Corporate Sustainability: Greenwash or a Path to Sustainable Capitalism?

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Abstract

The problems of unsustainable development and the increased awareness of corporate power in the global era have contributed to an agenda of corporate citizenship. This thesis explores the meanings and practices that fall under the banner of the triple bottom line of corporate citizenship through forty-two in-depth interviews with representatives from the corporate sector and NGO sector (including trade unions) in Australia. This purposive sample includes a specific range of corporate industries and NGO types, all of which have involvement with various areas of sustainability. Interviewees described their feelings and experiences in relation to the concept of the triple bottom line, the potential and limitations of this type of sustainability and the purpose and impacts of partnerships between NGOs and the corporate sector.

On the basis of this research, this thesis argues that corporate citizenship is at best, a set of initiatives for making minor adjustments to the way companies perform their day-to-day operations and at worst, a program for improving corporate image rather than performance and for shifting the agenda of sustainable development toward corporate interests. While radical steps are required to achieve a sustainable society and environment, the terms of corporate citizenship offer very limited opportunities for change. The self-regulatory and market based model of citizenship does not challenge the impact of consumerism or the legitimacy of particular industry types and their products, except where threats are perceived to the longevity of the companies involved. Furthermore, while the exploitation of the environment and society has occurred as a result of corporate self-interest, corporate citizenship is justified on the same basis. The self-interest rationale and the tyranny of the economic bottom line in particular, substantially limit the fields of responsibility that can be included in the citizenship paradigm. While there are undoubtedly some well-intentioned corporate representatives who are working toward attaining a more...
sustainable corporate culture, the discourse is primarily used to shift the sustainable development agenda toward corporate paradigms and interests.
Introduction

When they make their Nike shoes,  
Human rights they do abuse.  
Nike makes a super profit,  
Nike we will make you stop it!  
(Chant from S11 protest)

It would be difficult to deny the considerable power of the corporate sector in the global era. According to Korten (2001: 60), corporations have emerged as the ‘dominant governance institutions on the planet, with the largest among them reaching into virtually every country of the world and exceeding most governments in size and power’. Among other factors, this power relates to: their sizable economic wealth (Currah, 2000: 2); their capacity to influence the policy agendas of nation-states and international bodies (Korten, 2001: 60); and their momentous impacts, direct and indirect, on social and environmental conditions and the overall state of global sustainability (Marsden and Andriof, 1998: 335). Although all these factors are interrelated, it is primarily with the last point that this thesis is concerned. Through in-depth interviews with representatives from non-government organisations\(^1\) (NGOs) and the corporate sector in the states of Victoria and New South Wales of Australia\(^2\), the thesis examines the concept

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1 NGO are defined as ‘self-governing, private, not for profit organisations’ that are independent from government and ‘pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development’ (World Bank, 2001; SustainAbility, 2003). Although trade unions are not typically included within the NGO category - the World Bank, for example regards them as civil society organisations (World Bank, 2004) - they are considered as NGOs for the purposes of this thesis, as their role is to act as commentators on sustainability and the culture of the corporate sector.

2 Australia is considered a significant player in the global economy. Its Gross Domestic Product (GDP) per head ($US) is 25,380 (compared with 29,858 for the UK and 37,812 for the US); its consumer price inflation (average %) is 2.8 (compared with 2.8 for the UK and 2.3 for the US); its current account balance (US$bn) is -31.0 (compared with -26.5 for the UK and -550.4 for the US); its export of goods (US$bn) is 69.0 (compared with 304.6 for the UK and 709.1 for the US); its import of goods (US$ bn) is 83.0 (compared with 363.2 for the UK and 1,260.5 for the US); its foreign trade (% of GDP) is 30.2 (compared with 37.1 for the UK and 17.9 for the US) (The Economist, 2004). Trends in corporate activity and governance in Australia are therefore likely to be aligned with those of the developed world economies. The assumption implicit in the thesis is that understanding the Australian context allows greater insight into the wider framework of large corporate players. What characterizes Australia's economy is its requirement of 'large amounts of energy, materials and water to produce a unit of gross domestic product' (Kerr, 2002: 11). The country's
and practice of corporate citizenship as expressed through the notion of the triple bottom line of social, environmental and economic accountability. Forty-three individuals (representing 42 organisations) from a specific range of corporate industries and NGO types were interviewed. Each interviewee was directly involved with a particular area of sustainability through their work role. The research was undertaken with the aim of: understanding the meanings and boundaries of corporate citizenship; understanding the purpose and effect of partnerships between the corporate sector and NGOs; and framing corporate conceptions of sustainability against more radical visions.

Corporate citizenship can be described as the practice of understanding and managing a company’s activities in a way that minimises their negative impacts while maximising their positive ones (Marsden and Andriof, 1998: 330). Rather than adhering to a single economic bottom line as their primary sphere of responsibility, companies are urged to adopt a triple bottom line framework that involves taking environmental quality, social justice and economic prosperity into account in the process of decision-making (Elkington, 1997: 3). Corporate citizenship offers contributions toward sustainability through market mechanisms that are based primarily on self-regulation undertaken on the basis of protecting corporate self-interest (Marsden and Andriof, 1998: 330, 337). The more ambitious proponents of this framework argue that it is possible to transform capitalism into a system that adequately values natural and other currently undervalued forms of capital (Hawken, Lovins and Lovins, 2000: 5) and that is based on a moral win-win logic rather than a brute ‘win-lose’ logic (Young, 2003: 17-18).

Despite the stated intentions of elements of the corporate sector to adopt a triple bottom line culture, some critics have viewed these initiatives as insufficient contributions to sustainability, or as mechanisms that allow the relatively small population size and distance from large international markets has influenced its development (Fleming, Merrett and Ville, 2004).
corporate sector to transform the sustainability discourse into an ideal that mirrors their own modus operandi and interests. Bruno, Karliner and Srivastava (2000) have used the label ‘greenwash’ to describe various corporate sustainability initiatives. Despite its ‘green’ prefix, the concept refers to the practice where companies with reputations for socially and environmentally destructive practices seek to preserve and expand their markets by posing as friends of the environment and champions of social justice (Bruno, Karliner and Srivastava, 2000). For some critics however, it is not simply a problem that corporate sustainability is based on minor changes or changes in image alone, rather some are concerned that the corporate sector aims to shift the dominant conception of sustainability toward corporate-friendly agendas, such as making economic matters the primary focus of sustainability (Hay, 2002: 213-214) and replacing goals for mandatory regulation with self-regulation (Korten, 2001: 202). Critics such as Foster (2002) take this argument one step further by arguing that it is the capitalist system that is unsustainable, rather than an increasingly powerful, largely unregulated, corporate sector. Under the capitalist mode of production, he argues, the accumulation of capital is ‘the supreme end of society’ and this results directly from the exploitation of the labourer and the environment (Foster, 2002: 9; Foster, 1999: 379). The globalising system of production for profit is seen by Sklair (2002: 62) to be reliant on the promotion of an unsustainable ‘culture-ideology of consumerism’ whereby consumer demands are shaped in ‘response to artificially created desires’ rather than ‘biological or other modest needs’.

The form of sustainability embodied in the corporate citizenship framework is placed into a broader context when compared with more radical conceptions. In the review of the literature in the next chapter, the corporate citizenship framework will be explored in greater detail and then compared with Marxist and ecocentric frameworks and the anti-corporate movement. The findings from the empirical research that follow the literature review outline the form of sustainability embodied in corporate citizenship - as understood by
representatives from the corporate and NGO sectors. The remainder of this introduction however will focus on an event which served as the inspiration for this thesis and provides a clear introduction to differences between corporate sustainability and other more radical forms – this event was the series of protests against the World Economic Forum (WEF) meeting outside Melbourne’s Crown Casino from September 11th-13th 2000 (known as ‘S11’).

The ‘S11’ protest was billed as a coalition of movements against the WEF in particular and ‘corporate globalisation’ in general (this is how it was described in the official S11 poster). Describing the Forum as ‘capital’s first International’, Goodman (2000: 45) argues that it is a body within which global elites can plan their ‘collective class interests’, although he stresses ‘it is not a conspiratorial cabal standing over society’. According to Goodman (2000: 45), the WEF has played a key role in spreading the neo-liberal agenda - an agenda that has improved the ‘state of the world’ for the corporate sector, providing exponential rises in ‘executive salaries’ and ‘corporate accumulation’, but ‘unprecedented levels of global inequality and undreamed-of degrees of financial instability, environmental exhaustion and social dislocation’ for the rest of society. The call to action for S11 was founded on a backlash against these neo-liberal policies and their detrimental effects on the majority of society and against bodies such as the WEF that sought to impose them by stealth. The anti-corporate movement, of which the S11 protest was a part, is seen as somewhat unique in its lack of formal leadership or a clear manifesto (Klein, 2000a: 23). However, despite the different points of focus within the movement, the underlying problem that united most groups and individuals was a concern about the effects of global neo-liberalism (and the institutions that drove and propagated these policies) on the state of the environment and society. The spirit of the protest was

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3 The central thesis of neo-liberalism is that markets are ‘superior’ to governments in most spheres of life, with a few exceptions such as law and order. Markets are seen to be the most efficient mechanism for allocating products and labour power to the extent where they eradicate the need for social justice programs (Giddens and Hutton, 2001: 44).
well summarized in a speech given inside the Forum by Vandana Shiva that was written by members of the protest organising group:

The reasons for us being here are many, but centre on our concern for the increasingly unchecked corporate dominance which defines the world we live in. The World Economic Forum claims that it is not a decision-making body. We know that this is untrue. The WEF includes the richest corporations in the world which have a huge and disproportionate influence, not only on government decisions, but on the food we eat, the air we breathe, whether we have a living wage or not. ... The WEF represents corporate interests, not the interests of the people they employ, or displace, or the land and resources they exploit for their financial gain. ... We are blockading the Crown Casino today to use one of the tools that we as community groups and individuals have – civil disobedience. We are blockading because people across the world are suffering under corporate defined globalisation. Many of these people are denied the opportunity of civil disobedience because of military regimes, some of which have received corporate support. Unlike the corporations represented inside the World Economic Forum, we do not have multi-million dollar advertising budgets or public relations consultants. What we have is a steadfast belief that we have both the right and the responsibility to take action in the face of corporate disregard for human rights, environmental protection, public health and labour regulation. ... We are part of a worldwide movement demanding justice before profits. We are not going away! (Shiva in SKA TV, 2000).

In their critiques of unaccountable governance bodies, members of the anti-corporate movement commonly focus on the corporate sector. The sector is criticised not only for showing a disregard for environmental conditions and human rights, but also for actively shaping the agendas of transnational bodies and forums in accordance with their own interests (Korten, 2001: 118). In contrast with what they perceive as unaccountable forms of governance, movement participants argue that they are committed to a more participatory form of democracy, or the establishment of ‘community-based
decision-making power’ (Klein, 2000a: 23). The commitment of the Melbourne activists to a form of participatory democracy was evident from the planning stages of the protest, where the organising groups sought to use inclusive forms of decision-making, through to their presence on the street where protestors – in reference to their grass-roots action - chanted ‘this [people power] is what democracy looks like’.

In the lead-up to and over the course of the protest, the media regularly communicated various points of view on the issues of protest and globalisation. Representatives of the Forum, such as Michael Roux (2000: 11), responded to the prospect of the protest by suggesting that participants were not only technophobes and nationalists, but also misguided about the aims and goals of the Forum. According to Roux, the Forum enabled the facilitation of communication between decision-makers whether they are in ‘business, government, media or the community’, thus leading to a better ‘quality of decision-making’ and presumably a better quality of life. According to Roux’s line of reasoning, the participating corporate, government and NGO sectors were more concerned about social and environmental sustainability than the activists were since the former were involved in global partnerships to actively address such issues. Rather than merely complaining about what was wrong with society, the Forum was focused on finding ‘solutions’.

The protest and to a lesser extent, the Forum were remarkable catalysts for drawing media attention to the issues of ‘development’, ‘trade’, ‘globalisation’ and ‘sustainability’. It was around this time that I became acutely aware of the debates on competing models of sustainability and of the commonalities and irreconcilable differences between elements of the anti-corporate movement and corporate citizenship enthusiasts. In spite of the common perception of the corporate sector as a violator of human rights and environmental standards, corporate citizenship enthusiasts were arguing that

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4 Participatory democracy seeks to involve a greater number of citizens or participants in the process of decision-making, and its advocates are critical of representative democracy for leaving power in the hands of elite leadership bodies (Macpherson, 1977: 93-93).
the global market and global technologies placed pressures on the corporate sector to adopt sustainable behaviour, not out a moral obligation to humanity but in the interests of the long-term viability of the sector (Marsden and Andriof, 1998: 332). It was with these different conceptions of sustainability in mind that I embarked on this thesis on corporate citizenship.

From the outset, I feel I must make my position clear. My first engagement with corporate issues was with the anti-corporate movement, involving campaigns against the social and environmental abuses committed by companies. While my initial reaction to the idea of corporate citizenship is one of distrust, I consider myself an interested sceptic who is hopeful for a better quality of life for humanity within a sustainable environment, in whatever manner this can be achieved.

**Structure of the Thesis**

This thesis begins with a review of the literature on corporate citizenship and the two alternative frameworks for understanding sustainable and unsustainable development - ecocentrism and Marxism. The first section outlines the corporate conception of sustainability as embodied in the notion of the triple bottom line and the self-interested logic and consensual discourse that underpin it. The second part looks at how corporate citizenship fails to meet the requirements of alternative conceptions of sustainability. It begins with a critique of instrumentalism, primarily through an ecocentric framework and is followed by a critique of exploitation and alienation from a Marxist framework. Ecocentrism and Marxism are not the only alternative frameworks for understanding sustainability, however they are the two major forms of what Davidson (2000: 30) calls ‘strong’ or radical variants of sustainability that seek to subject economic activity to ‘environmental limits’ and social conditions. The variants of these two frameworks are then explored as they are embodied in the anti-corporate

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5 'Weak' sustainability, by contrast, is based on balancing or trading off the benefits of environmental conservation (and social justice) against economic growth (Davidson, 2000: 30).
movement, which is seen as a key alternative movement toward sustainability.

Following the literature review is Chapter 2, ‘Research Methodology’. This chapter describes the central research questions and aims and describes how the NGO and corporate sector sample were chosen.

Chapters 3, 4 and 5 outline the corporate conception of sustainability as explored from the perspectives of corporate sector representatives in isolation. Chapter 3 – ‘Sustaining the Corporate Lifespan’, looks at the justifications given by interviewees for undertaking corporate citizenship. It explores the concept of the triple bottom line, the framing of the financial pillar within that framework, as well as means by which the social and environmental pillars can enable a sustained corporate lifespan. Chapter 4, ‘The Voluntary and Flexible Path to Sustainability’, explores the issues of regulation and self-regulation and the interviewees’ justifications for largely voluntary frameworks of sustainability that can be flexibly adapted to deal with different operating contexts, the demands of the marketplace and the particular impacts of different industries and companies. Chapter 5, ‘For or Against the Market?’ explores the limitations corporate sector representatives perceive in working toward sustainability through a market framework. Here interviewees assert that the capacity for corporate citizenship is not reliant on organisational culture alone but is also influenced by more systemic forces, in the marketplace. At the same time that the market is seen as a limitation on sustainability, it is also seen as the most appropriate framework for it, particularly in relation to establishing social responsibilities to employees.

Chapter 6, Unsustainable Behaviour and the Path to Sustainability’, is the first chapter to examine the perspectives of NGO representatives on sustainability and corporate citizenship. It looks at their perceptions of unsustainable development from the micro and macro levels and explores their visions for sustainability that combine a mixture of strong regulation,
additional self-regulation by the corporate sector and activism by the public and NGOs.

Chapter 7, ‘Outsourcing Trust: Corporate and NGO Partnerships’ examines the perspectives of the corporate and NGO sector representatives respectively, on the role of partnerships. It explores the reasons for undertaking partnerships, the difference between ‘uncritical’ and ‘tough engagement’ and the reasons given by unengaged NGO representatives for refraining from partnerships altogether.

Chapter 8 ‘Is Corporate Citizenship Greenwash or a Path to Sustainable Capitalism?’ concludes the thesis. This final chapter analyses the research findings in light of the key research aims which are: to identify the meanings and boundaries of corporate citizenship; to explore how corporate citizenship compares with the more radical visions of sustainability advocated by critical NGO representatives; and, to discover the role and effects of partnerships between the corporate and NGO sectors. Through exploring these aims, the conclusion will examine the key unifying question of the thesis, of whether corporate sustainability is greenwash or a path to sustainable capitalism.

**CHAPTER 1**
‘Cannibals With Forks’ or Simply Cannibals?

Corporate Citizenship and its Critics

To many people [the phrase] ... ‘global business as a force for good’ may sound like King Herod writing a manual on childcare. However, I believe that although the onset of global business is inexorable, its consequences are not. Global business has the power to transform society for the better and to liberate human beings wherever they live (Ellis, 2001: 2).

The global economic system is rewarding corporations and their executives with generous profits and benefits packages for contracting out their production to sweatshops paying substandard wages, for clear-cutting primal forests, for introducing labour saving technologies that displace tens of thousands of employees, for dumping toxic wastes and for shaping political agendas that advance corporate interests over human interests (Korten, 2001:118).

Introduction

These opening quotations indicate the divergent opinions of commentators on the role of companies in the global era. While both remark upon the immense influence of companies over many aspects of life, they offer different assessments of the quality of this influence. Korten, for example, has made stern criticisms of the activities of companies for their treatment of workers, activists, local communities and the environment. Holders of more radical conceptions of sustainability such as elements of the anti-corporate movement are critical of the unrepresentative power of large companies and other elements of what Sklair (2002: 9) calls the transnational capitalist class\(^6\). Not all commentators however perceive the scale of corporate power

\(^6\) The transnational capitalist class (TCC) consist of: those who own and control transnational corporations and their local affiliates – the most dominant group within the class; and the supporting members of the TCC: globalising bureaucrats and politicians; globalising technical professionals (lawyers, management consultants and other business service providers as
as a dangerous and unsustainable force. While suggesting that the corporate sector behave as ‘cannibals’ who are devouring ‘economic, social and ecological’ inputs at a rate and level that undermines the capacity for production in the future and the very conditions on which human life depend, Elkington (1997: viii-x) argues that if the sector adopts the civilising tool of a triple bottom line framework (the metaphorical three pronged fork representing the social, economic and environmental costs of business to which managers should or will be held to account) they can bring about ‘sustainable capitalism’. Similarly, according to Ellis (2001: 8) ordinary citizens have little to fear from the corporate sector if its leadership adopt a citizenship culture, which can be built through partnerships between corporate citizens, governments and communities.

The central aim of the thesis is to understand the form of sustainability represented by corporate citizenship. In order to understand this framework it is not only necessary to examine it from the perspective of protagonists but also to take a wider frame of reference. As such, the empirical research takes into account the views of representatives from the NGO sector as well as from the corporate sector. Interviewees were asked for their views on the general concept of the triple bottom line and the potential and limitations of such a framework. The issue of corporate sustainability also led to discussions on the concepts of sustainable development and development. In order to gain a broad overview, the interviewees were chosen to represent a range of industry and NGO groups.

Before examining the empirical data, this chapter will review the literature on corporate citizenship and will place this into a broader frame of reference by examining the other two key sustainability frameworks - ecocentrism and Marxism. While the concepts of the triple bottom line and sustainability entail social, environmental and economic aspects, the focus in this chapter

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well as statutory bodies and knowledge institutions; and consumerist elites (merchants and media) - all of whom mobilise various forms of capital in order to further the interests of the global capitalist system (Skilair, 2001: 17, 139; Skilair, 1997: 521).
is primarily on environmental sustainability. The environmental aspect of the triple bottom line is typically a major focus of corporate citizenship and, as interviewees briefly indicate in Chapter 3, it is easier to quantify and conceptualise than the social pillar. Furthermore, rather than opting to briefly cover the many aspects of sustainability, the section involves a more detailed focus on one aspect - the environment. The rest of the thesis however, examines the three elements of the triple bottom line and sustainability.

This chapter is structured in two parts. The first is an exploration of the meaning of and justifications for corporate citizenship. The second part focuses on alternative frameworks for understanding corporate citizenship and sustainability - beginning with an outline of how corporate citizenship continues to involve relations of instrumentalism and exploitation despite the rising level of consciousness regarding the unsustainable nature of development. Merged with these critiques are alternative solutions posed through ecocentric and Marxist perspectives and their various manifestations in the anti-corporate movement. This is followed by an outline of the target group of the anti-corporate movement – the transnational capitalist class - and the potentially ideological nature of corporate citizenship and partnerships.

1. Understanding Corporate Citizenship

Bakan (2004) attributes the rise of corporate citizenship, in its various forms throughout the history of the sector, to the nature of the corporate entity. The corporation, he argues, has become the ‘world’s dominant economic institution’ due to its ‘capacity to combine the capital’ of ‘unlimited numbers of people’ into an institution with a legal status of a ‘person’ (Bakan, 2004: 5, 8, 16). The act of personalising the corporate institution meant that corporations were no longer ‘instruments of government policy’ and ‘dependent upon government bodies’ to create and enable their function as they had been under the ‘centuries old’ ‘grant theory’ but became ‘free
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persons’ that were accorded rights\textsuperscript{7} and to a lesser extent, responsibilities (Bakan, 2004: 16). According to Bakan (2004: 1-2), the legal mandate of the corporation makes it a ‘pathological’\textsuperscript{8} entity. This mandate, he argues, is ‘to pursue, relentlessly and without exception, its own self-interest, regardless of the often harmful consequences it might cause’. Because the corporation has a ‘pathological’ character, the sector has been forced to undertake corporate citizenship initiatives in order to overcome the crises of legitimacy that are invoked by having such a character (Bakan, 2004: 16-27).

Despite the enthusiasm with which the triple bottom line and other forms of corporate sustainability are discussed, the search for the ‘soul’ of the sector is not an entirely new activity. In America during the late nineteenth century, criticism served as the stimulus for various initiatives that were enacted to protect company image and prevent legislation (Marchand, 1998: 3). To divert the focus of would-be social reformers who criticised companies for the scale of their influence, their monopolistic practices, and the inhumane conditions they exposed their workers to, companies provided a diversity of initiatives ranging from piecemeal services to entire community infrastructures (Marchand, 1998: 2, 7-9). The corporate responsibility initiatives that began around the turn of the twentieth century were largely philanthropic. The image of the corporation as the friend of the people was not only important to reduce the public’s uncertainty of corporate influence, but also as a selling point for mass-produced consumer goods. Given the uniformity and anonymity of mass-production where products were difficult to distinguish from one another, companies began to brand them with friendly names and icons in an effort to invoke in them a sense of familiarity to the consumer (Klein, 2000b: 6).

\textsuperscript{7} In 1886, the USA Supreme Court granted corporations rights to ‘due process of law’ and ‘equal protection of the laws’ under the Fourteenth Amendment (Bakan, 2004: 16).
\textsuperscript{8} Bakan (2004: 57) suggests that the diagnostic checklist of psychopathic traits fits the institutional character of the corporation, these traits include: irresponsibility, manipulation, grandiose visions, a lack of empathy, asocial tendencies, an inability to feel remorse, and superficiality.
During the 1950s, corporate citizenship shifted from a philanthropic focus to a focus on corporate social responsibilities. This was marked by the publication of Bowen’s influential text, the *Social Responsibilities of the Businessman* (Wartick and Cochran, 1985: 759). As the first comprehensive analytical work on corporate social responsibilities it acted as the forerunner for intense academic interest in the subject. For Bowen, companies could gain a moral license to operate if they made a commitment to ‘pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society’ (Bowen, 1953: 6). Unlike global corporate citizenship that exists in an ideological context of ‘the end of history’, Bowen believed that social responsibilities needed to be cultivated within the marketplace in order to reduce the threat of communism. Therefore corporate social responsibilities were required in order to reform the ‘free-market’ system, which then had to be sold to the public as the best system of organization (Bowen, 1953: 54).

By the late 1980s and early 1990s, corporate citizenship had again become important, but this time corporate environmentalism was the key focus (Sklair, 2001: 200). After the Bhopal disaster\(^9\), growing numbers of companies began to produce environmental reports and this trend was strengthened with Earth Day International in 1990 (Elkington, 1997: 56-57, 60). Facing public pressure as a result of the Bhopal disaster, the Chemical Manufacturers Association established the Responsible Care Program – an initiative that, like all programs proposed by green business networks, promotes self-regulation or voluntary codes as the ideal solution (where there is a threat of legislation however, corporate input into the process is seen as the next best outcome) (Sklair, 2001: 201, 205). Emergent signs of corporate interest in environmentalism were evident in 1972, Sklair (2001: 9

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\(^9\) In December 1984 a ‘massive leak of toxic gasses’ escaped from the Union Carbide plant in Bhopal, killing between 16,000 to 30,000 people. It is considered the ‘worst industrial disaster in history’ (Lapierre and Moro, 2002: xvii).
201) suggests, with the publication of *Limits to Growth* by the Club of Rome. However the primary response by the corporate sector to the gains made by environmentalists in raising public awareness of corporate environmental impacts and pressuring a comprehensive legislative response from governments was to set up front groups, artificial ‘grassroots’ movements, and the provision of funding for think tanks that discredited environmentalists and/or their claims (Beder, 2000: 15, 23-25). Although such tactics are still used, during the 1990s where environmentalism was identified as ‘the life and death PR battle’ of the decade, the corporate sector shifted from a predominantly defensive strategy to a strategy of colonizing aspects of the environmental discourse (Beder, 2000: 23).

More recently, the environmental focus of corporate citizenship has been broadened to reintroduce social concerns. As globalisation has intensified, the influence of the non-state actors (including companies and NGOs) has increased, the activities of the corporate sector have become more transparent, and transnational movements and networks have targeted the corporate sector. The vast reach and influence of companies, Birch (2003: 7) suggests, makes them part of the public culture and thus they must behave as responsible ‘citizens’. From the early origins of corporate citizenship programs to the current push toward corporate sustainability, the sector has always undergone cultural change in response to intense criticism by civil society, the threat of imposed and enforceable regulation, or on the basis of proactively meeting a particular corporate need.

In its most simple or common usage, citizenship refers to a status of membership to a bounded political territory and the rights and obligations that it incurs (Linklater, 1998: 23). While companies are expected to comply with the regulatory frameworks of the nation-states they operate within, the discourse of corporate citizenship refers to a more global form of belonging with rights and duties that are typically not legally defined. Rather than being based on legal duties to nationhood, the *discourse* of corporate citizenship
fits within the model of what Linklater (1998: 23) describes as ‘cosmopolitan citizenship’ of morally defined duties. The development of cosmopolitan citizenship is seen to be important given that it moves beyond a framework of protecting individual rights and national interests to a framework of collective responsibility for global environmental problems and an extension of ‘hospitality’ to humanity on an international level (Linklater, 1998: 26). The corporate citizenship framework has in common with this discourse a view that nation-states are unable to deal with the problems of an increasingly interconnected world and a framing of duties within a moral rather than a legal framework (Linklater, 1998: 23, 25, 33). Ledgerwood and Broadhurst (2000: 212) describe the ethics of corporate citizenship as ‘Benthamite’ in their focus on utilitarian freedoms (subjectively defined, in this case defined on the basis of sectoral interests), rather than contractual obligations or rights.

Linklater’s (1998: 32, 34) conception of cosmopolitanism is largely framed as a form of citizenship that stands against policies or practices imposed by organisations with a ‘democratic deficit’, such as transnational corporations. Action within the cosmopolitan frame of reference, Linklater suggests (1998: 24, 25), necessitates efforts to create ‘universal frameworks of communication’ or a transnational public sphere that counteracts the democratic deficit of such globalising organisations. Thus while the cosmopolitan citizenship framework can be seen to legitimise the corporate citizenship agenda of self-regulation and ambiguously defined moral duties, it more accurately describes the context that is created by genuinely cosmopolitan organisations such as activist environmental or human rights NGOs that influence the global operating environment of companies and other ‘unaccountable’ organisations by maintaining a watchdog role and ensuring that moral commitments to humanity and environment remain prominently within the public sphere.
While elements of the corporate citizenship discourse are reflective of cosmopolitan citizenship, it is questionable to what extent, *in practice*, it moves beyond a classic liberal model of citizenship. In a liberal model of citizenship, the growth of exchange relationships and money markets are seen as the ‘preconditions for notions of the individual, contracts and rights’ (Brown, et al., 2000:11). Corporate citizenship is based on a notion of freedom and responsibility through market relations, but a decreasing role for a social contract being formed within the nation state and an extension of the influence of non-government based actors in the global arena. The logic of corporate citizenship is based on ‘sustaining’ the lifespan of individual companies or the corporate sector (and the legitimacy of the global capitalist system). The wellbeing of the society and environment are merely the means by which these are sustained. It is therefore closer to the liberal (or neo-liberal) rather than the cosmopolitan model of citizenship.

The citizen status is conferred on companies on the basis of the ‘profoundly public effect of their acts’ (Galbraith in Birch, 2003: 7) that extend well beyond their physical or legal boundaries. Citizenship involves an acknowledgement of the widespread influence of the sector and an alignment of corporate values and behaviours with the requirements for sustainability - of minimising a company’s negative impacts on society and environment and maximising their positive impacts (Marsden and Andriof, 1998: 329). Once companies begin to adopt ‘sustainable’ practices, Birch and Glazebrook (2000: 41) argue, the public’s misconception of business and community as ‘two distinct cultures’ can be overcome. For them, corporate citizenship refers to the application of a critical gaze to this dualism and in particular, the development of an awareness of companies ‘not just as corporate cultures but as seamless parts of the wider social culture’ (Birch and Glazebrook, 2000: 42). What is central to these views of citizenship is the integration of the value or ethic of citizenship throughout the entire organisation. Citizenship should not ‘be treated as an optional bolt-on to the public affairs department’ but instead ‘an integral part of the strategic
management of the company and its business operations’ (Marsden and Andriof, 1998: 331). Therefore, while activities such as philanthropy would alone merit an organisation with a ‘citizen’ status by some reckonings, it would be excluded from the framework of citizenship explored in this thesis since it is a gesture with little impact on everyday corporate culture.

**The Triple Bottom Line**

For Elkington (1997: 2), corporate citizenship is described in terms of the three pillars of sustainability or the triple bottom line. Under this framework, sustainability involves an evolution from the typical perspective of accountability for a *single* economic bottom line to a *triple* bottom line culture where social, economic and environmental performance rate equal consideration in decision-making. The traditional economic bottom line is concerned with financial stability, profitability, employment creation and the use value of the product or service generated (Marsden and Andriof, 1998: 332). The addition of an environmental bottom line could include any number of factors such as programs for eco-efficiency, programs for reducing and effectively managing waste and emissions, detailed reporting of environmental impacts, or support for external environmental programs (Ecosteps, nd; Marsden and Andriof, 1998: 333). While the environmental bottom line can differ significantly from company to company, it is more clearly articulated and subject to greater standardisation than the social bottom line with its seemingly endless range of potential indicators. To gain an understanding of what type of indicators can be included within a social bottom line, Marsden and Andriof (1998: 332) have provided three broadly inclusive categories: ethical business standards, including human rights and fair trade; human resource development, including equal opportunity employment and education; and involvement in social issues, in the form of community consultation and community involvement.
The Consensual Society

Corporate citizenship is described in terms of being a win-win scenario (Marsden and Andriof, 1998: 339) since it is seen to sustain the longevity and prosperity of the corporate sector as well as the survival of humanity. As such, the discourse of corporate citizenship fits within a functionalist, consensual view of society and power relations. From this perspective, society is seen as an organism or system that is made up of interrelated parts that must have some degree of compatibility between them in order to exist as a stable, relatively consensual entity (Parsons, 1954:143-144). In the Parsonian view, the stability of society requires an integration of the value-standards of the various component units into a ‘common value-system’ (Parsons, 1954: 388). Parson’s (1956: 66) definition of an ‘organisation’ refers to a ‘special type of social system’ organised primarily in the interest of attaining a particular type of system goal. The stability and power of social systems and organisations are dependent on the extent to which they represent collective goals that have a ‘functional significance’ for ‘the superordinate system’ (Parsons, 1956: 68). If an organisation does not embody the ‘common value’ system, it is essentially a ‘deviant’ organisation that is not integrated into society (Parsons, 1956: 67). In reference to the corporate organisation, the main organisational goal is ‘profit-making’, however the organisation is only legitimised by aligning its ‘value system’ to its role in the wider social system, in the production of goods and services for others (Parsons, 1956: 68).

The legitimacy of global capitalism and the companies that drive and benefit from the system have come under threat by critics who argue that development has not been sustainable or democratic. Yet, underpinning the corporate citizenship debate is a denial that there is any conflict of interest between the public or environmental good and corporate activity. Companies have a functional role in society by providing products and services, jobs, investment and economic growth. While their activities may have led to unsustainable growth or development, the discourse of corporate citizenship
suggests that new collective values toward sustainability have forced them into a citizenship culture where a case is found for having values that are compatible with the rest of society.

Charles Handy (1997) takes what is perhaps an extreme functionalist view of corporate citizenship, yet one that is influential and clearly makes the case in point. Handy perceives a strong value consensus in society for the work of the corporate sector to the extent where he argues the term ‘company’ should be replaced by the term ‘community’. Signifying both a firm value consensus as well as an aspiration toward more reciprocal relations, Handy (1997: 29) suggests that the term community invokes an image of an organisation that exists for common purpose whereas the term company invokes an outdated and undemocratic image of property and ownership. The notion of private ownership is seen to undervalue the importance of the staff in the organisation. With human capital as the ‘principal assets’ of most companies, private ownership would be tantamount to slavery (Handy, 1999: 26). The label community would therefore remove the tainted image of private ownership and undemocratic functioning from the corporation. As a ‘community’, a company would be required to recognise the rights of their various constituencies through the ‘citizen contract’ which binds individuals to the organisation and its particular ‘constitution’ and stakeholders (Handy, 1997: 29). While Handy argues that the corporate community ‘belongs to no-one’, the inference is that it in fact belongs to everyone and is supported by a strong collective consensus. The work of Elkington and Marsden and Andriof is functionalist in implying a win-win scenario from citizenship, Handy however, takes this one step further by claiming the potential value consensus for the sector to be so strong that it could be viewed as a sector of essentially ‘public’ organisations.

The discourse of mutual gain is reflective of the political doctrine of the ‘third-way’. The third-way project is understood by its proponents as a form of pragmatic politics that moves beyond the ‘ideology’ of ‘traditional left’
concerns of state ownership and control and ‘new right’ commitments to the singular ideology of the competitive ‘free’-market. Its ideal of representing the ‘middle’ path or synthesis of the ‘extremes’ of left and right, involves a policy framework of partnerships where governance is shared between sectors and where the boundaries between each sector become increasingly blurred (Giddens, 1998:100).

Through these partnerships and ‘pragmatic’ policies, ‘welfare states’ are transformed into ‘welfare societies’, where all social actors have responsibilities for the welfare of others, from individuals and families, to local communities and private companies (Kristensen, 2001: 31). The third-way vision of a good society involves a spirit of reciprocity or mutuality, where people (and organisations) are morally bound or inspired to help one another (Etzioni, 2000). Etzioni (1995: 263) argues that the ‘language of rights is morally incomplete’ - that is, while rights give protection or legitimacy for the performance of certain acts, they lack the moral vocabulary of the principles of ‘decency, duty, responsibility and the common good’. Therefore, Etzioni (2000) argues that third way governments should ‘resist the urge to legislate good behaviour, because legislation numbs the moral conscience’. While the major outcome of this mutual obligation discourse has been on the responsibilities of the unemployed to remain ‘active’ and enhance their prospects by working or undertaking training as a condition of receiving welfare benefits, Etzioni’s vision of unlegislated obligations tend to apply to corporate ‘citizens’ who are expected to treat the society and environment from which their wealth is generated with a spirit of reciprocity.

The discourse of mutuality and partnerships assumes that all societal members, regardless of their relationship to capital or other power differentials, have a core of common interests. Notions such as class and exploitation are relegated to the junkyard of history (along with socialism) in their polarised view of the world. Thus it is a discourse that serves to hide
the power differences within societies by asserting the existence of a common interest.

Relationships of reciprocity in corporate citizenship are embodied in the term stakeholders – who are described as any group that ‘can affect or is affected by the achievement of the firm’s objectives’ (Freeman in Jonker and Foster, 2002: 188). In stakeholder theory, each of the diverse groups who have a stake in the operation of the company’s objectives or the capacity to influence them will ‘merit consideration in managerial decision-making’ (Phillips, 1997: 52). This is seen as a stark contrast with the typical model of corporate accountability that sees the business owners and shareholders as the prime ‘beneficiaries of the organisation’s activities’ (Phillips, 1997: 52). However, the purpose of stakeholder management is to meet corporate self-interest by developing strategies for ‘managing’ stakeholders in a way that enables the company to achieve its objectives (Jonker and Foster, 2002: 188).

**Sustaining the Corporate Interest**

Marsden and Andriof (1998: 332) claim that companies do not need to adopt citizenship programs on the basis of moral or ethical considerations but can instead base these programs on corporate self-interest because ‘sustainable economic performance’ and ‘successful social and environmental performance’ are ultimately dependent upon one another. While Elkington (1997: 37) argues that capitalism needs to be ‘suitably shaped by social and regulatory pressures’ and Marsden and Andriof (1998: 330) also perceive a need for regulation, their primary focus is on encouraging the corporate sector to adopt sustainability initiatives for self-interested reasons. The role of government as regulator, particularly a regulator of corporate activity, is often given little positive attention in the literature. Elkington (1997: 28), for example, argues that governments generally lack the foresight and courage to achieve sustainability. Quoting Stuart Hart, he optimistically deems corporations to be ‘the only organisations with the resources, the technology,
the global reach and, ultimately, the motivation to achieve sustainability’ (in Elkington, 1997: 71). The motivation for corporate citizenship is the provision of a ‘sustainable business environment’, an improvement the ‘performance of the company in the marketplace’ and enhancement of the ‘external reputation of the company’ as well as the ‘self-respect of those who own, manage and work for it’ (Marsden and Andriof, 1998: 337, 350).

Marsden and Andriof’s consideration of the self-respect of internal corporate stakeholders and leaders implies that corporate citizenship involves a moral or ethical rationale as well as a rationale of self-interest. For Young (2003:17-18), the infusion of high personal values into work life, organisational culture and the economic system are the essential means of transforming capitalism from a ‘brute’ form to a ‘moral’ form. Under ‘moral capitalism’, moral character is the foundation of leadership rather than sheer self-interest (Young, 2003: 186-187). However, ethical governance within the corporate sector is still justified on the basis of self-interest since an ethical culture is deemed to be good for long-term corporate survival. Johnson (1997: 109) claims that corporations ‘cannot for long command the loyalty of their members if their standards of collective action are materially lower than those of their individual members’. The overall support of employees and the public is needed to protect the stability of the corporate sector and the capitalist system (Johnson, 1997: 109). Public values, Elkington (1997:124) suggests, have largely shifted from the ‘hard’ values of instrumental materialism to the softer humanist values of concerns for quality of life, equality and ethical living. These values underpin the concerns of activists who protest against companies, the interests of employees seeking a reputable company as an employer of choice, as well as consumers purchasing green or ethical products in the marketplace.

While Elkington has a relatively optimistic view of the shifting value base of the population, Beck (1992) has a somewhat different perspective. He argues that the affluent industrialised countries have met many of their
needs of wealth distribution and as such, have shifted their focus to the problem of risks that are created from industrialisation and the creation of wealth (Beck, 1992: 19). Industrialisation and the ‘overdevelopment of the productive forces’ have unleashed an unparalleled potential for destruction that threatens all life on Earth (Beck, 1992: 20-21). These risks include ‘toxins and pollutants in the air, the water and foodstuffs, together with the short and long-term effects on plants, animals and people’ (Beck, 1992: 22-23). In contrast to Elkington’s vision of global citizens united in their concern for equality and quality of life, Beck (1992: 49) perceives anxiety as the new basis of group solidarity where people share a common fear about their prospects for survival in the future.

Because the risks inherent in industrialisation and modernisation pose threats to all life on Earth, they also threaten the ‘property and commercial interests of those who live from the commodification of life and its requisites’ (Beck, 1992: 39). Therefore a contradiction has arisen between the accumulation of capital that drives the industrialisation process and the degradation of human and environmental resources that are necessary for commercially driven industrialisation (Beck, 1992: 39). In ecosocialist terms, capital’s capacity to destroy the physical or environmental conditions of production is described as the ‘second contradiction of capitalism’ (O’Connor, 1996: 206). When looked at in earnest, the threats of unsustainable development provide a strong rationale for business leaders to direct their corporate culture in a more sustainable direction. Part of the business case for corporate citizenship then, involves an acceptance that treating corporate social and environmental impacts as externalities (that is, not assuming responsibility for them within strategic planning) threatens not only the future of life on Earth but also the capacity of the corporate sector to undertake its activities

10 The principal difference between traditional Marxists and ecosocialists is that former perceive class struggle as the motor of change while the latter perceive the inevitability of capitalism ‘encountering physical limits’ (Gorz, 1980: 11).
11 The central contradiction of capitalism is the dialectic between the ‘forces and relations of production’ that result in a growing socialisation of the ‘forces of production’. This engenders a labour movement and thus a social barrier to capital accumulation (Benton, 1996: 188).
Co
corporate susta
able: Greenw
ash or a Path
to Sustainable Capitalism?

(Marsden and Andriof, 1998: 33). If modernisation (or capitalism) is increasingly making the Earth uninhabitable, then legal ownership of property has no meaning if the social use, or in the corporate sector’s case, the economic and resource value are expropriated (Beck, 1992: 38-39). One prominent example of the costs to business of unsustainable development is the threat to insurance and reinsurance industries from the correlation between rapidly rising claims and the addition of more greenhouse gasses into the atmosphere (Hawken, Lovins and Lovins, 2000: 283). However, at the same time that the ‘new economy’ of globalisation can bring rewards for ‘good’ corporate citizens, Zadek (2001: 8) argues that it can also reward the irresponsible companies that continue to externalise their social and environmental impacts. What determines a company’s commitment to sustainability is not internal or external forces alone, but a combination of sustainability-focused leadership and pressures from NGOs, the media, regulators and consumers (Zadek, 2001: 8-9).

In a study on ‘European Attitudes Towards Corporate Citizenship’, researchers found that seventy percent of respondents felt a ‘company’s commitment to social responsibility’ was important to them ‘when buying a product or service’. Approximately half of the respondents even claimed they would be willing to spend more money on products that are ‘socially or environmentally responsible’ (Hines, 2000:1). Therefore protecting resources for future production is not the only ‘business case’ for sustainability since consumers are rewarding companies with a market advantage for their ‘good’ behaviour (Elkington, 1997: 4-5). According to Muchlinski (2001), the identity and lifestyle politics of the 1960s have created a fertile ground for the development of corporate citizenship. The politics of ‘individual space for self-identification’ have evolved into green or ethical consumption and the demand for the ‘ethical corporation’ (Muchlinski, 2001: 34). Within this form of marketplace, companies can act as ‘pursuers of life-styles and identities through their products, services and marketing’ (Muchlinski, 2001: 35). Burgmann (2003: 226) notes that the rise of green and ethical consumerism...
is acceptable to the corporate sector because it ‘accords with the prevailing ethos of capitalism of individual, market-based solutions that imply that the need for more political, movement-based activity is now defunct’. To attract the attention of green or ethical consumers and investors, companies are required to maintain a good reputation and to enforce similar citizenship standards on suppliers and contractors. However the maintenance of this status requires not only the successful promotion of the organisation’s good behaviours but also the avoidance of negative publicity in cases where they step out of line.

As BP and Shell discovered in the mid 1990s, behaviour that is perceived as irresponsible by the public can lead to widespread protests. In Colombia, BP was accused of evicting peasants from their land and of providing financial support and information to military forces suspected of torturing and murdering trade unionists and local community campaigners (Monbiot, 2000: 211). In a similar manner, Shell was accused of complicity in the murder of activists from the Movement of the Survival of the Ogoni People (MOSOP) through the supply of money, weapons and logistical support to the Nigerian military dictatorship (Muchlinski, 2001: 42). This controversy led to widespread protests against the company where:

Shell stations in Germany were burnt to the ground, boycotts in Holland slashed sales and employees in London were chastised by family and friends (Hawken, Lovins and Lovins, 2000: 319).

Shell’s response to the Brent Spar and Nigerian incidents was to intensify its visions of global corporate citizenship that had emerged with the release of the Statement of General Business Principles in 1976 yet lay relatively stagnant until its process of ‘transformation’ in 1994 and 1995 (Sklair, 2001: 185-186). One of the keys to Shells ‘transformation’ and a reason for its leadership position in the corporate citizenship sphere is its apparent commitment to openness. In the aftershock of the incidents of 1995, Shell
launched its ‘Society's Changing Expectations’ initiative, which involved a series of roundtable meetings in various countries that brought representatives from Shell ‘face-to-face’ with ‘senior figures from business, NGOs, the media, academe, and government’ in a ‘frank’ discursive format (Elkington, 1997: 144). Such openness was also evident in Shell’s 1998 report: Profits and Principles - Does There Have to be a Choice? Deconstructing this report, Sklair (2001: 188) suggests that its discourse is fitting of the project of ‘reflexive modernisation’. For globalising corporations the problems of modernity – its iron cage and unintended, often incalculable risks - are represented by the ‘growing crises of class polarisation and ecology’ (Sklair, 2001: 185). Reflexive modernisation is seen as a second Enlightenment where claims, institutions and social practices are subjected to intense and continual self-questioning and altered in light of new incoming information (Beck, 2000: 100-101; Sklair, 2001: 188). Shell’s report reflects this characteristic of late modernity through its self-reflective acknowledgement of making mistakes (although this is not entirely critical since they suggest they acted ‘honourably’ during the events of 1995) and process of opening itself up to the vagaries of public or stakeholder opinion.

The major component of transformation is the consultative endeavour in which its leaders seek to learn societal expectations of corporations in the global era and the ‘reputation, image and overall standing’ of the Shell group (Sklair, 2001: 185-186). The Report is described as a ‘dialogue’, where the company seeks to declare its principles and be judged by society as they move from a ‘trust me’ to a ‘show me’ world (Sklair, 2001: 188). Following the introduction, the Report lists the main principles that drive the corporate culture, ranging from the primary objective or key performance indicator of Return on Average Capital Employed; to the five key areas of responsibility of: shareholders, customers, employees, business stakeholders, and society; commitment to financial prosperity and good corporate governance, and health safety and environment (Sklair, 2001: 187). After listing the major principles that drive corporate culture, the second section encourages readers to comment on the principles and Shell's commitment to them
(Sklair, 2001: 187). The third section outlines the problems and dilemmas faced by Shell – ‘human rights, climate change, globalisation and the role of multinational companies, operating in politically sensitive regions, dealing with industrial legacies, and renewable resources’ – and their approach for dealing with them (Sklair, 2001: 187). After a glowing report from John Elkington, the report concludes with the company’s future plans for sustainable development and an auditor’s report (Sklair, 2001: 188). Thus the unwelcome criticisms that spurred on the process of citizenship in the 1990s have now been internalised by the company as part of its reflexively modern character. Despite the discourse of openness however, Sklair notes that the report adopts elements of ‘reflexive closure’; that is, its eye-catching natural imagery and statements regarding the company’s aim to ‘show that the basic interests of business and society are entirely compatible’ present positions that are not open to question (Sklair, 2001: 190).

**The Caged Beast**

Marsden and Andriof (1998: 343) identify communities and NGOs in particular, as the main agent of challenge to corporate power. By exposing acts of perceived corporate wrongdoing, NGOs can damage the reputations of particular companies, presumably leading to protests, consumer boycotts, or investor activism. When the ire of activists and NGOs are provoked, the logos and brands of companies often become the target of culture-jamming or anti-corporate re-branding. Anti-corporate artists or merchandisers have creatively transformed corporate logos into symbols which either make the underlying corporate message more overt, such as by exposing the underlying consumerist values, or which provide commentary on the conditions under which the goods are made. Adbusters’ redesigned American flag, which replaces the state-signifying stars with corporate logos, fits the first example. An example of the latter is the alteration of the Nike ‘swoosh’ by labour rights campaigners into the letter ‘v’ in the word ‘slavery’.

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12 ‘The practice of parodying advertisements and hijacking billboards in order to drastically alter their messages’ by giving them a political message (Klein, 2000b: 280).
The purpose of anti-corporate 'branding', along with culture-jamming, is to reject the use of marketing as a ‘one-way information flow’ by sending a communication that is ‘starkly at odds with the one that was intended’ (Klein, 2000b: 281). By altering these signs and symbols that bombard our everyday consciousness, anti-corporate propagandists seemingly hope to make consumers more aware of their lifestyles, to raise awareness of corporate impacts and to reclaim an element of corporate dominated public space for creative and political means.

These counter-attacks also come in the form of educational and discursive formats, such as reports by NGOs that respond to the sustainability claims of companies. Friends of the Earth International, for example, have produced a report entitled *Failing the Challenge: The Other Shell Report* (Rimmer, 2002). Taking up Shell’s offer for stakeholders to ‘tell Shell’ their views on the company’s progress, the NGO gives the opinions of those ‘who live closest to the borders of Shell’s facilities’. As implied in the title of the report, the NGO finds Shells’ claims lacking in legitimacy and makes the request that the company lives up to their promises to listen and respond to their stakeholders (Rimmer: 2002: 2). The residents of Port Arthur, Texas, for example, ask Shell to ‘correct’ the accidents and ‘routine emissions’ that impact on the health of community members (Rimmer, 2002: 8). The report lists the Shell’s ‘lowlights’ for 2002 in Port Arthur:

> Shell itself reported 56 major accidents, process upsets and fires or explosions in 2002. Over the year 169, 860 pounds of sulphur dioxide and 30, 009 pounds of volatile and organic compounds such as benzene were released into the air around Port Arthur (Rimmer, 2002: 8).

These propagandist tactics, as well as other means of damaging corporate reputation such as direct protest, investor activism, or consumer boycotts, are seen by Marsden and Andriof (1998: 343) as the key mechanisms through which corporate accountability can be achieved.
Elkington (1997: 7-8) argues that the technologies of globalisation have aided opportunities for corporate accountability by enabling a transparency ‘revolution’ where it is easier for activists and media outlets to monitor corporate or governmental wrongdoings and to distribute this information between their various networks. The transparency revolution therefore requires NGOs to vigilantly monitor the activities of the corporate sector and to expose their wrongdoings within the public sphere. The countervailing power of NGOs, Marsden and Andriof claim, benefit the corporate sector by keeping them on their toes - making them more accountable and more effective. Referring in particular to Shell’s plans to dispose of the Brent Spar oil platform into the sea, Marsden and Andriof (1998: 345, 348) suggest that if NGOs such as Greenpeace did not exist, companies like Shell would need to create them. As a result of the public reaction to the actions of BP and Shell, citizenship theorists argue that the companies have shifted in culture from corporate ‘cowboys’ to self-reflexive, good corporate citizens (Marsden and Andriof, 1998; Elkington, 1997; Muchlinski, 2001).

