p. 121) in the ears of politicians. In a nutshell, politicized CSR activities are pursued from a nonmarket strategy understanding and (mis-)use instrumental CSR as a vehicle to market the corporation's social responsibilities to its political counterparts to reach economically positive outcomes in the political arena.

### 4.1 | Implications for CSR and CPA theories

Theoretically, implications for CSR and CPA theories can best be described by using a consistency lens (Basu & Palazzo, 2008; Slob & Weyzig, 2010). The consistency of thinking, talking, and doing is crucial when it comes to CSR. Basu and Palazzo (2008) distinguish the internal consistency of CSR strategies, implying that CSR conduct, with its various activities and goals, should be inherently consistent and treated as a "whole package" (p. 129).

The use of CSR for lobbying purposes leads to inconsistencies in corporate thinking, talking, and doing that result in lower credibility in the eyes of stakeholders (Lock & Seele, 2016), less efficiency (Basu & Palazzo, 2008), accusations of greenwashing (Laufer, 2003), and, from a developing countries' perspective, negative consequences for these nations in terms of unfavorable international trade agreements (Slob & Weyzig, 2010). Although internal consistency within corporate political activity is achieved when nonmarket strategy activities use instrumental CSR, "consistency between" is not. The "consistency between" firm strategies cannot be upheld if nonmarket strategy (with its use of instrumental CSR) and political CSR as the new paradigm of corporate responsibility meet. The alcohol corporations' goal of hindering regulation (what companies think), the CSR conduct (what they communicate), and the CSR and lobbying activities (what they do) are inherently contradictory and inconsistent.

Hence, corporate political activity that uses CSR to support a nonmarket strategy poses a threat to corporate success on the one hand and to the theory of political CSR on the other (Lock & Seele, 2016).

Furthermore, such misalignments lead to challenged legitimacy and threatened reputation (Den Hond et al., 2014; Shanahan & Seele, 2015). A possible solution could be to turn to “responsible lobbying” as proposed by the UN (Accountability & UN Global Compact, 2012). This approach differs from instrumental nonmarket strategy in that it provides guidelines for organizations on how to conduct lobbying responsibly based on the UN Global Compact’s 10 principles and can thus be in line with CSR.

## 4.2 | Implications for CSR and CPA practices

As evident from the cited examples, entire sectors systematically undermine issues associated with CSR, such as public health, in their nonmarket strategies. However, there are many good reasons to align CSR and CPA strategies in practice and not to misuse one for the other. It was argued that aligning the two saves resources, synergies of both can be used, the firm’s reputation is strengthened, and tools from the CSR tool box such as multistakeholder initiatives remain credible. Misalignment, on the other hand, threatens a firm’s legitimacy on the long run (Anastasiadis, 2014; Den Hond et al., 2014).

Given the scrutiny with which stakeholders, including researchers, watch the CSR and political activities of corporations, careful practice of CSR and CPA is mandatory. Despite professional and costly corporate communication efforts, a firm’s CSR activities can be perceived by outside and inside stakeholders as political activities, even though they are not intended as such (Morsing & Roepstorff, 2015). To avoid such confusion that often results in negative reputation, consistency and alignment of CPA and CSR are key. In practice, lobbying efforts by companies that are in line with their CSR can transparently be disclosed in CSR reports (Slob & Weyzig, 2010). If aligned, CSR can become a positive add-on to a public affairs strategy. Thus, although “[p]ublic affairs and lobbying have definitely gone greener to meet the politicians’ expectations” (Köppl, 2012, p. 180), attention must be paid such that lobbying does not “hijack” (ibid., p. 178) CSR to use it as a “smoke screen,” which potentially results in threatened legitimacy.

From a public policy perspective, access to legislators can be controlled by lobbying registers, political donations can be limited, or job changes from politics to business can be embargoed (Veksler, 2015). However, such regulation may not always have the intended benefit if not controlled and sanctioned. To avoid regulation, businesses are well advised to get their nonmarket and CSR strategies in order and to proactively report on their efforts in both domains.

## 5 | CONCLUSIONS

In this paper, we engaged in a comparison of two theoretical approaches that have recently evoked researchers’ attention. We positioned political CSR and nonmarket strategy as the theoretical foundations of the most recent research lines in their fields and argued that they are in breach conceptually and practically. We illustrated this by citing examples of how CSR is used in CPA in the alcohol sector. We found that corporations undermine political CSR by (mis-)using CSR for their lobbying activities. We labeled this type of instrumental CSR in

the political arena politicized CSR to distinguish it from political CSR theory and discussed the detrimental consequences of this strategy for the firm’s success.

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## ENDNOTE

<sup>1</sup> For comparison reasons, we focus on the approach of nonmarket strategy as proposed by strategy scholars (Baron, 1995; Frynas, Mellahi, & Pigman, 2006; McWilliams et al., 2002; Porter & Kramer, 2006).

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