Citizenship theorists such as Marsden and Andriof argue that damage to corporate reputation has not only the potential to harm their marketability but also their capacity to gain a ‘license to operate’. In its more literal sense, the license to operate refers to the effect of a company’s reputation on their capacity to gain new operating contracts with governments (Marsden and Andriof, 1998: 340). In a broader sense it refers to the benefits of avoiding risk and disruption. ‘Good’ behaviour can inspire harmonious relations with local communities and NGOs, whereby companies solicit their support rather than condemnation and protest. A company’s license to operate is also effected by its reputation in the eye of investors, lenders and insurers who are increasingly interested in the risks of dubious social and environmental performance on a company’s financial status.
While NGO activism and the transparency of corporate behaviour create a metaphorical ‘cage’ for the corporate ‘beast’ (Burton, 1999a: 6), corporate citizenship enthusiasts have begun to encourage a greater level of ‘symbiosis’ between the sectors in the form of partnerships (Elkington, 1997: 220). Partnerships are seen to assist both parties in performing their ‘traditional tasks more efficiently, while providing a platform from which to reach towards goals that none of the partners could hope to achieve on their own’ (Elkington, 1997: 220). Corporate engagements with NGOs vary in terms of commitment, formality and function, but may include work on joint development or environmental projects, the establishment of advisory bodies or consultative committees, a sharing of human resources and sponsorships or cause related marketing. However, the stated success of NGOs as watchdogs raises questions over whether their primary relationship to companies should be one of antagonist or partner, or a delicate, flexible balance between (Sustainability, 2003: 2). While partnerships may be a process of ‘outsourcing trust’ for companies, by giving the impression that their activities are monitored by reputable NGOs (Sandman in Burton, 1998: 9), the benefits may not be as substantial for the NGO partner. Marsden and Andriof (1998: 348) suggest there are two dangers for NGOs that arise from partnerships: ‘that they will be taken over and beguiled by companies’ and lose their independence; and, that they will be ‘overwhelmed by the superior financial muscle of companies’.

As indicated in the opening quotes of this chapter, the role of companies and their potential for sustainability in particular, is a subject of intense debate. Theorists such as Ellis (2001:2) perceive a potential for a consensual framework wherein companies can contribute to sustainability in a way that not only benefits the corporate sector but also the globalising society and environment. Korten (2001: 118) however, perceives a framework of conflict between ‘corporate interests’ and sustainability on the basis that corporate profitability is founded on environmental degradation and social injustice. If there is no consensual framework for sustainability, as Korten implies, this
would raise the question as to what is occurring in the realm of corporate citizenship and partnerships. After having explored the largely consensual framework of corporate citizenship, the next section will look at two alternative frameworks of sustainability and the criticisms inherent in these perspectives of corporate citizenship, as well as a brief exploration of the anti-corporate movement, which embodies elements of these alternative sustainability frameworks.

2. Critiques of ‘Sustainable’ Business, Alternative Conceptions of Environmental Sustainability and a Movement for Sustainability

The second section of this chapter examines two frameworks that provide a fundamentally different view of the perceived cause of unsustainable development and the path to sustainability. However, before exploring these alternative sustainability frameworks, the general or dominant conception of sustainable development is briefly examined. Developed within the United Nations framework, this model prioritises economic growth and development and is seen to essentially ‘reinforce the development status quo’ (Elliot, 2004: 162) and perhaps more importantly, the dominant economic system. The first alternative framework, by contrast, identifies unsustainable development as a product of an instrumental view of society and offers an ecocentric perspective – rather than the need for a technical or managerial fix - as the solution. The second alternative framework is more radical by identifying unsustainable development as inherent to a capitalist mode of production that is based on perpetual accumulation through exploitation. Under a Marxist framework, the solution to unsustainable development is a replacement of the capitalist system with a classless society that places justice and sustainability, rather than the profit motive, at its core.

Following this is an overview of the movement that many commentators with alternative views of sustainability have placed their hopes in – the anti-corporate movement. The final sections of this chapter look at the target group of the anti-corporate movement - the transnational capitalist class -
and its promotion of the culture-ideology of consumerism. They examine how corporate citizenship can be viewed as an ideological mechanism to legitimate the power of the corporate sector and how partnerships between NGOs and companies – that arise from the corporate citizenship agenda - can be used to coopt NGOs.

The Rise and Dominant Discourse of Sustainable Development
The popular conception of sustainable development that dominates the international political arena today comes from the World Commission on Environment and Development’s 1987 report ‘Our Common Future’ (also known as the Brundtland Report). Although the concept had been used prior to the publication of the Brundtland Report, this report ‘established the baseline for subsequent discussions on and debates over the pursuit of sustainable development’ (Elliot, 2004: 161). Its definition of sustainable development is ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (Cited in Elliot, 2004: 158). While the report has set the terms under which sustainability is commonly discussed, the broad conception of sustainability outlined in the report and the assumptions regarding the path to sustainability are contested. A key concern is that the achievement of ‘full’ economic growth is considered to be a precondition for sustainability, partially on the grounds that poverty is a major cause (or perhaps the major cause) of environmental degradation (Elliot, 2004: 159). Thus it ignores the existence of a culture-ideology of consumerism and the devastating role that the false needs of affluent industrialised societies pose to the environment. The report does not conceive of ‘development’ in an entirely neo-liberal sense given that it refers to the provision of certain needs such as the right to employment, housing and freedom from hunger and conditions such as the provision of health care and sanitation to be key aspects of ‘development’ along with economic growth (Elliot, 2004: 160). Furthermore, it calls for growth to occur in a less material and energy intensive manner that takes full account of social and environmental costs (Elliot, 2004: 159-160). Yet
while sustainability is considered important, it is seen to be secondary to ‘development’, and the need for continual development (in both industrialised and industrialising nations) is not critically questioned. Furthermore, it promotes the idea that sustainable development can be occurred with minor changes or technical fixes and does not question the systemic underpinnings of the crisis (Sklair, 2001: 205). Another key criticism of the report is that the concept is considered ambiguous or hazy, and as such can lead to positions where the ultimate goal is redefined as sustainable ‘economic’ development (Elliot, 2004: 162). The pro-market character of this conception and its ambiguity has been utilised effectively by the corporate sector in their conceptions of sustainability. The World Business Council for Sustainable Development, for example, describe corporate sustainability as a ‘fundamental concept ... that is always being redefined to serve changing needs and times’ (Ainger, 2002: 22). This flexibility is ultimately used to define sustainability as a program for meeting corporate self-interest. Although the concept of sustainable development has been deployed as though its meaning is undisputed (Elliot, 2004: 157), deep ecologists and eco-socialists consider the Brundtland definition to be a ‘shallow’ and exploitative conception of sustainability that is in fact, unsustainable.

The conceptualisation of the problem of unsustainable development as a series of largely isolated and manageable environmental challenges rather than a deep systemic planetary crisis, suited the corporate sector’s attempts to shift the discourse of the global environmental movement further toward “sustainable’ global consumerist capitalism’ (Sklair, 2001: 205). Since the first UN Conference on the Human Environment in Stockholm in 1972 the International Chamber of Commerce (ICC) has had significant influence in promoting corporate-friendly conceptions of sustainability. At the Bergen Ministerial Conference that led to the report of the UN World Commission of Environment and Development ‘where the concept of sustainable development was firmly established’, the ICC were given the role of official corporate sector representative (Sklair, 2002: 204). Their influence was to
become stronger yet again through the efforts of the Business Council For Sustainable Development (BCSD) – an organisation that was formed from the ICC’s environmental efforts and later became the World Business Council for Sustainable Development (Skair, 2001: 204) – in the lead-up to and during the 1992 United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro.\footnote{Also know as the Rio Conference or Earth Summit (Elliot, 2004: 7).} Prior to the Rio Summit, corporate interests (including the BCSD) undertook exercises in lobbying to ensure that the proposals by the United Nations Centre for Transnational Corporations (UNCTC) for a series of binding corporate environmental regulations were excluded from the agenda and replaced with a series of voluntary measures designed by the BCSD (Ainger, 2002: 21; Rowell, 1996: 118). The head of the BCSD was appointed as the ‘principal adviser for business and industry’ to the Summit’ organiser Maurice Strong, who had ‘no other special advisers’ and required ‘other interest groups’ to ‘submit proposals using formal channels’ (Beder, 2000: 111). The ‘close relationship’ between these men, Sklar (2001: 208) notes, is a ‘matter of public record’. The BCSD’s influence was to keep criticism of transnational corporations ‘off the agenda’ and to give opportunity for ‘formidable corporate input’ into the formation of the United Nations Commission on Sustainable Development (UNCSD)\footnote{The UNCSD’s major task was to ‘monitor how member governments tested, developed and used over 100 indicators of sustainable development’ (Skair, 2001: 208)} (Skair, 2001: 208; Rowell, 1996: 118). During the Rio Summit and the establishment of Agenda 21\footnote{Agenda 21 is the ‘plan of action’ for sustainable development adopted from the Rio Earth Summit (Elliot, 2004: 7).} in particular, the corporate sector began to be reframed within the United Nations system as ‘part of the solution’ rather than a ‘major source of the problem of ...unsustainable development’ (Elliot, 2004: 118; Ainger, 2002: 21). The corporate sector’s vision of sustainability has become a more ingrained part of the UN system with the establishment of the Global Compact – a partnership between the International Chamber of Commerce and UN that encourages corporate citizenship but has ‘no mechanisms for monitoring, nor enforcement, nor exclusion for violators’ (Elliot, 2004: 118; Ainger, 2002: 21).
‘Sustainable’ Instrumentalism
In the first alternative framework, Murphy (1994) and Duarte (2001) explore environmental problems and corporate solutions through the framework of modern rationalism. Murphy identifies the modernist framework of the Enlightenment as the cause of a severe estrangement between humans and the environment. Gaining influence from the 1680s to the 1780s, the Enlightenment was associated with a newfound commitment to objective rationality and empiricism wherein taken-for-granted forms of authority and power based on superstition or faith, tradition and subjectivity were questioned (Porter, 1990: 5). Following the scientific revolution where empirical methods contradicted the creation stories of Christianity, Enlightenment thinkers sought to subject all forms of knowledge and human endeavour to the rigours of a similar objective scientific rationality. The ultimate aim of the Age of Enlightenment was a form of impartial universalism and meritocracy: where the divine right of kings is replaced by human rights; where knowledge is not merely the preserve of priests and the elite but accessible to all; and where the management of people is not governed by favour or irrational means but with an air of bureaucratic impartiality and justice (Porter, 1990: 17, 28).

Although impartial and calculated methods were deemed by Weber to be the most efficient means to an outcome, he argued that they could also result in an ‘iron cage’ of linear progress that gives modern societies a soulless or depersonalised character (Gerth and Mills, 1977: 51). In Dialectic of the Enlightenment, Adorno and Horkheimer provided detailed writings on the antithetical tendencies within the Enlightenment current toward alienation, which begin to explain the association between rationalisation and the environment. The downside of the Enlightenment, they argue, is a condition where:
Myth turns to enlightenment and nature into mere objectivity. Men [sic] pay for the increase of their power with alienation from that over which they exercise their power. Enlightenment behaves toward things as a dictator toward men. He knows them in so far as he can manipulate them (Adorno and Horkheimer, 1997: 9).

Instrumental rationality implies that nature can be shaped in an elastic fashion to suit human ends (Murphy, 1994: XI). Under this framework, the universe is conceived of as a mechanical system of largely isolated parts. This framework is evident in human understandings of the body where organs and systems and the mind and body are understood and treated in isolation and in the treatment of the Earth as a sphere that is distinct and separate from human life (Capra, 1995: 20). Within this hierarchical worldview, ‘nature’ and other non-human forms of life are primarily seen as instruments for human gain through material progress.

The instrumental treatment of the Earth has led to a ‘risk society’ which threatens the balance of nature and the future of human survival, through problems such as pollution, ozone depletion and global warming, to mention just a few. While the early period of industrialisation brought risks that were largely perceptible to the senses and isolated to particular areas, the risks of late modernity are often imperceptible, increasingly global and, Beck (1992: 21-22) argues, arise from the process of modernisation itself. The rise of environmental problems such as ozone depletion and global warming, along with the capacity to view the Earth from space, has led to an awareness of the arbitrariness of national borders in relation to the environment or a ‘global environmental consciousness’ (Duarte, 2001: 93). This has involved an awareness that ‘nature’ is a ‘historical product’ that is altered by the political, economic and social dynamic of the global society (Beck, 1992: 80).

Global environmental consciousness has not automatically led to a decline in instrumentalism. The recognition of an ecological crisis can fit within an instrumental framework wherein adherents to this perspective deem the
notion of nature as infinitely malleable, as ‘irrational’ and sustainable development as the rational correction to this outlook (Murphy, 1994: XI). It is under such terms that Hawken, Lovins and Lovins (2000: 5) compare industrial capitalism with ‘natural capitalism’\(^\text{16}\).

Capitalism, as practiced, is a financially profitable, non-sustainable aberration in human development. What might be called ‘industrial capitalism’ does not fully conform to its own accounting principles. It liquidates its capital and calls it income. It neglects to assign any value to the largest stocks of capital it employs—the natural resources and living systems, as well as the social and cultural systems that are the basis of human capital.

Corporate environmentalism, Duarte (2001: 96) argues, retains the instrumentalist worldview of the Earth as a system of resources with the addition of a search for a technical fix. With the recognition that ‘nature’ is less malleable than first thought, the process of rationalisation can be revitalised by effectively managing the environment through scientific and technical means (Murphy, 1994: XI). This framework, which Duarte (2001: 96) describes as ‘instrumental globality’, uses the instrumental methods of ‘managing, monitoring and planning the planet’s resources’ not for the sake of environmental protection but to ‘ensure a continual supply of raw materials to meet the demand of industrial production’. The worldview of instrumental globality is evident in Poncelet’s (2003: 105) study of corporate and NGO partnerships, where the former party tended to see their sector as the ‘trend-setters’ in the ‘struggle for better environmental quality’. Along with their ‘voluntary’ assumption of environmental good behaviour, ‘willingness to cooperate with other important stakeholders’ and general contribution to the ‘public good’, corporate representatives saw their ‘trend-setting’ capacity arising from their commitment to sound scientific principles

\(^{16}\) Natural Capitalism is a system whereby ‘natural capital’ (environmental resources such as oil, fish, water and minerals and living systems such as grasslands, oceans and rainforests) is fully valued and factored in to the mechanics of the capitalist marketplace (Hawken, Lovins and Lovins, 2000: 9).
(Poncelet, 2003: 105). They contrasted their own calculated and objective commitment to managing the Earth's resources, with what they perceived as the NGO's framework of idealist or emotive environmentalism (Poncelet, 2003: 106). What is implied here, is that the views of environmentalists are tainted by irrationality, by values and that their work is far less credible than that of the corporate sector which is driven by 'hard facts'.

By engaging in a critique of capitalism or instrumentalism, or by reference to ‘caring’ for the Earth, environmentalists run the risk of being labelled as untrustworthy commentators. However, feminist and other scholars have pointed out that claims toward objectivity have frequently been used to protect the status quo. In a critique of male centred sociology for example, Oakley (1974: 4) suggested that ‘the invisibility of women’ within the discipline has not been the product of a ‘superficial flaw’ but rather the result of a ‘structured’ male bias that has been undertaken under a guise of objectivity. All research and interpretations of that research are open to bias, particularly where parties fund them with a vested interest in proving a particular outcome. This was essentially the conclusion of the NGOs represented in Poncelet's research. For them, the corporate sector's self-identified commitment to sound scientific reasoning was a mask for motivations driven ‘primarily by economic self-interest’ (Poncelet, 2003: 105).

**Ecocentrism and Re-enchantment**

Duarte's (2001) rival - and preferred - position to instrumentalism is ‘ecocentric globality’. This ecocentric framework is the first of the two major alternative sustainability perspectives to be explored in this thesis. Ecocentric globality essentially removes the pejorative association from the framework of action based on values and makes a case for reclaiming enchantment. Under this worldview, the Earth, as represented in Lovelock's Gaia hypothesis, is viewed as a ‘giant ecosystem’ or living biological ‘organism’ that supports a balanced climate to sustain life (Lovelock, 1989: 31; Duarte, 2001: 95). Supporters of ecocentric globality argue that humans should
regard the Earth with an attitude of reverence and honour and behave in accordance with these beliefs by protecting its delicate homeostatic balance. In contrast with instrumentalism, ecocentric globality refers to a form of re-enchantment of nature and the social sphere.

The deep ecology school, which most closely embodies the principles of ecocentric globality, cites its influences as native spiritualities and Eastern religions, particularly Buddhism and Taoism (Capra, 1995: 21). In the Buddhist tradition, different forms of life are understood as interconnected and interdependent. Rinpoche gives the example of a tree: ‘when you think of a tree, you tend to think of a distinctly defined object and on a certain level ... it is. But when you look more closely at the tree, you will see that it ultimately has no independent existence. When you contemplate it, you will find that it dissolves into an extremely subtle net of relationships that stretch across the universe. The rain that falls on its leaves, the wind that sways it, the soil that nourishes and sustains it, all the seasons and the weather ... all form part of this tree’ (Rinpoche, 1995: 37). Capra argues that all ‘natural systems’ can be understood as such. Although individual parts can be discerned, natural systems ‘arise from the interactions and interdependence of their parts’ (Capra, 1995: 23-24). Within this framework, humans are merely another part of Gaia – the living organism of the Earth - although their behaviour has not reflected this.

One of the key understandings of a deep ecology perspective is an ‘opposition to anthropocentrism’ (Hay, 2002: 42). Rather than seeing the non-human world ‘purely as a means to human ends’, deep ecologists are against the ‘injustice and unfairness involved in the instrumental use of the non-human world’ (Dobson, 1995: 61-62). Deep ecologists seek to replace the worldview of anthropocentrism with a worldview where the flourishing of non-human life is valued independently of its ‘usefulness for human

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17 Anthropocentrism is an attitude where humans are regarded as ‘above or outside of nature’ and ‘as the source of all value’. From this perspective, everything is viewed and interpreted in terms of human experience (Capra, 1995: 20).
purposes’ (Naess, 1995a: 68). Naess (1995a: 68; 1995b: 151-152) asserts the necessity of ‘biospherical egalitarianism’ where humans adopt ‘a deep-seated respect, or veneration, for ways and forms of life’ other than their own - he claims that while life ‘necessitates some killing, exploitation and suppression’, the richness and diversity of life should only be reduced where it is necessary to ‘satisfy vital needs’.

One of the key requirements for sustainability under a deep ecological worldview is a radical change in consciousness (Duarte, 2001: 95). The decisive difference between ordinary (shallow) ecology and deep ecology is the latter’s affirmation of the need for individuals to engage in a deep probing or willingness to question ‘every economic and political policy’ that arises in the public sphere (Naess, 1995a: 75). This involves a deep questioning of anthropocentrism, a shift beyond the ‘dysfunctional and pathological’ notion of the self that is limited to the boundaries of ‘our skin, our person, our family, our organisation, or our species’ (Macy, 1993: 189) and an ‘ideological change’ toward appreciating quality of life rather than a continual increase in the standard of living (Naess, 1995a: 68). This latter point indicates a need for ‘massive changes in the productive base of Western society’ (Duarte, 2001: 95). Rather than promoting further consumerism – albeit of a green variety – ecocentric approaches encourage more simplistic forms of living with fewer consumer goods and a system of governance where the technologies employed to meet our simplified needs are the least environmentally damaging. This does not imply a principle of preserving the environment as a pristine system with no human interference (although they do call for some tracts of wilderness to be left uninhabited), but rather requires a deep questioning of the nature of human interference and a reduction in the ‘extent of such interference’ (Naess, 1995a: 69). Aside from changes in lifestyle and worldview, deep ecologists propose a reduction of human interference by means of a substantially decreased world population (Naess, 1995a: 68) on the basis that ‘growing absolute numbers
of humans’ degrade the conditions for their own existence as well as the opportunities for survival of non-human life (Eckersley, 1996: 291-292).

Because of their concerns over the size of the world population, deep ecologists have been criticised for having a ‘neo-Malthusian aversion’ to impoverished and marginalised people in less industrialised and ‘advanced industrialised countries’ (Burgmann, 2003: 208-209). Despite what is perhaps a misplaced concern with population, which implies that sheer numbers of humans are at fault rather than systems of production, distribution and social organisation (Burgmann, 2003: 208-209), the thesis does not appear to be as anti-poor (or compatible with oppression and racism), as some critics have implied. Naess (1995a: 72-73), for example, criticises ‘shallow ecologists’ for focusing on the ‘overpopulation’ of less industrialised countries and argues that the highest priority for population reduction must be in industrialised societies. When Naess (1995a: 69) argues that ‘poor’ countries should not imitate more affluent ones in the rate of their destruction of forests and other ecosystems, this is a statement about the forms of ‘development’ being undertaken and the level of ‘development’ of affluent countries, rather than a prohibition of development per se for people in less industrialised countries. Having population as a key issue has, however, led to shameful anti-human claims being made by some of the more fringe members of the movement who argue that AIDS and other pandemics are simply nature’s way of reducing humanity’s influence (cited in Kovel, 2002: 173).

One of the key problems with the deep ecological perspective (aside from the fringe anti-human tendencies) is that it lacks a means to achieve its aims ‘beyond individual conversions to its own principles’ (Burgmann, 2003: 209). This does not preclude an engagement in social action for change (as

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18 By perceiving excess population as problematic, critics argue that deep ecology focuses attention on: ‘the poor in the third world; immigrants from those sectors; the urban poor and marginalised populations of the advanced industrialised countries; and women, because of their child-bearing capacities’ (Burgmann, 2003: 208-209).
exponent John Seed would attest to through his direct actions against rainforest logging), however their steps toward facilitating change largely involve an idealist conception of the world wherein changing consciousness is seen as the key to changing material conditions. Furthermore, by focusing on the entire human species as the central problem of unsustainable development, the deep ecology framework does not differentiate between individual social actors who merely comply with the system and the leaders of corporations and bureaucracies that ‘cause or allow’ exploitation and environmental degradation on a massive scale (Burgmann, 2003: 208). If, as the next section outlines, the goal of capitalism is accumulation - and the basis for accumulation is the exploitation of the natural environment and labour (Foster, 1999: 379; Foster, 2002: 104), then a shift in thinking from an ego-self to an eco-self (Macy, 1993: 183) is not going to be a sufficient catalyst for sustainability on its own.

‘Sustainable’ Exploitation and Alienation

Rather than seeking to explain unsustainable practices by means of a lack of connection or an instrumental relationship to the environment, Marxist and ecosocialist views place it within the framework of the social relations of a class-based society. While the Marxist framework has rightly been criticised by ecocentric theorists such as Eckersley (1996: 272) for its ‘instrumentalist and anthropocentric orientation toward the non-human world’, Foster (1999) and Vogel (1988) consider an analysis of the capitalist mode of production essential for understanding environmental problems. The writings of Marx and Engels contain some anti-ecological viewpoints, yet they provide a steady (albeit not perfect) foundation for socialist ecology, a foundation upon which others such as Foster (2002) and Kovel (2002) have built.

Marx and Engels developed a materialist conception of history that inferred that the primary force that determines social life and all-important historical events is the mode in which our means of subsistence are produced and the resulting forces and social relations cultivated (Marx and Engels, 1976: 37-
38, 49). Before exploring the current mode of production of capitalism and a Marxist analysis of how unsustainable development is considered intrinsic to this system, it is useful to explore Marx’s conception of sustainable relations between humans and the ‘natural’ environment.

In all types of society humans have depended on transforming the ‘natural’ environment to some extent in order to meet their needs. Labour therefore involves an interaction between the labourer and the environment in a purposive manner to materialise use values (Ollman, 1977: 99). In the interaction between humans and ‘nature’, the process of labour transforms both ‘nature’ and human beings (Järvikoski, 1996: 75). ‘[N]ature that preceded human history’, Marx and Engels (1976: 45-46) argued, no longer exists since labour – the ‘unity of man [sic] with nature’ – has transformed it. Human beings are also transformed through this process since the particular mode of production – including the social relations and the means in which production is undertaken – determines the material life of the society and the ‘mode of life’ of those within it (Marx and Engels, 1976: 37). Eckersley (1996: 273, 283) perceives Marx’s conception of the relation between humans and nature as anthropocentric on the grounds that Marx views species life as being fulfilled only where labour is a self-conscious act that distinguishes human from non-human life and results in human mastery over nature. Foster (1999: 373) however, argues that Marx ‘went a considerable way toward a historical-environmental-materialism that took into account the coevolution of nature and human society’. He argues that this was expressed in Marx’s concept of the ‘metabolic interaction’ whereby the human organism and the natural conditions of her/his existence were considered as both ‘natural’ and historical products that exist in a relationship of complex interchange (Foster, 1999: 380, 383). Marx described this metabolic interaction as such:

Nature is man’s [sic] inorganic body – nature, that is, in so far as it is not itself the human body. Man lives on nature – means that nature is his
body, with which he must remain in continuous interchange if he is not to die. That man’s physical and spiritual life is linked to nature means simply that nature is linked to itself, for man is a part of nature (Marx, 1964: 112).

Under the capitalist mode of production, the capitalist class - who own and control the means of production - control the labour process and determine the products produced (Marx and Engels, 1985: 79; Ollman, 1977: 139). Rather than being a creative expression of human potential and a conscious process of fulfilling human need, the social relations of capitalism transform labour into a mere means of making a living (Vogel, 1988: 369, 373). Marxists argue that the social relations of capitalism have an alienated character, whereby the products of human creation - ranging from individual commodities to more complex systems of religion, philosophy, law or economics - are no longer viewed as human products but as independent entities that have power over and above their producers (Ollman, 1977: 135, 142). Alienation does not merely involve reification, but also a concealment of the underlying relations of ‘mutuality and interdependence’ that underpin human activity (Vogel, 1988: 371). Vogel (1988: 369) explains: ‘we are alienated from this world when we fail to recognise its humanity: when we are unable to see it as our world, our product and when it accordingly begins to appear as an alien power over and against us’. It is easy to see how, under such conditions, the majority of the population can contribute to the production and consumption of ecologically detrimental products since they would feel powerless (and possibly blameless) in relation to their role in production and in the maintenance of the system that gives rise to such production.

Under capitalism, the goal of production is to create a surplus from commodities that exceeds the sum of the values of labour power and means of production consumed in the process (Marx, 1974: 216). Considering labour to be the source of all value under production geared toward
exchange values\textsuperscript{19} (Deléage, 1994: 48), the surplus appropriated by the capitalist class is seen to result from an extraction of labour that is greater than the equivalent of the wages paid and thus is defined as exploitation (Engels, 1974: 416). With its genesis in the unpaid work of labour, past and present – Marx considered capital to be ‘dead labour’ (Marx, 1965: 233). The labour theory of value does not deny the ‘role of nature in the creation of wealth’, rather it argues that the capitalist conception of wealth built around exchange-value treats nature as a ‘free gift’ (Foster, 1999: 387). The concept of exploitation therefore had two different applications, the more traditional sense of making use of [or taking advantage of] an object for its potential benefits (the definition used to describe environmental exploitation)\textsuperscript{20} and the specific reference to the relationships between classes that arise from the production of surplus value.

O’Connor (1994b: 127) argues that the exploitation of the natural environment under the capitalist mode of production has led to a crisis resulting from the destruction of the conditions of production on which capital depends. However, to redefine nature as a ‘stock of capital’ as the theorists of natural capitalism call for, would lead to the ‘further subordination of nature to the needs of commodity exchange’ where the effect would not be the desired goal of a net accumulation of natural capital, but rather the increasing conversion of nature into ‘money or abstract exchange’ (Foster, 2002: 34-35). The weakness of the natural capital thesis, according to Foster (2002: 37), is that it fails to address the question of whether ‘all environmental costs can actually be internalised within the context of a profit-making economy’ and if so, how this ‘can account for the effects of increasing economic scale within a limited biosphere’. The scale of our ecological problems, he argues, has increased in accordance with the growth of the ‘world commodity economy’ either through ‘the externalisation

\textsuperscript{19} This is the labour theory of value.
\textsuperscript{20} O’Connor (1994a: 5) provides what is perhaps a more precise definition of environmental exploitation: the ‘appropriation of the Earth’s fecundity as a ‘natural resource’ in the service of accumulation, and a running down of this resource’. 
of costs or through the internalisation of nature into an economy geared to
the unlimited growth of capital’ (Foster, 2002: 39).

According to Foster (2002: 96), the use-values of products or services are
important to the capitalist class only to the extent that they are bearers of
exchange value and as such, capitalism is ‘devoted directly to the pursuit of
wealth but indirectly to the pursuit of human needs’. The ‘principal
characteristic of capitalism’, Foster (2002: 36) argues, ‘is that it is a system
of self-expanding value in which the accumulation of economic surplus ...
must occur on an ever larger scale’. There is therefore, a ‘built in pressure to
constantly innovate and expand production’ (McGarr, 2000: 116), requiring
the capitalist class to roam the ‘whole surface of the globe’ in search of ‘a
constantly expanding market for its products’ (Marx and Engels, 1985: 83).
The maintenance of this system requires the development of what Sklair
(2002: 62) calls a ‘culture-ideology of consumerism’ whereby people are
encouraged to consume ‘not simply to satisfy their biological or other modest
needs but in response to artificially created desires’. This is one reason why
Kovel (2002: VIII) describes capitalism as not merely a system of economic
management but ‘a pathological way of being [that is] cancerously lodged in
the human spirit’. That is, it transforms humanity in an ‘anti-ecological
direction’ making them complicit in ecological destruction and therefore less
able to take action against it (Kovel, 2002: 53).

Although there are natural ‘limits to growth’, it is not possible under
capitalism to maintain an economy of ‘simple reproduction’ or ‘maintenance’
since there is ‘little or no profit’ in such a system (O’Connor, 1998: 239).
While improvements such as the establishment of ‘green commodities’, ‘anti-
pollution devices’, eco-efficiency and recycling schemes are occurring within
areas of the capitalist system, the requirement that capital must maintain
itself before anything else places severe limits on sustainability (Kovel, 2002:
77). The ‘standard solutions’ for sustainability commonly involve a shift in
‘technology in a more benign direction: more energy-efficient production,
cars that get better mileage, replacement of fossil fuels with solar power and recycling resources’ (Foster, 2002: 92). While these technologies would be likely to have a qualitative impact on the environment, Foster (2002: 74) argues that those who pose such solutions as the only path to sustainability have failed ‘to understand the roots of the problem’ that lie in the social and economic organisation of society. While radical change is called for, ‘we are constantly invited by those dutifully serving ‘the gods of profit and production’ to turn our attention elsewhere, to downgrade our concern’ and to view the very economic system that has caused the present global degradation of the environment as the solution to the problems it has generated’ (Foster, 2002: 25).

A Classless Society

Much of the Marxist and ecosocialist framework for sustainability can be understood through the previous outline of the criticisms of the capitalist mode of production. This next section will therefore merely provide a brief outline of a Marxist or ecosocialist vision of sustainability. According to Foster (2002: 132), the only path to sustainability is to work toward a social and economic order that is not based on perpetual accumulation ‘at the expense of humanity and nature’ but one that has ‘justice and sustainability’ at its core. This would require conditions where the sources of genuine wealth – labour and the environment - can both flourish (Järvikoski, 1996: 78). This occurs through the transformation of capital into ‘common property, the property of all members of society’, which results in a classless social order where ‘the free development of each is the condition for the free development of all’ (Marx and Engels, 1985: 97, 105). Rather than being undertaken to accumulate surplus value for the capitalist class, labour is performed as a means ‘to widen, to enrich, [and] to promote the existence of the labourer’ (Marx and Engels, 1985: 97). By bringing the ‘human metabolism with nature’ under ‘collective control’ and treating it ‘as a communal property’, environmental sustainability is seen as a realistic goal (Foster, 2002: 76-77). Vogel (1988: 376) suggests that this un-alienated
experience of labour would allow humans to recognise their products and society as being of their making and to assert conscious social control over production. This type of change, Marxists argue, cannot come from reforms within the system but instead require those who do not have a vested interest in its maintenance to change it from below (McGarr, 2000: 119). Not all advocates of socialist globalisation however argue for a social revolution by the majority working class. Sklar proposes the need for an intermediary stage of ‘cooperative democracy’ where private ownership of the means of production is restricted to small-scale enterprises and finally replaced with socialist globalisation where ‘producer-consumer cooperatives’ are the ‘characteristic institutional form for economic transnational practices’ and a culture-ideology of human rights replaces the culture-ideology of consumerism (Sklair, 2002: 299, 302).

For socialism to be sustainable, Gorz (1980: 14, 20) argues, ecosocialists must have a commitment to ‘equality without growth’, otherwise they are merely ascribing to capitalism under a different name. However, while a socialist mode of production would require a conscious decision to commit to ‘equality without growth’, Gorz (1980: 28) argues that sustainability would at least be achievable within a socialist society - a goal that he suggests could not be achieved within a capitalist system that is driven by production for profit. Eckersley’s (1996: 275) concern that ‘growth’ will be valorised within a socialist society, arises from the great importance attached by Marx and Engels to the development of the forces of production and their attribution of environmental problems to the mode of production alone. ‘Orthodox Marxists’, she argues, therefore reject such ecocentric demands as simplifying human needs and reducing consumption (Eckersley, 1996: 274). While production directed toward meeting need rather than profit could clearly lead to a simplification in human lifestyles and a reduction in the human environmental footprint, Marx’s conception that dependence on

21 This refers to a situation where a ‘universally agreed system of human rights’ becomes the primary basis of our values and cultural systems (Sklair, 2002: 299).
nature restricts human freedom (Järvikoski, 1996: 76) is another potential barrier to sustainable production. A subsistence economy would no doubt leave humanity in a vulnerable position; however a socialist society would need to place certain limits on the development of the productive forces and the level of independence from nature, in order to be sustainable.

It is difficult to assess to what extent Marx and Engel's (1970: 45-46) conception of the ‘unity’ of humans and nature in industry and the subsequent humanisation of nature and naturalisation of humanity, can be understood as a failure to accord value to non-human life that is unutilised by humans (but not unaltered by human influence). O’Connor (1998: 2) argues that while Marx was aware of the need for a ‘rational’ treatment of ‘nature’, his vision did not accord any value to nature ‘as an end in and of itself’. This type of thinking is evident in the work of Vogel (1988: 367, 377), who suggests that the ecocentric concept of living ‘in harmony with nature’ is an alienated worldview because it is based on a dualistic view of humanity and nature. An un-alienated frame of reference, he argues, does not require us to consider ‘whether what we do accords with nature’, but rather ‘whether we like what we have wrought’ (Vogel, 1988: 378). This view however, does not appear to be reflected in the work of Marx who argued that capitalist agriculture was a process ‘in the art, not only of robbing the worker, but of robbing the soil’ (in Foster, 1999: 379). As such, Marx demonstrates a similar attitude to what Vogel describes as alienated and dualistic, in perceiving the possibility of exploitative relationships between humans and environment.

It seems that ecocentric frameworks such as deep ecology have a lot to offer Marxism in their critique of anthropocentrism, instrumentalism and an uncritical acceptance of a continual development of the productive forces. Marxism however, has a lot to offer deep ecology in its systemic analysis of societal and ecological problems.
A Movement for Sustainability: the Anti-corporate Movement

The Marxist and ecocentric schools of thought both pose radical alternatives to the current means of managing the human/nature interaction. The purpose of presenting such different perspectives was to show the perceived weaknesses of the corporate (and market-based) framework for sustainability and to present different visions of how sustainability could be enacted. From here, the next section will explore the anti-corporate movement in which many commentators with such alternative views of sustainability have placed their hopes. While this movement is diverse and contains the polarities evident in the deep ecology and Marxist frameworks between reform and revolution, it has been viewed as one of the most promising paths to sustainability - whether through making the current systems and institutions ‘nicer’ or by replacing them altogether. The events of September 11 2001 however, have dealt a blow to the anti-corporate movement, the extent of which is difficult to judge. The immediate outcome was the cancelling of protest gatherings, while the longer-term challenges involve dealing with false connections made by the media of the movement and terrorism and the enactment of anti-terror legislation that curtails civil liberties (which could easily be used against the movement) (Callinicos, 2003: 16-17). Callinicos (2003: 17) however has optimistically argued that the movement has merely shifted its ‘centre of gravity’ since these events from North America to Europe and Latin America. Whether or not his optimism is justified, it is likely that the movement will continue in some form while the conditions that brought it into being continue to exist and evolve.

The rise of the anti-corporate movement - seen to reach its peak during the protest against the WTO in Seattle 1999 - has provided a source of hope for many people disillusioned with the current state of sustainability and world affairs. The ‘capitalist triumphalism’ that emerged after the downfall of the Soviet Union has thus been challenged by the rise of a new form of opposition to capitalist globalisation (Sklair, 2002: 4). These challenges come in the form of protests against inter-governmental meetings, economic
forums, trade and financial institutions and companies (often transnational). In addition to targeting meetings, the movement also challenges the ‘end of history’ thesis through its attempts to provide alternative visions in various ‘social forums’ (Klein, 2001:1). The World Social Forum most clearly encapsulates this spirit in its slogan ‘another world is possible’ (Fisher and Ponniah, 2003: 354).

Klein (2000a: 23) finds that one of the key criticisms against the movement is that it lacks a clear vision, unifying manifesto and set of demands. Its diverse and somewhat ambiguous nature is even reflected in the lack of agreement over what the movement should be named, with options ranging from: anti-corporate, anti-globalisation, anti-capitalist to a movement for living democracy or global justice. While the act of naming the movement may appear to be a trivial matter, the choices offered are important given that they indicate the key institutions, systems or practices that movement theorists identify as being at fault and in the case of the global justice movement or movement for living democracy, vague visions which they aim to move toward.

For autonomists such as Klein (2000a: 23), the diverse and decentralised nature of the movement is an encouraging sign. In what could be taken as a critique of old social movements, Klein welcomes that it is ‘shaped by ideas of individual organisers and intellectuals, but … doesn’t defer to any of them as leaders’. Klein (2000a: 24) views the movement not as one movement, but a ‘movement of movements’ involving ‘convergences’ that mirror ‘the organic, decentralised and interlinked pathways of the internet’. The diverse nature of the movement(s) is seen to embody a radical form of democracy wherein the urge to adopt a ready-made manifesto or settle on a particular vision is resisted until the time when goals can emerge organically and through consensus-based mechanisms (Klein, 2000a: 25). An added advantage of this decentralisation, for Klein (2000a: 24), is that it is so
different from the organising principles of the institutions targeted that these institutional actors would have little idea of how to undermine or control it.

Monbiot (2000: 17) argues that it is the ‘struggle between people and corporations’ that will be the ‘defining battle of the twenty-first century’. For Klein, the anti-corporate label is the most appropriate one (although not perfectly suited) to express the sentiments of the movement(s). The basis for unity, she argues, is the ‘boundless drive for profit’ and ‘imperialist ambition’ of companies that has resulted in the ‘privatisation of every aspect of life’ (Klein, 2001: 82, 84). Neo-liberal globalisation has clearly allowed for a greater mobility of capital and in particular, capital controlled by transnational companies, yet it has not ensured the international observance of human rights, respect for the fragility of the planet, or the free movement of people (evidenced in Australia for example, in the mandatory detention of asylum seekers). The tendency of the corporate sector to exploit people and the environment on a global level has thus given rise to a newfound solidarity that has the capacity to unite people across different interest groups and across borders (Klein, 2001: 84).

The anti-corporate movement also targets transnational non-corporate institutions such as the WTO, the World Bank and the International Monetary Fund (IMF). Therefore it is not strictly anti-‘corporate’. However, while some critiques of these governance bodies focus on problems that are seemingly unrelated to corporate issues, such as their undemocratic decision-making mechanisms and their role in undermining aspects of decision-making within national frameworks, criticisms are also of a strongly anti-corporate nature, focussing on the corporate-friendly policies adopted by the institutions and the direct role for the corporate sector in policy-making (Madeley, 2000: 63). As such, the decisions made are seen to represent the corporate rather than the common interest. This is evident in the ability of the WTO to override the domestic laws of nation states (albeit through the consent of member nations) by identifying protective mechanisms such as environmental
standards and food safety regulations as ‘barriers to trade’ (Madeley, 2000: 63; Shrybman, 2000: 29). The structural adjustment programs of the IMF and World Bank are similarly criticised for promoting a corporate agenda of forcing recipient countries to undergo deregulation and privatisation programs (Harman, 2000: 8).

The tendency of the movement to focus on such globalising bodies has inspired some commentators to refer to it as an anti-globalisation movement. However, both insiders and critical outsiders have expressed serious reservations about the relevance of this label. Sen (2001:17) for example, believes that the label does not fit this movement since a rejection of globalisation would inevitably involve the dismissal of global developments such as ‘travel, trade, migration, [the] spread of cultural influences and [the] dissemination of knowledge and understanding’. Therefore anti-globalisation protesters would be insular, nationalist, regressive and anti-technological. In fact, Burgmann (2003: 247) suggests that it is primarily for this reason that critics of the movement use the term. That is, the ‘[c]hampions of neo-liberal globalisation’ predominantly use the anti-globalisation label in order to ‘present a false dichotomy’ between their ‘supposedly progressive cosmopolitan embrace of the global market’ and the ‘regressively xenophobic and protectionist nationalism’ of the movement against them. By misrepresenting their opponents, the neo-liberal globalisers can more easily undermine them. This is effectively what Anthony Giddens sought to do to Vandana Shiva when he responded to her Reith Lecture on Poverty and Globalisation with the question ‘Isn’t it a contradiction in terms of use the global media to put a case against globalisation?’ (Shiva, 2000) While there are some local and national protectionist agendas within the movement (Sklair, 2002: 281), the primary legitimation of the anti-globalisation label by insiders is in reference to the aim of ‘globalisation from below’ rather than ‘globalisation from above’ (Calllinicos, 2003: 14). That is, they aspire to ‘transnational solidarity’, not in order to challenge ‘global connectedness’, but to challenge ‘the exploitative and undemocratic nature’ of neo-liberal
globalisation (Burgmann, 2003: 245). Korten (2001: 5), who prefers to focus on the visions and solutions offered by the movement, describes the movement for living democracy as such:

This alliance is bringing together the most important social movements of our time in common cause... and is driven by a deep value commitment to democracy, community, equity and the web of planetary life. ... In the eyes of its members, corporate globalisation is neither inevitable nor beneficial, but rather the product of intentional decisions and policies promoted by the World Trade Organisation, the World Bank, the IMF, global corporations and politicians who depend on corporate money.

According to Callinicos (2001), emerging from the persistent criticisms of ‘corporate-driven’ and ‘neo-liberal’ globalisation, is an ‘active minority that sees global capitalism as the source of the world’s ills’. Some members of the movement, Harman (2000:18) argues, have mistakenly identified neo-liberalism and corporate-led globalisation as distinct causes of inequality and exploitation, yet he argues, this is simply the logic of capitalism laid bare:

‘Corporate greed’ is used as a synonym for the profit system, the ‘transnationals’ for the capitalist firm, ‘globalisation’ for the way that international capitalism crushed the hopes of ordinary people.

Concurring with this thesis, Sklair (2002: 277-281) suggests that the movement has: made a rare and successful connection between issues of class polarisation and the crisis of ecological sustainability (the fatal flaws of global capitalism); importantly brought new social movements into contact with labour and green activists; and, as such, brought a historically new level of attention to the problems of capitalist globalisation. While those who would identify themselves as anti-capitalist are merely a current within the movement, Callinicos (2003: 14-15) sees the basic character of the movement as anti-systemic in that its members are not motivated primarily by single-issue campaigns, but rather a ‘sense of the interconnection between an immense variety of different injustices and dangers’.
The Marxist and deep ecology frameworks are evident in the various groupings of the anti-corporate movement outlined by Callinicos (2003), which he frames within a discourse of anti-capitalism. Although the anti-capitalist tag appears misplaced in many of these categorisations, his analysis is useful for providing a rough approximation of the diversity of the movement. Those that most closely embody the ‘anti-capitalist’ label are ‘socialist anti-capitalists’ and ‘autonomist anti-capitalists’. Callinicos’ ideal form, socialist anti-capitalism largely adheres to the criticisms of capitalism outlined in the Marxist and ecosocialist section above. For socialist anti-capitalists, the crises of our time can only be resolved by the replacement of the capitalist system with a classless society where production and decision-making are collectivised. Autonomist anti-capitalism is contrasted with socialist anti-capitalism for its rejection of ‘centralised power’, this stance, Callinicos (2003: 80) argues, is embodied in the grouping’s ‘preoccupation’ with the movement’s methods of organising. Rather than seeing the working class as the agent of change as socialists do, autonomist anti-capitalists look toward the ‘multitude’. Naomi Klein is a key voice in this group and her descriptions of the movement in the last section (as a ‘coalition of coalitions’) represent the type of organising principles commonly embraced. The other recognizable influences of this perspective are the Zapatista movement and Michael Hardt and Toni Negri’s text *Empire* (Callinicos, 2003: 81).

The deep ecology framework is evident to some extent in what Callinicos describes as ‘localist’ and ‘reformist’ anti-capitalism, however it is perhaps most closely embodied in the writings of Starhawk, a Pagan activist from the movement. Inspired by the Zapatistas, she suggests that the anti-corporate movement’s power lies in ‘claiming … autonomous spaces and building the world … [they] want’ (Starhawk, 2004: 223). At the mobilisation against the World Trade Organisation in Cancun in 2003, this included: making the ‘encampments as much as possible models of ecological design’ (Starhawk, 2004: 224). These largely autonomist aims are blended in her form of
activism with ecocentric and pagan rituals that celebrate and aim to protect the Earth (Starhawk, 2004: 226). The segment of the movement that Callinicos (2003: 74) calls ‘localist’ anti-capitalism is also compatible with an ecocentric worldview. Adherents of this grouping suggest that the solution to societal and environmental problems is a process of moving toward a decentralised economy that directs power ‘as far as possible towards small-scale communities’ (Callinicos, 2003: 74). This includes an agenda of local production and consumption as well as fair-trade. Colin Hines’ *Localization a Global Manifesto* is a notable example of this perspective, however Callinicos (2003: 75) argues that Hines differs from a typical localist model in arguing for a key role for nation states and international bodies in ensuring that ‘capital remains predominantly where it is generated’. Reformist anti-capitalism is perhaps less compatible with ecocentrism, but ecocentric activists may perceive reform as a partial solution. As the name suggests, reformist anti-capitalists perceive the return of power to the nation state or international regulatory bodies as the key agenda for change. Advocates of this view argue that a humane and sustainable capitalism requires regulation (Callinicos, 2003: 76-77). This appears to be the key position taken by many NGOs. The Australian Greens also represent aspects of localist and reformist agendas and were involved in the S11 anti-corporate protest in Melbourne.

The agenda of corporate citizenship is also represented in the movement in what Callinicos refers to as ‘bourgeois anti-capitalism’. Bourgeois anti-capitalists, he argues, express a high level of support for the capitalist system but criticise its excesses - they therefore aim for the continuation of capitalism without its social or environmental problems or revolutionary tensions (Callinicos, 2003: 71). Noreena Hertz, whom Callinicos sees as a key representative of this position, advocates a mix of reform from within, such as corporate citizenship and a counterbalancing of this elite power with ‘grassroots initiatives’ (Callinicos, 2003: 71-73).
Callinicos’ final category of ‘reactionary anti-capitalism’ is arguably not part of the anti-corporate/capitalist movement at all, but rather represents the stereotype that Burgmann (2003: 247) suggests the neo-liberal globalisers use against the movement. This grouping is characterised by nostalgia for the past (for a pre-modern era) and its adherents are largely associated with nationalist and xenophobic parties from the far right of the political spectrum. Under this framework, ‘bourgeois society’ is criticised but not the capitalist system that gives rise to it. This formation is primarily part of an older movement against globalisation and is only marginally associated with the new anti-capitalist movement (Callinicos, 2003: 68-70).

The Transnational Capitalist Class and Ideology

The framework that provides the clearest description of the anti-corporate movement’s target body is Sklair’s conception of the transnationalist capitalist class – consisting of the following four fractions: those who own and control transnational corporations (and local affiliates), globalising politicians and bureaucrats, globalising technical professionals, and consumerist elites (merchants and the media) (Sklair, 2001: 17). This notion of class is seen to move beyond a Marxist framework on the basis that the ownership and control of the means of production is ‘no longer the exclusive criterion for serving the interests’ of global capital (Sklair, 2002: 98). Within this framework however, transnational corporations have the most significant role given that they provide the material base for the rest of the class (Sklair, 2002: 9). Each fraction of the class mobilizes a different form of capital – economic, political, organisational, cultural and knowledge - in support of the ‘global capitalist system’ (Sklair, 2001: 17). The class form an ‘inner circle’ to unify or integrate their various areas of interest and make ‘system-wide decisions’ (Sklair, 2001: 21). While ‘regional and sectoral’ conflicts arise between the various fractions of the class, they are united by their ‘fundamental interest in the continued accumulation of private profit’ (Sklair, 2001: 21). Sklair argues that the transnational capitalist class is ‘not necessarily the ruling class’, yet it acts as such within the global capitalist
system and is thus the global ruling class where the global capitalist system is the dominant global system (Sklair, 1997: 520). The balance of power in ‘struggles within ruling class structures’, Sklair (1997: 523) suggests, appears to have shifted from the ‘localisers’ to the ‘globalisers’.

Sklair’s conception of the globalising process is one that acknowledges that the nation state still has a role, but that national borders and national bodies are decreasing in importance as a result of an increase in transnational practices. State actors therefore have a role in globalisation through transnational practices and the transnational capitalist class. Transnational practices occur on three main levels – the economic sphere, the political sphere and realm of culture-ideology (Sklair, 2002: 8). Sklair (2002: 85) explains the roles of the transnational capitalist class and the three realms of transnational practices (the sociological totality) as such:

Those who own and control the TNCs organise the production of commodities and the services necessary to manufacture and sell them. The state fraction of the transnational capitalist class produces the political environment within which the products and services can be successfully marketed all over the world irrespective of their origins and qualities. Those responsible for the dissemination of the culture-ideology of consumerism produce the values and attitudes that create and sustain the needs for the products.

The important concept of ideology - in this case, the culture-ideology of consumerism - brings to light the suggestion that ‘capitalism does not just happen’ but is the result of much expenditure of ‘time, energy and resources’ by the capitalist class to ensure its continuance (Sklair, 1997: 514, 520). In this Gramscian conception, ideology refers to the political ideas of a class that are used to inspire attitudes and actions. Under capitalism, the ruling class exercise hegemony over other classes, that is, they can secure the

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22 Transnational practices refer to activities that occur ‘within specific institutional contexts that cross state borders’ ‘but do not necessarily originate with state agencies or actors’ (Sklair, 2002: 84; Sklair, 1997: 520).
adhesion and consent of the general populace by ensuring that their worldview appears as the ‘common sense’ view (McLellan, 1986: 184-185). If the stability of capitalism rests not only on the continuation of consumerism but on the continual expansion of it, then the assumption of the sustainable development agenda by the transnational capitalist class can thus be viewed as an ideological mechanism to legitimise the activities of the class and the system they seek to uphold.

**Greenwash**

If there is little substance, misinformation or exaggeration in companies’ claims of corporate sustainability then their programs can be considered to be ‘greenwash’. Bruno, Karliner and Srivastava (2000) describe this phenomenon as a process where ‘socially and environmentally destructive corporations’ attempt to ‘preserve and expand their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty’. In their ‘Exposing Corporate Greenwash’ toolkit, Bruno, Karliner and Srivastava outline six examples of what types of activity constitute greenwash. The first is the use of environmental imagery in advertising campaigns that are not substantiated by statements about what specific practices have been altered. Thus the imagery alone is meant to create a link in the viewer’s subconscious mind with the corporate brand and sustainability. The second example is the promotion of involuntary sustainability projects as voluntary citizenship efforts. The third example, and perhaps one of the more important concerns, is where companies call attention to improvements in their practices but do not address the destructiveness of the company’s core business itself. This point is one of the key challenges for corporate citizenship and also calls into question the sustainability potential of the capitalist market-system (particularly in its neo-liberal form). If an unsustainable product is in high demand by consumers and is profitable for its makers then the motivation to reduce its use or to create a more sustainable alternative is likely to be low. This is related to the fourth example, where companies falsely assert that sustainability programs
or sustainable products are fundamental to their business. Companies that claim to be committed to renewable energy yet invest more finances in fossil fuels for example, are engaging in greenwash. Another significant aspect of greenwash is where companies adopt measures of self-regulation in an effort to stave-off, or whilst lobbying against, governmental or other external regulations. ‘Greenwash’ does not only apply to environmental aspects of sustainability but also to human rights. The final greenwash example given by Bruno, Karliner and Srivastava (2000) is ‘rights-wash’ or ‘blue-wash’ (signifying the colour of the UN flag) - where companies present themselves as champions of social justice whilst being complicit in human rights violations.

The sportswear company Nike has regularly been targeted by the labour movement, NGOs and the anti-corporate movement for failing to protect labour standards and conditions in its supplier factories. In 1998 Nike’s CEO Phillip Knight made a series of announcements regarding policies on conditions in supplier factories, arguing that changes were being implemented that would set a benchmark standard (Connor, 2001: 1). In a ‘comprehensive examination’ of Nike’s practices in the three years following these statements, Nikewatcher Tim Connor (2001:5) released the report ‘Still Waiting for Nike to Do it’, in which he suggested Nike had largely dealt with ‘sweatshop allegations’ as a public relations exercise rather than a serious human rights concern. The summary below gives an example of how activities that are labeled as corporate citizenship have been construed as greenwash:

The projects Knight announced have been of little benefit to Nike workers. Some have helped only a tiny minority, or else have no relevance to Nike factories at all. The most significant promise, to allow NGOs to monitor its factories and release summary statements of that monitoring, has simply not been fulfilled. [Monitoring is undertaken ‘through an elaborate array of different schemes’, all of which ‘fail two or more’ key tests of effective monitoring:
independence, transparency, regularity and a relationship of trust with workers’. Independent research has found that workers have been instructed, when monitors or auditors arrive, to clean up factories, adopt health and safety measures not normally used, or to lie about the chemicals they commonly work with. Furthermore, audits have been conducted in places that fail to build trust or protect confidentiality such as in a manager’s office, in a hallway outside a manager’s office, or in the presence of a supervisor.]

Health and safety is the one area where some improvement has occurred. But here the company is not willing to put in place a transparent monitoring system involving unannounced factory visits. On the few occasions when independent safety experts have been allowed to visit Nike factories, they invariably have found very serious hazards.

The inaction of the last three years shows that rights groups are justified in treating the company with suspicion and demanding that factory monitoring be both genuinely independent from Nike’s control and publicly reported in full. While Nike touts itself as an ‘industry leader’ in corporate responsibility, Nike workers are still forced to work excessive hours in high pressure work environments, are not paid to meet the most basic needs of their children, and are subject to harassment, dismissal and violent intimidation if they try to form unions or tell journalists about labour abuses in their factories (Connor, 2001: 5).

Beder (2000: 15) suggests that the discourse of corporate sustainability is one of many ‘activist’ tools used by the corporate sector that enable them to ‘dominate most debates about the state of the environment and what should be done about it’. Through corporate activism, she argues, business leaders use their power and resources to ‘maximise their political influence’, to ‘counter gains made by environmentalists [and other social movement activists], to reshape public opinion and to persuade politicians against increased environmental regulation’ (Beder, 2000: 15-16). If the

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23 Other forms of corporate ‘activism’ mentioned by Beder (2000: 23-25) are the establishment of ‘independent’ front groups and artificial ‘grassroots’ movements that promote a corporate agenda, the funding of conservative think tanks that cast doubt on environmental problems, and strategic lawsuits against public participation.
Corporate Sustainability: Greenwash or a Path to Sustainable Capitalism?

sustainability agenda becomes predominantly corporate defined, there is a danger that this dramatically weaker form will result in few changes to the environment and society. The sustainability movement could thus take the same route that Lasch (1970: 21-25) argues is typical of social movements of the past, where its demise is reached not as a result of the achievement of its goals but as a result of a redefinition of radical goals into ones that cause little or no disruption to the status quo.

One area in which critics argue the corporate sector has shifted the agenda of sustainable development in a more conservative direction is the move toward self-regulation. Given that social and environmental commitments are only pursued to the extent that they are profitable or serve the long-term interests of companies, Hepburn (2002: 16) argues that self-regulation would not sufficiently protect the public interest. This is why groups such as Friends of the Earth propose in their Transnational Campaign that ‘governments should collaborate to establish effective international and national law on corporate accountability, liability and reporting’ that is backed up by ‘effective sanctions and citizen and community rights to consultation, legal challenge and redress over environmentally and socially damaging corporate activities’ (FOE, 2002: 21). Without externally defined and regulated standards, Walker (2002: 5) argues, it is too easy for the corporate sector to ‘carry out minor changes without fundamentally modifying their behaviour’. Korten (2001: 202) also sees self-regulation as a mechanism that is lacking in accountability:

Members of the corporate establishment insist that the problems of corporate excess can be dealt with through self-regulation without the need for public oversight or enforcement. This is rather like recommending that police departments and the courts be disbanded in favour of calling on compulsive street criminals to police themselves.
Without externally enforced regulations for corporate citizenship, critics are concerned that sustainability initiatives could lack substance and translate into changes in *image* rather than behaviour. Because the concept of sustainable development lacks clarity and is open to endless interpretation, Hay (2002: 213-214) argues that it can be used in ‘environment-dismissing’ ways, such as in reference to the capacity of a company or an economy to undergo sustained expansion.

While the corporate sector has an obvious interest in adopting a mild reformist line on sustainability that promotes continual growth in production and the economy, these perspectives are also being adopted by elements of the environmental movement. According to Duarte (2001: 103), the recent terms of debate put forth by environmentalists have become increasingly conservative in comparison with the ‘early days’ of the movement. The prevalence of moderate dialogues, he argues, is likely to have resulted from the desire of NGOs to negotiate or engage with companies and governments (Duarte, 2001: 103). To engage with these essentially conservative bodies, the terms of debate are typically set closer to their worldview. However Morris-Suzuki (2000: 68) argues that the tendency to view all NGOs as radical movements for social change is somewhat misguided and argues that some NGOs were simply conservative in character to begin with. Therefore, while some NGOs may have shifted toward a more conservative agenda in order to engage with corporate partners and government bodies, others did not need to shift in perspective for engagement to occur.

**Partnerships as Cooption**

Given the importance of the watchdog role of NGOs in raising public awareness about corporate misdemeanours, this next section briefly explores some of the arguments against NGO engagement with the corporate sector.

The considerable differences in interpretations of sustainability are a reason for some NGOs to avoid becoming engaged with companies. Walker (2001:
23) argues that the basis for partnerships between environmental NGOs and companies is flawed, since it is the corporate-driven ‘growth based economic systems’ that are the root cause of environmental problems. He claims:

The North (Western Europe, the United States and Canada, Japan, Australia and New Zealand) comprises around 28 percent of humans on the planet, yet uses almost 80 per cent of the resources consumed. ... If we were all to live according to the consumption patterns of people in the North, we would need to put all of the arable systems on the planet under production. ...However we would also need another two planets of the same size as Earth in order to meet everyone’s needs. (Walker, 2000: 48-49).

Partnerships with companies and alliances with conservative elements of the environment movement can result in support of a worldview that is the antithesis of justice and sustainability (Green, 2002: 26). By trying to find ‘common ground’, Burton claims that engagement brings the debate to a ‘lowest common denominator approach’ where the focus shifts from questions of the appropriateness of particular types of development - such as Uranium mining - toward discussions over the best environmental management techniques for such developments. Therefore, engaged NGOs tend to lower their sights and ‘define mitigation as a win’ (Burton, 2002: 7). To Burton (2001: 147; 2002: 7) the ‘apolitical’ nature of partnerships is evident in their acceptance of growth based economic systems, as well as in their support of corporate efforts toward voluntarism that have undermined the state’s capacity to regulate the corporate sector. However, in Poncelet’s (2003: 108) study of partnerships, NGOs tended to view engagement as a supplement to legislation, while corporate representatives saw it primarily as a replacement for legislation.

Burton (2002: 6) also warns that engagement ‘is about shifting the forum of debate away from open public spaces to smaller more private venues’ where it is easier to mobilise social pressure to moderate critical views. While NGOs
often place pressure on companies and governments to have greater transparency in their actions, partnerships have been known to involve contracts where the details of engagement are kept secret from members and supporters of NGOs. Contracts that invoke the ‘Chatham house rule’, for example, prevent participants from discussing who was present at the event or the specifics of what was said by the corporate selected participants (Burton, 2002: 7). Therefore engagement with corporations may require NGOs to willingly embrace secrecy.

While corporate reputations are enhanced through association with their NGO partners, Goodman (1998) is concerned that NGOs could lose the valuable credibility that comes through ‘confrontational campaigning’ and ‘holding corporations to account’. In a partnership between the New Zealand World Wide Fund for Nature (WWF) and Shell, a five hundred thousand dollar sponsorship program saw the promotion of ‘full page advertisements featuring a group of children wearing WWF t-shirts and Shell sunhats’ (Burton, 2001: 140). The integrity of the WWF New Zealand came under further scrutiny when it was discovered that their Chairman had considered making the company a trustee of the organisation (Burton, 2001: 140). Partnerships such as these, Goodman (1998) argues, give a perception of NGOs as ‘willing and enthusiastic participants in the corporate PR machines’.

One means by which this can occur is the ‘social pressure to conform’ which engagement brings. In discussing one method of engagement – Community Advisory Panels – a corporate public relations adviser, Peter Sandman, has advised his clients that NGO members are likely to become friendlier with company representatives and feel less inclined to criticise the actions of their companies, when involved in such engagements. He argues, ‘erstwhile troublemakers let onto the panel start learning about the industry’s problems and limitations, acquire a sense of responsibility to give good advice and pretty soon’ start ‘sounding a lot like industry apologists’ (in Burton, 1999b: 7).
Engagement brings a certain pressure on NGOs to reward companies for any gains made. There is a danger that a company may gain a boost to their overall reputation that they either do not deserve or that takes attention away from their irresponsible behaviours in other areas of impact (Walker, 2001: 54). Even where NGOs are not involved in partnerships with companies, decisions to provide corporate endorsements or official statements of encouragement have been met with criticism. Greenpeace, for example, have come under criticism by Beder for congratulating Nike on their promise to eliminate the use of PVC in certain products. This, Beder (2000: 263) warns, has essentially undermined the work of groups who continue to campaign against the company's human rights violations by giving the company a largely unwarranted reputation boost.

Furthermore, Walker (2001) argues that NGOs from ‘Northern’ countries need to consider the impact of corporate engagement on their relationships with their ‘Southern’ counterparts. By engaging with companies and endorsing their programs, Northern NGOs can easily undermine the claims made against companies by Southern NGOs and communities. Premier and Shell BV, for example, defended their case for gas exploration plans in the Kirthar National Park against the wishes of local Pakistani communities by pointing to their exemplary record in past operations as testified by ‘internationally accredited NGOs’ (Walker, 2001: 24). Furthermore, the environmental impact of the consumption of Northern countries makes the engagement between Northern NGOs and companies ironic. Given the consumer impact and the tendency for Northern multinational corporations to pollute Southern environments in a way that they would not do in their own ‘backyards’, Northern NGOs are in a dubious position to make claims that counter-act those of Southern ones (Walker, 2001: 24). A polarisation also appears to have occurred across the NGO sector in the North - as it is increasingly divided into NGOs that act as a ‘cheer-squad for global capitalism’ by developing close relations with companies and accepting their
growth-oriented and corporate-friendly visions of sustainability, and those who ‘challenge corporate-defined globalisation’ by engaging in an ‘intensely political struggle’ that provides a critique of ‘growth-based systems’ and corporate self-regulation. The former dismiss the latter as ‘fringe dwellers’, while the latter perceive the former as having been coopted (Walker, 2001: 22-23).

As a member of a group that belongs to an international federation with a majority of members in Southern countries, Walker (2000) argues that resistance is the best strategy for sustainability. Southern NGOs, he argues, are hesitant about the confidence of Northern NGOs in ‘industrial fine tuning and reform’ (Walker, 2000: 49). Although national borders are becoming less of a barrier for the environmental and social impact of companies, it is the poor who bear the worst effects of environmental pollution (Walker, 2000: 48, 52). ‘In the South, communities, agriculture, food security, basic freedom and the right to community-controlled development are regularly placed under direct threat by TNCs’ (Walker, 2000: 49). Having faced the direct impact of the companies NGOs are engaging with, Southern ones perceive resistance as a path to radical social transformation as the only path to sustainability (Walker, 2000: 49).

After exploring case studies of engagement in three industrialising countries, Ashman (2001: 1098) recommends the need for more investigation before ‘endorsing the idea of collaboration as a means to development’. He states that both sectors can reap rewards from engagement such as ‘business or program innovation, positive public relations, net gains in financial and material resources and organisational capacity building’ (Ashman, 2003: 1097, 1104). Yet success in the partnerships is dependent on equality in decision-making and a respect by both partners for the contributions of the other. While the numerous resources of the corporate partner are not likely to be overlooked, he found that the important contributions of NGOs - of program expertise and relationships with communities and vulnerable groups
- often were (Ashman, 2001: 1106, 1109). There was a tendency for both partners to fall into the trap of donor-recipient behaviour (Ashman, 2001: 1106, 1109). Furthermore, Ashman (2001: 1104-1105) asserts that ‘too little attention’ has been paid to the costs that are borne by partner organisations, such as the expenditure of time and energy in learning to relate to the partner, adapting organisations to meet demands of collaboration and reduced effectiveness resulting from the lack of influence in the partnership.

**Summary**

The purpose of this chapter was to provide some theoretical debates on sustainability and corporate citizenship that provide the background to the findings in later chapters. It has shown that there are significantly different ways of viewing sustainability. The corporate citizenship framework that is based on market mechanisms and justifications of self-interest falls far short of the requirements for sustainability as outlined in the major alternative frameworks – ecocentrism and Marxism. From the perspective of the first framework, corporate citizenship is based on an instrumental relationship to the Earth whereby sustainability is simply a rational correction to irrational unsustainable behaviour that failed to protect the resources required for industrial production. Individual corporate sector representatives could embrace a worldview of biospherical egalitarianism and interconnectedness on a personal level, however the activity of the corporate sector is incompatible with the ecocentric goal of radically changing the productive base of industrialised societies toward a system that is based on ‘appreciating quality of life rather than a continual increase in the standard of living’ (Naess, 1995a: 68) and economic growth. Although retaining elements of instrumentalism and anthropocentrism, the Marxist framework clearly identifies the role of systemic problems in unsustainable development, whilst the ecocentric perspective apportions blame to the whole of humanity equally. For Marxists, the accumulative logic of the capitalist mode of production (and other class-based societies) is founded on an exploitation of the environment and labour and thus is unsustainable. As such, corporate
citizenship presents the root of the problem - the economic system - as the solution (Foster, 2002: 25) whilst perpetuating a ‘culture-ideology of consumerism’. This culture-ideology is not the preserve of the corporate sector alone, but of the transnational capitalist class who are the target of the anti-corporate movement. Corporate citizenship and its variants within other spheres of the transnational capitalist class have been perceived as an ideological mechanism on the basis of: the unsustainable nature of capitalism or industrialism; the weakening of the sustainability agenda; the promotion of self-regulation over enforceable mandatory regulation; and the dangers of cooption for NGOs in partnerships.

As Sklair (2001: 206-207) has noted, corporate interventions into the sustainability agenda have been undertaken in order to shift it away from the ‘threatening counterculture’ of ‘deep green’ ideas toward a championing of the ‘cause of ‘sustainable’ global consumerist capitalism’ that removes deeper lessons regarding the systemic nature of the crisis of unsustainable development. Such corporate interventions, Sklair (2001: 206) notes, have led was a recruitment of ‘much’ of the global environmental movement, including NGOs and the United Nations, to the corporate sector's pro-business, growth-oriented vision of sustainability. Corporate citizenship can be seen as similar to other areas of corporate advertising where the sector ‘have sought to become the chief communicators of all that is good and cherished in our culture’ – ensuring that people’s ‘cultural and political space’ is repackaged and sold back to them in a manner that serves corporate interests and represents the company in question heroically (Klein in Viner, 2000: 65, 67). Thus corporate citizenship can be seen as a colonizer of movements and discourses for social change.

After having viewed some of the divergent visions of sustainability and critiques of the causes of unsustainable practices, the next chapter will outline the details of this research project, including the aims of the research and the methodology used.
CHAPTER 2
Research Methodology

Introduction
The previous chapter showed that the corporate citizenship model for sustainability stands in contrast to models from the more radical sustainability traditions of ecocentrism and Marxism or ecosocialism and elements of the anti-corporate movement. While these examples were not intended to represent the entire spectrum of alternative visions of sustainability, they demonstrated that there are significantly different ways of framing and working toward sustainable development. Before examining these issues further by looking at the results of the research, this chapter will explain the nature of the research project, looking at the purpose of the research, an outline of who the participants are - in terms of the type of organisations they come from and their roles in those organisations - and the research framework and methods used.

Research Question
Given the lack of clarity beyond the basic sentiment of the concept of sustainable development (Hay, 2002: 213-214) and its tendency to range from weak positions that prioritise economic growth to strong positions that prioritise social justice and environmental quality (Davidson, 2000: 30), the central research question is to understand what is meant by sustainability within the corporate sector. Enthusiasts of corporate citizenship define it as a process of minimising the negative impacts of a company's activities, while maximising the positive impacts (Marsden and Andriof, 1998: 329). However the definition utilised in this thesis assumes a more cautious or critical stance that understands it as an ideological program for shifting the sustainability agenda toward the pro-business cause of ‘sustainable’ global consumerist capitalism’ - based on self-regulation and a conception that the problem is a ‘series of manageable’ problems rather than a systemic crisis (Sklair, 2001: 38).
206-207). Although corporate citizenship undoubtedly embodies the ‘weak’ form of sustainable development, this thesis aims to more clearly delineate what meanings it entails and what boundaries typify this market-based form of sustainability. In order to place this discourse into context, the secondary aim is to allow NGO ‘stakeholders’ that come from a ‘strong’ sustainability framework to express their views on the strengths and weaknesses of corporate citizenship. With the rise of corporate citizenship however, NGOs have taken on partnerships with the corporate sector in addition to their more common watchdog role. The third aim is therefore to discover the purpose of these partnerships and their effects on both parties, NGOs in particular. The research questions can therefore be framed as follows:

- What commonalities are there (if any) across the responses from the corporate sector on their understanding of corporate citizenship that could identify the boundaries or delineate a general framework for corporate citizenship?
- How does the ‘corporate model’ of sustainability compare with the alternative visions of critical NGOs?
- How do corporate and NGO sector representatives understand the purpose of partnerships between the sectors? What effects do the partnerships have on both parties, particularly NGOs?

Research Framework

Methodologically, this research on corporate citizenship could have been designed in a number of ways. Since each methodological type has particular strengths and weaknesses, it is a matter of choosing the one which best suits the research questions and available resources. Given that the research aims to discover the boundaries of corporate citizenship and the effects of engagement as understood by expert participants in the fields concerned, qualitative methods were considered the most appropriate.
A positivist framework is designed to uncover ‘social facts’\(^{24}\) rather than to promote an understanding of the subjective perspectives of the research participants (Minichiello et al, 1991: 5). Positivist methods are commonly understood as those that frame the social world in a similar manner to the ‘natural’ world, wherein it is viewed as a ‘highly ordered, universal’ reality where facts ‘can be discovered through the development of abstract principles and models’ (Turner in Neuman, 1997: 64). In order to uncover social facts, a research design is employed that uses strictly defined constructs and precise measures that are set by the researcher. The process produces data that are analysed and reported through numerical comparisons and statistical inferences (Minichiello et al., 1991: 5). Such rigidly structured research literally structures-out the subjective views of the research participant in the process (Sarantakos, 1998: 17). These methods are valuable in the study of corporate citizenship when researchers seek to measure the commitment of companies to a specified model of corporate citizenship. The Age/Sydney Morning Herald’s *Good Reputation Index* is one such measure, where conceptions of ‘good citizenship’ are set and measured by groups with expertise in particular fields such as ‘employee management, environmental performance, social impact, ethics and governance, financial performance and market position’ (The Age/Sydney Morning Herald, 2001: 2). This research, however, is concerned with examining the diversity of meanings of corporate citizenship, in delineating any common boundaries within those forms and in contrasting these with other visions of sustainable development. While positivist, quantitative methods have an important role in social research, the point of this study is to gain the in-depth, subjective views of participants whose work is directly impacted on by corporate citizenship or sustainable development.

Qualitative methods provide a research framework through which the subjective voices of interviewees can be clearly heard since it provides the

\(^{24}\) Social facts are ‘ways of acting, thinking and feeling’ that arise from ‘outside the individual consciousness’. They are social phenomena (Durkheim, 1974: 64).
flexibility for them to describe their particular experiences in their own words (Sarantakos, 1998: 12). Taking the form of an interactive dialogue, the qualitative interview affords the possibilities for the participant to ‘think things through’ - and perhaps to consider the issue in greater depth than they have before (Schoenberger, 1991: 183). In addition to allowing a different framework with which to understand the social world, one of the key strengths of this type of research is the fact that it takes into account the complexities of discourse between social actors, where the researcher and participant may not share the same ‘assumptions, contextual understandings, common knowledge or reciprocal aims’ (Mishler, 1986: 1). With the limited opportunity for open discourse in quantitative research, the researcher may not uncover any differences in understanding that exist between the parties. Qualitative research removes the element of frustration that can come with trying to interpret and fit one’s answers into the researcher’s frame of reference (Schoenberger, 1991: 183).

Interpretive social science is the framework that most clearly embodies a commitment to taking the research participant’s word on face value. This framework is linked to the work of Max Weber, who suggests that the social sciences should be concerned with the ‘meanings and values of acting persons and therefore on their subjective ‘meaning-complex of action’ (Crotty, 1998: 69, 71). While positivist researchers assume that disinterested, value-free methods of inquiry can lead to the discovery of social facts, interpretive researchers either reject the notion of objectivity outright, or they posit an entirely different understanding of the concept. In the first case, one would argue that social reality is created through interaction and interpretation and therefore it cannot be ‘objectively discovered’. In the latter case, objectivity actually refers to a form of ‘inter-subjectivity’ that occurs as the researcher recognises her or his own subjectivity and observes the subjective reality of the informant (Sarantakos, 1998: 20). Minichiello et al (1991) suggest that the view of the research participants in the research process varies to such an extent from
quantitative to qualitative research that different labels should be applied to reflect the differential treatment. In the former, the participants are treated as *subjects* who passively supply data, while in the latter, the participants are treated as *informants* who inform the researcher of their ‘views, attitudes and beliefs’ (Minichiello et al, 1991: 7, 103). In this research however, they will either be identified by the term ‘participants’ or ‘interviewees’ since the former signifies a middle ground between these two positions and the latter is a neutral term.

Schoenberger (1991) suggests that the corporate sector is well suited to being researched by qualitative methods. Given that companies are organisations that are ‘embedded in a complex network of internal and external relationships’ that are difficult to understand, the qualitative interview allows participants the flexibility to describe the ‘real world predicaments and strategies’ of organisational behaviour (Schoenberger, 1991: 181). The spatial organisation of production, for example, may be explained by multiple factors such as an organisation’s ‘competitive strategy’ its ‘relationship to its markets, product technology, production methods, labour relations, the behaviour of competitors’ and other factors (Schoenberger, 1991: 180). Qualitative interviews offer a framework where ‘the often conflicting and shifting strategic logic and historical contingencies that underlie corporate decisions’ can be understood (Schoenberger, 1991: 181). One of the weaknesses of the qualitative interview is the possibility that the researcher will lose control of the interview process as the interviewee takes it in a direction that is not directly relevant to the research. This is particularly pertinent in the corporate setting, Schoenberger argues, since the interviewees are likely to be accustomed to ‘being in control and exerting authority over others’ (Schoenberger, 1991: 182). With only a limited interview schedule to keep the interview on track, Schoenberger gives an important reminder of the necessity of keeping the interview participants focused on the few cues provided.
Through the semi-structured interview format, interviewees in this research were able to reflect on their particular experiences. The in-depth nature of the research also meant that they were less likely to give pre-prepared, formulaic answers. Each interviewee was given a flexible format within which they could discuss their views on how corporate citizenship did or didn’t work and how this related to broader plans for sustainable development.

While the use of qualitative interviews allowed the participants to flesh out their experiences of corporate responsibilities, their claims were not entirely taken on face value. With an awareness of the significant influence of the corporate sector in the global arena, the critical science paradigm seemed to be the most appropriate one to utilise in the study of corporate discourse and behaviour. Like interpretive researchers, critical social researchers share an agreement over the importance of the subjective experiences of research participants, however they interpret the findings more critically since it is considered that they may be imbued with ‘false consciousness’ (Neuman, 1997: 74). Rather than accepting every person’s point of view equally as a representation of ‘truth’, critical researchers argue there are objective conditions of reality that can be uncovered and different representations of truth spring from the manipulation of facts in the name of vested interests. Therefore objective conditions cannot be understood from an uncritical observation of social life. Powerful groups shape society in their own interests and manipulate ‘information’ in such a manner that their power is neutralised or seen as a force for the interests of the majority. Within social groups and within society in general, Becker argues, there exists a ‘hierarchy of credibility’ that confers on the highest ranked groups the ability to establish norms. When researchers fail to acknowledge this hierarchy of credibility they take the side of the powerful (Becker, 1970:18). The critical researcher’s role is to uncover the illusions that conceal the objective conditions, thereby assisting in the transformation of the social order (Sarantakos, 1998: 35-39).
Corporate citizenship is an ideology in the sense that it is a discourse of a powerful group (the corporate sector) that serves the purpose of legitimating their position in society and the current course of global capitalism from which they benefit. Therefore it is necessary to be aware of the relationship between the discourse of corporate citizenship and the current status of the corporate sector in terms of their economic and political influence. When studying such an ideological discourse it is important to use research methods that allow the ideas to be challenged and explored at length. The semi-structured format gives enough structure to keep the interviewees focused on particular issues concerning their general experiences of corporate citizenship, as well as providing the freedom to pose further questions in response to their answers. The format encourages interviewees to discuss their views in their own terms and at length, gives the opportunity for the worldview behind their statements to come to light. From this perspective, corporate sector representatives can provide a clearer understanding of what they mean by corporate citizenship and how it fits within the logic of the sector and economic system within which they operate. This critical framework is also applied to the perspectives of NGO stakeholders and their provision of a wider standpoint from which to view sustainability.

This methods used in this thesis were inspired by the work of Poncelet (1998) and Mallam (1998). Poncelet’s study used qualitative methods to explore the changing nature of relationships within and between different sectors that resulted from partnerships for sustainability. Using a case study of a multi-level stakeholder environmental partnership, Poncelet interviewed, observed and read the documents of representatives from each sector involved. This study is similar in the sense that it uses qualitative methods to gain the views of representatives from various sectors on issues that impact on each of them. While Poncelet’s research focuses entirely on participants’ opinions of a pragmatic relationship that they were involved in at the time of the interviews, the current research similarly asks participants to reflect on
their current programs and to reflect on more abstract issues such as the meaning of corporate citizenship and the culture of the corporate sector in the current period.

Mallam’s research involved a small case study of BHP (now BHP Billiton), which explored the ‘narrative of corporate citizenship’ as embodied in the company’s code of ethics (Mallam, 1998: 1, 12). In an effort to understand the origins of the code of conduct, its level of acceptance among the company’s management and the level of challenge it represents to the culture of the company (Mallam, 1998: 16), Mallam interviewed three senior managers in BHP as well as a representative from the law firm who prosecuted the company for a previous misdemeanour which was influential in the development of their code of conduct. Mallam used qualitative interviews to gain an understanding of the character and culture of the organisation.

Since Mallam’s study, Warburton et al (2004) have undertaken a similar, but expanded study where they interviewed fifty-four different stakeholders associated with one company to assess their understanding of ‘corporate responsibility’ and to see how far the company had moved toward the framework. Although this research was too recent to be of influence on this study, it is remarkably similar and offers some vindication for the methods chosen. The research took the form of in-depth interviews with eight different stakeholder groups: two internal groups including managers and board members and six external groups; including ‘unions, community groups, industry leaders, partners and suppliers, large customers and key government executives’ (Warburton et al, 2004: 119). The sample is impressive in its diversity of stakeholders included. Warburton et al, have thus opted for an intensive focus on one company from the perspectives of an impressive array of groups, rather than opting for a broader sample with companies from different industries and NGOs from different areas of the sustainability field. Recognising that the research may have provided
different results if focused on a broader sample, Warburton et al recommend that future research should ‘test the breadth of these findings’ (Warburton et al, 2004: 124). Although covering a smaller range of stakeholder groups, this thesis has attempted to address Warburton et al's recommendation.

**Conducting the Research**

**Participants**

As an outsider to the corporate and NGO sectors, the means of assessing corporate citizenship was by gaining the opinions of those involved in seeking to make companies more responsible. This included representatives from NGOs in their roles as corporate critics or corporate partners and representatives from companies identified as ‘good corporate citizens’. The research involved forty-two semi-structured, face-to-face interviews (in one organisation two people were interviewed simultaneously, thus there were forty-three interviewees in total): twenty-one with the corporate sector and twenty-one with the NGO sector. Given that many company and NGO head offices are in Victoria and New South Wales, the sample was limited to these states. These locations also proved practicable in terms of travelling time and expenditure. The list below outlines the organisations in the sample by reference to their key area of interest/work.

*Number of organisations in each particular industry/field*

**Sector: corporate**

- 1x Industrials company  
- 1x Media company  
- 2x Finance companies  
- 1x Developer/Contractor company  
- 2x Energy/Utilities companies  
- 1x Alcohol/Tobacco Company  
- 8x Materials companies  
- 3x Consumer/Retail  
- 1x Telecommunications company  
- 1x Health Care company

**Sector NGO**

- 6x Trade Unions/labour rights organisations  
- 7x Environment/conservation organisations  
- 1x Anti-litter organisation
In selecting the corporate sample, most were chosen from a publication that rated the top 200 publicly listed companies in Australia in relation to their social and environmental practices. The companies that received an average (compliant) rating on both fields were chosen from each industry sector (as classified by the publication). On the basis of expert selection, two other companies supplemented the core sample. These were chosen by NGO and corporate interviewees who felt that research on this topic would not be complete without an analysis of the two recommended companies.

The NGOs were chosen on the basis of their expertise in social and/or environmental issues. Given that all were involved with a particular aspect of sustainable development, this meant that their sphere of influence is impacted on by the operation of corporations. They therefore had knowledge of the types of initiatives undertaken by corporate citizens, had some direct experience with their claims and were in a position to evaluate these and other sustainability frameworks. The NGO sample included trade unions, environmental and conservation organisations and organisations involved in aid and development or human rights advocacy. To gain a range of perspectives from NGOs and to examine the impact of corporate citizenship on the NGO sector, those in various partnerships with companies were chosen along with the more critical and distanced watchdog groups.

Within both sectors, the interviewees were chosen on the basis of their practical expertise in evaluating the performance of companies in relation to sustainability. From the corporate sector, representatives from companies across a range of industry groups were chosen, with individuals in various

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25 ‘The S&P ASX 200 Index is a capitalization-weighted index of the top 200 companies ranked by market size on the Australian Stock Exchange’ (Bloomberg, 2005).
occupational roles (all having reference to corporate citizenship). These included experts in: Corporate Affairs, Environmental Management, Sustainable Development Management, Human Resources, and Health, Safety and Environment. Interviewing people in different roles gave the opportunity to gain different perspectives, from the public relations aspects of the organisation to the ‘on the ground’ operations aspects. From the NGO sector, partnership managers were often chosen from engaged organisations, while corporate campaigners or advocacy coordinators were typically chosen in unengaged organisations.

Typically, only one interviewee was chosen from each organisation and only one interview was conducted with each interviewee. Only in one organisation were two individuals interviewed simultaneously (this was at their request). While the opinions gathered are not likely to be representative of the entire organisation they do give an insight into the practicalities of corporate citizenship as experienced by various experts involved in different areas of sustainable development. Given more interviews with representatives from each organisation, the research could have provided greater insight into the operations of particular organisations. However, the interviews were spread over a greater number of organisations and took an exploratory approach to obtaining insights from the two sectors. With the corporate sector, interviewees were able to express the particular problems or advantages of their sector whilst comparing this to their views on other sectors. NGO interviewees were able to express their concerns from the particular viewpoint of their organisation and its experiences with the corporate sector.

The size and diversity of the sample indicate that the findings could be considered reasonably representative of the wider population of the Australian corporate and NGO sectors. While the range of companies and NGOs interviewed is broad and diverse, I concur with Warburton et al (2004: 124) that such research would have benefited from the inclusion of interviews with ‘less prominent stakeholders’ such as ‘workers’ and ‘residents
of local communities’. A more complete picture could also have been gained through interviewing more than one representative from each organisation. However, to include more organisational members and stakeholders, in addition to the range included here, would be a mammoth task.

**Interview Procedure**

When making initial contact, each potential interviewee was sent a letter or email outlining the nature of the project and the requirements of participation. Interviewees were then contacted by telephone to determine their level of interest or availability. Out of all the potential interviewees contacted, fourteen were either unable or unwilling to participate. A representative in another organisation within the same field replaced each interviewee that was unable to participate. The replacement organisations were from the same sampling frame and thus were chosen on the same terms. The interviews lasted between forty minutes to one hour and were held in an office in the workplace of the interviewee or somewhere similarly convenient for both parties. All interviews were recorded on audiotape and later transcribed.

The interviews were not based on a structured format with set or closed-ended questions. Rather, the questions in each interview were based around certain themes that changed slightly between the NGO and corporate sample and between the engaged and unengaged NGO sample. Select themes were used to form the basis of the questions but they were not always used in a particular order. The relatively unstructured format of the interview meant that further questions often arose in response to interviewees’ answers.

Although there were no set questions, a general outline has been constructed in order to show the types of topics that were addressed within the interviews. These appear in the *Appendix*. These constructed questions do not take into account the complexity of the interviews, where questions were framed around the particular sector the interviewees worked within and
their particular roles within those organisations. Often interviewees were also asked to respond to questions about particular activities that their organisation had engaged in. Corporate sector representatives, for example, were asked about retrenchments, workplace accidents or campaigns against them, while NGO representatives were asked about particular campaigns or partnerships that they had undertaken and the tactics used. All interviewees were asked general questions about their views of the triple bottom line and sustainable development. The questions focused on the idea of equally weighted responsibilities in the social, environmental and financial area, as well as whether the global competitive market and voluntary nature of responsibilities acted as limitations.

The findings of this research will be discussed in the following five chapters. Throughout these chapters the names of the companies represented will be altered in order to protect their anonymity.

The next chapter, ‘Sustaining the Corporate Lifespan’ explores corporate sector representatives’ views on the concept of the triple bottom line of corporate sustainability and examines the justifications given for pursuing this form of cultural change. It looks at the centrality of the financial pillar within the triple bottom line and the benefits to corporate lifespan and operating licenses of taking into account social and environmental issues and stakeholder interests.

CHAPTER 3
Sustaining the Corporate Lifespan
(Views from the Corporate Sector)

Introduction
Corporate citizenship can be seen as either a revolutionary practice for making capitalism sustainable (Elkington, 1997:3) or alternatively a shallow public relations strategy designed to boost corporate reputations (Bruno, Karliner and Srivastava, 2000). Linked to the latter analysis is the concern that this form of sustainability and sustainable development itself, are so ambiguous in meaning and diverse in application that they are essentially meaningless (Hay, 2002: 213-214). The purpose of this chapter then, is to examine the perspectives of various sustainability managers from the corporate sector in order to understand what they mean when they refer to corporate citizenship. While this is one of the central tasks of the entire thesis, this chapter begins the process by exploring the concept of the triple bottom line and looking at the reasons behind the sector's drive toward citizenship. Underpinned by a rationale of self-interest, corporate sustainability is seen as a mechanism to sustain the lifespan, stability and market potential of the sector. The good relations with stakeholders that it inspires are further seen to create a store of goodwill that assists in gaining and maintaining operating licenses.

The Three Pillars of Sustainability
The triple bottom line is the concept that best invokes a framework of sustainability in the corporate citizenship discourse. The fork metaphor in Elkington's Cannibals With Forks refers to a tool for sustainability where each of the three prongs or pillars (social, environmental and economic spheres) are of equal importance in civilizing the corporate ‘cannibals’ who have been devouring the natural and human capital on which they depend. As a
framework that takes into account environmental quality and social justice as well as economic prosperity (Elkington, 1997:2), it is used to expand the notion of citizenship from an agenda of disparate programs to an integrated framework for exploring the key areas of corporate impact. Because this research is concerned with the overall sustainability of the corporate sector rather than the role of isolated initiatives (that focus on one area alone, such as environmental management) or programs that do not induce cultural change within the organisation’s everyday operations (such as philanthropy), the concept of the triple bottom line was used to focus the attention of interviewees on the wide-ranging implications of their business practice.

Interviewees typically felt that the triple bottom line involves a requirement that companies consider the many impacts of their operations, that have until recently, been classified as externalities and to recognise the benefits that these responsibilities bring in protecting the interests of the company:

In order to protect the financial bottom line [in the] long-term, the company has to be proactive in the social area, it has to be proactive in environmental management, it has to be proactive in dealing with its employees properly and so on. And all those things come as a given in a well-run company. And a company that doesn’t do all those things won’t be financially profitable in the long-term. So they happen as a matter of course in well-run companies (Brewskies Alcohol Company).

In principle, most interviewees felt that the triple bottom line should be embodied in the entire framework of corporate decision-making. The act of assessing all corporate activities within this framework was equated with rational business management:

Ideally if it took off and everybody said ‘yes’ right out and everybody was committed it would become a business as usual approach so you wouldn’t

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27 This thesis uses the convention of qualitative data rather than precise measurement and quantitative claims. The description “most”, however can be considered to represent around 75 percent and over.
even need to have TBL [triple bottom line] it would just be bottom line reporting. Because you would be looking at the other factors, you wouldn't have to have sustainable development because development, per se, would be [sustainable], that's the way you do it (Darwin's Developing and Contracting Company).

Our company mission statement ... is the integration [of the triple bottom line]. So that is the core - that sits on top of everything. Before we come up with any strategic goals or we make any decision we always have that sitting on top, thinking where does this fit within the three things. So I suppose we believe that it does work and that it is essential to business (Gaia Skin and Hair Care Company).

While the concept of the triple bottom line was valued as a useful framework for understanding sustainability within a corporate setting, many interviewees felt that a majority of people in their sector had an incorrect understanding of it. Some business leaders saw the triple bottom line as a mechanism for reporting autonomous areas of social, environmental and financial impact rather than as a construct for considering the interconnected nature of the three pillars in a strategic manner:

The concept that is in people's minds [is where] you have three columns on which you are assessing the company. I think Elkington did a lot of good when he came up with the concept and got people thinking in terms of there [being] three separate areas of management that equally contribute towards the financial outcome. But it's led people to think somehow that they sit in three parallel columns (Brewskies Alcohol Company).

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28 This thesis uses the convention of qualitative data rather than precise measurement and quantitative claims. The description “many”, however can be considered to represent around 50 percent and over.

29 This thesis uses the convention of qualitative data rather than precise measurement and quantitative claims. The description “some”, however can be considered to represent 30 percent or less.
The compartmentalisation of the pillars was seen to be reflective of a more general misunderstanding of the framework. That is, a few\textsuperscript{30} interviewees felt that the linear thinking evident in the compartmentalisation of the bottom lines had been extended into a conceptualisation of the framework as a mere reporting mechanism. From the linear perspective, the triple bottom line would equate with a requirement for the production of sustainability reports rather than an understanding of how the social, environmental and economic spheres of business impacted on one another and the embodiment of this understanding in strategic planning. The production of a sustainability report therefore did not automatically demonstrate the existence of an applied or integrated framework for sustainability. For reporting to be meaningful, it had to be the product of a considered analysis of the everyday impacts of the particular industry in question and not a response to standardised reporting formats:

The triple bottom line, while it is a great idea, unfortunately has formalised I think companies’ responsibilities and how they react to those responsibilities. So they think as long as they tick the boxes on the triple bottom line they are fine. My view is it’s not as simple as that and I think an awful lot of companies do that. ... It sets up these parameters and as long as you fulfil those parameters you are ok and you can go out and say ‘I have triple bottom line accounting in my company’. It doesn't actually mean that it's any good mind you. ... It doesn't really illustrate in any way or form an underlying understanding of the subject (Metallica Materials Company).

The support demonstrated by interviewees for an integrated triple bottom line framework did not necessitate an equal commitment to valuing each pillar equally within the overall business strategy. Given that the impacts of different industries were subject to significant variation, they argued that sustainability managers needed to give more consideration to the areas

\textsuperscript{30} This thesis uses the convention of qualitative data rather than precise measurement and quantitative claims. The description “few”, however can be considered to represent 30 percent or less.
where their company had the greatest impact or the greatest opportunity to facilitate change:

I don’t think they necessarily have to be given equal weighting. Sometimes in environmental terms, for resource industries, that might be the most prominent decision-making [factor] on whether something is a goer or a no-go. ...the sector, or ... the particular initiative will determine whether it is a go or no-go option (Chatz Telecommunications Company).

Most interviewees felt that the triple bottom line was a useful framework for building a more sustainable culture when implemented correctly (that is, not simply as a reporting mechanism but as a device for strategically assessing the interrelationship between the three spheres). This however, did not mean they thought it had been implemented fully within their businesses or within the Australian corporate sector. Some interviewees felt that it was an ideal state that was being worked toward rather than a framework that characterised Australian corporate culture:

I don’t know of any business where there is an equal balance on the social, ecological and financial - where there is an equal weighting on those things. There are certain weightings on certain areas. But I don’t think that’s a bad thing as long as you start working with that rather than just operating on a two legged stool or a one legged stool. I’d rather see a little bit than nothing (Darwin’s Developing and Contracting Company).

I would suggest that it’s probably been slower to catch on than I thought it would have been. As you see, the public perception of environmental responsibilities is changing and changing quite rapidly. I probably would have thought that the triple bottom line would have been - if not mandatory - certainly pushed a lot harder than it has been over the last five to seven years (Tinnies Steel Company).

While interviewees were relatively content with what they saw as formative stages of citizenship within their organisations and sector, some felt there
was a danger that people may accord these beginnings a higher status than they deserved:

My view of the triple bottom line is it's a good start but the problem is you may mistake the shadow for the substance. Triple bottom line, the way it has been implemented, tends to be just another environmental policy that just happens to be the flavour of the month and so you do that but if you stop there then you have certainly missed the plot (Metallica Materials Company).

The area that interviewees felt was the least developed was the sphere of social responsibilities. This area is more difficult to quantify and not as well integrated or conceptualised within systems of management:

The social side is even tougher because with the environment at least there is some chance of comparing apples with apples - there are greenhouse emissions, there's energy usage, you know that sort of stuff. But social impacts are going to be different for every business. So quantifying them to say ‘this is a good effort’ is going to be harder still. You can sit there going ‘if we find that .0001 percent of the population drink to excess is that a good result?’ What sort of improvements should we be looking for? It’s a tough sort of one to quantify. Qualitative feedback is great but serves little value in the ongoing sense of ‘are we getting any better?’ (Brewskies Alcohol Company).

However a more fundamental concern that arose for one interviewee was the potential for a lack of congruence between the expectations of the community and the initiatives that are being reported as good standards of corporate citizenship. While many of the interviewees celebrated their achievements in environmental management (although not suggesting that ‘sustainability’ had been achieved), a few felt that it was difficult to assess how compatible the standards of some companies were with public expectations:
Even those environmental reports, a lot of them, yeah they’re great, there’s lots of pictures, [but] when you start reading the details, some of the things they say in there are not necessarily consistent with positive environmental beliefs. Some of the mining companies, some of the large oil companies openly challenge global warming impacts and that sort of stuff and you sit there going ‘the community accepts this principle, they in their report are saying we don’t, therefore everything [they] do trickles on from the belief that [they] are challenging global warming. So [they] are not going to actively promote people using [their] product less or doing anything to reduce the effects of this. Which you would argue is their biggest single impact potentially’. … Are the things they’re telling you actually indicating they’re committed to the same sort of beliefs that the community is? (Brewskies Alcohol Company)

The potential for discrepancy between community and corporate standards for sustainability was evident in one interviewee’s description of his role in environmental management. Corporate environmental sustainability, he argued, required him to protect the company from its effects on the environment, rather than protecting the environment from the impacts of the company:

My involvement in the environment here is basically I suppose the overall compliance, make sure we have got licenses in place and make sure the standards are being maintained. The due diligence on any acquisitions you might make, compilation of environmental reports for premises or businesses being sold, [and] the general protection of the business against the ramifications of our effect on the environment (Tinnies Steel Company).

Despite the potential for conflict between community and corporate sustainability standards and the framing of corporate sustainability in a linear and segmented manner, most interviewees argued that the triple bottom line was a useful framework for conceptualising sustainability within the corporate sector. While a few suggested that ‘sustainability’ was perhaps a
better term since it did not imply that the various spheres of impact were separate, the concept of sustainability also had contradictory meanings. An example of this is given in the next section, which looks at the role of the financial pillar as the ‘heart’ that ‘sustains’ the corporate entity.

The Financial ‘Heart’: The Real Bottom Line
While most interviewees felt that a triple bottom line framework was attainable for their company and the Australian corporate sector in the foreseeable future, when broached with the subject of whether the three pillars could be equally weighted, many interviewees were more cautious about the potential of the triple bottom line. Rather, using an organic analogy to describe the corporate entity, interviewees likened its financial status to the ‘heart’ that made the entire system function:

Invariably when something happens you are always going to attend to the financial system first. It’s like the blood pumping around your system, without your heart working the rest of the body unfortunately will atrophy and die. So what you have actually got to do is ensure that the financial heart is fit and ensure that it is capable of delivering a vibrant economic, environmental and social entity. And that’s where I think the real concentration is (Elemental Utilities Company).

There were essentially two different approaches to understanding the centrality of financial status within the triple bottom line framework. Firstly, some argued that social and environmental contributions can only occur once companies are financially stable. This is reminiscent of Maslow’s theory of the hierarchy of needs, where individuals must first meet their physical and biological needs before being able to consider the higher goal of self-actualisation (Maslow, 2000: 3-4). In this case, the corporate entity must have a healthy financial status before assuming the higher aims of citizenship. Therefore, interviewees who used this line of reasoning did not see citizenship as an essential everyday part of good business management, but as an optional extra:
The market will view triple bottom line strategies, but only relative to your economic and business strategic direction going forward. So if you've got your internal shop in order, then that's fine you can go out and work on your social and your environmental stuff. ... If you don't have a strong business strategy that will actually take the organisation forward and [meet] your market expectations then all of the other work will fall by the wayside (Oz Bank).

The best way to contribute to the environment and the social side is by having an organisation that is profitable - [where] ... you are employing people and you are able to contribute and all those sort of things - if you don't have that financial bottom line that's able to provide the opportunities to do the other things, that's a great difficulty. So being profitable is one way of guaranteeing that you can contribute in an environmental and social way (Buy-more Retail Company).

In the second case, interviewees argued that a healthy financial bottom line could only be guaranteed if companies effectively managed their social and environmental impacts. Whether it related to gaining a license to operate, reduced risk of liabilities, or increased marketing potential, citizenship was seen as a mechanism to enhance the sustainability of the corporate entity. This implied that initiatives for sustainable development would only be implemented if they were supported by a business case. Although most interviewees claimed to work within a triple bottom line framework, what they described was a focus on the traditional financial bottom line and an awareness of how this could, at times, be strengthened by taking responsibility for social and environmental issues:

At the end of the day there is only one bottom line that really makes sense or that shareholders are really interested in. But to optimise that bottom line you have to perform well on social or environmental performance otherwise you erode that bottom line. So it's a good way of visualising sustainable development in sort of an operational sense (True Blue Materials Company).
I think if you talked to people in business, their main driver has got to be - and the main talk you would find within the boardroom and within the senior management group typically is - about providing shareholder return. So that is the main driver. You can’t ignore the other factors because they basically impinge on the business and dictate how the business has got to carry out. The focus on the shareholder - serving the shareholder - is probably the end and the way you go about it is the social, the business protocols [and] the environmental concerns (Panacea Healthcare Company).

From this research, the social and environmental pillars were either conceived of as secondary to a strong economic bottom line, or a means to achieving it. It therefore embodied what Davidson (2000: 30) described as the ‘weak’ form of sustainable development. However, in Davidson’s description, the ‘weak’ conception of sustainability that prioritised economic growth over environmental quality and social justice was framed within national and international frameworks rather than a framework of organisational goals. The next section explores what is perhaps the logical extension of this weak position, the act of defining the corporate entity as the primary target (rather than the society and environment) to be sustained through the triple bottom line.

**Sustaining the Corporate Lifespan**

All participants from the corporate sector saw sustainability as a discourse and set of practices within which the lifespan of their companies and the current course of development could be sustained. Therefore the social and environmental pillars were considered to be a path to ensure access to future markets and resources and to avert avoidable risks. Most felt that the changes they had adopted were significant given that they involved the assumption of an agenda that is not traditionally part of their terrain. Therefore, any improvements in corporate behaviour were seen as a cause for celebration regardless of their overall contribution to sustainability.
Many interviewees felt that one of the key contributors to unsustainable development within the sector was the tendency for short-term planning and reward structures. However the potential for sustainability problems to impact on business has led to an awareness in certain triple bottom line companies\textsuperscript{31} that long-term survival is dependent on longer-term planning, where managers take heed of what operating conditions might abound in the future and the effects of social and environmental conditions on revenue projections:

Any business case would have a risk management component and that is our projection for revenue for this new business stream or this new development or this new initiative that the company is doing. ... And they will talk in an economic sense. If there is a downturn in the economy, this is what we are going to do to overcome those kinds of obstacles to ensure we achieve these kinds of revenues. All right, what about the social context? Is there anything in the social plane that might impact on those projected revenues? Is there anything on the environmental landscape that might impact on those revenues? (Chatz Telecommunications Company)

Because of the long-term environmental consequences of business activity, interviewees from industries such as petroleum companies were forced to consider the effects of environmental degradation and resource depletion on their capacity to do business in the future. By considering what resources might be available or even acceptable in the future, business leaders can ensure their company’s survival by investing and diversifying into more sustainable and less controversial products. Long-term planning was thus viewed as being of greater importance for some industries than others:

There is a finite time for hydrocarbons. We have invested heavily in ... renewable energy, particularly solar and wind. So if you are not in there, I

\textsuperscript{31} This refers to companies that have adopted a triple bottom line framework.
mean this is the thing, if you’re not investing in those sorts of areas you are going to be out of the game (Energy Solutions Company).

This association between long-term planning and sustainability was the basis upon which representatives from the mining sector perceived their industry as the leaders in sustainable development. The nature of the mining industry, they argued, required significant up-front expenditures that could take long periods of time before costs were recouped and profits made, thus it was necessary to avoid risks that would damage their long-term viability:

Our mine sites last from twenty to fifty years, even eighty years long. So we invest an incredible amount of shareholder funds up-front looking for a longer-term payment back. That means that it is a long-term investment and also we invest in the long-term into society. Because [of] that fiduciary duty you could turn it around and say that the responsibility of the shareholders is to ensure long-term survival and operability, long-term economic viability. The issue of the longer-term then broadens out that debate around things like reputation, things like license to operate as well (Dig-deep Mining Company).

Survival in the long-term was seen to require a stable operating culture and the avoidance of risks that could result in company closure. For example, a few interviewees felt that companies that had taken large risks with community health were likely to be closed down as a result of their liabilities outweighing their gains:

If you've contaminated the site you work on or if you've damaged a community and are facing future liabilities and so on then the accounting laws require that you include them on your bottom line because they are costs that you've imposed on the business by poor practices that you've undertaken while operating. All the Asbestos companies are now going broke and companies in Lead or toxic metals and so on have big liabilities in their books for the clean-up after their activities for the last fifty to one hundred years (Brewskies Alcohol Company).
The awareness of investors of the tendency for irresponsible behaviour to sometimes lead to an incurrence of liabilities or closure was seen to give incentive for executives to focus on corporate sustainability. The desire of shareholders to invest in stable companies was thus seen to indirectly imbue ‘good’ citizenship behaviour throughout the market system:

There is a very solid financial reason to be squeaky-clean and to have a reputation that is founded and based on solid social performance, sustainable social performance. ... The difference between the asset backing and the market capitalisation is the present value in present value terms of the growth opportunity of the firm. So the shareholders are saying in the next twenty years the firm is actually going to generate this amount of cash but I can value that into my current purchase price, by buying it now I get dibs [a claim] into that future cash flow... If you don’t have sustainable growth opportunity nobody is going to pay the premium, no one is going to pay for the present value of growth opportunity (Behemoth Mining Company).

In order to survive in the long-term, business leaders were also required to take into account any activities that would impact on consumer confidence. The failure of consumers to have confidence in the company could result in negative impacts on the bottom line. In the case of corporate customers, the reliability of supply is of paramount importance. For one interviewee, past projects had brought this issue clearly to light:

Because of community concerns about that project it could have been shut down. So customers are worried that the supply won’t be reliable [and] you can potentially have customers choosing other companies for their source of supply (True Blue Materials Company).

There were clearly certain areas where environmental degradation or social injustice could negatively impact on a company’s capacity to do business in the future. Resource constraints, environmental degradation and risks to
community health were merely a few factors that could undermine prospects for long-term survival and pose threats to more immediate profitability. One of the main justifications for citizenship however, is the effect of a company’s past activities on their current operations - their ability to gain a license to operate.

**A License to Operate**

One of the main concepts discussed by interviewees in reference to corporate self-interest is that of a ‘license to operate’. This refers to the literal granting of operating licenses and development contracts by governments, as well as to a condition in society where stakeholder consent for corporate developments and operations is important to the stability of the corporate sector. Because of the capacity of stakeholder groups to exert influence on corporate life, interviewees began to experience a sense that their companies were firmly fixed within the social realm, rather than isolated organisations:

I think these days a corporation has to increasingly think of itself as part of the community and its reputation is not just PR [public relations]. It is actually on the ground performance, how you engage with the community at [your] local sites [and] how your employees fit within the community ... Reputation is critical in different ways, the old way of being able to access resources and the new way of being seen to be part of the community - part of society - and I suppose this is where corporate social responsibility comes in, in trying to define and articulate where the corporation fits within a societal construct (Dig-deep Mining Company).

Business just can’t separate itself from the community because ... people live there, you work there, [and] you sell your products to the customers that live there and work there. We actually have a community relations guide given to all of our sites that suggest the sorts of things that they can do to be more a part of the community (Bob's Building Materials Company).
In relation to stakeholders from government, NGOs, or local communities, the license to operate involves two roles, one as an agent for monitoring companies and punishing them when they do not display ‘good’ citizenship behaviour and another role of working with companies in an effort to achieve or discover mutual aims. This next section will look at the former, while the section after will explore the attempt to gain active stakeholder support by establishing a framework of engagement with local community and employee stakeholders.

The Global Goldfish Bowl – Avoiding the Attention of Critical Stakeholders

Many interviewees at some point in their careers had worked for companies that were the subject of local community or NGO protests and had suffered damaged reputations. In line with Elkington’s notion of a ‘global goldfish bowl’ (Elkington, 1997: 163-164) many argued that globalisation had brought an increased transparency to their actions, where accidents, oversights, or intentional breaches of standards would quickly bring the critical attention of stakeholder groups:

The biggest thing about globalisation is the technology, these days it’s instantaneous. What you do, [if] you stuff up, it’s known around the world straight away. … The information flow is instantaneous. There are no secrets anymore. If you stuff up in one country everyone knows about it. Your shareholder value can be diminished. Your reputation can be destroyed by doing something in a remote place. Because of technology, these days everyone knows about it (Energy Solutions Company)

While a good reputation often took many years to build, interviewees felt that their company’s good name could be tarnished in an instant, by events that may well be uncharacteristic of their general operational culture. One interviewee suggested that the good safety reputation of her company was lost overnight when an employee was seriously injured. A campaign initiated by a trade union immediately brought media attention and questions from the company's overseas affiliates and contacts:
It was picked up on the TV. It was around the globe in the space of about twenty-four hours. ... I had contact from our overseas plants asking what the hell was going on. So it highlighted that it is a very, very small world now. Any negative press, particularly the larger the company becomes, will get picked up very quickly. Although it didn’t end up in normal papers overseas it would end up in trade magazines and stuff like that, that we would read and our customers would read (Pack-right Materials Company).

Once a company’s reputation is damaged, the effects can long outlast their involvement in the particular incident or project. Their reputation for irresponsibility can become disassociated from specific events and become part of their brand or corporate identity. That is, the general public may identify the company as irresponsible without having specific details regarding why they have gained such a reputation. While attending a public event, one interviewee heard his company criticised by a comedian who suggested they had destroyed the environment and quality of life for an indigenous group from a region the company had not worked within. The company’s reputation for similar activities in the past had not significantly improved despite the cessation of the controversial project in question:

The comedian - he got up and said he would buy twenty people enough shares to come and vote at the AGM of the black-hearted [company] because they’re digging up the resources ... and they want to dig more. We don’t have any operations in [... that country], we never have! ... So I think what that highlights is that when you do have a problem it takes a hell of a long time to recover from it and rebuild your reputation, then it can be lost in an instant if you have another problem. We just can’t afford as a company to have those sorts of issues (True Blue Materials Company).

It was not only individual companies that had damaged reputations, but in some cases, whole sectors. Interviewees from the finance industries felt they had to work hard to gain the public trust they felt was vital to staying in business:
There is a complete loss of trust in banks. Social research like the McKay\textsuperscript{32} Report and those sorts of things tell you that not only have people given up on banks in the trust category they have also given up on politicians and lots of other people generally. We are so on the nose that it's not funny. But we have been on the nose for a while so you know we're sort of over the shock factor, you know we're actually just trying to be proactive now and doing something to correct it (Oz Bank).

In each case where interviewees discussed an incident that had brought damage to their company's reputation, they felt that a valuable lesson had been learnt. Although they did not agree in all cases that the company was at fault, they all noted the importance of dealing with subsequent issues proactively, whether that included improving safety measures, environmental management or community relations:

It is extremely unfortunate that there was an injury, an accident on the site ... We are making jolly sure that those sort of accidents can't happen again. We are making damn sure they can't. At one plant there is even what they call the 'gumboot test man'. Where they actually place a gumboot in the path of ... an automatic guided vehicle to make sure that the right guards are working on it properly and the vehicle stops and all the rest. You would rather put a gumboot in front of it than a person (Pack-right Materials Company).

In this last example, the major lesson aside from updating safety measures was the importance of expressing regrets publicly and assuring the public of the importance placed on safety within the company. That is, it provided an important lesson in public relations. The reason the company did not relay these concerns, the interviewee argued, was because trade union organisers (who had initiated the media attention) had used the incident to further their Enterprise Bargaining Agreement negotiations and the company did not want

\textsuperscript{32} The McKay Report (now known as the IPSOS McKay Report) is Australia’s longest, continuous running social research program - investigating Australian social trends and public opinion (IPSOS, 2005).
to make a statement that could give the union any bargaining advantages. What can be inferred here is that investment in occupational health and safety not only protects corporate reputation but also removes a significant stimulus for industrial struggle and union involvement that could lead to more costly outcomes. Again this demonstrates the common theme where the justification for more responsible behaviour is financial imperatives (this time, through avoiding unwanted intervention):

Unfortunately at that plant there were also some industrial relations issues and two weeks later the guys were on strike to do with industrial relations issues. The Enterprise Bargaining Agreement negotiations had come to a stalemate and the union used the injury very, very, very effectively! ... They sold it to the media very much as a safety story. So you never actually heard that they were in the middle of a union negotiation about wage rights etcetera. ... Because it was in the middle of Enterprise Agreement negotiations, our management team were concerned that if they said anything they would only inflame the strike even further, so they chose not to. How the media read that then, was company says 'no comment' - which makes you look as guilty as hell (Pack-right Materials Company).

Because of the greater transparency of corporate activities, interviewees felt that it was essential that their past mistakes were not repeated. Therefore, although dumping waste in a river system was a viable second preference for waste management for one company in the past, the interviewee noted that the increased interest in corporate activities made such behaviour untenable in the current period:

That engineering work was flawed so the project couldn’t be built as designed and so the company and the government ... made the decision to proceed with a different waste management strategy, which was basically just to chuck the waste in the river. That sort of decision wouldn’t be made now, it’s just not really a relevant scenario twenty years later on. But back then it seemed like a reasonable thing to do and we had to deal with the
legacy of that decision fifteen years later when times have changed and people’s perceptions have changed (True Blue Materials Company).

Protecting corporate reputation is a major factor in gaining a license to operate. By wilfully or accidentally degrading the environment or undermining social conditions, the legitimacy of companies can be undermined in the eyes of governments or other bodies with whom they are seeking contracts and everyday operations can be hampered by community protests. With reputation as a critical issue, interviewees found that it was in the interest of their company to have stakeholders on-side as much as possible.

A ‘Bank of Goodwill’ - Getting Community and Employee Stakeholders Onside

The attainment of good relationships with local communities and other stakeholders was seen by many interviewees to be as important as avoiding unwanted interventions. Proactive engagement could lead to a reduction in relations of conflict by giving the community a sense of ownership or inclusion in the company's activities and an opportunity to discuss issues and problems in a private arena.

Local communities were identified as an important stakeholder group because of their close proximity to corporate activities. This close proximity meant that the community would quickly know if something went wrong and would take action to remedy the situation:

Your performance is measured by society because it's very open and transparent [and] you are not stuck out in the middle of nowhere, you are smack bang around a community. [With] our refinery we have got houses [and] a school sitting right next to us, we've got housing all the way around it. If you do something in terms of, you know, an alarm goes off, everyone knows something is going on and you read about it the next day in the paper (Energy Solutions Company)
Where a company had a high profile within an area, interviewees noted that the community had greater expectations in terms of their responsibilities. This is often evident in the reaction of communities to the closure of plants in towns where one company is primarily responsible for the economic stability and employment provision of the area. In any community where a company is well embedded, interviewees argued, corporate representatives should expect ‘feedback’ if the company does not meet community expectations:

If we’re making lots of noise, if we’re injuring people, if we’re a nasty, mean employer, I think the community lets us know fairly quickly. ... I think we’d get feedback simply because we’ve got a fair degree of involvement in the community. You can't avoid it because we’re a fairly large - I don’t think we’re the largest ... employer in the area. But lots of people that we employ are actually in the ... area itself or in the [surrounding] area (Elmo’s Industrials Company).

In many cases, community consultation involved companies informing the community of their plans for development, seeking their involvement or advice and listening to their complaints through ongoing community forums. While interviewees felt that it was difficult to get support from the entire community for their endeavours, community engagement had given them a forum to present their side of the story and to counteract and inform the views of NGOs, the media and the critical elements of the local community. Forums could give companies the opportunity to make the community feel safe about their proposals and to provide them with an incentive to support them:

The biggest thing you’ve got to do with community is alleviate any fear of detrimental impact that you’re going to have on their amenity. Or you give something back, you say ‘right, well in essence, I’m taking a bit of this, maybe it’s not what you want, but how about we do this and we give something back to the community? Do you guys need a community hall or a facility or whatever?’ (Darwin’s Developing and Contracting Company)
By granting concessions to the community, their consent for development proposals could be gained more easily. In cases where communities were categorically opposed to developments however, plans had to be terminated or alterations made:

We do it all the time in Australia where we will get an exploration right over a certain patch of land... a government right, you know. You then have to negotiate to get the community consent to explore on that land and they might say ‘well you can explore over ninety percent of it but here's four areas that are sites of huge significance for us and we don’t want you to go there’. So we will agree to explore over the ninety percent and not go onto the areas that people don’t want us to go on to because they are too sensitive. We do it all the time. There are many instances, on all scales, of us not forcing our will upon community groups (Behemoth Mining Company).

Through engagement, the community could gain a sense of connection to the project and the company had the opportunity to understand the community’s expectations and take on board some of their demands. As a result, the process of development could occur relatively smoothly and with a reduced chance of legal action resulting from community dissatisfaction:

You’ve got to involve community when you want to do something rather than fighting all the time and ending up in a land and environment court. You say ‘right ok, I’m putting the building up here, what can we do to do this? This is the building’s shape, how’s that going to impact on other people?’ So you get your community involvement in it - it’s essential. You get the community behind it and that’s it, you’re away! If you don’t get the community behind it, you could be in and out of court for the next five to six years (Darwin’s Developing and Contracting Company).

Once a project was underway, interviewees felt that their companies would face less criticism from the community if problems arose, as a result of early
or continual consultation. The rapport built through community engagement could lead the community to take a supportive stance of the company:

A ship was unloading in our storage facility ... [and] there was a leak of ... crude oil. Admittedly the ship was at fault so it wasn't [our] company but it was our facility so our reputation was at stake. We came out of that with a better relationship with our stakeholders than we previously had because all the [ground] ... work had already been done. ...So it's a case of where [the community] were actually our supporters through the spill ... and were vocal advocates for the company (Energy Solutions Company)

The process of engagement was seen to develop a level of rapport between companies and local communities. The resulting ‘goodwill’, they argued, could be stored and used at a later date:

If you have a crisis tomorrow and you have built up a bank of goodwill amongst the community they are more likely to take your views into consideration, to give you the benefit of the doubt (Dig-deep Mining Company).

As internal stakeholders, employees have a fundamentally different relationship to companies than local communities. Given that wages are typically one of the largest regular outlays, it is not surprising that relationships between employees and employers are often fraught with tensions. However, in the corporate citizenship discourse, employees are identified as stakeholders who have an important influence on corporate culture (Marsden and Andriof, 1998: 331). In dealing with this social aspect of corporate citizenship, interviewees felt their primary responsibility to staff was to provide an environment that would increase morale, productivity and loyalty. Responsibilities to employees are not based on a ‘rights’ discourse but rather a discourse of human capital where the underlying goal is organisational unity. Corporate citizenship also brings extra responsibilities onto staff, by making them more responsible to the corporate and wider community.
Interviewees’ understandings of their social responsibilities to staff revolved largely around concepts of human capital. Employees were seen as a resource whose potential could be harnessed if sufficient investments were made in them. Ignoring the innovative potential of the workforce was seen as a waste of human capital as well as a failure to expand opportunities for broader contacts in the community:

This company employs two-and-a-half thousand people and I can almost guarantee that if you employ the six degrees of separation type principle to that we would have people in this company that know everybody. That is an absolutely enormous resource to have in your hands because you can use it. People, I think, underestimate what that's worth (Metallica Materials Company).

Corporate investments in staff were seen to benefit the company as well as the community. By offering employees opportunities for advancing their skills and personal development, a company could simultaneously create better staff and ‘better citizens’:

We have... a lot of time devoted to training, to their personal development, to up-skilling them, to making them more aware of themselves as people, to being better individuals. ... Now there’s a spin-off for us because of a healthier person is going to contribute more and is going to be a longer-term contributor to business than someone who is not looking after their personal health. But the net effect is as an outcome of people working within this business [...] generally better equipped to deal with their life outside their work than otherwise. ... If the business didn’t run, then that up-skilling and the development of those individuals wouldn’t occur.

So we provide an educational contribution to the community. We would like to think that we produce better citizens - people who are capable of contributing to the community (Brewskies Alcohol Company).

Companies with a good reputation, many interviewees felt, could attract the best staff. Sustainability conscious employees and employees with an
interest in protecting their personal reputations would be drawn to companies with a name for sustainability. Corporate citizenship was therefore of benefit to the company through attracting and retaining the best recruits:

You have graduates now with high expectations of companies, not just from a financial reward point of view but probably more from their own reputation as well. ... Making the wrong decision could hurt their livelihood. So I think that is an important area. We have to make sure the culture is changing because we are trying to attract the best and retain the best and how do you do that unless you are the best? (Energy Solutions Company)

Triple bottom line companies were also seen to provide more pleasant and fulfilling working environments that would aid staff retention. Companies could therefore benefit from the increase in morale that this culture brought. In one organisation, the ‘good’ citizenship culture translated into staff having a clear sense of direction and contentment. In another organisation, high staff motivation was seen as a product of the inspiring work that the company performed:

Any organisation or business is a series of assets and I suppose people’s ideas. So they’re the assets of the organisation in [our] case its the factories and the ideas of the people. ... You don’t get any benefit out of the ideas until people do something with it. That’s what the principles and behaviours are all about - making the people feel aligned, committed, happy about coming to work for a company like [ours] (Osmosis Chemicals Company).

We look at ... [expenditure on social responsibilities] as an investment. It makes work much more exciting in a fun way. If staff are passionate about really interesting things, the benefits far exceed it. If you can get your staff talking about social issues rather than bitching about each other then they are going to be more productive aren’t they? It’s a healthier environment for everybody. I’ve worked in places where everyone is too
scared to say ‘hello’. It’s a much nicer environment where the people are actually thinking that they are doing something positive (Gaia Skin and Hair Care Company).

To ensure that staff are content and productive, interviewees felt that a triple bottom line culture had to include the provision of a safe and pleasant working environment:

They’re not going to feel happy if they’re working for a company where their fellow employees are getting their fingers chopped off, or in a plant down the road one of their employees was killed because it was unsafe. They’re not going to feel happy working for a company that is regarded as one of the biggest polluters in the world. And they’re similarly not going to feel happy about a company that is a financial basket case either (Osmosis Chemicals Company).

If you make things at work nice, if you get enough light and you get enough airflow, if it feels better, all these studies have been done to show that productivity goes up. So in any building, about eighty to eighty-two percent of your outgoing costs in the building are on salaries - on people’s wages (Darwin’s Developing and Contracting Company).

Staff loyalty was another factor that was increased as a result of a citizenship culture. In the same way that community consultation and involvement had given local communities a sense of ownership of corporate activity, the involvement of staff in the planning and implementation of sustainability programs gave employees a sense of involvement and ownership of the company’s aims:

[We have...] just introduced a new situation, a new culture program. The Managing Director in introducing this ... spoke directly to more than a thousand employees ... we’re talking about people at all levels of the company from the shop floor right through to probably just below senior management. ... They were asked the question of ‘What would make [us]...
a great company?’ ‘What was [the company] like when it was a great company?’ ‘What changes do we need to make?’ ‘What changes can you make?’ So we got those thousand people - their ideas - and we selected forty from each of those focus groups. .... They had a two-day workshop and they came up with four key principles that will drive [us] in the future. And they relate to safety, health and the environment, [and] commercial accountability. ... The line is ‘run the business as if it's your own’ (Osmosis Chemicals Company).

While the reward of a wage is enough of a motivating force to attract workers, building staff loyalty to the company was essential for bringing them closer to management and the aims of the company (and perhaps less interested in campaigning for better wages and conditions):

At the end of the day, everybody expects to get paid for the job they do ... whether you like working somewhere or not is an entirely different thing. And it's about health and safety but it's also about listening to people and seeing if they have got some good ideas you can tap into and that is an enormously powerful resource. ... And if you tap into that you have got an enormous resource, not only do you get a better job done but you also forge a loyalty toward the people and the management that would never exist (Metallica Materials Company).

At the same time that corporate citizenship has brought attention to the benefits of creating a culture that inspires staff loyalty and productivity, it has also brought extra responsibilities to bear on staff who are expected to contribute to the corporate and wider community.

In relation to the local community, employees were encouraged to contribute their time and skills to particular community development projects. Some interviewees saw these obligations as form of civic duty that comes with employment in the company, while others saw it as a reward that is staff driven:
Each employee has to do sixteen hours a year in the community during paid work time and that is part of their work contract, it's a non-negotiable, it's not like a nice-to-do, it's like you have got to do it and we point that out to people when we employ them. So they can make a difference even in the traditional areas of business they don't have to be actively engaging with a customer to feel they can make a difference in the community. ... So we believe that it doesn't matter whether you are a finance company or what sort of company you are, what sort of occupations your staff are, there are things that they can do to make a difference (Gaia Skin and Hair Care Company).

We give each staff member eight hours of paid volunteer leave a year. That's staff driven, that's acknowledging our staff's want to volunteer and engage at a local level. So we have teams of people going off to do whatever it is that they are passionate about. Yeah so it's quite exciting (Oz Bank).

Staff participation in community projects held multiple objectives for companies. Firstly, it was seen by some as a means to have greater involvement and control over their charitable inclinations. Rather than merely giving to communities or NGOs, companies could make active contributions by involving their staff in the projects (which can be a replacement of, or an addition to financial contributions). Staff involvement ensured that the projects were of greater benefit to the company:

We don't just now give money [to community organisations] we want to be involved and we want to be partners. And whether that is a result of triple bottom line being popular or ‘the thing’ these days. ... We want to be doers and [be] involved and that's where we've changed. Now I think that fits in with most of the things that people want to do now but it's not as simple these days as coming to us and saying you have got a good cause would you like to give us some money. We think we contribute more by having our people involved, knowing where the money is going, working with the
NGOs and saying ‘how can we all contribute to this and what will we all get out of it?’ (Buy-more Retail Company)

The involvement of staff in programs also ensured that the company's contributions to the community were more visible. While the recipients often recognised philanthropic contributions in formal acknowledgements, the involvement of staff in community projects could ensure that personal connections were made between the company and the wider community. By doing so, interviewees hoped that their companies could be recognised as a part of the community. Hence, wage labour could be performed as a community service:

It's no longer a matter of giving money to the local football team; it's a matter of giving some time off so your employees can work within the community on community-based projects. That to me, is a much more ingrained, a much more integrated view of how corporations should be seen (Dig-deep Mining Company).

Other justifications for staff engagement were similar to those for investment in other areas of human capital. That is, it was seen as another mechanism for promoting solidarity between different levels of the organisation and to build in employees a sense of pride and loyalty to the company:

I’ll give you the perspective of an employee, I don't know of an employee that doesn't enjoy them. They are absolutely great days, they're phenomenal days! You get out there you also meet other people within your company. Because it's not just like me and all my mates go to one area and do this job, it doesn't work like that (Darwin’s Developing and Contracting Company).

The relationships built with stakeholders were seen to differ from earlier periods of corporate citizenship where there was a greater focus on philanthropy or projects that did not include a cultural change throughout the entire organisation. Relationships with the community and employees
(partnerships with NGOs will be discussed in Chapter Seven) thus reflected the more direct and operational focus of the triple bottom line or sustainability framework. For the arena of community involvement, greater direction by the corporate sector meant that the community would be more supportive of companies that had undergone consultation with them, shoring up a store of ‘goodwill’. The valuing of human capital was similarly based on building a sense of loyalty to the organisation whereby the company benefited more fully from the labour force as a resource.

**Summary**

As presented by the corporate sector representatives in this research, the triple bottom line is a framework wherein the financial pillar retains its position as the singular bottom line and the social and environmental pillars are secondary to this, or a means to sustaining the lifespan of individual companies and the corporate sector. For the interviewees, the triple bottom line implied a framework for ensuring that the combined impacts of social, environmental and economic factors are managed to a state where the current and future viability of the company is ensured. Each pillar was to be taken into account only to the extent that it impacted on the immediate and long-term operations of the company. Within this framework, stakeholder relations were viewed in the same manner as the literature, as a means of ‘managing’ groups in a way that enables the company to meet its objectives (Jonker and Foster, 2002: 188). Through community engagement, corporate representatives ensured they had an arena in which to voice their perspectives on their operations, whereby they could establish a store of ‘goodwill’ that could increase the likelihood of community members having greater sympathy for corporate problems and a stronger sense of inclusion in the company’s operations. Treating employees as stakeholders similarly did not entail a framework of rights but a collection of diverse initiatives that would make them more productive and loyal, thus enabling the company to make most effective use of their skills and contacts.
From this exploration of the triple bottom line framework and the justifications for it, the next chapter will explore the nature of the responsibilities that interviewees felt would befit the corporate sector in a global, predominantly ‘free’-market society. It involves an outline of the interviewees’ visions of a flexible form of citizenship that is based on proactively dealing with the impacts of particular industries and companies, and the requirements of different operating contexts.

CHAPTER 4
The Voluntary and Flexible Path to Sustainability

(Views from the Corporate Sector)

Introduction
Looking again at the views of representatives from the corporate sector, this chapter explores their perceptions of the ‘correct’ role of companies in a market-based society. Following on from the basic outline of the triple bottom line in the last chapter where interviewees examined the influence of social, environmental and economic factors on organisational culture, this chapter broadens the frame of reference by looking at how they felt contextual requirements necessitated the adoption of a largely voluntary and flexible form of sustainability. Perceiving the ‘free’-market as the most democratic system of governance, interviewees argued that voluntary and flexible forms of sustainability allowed them to meet societal and market expectations. The chapter begins with an exploration of ‘development’, as understood from the worldview of corporate sector representatives (which is contrasted with the worldview of NGO representatives in Chapter 6). Adhering to an ‘evolutionary’ conception of development, they argued that globalising capitalism requires companies to alter their operating cultures in line with the evolutionary stage of the country they are operating within. As such, the market and the activity of the corporate sector within it, were seen to reflect societal expectation. In addition to adapting to contextual and societal expectations, other key reasons for supporting flexible and voluntary forms of sustainability were dealing with industry and company specific impacts and having a sense of ownership of sustainability initiatives within the company. However, many interviewees also conditionally supported the existing baseline of enforceable regulations in areas such as occupational health and safety and environmental protection.
**Evolutionary Requirements of ‘Development’**

While the concept of development did not feature in the interview guide, it is not surprising that many interviewees referred to it directly given its close association with the notion of sustainability and in particular, with the notion of sustainable development. Most corporate sector interviewees described development as an apolitical, universal good that arose from economic and consumer growth. Their conception of development did not entail quality of life indicators but rather was based entirely on indicators of economic growth through private sector development.

All corporate sector representatives felt that development was the main contribution that companies made to society. In their estimation, development was an automatic by-product of everyday business operations. Through private sector investment, local and national economies were boosted, products and services were provided to the public and employment was created. ‘Free trade’ was thus seen as the path to economic prosperity, which in turn provided the benefits of development:

> I would argue that free trade is a way to economic prosperity. If you look at Jo-burg [the Earth Summit in Johannesburg] in terms of what some of those key underlying agendas were, I saw some of the protests ... and there were people from developing countries with banners saying ‘give us trade not aid’. Now these days they have changed, where perhaps at the summit in 1992 it was one of ‘give us aid’ ... But now they are actually standing up and saying ... ‘we don't want those trade barriers because those are the things that are stifling economic growth and with economic growth comes the various benefits - sanitation, better education, etcetera’ (Dig-deep Mining Company).

Development within the global capitalist market was seen as being inherently more sustainable than development within a ‘controlled economy’. The profit motive of capitalism was seen to ensure the efficient operation of the corporate sector, giving them the capacity to innovate beyond their primary
role and traditional means of achieving it and to contribute to society more broadly:

We can only [make a contribution to sustainable development] if we are a viable operation, so we have to make profits and that’s why I think in a free market based economy you will find that those economies typically have a much better sense of contribution to sustainable development than a controlled economy (Dig-deep Mining Company).

As a social organisation, the corporate unit was credited by interviewees for its precise divisions of labour and authority and its effective use of resources and high productivity. One interviewee compared it with community authority structures, while another compared it with production within the home - both found the corporate methods to be far in advance of community ones:

Good corporations work on defining a clear set of policies, which then articulate into working principles, which then go all the way down into programs. The concept of hierarchy and accountability is implicit in all of that, which is actually missing from the way that most communities work - it is not the way most communities work. I mean communities are a complex milieu of constantly played out power games whereas corporations are so bloody efficient because you can't speak outside your own area of accountability (Behemoth Mining Company).

Our brewery ... produces the same sort of waste as about a quarter of a million individuals so it has huge impact. But if we stopped doing it and a quarter of a million individuals started in their own homes doing the same thing that we do, then the net environmental impact would be the same. In fact it would be worse because we are more efficient. We are consolidated and do it in a much more efficient manner. ... The net pollution coming from those activities will be much greater than that of a consolidated entity (Brewskies Alcohol Company).

Within the global framework, most interviewees saw development as an evolutionary process. Perceiving the market within Darwinist terms, they felt
that countries had developed at different rates in terms of the ultimate goal of advanced consumer capitalism. As in the last chapter where economic prosperity was deemed a prerequisite for developing a more ‘sustainable’ corporate culture, many interviewees considered economic prosperity a prerequisite for the sustainable development of societies. Having reached a sufficient level of economic development, industrialised countries were able to develop qualitatively in the pursuit of sustainable development. Industrialising countries however, were required to undergo the process of economic development before progressing onto sustainability. The interviewees therefore implied that low wages and environmental degradation were developmental requirements:

I have come to recognise [that] a good environment is a privilege of the rich. If you can't eat and you can't sleep and you haven't got health care then environment tends to come pretty far down the line. ... So the pollution we've historically had has been terrible and of course the Western world has built its wealth on that. And now we turn around and we say [to developing countries] ‘well no you can't cut down your rainforests and you can't do this and you can't have soil degradation and those kind of things’ but at the end of the day [they are] the only resources those people have available to them. So unless they can obtain funding to increase their living standards to what we did two hundred years ago they say ‘bugger it then you pay for it’ (Metallica Materials Company).

Is [the] environment a fairly significant issue in China? Is corporate citizenship a significant issue in China? I’m not saying it's not, but I suspect it's not necessarily high on the agenda. It’s also very difficult to stick it high on the agenda of developing countries when people say ‘we need income, we need some wealth because we need to provide hospitals, we need to provide roads’ and if you’ve got a company that rapes and pillages, then at least if they’re providing hospitals, some wealth, some roads. It’s really hard. It’s fairly easy for us in developed countries to say ‘oh, you should be saving your forests and you shouldn't be polluting!’ We’re not
going to give you much money and whatever we give you is going to be tied up with requirements and rules (Elmo’s Industrials Company).

By taking advantage of ‘developmental’ conditions, most interviewees felt that the corporate sector was advancing development rather than contributing to a downward spiral in wages, working conditions and environmental standards. However, with the increased transparency of corporate activities (as described in the last chapter), work in industrialising countries had become more difficult for companies due to the expectations of consumers and activists in affluent countries. While some interviewees felt that companies could legitimately take advantage of developmental conditions, they felt that the benefits should be weighed up against the damage that could be incurred to brand image:

['X' sportswear company] reassessed the way that they manufacture some of their stuff. It makes you think of what makes sense within different parts of the world and what makes sense when you are perceived as a Western giant. And realistically I am not advocating child labour or anything like that, but within some contexts within the developing world, different manufacturing or labour type environments may make sense within those economies ... What does that mean when you are a global brand? And if you are ... a Western global brand then normally you have to develop your manufacturing, your plants etcetera to meet the Western requirements of what is perceived [as acceptable]. The old saying of ‘when in Rome do as the Romans do’ doesn’t really apply in that respect (Pack-right Materials Company).

Whether or not social or environmental initiatives were implemented, interviewees felt that companies should consider their business operations from a triple bottom line framework. That is, business leaders should consider the extent to which exploitative or unsustainable business practices posed a risk to the company’s financial bottom line:
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If ['X' sportswear company] felt that sweatshops in a social context could be a major risk, was it on their business case? ... Did they consider sweatshops to be a risk to their business or was it just driven by economic terms? Did they consider the environmental and social risks of deciding to do business in Asia? ... That's what I’m saying about considering the TBL [triple bottom line] as part of business strategy rather than reporting. That's what I think is important (Chatz Telecommunications Company).

The perceived need, on behalf of the interviewees, to subjugate sustainability to development was not confined to industrialising countries. The nature of the competitive market meant that new products and technologies were continually being created; leading to different risks and impacts. While programs for sustainability may be adapted to take these changes into account, a few interviewees felt that development had created a level of complexity in production and demand that meant that certain risks and impacts would continue to be inevitable:

You don't set out to injure but the nature of the operation is, at times, your systems just don't work effectively, your systems need to be improved [and] people do things - I don't know and you injure people. ... I’m not suggesting you should be swapping injuries for employment and there's some sort of balance, I have lots more employment therefore I’m willing to cop more injuries, but I think the reality is [because we are] state of the art in terms of the production processes, etcetera, we appear to injure people. But you can't close the company down, so I think there is a recognition, an understanding - people don't accept being injured - but at least there's understanding with the state that we're in, that it happens (Elmo’s Industrials Company).

I suppose its one of those issues ... about community judgment, about balance between risk - do you have the risk of a chlorine plant that has been producing chlorine ... for probably fifty or sixty years without any serious incidents as opposed to either transporting it or not having it and taking the risk of having bugs in your drinking water and that sort of stuff. It's all a balance and a compromise (Osmosis Chemicals Company).
A complex, ‘developed’ society has not only led to hazardous production conditions and a reliance on toxic chemicals, but also a reliance on disposable consumer goods, some of which have a very short shelf life:

I think our company ... has proper commitment from senior management [for sustainable development], but being a newspaper that operates on a daily basis you have a product that has a shelf life of about 10 hours which is the most perishable of all perishable goods. ... We work from a time when the most important thing in the world is to get the paper out on the street early, which is still one of our greatest priorities, but we believe that there’s no job that should be done that can’t be done safely and environmentally safe as well (Real News Media Company)

The interviewees’ views on the evolutionary nature of development provided significant insight into their perceptions of sustainability. In the same way that the financial pillar was seen as the ‘heart’ of the triple bottom line in the last chapter, development (conceived of as economic growth through private sector development) was seen as a fundamental requirement, to which sustainability was secondary. Once companies are financially viable and countries developed, more sustainable forms of growth can be considered. Rather than being linked to a preoccupation with economic matters, most interviewees saw this as a product of a democratic sector that met the dictates of societal demand - countries with minimal infrastructure and high levels of poverty expected companies to take advantage of their developmental conditions, while affluent industrialised countries had greater expectations of sustainability, that were counterbalanced with opportunities for further development.

**The Global Market Fits into Societal Expectation**

Amongst the corporate sector representatives, the global capitalist market was held as the ultimate democratic ideal. Under this framework, the corporate sector's role is to meet society’s continually expanding needs in the
most efficient manner and under the conditions generated by market forces. Most interviewees felt that governments and companies should not limit production in line with sustainability criteria given that this would be unduly interventionist and undemocratic and could also pose problems for the economic bottom line:

The natural drive of an organisation is to produce more, is to become more and more efficient to meet society's needs and those needs are still growing. ... So there are difficulties there, [...] such as] what is the role of a corporation, should it limit production and tell society that it can only have so much nickel ... or is that a broader role of society [to] look at sustainable consumption patterns and make those decisions? Companies and members of companies like myself can contribute to that debate. But I don't think the role of a corporation is to make those judgments on behalf of society (Dig-deep Mining Company).

It's a difficult call to say that companies should take some stand and say we will only make these goods, because if a consequence of taking that stand is they go out of business, then it's like the last act of defiance with the mouse's attacks to the eagle, because ... pragmatically it's not a very sensible thing to do (Metallica Materials Company).

Within this framework where the market determines what companies produce, sustainability programs are reliant on meeting consumer demand in the most sustainable manner available and in a way that does not impact on the health of the financial bottom line. The most that can be hoped for is that market forces will exert pressures toward sustainability and that each company will adopt the best sustainability practices that can be implemented in line with their particular industry.

One interviewee felt that there were essentially two categories of 'corporate citizen', those from industries that needed to undertake sustainability initiatives because of the tremendous potential for devastation of their operating impacts and, those from industries that have nominal social or
environmental impacts but have a significant influence on sustainability through their relationships with other industries. This was a view that was supported by the comments of other interviewees:

I think you’ve got a select number of leading companies who are providing triple bottom line reports. They ... tend to come from what I heard someone refer to the other day as reputationally challenged industries such as tobacco, alcohol, oil and mining, where in a sense they need to garner community support as their license to business growth, otherwise they have too much social pressure that actually retards their business growth. People see the finance industry as an enabler industry both for good and bad because we actually provide the capital, so we can be a bit of a gatekeeper if you like. We put criteria on the funding that can actually have a downstream effect on a business that we invest in (Assured Finance Company).

The industries most commonly discussed in this research that represented the first category of corporate citizen were mining companies, petroleum companies and aluminium companies. These were the industries that were subject to the most criticism from corporate sector interviewees (and from NGO representatives, who also focused on sportswear companies). The triple bottom line incentive for these industries was the goal of gaining and maintaining a license to operate, with societal demand primarily coming from external agents such as NGOs and governments. As indicated in the last chapter, the longer-term nature of investments and rewards for mining companies (this is also relevant for petroleum companies) were seen as a catalyst for sustainable behaviour. Representatives from mining companies were aware of the criticisms of their industry, but felt that mining could legitimately be included within a sustainability framework that was broadly, rather than narrowly, framed:

Some would argue that digging large holes in the ground, producing tailings, dispersing emissions and dispersing metals in some form of products - some would argue that's not sustainable and on that simplistic
basis I would probably agree. If you look at sustainability in the broader scope of can mining contribute to sustainable development, then I think very much it can. There are competing priorities, there are competing contributions that industry can make, not only for its shareholders and for its employees, we've certainly got a much wider stakeholder grouping than just our shareholders and employees and the communities in which we work, that broader community at large (Dig-deep Mining Company).

The second category of corporate citizen was typified by the finance industry. The motivating force for ‘good’ citizenship behaviour in this case was the avoidance or risks that are associated with clients or customers with unsustainable behaviours. Such pressures placed on the corporate sector from within, were deemed by many interviewees to be strong drivers for sustainability and were considered legitimate pressures given their genesis in market relations:

What would it mean to your business if [your clients] were put out of business, what would it mean to your business? Quite a lot! That's significant and the reason its significant is because [of] the amount of risk that is attached to that customer. So with organisations, either someone will help them identify risk or they need to identify it themselves and I think that is where the greatest potential lies for true triple bottom line and true corporate citizenship (Oz Bank).

The opportunity for spreading sustainability from within the sector was not only limited to the finance industry but could also be undertaken in any industry that sought to place sustainability conditions on its suppliers and contractors. For companies with goods that are marketed on ethical or sustainability credentials (as represented by this next interviewee), these supplier conditions can be essential for the legitimacy of their product. Thus it could be argued that there is a third type of corporate citizen that is motivated by consumer demand for ethical and ‘sustainable’ products:

We think that businesses are in a fantastic position to educate, particularly retail business. Because you have huge amounts of customers come in
through your doors every day. It’s a fantastic opportunity to actually help educate them about something going on globally that they can do something about. ... There is [also] an education process involved that is really long and slow in terms of looking at all the different suppliers of product and going back to the source and making sure that what they are doing is the best way ... There is quite a few hoops that they have to go through for us to prove that they are ethical, that their work practices are safe and that their staff are not being abused and that any wood that they get is recyclable and there are endless things that they have to do before we will endeavour to do business with them. So that gives a very strong message and if everybody was doing that then it would be totally sustainable (Gaia Skin and Hair Care Company).

Across the range of industries, interviewees felt that sustainability was a matter of balancing or attempting to prioritise a range of competing demands that arise from different stakeholders, from the market and the community:

You basically become all things to all people at all times. And if something breaks ... it’s really a hard balance but I don’t think it’s unachievable. I think you can do it but probably not to the satisfaction of your real analyst if you like, for the stock market. Or you’re not going to do it to the satisfaction of your radical green person either. So it’s somewhere in between. So you’ve got the real financial capitalist on the one side and the mud-brick, tree-hugger, humpy on the other side, if you like. And really, where is the best line for everyday business? I suppose it’s somewhere in the middle (Darwin’s Developing and Contracting Company).

Representatives from the corporate sector saw the market and thus the nature of the corporate sector and the level of sustainability within it, as democratically driven by consumers and other market and non-market stakeholders. As such, interventions by the government or the corporate sector that involved placing sustainability limitations on production were seen as inherently undemocratic. The influence of various stakeholders on the corporate sector meant that corporate citizenship could not merely be
determined by organisational goals. The triple bottom line potential of a company was strongly influenced by market forces that required a focus on profitability and sufficient pressure from consumer, shareholder and corporate sector forces, as well as non-market forces. For the corporate sector, sustainability therefore required flexible standards that upheld the ‘freedom’ of market forces.

**Citizenship through Flexible, Voluntary Commitments**

Market forces and stakeholder pressure, interviewees argued, meant that the responsibilities of corporate citizens are complex and thus cannot be clearly defined and set into prescriptive, all-encompassing directives. Furthermore, many interviewees felt that their companies had to assume a flexible notion of sustainability in order to deal proactively with whatever needs were greatest in the context they were operating within and to most effectively respond to the impacts of their particular industry and company. A flexible framework for sustainability was also essential to sustain the corporate lifespan, by relevantly balancing commitments between the financial, social and environmental spheres. For these reasons and because interviewees felt that insiders could best understand the competing demands on the company, many felt that sustainability initiatives should be ‘process’ driven:

[Sustainable development is] not a nirvana thing that you strive to achieve - it's a process. ... It's not something that you can take an engineer’s approach and tick a box off and say ‘today we'll do transparency and tomorrow we will do reduced emissions’. The real challenge is trying to integrate those issues into mainstream business so they become a continuous part of doing business and that is a big challenge when you have got competing priorities, competition for capital and competition for senior management’s attention on these issues (Dig-deep Mining Company).

Sustainability as driven by market and stakeholder forces, interviewees felt, required a flexible form of citizenship that was based on a participatory
rather than a regulatory approach. Citizenship was thus regulated by external factors such as public opinion and market forces and internal factors such as the capacity or willingness of leaders to respond proactively to such forces. While regulation was accepted in some instances (as the next section explores), it was seen as a measure that unduly increased the cost of doing business. For all of these factors, most interviewees felt that corporate citizenship should largely be based on voluntary duties:

How much can society bear in terms of having a very regulatory environment? You regulate and you pay for that regulation as well. If you have self-regulation, it's about moving to a 'show me' world. If you look at our performance, our environmental performance is measured by society and that is one good way. So [if] you put something into the sea or ocean or whatever and everyone finds out, you are quickly measured by society (Energy Solutions Company)

If you increase regulation you increase costs so there is a trade off there. Left to their own devices, I think organisations in Australia will get there, on a cost effective basis, but it will be a slower process then if the regulators came in and said 'well you will report this, this and this' and force cost onto business. There would be a certain amount of resentment to that sort of approach (Tinnies Steel Company).

Any form of imposed blueprint for reform was seen to remove the will of the corporate sector from the citizenship process. Without imposed conditions, interviewees felt that companies could compete with one another and in the process of competing, innovate to a level beyond baseline requirements. While some interviewees felt that legislation was important for providing a baseline standard, they were concerned that it would lead to a culture of 'mediocrity' where companies would merely comply with standards:

I think self-regulated processes are generally better because it allows for innovation, it allows companies to achieve the lowest cost way of achieving
something. But it fosters competitive advantage that encourages companies to progress (True Blue Materials Company).

There can be some regulations where companies are more or less forced to adopt a regulatory standard and do nothing beyond that regulatory standard. Now that can actually drive you into mediocrity, whereas companies [that self-regulate] may see new ways of innovating and look for the rewards of doing so (Dig-deep Mining Company).

Self-regulation was seen to embody a form of active citizenship that not only brought higher standards than regulation but also involved an ownership of the initiatives within the company. For most interviewees, the act of voluntarism symbolised a demonstration of the willingness of the sector or company to improve their standards without the need for coercion. The ownership of the initiatives within the company was seen to bring a greater acceptance of them throughout the entire company:

The standards that we impose on ourselves are far, far higher than the standards that any government would have imposed on us. We do that for a number of reasons. ... I mean there are commercial reasons, but once you move beyond the commercial reasons your people become aware and it’s actually about getting a following within the company for what you want to do (Metallica Materials Company).

In a few cases, self-regulatory measures were justified on the basis that they would prevent legislation from being imposed on companies. Several interviewees referred to the government initiated, voluntary measure of the National Packaging Covenant\(^\text{33}\) in this manner. Without the Covenant, interviewees felt, the corporate sector was likely to be subject to legislation requiring them to take greater responsibility for their packaging waste. The

\(^\text{33}\) The National Packaging Covenant - established to manage consumer packaging waste - is ‘the voluntary component of a co-regulatory agreement between the packaging industry, [and] the state/territory governments and local governments’. Since its launch in July 1999, ‘583 packaging supply chain companies, from raw material suppliers through to retailers, 22 industry associations and 24 government bodies have signed it’ (EcoRecycle, 2004).
Covenant thus allowed the corporate sector to retain control over their activities and to incur less costs than accrued under strict regulatory programs:

I don’t think that all regulation works. Because I think we then invest a hell of a lot of time and money with regulators controlling things. So somewhere in there, there is a balance and I suppose it’s a little bit like the Packaging Covenant where it’s voluntary but if you don’t sign on to it, the potential from a regulatory perspective is that you could be made to pick up all of the packaging that you put out into the marketplace if you are a brand owner. Now if you compare signing onto a voluntary agreement where you have to show an action plan that has done concrete things to reduce the impact but you have control over your actions, versus paying to pick up all your … wrappers, what makes more economic and management sense? Signing on to the voluntary agreement! (Pack-right Materials Company).

Regulatory mechanisms such as container deposit legislation were seen to be in drastic conflict with industry’s self-regulatory commitments. This was seen by one interviewee as a move to shift the burden of responsibility for recycling from government bodies to industry, thus incurring unwanted costs and duties:

You have got the National Packaging Covenant that is working on the reduction of packaging waste and looking to improve curbside recycling. And then you’ve got EPAs [Environment Protection Authorities] in various states looking for container deposit legislation, that is the opposite of curbside recycling. So where is the balance in those sorts of things? One doesn’t always support the other. ... If you take the recent push in New South Wales by the Minister and some agencies up there for container deposit legislation, I would say that New South Wales is the state with the least amount of councils who have signed onto the Packaging Covenant, the State Government has signed onto it but the councils haven’t. Therefore … they are trying to move the focus away from them being the
agents of recycling to bigger external bodies being the agents of recycling. … Most container deposit legislation focuses on the retailer being the bodies that take back the [waste] and that just adds cost, adds food handling and hygiene issues and all sorts of strange things (Buy-more Retail Company).

However, for one interviewee involved with the scheme, the Covenant focused attention and money on areas of the waste stream that had a relatively small impact on sustainability. Furthermore, the Action Plan for the company in question did not involve any major changes that the leadership had not planned to undertake without the Covenant. Rather than arguing for more rigid standards, the interviewee implied that even this mild form of interventionism was unnecessary:

Post-consumer packaging waste is five percent of the waste stream. So we are undertaking with the Federal Government's Packaging Covenant a very expensive, in terms of dollars and time, initiative that everyone waves the flag and says ‘this is fantastic, we are going to reduce packaging’ for five percent of the waste stream. The greatest proportion of the waste stream is construction waste and organic waste. … In [our] Covenant Action Plan there is not one initiative there that we weren't planning to do as part of our cost reduction, other than the education process of advising our MDs [Managing Directors] and our people about the Packaging Covenant. None of the initiatives are things that we are going to have to do to satisfy the Covenant. We are doing them to reduce our own costs. ... The National Packaging Covenant, I don’t believe will be a successful instrument. In some ways I believe we are just staving off further regulation (Everyday Essentials Retail Company).

The flexible and thus voluntary, form of citizenship was seen as beneficial for bringing a high level of ownership of sustainability within the sector, for increasing the capacity for innovation in sustainability and for ensuring that market conditions and industry or company specific impacts could be proactively dealt with. However as the last interviewee indirectly brought to
light, these voluntary initiatives can sometimes lack substance in the gains that are achieved through them. For this reason and for certain perceived market failures, many interviewees argued for a minimum baseline of standards for regulating corporate activity.

**The Merits of Enforcing Citizenship Responsibilities**

Although most interviewees had a preference for corporate citizenship to be based on voluntary duties, many argued a case for regulation that protects minimum baseline standards. Regulation was seen to be important to protect certain environmental or social goods that would otherwise be vulnerable where left to market forces. This support was largely given to existing legislation in areas such as environmental protection and occupational health and safety standards. Most interviewees opposed ‘prescriptive’ legislation and an extension of regulation to cover broader indicators of sustainability or corporate citizenship.

One of the reasons given for a legislative baseline was the inability of people (and organisations) to comply with ‘appropriate standards’ of behaviour - without which, life might be as the philosopher Hobbes warned, ‘solitary, poor, nasty, brutish and short’ (Hobbes, 1970 [1651]: 100). Because win-win scenarios did not apply in all market relationships, interviewees argued, companies needed to be regulated. For one interviewee, the need for regulation was evident from the inherent conflict of interest that existed between labour and management:

> The reason that we have laws on anything is fundamentally a function of the fact that people don't comply with ... appropriate standards. The reason unions exist in my view is that management can't be trusted in a lot of instances, because again, you've got different agendas being served. You've got these countervailing forces at work. In regard to legislation, that's really about codifying what the standard is and what the penalties are for not applying the standards. So do you need it? In an ideal world,
probably not! But in practical terms the answer has got to be yes (Panacea Healthcare Company).

The market was seen to place competing pressures on companies that meant that they did not always act in the most responsible manner. Rather than relying on market forces, legislation was needed to promote a culture of responsibility in the sector:

It's almost like saying that leaving diversity and EEO [equal employment opportunities] issues just to themselves [would be enough] ... I would say even with current legislation and so on time has not brought about that. ... Shining the light on some of those issues is a very healthy process to get more attention paid to them rather than just going 'we'll just leave business to its own devices and I'm sure it will do the right thing'. I don't think that has been borne out in history of who is running business and the pressure that the mighty dollar puts on to people and the choices that they make as a result of that (Assured Finance Company).

Legislation was seen as a mechanism to guide the corporate ‘conscience’ to ‘good’ citizenship behaviour. Where sustainability initiatives involved costs that did not fit within a business case, legislation was a means of enacting the corporate conscience. It was also seen as a means to motivate leaders in rogue companies to assume responsibilities that they would otherwise ignore, by ensuring that they are penalised for irresponsible practices:

If you say to me ‘did you do it of your own free will or did you do it because the EPA [Environment Protection Authority] requires you to?’ I mean, there is a conscience, the company has got a conscience but sometimes legislation sometimes helps to bring that conscience into focus, particularly when you come to spending money, big bucks on this (Elmo’s Industrials Company).

The punitive measures that have been forced on people are certainly having an effect. And that's through the environment, through safety, industrial manslaughter legislation. All these things are compounding to
make sure that organisations are more and more socially aware of their responsibilities (Tinnies Steel Company).

By making certain standards mandatory, regulatory bodies provide a business case for corporate responsibility when non-compliance is met with financial or other penalties. By enforcing legislative standards, governments also strengthen their ability to act as an effective overseer of the corporate license to operate:

Reducing the environmental impact of a business generally improves the financial viability of the business because it improves the relationship with regulatory authorities, it reduces discharge costs, it reduces raw materials costs, [and] it reduces wastage. And that's because the government has in many areas, regulated to say there are certain aspects of your operation for which you will pay a charge because you are causing an impact beyond your own boundaries (Brewskies Alcohol Company).

One interviewee described the effectiveness of regulation as a two-stage process. Firstly environmental legislation has set a minimum level of standards that companies must comply with in order to avoid the costs of non-compliance. This, in turn, sets about a culture where business leaders are concerned with the risk of litigation, not only from their own activities but also from the activities of their contractors and suppliers:

Because of the flow on of liability that arose with [legislation] - and it's particularly driven by bigger companies - ... they started demanding that people they work with have certain environmental or social [programs]. They started saying ‘if you want to deal with us you have got to have an environmental management program in place because otherwise you are exposing us [to risk] by dealing with this contract’ (Metallica Materials Company).

The need to comply with legislation was a stimulus for change in the broader culture of organisations. By forcing companies to become responsible for
certain environmental or health and safety standards, legislation has compelled business leaders to become more aware of the different effects of their company and to find new ways of operating that reduce the harmful effects of their industry. As a result, regulations have led to a demand for new forms of expertise in roles where individuals measure, monitor and manage those impacts:

Prior to 1970 Australia virtually had no environmental legislation whatsoever, not anything worth thinking about anyway. It had various clean water acts and bits and pieces but they weren't really enforced and no one really cared very much. ... You didn't have things like environmental scientists ... So once companies said 'oh shit we are going to go to jail if we don't do this' then they started hiring people that could help them do that. And they were traditionally the engineers and the chemists and whatever. As soon as they started doing that, the university said 'oh gee there is a market in education people in this field' and so ... that is the way it happened (Metallica Materials Company).

While arguing that the corporate sector might initially meet the threat of new legislation with a combative attitude, one interviewee felt companies would assume a more sustainable character once the legislation had been implemented for a sufficient period of time within which it could be established as the cultural norm. She was hopeful that broader sustainability regulation would also take this route, where it is initially met by resistance but later embraced as the standard for doing business:

Maybe twenty years ago if you spoke to [someone in] business management and said ‘I think you really need to report on the number of accidents and put in programs and policies for workplace health so that your employees are not injured’, they would say ‘we are not going to waste money on that, we pay them, I mean what else do you want?’ And yet today it’s just a baseline of actually doing business. ... I can see in fifteen or twenty years time, hopefully, that social responsibility issues have got much greater closure and transparency ... and so they will be just like
occupational health and safety requirements. People [will] start to realise that you may as well put the money into the programs because it will cost you more in terms of litigation if you are not putting those programs into place (Assured Finance Company).

The acceptance of the majority of corporate sector interviewees of baseline legislation was conditional on avoiding what they described as prescriptive regulation or over-regulation. Ideally, they felt, legislation should set ‘performance standards’ and allow the company use their innovative capacity to formulate the most effective means for implementing those standards:

A lot of the time the legislation these days is of a performance standard rather than a prescription standard, so I don't think that stifles innovation. Well rather than saying 'you must do this and do it this way' which is prescriptive, a lot of the time - especially with safety legislation - the way it’s done now is, ‘you must meet this standard, this performance standard, I don’t care how you meet it as long as you meet it’. A lot of legislation is moving to be a performance standard than a prescription standard (Bob’s Building Materials Company).

You’ve got to have that flexibility to let the industry and the market come up with some of the innovation and that's what happens at the moment. But you’ve got the umbrella rules over the top and then after that ... we’ve more or less given you open slather. We’re saying ‘don’t do this, but how you don’t do that, that’s up to you’ (Darwin’s Developing and Contracting Company).

The ideal way to implement these performance standards, a few interviewees noted, was to work in cooperation with regulatory bodies. On the basis of this cooperation, regulators could help sustainability managers meet the legislative standards and assist them to move beyond compliance:

Now if there’s not that internal driver there, it needs in some cases the regulator to play the part of facilitating environmental improvement and I
think that’s where you see regulators coming in. I know the Victorian EPA [Environment Protection Authority] very much took this stance. ... They would start having a two pronged approach to industry, they would say yes what you are doing is meeting a particular license, but let’s talk about going beyond compliance. What can you do to minimise your environmental impact? What if you didn’t discharge? Now what could you do to maybe not have that air pollution? What could you maybe do to reconfigure a particular process to avoid the residual waste that is generated? It’s trying to drive a different thinking, a different culture, a different thinking in the company. ... That is sort of negotiation/facilitation to do that rather than regulation (Chatz Telecommunications Company).

As with the community stakeholder relationships described in the last chapter, cooperative relationships with regulators provided a benefit to the company by increasing the likelihood that the former would take a sympathetic view where compliance problems arose:

It’s fast becoming an imperative in business to stay close to the environmental authorities. In terms of the regulators, you have to form a relationship with people like the EPA [Environment Protection Authority] – in Queensland it’s the Department of Environment and Heritage – all the different regulatory groups. You have to form relationships with these people because issues will come up that you may not necessarily be able to solve today. If you take a very sort of standoffish, adversarial role, those issues can really turn around and bite you. You have got to be in a position to be able to talk reasonably to people. ‘Yes we have an issue, yes we are addressing it and it’s going to take time’. [You need to] work with the authorities rather than clash with the authorities (Tinnies Steel Company).

Although many interviewees were against any attempts to legislate the broad sphere of citizenship or sustainability, many offered instances where further regulations could be applicable if the market alone was not a sufficient driver for sustainability. Where particular services, products, or methods of production were seen to be either too important to be left to the market, or
were required in greater haste than the market could provide, interviewees argued that regulations could be used to further their development.

Global warming was an issue that many interviewees felt was a key concern in the current sustainable development agenda. With this issue, market forces were seen to stimulate unsustainable demands given the reliance of the Australian economy on the resources industries. For many interviewees, the Government’s refusal to ratify the Kyoto Protocol was a result of the influence of this narrow interest group. This led a few interviewees to question the unrepresentative influence that certain industries can have over the government, the process of democracy and the attainment of sustainability:

Companies historically have directly intervened in government and have lobbied government often against the general wish of the population to head in certain directions. The aluminium industry in Australia has blocked Australia signing the Kyoto Protocol, for instance, when the majority of Australians ... believe that it would be a good thing for us to do as a nation. I think it then becomes a very difficult moral issue, as only one participant in a broader community, because of our power or because of the power of a particular business area, that business area applies that power in such a way that it influences the outcomes of the entire community (Brewskies Alcohol Company).

You know we can afford to be clear leaders in this [renewable energy] field. To have the heavy industry lobby in John Howard’s ear about signing Kyoto is an indictment of the way he listens to advisers, it’s not a balanced enough perspective. So he has obviously got the coal lobby and the petrochemical lobby and the aluminium smelter industry lobby in his ear advising him – and the resources industry (Elemental Utilities Company).

This issue was of particular interest to the latter interviewee whose business provided renewable energy. Despite primarily supporting a voluntary agenda for corporate citizenship he felt that stronger renewable energy targets
should be put in place in order to begin to resolve the problem of global warming. That is, in this case, regulation would support the interests of his industry:

I am in favour of compulsion there because it's something that happens quickly and if you are depending on voluntary [mechanisms] all the time it doesn't happen fast enough. So you do need a mandatory approach and it's the only way that things happen and as a result of that you get a growing industry (Elemental Utilities Company).

Legislation was also seen to be useful where consumer goods need to reflect the strict resource limitations of particular regions. One interviewee cited a case where a company had developed a washing machine that used lower-than-average levels of water for use in a country where clean water is in low supply. The developer lobbied the government, requesting them to introduce mandatory water efficiency targets for other producers. This was seen to benefit both the resource capacity of the country in question and the producer, who was given the opportunity to develop their ‘green product’. This type of legislation was described as closing ‘the gate’:

What I am finding is that a lot of the sustainability leaders are in fact quite happy and welcoming of regulation because it actually closes the gate behind them and becomes a barrier to entry for other competitors. So the leaders in sustainable development who have actually said ‘we not only met that regulation but we exceed it significantly’ are very happy to say ‘tighten it up, we don’t mind. We’re sitting up here and we can continue to operate in this way and manage the costs and benefits of our business. Meanwhile our competitors who still don’t meet that regulation have got a lot of infrastructure to put in to then catch up with us’ (Assured Finance Company).

Furthermore, in some cases, unregulated competitive behaviour was seen to undermine or prevent attempts to build greater transparency. One interviewee, whose company was under pressure from NGOs to publicly
disclose their rate of taxes and royalties, argued that all companies must be required to follow suit, otherwise those who chose the path of honesty would loose out to their competitors:

One of the things that we are doing under the corporate social responsibility banner is the disclosure of taxes and royalties in the countries in which we operate. Some NGOs in London have been pushing this agenda. In developing countries, companies like ours pay a lot of money to the government [but] the government is corrupt and doesn’t display how much money is being paid and just sends that money off to a Swiss bank account for their own use rather than applying it to programs in-country like education, health etcetera. So they are saying if we publicly disclose what we pay, then those governments can be held accountable by their citizens for appropriate expenditure of that money. We are sympathetic to that agenda but if we were to disclose unilaterally the government may not like that and so they might kick us out of the country or they might offer contracts to our competitors who won’t disclose. So in that situation, doing something voluntarily probably just sets you up to be discriminated against (True Blue Materials Company).

**Summary**

The interviewees’ perceptions of the correct role of the corporate sector in market society heavily influenced their views on sustainability. They felt that the very existence of the sector, the nature of the products made and the conditions under which they were produced were a result of democratic market forces. Under this framework, the best-case scenario was where consumers, shareholders and non-market forces all placed pressures on a company to adopt ‘sustainable’ behaviour and the company then adopted the best practice sustainability measures available for their particular industry. Meeting the demands of stakeholders also called for differential standards in response to different contexts and expectations. In industrialising countries, interviewees felt that the need to ‘develop’ was prioritised over the need for sustainable development and thus the corporate sector should respond
accordingly by taking advantage of the developmental conditions. In industrialised societies, where interviewees felt a greater demand for sustainability existed, the corporate sector had to balance the demands for sustainability (which were difficult in a complex, industrialised and consumer-oriented society) with calls for further development. In response to these factors, interviewees argued primarily for flexible and voluntary sustainability initiatives that the corporate sector could take ownership of and demonstrate their innovative capacities in. However, a number of interviewees accepted that a baseline of regulatory standards was needed to correct deficiencies within the market framework that led to unsustainable behaviour. The market limitations on sustainability will be explored further in the next chapter.

CHAPTER 5
For or Against the Market?
(Views from the Corporate Sector)

Introduction

This is the last of three chapters that explores the perspectives of corporate sector representatives in isolation. While the last two chapters have focused primarily on defining the triple bottom line, outlining the justifications for it and framing the flexible and voluntary nature of the initiatives, this chapter focuses on the limitations of a market driven framework for sustainability as described by interviewees. It begins with a brief exploration of the ‘logic’ of the market and an examination of the key market stakeholders who influence corporate culture and sustainability outcomes. From there, it explores how certain requirements for sustainability fall outside a business case. The key example, the right to employment, is explored in some detail. As with other aspects of sustainability, corporate responsibilities to labour are based on a market framework where the right to employment is conditional on providing maximum utility to the company within the terms of the competitive labour market. As such, downsizing was viewed as a ‘social responsibility’ undertaken by business leaders in order to protect the economic interests of the company and society. While many interviewees identified particular deficiencies within the market framework for sustainability, this did not appear to indicate a general lack of support for the ‘free'-market system and practices like downsizing that mirrored that market framework were enthusiastically supported.

Sustainable Markets?

All interviewees identified the market system as the primary influence on the behaviour of the corporate sector and its capacity for sustainability. As such, corporations were not viewed as isolated, self-determined entities but as organisations that operate within a globalising capitalist system - a system
that influences and is influenced by, the corporate sector. The market stakeholders mentioned included individuals and members of organisations with an interest in the company’s products or services, share value, or profitability - including their customers or clients, shareholders, board members and competitors. These social market relations are, of course, underpinned by the economic system that gives rise to them. Within this system, market stakeholders were considered the primary influence on corporate culture. As the last chapters have suggested, the influence of market stakeholders can be counteracted and influenced to some extent by non-market stakeholders and traditionally non-market factors where these impact on the costs of and opportunities for doing business. Only a few interviewees expressed absolute confidence in the capacity of the market to deliver sustainability. In the initial phase of the interviews where interviewees were asked to consider the concept of the triple bottom line most felt that it was a framework that was relevant to the entire sector and should be an integral aspect of doing business. When asked to consider how it applied in practice however, most interviewees identified particular problems of operating within the market that undermined their goal of adopting a more ‘sustainable’ culture. The market was seen as a mechanism with a complex and contradictory logic that could simultaneously work for and against sustainability.

**Profitability**

One of the key requirements for companies existing within a competitive market framework is the need to continually increase profitability. A few interviewees felt that this requirement was an unstable foundation upon which to build sustainability. While some sustainability initiatives can lead to cost savings, many others require a financial outlay that could impinge on corporate profitability. This led some interviewees to argue that the principles and responsibilities of sustainability were undermined by an absolute focus on increasing corporate profitability:
Certainly if you look at the stock market, the stock market appears to be saying ‘companies make money’. It’s not saying ‘companies look after the environment, companies look after the health and wellbeing of your employees, companies be a good corporate citizen’. I’m not seeing that being of equal weight as ‘companies make money’. I’ve heard the concept about there being more significant community and environmental responsibility and responsibility to employees etcetera, but I don’t know if our society, or maybe the institutions of our society such as stock markets, shares, those sorts of economic mechanisms actually value that (Elmo’s Industrials Company).

One of the problems identified with the pursuit of large scale and continually increasing profits was the utilisation of cost-cutting measures such as the sacking and retrenchment of staff to sustain it. In supporting practices such as downsizing, the market was seen to reward behaviours that were deemed unethical in other spheres of society:

The financial community always tends to respond positively to retrenchments. So you often find that when companies announce that they are cutting costs out of the business and ‘x’ number of people have got to go, that the investors - not necessarily the shareholders - but investors like analysts and brokers and people like that will say ‘that’s great, but it doesn’t go far enough, they should sack more’ (Osmosis Chemicals Company).

In addition to cost-cutting, many interviewees felt that the focus on profitability also undermined any significant expenditure on sustainability that could not be backed by a business case. Mandatory regulations entailed reprimands for non-compliance (and thus involved a business case where the punishment for non-compliance outweighed the benefits of non-compliance), however they felt that the market system did not support companies that made large outlays of expenditure in bringing their operational standards beyond a compliance level. The cost of sustainability initiatives could thus be a barrier to their implementation:
You meet the legislative requirements. I don’t know if many companies would spend huge bucks to fall below the legislative requirements. What’s your experience? Are they spending huge bucks to be a leader as a corporate citizen? I don’t know. The nature of the system doesn’t necessarily encourage it. Your share price doesn’t go up because you’re spending millions of dollars in cleaning up your plant (Elmo’s Industrials Company).

Despite the growth of triple bottom line frameworks34, a few interviewees argued that many environmental or social costs continued to be externalised in the process of production. They felt that the profit motive that underpinned the market system should be seen in a new light whereby the total costs of production were taken into account:

People in the business community and society more broadly [need...] to have a way of assessing and putting a value or a cost [...] on issues and elements that do not appear on the balance sheet. [...] If we had a more sophisticated way of actually adding up that [...] [if] we are a mining company and [...] we have made you ten dollars but we have despoiled the Earth by three hundred dollars people would start to see that profit in a different light. But we don’t have the economic indicators if you like or put a value on a lot of those intangible elements, so in a sense we don’t have the language or the methodology to describe the economic activity that has been undertaken. So people don’t ascribe a value to it (Assured Finance Company).

34 In the ‘State of Sustainability Reporting in Australia’ project it was found that ‘of the 509 companies researched’ 116 were producing ‘sustainability reports or sections in their annual reports or on websites’. Although, ‘foreign-owned companies were considerably more likely to produce a sustainability report than companies that are Australian owned’ (CAER, 2004).
Market Position
For the triple bottom line framework to lead to a sustainable corporate sector, sustainability managers across the broad spectrum of industries would need to be equally committed to implementing it. However, the goal of attaining an outright leadership position in corporate citizenship was not held by all companies represented in the sample. Many interviewees felt that there was a spectrum of citizenship positions within the corporate sector, where some industries had a greater stake in responsible behaviour than others. Industry type and the readiness of the market were seen as key factors in determining how much importance was placed on a culture of corporate citizenship within a particular company. In relation to the former, a key consideration was the visibility of the company’s products to the consumer:

[Sustainability] is very much a competitive issue for us and we can't afford to be at the bottom of the pack. There is also an issue about whether it is worth being an outright leader as well. In some ways being head of our group probably doesn't make a lot of sense. It's probably a bit difficult to understand but we don't produce products that you can buy in the supermarket or in the hardware store so for us to position ourselves as an outright leader we are not going to get any payback in terms of increased sales or preferred customer arrangements that say a petroleum company might. So we don't have some of the drivers that other industries have to invest in that outright leadership position (True Blue Materials Company).

Industries without branded consumer goods needed to find the correct point of balance in assuming a citizenship culture. The correct position for each company could be attained by avoiding a leadership position that was not sufficiently supported by the market, whilst ensuring that the culture was not developed so late that the company could no longer be distinguished from its competitors:
In the market there is no real incentive for first movers. If you’re going to be a guinea pig and you’re gonna be the first one out there, when do you jump? If you jump too early and spend too much money [you may not] get any return on it because really it’s a commercial business, so you’ve got to show return on investment. And if you go too early with a radical program and it’s viewed as a radical program you can get burnt or you don’t maximise your return. Or do you sit and wait? And then you go too late and you’re the same as everybody else. So that’s a fine line and that’s what upper management has to come together with (Darwin’s Developing and Contracting Company).

Where the pressures for sustainability were not high within an industry group, business leaders who implemented a citizenship culture that far surpassed the rest of the industry ran the risk of pricing their company out of the market. While this risk was apparent in companies with primarily Australian-based production facilities and locally consumed goods or services, it was exacerbated in industries that undertook production or supply in the competitive global market. Interviewees in globalising companies felt that the costs incurred from sustainable manufacturing in the short-term made it difficult to compete with the lower environmental and labour costs of companies in industrialising countries. Corporate citizenship and the global capitalist market, could thus act as a barrier to competition:

The difficulty ... is your standards that the company has or that you’re imposing on the company are suddenly being confronted by a product from a country which may have different standards, different values and for us to compete and keep generating this wealth, keep generating this income, keep generating this benefit for the community, shareholders etcetera, we’re going to have to do ‘x’, ‘y’ and ‘z’ to compete. It’s easy to say ‘oh we should become smarter’ and we are becoming smarter but there’s only a limit to how much money you can invest in whiz bang technology if you haven’t got the market and you haven’t got the returns. Maybe if you socialised all investment - but then you would get stuffed by the global economy - but if you socialised all investment in Australia then you
wouldn’t make decisions based upon economic returns (Elmo’s Industrials Company).

In judging the readiness of the market for their initiatives, decision-makers therefore had to assess the interest level of their consumers and clients in sustainability. Where the interest level was not strong, a key motivating factor for citizenship was absent:

Primarily the ‘what's in it for me' isn't being answered by the TBL [triple bottom line]. If I was a CEO and someone said they wanted me to do TBL reporting to a TBL format I would say ‘well what's in it for me?’ ... Will my consumers buy more of my [products] because they associate my brand with a greater value? I think the answer is still no because the consumer perception does not translate in increased willingness to pay more for a brand or the brand is not perceived in any higher value because we did that (Everyday Essentials Retail Company).

[Sustainability] is client driven as well! If a client says ‘what's this? What's that got to do with anything? Why do I need to think about that? I’m thinking about this chunk of time and it may be anywhere between five and ten years so after that, I’m not concerned about that’. So you've got to respond, obviously to your client needs, to your business requirements and what the rest of the market is doing out there, because you could effectively displace yourself from the market if you go too soon (Darwin’s Developing and Contracting Company).

In companies with branded consumer products, interviewees felt that sustainability was dependent on the willingness of customers to reward their efforts by purchasing their products or services. However, many felt that Australian consumers had not placed sufficient pressure on Australian companies to become ‘good' citizens. The lack of consumer pressure in Australia was contrasted with the more positive example of Europe where there was a higher level of both activism against irresponsible behaviour and consumer or investor support for triple bottom line culture. Consequently,
interviewees felt that European based companies operating in Australia had a greater citizenship culture than companies with an Australian base:

In Europe they say, 'yes the price might be right but you also have to have good environmental performance and you can't be slaughtering guinea pigs on the side of the mountain - otherwise I am not going to buy from you'. ... In Europe the consumers are making those choices, they are saying 'yes your price must be right but are you also being a good corporate citizen in terms of social and environmental issues?' In Australia, the price hurdle is still the primary hurdle, so that's why that pillar is still the main pillar and the other two are not really being supported by any great voice within the Australian economy. Certainly [other companies in this industry] do that well because they are European based companies (Everyday Essentials Retail Company).

\*Consumer and Public Pressure\*

Australian consumers were seen to be lacking in concern over the impacts of their consumer choices on sustainability. One interviewee felt that this was evident in the willingness of Australian consumers to buy cheap goods without consideration of the exploitation this entailed\(^\text{35}\). For another interviewee, it was expenditure of effort rather than money that was seen as the barrier to the success of sustainable alternatives:

People are very happy to buy twenty-dollar T-shirts made in sweatshops in China because that way they only cost twenty bucks. Now if you want to pay full Australian wages for good working conditions that same shirt would cost a hundred bucks (Metallica Materials Company).

It does need to be not just a change in the corporate's attitude, it absolutely needs to be a change in the citizen's attitude to environmental and social things. We put Calico bags into a store in [a suburb] in Western Australia because they demanded these sorts of things and we still only get

\(^{35}\) This connection between high retail price and fair or sustainable production conditions however is not always borne out in practice, as critics of companies such as Nike would attest to (Connor, 2002: 4-5).
around about seven percent of sales through people who reuse those sorts of things. When people get to a supermarket they are convenience and time focussed and it's a hard slog to do the other things (Buy-more Retail Company).

Feeling that they did not have the support of the majority of consumers in Australia for rapidly advancing a sustainability framework, a few interviewees suggested that small, unrepresentative community groups had been responsible for driving some of the changes they had made:

People campaign in [this suburb] about lots of things - the amount of trees that we cut down in the car park and the types of materials that we use. There was a very strong community group who approached the council and the planning people and were influential in the building we built and the way it looked and the amount of car parks we had and all those sort of things. So we can be influenced, at a local level, as far as those sort of things are concerned. To some degree it’s then disappointing because you then don't get the payback for the things you did. Because again, it's only that small interest group that then purchase or buy based on those environmental concerns they had. The general shopper still isn't convinced that all those things are necessary (Buy-more Retail Company).

While companies faced some external pressures to make their activities more sustainable, they felt that they bore this burden alone since consumers did not face any comparable pressure to accept responsibility for their activities. In contrast with the corporate sector, the community was unwilling to be accountable and responsible for the impact of their lifestyles:

In the end we’re saying if a company is not sustainable the community will remove its franchise to operate and governments will remove its franchise to operate [or] whatever, people won’t buy their products from that company and so on. And they will suffer, so they need to build in those issues. But the community itself and here’s my major difficulty, the community itself doesn’t build those things in. The community in their private domestic lives consumes energy, consumes materials and produces
waste and they don’t internalise those costs in any way (Brewskies Alcohol Company).

When we talk about social responsibility and corporate citizenship there seems to be a lot of focus on industries ... having high, if you like, social morals in terms of corporate citizenship - to be seen as a good corporate citizen. However ... what are the behaviours of the customer at the moment? ... If your behaviour is ‘hey I’ll purchase that mobile phone as opposed to this one because it is a cheaper price’, where are the signals to us that you are preferring to acquire this phone because let’s say for example [... that it] comes with less packaging waste? (Chatz Telecommunications Company)

The Australian public and citizens of affluent countries more generally, were seen to accept a certain level of exploitation in the name of ‘development’. As such, interviewees implied that consumer views mirrored those of their own sector in relation to the evolutionary requirements of development (discussed in the last chapter). Citizens in industrialising countries, they implied, accepted exploitation as a natural part of development and saw their own consumption patterns of lifestyles as an acceptable norm of development:

Maybe total exploitation is unacceptable. Maybe partial exploitation is acceptable. Maybe us sitting in our comfortable environments here, we’ll say ‘jeez, a car and a nice home, TV, fridge, etcetera, good food and so on, I have that, but it’s not realistic for me to expect for people in China to have that because they’re developing. ... So maybe it’s all right if you put [X sportswear company] in those places because they provide employment... I mean, I don’t know, if you went to lots of people and said ‘well, you’ve got a chance to help them, what about you give up half of your resources, your wealth, your things that you create and we’ll give them to them’, I don’t know if many people would put their hand up (Elmo’s Industrials Company).
They also felt that affluent ‘Westerners’ could largely ignore the social and environmental impacts of their lifestyle because in many cases they did not directly experience the effects and they did not associate their lifestyle as the cause. Despite the widespread attention drawn to global warming, a few interviewees felt the public were not sufficiently concerned because most had not witnessed it firsthand or comprehended the implications for their future:

Part of the issue with global warming is that people are not seeing the change. So it’s hard for people to comprehend that twenty years, thirty years down the track that the water level may be raised by ‘x’. People can’t put things in those sorts of time frames because our culture tends to be more about instant gratification or at least things within our shorter span of maybe five years or something (Pack-right Materials Company).

Not only did citizens fail to take notice of global warming, interviewees argued, they also demonstrated a lack of empathy where the effects were evident in poorer countries. Reports of natural disasters such as horrific floods and landslides in industrialising countries had failed to elicit much empathy in the ‘Western world’:

You could have a major flood in China and half of the Western world probably wouldn’t blink. It’s got to be something that happens in one of the main power type bases, whether that be in the US or Europe or whatever, for it to have the level of impact to have a wholesale change on people. (Pack-right Materials Company)

Shareholder ‘Democracy’
Within the group of market-based stakeholders, consumers were not viewed as the most significant influence on corporate culture. All interviewees felt that stakeholders existed within a hierarchy, with shareholders at the pinnacle and market stakeholders placed well above non-market stakeholders. One of the reasons for the prime position of the shareholder,
they argued, is the protection of their interests in corporate law. For many interviewees, this legal duty to protect the financial interests of shareholders translated into a ‘social responsibility’ (which therefore places it within the economic and social pillars of sustainability):

The company’s primary driver is one of return on investments on behalf of their shareholders and that is a social issue too - it’s their society! They can get sued if they don't actually maximise the return on shareholders' investments. So they have a social responsibility to shareholders in the sense of maximising the return on the investment in the funds they have under control (Metallica Materials Company).

The board has a clear charter to work in the interest of shareholders, not in the interest of third parties. Now they need to take account of it to be able to operate effectively. But if they see something is clearly not in the interest of shareholders then they will really find it difficult to change. So while something might be appropriate, if it's clearly not in the interest of the shareholders then the board is really not in a position to do much (Panacea Healthcare Company).

The influence of shareholders on the corporate sector was linked to democracy. Given that democracy was equated with the need to garner a wide range of opinions in decision-making, a few interviewees felt that publicly listed companies were more democratic than privately owned companies:

The bigger an organisation gets, the more people have to be involved in decision-making, the less autocratic it can be, in a public company. In a private company a person who owns the company can simply say, ‘this is what we’ll do’. In a public company where the Board are seen as representing the shareholders who could be half a million individuals, they have to be confident in a general sense of what the shareholders best interests are and represent those (Brewskies Alcohol Company).

However, because publicly listed companies were dependent on shareholders to provide them with operating funds, business leaders needed to ensure
that shareholders were provided with a generous and competitive return on their investment. With this factor to consider, in addition to paying taxes and the interest incurred by banks, one interviewee deemed economic survival a challenging process:

Every company needs to produce a certain financial result to exist, to succeed. ... So you’ve got to buy assets and you’ve got to have cash to operate. So you get your money either from shareholders or from banks. Usually, I think, it’s about 70/30 shareholders to banks. And the banks need a return on interest, the need to get a return on the funds that they invest in the company and shareholders need to get a return as well. Because why would they invest in [our company] if they could get better return putting their money in the bank around the corner. So you’ve got to provide a return to the people you get the money from. You’ve got to pay tax. You’ve got to allow for inflation. So when you put all of those kinds of financial considerations together to get 18% return on your net investment, you’re just standing still. In other words [as] the Managing Director said ‘if you’re not getting 18% return you’re tearing up dollar bills and if you’re tearing up dollar bills, I’m not going to give you any more to tear up because that doesn’t make sense’ (Osmosis Chemicals Company).

The shareholder democracy envisioned by some interviewees has important implications for sustainability. While privately owned companies can legitimately choose to implement radical sustainable development initiatives because they are typically only accountable to a small number of owners, interviewees felt that publicly listed companies have a broader range of shareholders to whom they are directly accountable. In the interests of organisational democracy, initiatives for sustainable development or philanthropy must be limited in line with shareholder concerns. Thus it is primarily considered to the extent that it facilitates market or other advantages for the company:

The management has to be treading a fine line. I think as a CEO - it comes back to the area the Prime Minister was pushing two or three years ago,
corporate philanthropy, to see it as a business and say ‘well it would make me feel good if we gave half a million dollars to the [X charity or aid agency] and we’ll tell all the employees and they’ll all feel good about it too’. [But] I’m giving away someone else’s money!’ This is shareholder’s money (Brewskies Alcohol Company).

Say one of our main competitors is fifty-one percent privately owned, now if that private person after so many years of having an excellent profit became more philanthropic in his view or more wider in his view of what he or she can do for the entity that they own then that private person can push that company to have a true sustainability policy and have a whole lot of spin-offs. But the net result would still be reduced profit and whether the brand value would increase to the point where you could command more price in the supermarket, I don't think anyone is convinced of that yet (Everyday Essentials Retail Company).

While interviewees in the last chapter outlined particular cases where the triple bottom line framework may gain the acceptance of shareholders for its positive influence on profitability and corporate longevity, many also saw shareholder expectations as contrary to sustainability requirements. Investors, they argued, were solely driven by the reward of maximum economic return and would transfer their funds to another company if it offered better returns, regardless of the social or environmental cost:

[Companies] are always driven by economic rationalism36 and that is return for investors/shareholders, or the owner of a company. ... That’s a personal view of mine I might add – but economic rationalism drives companies to give better returns to the investor. So what happens is [that] those who don’t give big returns or those who are not seen as profit centres, do not get the same interest as those who do. We do try and be good neighbours. We do try and do that as best we can. And we do try and have a very good

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36 The term ‘economic rationalism’ is commonly used in Australia by academics and NGOs. The term was popularised by Pusey (1991) in his book Economic Rationalism in Canberra: A Nation Building State Changes its Mind and is synonymous with neo-liberalism. It refers to an ideology and practice of transferring certain governance functions away from nation-states toward markets (Pusey, 1991: 3).
safety record and a very good environmental record and we put a lot of work into that. But at the end of the day, it would never get the same billing as financial returns (Real News Media Company).

Shareholder activists and ethical investors had begun to add their voices to the process of shareholder democracy, however institutional investors were identified as the most influential shareholder grouping. According to interviewees, institutional investors typically saw social and environmental concerns as secondary to the financial imperative:

From an overall company [perspective], like an institutional shareholder, do they care about the odour issue at [our plants]? No! They care about what is impacting them, which is what is happening with profit [and] what ... the company’s growth strategy [is]. Has it got good systems in place? [They] want to know that issues like odour are being managed, but it's not their top priority (Pack-right Materials Company).

Because a large proportion of our stakeholders are our institutional investors, financial returns are important and that is the mandate that is given to our CEO – it's basically financial performance still. And compliance of course is a given so we will be pushed into social and environmental responsibilities by regulation (Everyday Essentials Retail Company).

The influence of market stakeholders tended to undermine or reduce the commitment given to sustainable practices, requiring competing pressures from regulatory bodies or NGOs to reduce the absolute focus on the financial bottom line. The system of globalising capitalism was seen to further complicate organisational change by making individual corporations somewhat passive agents of external market and non-market forces. The goal of organisational change within this framework was seen to bring tremendous challenges for implementing corporate citizenship. The

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37 In the ‘State of Sustainability Reporting in Australia’ project 116 of the 509 companies researched, produced sustainability reports or sections in their annual reports - however ‘foreign-owned companies were considerably more likely to produce a sustainability report
unsustainable nature of development could thus be seen as a failure of liberalism, where the individual is enshrined as the sovereign agent, or a failure of the capacity of the market framework to bring sustainability.

‘Sustainable’ Companies with Unsustainable Practices

The conception of corporate sustainability outlined so far - as a voluntary and flexible form, whereby the social and environmental pillars are subservient to, or a path to, a healthy financial bottom line - leaves an enormous opportunity for the continuation of unsustainable practices. The logic of requiring a business case for sustainability limits the uptake of social and environmental initiatives on the basis that they are profitable or otherwise beneficial for the corporate sector and will be supported by the market system within which the sector operates. However interviewees indicated that the requirements for sustaining the corporate lifespan were not always the same requirements for sustaining the environment and good social conditions.

While sustainability managers were often optimistic about generating new sustainability initiatives, a few argued that they faced significant challenges in getting their ideas accepted by decision-makers. Programs that lead to cost savings or other benefits could be justified with little effort, but initiatives that brought no guarantee of financial gain were far more difficult to sell:

A lot of these things only work if the marketers or the merchants can see a benefit from cause-related marketing or those sorts of things. They have to be convinced to some degree that there is an overall benefit, that something will increase sales [and] will generate the good name of the company so people say ‘they are environmentally focused I’d prefer to

than companies that are Australian owned’ (CAER, 2004). Kerr (2002: 5) found that many Australian companies had stated a clear commitment to ‘the concept’ of sustainability but ‘failed to translate this to their on the ground environmental performance’.
shop there’. But simply saying that it benefits the environment or benefits the social framework of the nation isn’t enough at times to sell it. So you have got to have drive, you have got to have people at the top who want to do it, but it’s a hard slog at times to say here’s something that has an environmental benefit, if it doesn’t link with increased profit and other aspects. So you have to be able to convince a lot of people (Buy-more Retail Company).

Initiatives that lead to cost savings and a reduction in material wastage were therefore given higher prioritisation than programs that involved an increase in costs and no immediate benefit to the company, even though the latter could make a greater contribution toward sustainability:

Replacements for check out bags, processes that use less check out bags, or that get people to reuse it and those sorts of things are environmentally friendly but can also contribute to a reduction in costs so those sort of things have become more of a focus. ... But some of the real environmental winners are a bit more difficult, you know, like replacing plastic bags with environmentally friendly products, you are talking sometimes of ten or twenty times the cost (Buy-more Retail Company).

Because of the prioritisation of the financial pillar above the social and environmental pillars, community engagement and sustainability programs were vulnerable to abolition or suspension at the first signs of financial instability or a decline in profitability. The perceived need to focus on ‘core business’ at such times, implied that the non-financial components of the triple bottom line were merely ‘extraneous’ elements:

We are very much focusing on core business and focusing on costs and priorities. It’s like a person who is in crisis and you tend to remove all the extraneous things and get back to basics and once I’m healthy and well again I’ll take on these additional things (Assured Finance Company).
What we’ve suspended is the corporate sponsorship program. So we are still encouraging the businesses to maintain sponsorship arrangements where they can with their local communities. ... And I use the term ‘suspended’ deliberately because we anticipate that there will be a time when we will reintroduce it (Osmosis Chemicals Company).

While some interviewees noted the difficulty of implementing sustainability within an organisation where the profit motive is the key to survival, a few others sought to downplay the problems inherent in the business case model by focusing their attention on the opportunities available and contributions made. One interviewee from a company that practiced gas flaring, for example, referred to plans to phase out the process and drew attention to the more sustainable initiatives undertaken within the company:

[Gas flaring] will be phased out. You have given one example of a country [where flaring does occur] I suppose, but on the other side, we have reduced our greenhouse emissions. ... So we have achieved that ahead of time. But flaring ... we will stop doing that as well so that's going to be a huge boost. ... Yeah, well it's trying to capture that and do it the best ... the most economic way as well, is another issue (Energy Solutions Company)

Under the framework of a business case, labour rights are one issue of particular concern given that advances in employee wages and conditions always come at a cost to employers (Moody, 1999: 3). Operational costs are often cut through downsizing and the extension of working hours without financial reward. This was a key strategy offered by one interviewee in his work within the human relations department of his company. He deemed this to be a common strategy for many companies:

At the moment, we, in common with lots of other companies are trying to cut costs and improve productivity. So in terms of coming up with initiatives that will actually help you achieve that, things like changing
working patterns, so people, instead of working five to eight hour shifts, they work twelve-hour shifts; annualised salaries so people don’t have overtime. We’re involved extensively in training at supervisory levels so they take more responsibilities for the running of the business. We’re involved in setting up more teams within each of our operations so they take more responsibility and accountability not only for themselves but also for the operation of the business. They share in some of the benefits of that of course in terms of bonuses and gains sharing schemes. So I help line managers initiate and implement those sorts of schemes. That’s part of my role (Elmo’s Industrials Company).

**Downsizing as a Social Responsibility**

In the same way that companies subjected sustainability outcomes to market requirements, the corporate workforce was subjected to the competitive conditions of a labour ‘market’. While the interviewees noted many limitations with the market model for sustainability in other areas, they felt there were no problems with framing employee conditions almost entirely within the labour market. This next section demonstrates the deficiencies of a market model for this element of sustainability and the justifications used by the corporate sector to support such a model.

The provision of employment was often identified as a major contribution that companies made to society. Along with aiding investment and economic growth, it was seen to fall within their ‘developmental’ sphere of responsibilities. All interviewees from this sector felt that employment provision was a ‘social commitment’ that could be met by companies with a healthy financial bottom line:

> [If] business isn’t financially viable then you don’t provide the jobs and you don’t do all those things that are important aspects of the social commitment (Buy-more Retail Company).

The social commitment to provide employment was therefore entirely dependent on the financial stability and profitability of the company in
question. The greatest commitment a company could make to employment was in maintaining its own prosperity, whilst at the same time, contributing to the health of the economy. However, while sound management was a factor in financial stability, the fluctuating state of the economy and industry market trends were also a major influence. Therefore, while being a responsibility of the corporate sector, employment is dependent on largely unpredictable external forces:

High levels of employment across the board rely on a strong economy across the board. Individual companies can't be held responsible for that, not unless they are being dishonest. ... I think what really happens is as the economy shifts, employment patterns shift (Behemoth Mining Company).

Despite heralding the importance of employment as a social contribution of the sector, most interviewees felt that this commitment should not be enforced through any form of regulatory mechanism. The first interviewee to raise this issue had experienced a period of mandated employment policy during his company's operations in an industrialising country. He described this as the implementation of a 'social policy'. While social responsibilities are compatible with a sustainable development agenda, the term 'policy' was used to indicate that this type of responsibility fitted within an interventionist rather than a market framework and was therefore unacceptable:

Well you can put those controls on and [that country] did. When we first went there the government said ‘this site employs five hundred people, you will employ five hundred people!’ And there’s a social necessity to provide employment in that area. So you end up as a business carrying far more people. That’s when you start introducing social policy and that’s not a free-market economy. The Australian Government could easily regulate that. They could bring in rules to say every business in Australia must employ five percent more people. But it's not in the nature of our economy to work in that way (Brewskies Alcohol Company).
It is within these terms that responsibilities to employees are framed. Within this framework, interventionism was evident not only in regulated employment ratios, but also in any attempt to maintain a workforce beyond its most efficient level. Due to the existence of a market for labour, companies need only maintain employees’ positions for whatever length of time the greatest utility could be gained from them. If companies carried workers beyond their use value this was seen as an act of charity:

Employing sixty thousand people when you can only sustainably employ thirty thousand isn’t doing anyone any favours - including the thirty thousand that you should lay-off [because] they should get a real job. I’m sorry to sound hard and there will always be unintended consequences and unintended victims ... but companies that are carrying huge workforces and can’t sustain meaningful employment for them - that’s what the market system is all about. So often the best thing that’s happened to people is they are told [to] ‘get a real job’. I’m not a hard man but I am just pointing out that corporations ... are not running [X Charity], you know! (Behemoth Mining Company)

Because social policy is the responsibility of governments and charities rather than companies, interviewees felt that the repercussions of downsizing were not part of the corporate agenda for sustainability. Many interviewees therefore did not object to the job losses that were incurred through technological innovation or the relocation of production facilities to countries with cheaper labour inputs. In these arguments, their emphasis on social responsibility shifted to the issue of reducing the product price for consumers:

If we could readily transport our products out of China and bring them back to Australia and sell them at a lower cost, ... I think it would be very difficult for us to ... say ‘we have a social responsibility to an Australian worker in Sydney or Brisbane’ that means that we should continue to incur a higher cost to produce this good (Brewskies Alcohol Company).
It wouldn’t be much different to saying if we got a new technology ... that meant we helped the workforce at the breweries, you’d say ‘hey look, we’ll introduce that new technology’. Would you not introduce a new technology simply because we're socially required to employ five hundred people at a site when we could drop it to two fifty and still produce the same amount of [product] (Brewskies Alcohol Company).

As well as leading to cheaper production conditions, downsizing could also be an important part of the renewal of a company's operational culture. When faced with a stagnant culture or declining market position, replacing long-term staff is one of the often-utilised strategies for inducing a required cultural shift:

There will be a continuing need to keep the company fresh. And those things I think come around in circles. ... I think you’ll find that companies have to reengineer themselves on a cyclic basis to keep fresh and to keep alive. ... Whether it involves selling businesses or whether it involves re-engineering, or whether it involves reducing staff, I think on education, it's a different mix. But most company engineering in the last few years, no matter what it is, has seen reductions in staff (Buy-more Retail Company).

In many cases downsizing was seen as a social responsibility rather than an abdication of it. Interviewees identified three ways in which this could occur. Firstly, the act of ensuring the continuation and health of the corporate entity was seen as a social responsibility in itself. Given the significant outlay on wages that companies made on an ongoing basis, downsizing could clearly improve the corporate financial bottom line. Secondly, by keeping the company afloat, downsizing could also protect the positions of the staff who are fortunate enough to keep their positions. Finally, if the company not only remains in a stable financial position, but also undergoes a period of growth, then this would be likely to lead to the creation of new jobs:

You have to understand, in an organisation of this size there’s about one hundred and fifty, to one hundred and sixty thousand people who are
employed. So it’s an absolute social responsibility to ensure that the company survives. And balancing what happened to the thousand [who were sacked] versus what happened to the remaining hundred and forty nine thousand people, is a fairly heavy weight in one direction. If the company goes under or is taken over by overseas operators or whatever, I think there is a greater social impact than having to [restructure] in a cyclic method. So some people would call it a social responsibility [... to keep] the company viable (Buy-more Retail Company).

[The company] wasn’t performing well financially. The people who provide the financial support for the company were really concerned. So something needed to be done. I suppose my position and the company’s position would be [that] the main thing is to ensure that the company is healthy and able to maintain itself and to that extent you are providing employment. Sure you’re going to lose eight hundred, but you’re providing employment for eight thousand. And we will, hopefully, start to grow again ... and even more [jobs] will be created, maybe not exactly the same sorts of jobs and the people who left, but in the future there will be more jobs created. So I think in terms of employment, it fluctuates in peaks and troughs a bit (Osmosis Chemicals Company).

One interviewee felt that downsizing benefited not only the company and the employees who retained their jobs, but also the individuals who were fired. As a representative of a mining company, he felt that the transportation of Anglo-Saxon, urban workers into remote mining areas had led to the creation of artificial community structures. Downsizing a section of their non-indigenous workforce, he argued, would lead to a win-win scenario, where the city-dwellers did not have to be uprooted from their usual surroundings and the indigenous community could have greater employment opportunities and a more natural environment:

It’s no longer economically viable, or for that matter socially viable, to have five thousand essentially white ex-pats living in the middle of bloody nowhere in a company town in an artificial, quarantined environment ...
amongst an Aboriginal population that really doesn’t want them there. So there are two ways to tackle that, which is what companies have been doing. We have been ramping up the technology so that we need less people to move more dirt, which means we no longer have to have townships of five thousand people. We now can have a fly-in fly-out camp of a thousand people. ... Aboriginal people actually welcome that because they don’t want all these white fellas squatting on [their] country and they actually want the jobs (Behemoth Mining Company).

Downsizing was frequently justified as a responsible act that was either attributed to the fault of employees or portrayed as a noble sacrifice that was required for the greater good. After somewhat devaluing the downsized workforce, the interviewee then wanted to prove that the process had not been harmful but rather had created a greater range of opportunities for the downsized staff. This rosy picture portrayed a job market where outmoded manual labour had been replaced with an abundance of fulfilling jobs in white-collar industries:

We don't have all these coolies running around laying bricks anymore we've got bloody great cranes and all of that. So employment is moving into the tertiary sector, people are still employed but they are doing different things - creating movies and entertainment. There is a people industry out there that is far more interesting to work in anyway. So that’s where all the employment has gone, into the tertiary sector [or] working at universities, working in think-tanks, bringing you a cup of coffee and having a yarn with you while they do it. Unions have just got to face the facts that it’s not desirable to keep archaic technology in place just so that you employ an extra three-thousand people on your remote mine site (Behemoth Mining Company).

In presenting the benefits of downsizing, another interviewee focused on the opportunities gained by staff from their retrenchment packages and other entitlements. In a similar manner to the last interviewee, she felt that the
dismissed staff members would automatically have opportunities to expand their career horizons:

How they actually managed it, the different options for staff were amazing. They had things like different packages for retraining. People had a certain amount of money ... quite a generous amount that they could use to learn a totally different field, whether it was university studies or going off doing a course or even helping them set up their own business or something (Gaia Skin and Hair Care Company).

‘Fair’ and ‘Ethical’ Dismissal

While viewing downsizing as a responsible act in itself, many interviewees felt that it brought additional social responsibilities relating to the fair and ethical treatment of employees in the process of dismissal. The need to protect employee entitlements and other aspects of corporate governance, had gained prominence in an era of high-profile corporate collapses. While interviewees felt that they did not have to provide any security of employment tenure, they were critical of companies that had failed in their commitments to provide redundancy and superannuation payouts:

What is a disgrace is when companies have been poorly managed for many years, where their bloody Board damn well knows it has been poorly managed and they have been disguising the balance sheet ... so they finally go bankrupt in a big way and people find that not only have they destroyed value in the company to the point of zero, they have been dipping into the superannuation account to keep it alive as well. So then there is no bloody outplacement, no retrenchment packages and people’s superannuation is not what they thought it was either (Behemoth Mining Company).

After meeting financial commitments of downsizing, the interviewees felt that their primary focus of concern was on the treatment of downsized staff. Although they emphasized different aspects, interviewees argued that they had a responsibility to tread with care in their dealings with downsized
workers. Along with financial obligations, their commitments included retraining packages and counselling services:

I think that social responsibility extends to ensuring a fair retrenchment package, [and] a fair outplacement counselling service. You know we can’t grandfather people forever. ... You can’t recompense people for emotional damage but you can help them by providing a counselling service for three months, you can help them by providing recruitment assistance for six months, you can make the retrenchment package generous enough to sustain them over an eighteen month period to meet the mortgage and all that until they can find another job or get their feet back on the ground. I think realistically I think that is all you can expect to do (Behemoth Mining Company).

Fair and ethical treatment also involved a clear process of communication where staff were treated respectfully. This was seen as a process of legitimisation signifying the company’s strong commitment to ethics within a difficult situation:

How we sort of legitimised it was making sure that the process that we went through was totally ethical and totally respectful of all the individuals and that the communication levels were high and that people had as many choices as they could have. So we did believe that we did the process as ethically as we possibly could. I think we’d hoped that we would never have to go through a process like that again though (Gaia Skin and Hair Care Company).

Certainly in terms of managing the staff issues [we...] had done - from what I had heard internally - an exemplary job in letting people know, talking to them about it, offering position retraining and counselling. ... So in those terms it was something that was done particularly well (Everyday Essentials Retail Company).
Along with providing counselling and retraining options to help bereaved workers deal with their new status, one of the components of respectful treatment and communication was a face-to-face notification of their termination. For one interviewee, the company’s ethical position was clearly embodied in the actions of the Managing Director who personally notified staff members of their dismissal. The legitimacy of this act was heightened because the outgoing staff were mostly white-collar workers from the head office. This was seen to signify a sacrificial act based on a unity between all workers in head office and thus a willingness to shed their own:

The largest number [of dismissals] came from the corporate office - in percentage terms. Corporate office was perceived as not generating any income and spending it. So [the dismissal] was sending an important message to the whole company that we recognise that this is a painful decision to take, but the corporate office is going to wear the pain as much as you are too. The Managing Director, when he took the decision to retrench eight hundred people, he went ... and told them himself. He called them all together and said ‘we’ve got to take this decision’ (Osmosis Chemicals Company).

The notion of downsizing as a ‘social responsibility’ is one example of the fundamental incompatibilities that exist between a social justice based and corporate based conception of sustainability. With employment offered as one of the main contributions by the corporate sector to the community, the ability to then portray downsizing as a ‘social responsibility’ can only be possible within the type of flexible and voluntary conception of sustainability put forth by the corporate sector representatives in this sample. By placing them within a market framework, business leaders make the management of social and environmental pillars conditional on the provision of significant benefits to the company.

**Summary**
As interviewees outlined in the last chapter, business leaders cannot merely implement the organisational culture of their choice, but take their cues from a combination of ‘democratically’ driven market and non-market forces. While the last chapter looked at a broad range of societal influences on the need to balance sustainability and ‘development’, this chapter focused entirely on market pressures and the limitations interviewees felt these brought in relation to their goals of achieving a ‘sustainable’ corporate culture. Although the ‘free’-market and the establishment of the economic health of companies and nations were seen as absolute prerequisites for sustainability (as discussed in the last chapter), many also felt that market forces provided significant limitations to the achievement of a sustainable society and environment. The globalising capitalist system within which companies operate and the demand that results from this system to continually increase profitability levels were seen as contrary to the requirements of sustainability. Market pressures and the focus on the financial bottom line led to practices such as downsizing, an increase in working hours without pay and a continuation of externalising many environmental responsibilities.

Within the range of stakeholders that exert an influence on the company, market stakeholders and shareholders in particular, were identified as the primary influence. The Board, entrusted with the legal and social responsibility of protecting shareholder interest, need to be assured that initiatives for sustainability would bring sufficient rewards and not incur too many costs. As such, interviewees argued, it was easier to get support for initiatives that involved minor changes and reductions in operating costs than those that involved dramatic changes to corporate culture. One key motivating factor, the demand from sovereign consumers and clients for sustainably produced goods and services, was found to be lacking. Furthermore, interviewees argued that the market did not reward industry types equally since some attained greater benefits from a triple bottom line culture than others. This therefore led to a wide spectrum of corporate citizenship positions being adopted within the corporate sector.
The conditions required for ‘sustaining’ the corporate lifespan and operating conditions were not always the same conditions that sustain the environment and society. Yet despite the identification of perceived deficiencies in the market framework for sustainability, only one interviewee identified the market system itself as the key limitation to sustainability. While others felt that the need to meet shareholder interest could undermine sustainability, this was seen as a democratic outcome, and thus legitimate.

As the next chapter will explore, many NGO representatives were more concerned about the capacity of the ‘free’-market to deliver sustainability and unlike the corporate sector, argued that greater regulation was the primary means to solve market deficiencies.

CHAPTER 6
Unsustainable Behaviour and the Path to Sustainability

(Views from the NGO Sector)

Introduction

Having examined corporate views of sustainability in the last three chapters, this chapter will explore the perspectives of representatives from NGOs and trade unions. In particular, it looks at where interviewees identify the problems of unsustainable development and the mechanisms they feel are required to achieve sustainability. As such, it explores the role of individuals as consumers and organisational members and supporters, as well as the role of institutions with governance roles, primarily the corporate sector. To begin with, interviewees address their concerns about unsustainable consumption and the indifference they feel typifies affluent societies. Arguing that the strength of their organisations and organisational goals requires strong support by donors and members, the path to sustainability was seen to require a greater commitment to activism, ethical consumption and increased levels of sympathy and solidarity by the general public. However for most interviewees, these measures were viewed as a means for placing pressure on what they perceived as the key forces of unsustainable development - the dominant governance institutions. Imbued with the logic of neo-liberalism, organisations such as companies, trade and finance bodies and development banks were seen as promoting an unsustainable culture of prioritising economic growth over all other factors. Arguing that the global market had not resulted in sustainable behaviour, many were of the potential or corporate self-regulation. This chapter concludes by exploring their visions of the ideal path to sustainability - achieved through a mixture of mandatory regulation, voluntary ‘good’ citizenship behaviour and a healthy dose of activism to facilitate accountability by power-holders.
Throughout the next two chapters, two loose typologies will be used to describe the types of organisation the interviewees represent - critical (political) and apolitical NGOs. These categorisations arise from descriptions by the NGO representatives. It is a simple framework that ignores many of the complexities of the organisational form, but highlights the key differences that interviewees perceived as relevant to the issues of sustainability, the triple bottom line and partnerships. Members of critical organisations are seen to adhere to a coherent set of principles or beliefs about how society works and in particular, a view about power. Social actors operating within this critical frame of reference therefore, are willing to engage in protest and to critically question the individuals and institutions they perceive as the dominant power holders. Those working within an apolitical frame of reference, by contrast, see themselves committed to a cause that they deem to be above and beyond political questions. Their terms of engagement with power holders are typically based on the search for common ground, a process that requires them to overlook the differences between their own principles and goals and those of groups whom they work with.

This chapter primarily explores the views of representatives from critical NGOs, but also includes, to a lesser extent, the views of apolitical organisational representatives. Because representatives from apolitical organisations often described and worked with dominant governance bodies in an uncritical manner, their views were remarkably similar to those of the corporate sector representatives. Like the corporate sector, their visions were inclusive of broad conceptions of sustainability. In principle, they supported any initiative that was undertaken in the name of sustainability, regardless of its scale, or the quality of the overall impact of the institution involved. Furthermore, they were more critical of micro frameworks of power than macro ones. In order to explore the agenda of corporate citizenship from a different perspective to the one presented by the corporate sector and to examine the potential shortcomings that arise from this framework, this chapter focuses predominantly on the perspectives of more critical NGOs.
and includes the views of representatives of apolitical organisations where
these provided contrast with the corporate perspectives. This does not
translate into a sidelining of the views of apolitical NGOs however, since
these are clearly outlined in the next chapter on partnerships between NGOs
and the corporate sector.

Individual Behaviour and the Need for a Wake-up Call

In assessing the behaviour of individual social actors and their role in
sustainable development, most interviewees swayed between a sense of
optimism for the future and a pessimistic concern about the enormity of the
problems facing society and the environment. In referring to the category of
‘public’, interviewees generally focused their attention on citizens in the
group of countries sometimes referred to as ‘the West’ and at other times as
‘the North’ (Western Europe, the United States, Canada, Australia and New
Zealand). This was typically the dominant culture in which the interviewees
had been socialised and furthermore, these countries were seen to pose the
greatest challenges for sustainability for their level of consumerism, public
indifference to unsustainable development and for being the home bases of
many large and influential companies.

Many interviewees felt that wealthy industrialised nations were characterised
by a self-interested, myopic culture. For some interviewees, this culture was
identified as a problem of unfettered development that is driven by
unsustainable systemic or institutional agendas, while others felt that it was
primarily a sign of the indifference and self-interest that sprang from living in
an affluent society.

Citizen Consumers

One of the key problems identified with ‘Western’ societies was the
prevalence of ‘over-consumption’. Like interviewees from the corporate
sector, the NGO representatives felt that the lifestyles and production
methods of industrialised countries had become unsustainable. However,
while corporate sector representatives saw further consumption (in a green
or ethical form) as the primarily solution to unsustainable development, many interviewees from NGOs were concerned that the level of consumption itself was a major cause of unsustainable development:

We can't continue to live the way we are living, consuming three planets. So we are going to have to come up with something really fast or we are going to be in big trouble - that is the clear reality of the situation. It doesn't matter whether you look at social impacts or environmental impacts it's a complex challenge for us. And NGOs who have been working on the ground, we have got some good insight into what is possible. And I think part of it, it's not just NGOs, NGOs academics, building a coalition for social change, we need to be part of that and reach out more and create more of a voice (Sustainable Future Organisation).

Although over-consumption was problematic and consumer-focused solutions alone were not considered sufficient to bring sustainability, many interviewees felt that it was important nonetheless to encourage green or ethical consumption. While accepting a certain level of consumption as necessary, many hoped that their organisations could work in conjunction with others to ease the levels and impacts of Western consumption:

We are animals that consume, I mean all animals consume, we just happen to consume a lot. And I wouldn't say that's necessarily wrong. ... [Our] aim is to shift consumption in the direction of lightening up on the planet. That's the best we can do at this stage (Enviro Solutions Organisation).

Many NGO representatives saw a key role for their organisations in promoting enlightened consumerism. By keeping the public informed about the conditions of production in certain industries and by highlighting fair trade or green alternatives, they sought to place pressure on both the industries and on consumers. However, they felt that these pressures were more influential in some industries than others and that such tactics were not sufficient in themselves to make development sustainable.
A few interviewees from apolitical organisations appeared to absolve companies of any responsibility for promoting consumerism and focused entirely on irresponsible individual behaviour. The tendency of apolitical organisations to attribute problems primarily to the micro level was not surprising, given that they were unwilling to criticise dominant governance institutions. One interviewee expressed the view that the disposable ‘society’ was the fault of the ‘ignorant consumer’ who lacked consideration for the short and long-term impacts of their lifestyle. Whether he felt that ‘society’ was simply the sum of ‘ignorant’ consumers, or something more, was not quite clear:

It’s not the company’s fault, it’s the ignorant consumer because we have a throw away society. You always know where the litter is going to be and it is whatever time it takes you from that fast food outlet ... to drink a drink and that is where you will find litter because people will finish their burger quite quick, once they have finished their drink it normally goes into a bag and they throw it out the window (Bin-it Organisation).

Representatives from critical organisations typically argued that the consumer focus needed to be combined with other mechanisms for sustainability, such as lobbying companies and governments and establishing and strengthening frameworks for regulatory standards:

We first of all want to educate and alert consumers to the problem, so that we seek their support in overcoming the problem. [We also] work with the outworkers\(^{38}\), so that we support them at times when they are under-paid or not paid - sort of advocacy. We also work to lobby government to bring in legislation that protects outworkers. ... We’re also involved in activist type work where we try to get the message out to the broader public through creative action [and] engaging the media so that there is

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\(^{38}\) An outworker means ‘a person engaged, for someone else’s business, in or about a private residence or other premises that are not necessarily business or commercial premises, to perform clothing work’ (Parliament of Victoria, 2003)
discussion and people understand the problem. So it’s working on a whole range of levels (Eye On Sweatshops Organisation).

**Direct Action**

Aside from lobbying government and other governance institutions directly, the other key means by which critical NGOs sought to work toward sustainability was the tactic of direct action. This tactic, they felt, was one of the most useful ways of raising public awareness and placing pressure on decision-makers. By protesting in response to the actions of companies, governments, or international bodies, social movements embody and make visible opposition to the decisions being made, raise public awareness of the issues under scrutiny and provide pressure on the targeted institution to adopt a more sustainable culture. Where the influence of the union movement was strong, for example, interviewees felt that the standard of life was significantly improved:

If you look at the states where there was no union influence, the state manufacturing sectors and those sorts of areas just ran crazy because they didn’t have any environmental controls or mechanisms at all. It’s important to have a say in that quality. And that happened here too, we mined asbestos and we did those things that unions have been responsible for closing down (Sparkies’ Union)

All interviewees from critical NGOs felt that the tactic of direct action through joint campaigns had resulted in good outcomes. In relation to companies that were accused of poor social or environmental standards, these campaigns often focused on ‘shaming’ the company by exposing its poor practices and sullying its reputation. One example that many interviewees considered successful in this regard was the campaign against the conditions in one particular sportswear company:

But I think they have been so battered over the last decade or so that I think they’re starting to realise that it’s not worth it. They’re spending so
much time, so much money trying to put this public relations face on things and nobody believes them. They’ve clearly lost that public relations war. Everybody associates the word [X sportswear company] with the word ‘sweatshop’. ... The kind of thing that the ... campaign has been doing for decades, I think, is spot on! Of exposing poor practice and making as big a stink and as smelly a stink of it as you can (Just Societies Organisation).

Direct action was not only used against individual companies but also against transnational institutions such as the World Bank, WEF and IMF and the type of polices they are seen to represent. Interviewees placed considerable hope in the anti-corporate movement and other broad coalitions or movements for change. The presence of the anti-corporate movement outside the meetings of key institutions, they felt, meant that the decision-makers within, experienced a sense of being under siege. In addition to bringing public attention to the existence and role of these institutions, the protests had prompted the members of the institutions to engage in a dialogue to explain their actions:

There is a growing sense of being in the bunker wherever you go. The WTO can go to Qatar, which as everyone likes to say is a medieval, feudal state in the Gulf region. You can go to a beautiful ski resort in the Swiss Alps, no matter where you go people will find you. And you will need to start to meet behind closed doors. The World Bank and IMF were looking at going online and having debates online. A number of meetings have been cancelled. There is no doubt that the physical presence of anti-corporate globalisation is impacting on the mind-set of the people who go to those meetings, there’s no doubt about that. They’re getting a sense of being besieged (Eco Justice Organisation).

Underlying the capacity for unity across broad coalitions, interviewees felt, was the growing public opposition to neo-liberal globalisation39. As the

39 An indication of the discontent against Neo-liberalism can be gauged by the popularity of the World Social Forums. According to Gonzalez (2005: 129) 155,000 people attended the most recent World Social Forum in Porto Alegre.
effects of this doctrine became apparent, they were seen to create a sense of solidarity across a range of different NGOs and activist groups in different countries. Human rights groups, aid organisations, environment groups and trade unions, to name a few, were seen to unite against institutions propagating the neo-liberal paradigm. By acting together in a coalition, the diverse groups could bring together a larger audience than either group could mobilise on their own. To appeal to a wide layer of the public and to get the attention of the particular company targeted, it was essential to get a diverse range of organisations to appeal to their community of interest from their field of expertise or authority:

We’re in a phase at the moment where the green movement, human rights activists, trade unions and church groups have formed massive coalitions around the world and made some enormous gains and pushed companies to the brink on a lot of issues. ... It’s the only way forward as far as I am concerned. Trade unions are not going to solve the world’s problems. The greens are not going to solve the world’s problems. [X human rights group] is not going to solve them and church groups. But put us all together and we will go a long way toward fixing some problems. ... It wasn't until we formed even a broader coalition ... [that] we started to corner them, like the old Indians and the cavalry we surrounded them. And we started to move in on them and you move in with a united voice (Union of Mining Workers).

While coalition members may share many hopes and concerns, there is no doubt that significant differences also exist between the groups. One trade union representative expressed such differences clearly in his concerns about the environmental movement. Unlike trade unionists who were entrusted to protect their members’ jobs, he felt that some green groups undertook actions and supported policies that undermined jobs:

We as a trade union have a slightly different view of Kyoto [the Kyoto Protocol] to the green movement and to the government. We are concerned about some of the impacts of Kyoto but we also say ratify it and
let us work through those problems as we come to them. ...But it’s not just a matter of us blindly accepting these issues. We see massive job losses especially with the Australian coal industry. It employs what, fifteen thousand people? And generates thirteen and a half billion dollars worth of exports a year. Now when the greens come to us and say ‘stop digging up coal’ we say ‘[that involves] job losses, then you’ve got the multiplier effect on the community - job losses within the community, the pubs are shut, the sandwich shop will shut etcetera. And you lose all that trade in the mean time. ... And wind turbines are not going to generate export income (Union of Mining Workers).

Despite their differences and concerns about the effectiveness of social movement coalitions, all critical NGO representatives remained optimistic about the opportunities for change and were firmly committed to the tactic of direct action as one of the mechanisms to achieve it. One of the key problems facing this type of action, some felt, was public indifference to unsustainable development.

**Overcoming Public Indifference**

A sizable minority of interviewees was concerned that people would only become conscious of and actively work toward sustainability solutions when they are directly faced with an impending threat of disaster. This view was also mirrored in the corporate sector. All interviewees who expressed such concerns raised the example of the September 11 attacks on the United States, suggesting that a similar level of catastrophe in the realm of sustainability would be required to propel the Western world to assume more sustainable behaviour. The example of September 11 was important for the interviewees since it demonstrated that large-scale disasters could strike all across the globe. Prior to this, the Western world seemed largely impenetrable to the wide scale conflicts and problems that are evident in some industrialising countries. Feeling that this catastrophe had begun the process of making Westerners feel more vulnerable, interviewees felt that
people would need further wake-up calls that directly related to sustainability in order to appeal to their instincts for survival:

You have to have a comet go within a bee’s ear of Australia. You have got to have a massive scare [on the scale] of September 11. ... If it is going to make any major long-term changes, it will be some kind of major international catastrophe. It will be something that really kicks the Western world in the teeth that will make any long-term, really broad changes in the way society reacts to humanity and its environment (People Assist Organisation).

The perceived indifference of the public was of particular concern to one interviewee who worked in a humanitarian assistance agency that relied largely on public funding. Rather than donating to people in the greatest need of assistance, the interviewee felt that donors typically gave to *causes* that they could relate to through direct experience, or to *recipients* whom they identified as being similar to themselves in terms of ‘racial’ or ethnic characteristics and religious affiliation. An example of this discrimination or ethnocentrism, she felt, was evident in the responses to the September 11 attacks on the United States, where a large number of donors were willing to contribute to the American victims but not to the victims of the war on Afghanistan:

Australia wanted to give to the victims of September Eleven because it has something to do with us, rather than just giving to those who need it the most - the Afghans. But they are not like us, they are not Christian, they are not white, they are not like us. We want to give to the people in that office building that we can relate to. We want to support them because that could be us. We are doing it to make ourselves feel safer, not because they need it (People Assist Organisation).

The other basis for charitable donations, according to the interviewee, was the ability of donors to build a personal attachment to the recipient,
particularly if they could see evidence of their interventions, such as through child sponsorship schemes:

The little boy in Africa ... we can feel great about the fact that he grew up to be a doctor because of our dollar a day. It’s got to be really simple. And that’s why the [adopt a child] thing has worked so well because you have a child and you can see that it goes to that child yet that money goes to lots of other places. It does good, [this is] no criticism! They do that because they know that is what people are like. You have to give them something that they can relate to in their own backyard because people live in very small worlds (People Assist Organisation).

Organisations were not only reliant on supporters and members for their financial support, but also to boost their capacity for influencing decision-makers and for supporting their activist work. For trade unions in particular, the advancement of labour rights and the enforcement of standards was seen to occur only where a strong and active base of members supported the organisation. A few organisers from blue-collar unions felt that their membership was highly involved in union affairs and as such, kept them accountable and effective. Other trade unionists however, felt that union members saw the union as an insurance agency that would actively advocate on their behalf to protect their economic interests:

In every union ... I think there is an active section of each union’s membership, say the top ten or fifteen percent, who will participate in their union activities, who’ll participate in wider trade union activities that we call now and again, who besides going to work every day also participate in other aspects of social and political activity that’s around the unions and also out there at large. ... I think most people who are in unions are in it from the economic situation, that they have got someone who will look after their wages and conditions (Unions Victoria).
The passive status of the membership was explained as an outcome of the Prices and Incomes Accord (the Accord\textsuperscript{40}) and as the result of an ignorance of power politics within the workplace. In the case of the Accord, the framework was considered to be an elitist form of negotiation that removed the need for rank and file union member involvement by placing power in the hands of union officials and government bureaucrats. This was seen to result in a high level of membership passivity that long outlasted the life of the Accord itself. With regard to power politics in the workplace, the members were seen to have too much faith in the goodwill of their employers and lacked an understanding of the gains made through struggles of the past:

With the Accord process ... it could be argued that we changed dramatically the way we operate. ... We took the struggle for wages and conditions from the shop floor, placed it in the hands of the leadership of the ALP [Australian Labor Party] and the ACTU [Australian Council of Trade Unions], which was heavily influenced by Treasury and certain outcomes were reached. We have had to reinvent ourselves these days as more of a social movement again. ... To me, a social movement is people willing to agitate to get what they want, or to get what they deserve or need (Union of Mining Workers).

The younger generations don't seem to have any understanding that the conditions that they currently have are based on the blood and the sweat and the tears of the people that came before. I'm not saying that they believe it, but I think they want to believe that their boss likes them and will look after them. And that's the other thing that we have against us is people don't want to hear that their lives are crap (laughs) and that their boss actually couldn't care less who they are or how long they have worked for them (Bank and Insurance Workers’ Union).

\textsuperscript{40} During 1983-1996 the Labor Government and peak union body (ACTU) had an agreement that committed the former to facilitate conditions for full employment and a rise in living standards in return for industrial quiescence and wage restraint (Alexander and Lewer, 2004: 63).
Because of the importance of members and supporters to the functionality of the NGOs in their various goals, many interviewees identified a need to raise public awareness and to translate that awareness into a commitment to sustainable or socially just behaviour. This activity was seen as important for the development of the organisations, as well as broader social movements and ultimately, the development of a sustainable society:

I actually think unions will have to work with community groups and other like-minded individuals and individual groups to build coalitions of resistance because I don’t see any other way of doing it, because the public awareness is just not there. I think when you talk to most people about what actually happens in banking and how that works they are shocked. What that tells me is that we need to work a lot harder with the general public about how all of this works to get them on side (Bank and Insurance Workers' Union).

I would say that we need to challenge the sisterhood - especially in Western countries where feminists are very vocal about the glass ceiling but not so vocal about exploited workers who make the gorgeous clothes they wear. I think there are many challenges to meet out there and there are many players who need to examine their position and to look at what they stand for (Eye On Sweatshops Organisation).

Despite some concerns about public indifference, most interviewees remained optimistic about the future by acknowledging the difference that their efforts and the efforts of those people and organisations that were not indifferent could make:

It doesn’t get depressing because you see these random acts of magnificence - those one in fifty or one in a hundred or one in a thousand people, incidents, things, companies, individuals just shining in the darkness. Because if none of us did anything then God it would be a cesspool - an absolute cesspool! And we've all got to keep up the very imperfect knitting that was never really going to remotely get into the shape of a jumper, but at least we are knitting. People are being saved in
every second of every day. Children aren’t dying by the hundreds of every
second of every day. Sustainable communities are being built in every
second of every day as a result of this very imperfect knitting. ... What
civilization accomplishes in a day is breathtaking! (People Assist
Organisation).

The Global Economic Order
While a few interviewees from apolitical NGOs identified individual consumers
as the primary agents of unsustainable culture, the majority felt that it was
institutional actors from national and transnational organisations that were
the major contributors, such as national governments, corporations and
international bodies such as the World Trade Organisation, the International
Monetary Fund and the World Economic Forum. The key problem many
interviewees identified with these organisations was the neo-liberal ideology
that underpinned their activities. Many interviewees felt that neo-liberalism
was incompatible with sustainability, given its absolute concern with
economic indicators and programs of deregulation, corporate-driven
regulation and privatisation.

The problems that were accepted by the corporate sector as a natural part of
development and globalisation (such as the evolutionary requirements of
development) were primarily seen by NGOs as belonging to the political
ideology of neo-liberalism. In their lobbying efforts, many interviewees had
come up against what they called an ‘ideological wall’ where the dominant
discourse of neo-liberalism had made it difficult to implement or discuss any
changes that were not a means to greater economic efficiency or
profitability:

On a very regular basis you come up against an ideological wall that there
is no option but the free market – it’s inevitable. ... What the free traders
have done, the neo-liberal economists, or economic rationalists, they’ve
done a brilliant job of packing up an ideology and making it seem non-
ideological. So you go ‘it’s just about trade agreements’. Inherent in that
is a view about government, a view about privatisation of social services, a view about trade unions, a view about the concept of development and what is development and a view about how you say things are healthy - it's only about GDP it's not about genuine progress or that type of stuff (Eco Justice Organisation).

We're in a difficult time, there's no doubt about that. We're in a time where the cultural hegemony is around deregulation, where the United States and the neo-liberal system are dominating. I see this as a really hard time but I believe there will be a swing-back because ultimately it is not sustainable (Eye On Sweatshops Organisation).

One of the problems many interviewees identified with the neo-liberal system was the weakening of representative democracy. While this democratic form requires power holders to legitimate their role by ‘representing’ the citizens who elected them, interviewees felt that decision-makers in companies and transnational institutions were increasingly making decisions that affect large numbers of people who have little say in how the institutions are run. Although some globalising processes were out of the hands of national governments, interviewees felt that governments had willingly assumed an active participation in other globalising processes. The notion of globalisation as a driverless machine however, had given governments the opportunity to claim a dramatically decreased capacity for agency in areas that they no longer want to take responsibility for:

National governments like ours in Canberra say 'hey wow we have had to sign on to this WTO trading agreement which means that we can no longer make decisions now. So if you get upset about something a company does well we can't do anything about it because ... we have joined the WTO which means we can’t do ‘x’, ‘y’ and ‘z”. So I disagree with that and while business should be able to function, people through governments should be able to control that (Shelter and Protection Organisation).
Although the image of the powerless national government was unconvincing to many interviewees, they felt that the government was strongly influenced by the corporate sector. As such, the interviewees were not confident in their efforts to advise or lobby governments in the interests of sustainability given the far stronger influence of business leaders:

There is this massive relationship between government and business. There is this captured interest, a captured relationship between government and business, which makes it, first of all, impossible for us to be heard or to get any access to government. So we don’t get to go to the table really and pose alternative visions or actually talk about how do you address people’s concerns about the WTO and globalisation and the impacts, there is just no acknowledgement of that. It’s all business as usual, business has the answers and we are going to listen to them (Sustainable Future Organisation).

For one interviewee, the collusion between the government and corporate sector was evident in the Federal Government’s industrial relations reforms. The corporate sector’s involvement, he argued, came about as a result of the secondment of a senior executive from an influential mining company to a government working party that drafted the new reforms:

[The company] … wrote the changes to our industrial laws. One bloke was booked off the job… for eighteen months to work with [Peter] Reith [the then, Minister for Workplace Relations] in the Department to write the laws. So when the laws were enacted they were one of the first to act because they knew what to do (Union of Mining Workers).

The corporate sector was also seen by many interviewees to have significant influence over institutions such as the World Trade Organisation and multilateral development banks. They felt that companies had direct access to these institutions and thus colluded with them to create policies that favoured corporate interests, such as those involving privatisation and the provision of lengthy patents. The corporate-friendly policies of the
international bodies were seen to be contrary to the interests of a majority of the world’s people:

That’s an area that we look at in terms of the relationship between big corporations and the multilateral banks and how the policies of the big banks are steering countries in a direction of being more reliant on companies and less able to facilitate public/government structures on social spending or social welfare and that sort of thing. So it’s looking at the collusion between the corporate and then the so-called public entities like international institutions (Assist-aid Organisation).

On the national and international stages, companies were seen to increase their influence through deregulation, as well as regulation that is corporate-driven, or formulated with an eye on corporate interest. The lack of will to regulate corporate activity was seen by many interviewees as a retrogressive step that would provide companies with the freedom to exploit the natural environment, their workers and local communities:

Where you have voluntary regulation, you have voluntary, non-enforceable codes of conduct at both the domestic national level and international level, we would say that’s part of the bigger agenda that the large tendencies are trying to take us to. And we would say that will take humanity back at least one hundred years it would take us back to the situation where we were at the start of the twentieth century where trade unions were the exception rather than the rule. Where living conditions were basically on a fight for what you can get but no basic entrenched conditions across the board, where communities were used against communities in order to drive production costs down [and] where there was basically no regulation over environmental management (Eco Justice Organisation).

**Unfettered Business: Development or Exploitation?**
Most NGO representatives from critical organisations were concerned about the impact of a largely unregulated and highly influential corporate sector on
sustainability. Unlike the corporate sector representatives who saw development being carried out primarily through the everyday activities of the corporate sector, the NGO interviewees felt that unregulated business practices involved a high level of exploitation and environmental degradation that created a downward spiral in social and environmental standards.

While investment by the corporate sector was considered an important part of development by many interviewees, they felt that the benefits were typically overstated by the corporate sector. The role of the mining industry in development was a topic of particular interest and concern. As an experienced commentator on the mining industry, one interviewee noted that the investment and infrastructure contributed by mining companies could only be considered ‘developmental’ where it offered long-term and ongoing benefits to the community. He suggested however, that many mining companies were only committed to an area or project whilst it was profitable for them to do so. The developmental by-products of business would thus end along with the cessation of the projects:

The industry claims that it brings benefit to these remote communities and to some extent, of course, it does. It brings jobs, it brings roads, it brings facilities, [and] it brings money. Which is another problem that has to be faced and we're starting to face it too, is that as mines close down all that suddenly disappears. The remote communities are left without the cash that they had. The clinics can't be maintained, the roads can't be maintained, the schools can't be maintained and everything goes back to the bush. What obligations do mining companies have when they close down and leave? Do they just fill in all the holes and go, or re-grow trees? Or do they have an obligation to leave behind some sort of economic opportunity or some sort of means of sustaining livelihood that has been lost when they leave? (Just Societies Organisation)

Furthermore, in impoverished countries with few governmental standards and guidelines for regulating corporate behaviour, companies could easily fall into exploitative behaviour that does not contribute to development. A few
interviewees were concerned that the lack of visibility and control over a company's actions in such a context would bring few incentives for 'good' citizenship behaviour. To demonstrate his point, one interviewee gave the example of mining in West Papua:

You can't put a mine in a remote, undeveloped part of the world that is potentially or actually a war zone. ... Even if the company has the best will in the world and expects to operate in a positive environment [it can't] because it's remote, there is no effective monitoring or verification, there is no government regulation, there's no easy ability for access for the Western media. It's an area of the world that few people know about anyway so even if it gets covered it's something that's unlikely to grab the public attention - people don't identify with it. There's a whole host of barriers that set the grounds for it being very difficult even for the best corporate social responsibility company in the world. And even if it is trying to live up to all of its principles set up by the head office in Melbourne or whatever, for it to actually advance on the ground under such circumstances is impossible (Resources Watch Organisation).

Mining company operators were seen to have a chameleon-like nature, whereby they would adapt their operational culture to fit the particular context they found themselves within. As such, interviewees felt that the rights of local communities were likely to be respected where a legal framework existed to protect them (and where there was transparency of corporate activity), yet where no such legal framework was in place, they felt that mining companies would exploit and employ force against local communities:

In the Northern Territory for example where we have a Land Rights Act that is fairly strong, if an Aboriginal community says we don't want mining, then that's it. That's the law in Northern Territory. If it happened in Indonesia, they'd probably just send in the troops and bang a few heads. So, my reading of the mining industry is that they will do whatever they have to do and do it willingly. They don't have any problems about the Northern Territory Law as far as I can see. But if they don't have to, well
they don't have to and they won't. It seems to me that they will fit in with whatever the law says. If the law is quite strict and says you have to get agreement before you go ahead, that's fine, as long as they know where they stand. But if the law says you go in because we said you can go in and if you have any trouble let us know and we'll send in the troops, that's fine by them too (Just Societies Organisation).

Despite the perceived vulnerability of local communities that surround mine sites, one interviewee felt that they have a certain level of agency in their struggles against mining companies. While isolation could expose local communities to the dangers of security forces protecting the mine sites, isolation was seen to make mining company representatives similarly vulnerable:

Because they are isolated and surrounded by the community ... mining operators feel very vulnerable and feel that they have to have the local community on side - otherwise they become under siege. They are operating under siege and they don't like that - particularly if they have wives and families with them at the mine site. Nobody likes that. So, you know, there is an inequality of bargaining power but it's perhaps not as great as one would imagine. It's not like say, workers in a sweatshop situation in Asia where they really don't have the ability to complain, because they just lose their job. These people, quite definitely, have the ability to complain and will complain - loud and clear! Even to the point of, as I say, blocking roads and bringing mining operations to a stop (Just Societies Organisation).

Unlike corporate sector representatives, most interviewees from NGOs did not accept the premise that exploitation and environmental degradation were an essential component of development. Rather, they felt that a range of social and environmental standards, conducive to social justice and sustainability, should be met in every operating environment. Where improvements have been made in environmental management, for example,
these improvements should not only be adopted in industrialised countries, but also in industrialising ones. Yet this was not always the case:

The coal industry, especially the Australian coal industry and the American to a degree ... does need some congratulating for developing clean technologies and again it is a bit of green-washing, it's a bit of ‘we're doing ok, it's not us, leave our industry alone here’. But [some companies] can't say that because they are opening mines in India using old technology. They are not exporting their new technology there. They are using the old technology which is Indian standard technology, which is horrific for the greenhouse effect. [They say] ‘well we just cant afford to go there with the new technology’ (Union of Mining Workers).

Furthermore, while companies claimed to be providing much-needed jobs in impoverished countries and thus contributing to development, many interviewees were concerned that the typical employment conditions provided in such areas would not help workers to experience an increase in their quality of life since the jobs did not offer a living wage or safe and secure conditions:

The definition used for sustainable development is about inter-generational equity, it’s about biological diversity, it’s about internalising your externalities [such as] pollution. ... So companies can say we fit in with that definition. We support intra-generational equity by saying ‘we're opening mines up in Indonesia or Namibia or Chile and giving employment to these people that wouldn’t have employment otherwise. So we are redistributing income because we are offering people work’. They are [offering people work, but] those workers have been highly exploited, they're being paid absolute rubbish money (Union of Mining Workers).

While many interviewees felt concerned about the perceived harsh and exploitative developmental conditions in industrialising countries, they felt that the trends in industrialised countries were also a cause for concern. In Australia, exploitation was seen to occur in the treatment of outworkers who
fall outside the orthodox labour protection mechanisms and in the attacks made on the labour rights framework itself. One interviewee, who worked specifically within the area of outworker rights, argued that poor conditions often arose because outworkers are isolated and not aware of their rights. She suggested that business representatives who source products from outworkers typically do not provide them with a contract that outlines the terms of production or payment details. As such, outworkers are left in a vulnerable position where they can easily be underpaid or pressured to meet unreasonable deadlines:

It is a very fluid, dirty industry - there’s no doubt about that! Now what happens is outworkers are delivered a load of work, they may be given a date for pick-up and then someone rings them and says ‘no, we want it two days earlier’ and the outworker says ‘I can’t deliver’ and they say ‘if you don’t deliver you don’t get paid’. So that’s when they sit up all night to finish an order - there’s that sort of pressure! It is unbelievable pressure! (Eye On Sweatshops Organisation)

The problems identified with the broader labour rights framework were primarily linked to what was described as aggressively ‘anti-union’ legislation – the Workplace Relations Act and the ‘Second Wave’ of industrial relations reforms. Although the responsibility for these reforms sits firmly within the sphere of Federal Government, the interviewees were suspicious of corporate involvement in the drafting of the legislation and were critical of the neo-liberal framework that sought to remove rights and protections in favour of increased power to the corporate sector. Trade union representatives criticised these reforms not only for their direct role in undermining human rights - rights to collective bargaining and free association - but also for their indirect impact of creating a climate of fear in Australian workplaces where employees lack confidence to argue for their rights:

41 Since these interviews were conducted, an Outworker (Improved Protection) Act has been implemented in the state of Victoria.
There is an absolute environment of intimidation and everybody who stands outside the square if you like, or who doesn't follow the party line in the corporation, who doesn't say the right things is not promoted and is seen as negative and they are seen as troublemakers. And what I have seen over the last few years is as these corporations understand their power and as they understand what they can actually do with the WR [workplace relations] laws as they are becoming more and more and more aggressive in a very subtle way (Bank and Insurance Workers’ Union).

The ‘environment of intimidation’ perceived by trade union representatives, involved the reduction of the powers of the independent arbiter - the Industrial Relations Commission, an increasingly legalistic environment where union and employee challenges result in corporate-initiated court battles, increasing restrictions on union access to workplaces and the forceful implementation of individual contracts. Underpinning all these changes, interviewees felt, was the attempt to remove the power of trade unions and to undermine collective bargaining.

The neo-liberal notion that the market will prevent the need for social policy was not borne out in practice in the labour market. Trade union representatives saw downsizing as the primary means by which companies achieved the levels of profitability required by the market system. Yet rather than creating new positions, they felt that the staff who remained in the workforce were typically forced to take on unpaid overtime as a result:

All the decisions they make are for the short-term… So year-to-year, it's ‘we project our profits to be... and it's always at least ten percent’. It doesn’t matter what your environment is, it's ten percent and there is only one way to get that - to cut more staff. … We have lost forty-five thousand jobs over the last five years. That is a lot of jobs. Now that work is still being done, it's just being done unpaid. There is a million hours of unpaid overtime every week being done in the banking sector. Now I don't think it takes a rocket scientist to work out that of that million hours unpaid overtime and those forty thousand jobs lost, all that’s happening is that
fewer and fewer and fewer people are being expected to do more and more and they are being expected to do it unpaid for the love of the company (Bank and Insurance Workers’ Union).

Interviewees from a range of organisations felt that business leaders could not be trusted to protect environmental standards and social justice concerns without regulatory mechanisms. They felt that the market system and the drive for ever-increasing profit levels in particular, did not stimulate sustainable behaviour, but rather were the primary source of unsustainable and exploitative behaviour. Although no NGO representatives expressed opposition to the market system or to companies pursuing a profitable financial bottom line, many were concerned about the cost of unfettered business activity on society and the environment:

My first thought is how does one achieve economic sustainability or growth? Often it is by exploiting environmental or human labour outputs, the resources that humans and the environment can offer is often what leads to economic, not only viability, but profitability (Assist-aid Organisation).

Because many of the critical NGO representatives felt that the market was not an appropriate stimulus for sustainable development in itself, they expressed reservations about the practice of corporate citizenship given its predominant focus on self-regulation. Regardless of the good intentions of managers that attempt to implement a sustainable culture within companies, many interviewees felt that the forces of the market, such as the ever-increasing drive for profitability and its requirement of continually expanding consumerism, was not an adequate framework for building sustainability:

Their track record I suppose is where you can really query whether they are really interested in […upholding a triple bottom line] and that overall drive for profit. ... It just seems to be such an overarching sort of response to everything, profit. It’s always the market, market value. It’s almost like the market is some sort of thing up here (gestures high up) and people are
just cogs within it. Really it’s like old-fashioned Victorian capitalism reborn again but in a more sophisticated manner (Seaside Workers’ Union).

**Self-regulatory Corporate Citizenship**

Most interviewees from critical NGOs suggested that corporate conceptions of sustainability either conflicted with, or were limited in comparison with, more radical views. They argued that the flexible and shifting terms of sustainable development were useful to the corporate sector since whatever changes business leaders were willing to make could be heralded as vital contributions. As such, claims of citizenship could be made under weak pretences. Interviewees felt the need to protect the sustainability concept from an association with largely minor changes or the practice of business as usual:

> I am concerned that terms like the triple bottom line [and] sustainability are used too loosely by corporations. We need strict definitions of these terms and we can’t let these fantastic concepts be hijacked by corporations that want to water them down and mould them to a purpose or business activity that really is not any change to the way they previously behaved. So that’s where we have to be careful (Regenerate Oz Organisation).

The flexible and broad nature of voluntary standards was seen by some interviewees to give business leaders the freedom to define almost any activity as a contribution to sustainability. While interviewees from critical NGOs welcomed improvements in operating standards, they were critical of attempts by business leaders to portray minor changes as indicators of an overall sustainable corporate culture. Leaders in petroleum companies, for example, could give their companies a green image as a result of their acceptance of the greenhouse debate and commitment to reduce the impacts of the *production* phase of operations. Interviewees however, felt that it was hypocritical to call such actions ‘sustainable’ since they failed to take responsibility for supplying and promoting an unsustainable product:
[X petroleum company received a] standing ovation for what it has done. And all they have done is redefine issues and change the agenda and they are receiving the accolades. They have accepted the enhanced greenhouse gas issue. They haven't accepted the blame, but they have accepted the debate. They set themselves targets to be met by the year 2010 and they have met it already, so they are getting accolades. ... What [X petroleum company] has done is reduced its emissions on the manufacture of the products, so their own manufacturing site emissions have been reduced. But the petrol you are putting in the car is still pumping out CO₂ (Union of Mining Workers).

Looking again at the example of petroleum companies, interviewees expressed concern that corporate citizenship initiatives would grant companies a more sustainable image than they deserved and that this image veiled their less sustainable activities in greenwash. Their investment in unsustainable ventures, for example, was seen to far outweigh their comparatively small-scale investments in renewable energy. Although these investments involved seemingly large sums of money, interviewees argued that they were tiny in comparison with the expenditure and focus on petrochemicals within the company. Furthermore, this green image could also divert attention away from their exploration for petroleum in ‘pristine’ environments that interviewees felt should be protected:

[X petroleum company] does something like invest less than one percent of its portfolio in renewables and hundreds of millions of dollars (US) on finding and developing new fossil fuel fields, oil and gas fields round the world, opening up new regions like extending production on the North slope of Alaska - one of the most pristine and fragile ecosystems on the planet - one of the most inappropriate places to have oil production. On the one hand, they go ‘we’re beyond petroleum’ and on the other hand, they’re ferreting around on the north slope of Alaska amongst many other things (Eco Justice Organisation).
While interviewees were welcoming of what they considered to be genuine attempts at corporate citizenship, they felt that the state of the environment and society was in urgent need of repair and thus could not wait for companies to become sustainable under their own terms and in their own time. Corporate citizenship, they argued, often involved piecemeal changes that were not substantial enough to make a significant difference to achieving a sustainable society or environment. Therefore, all social actors and institutions needed to be bound to the same conceptions of sustainability to facilitate more immediate and extensive changes:

The urgency of our environmental problems is so great that they cannot implement the kinds of reforms that are needed in their own time. Their own time might be fifty years, a hundred years, I don't know. But... global warming is a problem that is knocking on our front door. ... We don't have time to wait for voluntary initiatives to kick in and for corporations to slowly make changes, we need quick changes. ... We need governments to act and to enforce regulations to speed up the process. ... For it to be successfully implemented we need fundamental change in the way corporations behave. It's not just about putting in an energy efficient light globe. It's not just about putting in a recycling bin in the corner. It's about making fundamental changes and corporations have to be willing to make those changes if we're going to see it work (Regenerate Oz Organisation).

Underpinning the agenda of self-regulation and incremental changes, a few interviewees felt, was an aim by the corporate sector to weaken the agenda for sustainability. The promotion of market mechanisms involving largely incremental and partial initiatives driven by corporate self-interest was one way they felt this had occurred. What was perhaps of more concern to interviewees though, was the idea that self-regulation was adopted as a mechanism to thwart further enforceable regulations:

A lot of [corporate citizenship] is spin-doctoring and a lot of it hides a deeper and we would argue a nastier, agenda and that is, corporations... by and large, are part of a bigger plan which is moving to a model where
all the means of regulation, of enforcement, of transparency that can be externally enforced and verified, is being dismantled. We’re seeing that over the recent debate in Australia around the Code of Corporate Conduct [Bill] ... through to the international level where there’s all these initiatives going on. We’d even argue that things like Earth Charter ... we’d say it’s a bit of a touchy-feely thing and that it’s all very nice but it’s basically meaningless (Eco Justice Organisation).

The chemicals industry was seen by one interviewee to provide an example of the hollow promise of self-regulation. Regarded as trendsetters in the self-regulation agenda, the chemicals industry were seen to have developed an increasingly unsustainable culture since their assumption of the ‘Responsible Care’ model of self-regulation:

The chemicals industry has already gone down that path of voluntary regulation, it was ‘Responsible Care’ and all the kind of rhetoric and clichés they used in the 1980s and early 1990s. We would argue that that has been a complete disaster. Health threats from the chemical industry continue to grow, more and more chemicals are released onto the market each year without any level of serious testing for health or environmental impacts. The power of those corporations continues to grow. So we’d say the ‘Responsible Care’ model, the self-regulation model that was spear-headed by the chemicals sector, has clearly proven that it’s not viable, it’s not tenable, it’s not going to deliver results (Eco Justice Organisation).

The perceived problem with voluntary standards was not only that they lacked substance, or did not represent the standards of improvement required to attain a sustainable society and environment, but also that there was no means by which companies could be held accountable to them:

In a lot of environmental statements or policies that might be brought into an organisation’s workings ... [the big questions are] who is enforcing it and who is keeping them to that and what teeth it has and if the organisation or institution does not comply with those policies or those
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guidelines, then what mechanisms are there to hold them accountable to that? (Assist-aid Organisation)

I think the development of voluntary guidelines like the TBL guidelines for reporting can be a useful exercise, but generally speaking we believe that there should be regulatory frameworks for these standards because what's happening at the moment is that corporations are developing their own kind of reporting standards ... and there's no real regulatory benchmarks to measure them by. So our general position is to argue for regulatory minimum standards for companies to meet in areas like environmental standards, workers' rights, human rights, you know, relationships with communities and so on ... I think it's a good exercise for companies to be involved internally in developing standards but I do think there has to be an external measurement and evaluation of those standards and there has to be a way of enforcing them if they are broken, otherwise I don't think they are meaningful really (Civic Protect Organisation).

Looking at the example of codes of conduct in the sportswear industry, interviewees felt that self-regulation often lacked accountability. Firstly they argued, codes dealing with social issues such as labour rights were typically designed and monitored by people with little experience in assessing such standards. Secondly, while companies may employ ‘independent’ auditors to assess social or environmental practices, interviewees felt that the legitimacy of the process was undermined when companies paid for and controlled the terms of the audit. As such, they saw the codes as largely meaningless on the basis that they are undertaken with an eye on protecting the company's reputation rather than making a genuine assessment of their impacts:

We have to be very careful about the standards that they set. A lot of the companies now are devising their own codes of practice and some of them are a real sham. In fact, I'd say a lot of them are a real sham! Those codes mean nothing if they don't have direct worker input and direct monitoring by workers. They have to incorporate the five ILO core conditions - the right to organise being one of the most important. ... A lot
of the codes are monitored by companies that the company itself employs, like with [X auditing company]. Well, we've seen the report on that - absolutely dodgy! They wouldn't know what to look for if they fell over a dead worker in the aisle (Eye On Sweatshops Organisation).

The shoe companies actually have a hands-off [approach], although they have all these rubbish charters about stuff, but that is all window dressing. They have inspectors, all sorts of stuff but you go and talk to workers who work in these factories and they will tell you about them. They will clean up the factories before one of these inspections and everyone stops their overtime and stuff, but once these inspections stop, everything starts up again (Seaside Workers’ Union).

Despite their criticisms of the lack of accountability inherent in self-regulation, many interviewees saw the assumption of a sustainability discourse by the corporate sector as a positive step forward. Many had the expectation that companies should behave as citizens, but felt that corporate citizenship should be subject to enforceable standards wherein non-compliance is met with strict penalties. Furthermore, corporate citizenship was seen to give NGOs leverage against companies when their behaviour did not live up to their claims:

I think the fact that companies are starting to say that they abide by certain internationally accepted standards means they expose themselves to the potential for groups like [us] to actually come up and say ‘well hang on, this is what you say you are on about but this doesn’t reflect what you are doing’. So put them in the spotlight, see what their response is and if their response is not adequate then take whatever steps you need to (Rights 4 Humanity Organisation - Corporate Citizenship Section).

**Visions of Sustainability**

While the interviewees’ visions of sustainability varied along the trajectory from reformism to radicalism, most looked toward international agreements, protocols or frameworks to shape their conceptions of sustainability. Guidelines for human rights, labour standards, greenhouse reductions, to
name but a few, were the frameworks that interviewees felt all societal institutions should adhere to. These standards, they felt, should be reflected in the frameworks of national legislation and international agreements, as well as in the behaviour of governments, companies and other governance bodies.

‘Wealth’
Many interviewees felt that the neo-liberal framework had led to a state where economic wealth was often the primary indicator used to measure the overall health of societies. They felt that this logic was reflected in some transnational bodies such as multilateral development banks and more typically in national policy frameworks and corporate citizenship. In contrast to the dominant paradigm, most NGO interviewees felt that institutions and organisations should formulate policy with a broader notion of ‘wealth’ in mind that included social and environmental indicators:

Criticism of the triple bottom line is similar to the criticisms with GDP. What does GDP measure? Should we be looking at something else? There’s a thing called the GPI [Genuine Progress Indicator]. ... It looks at things such as literacy, crime rate, deforestation, things like that and it has indexed them, which is interesting. The UNDP [United Nations Development Program] has the human rights index [that measures human development on] three criteria and it has an index and maps it out. And Canada performs extremely well in it. But it is interesting, if you look at that and then the GDP, with the GDP China is the fastest growing economy in the world and it has been for some time so its GDP is way up the top, but what’s its triple bottom line? And you look at the human rights index and it is way down the bottom. What is more important? I think a mixture (Union of Mining Workers).

The NGO sector was seen by many interviewees as the main group to promote these alternative definitions of wealth. However, many from critical organisations felt that the dominance of neo-liberalism and the rise of partnerships between NGOs and organisations driven by this doctrine, had
placed pressure on NGOs to adopt an economic rationale in justifying their work. Elements of the NGO sector were therefore seen to contribute to the ideological legitimacy of the narrow, neo-liberal conception of wealth. To broaden the conceptions of both wealth and sustainability, representatives from critical organisations felt that it was important for them to take a principled stand by arguing for social justice and environmental integrity as goals in themselves:

If we all just talk about the economic advantage of giving aid or the economic advantage of using recycled materials, then there’s no one to actually broaden it to change those values. To actually get humans to start thinking more in terms of social and environmental standards or ways of living, where that is the highest level of achievement to work toward those goals rather than purely economic [ones]. ... There is still a role for groups to say, ‘no, we are going to push the definitions and the parameters of the debate, we are going to talk about the ethical and moral basis of why we are advocating for social or environmental justice’. So while we might be seen as sidelined [because] we’re just going to shout about labour standards and the environment, that hopefully ... can push the debate a little bit further (Assist-aid Organisation).

There has to be a discussion of the morality of corporations and their treatment of society. It can’t just be profit driven - there are people that are being affected by corporate behaviour. There are natural environments and eco-systems that are being affected by corporate behaviour. We have to minimise our impact on society and the environment. Not just so we can create wealth for corporations but because it is right to do so as well. I think we can’t forget that (Regenerate Oz Organisation).

Regulation
While the interviewees had clear ideas on what they felt was wrong with the way society functioned and had glimpses of the type of frameworks or logic they felt would be required to adopt a genuine program for sustainability, most could not identify a particular program or strategy that they felt would
bring sustainability to fruition. For representatives from critical NGOs, the regulation of the corporate sector on national and international levels was seen as the principal mechanism for sustainability. Their ideal schema involved mandatory and enforceable regulation, corporate self-regulation to improve upon mandated standards and an active civil society to keep the entire system in check. While many interviewees mentioned various existing or proposed initiatives that they felt offered some hope, they suggested that no framework that existed to date was entirely adequate to achieve their vision of sustainability.

In terms of national regulation, the main broad based sustainability framework discussed by interviewees was the Corporate Code of Conduct Bill that aimed to regulate the activities of Australian companies overseas (employing more than 100 people). The Bill, introduced into the Senate in 2000 by the Australian Democrats, sought to hold companies accountable to standards in areas of human rights, environment, labour and occupational health and safety, by means of extraterritorial legislation (Community Aid Abroad: Oxfam, 2000). If the Bill became an Act, companies would have been required to report to the Australian Securities and Investment Commission (ASIC) on their adherence to the standards and complainants would have had the opportunity to challenge companies’ compliance to these standards in the Federal Court (Community Aid Abroad: Oxfam, 2000). While the Bill was not supported by particular industry groups such as the Minerals Council of Australia and did not gain the support required by the major parties to become legislation (Community Aid Abroad: Oxfam, 2000), many interviewees felt that the model should not be abandoned since it provided a good foundation on which to base a regulatory framework for corporate citizenship:

I think in Australia, at the very least, we do need a legal framework. I don’t think merely encouraging companies to be good, without that framework, is going to be sufficient. At the moment it is voluntary whether or not you
want to comply with international standards of environmental and social performance - there are of course national regulations in some aspects such as Occupation Health and Safety, certain environmental standards etcetera, but they don’t cover the gamut. There is a broad swathe of stuff there that companies quite often find themselves in trouble with, when it comes to what NGOs are claiming. So it’s those sorts of areas that are not regulated at the moment that really need an overarching regulatory framework. And … the Corporate Code of Conduct Bill would have been a good way of ensuring that Australian companies operating abroad are at least held to the basic occupational health and safety standards that we have here, [and] certain basic environmental standards (Rights 4 Humanity Organisation – Corporate Citizenship Section).

Many of the interviewees who mentioned the Bill noted that there were minor problems that would require amendment. One however, felt that extraterritorial legislation had not and possibly would not, be an effective framework for corporate citizenship:

In theory it could have [worked]. Not the Bill that went forward. It had all sorts of weaknesses. It would have to have been re-drafted. But there is this legal question of extra-territoriality. Australian courts are supposed to deal with breaches of Australian law in Australian territory. If the breach happens in Indonesia that's best dealt with by Indonesian courts not Australian courts. That's the question of extra-territoriality. Do Australian courts have jurisdiction over something that happened outside of Australia? ... Within Australia there is an [extraterritorial] law about sex offenders. But they're prosecuted when they come back to Australia for a crime that occurred somewhere else, Bangkok or wherever. But there hasn't been a successful prosecution under that as far as I know. I think it's still an open question as to whether and to what extent it's going to happen (Just Societies Organisation).

While perceiving some problems with the Bill, many interviewees were nonetheless critical of the corporate sector's general opposition to it. Again, the argument for self-regulation was seen to be underpinned by a lack of
commitment for adhering to strict standards and an objection to government intervention:

The companies and corporate sector universally canned it. But they were very interesting in their responses, because essentially the legislation was arguing for nothing more than what the companies already say they do. So if they did it, then what was their problem? However the companies were totally aghast at the prospect of the legislation so it seems that they have a credibility gap. On the one hand, they say they do it, on the other they don't want to prove they do it (Resources Watch Organisation).

You’re talking about external agencies, including governments coming in and telling them what to do - and that they can't abide. Most corporations can't abide [that] and will do anything to avoid legislative controls. They always opt for a process that they can control. Not one that's imposed on them (Just Societies Organisation).

When it came to protecting standards and conditions on a national level, most interviewees felt that it was necessary to not only provide more vigilant monitoring and tougher sanctions against non-compliance to existing standards, but also to lobby for stricter regulatory standards that adhered to international frameworks for social justice and environmental sustainability. This would mean that labour laws should comply with International Labour Organisation conventions and the Universal Declaration of Human Rights, while environmental laws should comply with the Biodiversity Convention and the many other frameworks for environmental quality. One interviewee with a legal background felt that a broader framework for regulating corporate citizenship could occur through the reform of the Corporations Act:

We need a reform of our Corporations Act and the way that we regulate corporations in this country and all over the world. I think we need to change the obligations and duties of directors and extend them beyond just a duty to the company as a whole - which is the current duty - but
extend that to the workers, extend that to the environment, extend that to a community in which a company operates. ...If a company continues to break environmental and social regulation they should have their license to operate taken away from them. There should be a mechanism that enables the corporate regulator – ASIC – to go down to the Supreme Court ... and wind up a company that is continuously breaking corporate laws (Regenerate Oz Organisation).

While regulation on the national level was seen to be important, most interviewees felt that sustainability would not be achievable without regulation on a regional or international level – whether this was directed at the corporate sector itself or on sustainability targets that are enforced on member states of transnational bodies. Fearing that national governments would lack the will and capacity to regulate companies sufficiently and that transnational frameworks such as the WTO undermined national standards, most interviewees felt that regulation through regional or international bodies was essential. Yet, although there were many Conventions or Declarations in place that interviewees felt could offer guidance for appropriate standards, the existence of these frameworks did not ensure their compliance since most were not enforceable:

International agreements with strong mechanisms in place that make them enforceable are important. If they are not enforceable, you may as well not have them. The Convention on biodiversity, the Biodiversity Convention, is an international agreement that is not enforceable. Australia is a signatory to it, yet we have one of the highest rates of land clearing on the planet. And there is nothing that the Secretariat to that Convention can do about it. So I think you need strong regulation, international and domestic. I think it's absolutely important (Regenerate Oz Organisation).

I can't see how we are going to have a fair and equitable global system if we don't have regulators with policing power at an international level and to deregulate and replace the national state without replacing that with
progressive socially effect orientated, regulatory mechanisms with teeth at an international level - it’s suicide! (Shelter and Protection Organisation)

One initiative that caught the attention of a few interviewees was the OECD’s Guidelines for Multinational Enterprises. The Guidelines cover a range of areas such as ‘employment and industrial relations’, ‘environment’ and corporate governance issues such as ‘taxation’ and ‘combating bribery’ (OECD, 2001). Governments adhering to the Guidelines are ‘encouraged’ to ensure that the enterprises operating within their territories observe the standards (OECD, 2001). While the OECD describes the Guidelines as voluntary, certain NGO representatives felt that the establishment of National Contact Points provided a framework through which standards could be enforced. Despite the weaknesses of the Guidelines, the broad range of standards covered appealed to the interviewees who discussed it:

The Guidelines themselves are quite good. They include all the UN international human rights instruments, the key ILO conventions, all the sort of international standards that you’d want are in the OECD Guidelines. What’s weak is monitoring, compliance and sanctions. But they do have this thing called National Contact Points... Each of the OECD governments has to set up what they call a National Contact Point... And they are supposed to promote these Guidelines, ensure that everybody knows about them - they’re only voluntary - but they’re also supposed to deal with complaints or problems arising out of these guidelines. And a number of NGOs have read this to mean it’s a complaints mechanism. If we have a complaint against [Company X] and we can demonstrate that they have broken the OECD Guidelines we can take this to the National Contact Point and something will happen. Now, that’s very ify at the moment but it’s the closest we’ve got to international regulatory environment and I think it’s one we should be pushing hard (Just Societies Organisation).

The ideal framework for the regulation of corporate citizenship, a few interviewees indicated, would be one that enforced a similar level of compliance as the WTO, wherein charges of non-compliance are dealt with
through an established dispute settlement mechanism. While many interviewees were dismayed about the power of the WTO and its implications for sustainability, one interviewee saw it as an international precedent that could be applied to other frameworks such as those protecting human rights. Another interviewee suggested that what was needed was a mixture of national and international regulation:

The existence of the WTO dispute resolution body ... does sort of suggest that there may be some prospect for a binding forum that would deal with human rights abuses. ... The WTO is unusual in the sense that it says if you become a member of the WTO you do have to submit to the dispute resolution body. So if there were something similar to that ... that would be a step forward (Rights 4 Humanity Organisation – Corporate Citizenship Section).

I think you need both national and international regulation. I think you need national regulation that is based in the countries where those companies are based - which was the model that we were talking about here with the Corporate Code of Conduct Bill. Which was actually a regulatory framework it wasn’t a voluntary code. And I think you also need some agreed international standards that are enforceable through bodies like the UN. The OECD guidelines for example at the moment are voluntary and not really enforceable although it’s up to individual governments to devise complaints mechanisms but they are not really legally enforceable (Civic Protect Organisation).

While many interviewees were not confident in the prospects of attaining this level of regulation, they remained determined to work toward such a vision. However, even with the desired level of international regulation in place, they felt that there would be an essential role for civil society to monitor the activities of dominant governance institutions. Under this framework, legislation was seen to provide the appropriate standards and mechanisms for assessing companies, while activism placed pressure on regulatory bodies
and the corporate sector to ensure that standards were complied with and improved:

The legislation is the tool that the community and activists use [to make companies accountable]. You are beating your head up against a wall if you are saying 'you should be doing this and you should be doing that' and you actually can't get access to information, or the companies aren't made to report on their activities and things like that (Earth Renew Organisation).

Although arguing that the market did not promote sustainable behaviour in itself, interviewees were not against a certain level of corporate self-regulation. Their vision of sustainability entailed strong regulation as a foundation, with the potential for voluntary measures to raise corporate citizenship to an even higher level. Sustainability involved a whole of society approach - involving regulators, consumers and investors, NGOs and activists and the corporate sector:

People talk about the ‘benevolent green hand of the market’ and that worries us ... Companies don't change because they wake up one day and have a conscience. They change their behaviour, by and large, because they are forced to, particularly in the short-term ... I argued just before that maybe there's a cultural shift going on in corporations, but cultural shifts take time. [The] short-term political changes ... happen because of external people hammering the companies and boxing them in and forcing them to go in a particular way. So we would argue therefore that changing their behaviour is always an intensely political and social action and there's a huge danger in neglecting to say that (Eco Justice Organisation).

How do we put the wagons around the marketplace and try to limit its excesses and push it to be more socially and environmentally responsible? There's a whole lot of actors in that, stronger state, stronger regulators, more aware consumers, better transparency and then triple bottom line type stuff (Shelter and Protection Organisation).

**Summary**
The whole of society approach favoured by many NGO representatives differed from the largely market driven conception of sustainability favoured by corporate sector interviewees. While NGO representatives saw problems arising from the activities of individuals in their role as citizens, consumers and organisational members or supporters, they tended to place greater weight on the influence of systemic issues in sustainability outcomes. They felt that problems arose as a result of an increasingly transnational or globalising framework where organisations such as companies and trade and finance bodies were unaccountable to democratic representation and worked toward ‘corporate-driven’ goals that were narrowly defined in their conception of ‘wealth’. For many NGO representatives, unfettered business and economic growth in themselves, did not equate with development. While they perceived economic growth as a contributor to development, they felt that development could only occur where economic growth led to an increased quality of life for the majority of citizens and where environmental quality could be maintained. Suggesting that the competitive market framework and the motive of continually increasing profitability in particular, underpinned much social and environmental exploitation, they argued that corporate self-regulation would not be sufficient to bring sustainability. Although they did not perceive any existing regulatory framework as ideal, they argued that the regulation of the market was essential and that this regulation should be kept in check and increased qualitatively by the activism of civil society and the additional voluntary commitments of the corporate sector.

While this chapter has focused on NGO representatives’ common criticisms of unsustainable development and their shared visions of the path to sustainability, the next chapter outlines the differences between NGO representatives in their views on the type of relationships required to attain sustainability - from critical watchdog roles, to roles of encouragement and partnership. It explores the practice of partnerships between companies and
NGOs from the perspectives of both sectors and NGO representatives that have refrained from engagement.

CHAPTER 7
Outsourcing Trust - Corporate and NGO Partnerships

(Views from the Corporate and NGO Sectors)

Introduction
This chapter explores the aims, expectations and overall assessments of partnerships between the corporate and NGO sectors from the perspectives of both parties. In the literature, partnerships were seen to benefit both sectors by allowing them to meet and extend their goals with greater ease (Elkington, 1997: 220). However partnerships were also seen to contain dangers, principally for NGOs, wherein they could be overwhelmed by the superior resources and influence of their corporate partners (Marsden and Andriof, 1998: 348). This chapter explores the justifications for and against partnerships, from NGO and corporate sector representatives in partnerships, as well as from representatives from NGOs that have taken a political stand against corporate engagement. The first part of the chapter will explore corporate perspectives of partnerships: looking at how interviewees felt NGOs and companies could gain from engagement; the new active role of the corporate sector in partnerships; and how relationships with NGOs have changed since the partnership agenda. The second part will explore NGO perspectives on partnerships: exploring why some engaged and others didn't and the conditions they placed on engagement.

1. Corporate Perspectives on Engagement
This section on corporate perspectives of engagement essentially extends the work begun in Chapter Three that explored the rationale behind improving stakeholder relations with employees and local communities. Interviewees’ perspectives on NGO engagement were largely similar to their views on local community engagement, in that the rationale was to have more direction over and greater harmony in, relations with stakeholders. One of the reasons this was deemed necessary was that NGO representatives could
provide expertise and legitimacy to assist the corporate sector to undertake operations in an increasingly global context - with a more complex division of labour, global investment market and increased transparency of corporate behaviour. This section provides a more in-depth exploration of stakeholder relationships, exploring corporate sector perceptions of pre-partnership relations, the benefits of partnerships and the perceived relevance of critical watchdog NGOs.

**Getting Things Done**

What was perhaps the most obvious justification for partnerships was the practical utility they involved. Partnerships were seen to improve the outcomes and cultures of both organisational types and to provide each with access to the skills, expertise, or resources of the other. Furthermore, the urgency with which the state of the environment and social conditions needed to be addressed was seen to require those with the greatest influence, expertise and concern, to work together:

> It's about how you can work with an organisation to both become better as a result of your relationship than you might have been otherwise. ... So you think about how your relationship with an organisation will be improved. How their involvement with you can improve your values, the way you do business, the relationships with your key audiences like your employees and your local communities, but also the skills and benefits that you can bring them as well (Osmosis Chemicals Company).

Given that the corporate sector was deemed to be an efficient and influential sector, with significant control over the developmental process, interviewees felt that any sensible NGOs would engage with them. All that was required to make these partnerships work, they argued, was the existence of sufficient motivating factors for companies to pursue good corporate citizenship through partnerships:

> These organisations [NGOs] presumably are the means to achieving an end and have different objectives. Well there are different ways to achieving a
means to an end. Some now can see that there are positive aspects of business. But business channelled in the right way can be extremely effective in achieving an outcome, much more so than government, much more so than regulations. ... If you can create a self-interest perspective to it, than business can, if it is committed to an outcome, achieve huge gains. That is the nature of business, it is innovative and it cuts through bureaucracy - it gets things done (Dig-deep Mining Company).

While partnerships were seen to bring benefits to NGOs as a result of attaining greater influence over companies and thus the corporate sector's significant impacts on development and sustainability, they were also seen to bring benefits to the corporate sector. The expertise of NGO representatives could assist the corporate sector in understanding how to minimise the level of disruption to society or environment whilst undertaking difficult projects or operating in difficult contexts:

We’re building a [very large] pipeline, which is basically the length of Australia. Imagine how many communities you would go through with something like that and what sort of disruption you could have along the way. So it’s a really big process of actually working out what is the impact of actually going through. We are working with [a human rights NGO] looking at the human rights issues, looking at what we are doing along the way and what impact it has (Energy Solutions Company).

In addition to offering opportunities for consultation, partnerships between companies and NGOs helped to legitimise corporate sustainability initiatives and the overall reputation of particular companies, industries and the corporate sector. Given that NGOs are perceived as experts in the various sustainability fields that triple bottom line companies are aiming to prove themselves in, partnerships were seen to transfer some of the trust accorded to NGOs to the corporate sector by means of association. After speaking about the long-term decline in trust in the banking industry, one interviewee argued that NGOs could assist companies such as hers in the goal of corporate citizenship:
The NGO sector and particularly the environmental movement were very highly regarded. According to World Economic Forum data and those sorts of things, they are significant in their influence on communities and on people at large. So I think that sort of groundswell of support for those people ... [means that] it's almost like we've got no-one else to turn to. But that sort of movement and that fervour from within the NGO sector will contribute to making the market more responsible. But it is up to organisations like ourselves to get out there and say 'look this is important to us now' (Oz Bank).

**Active Involvement Over Passive Contribution**

Under the triple bottom line framework, most interviewees felt that the process of defining and meeting common goals with NGOs had been undertaken in relatively new partnership form. In contrast with the old philanthropic-based relationships, the corporate sector was now seen to take a far more active role. One of the means by which this occurred was the active participation of company staff in the implementation of NGO/community projects. By involving staff members in such a manner, interviewees argued that their company could have greater involvement in and influence over the project, thus ensuring that it is effectively managed:

> Often a lot of value that you can bring to an organisation, a sponsored organisation, is not dollars, it's the expertise and resources that you can bring to them. To make a sponsorship work, you've really got to get your employees involved. ... Often our employees get involved in the local community through charity and through working for the school that their kids go to and I would rather, as a first principle, support the work that our employees are doing with those organisations because he or she is in there, they're managing it and they're making sure the dollars get well spent (Osmosis Chemicals Company).

While staff participation gave a limited form of control over partnerships with NGOs, the principal form of increased partnership activity by the corporate
sector involved a greater deliberation in their partnership choices. Rather than donating to philanthropic causes that have no bearing on their everyday operations, interviewees felt that many of the new partnerships were based on an attempt to identify and achieve common goals. NGOs interested in a sustainable environment, for example, could work with representatives from industries where a sustainable environment also sustained the lifespan and operating conditions of the company:

If we had a major problem, for instance, with salinity in the Murray Darling and there was [a particular NGO] directly involved in that, it would make sense to our business to support them because we saw that alliance would improve the long-term viability of the [area] that was in itself a benefit to our business (Brewskies Alcohol Company).

Considering partnerships in a more strategic manner involved an assessment of the utility of the project for the particular company as well as greater control over the allocation of money or other resources in the chosen project. As such, the corporate sector had shifted in status from passive donors or sponsors to active partners:

In a lot of cases previously we gave money so that we were involved. But in recent years we have wanted to be involved in the whole process and not just give money as a donation. ... We’ve tried to change the focus there not just with donating money but also seeing where that money was used in the community, who it was spent with and what the projects were. So we can direct them in the use and the end result with the money that we do contribute. So there has been a change, we’re not just willing now to donate but to get involved and I think that’s part of the change to a triple bottom line (Buy-more Retail Company).

**An End to ‘Trench Warfare’**
The focus on identifying common goals and more importantly, on disregarding the differences between the sectors was one of the key highlights of partnerships for corporate sector representatives. With the rise
of corporate citizenship discourse emerged the conception that the sector could be a responsible and sustainable member of the community. Subsequently, some NGOs had begun to see companies more as partners in development than as bitter rivals.

The pre-partnership relations between the sectors were described as being akin to ‘warfare’. Prior to the 1990s, perceived problems between the sectors were dealt with primarily by public attacks on one another’s reputation. The new partnership agenda, most interviewees felt, was dramatically different because it was based on pragmatism and proactive negotiation:

There has been very much an ‘us and them’ mentality. It’s been almost trench warfare in some ways, particularly with our critics, with our NGO communities. ... You are seeing a change in attitude in some NGOs [where] they are no longer the front line shock troops. Some are starting to look at how they can work intelligently with companies to solve complex problems (Dig-deep Mining Company).

In the early nineties I guess we had a fairly adversarial relationship with a lot of these groups where we would criticise each other through the media or whatever whereas now we deal with them directly. We have quite good relationships I think generally (True Blue Materials Company).

While many corporate sector representatives blamed the former embattled state of relations between the sectors on the perceived ideological blindfolds of NGOs, one interviewee argued that business leaders had also failed to identify common points of reference with NGOs and activists. The new partnerships agenda had provided opportunities to shift these old assumptions and allowed each sector to have an understanding of the other that is more firmly grounded in reality:

I think one of the key changes is, you know, our management’s recognition that engaging directly with civil society through NGOs is something worth
doing and they’re not all ... communists that just want to get rid of mining companies - which I think some of our executives did feel in the '80s and '90s. But those people have gone now. I think we have got a different attitude in the company towards engagement on a whole lot of different levels (True Blue Materials Company).

The process of communication, which was facilitated by partnerships, was seen as an important mechanism for transcending the misunderstandings between the two sectors. For partnerships to work, a few interviewees argued, each party needed to accept that the other had valid points to make, despite their differences of opinion:

I’m always a believer in talking to organisations, even your sternest critics. You often find that just the process of communication is of value. Even if your positions are intractable, you can still have a relationship. ... People are people and while organisations and companies have positions, they are rarely black and white. To the extent that they may oppose what you’re doing and they may have some very good reasons for opposing it, you support obviously what you are doing and might have some very good reasons for supporting it and the answer is oftentimes a matter of judgment (Osmosis Chemicals Company).

Partnerships did not require each party to reach complete agreement with one another - otherwise there would perhaps have been few instances where partnerships were undertaken. Provided that some common goals could be identified, most corporate sector interviewees felt that greater achievements could be attained by both sectors through harmonious partnerships rather than through combative relations:

There's a recognition that there is only so much that can be done when locking horns against each other - that a lot more can be done with trying to understand each other's perspectives and to build that in. ...If we look at areas where we can work together then we might as well (Pack-right Materials Company).
Corporate Views on Campaigning NGOs

Although they welcomed the opportunities for dialogue that the new partnership agenda had brought, most interviewees argued that the activist or watchdog role of NGOs was still essential in the pursuit of triple bottom line culture. A plural and democratic society was seen to require a diversity of organisational types and tactics. Corporate representatives felt that valid criticism by NGOs could assist business leaders to improve performance standards in the company:

I am not advocating that the shock troops go away. In any democracy if you like, you always need pressure groups to drive performance. Society is diverse and I think NGOs should be diverse in their ways of achieving outcomes. But I think it’s pleasing to see groups looking to engage constructively with companies (Dig-deep Mining Company).

We still have disagreements with them and they still maintain the right to maintain campaigns against us if they feel that we are doing the wrong thing but generally speaking I think the relationships are much, much better (True Blue Materials Company).

Even within triple bottom line companies, the cultural differences between the sectors and the pressures exerted by critical NGOs provided an important stimulus for business leaders to challenge and sharpen their ideas and evaluate their operational frameworks:

We will still clash in a few areas and that is fine, you need those sorts of dynamics to test out your thoughts, your philosophies and the directions you are going in. But if there are areas we agree on, then we may as well walk down that same road together (Pack-right Materials Company).

At the same time that contributions made by critical NGOs were accepted by the interviewees, many suggested that such organisations were inferior to their pragmatically engaged counterparts. This was because the goal of
highlighting problems was seen as less important than the goal of ‘constructively’ working toward solutions:

I actually like campaigners. But I think we should always acknowledge that that’s what they are, at the end of the day they are not going to make any substantive difference to the world, what they do is highlight issues and that is a good thing. There are lots of people like that, I work with people who make a living out of highlighting issues and maybe that’s what I do. I like to think I actually work constructively. So yeah I wouldn’t disagree with that but at the end of the day let’s actually acknowledge that that’s what they are doing, they are not coming in at the ground level and building real sustainable capacity (Behemoth Mining Company).

Within the spectrum of NGO types, interviewees argued that there were some with whom they would never engage. Those outside the sphere of corporate interest were NGOs that were seen to misrepresent the truth in order to attract media attention and draw new members:

I think some NGOs are quite prepared to bend the truth for the cause. I don’t know whether they do it consciously, but we have found that there are some NGOs that are quite prepared only to tell half the story because it helps to maintain the rage and get support for what they are trying to do. ... The ones that do behave that way, well, we can’t deal with them because you can’t have an open forum with people that are going to go straight to the media and twist that information around and try and criticise you (True Blue Materials Company).

One organisation in particular was singled out by a number of interviewees for this reason. They felt that the organisation's spokespeople misrepresented the activities of the corporate sector in their activist and educational work and thus were not accountable for their claims. While the watchdog role of NGOs is given legitimacy within the corporate citizenship discourse, the perceived misrepresentation of corporate activities by NGOs was seen to create a range of unnecessary problems for companies.
According to one interviewee, protests by the NGO had caused significant delays to his company’s operations, which in turn, led to increased expenditure. Because the legal system did not find in the NGO’s favour, the interviewee argued that this was proof that their claims were baseless and as such, there should be some ‘comeback’ against them:

When they put the bloody block against [our] plant here ... it cost [us] millions of dollars in lost revenue and clean-up and God knows what else and then went through court and found that [the plant] wasn’t out of compliance with its discharge. And there is no accountability is there? There is no comeback against [them] (Behemoth Mining Company).

Perhaps the anger of the interviewees can be seen as genuine frustration over the alleged inaccuracies of the group’s reporting of events. However their hostility could also be explained by the success of the group in raising issues and targeting companies and in their refusal to accept corporate support or advice. It is worth paying some more attention to these criticisms because of the vehemence with which they were discussed. This next section then, will briefly outline other criticisms of the NGO made by one interviewee – a representative of a mining company – whose comments were mirrored by other interviewees.

Aside from the claim of misrepresentation, the mining company representative also felt that the NGO was undemocratic and unrepresentative. Unlike publicly listed companies, which, in theory, can be influenced by their individual shareholders at Annual General Meetings, the NGO was accused of having closed and hierarchical forums in which their policy is determined:

They are non-democratic, you know you can buy a subscription to [them but] it doesn’t mean you can feed into their policy agenda. You know, I tried to join [them] once and I was told I wasn’t allowed to because I was a uranium explorer (Behemoth Mining Company).
From the interviewee's perspective, the unrepresentative nature of the organisation was not only evident in the limited opportunities for member input, but also in their disinterest in taking on board the expertise of his company and the corporate sector more broadly. While he felt that input from the corporate sector would help the organisation to identify the key issues of importance to sustainability, they had instead concentrated on whatever issues were popular enough to catch the public attention and would thus increase their membership:

If I go to [them] and I say 'look there is some really big issues in Australia that I think we need to tackle collectively such as land degradation, salinity, groundwater draw-down', they're not interested because it doesn't sell subscriptions. What does sell subscriptions? Furry white fur seals being clubbed over the head, right? And, you know, the cuddly, furry, macro-fauna type campaign sells subscriptions. But nevertheless I just don't think that we would ever get to a position where we could work with [them] in their current governance mode, in the way that they carefully select and target campaigns, instead of tackling actually what we think are the big issues (Behemoth Mining Company).

While the charge of lack of member and supporter representation in decision-making structures is perhaps a valid one for many NGOs, it could be argued that corporate AGMs only represent those with a narrow interest in the company - shareholders - and fail to represent the stakeholders most affected by the public nature of their activities. Publicly listed companies are not closed structures, but structures primarily limited to those with the financial resources to invest in them and therefore are 'open' to influence by individuals or institutions with a vested interest in the company. The question of the openness of NGOs to public input is an interesting one, particularly in relation to the participation of members of corporate or government representatives who may have significantly different visions of sustainability to NGOs and may have an interest in shifting the organisation's position to one that is less challenging to their own institutional roles. In considering
their own reputations as well as the reputations of the companies they criticise, NGOs would be best served by ensuring, as far as possible, that they have a firm basis to their claims. However in order to protect society and environment, it is perhaps necessary to apply the precautionary principle where questions need to be raised where there are strong suspicions of wrongdoing. Furthermore, the ‘facts’ of a case are not always clear-cut and the law is not always the best protector of sustainability.

Although interviewees’ companies were involved in different forms of NGO and community partnerships, they held in common a clear view of what form they felt partnerships should take under a triple bottom line framework. In contrast with the older passive forms of relationship (as typified by philanthropy), the new partnership agenda involved a more active role for the corporate sector in considering the type of partnerships they would undertake and how these could benefit the everyday operations and goals of the company. Whether it was through having more involvement in resource allocation, or the participation of staff in projects, the corporate sector aimed for a greater level of control in their partnerships.

One element that they could not directly control, but that was a significant motivating factor for partnerships, was the shift from predominantly hostile relations with NGOs to more harmonious relations wherein NGO representatives could begin to understand corporate problems and would raise grievances with them before reporting them publicly. As with local community stakeholders, partnerships with NGOs could be seen to create a store of ‘goodwill’. NGO representatives were expected to modify their responses in accordance the stated level of commitment to sustainability by the particular company in question. Corporate interviewees felt that companies that demonstrated no commitment to sustainability were legitimate targets of NGO protest, yet ‘good corporate citizens’ should be given the chance to negotiate with NGOs in private forums before public campaigns were undertaken. The expectations of partnership of corporate
sector representatives were remarkably different from the expectations of NGO representatives explored in the next section.

2. NGO Perspectives on Engagement
The second part of this chapter - that looks at NGO perspectives on partnerships - is significantly longer than the first part since it covers the reasons for and against engagement. While the corporate sector representatives were united in their view that NGOs should engage with companies because of the significant influence, resources and efficiency of the corporate sector, NGO representatives identified these factors as both reasons for and against engagement. Representatives from NGOs that formed partnerships with the corporate sector were hopeful that the significant power of companies could be channelled into a strong force for sustainable development. Within the category of engaged NGO representatives, those undertaking ‘tough engagement’ were less optimistic and placed more ‘critical’ requirements on their engagement terms than those undertaking uncritical forms of engagement. Representatives from organisations that shunned partnerships, by contrast, argued the corporate sector’s dominance should be met with a counterbalance in power and ideology. Rather than adopting the weak forms of sustainability they perceived as underpinning partnerships and corporate citizenship, they argued that NGOs could make greater gains by highlighting the unsustainable behaviour of dominant governance institutions and by promoting stronger visions of sustainability.

This section will begin by looking at the reasons for engagement, then the types of engagement undertaken – uncritical and critical. It will then conclude by exploring why some NGO representatives felt that engagement with the corporate sector was not beneficial.
Accessing Resources and Changing Corporate Culture

NGO representatives gave two primary reasons for engagement with companies. The first was to gain access to the financial, human or technological resources of the corporate sector in order to assist or extend the work of the NGO. The second reason for partnerships was to alter the culture or practices of the corporate sector through joint work. While these justifications are not mutually exclusive, one primary reason for engagement could often be found in interviewees’ accounts.

Given that the NGO sector typically has outgoing expenditure on programs that do not return profits but instead work toward a social or environmental benefit, a lack of funding or resources is a common complaint. Interviewees spoke of a difficulty in attaining sufficient government funding and as indicated in the last chapter, some argued that member or donor funding was difficult to attract and could place severe limitations on the type of projects funded. One interviewee also felt that the diversity and complexity of the NGO sector meant that there was a high level of competition between NGOs to be the preferred recipient of funding from the government, corporate sector, or the public.

It is not surprising that the plentiful resources of the corporate sector appealed to elements of the under-resourced NGO sector. The resources from corporate partners gave NGOs the chance to keep existing programs running and in some instances, to expand the reach of their work:

We realised we couldn’t rely on government funding all the time so the other big bucket of money comes out of corporates. ... We have planted lots more trees, we have pulled out lots more weeds, we have developed more partnerships with land holders and those sorts of groups because we have been able to give them money to do work, instead of them needing to pay us. ... Our local volunteer numbers have increased dramatically and our international volunteer numbers have increased dramatically. Obviously
one of the reasons is that we can do more projects, so we have more to offer people (Conservation Friends Organisation).

Where such partnerships involved the participation of corporate staff in various field projects, NGOs were seen to not only meet their primary goal of accessing greater resources, but also the goal of contributing to a wider culture of sustainability. Therefore, through involvement in NGO projects, interviewees hoped that corporate staff would have an increased awareness of sustainability that would translate into a transformation of their individual sustainability footprint as well as an overall concern for the impacts of their workplaces. However, because these goals were indirect they contained a high element of uncertainty:

What we have found is these individuals came back viewing the world through a different set of eyes. It broadened their outlook in the home life and their working life. They also start questioning things, questioning the impact that their organisation might have on the environment. They have been taken out of their comfort zone for a substantial amount of time but they come back with I think a broader perspective on how they approach their work (Green Teams Organisation).

Because their staff love going out on our projects and have learned so much there’s a bit of pressure to say ‘let’s not just do this outside with [the NGO], let’s take it on board as an organisation and let’s have our recycling and that’ (Conservation Friends Organisation).

At the same time that corporate funding and engagement provided much needed resources for NGO projects, one interviewee was concerned that the entire nature of the organisation’s work could change if their partners placed strict conditions on their contributions:

Quite frankly, we’re going to start having to think more like corporations do. But we can’t do that because that means we’ve actually got to take money with tags on it, where people tell us what we have to do with it and
in which country we can send it and what direction we have to send it. We would have countries and regions and people who would not get anything because they are not popular (People Assist Organisation).

The costs of partnerships were also seen to include a significant expenditure of time and resources in finding corporate partners and in negotiating the terms of the engagement:

The investment of time is huge to talk to companies. I sat down with [X company] for two years before they actually engaged and that's not unusual. So that gives you some idea (Green Teams Organisation).

We were involved with one corporation for a particular schools project. Now it was a very big multinational and everything that we did [involved] going to the United States to their head office and they had a team of twenty lawyers go through absolutely everything (Bin-it Organisation).

The involvement by the corporate sector in funding NGOs was seen to create the need for a new role for government. Rather than merely hoping that corporate partnerships would continue, a few interviewees felt that government should assume responsibility for NGO funding by providing companies with incentives to engage with and sponsor NGOs. According to one interviewee, the low corporate tax rate justified an expansion of corporate obligations to the community:

[Partnerships and sponsorships] will work if there is some kind of government impetus or pressure put on it. If there is a bigger tax break, ... or [if you specify that] unless you do this you can't do government business. If you're a civil engineer you can't build stuff for government. If you're an educator we won't let you write programs for us, or whatever it might be. What's happened in the UK is the Government is moving toward ... encouraging very heavily the corporates to actually put back into the communities because as we all know they pay minimum tax. It's like 0.1 percent and we're all paying 30-47%. The community is actually paying and the corporations aren't so much (People Assist Organisation).
In addition to gaining access to the significant resources of the corporate sector, NGO representatives were also driven toward engagement because they felt that it provided them with an opportunity to help shape the culture of the corporate sector. For many interviewees, the influence of the corporate sector on sustainability was too important to ignore:

Business is the mechanism on the planet that has got us into this mess and it’s the only mechanism that is big enough and powerful enough to get us out of it. So we have to engage. There is no point putting your head in the sand and hoping it will go away because it’s not going to go away (Environment Solutions Organisation).

As with corporate sector representatives, interviewees from apolitical (and some political) NGOs felt that engagement would bring an increased opportunity for communication and more productive relations between the sectors. This often involved a willingness by NGOs to participate in private forums where problems could be raised with representatives from the company in question. For representatives from NGOs that declined engagement, communication (in less formal and contractual contexts) was still seen as a beneficial mechanism for rectifying problems. However this tactic was only seen as useful where company representatives demonstrated a willingness to change:

There is no point in only protesting out on the street, you have got to be able also to negotiate with them and talk to them and see what their position is and say ‘if you don't do what we ask, well we might make it a public issue’ (Sustainable Future Organisation).

**Uncritical Engagement and ‘Tough’ Engagement**

The types of partnerships undertaken with the corporate sector varied for critical and apolitical organisations. Representatives from apolitical NGOs were typically involved in partnerships where the main goal was attaining access to the resources of the corporate sector in order to achieve their own
missions. Although they placed conditions on engagement, the apolitical orientation of these groups translated into *uncritical engagement*, whereby their corporate partners were rewarded for positive steps taken toward sustainability, but the overall impact of their operations were ignored. Their keenness to encourage the corporate sector to make improvements in their behaviour led to an acceptance of a more inclusive, or weaker form of sustainability. Critical NGOs were more likely to be involved in partnerships for the aim of changing corporate culture and because of their ‘political’ nature, were more willing to criticise their corporate partners for perceived wrongdoings within the partnership or other areas of their operations. This was described as ‘*tough engagement*’. The critical orientation of these NGOs meant that they had a clearer or perhaps more limited conceptions of sustainability than apolitical NGOs and the corporate sector.

**Uncritical Engagement**

Representatives from apolitical NGOs were generally more trusting of companies than their critical counterparts and were more inclined to accept the primarily self-regulatory nature of corporate citizenship. Interviewees felt involvement by the corporate sector was essential for achieving their goals, whilst they saw the government as a reactive force that would follow the lead of other interest groups:

> Our model is that we provide a nexus point that brings together many different interests [and] corporates are an essential building block. ... So a lot of our campaigns are designed to spread the net wide and engage all segments of society including government. But we can’t look to government to solve the problem, in fact, they will follow if we can get the corporates and we can get the media, consumers, community groups and schools all heading toward some common strategic goal (Enviro Solutions Organisation).

The partnerships framework for apolitical NGOs was characterised solely by positive relationships of encouragement. Regardless of the overall
commitment to sustainability by business leaders, interviewees felt that NGOs should not only reward evidence of citizenship behaviour but also help to transform companies with sustainable images into companies with sustainable behaviours:

Our aim is to get alongside companies that we believe are either heading in the right direction or want to head in the right direction. And you can never really tell when you are dealing with a corporate, at what point they are exactly on that trajectory. But at least if they are saying they are heading in a particular direction you can reflect their own words back to them about what they believe about themselves or what they want to believe about themselves. We aim to give them a positive feedback loop, help them do things that are in line with what they say they want to do and then feel good about doing that (Enviro Solutions Organisation).

Most apolitical NGO interviewees felt that it was not the role of their organisation to judge the actions of their corporate partner outside the partnership. As such, some had been involved in partnerships with companies that had reputations for neglecting environmental or social standards. They suggested that this was acceptable since all corporate sector activity had some level of negative impact on society and environment and furthermore, where business leaders sought to implement more sustainable behaviour, interviewees felt it would be irresponsible of them to fail to assist companies on the basis of past mistakes:

We're about educating individuals. ...If you close the door on a company because they had bad practice in the past, where do you give them the opportunity to learn and correct themselves for the future? Every company in operation has a negative environmental impact - every company! I take my hat off to those companies that are trying to do something about it (Green Teams Organisation).

In one organisation, engagement with such companies had caused the loss of a small number of volunteers. However, because partnerships had
provided funding and staffing that had allowed the organisation to meet and exceed its goals, the interviewee deemed the benefit to be well worth the cost. For this organisation, the goal of conservation was not to be sacrificed for ‘political’ reasons. Because NGO representatives directed what projects would be undertaken and how the funds would be spent in the partnership, the interviewee felt that there was no loss of organisational integrity but merely an increase in resources that enabled goals to be met:

One of the conditions of the agreement when they sign up is that they can't tell us how to spend the money they give us. They can't say ‘we want you to go and spend it on fixing up our mine’, for example. We decide where the priority conservation projects are and we utilise the money to work on those particular sites around Australia. So we've obviously got our interests at heart, as well as those of our stakeholders, our volunteers, our members and our Board and staff (Conservation Friends Organisation).

The process of engagement alone was seen as an insufficient mechanism for companies to repair damaged reputations. A few interviewees suggested that the public would not be easily fooled by the role of companies in partnerships and would only be convinced of their improved culture on the basis of demonstrable evidence of better behaviour in their everyday operations:

It's great that they are putting money towards [partnerships] ... but what they also need to do is look at how they do their business. If they are going to get a better reputation they need to improve the way they do things. If people do see what they are doing it's probably a short-term opinion, they say ‘oh yeah that's great but we know what they are really like’. I certainly don't think [the partnership] would change their reputation in a hurry (Conservation Friends Organisation).

While representatives from environmental-focused apolitical NGOs seemed unperturbed by the reputation of their corporate partners, this matter was of greater importance to humanitarian assistance organisations. According to
one interviewee, undertaking humanitarian assistance work is dependent on the neutral and apolitical status of the organisation. For her organisation it was not the triple bottom line commitments of the partners that was important however, but the avoidance of ties with companies involved in the business of warfare:

We had a major civil engineering company come to us and want to give us a huge pile of money and develop a partnership. We said thank you and explained about our transparency, our neutrality and our impartiality and took some details and said we’d get back to them. It didn’t take us very long - it was less than an hour - to find out that [they] had just accepted a major contract to develop defence systems. I got back to them and said ‘terribly sorry but I can’t be involved but thank you for your offer’. They were really quite taken aback, they were quite upset. And I explained to them in very clear terms that we had a set of guidelines, we cannot be involved with any company that has any association whatsoever with the development of the tools of war (People Assist Organisation).

Although some apolitical NGOs had adopted a range of criteria for determining which corporate partners they would engage with, they were not in favour of what the political NGOs considered as ‘tough’ engagement. That is, once apolitical NGOs were involved in partnerships, engagement was undertaken with a commitment to resolving problems through internal dialogue rather than public criticism. They suggested that the ‘right’ way of dealing with companies was in this friendly manner and as such, placed confidence in the capacity of both parties to overcome their differences and achieve solutions through dialogue:

42 The rise of the partnership agenda appears to have created (or perhaps exacerbated) tensions between NGOs. Apolitical NGOs are clearly critical of the ‘political’ tactics of NGOs undertaking tough engagement or critical non-engagement. As we will discover later in this chapter, non-engaging NGOs are also critical of apolitical NGOs, and to a lesser extent, NGOs undertaking tough engagement. Critically engaged NGOs appear to be the least critical of the strategies of other NGO types. This appears to be part of a broader divide and conquer strategy utilised by the corporate sector to prevent collaboration between groups that have complaints against them. Sklair (2001: 203) notes that ‘driving a wedge between the labour movement and the environmental movement has been a fairly successful strategy’ for the corporate sector.
We always reserve the right with these companies to speak the truth to them. But we say to them we are not going to come out in public and embarrass you or give you a jab in the eye, but in the privacy if our meetings we will be able to speak truth to you. Where we think there is a problem we would like to work with you to try and come up with a solution (Enviro Solutions Organisation).

There’s a right way and a wrong way of doing it. You can either just criticise publicly or you can take effective action by working with that organisation to try to rectify problems. ... I think that the key thing is working with them, not working in front of them or behind them or against them but sitting down with them and saying ‘look these are the effects’ and showing them not only the effects of their product but the benefits as well (Bin-it Organisation).

For some apolitical NGOs, engagement in partnerships involved an adoption of the discourse of the corporate sector. This meant that they needed to alter the language used and aspects of their operations, in order to communicate with corporate sector in terms they understood:

Because a lot of [corporate representatives in partnerships] are quite high in the organisation we have our director in the national office go to the meetings. He is very, very well experienced in dealing with corporates, understanding their language, [and] understanding the way they work. You know, they are all very business oriented, very fast paced, wanting results and reports and all that stuff. So we have to make sure that we give that to them and that we are professional, we do talk in their language, we understand their needs and why they are linking with us (Conservation Friends Organisation).

While interviewees unsurprisingly felt their own apolitical frameworks were the most effective, a few suggested that the development of corporate citizenship depended on the existence of both critical and apolitical NGOs:
It is good to have a mix. From our point of view it’s great that there are NGOs out there that continue to give companies stick. It means that they are amenable to hearing our point of view when we come along with some solutions (Enviro Solutions Organisation).

Their acceptance of the tactics of critical NGOs however, was similar to the conditional acceptance made by the corporate sector representatives. Confrontational strategies were seen to isolate NGOs, preventing opportunities for communication with the corporate sector and the chance to influence corporate culture. Interviewees suggested that the solution-oriented, apolitical framework was more effective and had been vindicated by the public’s disregard for ‘political’ tactics of direct action:

The pendulum has swung. There was a time where you could [protest] and you would get sympathy. But people are so sick and tired of seeing people going over the same issue, over and over again, that [public opinion is] now heading toward corporate support. ‘Oh well I’ll go and buy [from X sportswear company] because I’m sick and tired of those people standing out the front having a go at [them]’. I think a lot of that has got to do with the media saying, ‘well what are you doing to help them? Don’t protest, don’t whinge and complain about it. What are you going to do to rectify the situation?’ (Bin-it Organisation).

A lot of those groups that lobby against the mining companies or the logging companies, those greenies are getting a bad reputation. If I say to people I work for [our organisation] they say ‘ooh you’re a greenie’ and without knowing what we do, they turn their noses up because greenies are the ones that chain themselves to trees and disrupt things and protest in the city and vandalize. So in that sense, those environmental groups are damaging themselves by the way they act. That’s probably why we are so successful because we don’t lobby, because we don’t do any of that sort of stuff (Conservation Friends Organisation).
For one interviewee, the tensions between these different organisational types became evident when a representative from an political NGO attended her organisation’s annual tree-planting event uninvited and made a speech to the media highlighting the small effect of their efforts in comparison with the rate of clearing allowed by governments. This act highlighted the difference between the apolitical, solution-oriented framework, wherein interviewees felt compelled to congratulate companies and governments (and their own organisations) for minor achievements and the political NGO framework wherein interviewees typically consider the contributions of institutions in terms of their overall impact. In this case, the apolitical NGO interviewee saw the actions of the political activist as counterproductive (although she felt that the sentiments were essentially correct):

So there is your conflict. Are [people] going to be annoyed with [our organisation] for helping to organise a wonderful event or are they going to be annoyed with [the activist organisation] for bringing a negative aspect to a positive event that is trying to engage community involvement. But [he] was great in his message, it needs to get across. On the one hand it was good timing but on the other it was bad timing because people go home after planting a hundred trees and they see [him] say that and they go ‘I wasted my time’ and they get angry (Conservation Friends Organisation).

‘Tough’ Engagement
Engagement from within a ‘political’ framework was different from an apolitical framework not only because of the critical analysis of systemic and organisational cultures of the former, but also because such analysis led to a greater level of caution over the potential of corporate citizenship and the effects of partnerships on NGOs. By taking into account an institution’s overall impact and the impact of systemic issues on sustainability, critical NGO representatives displayed less trust in the capacity of the corporate sector to self-regulate. Most felt that corporate citizenship was a step in the right direction but argued that claims made about changes in corporate
culture and the benefit of partnerships should be treated with caution. Because of the more influential position of the corporate sector in economic and political terms, interviewees felt it necessary to keep a watchful eye on the level of equality within the partnerships. Many interviewees demonstrated a high level of suspicion of corporate offers of partnership:

You’ve got to be very careful! What’s that old saying? ‘He who sups with the devil should use a long spoon’ [laughs]. You’ve got to be careful, the extent that you talk to companies has to be on your terms and not on their terms. But our view is that, yes there will be occasions where we will sit down with companies and do this and that but it will be with our agenda and not their agenda. It will be because we have something that we want to discuss with them and we will go to them to talk or negotiate, not because they have something they want to raise with us (Just Societies Organisation).

Engaging with companies to encourage a more sustainable culture through a voluntary framework was only a small part of the agenda of political NGOs. Corporate citizenship and partnerships were not seen as solutions in themselves, but as secondary mechanisms to support and extend a strong framework of mandatory regulation:

The triple bottom line is not voluntary. It doesn’t have to be voluntary, the concept behind it can be implemented through regulation. ... I feel, at the end of the day, you really do need change coming from the leaders, the politicians. I think international agreements are really important, regulation is extremely important. Corporations are not going to voluntarily do these things (Regenerate Oz Organisation).

Rather than seeing corporate citizenship as a guaranteed step toward sustainability, critical NGOs felt that the closeness of partnerships gave them a good opportunity to test the corporate sector’s commitment to more sustainable behaviour:
It's no use going down the path of ten years of peace only to find out later that they were never fair dinkum about it. If we are going to find out about it let's find out about it now (Regenerate Oz Organisation).

The tactics of political organisations involved the use of both encouragement and criticism. As determined by the particular context, the most appropriate method was chosen for each case and situation. Critically engaged interviewees felt that encouragement was appropriate where business leaders had demonstrated a keen willingness to adopt a triple bottom line culture, whereas leaders who demonstrated no interest in sustainability, or had failed to behave in accordance with their stated commitments, were seen as legitimate targets for criticism:

Where necessary, where companies are being really obstinate and bloody minded you can get a bit aggressive and you can attack them in the press and so forth. But on the other hand, where there appears to be a willingness to change you can sit down at the table with them (Just Societies Organisation).

The ability to maintain a critical stance whilst engaging in a partnership was seen as the key to effective engagement. Many interviewees argued that the main bargaining chips held by NGOs were the threat of withdrawal from the partnership and the threat of public criticism of the corporate partner. One interviewee, whose organisation had criticised several of their corporate partners publicly on non-partnership issues, described this as ‘tough engagement’:

We have a policy of tough engagement. It’s not official but I like to call it that because if we engage with a corporation or indeed enter a financial relationship with them we cannot be restricted in criticising them (Regenerate Oz Organisation).

Tough engagement also involved the NGO partner setting guidelines for when and how corporate partner representatives were able to discuss the
NGO’s involvement in the partnership. Given the benefit to corporate reputation of having an association with NGOs, interviewees’ felt their partners might take advantage of their good name by making false statements about their evaluation of the company or partnership:

What we are trying to do now is, before we engage with a corporation or go on an advisory body, we get them to sign undertakings to say that they will not use our name in vain so to speak, without our permission. Because they do that, they can get a lot of mileage from saying they’ve spoken to [us] about a problem (Regenerate Oz Organisation).

**Refraining From Engagement**

The NGO representatives from unengaged organisations demonstrated a similar level of caution about the corporate sector as representatives from NGOs undertaking ‘tough’ engagement, but were unwilling to test the corporate sector’s commitment to sustainability through partnerships. Although critically engaged NGO members saw partnerships as merely one tactic through which they could test or improve corporate behaviour, unengaged NGO representatives felt that partnerships involved an element of acceptance by engaged NGOs of the corporate sector’s sustainability agenda and standards. Many were also concerned that partnerships would undermine the independence and reputation of NGOs. In order to most effectively represent the aims of the organisational charter and desires of the membership, many felt that partnerships with companies should be avoided:

From [our] perspective, we find the easiest thing to do is just not have partnerships with corporations, because other than the money, what does it bring us? How does that further our aims? That’s what I’d be asking. We’re here to express the views of our members and to represent them and to push forward our charter - which is their charter because they’re members of our [organisation]. So we’re really answerable to them (Earth Renew Organisation).
Partnerships with companies were seen to create the potential for problems between NGOs and the local communities they aimed to represent. Some interviewees felt that partnerships were effectively endorsements by the NGO of the work of their corporate partners, endorsements that could undermine the relationship of trust between NGOs and the local communities most directly affected by the activities of the companies in question:

> With the communities that we work with, because they are the least powerful, [a partnership] wouldn't be useful at all other than for them to be silenced because their agendas are so different from corporations and institutions that are affecting their lives. It would be a very clear co-option exercise in a lot of instances where we work (Assist-aid Organisation).

Interviewees were particularly suspicious of partnerships that involved financial contributions by the corporate sector - implying that financially engaged NGOs would effectively surrender their independence to their partners. Financial engagement was seen to raise the risk of undermining free speech within the partnership and to make it more difficult for NGO members to pursue their goals in accordance with their own principles and organisational charter:

> It’s hard to bite the hand that feeds. As soon as you enter a relationship, even if you don't want it to, it is going to change the dynamics. That doesn't mean that you shouldn't do it but I think civil society groups and particular organisations need to go in there with their eyes wide open. If we enter a relationship with company ‘X’ that is what we are trading off. It is going to influence the way things turn out (Shelter and Protection Organisation).

By engaging with a more powerful partner that has a greater resource base and sphere of influence, they felt there was a danger that NGOs would sideline their principled reasons for advocating sustainable development and adopt the economic rationale and self-interest discourse of their more influential partner. In her work with government lobbying, one interviewee
was advised by a government representative to adopt this strategy. This, she felt, was analogous to the situation that most NGOs would face in corporate partnerships. As well as potentially undermining NGO integrity, she suggested that this served to narrow the debate on sustainable development:

In some ways, the groups that are engaging are speaking the same language that the political leaders want to hear. You know, don’t use the moral, ethical arguments, use our language use the economic language. So by a lot of groups going ‘look it’s going to be good for your business or it’s your corporate responsibility and it will give you a good name and it will actually be good for your business in the long-run’. By speaking that language it is seen by some as undermining the real reason behind working for the environment or society. But you do need groups taking that principled stance and to some extent [have an] external role of pushing the debate of setting high levels of standards and values. The role of NGOs or citizens groups is often in fact to have that independent voice, not to be completely swept up by the other sectors and their interests and their influence (Assist-aid Organisation).

Because of the diversity of performance standards across companies in their different departments and operations, interviewees felt that the reputations of engaged NGOs could become tarnished if their corporate partners seriously breached approved social and environmental standards.

It isn’t black and white and there are some good guys and bad guys out there at both extremes and then there are lots of in-betweens and sometimes they are good and sometimes they are bad. And that’s why I think it’s important [that] we don’t take money from corporations so we can take the high moral ground and have a very independent voice and maintain a watchdog role as well (Sustainable Future Organisation).

Suggesting that partnerships equated with a vindication of the corporate partner’s standards of sustainability, a few interviewees were concerned that
the sustainability initiatives undertaken by companies did not necessarily equate with sustainable behaviour:

When looking at the grand scheme of things, even if they start using recycled material, in the sole of shoes for instance, it's still pushing consumerism to the point where people are obsessed by it and buying and buying and adding to that culture of wanting more and more and to see that as the essence of life. That counteracts the fact that they might have recycled content. So I think that groups that look at it in more of a holistic sense and a paradigm kind of mentality or way of looking at change, it's very hard to endorse such small incremental changes (Assist-aid Organisation).

In addition to a perceived agenda of incremental and piecemeal changes that were sometimes at variance with the views of the community, interviewees were concerned that the corporate sector's commitment to a voluntary framework for sustainability represented an attempt to stave off enforceable legislation. Thus partnerships could be seen as a legitimisation of this voluntary framework:

We would say you can't judge any individual company on the basis of its actions unless you look at the bigger picture and what is its role in the broader picture. So we're doubly suspicious when we see a lot of our colleagues in green groups working on projects, which could in the bigger picture, lead basically to a sense that this company is ok, therefore it can manage itself and that agenda isn't apparent to many people (Eco Justice Organisation).

Although it was largely based on voluntary commitments or self-regulation, a few interviewees saw corporate citizenship and partnerships as largely involuntary acts. Because of the success of community and NGO activism, they felt that business leaders were forced to undertake such activities in order to convince the public that they are no longer a threat to environmental and social standards. While acknowledging that some
companies may be genuine about their intentions for corporate citizenship, the interviewees felt that engagement was one tactic among the large repertoire used by the corporate sector to silence or ‘co-opt’ NGOs:

Communities that were directly impacted by the behaviour of corporations ... started to get organised, they started to shine the spotlight on the corporations and basically the corporations realised that life would never be the same, they had to adapt. There were very many models open and different companies use different models. There was the whole concept of dirty tricks campaigns where you try and smear and marginalize or intimidate your opponents in the community. You can out-scream them if you like, or out-yell them, by setting up front-groups and a lot of the industry did that for a period of time. Or you can co-opt them through engaging with them and giving them money and putting them on committees and paying them to verify your reports. ... And the fourth strategy that I saw, that was quite common, was to go down that path that ‘ok, things are different, times are changing, we can't just pump all this junk into the rivers and into the air and ignore what the community say, so we need to take it on board’ (Eco Justice Organisation).

Summary
Partnerships with companies clearly had different meanings and presented different opportunities, for the various NGOs in this research. They provided opportunities for typically under-resourced organisations to fulfil and sometimes exceed, their goals as a result of gaining access to resources from their corporate partners. Engagement also offered direct and indirect opportunities for shifting corporate culture, or the awareness of individual corporate staff members. While partnerships could bring benefits to NGOs, some interviewees demonstrated concern about the impact that their corporate partners could have on their work. It took significant time and resources to seek and establish partnerships and where financial relations were involved, there was the danger that funding could come with strings attached.
The orientation of the organisation represented by interviewees – political or apolitical – had a dramatic influence on their experiences of, and expectations in, partnerships. Representing more inclusive or weaker forms of sustainability, apolitical NGOs were accepting of incremental changes in institutions, were uncritical of the overall impact of the institutions concerned and worked within a friendlier partnership format of encouragement and private dialogue. ‘Political’ engaged NGOs, by contrast, represented less inclusive or stricter conceptions of sustainability, taking into consideration the overall impact of their partners and perceiving partnerships as secondary to tools such as regulation, but a useful means of testing their corporate partners’ commitments to sustainability. They felt that their capacity to criticise their partner publicly was a key to retaining their organisational integrity and for making the partnerships work.

Perceiving more risks than opportunities, representatives from organisations that chose not to engage with the corporate sector argued that refraining from partnerships would best protect the aims and principles upheld by their organisation. For many of these interviewees, the act of undertaking a partnership with the corporate sector equated with an acceptance, in some form, of a corporate agenda for sustainability that involved small and incremental changes in behaviour, an economic incentive or rationale for sustainability and the promotion of self-regulation as the dominant means of achieving sustainability.

The corporate sector’s conceptions of partnerships and sustainability had much in common with apolitical engaged NGOs. Although the NGOs had a stronger commitment to regulatory standards, both accepted flexible, incremental and voluntary mechanisms of sustainability as significant achievements. For the corporate sector representatives, the new partnership agenda offered the opportunity to work with NGOs (instead of against them) and gave increased resources and means for both sectors to achieve their aims more successfully. They felt that engaging with companies was the only
sensible choice for NGOs given the tremendous influence and effectiveness of their sector, while the corporate sector could likewise benefit from an improved reputation resulting from association with the well-trusted NGO sector. The partnerships were seen as being qualitatively different from the passive philanthropic forms that typified the relationships between the sectors in the past. Partnerships involved a greater involvement by the corporate sector in the allocation of funds, the direct participation of staff members in projects and a strategic valuation of the projects to the company.

Representatives from all sectors and groups welcomed the opportunity for increased dialogue. The corporate sector and apolitical NGO representatives however, were primarily supportive of friendly and private negotiations and gave very conditional support to critical or direct action by NGOs. They perceived the watchdog role as inferior to the pragmatic partnership role, arguing that it marginalized the NGO and removed its capacity to influence solutions toward sustainability. Representatives from engaged and unengaged political NGOs, by contrast, were cautious of the corporate citizenship and partnership agendas and felt that their organisational integrity and stronger visions of sustainability would be best upheld by retaining a critical stance.
CHAPTER 8

Conclusion: Is Corporate Sustainability Greenwash or a Path To Sustainable Capitalism?

Introduction

This final chapter will analyse the findings of this research to answer the research aims posed in Chapter 2 and the key unifying question that underpins the thesis of whether corporate sustainability is greenwash or a path to sustainable capitalism. The findings will also be assessed and examined in light of the literature. The central aim, to more clearly delineate the meanings and boundaries of corporate citizenship, will be explored first. The material for this analysis primarily comes from Chapters 3, 4 and 5. The secondary aim, to compare the corporate model of sustainability with the more radical visions of critical NGO representatives, will be explored next. The material for this analysis comes primarily from Chapter 6 and to a lesser extent, from Chapter 7. The final aim is to understand the purpose of partnerships between NGOs and companies and to assess their effects on both parties, NGOs in particular. The material for this analysis comes from Chapter 7, while sections of Chapter 3 are also useful for understanding the broader framework of stakeholder relations. The research questions are repeated below:

- What commonalities are there (if any) across the responses from the corporate sector on their understanding of corporate citizenship that could identify the boundaries or delineate a general framework for corporate citizenship?
- How does the ‘corporate model’ of sustainability compare with the alternative visions of critical NGOs?
- How do corporate and NGO sector representatives understand the purpose of partnerships between the sectors? What effects do the partnerships have on both parties, particularly NGOs?
Delineating the Meanings and Boundaries of Corporate Citizenship

In the literature, corporate citizenship is defined as a process of minimising the negative impacts of a company’s activities, while maximising the positive impacts (Marsden and Andriof, 1998: 329). Elkington (1997: 3) sees this process most clearly represented by the concept of the triple bottom line - a framework for conceptualising the connections between ‘economic prosperity, environmental quality and social justice’. While sustainability was justified by ethical values to some extent, a key motivating force for the corporate sector was seen to be the alignment of corporate self-interest with broader societal goals for sustainable development (Marsden and Andriof, 1998: 329). In outlining their understandings of corporate citizenship, the corporate sector interviewees in this research mirrored much of the win-win scenario discourse of the literature. However, they focused almost entirely on self-interest rather than ethical justifications and their conception of the triple bottom line had a far stronger emphasis on the economic pillar. Although they felt there was a reasonable basis to the claim that the corporate self-interest could align with more ‘sustainable’ behaviour, the corporate sector interviewees perceived more limits to the attainment of corporate sustainability than is evident within the corporate citizenship literature.

Corporate sector representatives largely saw the triple bottom line as a means for conceptualising the integrated nature of social, environmental and economic factors on the function of a business and an embodiment of this understanding in a system of management practices that protect a company or industry from its effects on the environment and society. While the three pillars of sustainability were viewed as interdependent rather than linear and separate spheres of impact, interviewees argued that a triple bottom line framework required them to consider the impact of each pillar, but only to initiate management plans for these pillars where they have the capacity to affect the market opportunities, smooth function and lifespan of the company. That is, the three pillars require equal consideration but not equal
representation in management plans. The view that the financial bottom line was the ‘heart’ of the corporate entity was not seen to contradict the concept of a *triple* bottom line. The purpose of corporate citizenship was: to meet corporate self-interest by extending the corporate lifespan; to gain market advantages through promoting ethical or green products; to facilitate a license to operate by avoiding unwanted interventions; and to create a store of ‘goodwill’ with stakeholders. A ‘sustainable’ corporate sector is thus dependent on an intersection between corporate self-interest and conditions that facilitate social justice and environmental protection. As Parsons (1956: 68) suggested, the organisational goal of attaining profit (and we could include, staying in business and avoiding trouble) is legitimised in society through its alignment with a broader societal goal, which is not only the production of goods and services and economic growth, but of ‘sustainable’ development.

While interviewees felt that organisational culture was important in determining the capacity of companies to benefit from implementing sustainability initiatives, they argued that this was not the primary determinant of corporate culture. Corporate citizenship and sustainability more broadly, were highly influenced by systemic forces, primarily by the market, but also by non-market stakeholders. The key influences on organisations were seen to be shareholders (and institutional shareholders in particular) as well as customers or clients and competitors. Non-market stakeholders such as NGOs, local community groups and government regulators were also of influence. Corporate sector interviewees framed their conceptions of sustainability and development almost entirely within the ‘free’-market system. The globalising ‘free’-market was seen as the best framework on which to base sustainable development since its competitive nature stimulated efficient and innovative production by the corporate sector and since it was seen as the best means to generate the necessary foundation for sustainable development - economic growth (through investment by the private sector that is undertaken for the goal of profit).
Perceiving the market as the ultimate democratic framework, they felt that market stakeholders (and some non-market stakeholders, to a lesser extent), determine the type of products produced, the type of industries that exist, and the standards and conditions of production. That is, the overall triple bottom line culture of a company and the application of the triple bottom line framework in different contexts, varied in line with these forces. In industrialising countries where production could occur with lower wages and fewer environmental management strategies, corporate sector representatives felt that their sector could legitimately take advantage of these conditions and thus assist the process of ‘development’. In industrialised societies, demands for sustainability were to be balanced with pressures for further development and were dependent on the extent to which sustainable behaviour was rewarded in the marketplace and unsustainable behaviour punished. Even in industrialised countries, the complexity of consumer demand and productive technology meant that certain risks and impacts would be inevitable. For example, the demand for newspapers created significant environmental waste, while the machinery of production led to risks to worker health and safety. A voluntary and flexible framework for sustainability was thus required in order to: respond to market and stakeholder demands; to meet the development requirements of the particular operating context; and to respond most effectively to the particular impacts of the industry and company in question. While many corporate sector interviewees accepted the various regulations already imposed on them (such as environmental protection and occupational health and safety standards), they argued that any attempts by governments to impose broader corporate citizenship regulations or sustainable limits on production would be undemocratic and contradictory to the rules of the ‘free’-market. Within this primarily market-determined model, the best that can be hoped for is that market forces will exert pressures toward sustainability and that each company will adopt the best sustainability practices that can be implemented in line with their particular industry.
Can Self-interest Lead to Sustainability?

The corporate sector representatives’ perceptions of the democratic nature of the market can be contrasted with Sklair’s conception of the culture-ideology of consumerism. While corporate sector interviewees argued that their companies and industries existed primarily to represent consumer demand (and simply required high levels of profit to remain in business), Sklair (2002: 62) argues that consumer demands are shaped in ‘response to artificially created desires’ that are required to ‘perpetuate the accumulation of capital for private profit’. The notion of a culture-ideology of consumerism is based on a Marxist assumption that the goal of capitalist production is to create a surplus from goods that exceed the sum of the values of labour power and means of production used in the process (Marx, 1974: 216). That is, the use-values of goods and services are important to those determining the nature of production (the capitalist class) only where they are bearers of exchange value (Foster, 2002: 96). With production oriented toward profit rather than need, the accumulative logic of the capitalist system is seen to require a continual increase in human desires for consumer goods. As Sklair (1997: 514, 520) has argued, ‘capitalism does not just happen’ but requires an expenditure of significant effort by the capitalist class to maintain it. The claim by corporate sector representatives that the market is simply reflective of consumer demand ignores the role that mechanisms such as marketing have in stimulating demand. The culture-ideology of consumerism however, is not simply about demonstrating the availability of products to willing consumers, but penetrates the mode of life of those living in capitalist societies in two key ways: by implying ‘that the meaning of life is to be found in the things that we possess’ (Sklair, 2002: 62); and by altering ‘the entire structure of life’ so that each new product appears as a necessity of life whereby social actors are ‘unable to comprehend, much less resist’ the ‘ecological crisis’ that arises from their consumer habits (Kovel, 2002: 52, 66). For Marxists, the problems inherent in this system involve not only an externalisation of environmental costs and an ‘internalisation of nature into
an economy geared to the unlimited growth of capital’ (Foster, 2002: 39), but also relationships that are founded on exploitation (Engels, 1974: 416).

While Bakan (2004: 1-2) has argued that the relentless pursuit of self-interest makes the corporate entity ‘pathological’ in nature, this is primarily the logic upon which corporate sector representatives justified their commitments to sustainable behaviour. In a range of industries, interviewees identified particular impacts that posed a risk to sustaining the life of the company into the future, that when addressed, required more ‘sustainable’ solutions. Triple bottom line frameworks therefore equated with rational business management where business leaders were able to comprehend and manage future risks to business. Proactive triple bottom line planning led to: investments in renewable energy for petroleum companies on the basis that petroleum would not be accessible or sustainable in the long-term; investments in safety measures for companies where heavy machinery posed risks to worker safety and thus created public relations disasters; and in industries such as mining that needed to survive in the long-term in order to reap returns on the considerable exploration costs involved. There were also certain advantages for companies in the more immediate term. Companies with branded consumer goods were the main example of this kind. However, the primary consideration here was whether investments in sustainability were supported by consumer pressure or demand.

If ‘greenwash’ were solely to refer to changes in image rather than behaviour then corporate citizenship could not be considered greenwash on the basis of this sample since all corporate sector interviewees noted some ‘sustainable’ change in the behaviour of their company from adopting a triple bottom line framework. However, Bruno, Karliner and Srivastava (2000) have a broader definition of greenwash than this, referring also to: advertising that uses sustainable imagery but fails to provide details of what changes have been made; a portrayal of involuntary initiatives as voluntary schemes; a promotion of voluntary commitments that are undertaken whilst lobbying to
avoid enforceable regulations; and, a promotion of minor initiatives or improvements that detract focus from more major, exploitative ventures. Out of these four points, it is the last two only that became evident as relevant to this research. These were discussed by critical NGO representatives and as such will be discussed in the next section. Looking at the responses of corporate sector representatives however, I would argue that the concept of greenwash could be broadened to include two more points. I would suggest that these additions underpin the essence of Bruno, Karliner and Srivastava’s (2000) definition of greenwash and its associated aspects. These are: the advancement by the corporate sector of a voluntary and ‘weak’ notion of sustainability; and, the related point of making corporate visions of sustainability appear more radical than they are. Thus advocates of corporate citizenship can be seen to assert the false claim that the adoption of a triple bottom line framework would be sufficient to make capitalist ‘development’ genuinely sustainable. This is a false claim, I suggest, since the flexible and voluntary terms under which corporate citizenship is undertaken and the justification of self-interest upon which it is based leave enormous potential for the continuation of unsustainable behaviour.

The principal mechanism through which corporate citizenship can appear more radical or sustainable than it actually is in practice, is the use of the consensual discourse of ‘mutual’ goals and win-win scenarios that imply that the goals of the corporate sector are entirely compatible with the goals of stakeholders such as environmentalists, labour rights activists and local communities. Yet from interviewees’ discussions of sustainability, it is clear that corporate goals are not as compatible with community goals as the discourse suggests. In Chapter 3, for example, one interviewee questioned the win-win nature of corporate environmentalism within companies that challenge global warming. Because the wider community accept the existence of global warming and support its reduction, he argued, companies that deny global warming and reflect this belief in their management plans have failed to demonstrate sustainability attitudes that are consistent with
the rest of the community. However, what is perhaps a more stark example of the inconsistency between corporate and community attitudes is the description by another interviewee of environmental sustainability as a process of protecting ‘the business against the ramifications of’ its ‘effect on the environment’. This placed into very clear terms what most corporate sector interviewees had implied, without the cloak of the win-win discourse. It appears that the concept of sustainability bears different meanings for the corporate sector, who largely understand it as a process of ‘sustaining’ the corporate entity (and the market system that it operates within) and the understanding that is prevalent in the rest of community, as a means of sustaining the environment and society as the process of ‘development’ continues. Therefore, the mutual goal of ‘sustainability’ is perhaps not such a shared goal at all.

While the corporate sector were committed to ‘flexible’ initiatives for sustainability to deal with the impacts of different industries, operating contexts and public and market pressures, they were also committed to ‘flexible’ and perhaps loose, definitions of what kind of behaviours are sustainable at any one point in time. This is the means by which ‘downsizing’ was viewed as a ‘social responsibility’ in Chapter 5. In a context where companies have a need for a strong labour force, their capacity to provide employment can be described as a social or developmental responsibility. However, where there is a downturn in profitability and employees are no longer of maximum utility to the company, downsizing becomes a ‘social responsibility’ that is necessary to preserve the remaining staff and economic and productive contributions from the company to the community. In addition to ‘downsizing’, the common corporate strategy of cost-cutting was an increase in working hours and a transferral of staff onto annual salaries (without overtime payments). As such, it appears that senior management and the labour force do not have mutual goals in this regard. The basis of self-interest for the corporate sector in terms of social responsibilities to labour - measures to increase staff loyalty and productivity - did not result in
a clear framework of rights for employees (other than those required by law) but rather revolved around ambiguous duties such as the ‘right’ to a ‘fair’ dismissal, the provision of pleasant and fulfilling work environments and investments in staff as resources (human capital). Thus while the win-win discourse implies that exploitative behaviour is not a natural or rational aspect of corporate self-interest or market relationships, it seems that corporate citizenship is sometimes used to mask relationships of exploitation by retaining a focus on the marginal areas where the corporate self-interest and sustainability are aligned and thus by deflecting attention away from exploitative behaviour.

Although many corporate sector representatives appeared genuinely interested in building a more ‘sustainable’ culture within their companies, many felt that there were competing pressures or competing interests that limited their capacity to do so. Most corporate sector representatives had positive views of the market system and particularly of the nature of the corporate sector within it, yet many felt that there were insufficient cues to enact a sustainable culture. The primary responsibility of those charged with managing the company was the need to generate sufficient levels of profit and a competitive share price – to protect the viability of the company and shareholder interest. The key stakeholder remained the shareholder (and particularly the institutional shareholder) and as such, the mandate of the company was to protect the economic bottom line. The principles and practices required to create a sustainable society and environment were often seen to be in conflict with the requirement of retaining the desired level of profitability. Because economic survival was a difficult process due to the competitive nature of the market and the requirement that companies retain high levels of profitability, unsustainable behaviours such as downsizing and externalising environmental and social costs were rewarded due to their cost-efficiency. The primacy of the economic bottom line also meant that any sustainability initiatives that were deemed too costly would not be considered. To get support from senior management, sustainability
managers had to prove that there would be an assured and significant benefit to the company - as it was not enough of a selling point that it benefited ‘the environment’ or ‘social framework of the nation’. The market had not yet produced a good citizenship culture in Australia, some interviewees argued, because: corporate citizenship could act as a barrier to competition where companies operated within the competitive global market (some interviewees noted however that their companies were largely nationally-based); shareholder interest was not always served by corporate citizenship; and consumers had failed to reward companies by purchasing or demanding ‘sustainable’ products. While a ‘sustainable’ Australian corporate sector would require a full commitment by business leaders across the broad spectrum of industries, the market was not seen to provide equal rewards to all industry types for their citizenship performances. In a diversified resources company for example, the lack of branded consumer products was seen as a barrier to an ‘outright’ leadership position. Yet interviewees from companies with branded consumer products felt that Australian consumers had offered them few rewards for adopting a triple bottom line framework. Because most corporate sector representatives perceived the market as a democratic mechanism, the underdeveloped character of Australian corporate citizenship was identified as a fair or legitimate representation of consumer and investor interests. The public pressures toward adopting a more sustainable culture, a few interviewees felt, had come from unrepresentative pressure groups that had placed unfair expectations on the corporate sector. Many interviewees noted that the pressure that had been applied to the corporate sector was far heavier than the pressure that had been placed on the public. Blame was thus deflected to a range of market and non-market actors but the corporate sector itself was not seen to be at fault.

While all corporate sector representatives held in high esteem the capacity of the corporate sector to self-regulate, their support of the existing baseline of standards on environmental management and occupational health and safety
exposed further weaknesses of the market model. Firstly, although legislation was seen as a mechanism to guide the corporate ‘conscience’, it was the punitive measures applied to non-compliance that provided a business case for more ‘sustainable’ behaviour (this only occurs however, where the ‘costs’ of non-compliance exceed the ‘benefits’ of non-compliance). As one interviewee noted, it was unlikely that many companies would go beyond the regulatory requirements if this involved the expenditure of ‘huge bucks’ since ‘the nature of the system doesn’t necessarily encourage it’. Without such ‘interventionist’ measures, which have typically been met with resistance by the corporate sector (according to one interviewee), such motives of self-interest would not exist. Secondly, legislation is seen to create a broader cultural change within the sector whereby the baseline of operational culture is raised and new forms of expertise are required for measuring and monitoring the impacts that fall under the regulatory standards. Finally: on the basis of the conflicts of interest between the corporate sector and their various stakeholders; the market rewards that exist for unsustainable behaviour; and the costs of more substantial sustainability initiatives, legislation appears to be an essential component in the path to sustainability. One of the key problems with the implementation of regulation for sustainability is the influence of the corporate sector on the economic health of nations and thus their influence over national governments. Looking at the influence of the resources industry, a number of interviewees were concerned about the impact of global warming and the unwillingness of the Australian Government to ratify the Kyoto Protocol. The positive impact of the resources industry on the Australian economy was seen as the reason why the Government had failed to listen to the majority of Australian citizens and had instead listened to this narrow interest group. Although the interviewees implied that this industry was somewhat unusual in its strength of influence over the Government, the issue raises questions over the capacity of any government to regulate operating licences on a sustainability basis, particularly where the industry bears a strong influence on the economy of the region or nation.
Basing corporate citizenship primarily on a justification of self-interest raises the question of how sustainability is to be achieved if certain industries are inherently unsustainable. If the primary goal of an industry is to survive and prosper, yet this industry is creating environmental destruction or provides no socially useful product or service, then how is the goal of sustainability furthered by the self-interest of the industry? Companies that produce landmines or cigarettes, for example, prosper at the expense of human health or human life. Furthermore, while humanity is absolutely dependent on the fossil fuel and forestry industries, the process of global warming is seen as an ‘unintended, uncontrolled, global experiment whose ultimate consequences could be second only to a global nuclear war’ (in Krockenberger and Kinrade, 1997: 1). The industries that contribute to global warming may well be monitoring the effect of environmental change on their capacity to operate in the future, however it would seem that action taken to protect self-interest has in the past included the establishment of industry ‘front groups’ that deny the existence of, or claim benefits from, global warming (Beder, 2000: 29). While self-interest may inspire destructive industries to create fallback plans for the time when their core business is no longer tenable, Bruno, Karliner and Srivastava (2000) suggest that these can be described as greenwash where the investments into ‘sustainable’ technologies or products are dwarfed by the company’s investments in a ‘core business’ area that is unsustainable.

A further problem that relates to a wide range of industries is the promotion of a culture-ideology of consumerism. Although certain industrialising countries, no doubt, require a greater level of development in order to increase the life chances and quality of life of their citizens, as Walker (2000: 23) has noted, the consumption patterns of the ‘North’ are not sustainable and a global pursuit of ‘development’ at this level would thus require the utilisation of ‘all the arable systems on the planet’ as well as ‘another two planets the size of the Earth in order to meet everyone’s needs’. If O’Connor
(1998: 239) is right and capitalism cannot be maintained on an economy of ‘simple reproduction’ or maintenance, then the culture-ideology of consumerism is a necessary component of capitalism, yet a highly destructive one. Furthermore, while the Marxist definition of exploitation may be contentious, it appears that the conditions that sustain corporate self-interest are not always the same conditions that sustain the society and environment.

As Sklair (2001: 207) has noted, the corporate sector and transnational capitalist class have intervened in the sustainability debate and agenda in order to shift attention from the systemic nature of the crisis by presenting unsustainable development as a series of isolated problems requiring a managerial approach. Seeking to protect corporate profitability and the stability of the global capitalist system, the corporate sector must reject notions of ‘limits to growth’ and thus leave the culture-ideology of consumerism intact. Unfortunately, the common conception of sustainable development as embodied in the Brundtland report is based on a pro-growth stance (across the global north and south) that is focused primarily around fulfilling ‘needs’ (Cited in Elliot, 2004: 158). Corporate intervention into the agenda of UN bodies for sustainability, particularly during their formative periods (Sklair, 2001: 204; Ainger, 2002: 21), no doubt has had a role in creating agendas that suit big business ‘very well’ (Sklair, 2001: 205).

**Comparing Corporate ‘Sustainability’ With More Radical Visions**

While corporate sector representatives’ conceptions of citizenship were framed almost entirely within a market framework, many critical NGO representatives (who provided the main frame of reference for contrasting corporate conceptions of sustainability) felt that this was the key failure of the corporate model. They felt that the principal reason for unsustainable development was the globalising neo-liberal agenda that valorises the ‘free’-market above other mechanisms of governance such as regulation. The neo-liberal agenda of ‘corporate-friendly’ regulation, deregulation and
privatisation, they felt, had given organisations such as companies and trade and finance bodies unprecedented levels of power (that is not legitimised through democratic mechanisms) to pursue narrowly defined goals of private sector profit and economic growth. For most representatives from critical NGOs, unfettered business was not a key to development, since ‘development’ required a protection of environmental and social standards in addition to the goal of economic growth. Without enforceable mechanisms to protect sustainability, interviewees argued, economic growth is likely to be based on exploitative practices that lead to a downward spiral in social and environmental conditions. Their conception of exploitation was based on the common definition (rather than the Marxist one) of a selfish or wanton appropriation of resources in a manner that undermines the capacity of the resource for renewal (O’Connor, 1994a: 5). They therefore argued that corporate self-interest and the requirements for sustainability were not typically, or completely, aligned.

Looking at the mining industry, NGO representatives argued that the self-interest framework had seen companies create infrastructures and developmental opportunities in communities that were abandoned as soon as the company’s self-interested motive for involvement waned. The contributions of these projects, they argued, could only be considered ‘developmental’ where they provided long-term support and opportunities for the communities involved. Furthermore, in remote mining communities, particularly ones where environmental standards and the rights of local communities were not protected through national or local laws, interviewees felt that there were few incentives for mining companies to behave as ‘good’ corporate citizens. The industry was described by one interviewee as being chameleon-like, in that company representatives would behave responsibly where operations were undertaken in countries with strong regulations and where their activities were subject to a high level of transparency, yet where such regulations and transparency did not exist, company representatives were likely to ‘send in the troops and bang a few heads’. In industrialising
countries, exploitation was also seen to involve practices such as the use of highly pollutant technologies by companies that have access to cleaner technologies and the payment of wages that fall below a ‘living wage’. In industrialised countries, exploitation was seen to have a different character in that it involved a process of driving down existing standards as well as preventing the implementation of new ones. Trade unionists in particular were concerned about the use of retrenchments and increases in overtime without pay as cost-cutting measures and the promotion of individual contracts and other mechanisms of reducing the power of collective action, particularly through third parties such as trade unions. The other key criticism that critical NGO representatives had of the activities of the corporate sector in industrialised societies was the promotion of over-consumption. However this problem was primarily seen to require a shift in the attitudes of consumers. Through education campaigns, NGO representatives hoped to break through the indifference of consumers in affluent societies in order to make them aware of the impact of their lifestyle choices on the environment and more vulnerable communities. However, critical NGO representatives felt that the culture of unsustainable development was primarily the fault of the corporate sector, as well as the other institutional actors that Sklair (2002) has termed the transnational capitalist class and the neo-liberal ideology that drives and sustains their activities.

Most critical NGO representatives criticised the agenda of corporate citizenship for its lack of enforceable standards, flexible meanings and incremental or minor initiatives. The flexible interpretations of sustainability demonstrated by the sector, they felt, had been used to cloak exploitative practices within a sustainability discourse – such as the portrayal of low wages and environmental degradation as developmental opportunities or paths to economic ‘sustainability’. Flexible interpretations could also be used to present minor changes in behaviour that largely equate with ‘business as usual’ as initiatives that are geared toward making development genuinely
sustainable. Interviewees felt that it was misleading to refer to minor changes such as the use of energy efficient light bulbs, the implementation of paper recycling schemes, or small-scale investments in ‘sustainable’ technologies as ‘sustainable’. Concurring with Bruno, Karliner and Srivastava (2000), they felt that minor initiatives or programs that deflected attention from a company’s more profitable and less sustainable activities were greenwash. The unsustainable nature of development, they felt, had brought pressing problems that needed urgent and genuine solutions, particularly in relation to the environment. Where corporate self-regulation brought changes, these incremental initiatives were seen to be too minor to impact on the state of environment and society. In some instances, self-regulation was seen to bring less sustainable behaviour. Since the introduction of the Responsible Care model of the chemicals industry, one interviewee argued, ‘more and more chemicals [had been released] onto the market each year without any level of serious testing for health or environmental impacts’. For most critical NGO representatives, the problem with self-regulation was that: there was no means by which companies could be held accountable to their standards; the audits by which they were measured were seen to be meaningless since they were undertaken to protect corporate reputation rather than assess sustainability impacts; and the standards were seen to lack reference in universally accepted frameworks. Many saw corporate citizenship in itself as a positive step forward, except where it was implemented in an attempt to prevent mandatory regulation or to prove that the market had a ‘benevolent green hand’.

NGO representatives were committed to the pursuit of universal and enforceable standards for sustainability - which they felt that all organisational forms and individuals should be held accountable to, particularly companies that can wreak significant damage whilst pursuing goals of self-interest. The path to sustainability envisioned by most NGO representatives involved what Callinicos (2003) described as ‘reformist anti-capitalism’. That is, they were not against the capitalist system or against
companies pursuing a profitable financial bottom line, but were concerned about the costs of ‘unfettered’ business. The market rationale of an ever-increasing drive for profit was seen to be an inadequate framework on which to build sustainability. Corporate self-interest, primarily dictated by market requirements of increased profitability, was seen to involve unsustainable behaviour that required moderation through regulatory bodies to enforce commonly accepted standards. While many interviewees could identify appropriate standards to which corporate behaviour should be held accountable, most could not identify any existing regulatory framework as ideal. Certain initiatives, such as the Corporate Code of Conduct Bill (to deal with the activities of Australian companies overseas) and the OECD Guidelines for Multinational Enterprises (a voluntary initiative to deal with ‘enterprises’ from OECD member countries) were seen as promising frameworks that could improve the sustainability performance of companies if further developed and strengthened (and, in the case of the Corporate Code of Conduct Bill, established as legislation). While further regulation of the corporate sector was seen as essential, interviewees felt that this regulation should be kept in check and increased qualitatively by the activism of civil society and the additional voluntary commitments of the corporate sector.

Representatives from critical NGOs upheld what Davidson (2000: 30) called a ‘strong’ form of sustainability, that is, one that prioritised social justice and sustainability over economic growth. Most however, appeared supportive of the capitalist system and the right of companies to pursue profit, but argued that this should not be to the detriment of the environment, workers, or local communities. As such, none appeared to support a Marxist framework of sustainability. They did however argue that the implementation of neo-liberal policies or unfettered market relationships involved environmental degradation and social injustice. They therefore had a stance that was more ‘political’ than the deep ecology framework. Like deep ecologists however, many were concerned about the level of instrumentalism evident in modern
industrial market relationships and argued that the principles of social justice and environmental sustainability should be upheld as goals in themselves. That is, they felt that the Earth and its people should not be viewed or treated as instruments whose wellbeing is to be considered only to the extent that it assists the demands of industrial production, corporate profitability, or economic growth. Furthermore, they felt that the dominant modes of governance should not only be sustainable but also democratic – that decisions should be made with the participation of all citizens. This commitment to democratic process was also an essential part of their vision of how democratic and sustainable governance will be achieved – that is, they felt that broad social movements such as the anti-corporate movement, would be vital mechanisms for making and keeping dominant governance bodies accountable. Thus they had a political view of power that asserts the need to take direct action against power-holders where they do not represent the interests of sustainability. In order to create their vision of a sustainable society, many felt they would need to assist the public – as consumers, citizens, organisational supporters and members – to overcome their indifference, passivity and self-centeredness. Through regulation, social movements and additional commitments of voluntary corporate citizenship, they felt that sustainability could be achieved.

This section has focussed on the perspectives of critical NGO representatives because their conceptions of sustainability provided a different framework within which to view corporate citizenship. While apolitical NGOs are also likely to have a principled and non-instrumental understanding of sustainability, their uncritical frame of reference meant that they focused entirely on solutions-oriented activities and their visions of sustainability appeared remarkably similar to those held by corporate sector representatives. That is, they were broadly inclusive and were supportive of small-scale and incremental achievements that were evaluated without an analysis of the overall impacts of the organisation involved. The apparent similarity between these groups and the corporate sector results from their
flexible understanding of sustainability and their willingness to praise any improvements toward more ‘sustainable’ behaviour. For most apolitical NGO representatives, corporate citizenship was seen as a positive step forward by the corporate sector. They felt that NGOs should encourage and assist companies (and be assisted by them) where business leaders have demonstrated a willingness to change.

The Purpose and Effect of Partnerships
Partnerships between the corporate sector and NGOs are seen by Elkington (1997: 220) as an important part of corporate citizenship since they present each party with greater opportunities to achieve their aims. Considering Marsden and Andriof’s (1998: 335) claim that ‘every large company can be linked to environmental and social issues through either supply or product life-cycle chains’ in the global economy, it is not surprising that NGO representatives would consider undertaking partnerships with the corporate sector in the hope of influencing their behaviour. However, for engaged NGO representatives in this research, this was only one reason for engagement. The other more common reason was for NGO representatives to access the resources of the corporate sector in order to achieve their own goals. The corporate sector representatives also had reasons other than fulfilling mutual goals for pursuing engagement, such as the desire to have more friendly relations with NGO representatives.

Each party involved in partnerships identified certain benefits. For representatives from the corporate sector the key reasons for engagement were: the achievement of goals held in common with the NGO sector; the benefits to reputation of association with the NGO sector; and the attainment of more harmonious relations with NGO stakeholders. For NGOs, the benefits of engagement were: an increased access to the resources of the corporate sector, and/or an opportunity to shift the culture of the corporate sector in a more ‘sustainable’ direction. For apolitical NGOs, this involved encouraging the corporate sector where leaders showed a willingness to adopt a more
sustainable culture or to assist the NGO to achieve its aims. Critical NGO representatives, by contrast, felt they had an opportunity to test the sustainability claims of their corporate partners and thus assess the opportunities and limitations of corporate citizenship and partnerships.

The Corporate Sector
A small number of representatives from the corporate sector spoke about partnerships with NGOs as a means of changing their operational culture or values. For them, the expertise and principled stance of NGOs could assist the development of their companies toward ‘good’ corporate citizenship. In the case of a company that had to build a large pipeline that would disrupt a number of communities, the advice of representatives from a human rights NGO was seen to be invaluable in assessing the impact of the operation. For most however, partnerships needed to bring a more obvious benefit to the company such as improving the reputation of the corporate sector, undertaking projects that benefit the long-term interests of the company and in particular, a change in the mode of relating with NGOs from an adversarial to a affable relationship.

The corporate sector representatives’ general conceptions of stakeholder relationships are useful to explore in framing their relationships with NGOs. With all stakeholders, engagement was primarily seen as a means to facilitate better relations with groups in the hope that they would adopt a less critical and more supportive attitude toward the company. When dealing with employee stakeholders, the corporate sector representatives aimed to foster the loyalty of staff to the company and to increase their productivity by means of investing in their potential and providing them with a pleasant working environment and corporate culture of which they can be proud. Thus employees were expected to develop a sense of loyalty to the company at the same time that senior management were aiming to reduce their wages and conditions. The stakeholder relationship thus legitimises the reduction of rights through ambiguous cultural improvements. In the case of local
communities, engagement took the form of negotiations and consultations with community members in order to explain or negotiate the terms of the company’s operations (or proposed developments) in their area. As a result of these processes and the granting of concessions by companies where developments were critically received, corporate sector representatives felt that they could avoid legal actions or direct protests and build a ‘bank of goodwill’ that would grant the company a more sympathetic hearing in the community. From this description it appears that local community stakeholders have more to gain from a partnership relationship with companies than employee stakeholders. However the corporate sector representatives’ motivations of building a ‘bank of goodwill’ in the community could be seen as similar to the motivation of invoking loyalty in the workforce. That is, the stakeholder relationship could involve a level of manipulation of stakeholder attitudes whereby the process of engagement gives them a sense of empowerment where they feel they have a voice in determining the company’s activities, or in the least, where they develop a friendly relationship with company representatives that would make them less critical of the company’s activities, even where this is detrimental to their own interests or wellbeing. One interviewee, for example, had argued that the groundwork of engagement had made the local community ‘vocal advocates for the … company’ when problems arose such as the spillage of crude oil from a supplier ship.

In partnerships with NGOs, it seems that the main goal of many corporate sector representatives was to create a climate where NGO stakeholders are more likely to relate to them in a friendly manner, whereby private negotiations precede or prevent the need for public attacks. NGOs were expected to vary their responses to companies in line with the latter’s citizenship aims or commitments – whereby those that did not attempt to adopt ‘good’ citizenship behaviour (i.e. ‘other’ companies) were seen as legitimate targets of NGO protest, while those that were trying to implement a triple bottom line culture were seen as legitimate targets only when the
process of internal communication had broken down. Many corporate sector representatives argued that they ‘admired campaigners’ however critical NGOs were typically seen as being inferior to apolitical organisations.

In contrast with the older passive forms of relationship (as typified by philanthropy), the new partnership agenda involved a more active role for the corporate sector in considering the type of partnerships they would undertake and how these could benefit the everyday operations and goals of the company. Whether it was through having more involvement in resource allocation, or the participation of staff in projects, the corporate sector aimed for a greater level of control in their partnerships.

*The NGO Sector*

For engaged NGOs, partnerships had essentially achieved what Elkington (1997: 220) suggested they would, that is, they allowed the NGO representatives to perform ‘traditional tasks more efficiently, while providing a platform from which to reach toward goals’ that they would not have been able to achieve without the corporate sector. For some interviewees, it was access to corporate sector’s resources that enabled them to more effectively perform their traditional tasks, while partnerships gave other interviewees a platform within which to attempt to influence the culture of the corporate sector, or to test their commitments to sustainability.

NGOs that undertook partnerships to attain access to the resources of the corporate sector appeared to reap the greatest rewards from partnerships - with some arguing that their under-resourced organisations were able to fulfil and sometimes exceed their goals as a result. These partnerships brought costs that involved a large expenditure of time and resources in finding and negotiating partnerships and in some instances, an alteration of aspects of their operations and language in order to effectively negotiate with their corporate partners. While most interviewees felt the benefits had outweighed the costs, a few were uncomfortable with the risk of relying on
funding with strings attached. For these interviewees, a reliance on corporate funding could undermine the perceived independence of the organisation, or could compromise its aims by directing funding toward projects that are not prioritised by representatives of the organisation. This fear is perhaps a genuine one given the goal of corporate sector representatives to have greater involvement in, or control over their partnerships. Most representatives from NGOs involved in this form of partnership were from apolitical NGOs. Although a few had experienced internal tensions as a result of partnerships with the corporate sector, most felt that the risks to their organisation's reputations were not significant and suggested that organisational integrity could be retained by ensuring that it was representatives from the NGO rather than the company that determined what projects were undertaken and how the allocated funds would be utilised.

In NGOs that became involved in partnerships in order to direct corporate culture in a more sustainable direction, interviewees felt that they had been granted a significant opportunity to work with a sector that has a tremendous influence on the society and environment. Interviewees from these partnerships typically did not give details of the positive changes brought from engagement, but this type of partnership principally involved critical NGOs that were in a process of testing the corporate sector's commitment to sustainability - a process that many were still uncertain about. Although they were cautious about the risks to their independence and reputation, the interviewees from this group felt they had sufficient frameworks in place to protect their integrity: principally the right to criticise their partner; the right to negotiate the terms of the partnership; and the right to prevent their corporate partners from using their name in an unrepresentative manner. Most representatives from this group felt that stronger regulation was the key requirement for sustainability, however they felt that it would best be achieved through a mixture of tactics, such as partnerships with the corporate sector and a healthy dose of activism from
NGOs and the public. Despite being undecided about the potential of partnerships, many felt that it was worthwhile testing engagement as a mechanism for influencing the corporate sector and testing the commitment of their corporate partners to sustainability.

The Risks of Engagement - Unengaged NGOs
Representatives from organisations that chose not to engage with the corporate sector perceived more risks than opportunities. The key reason for this was their belief that partnerships entailed an acceptance of the corporate agenda for sustainability - its voluntary standards, minor incremental changes and the economic rationale upon which it is based. Partnerships with a more powerful partner (in terms of their resource base and political and economic power) were seen as a risk to NGO independence, wherein they could be less likely to criticise the activities of the corporate sector and to sideline the principles and aims of their own organisations. Partnerships were also seen to undermine the relationships between engaged NGOs and the NGOs and communities fighting against their corporate partner.

Summary
On the basis of this research, this thesis concludes that corporate citizenship is greenwash, not in the sense that there are no changes made to corporate culture, but on the basis that the changes are too incremental and minor to make development genuinely sustainable. The pursuit of corporate self-interest - perceived by critical NGO representatives and the Marxist framework as based on exploitation (despite their different definitions) - is seen by the corporate sector as a legitimate justification and framework on which to build sustainable development. Yet clearly, the so-called 'mutual' goals of the corporate sector and other sustainability stakeholders are not as reciprocal as they are often portrayed. Furthermore, despite the difference between corporate and community conceptions of sustainability, many corporate sector representatives argued that there had not been enough
market and non-market pressures for the Australian corporate sector to become genuinely sustainable. The voluntary and flexible framework of corporate citizenship, which is dictated by the precondition of a healthy financial bottom line, is a weak form of sustainability that leaves enormous potential for the continuation of unsustainable behaviour. The self-regulatory nature of corporate citizenship does not challenge the impact of consumerism, since the sector (and capitalism) is dependent on promoting a culture-ideology of consumerism. It also does not challenge the impact of particular industries, except where their unsustainable nature poses risks to the opportunities or lifespan of the companies involved. Corporate citizenship is understood here as greenwash on the basis that it advances a ‘weak’ and voluntary conception of sustainability, yet one that makes corporate citizenship appear more radical than it is by giving the appearance that it is compatible with broader conceptions of sustainability. It was for such reasons that some NGOs refrained from engagement with the corporate sector.

The partnerships agenda – that is seen as significant aspect of corporate citizenship – appeared to bring benefits to NGOs and to the corporate sector. NGOs that undertook partnerships in order to gain access to corporate sector resources and thus fulfil their organisational goals appeared to gain the most, since representatives from these organisations suggested they could fulfil and sometimes exceed their aims. NGOs that undertook partnerships in order to assist companies to become more sustainable were still in the process of accessing the value of partnerships. However they felt that it was important to test out their potential as a mechanism that could be carried out alongside the push for greater regulation. Partnerships for NGOs involved particular costs, such as the time and resources involved in pursuing and negotiating the terms of engagement and the risk of undermining their independence and reputations. For the corporate sector, partnerships gave company representatives the opportunity to access expertise from NGO representatives in the area of sustainability and gave opportunities to work
on joint projects that would help them sustain the lifespan of their industry. However, their overall understanding of stakeholder relations, also embodied in their relationships with NGOs, involved a high level of instrumentalism, wherein it appears that engagement was a means to managing stakeholders in order to make them more supportive and less critical, of corporate activities.

While corporate citizenship makes sustainability dependent on the need to meet corporate self-interest, more radical visions of sustainability (such as those held by critical NGO representatives) are based on upholding the principles of social justice and environmental sustainability as ends in themselves – rather than secondary to, and as a means to protect, corporate profits and economic growth. These visions involve a non-instrumental treatment of humans and the environment and a greater commitment to democratic process – whereby citizens have a greater say in the decisions being made that affect them on a local, national and global scale. In order to create sustainability, they argue, corporations need to be strongly regulated on national and international levels and this process needs to be held in check by social movements and strengthened through additional corporate citizenship measures. However, if the Marxist framework is correct, then these goals are not achievable within the capitalist mode of production given the necessity of continual accumulation and its basis in exploitation.

This thesis has shown that corporate citizenship, as understood and embodied by the corporate sector in Australia is too compromised to produce genuinely sustainable development. The self-interest justification upon which it is based and its largely market-oriented terms and conditions leave an enormous potential for unsustainable behaviour. These factors, along with the highly flexible interpretations of ‘sustainable’ behaviour, raise questions about the validity of the consensual discourse within which corporate citizenship is based. Further research is thus required to answer the important question of how to move toward a genuinely sustainable form of
development: whether this would involve a role for corporate citizenship, a primary reliance on another mechanism such as national or international regulation, or a different form of economic order or mode of production altogether, one that is not based on continual growth and relations of exploitation, instrumentalism and anthropocentrism. The challenge ahead is to transform greenwash into real sustainability.
Appendix - Approximate Interview Questions

Corporate Sector
What does your job involve?
What do you think of the concept of the triple bottom line and how relevant is it to business today?
Do you think the social, environmental and financial responsibilities can be equally weighted?
Do you think it is possible to achieve corporate citizenship within a competitive global market?
Do you think the triple bottom line can work when undertaken on a basis of self-regulation?
Do you perceive any limitations in implementing a triple bottom line?
Do you think the culture of the corporate sector has changed since the rise of the triple bottom line framework?
Do partnerships with NGOs impact on the way you do business?
What effect do you think critical, activist groups have on corporate culture?
What is your view of the future for sustainability, how can sustainable development be achieved?

Unengaged NGOs
What does your job involve?
What do you think of the concept of the triple bottom line?
Do you think the social, environmental and financial responsibilities can be equally weighted within a business?
Do you think it is possible to achieve corporate citizenship within a competitive global market?
Do you think the triple bottom line can work when undertaken on a basis of self-regulation?
What limitations are there on the triple bottom line?
Have you noticed a change in corporate culture with the rise of corporate citizenship?
What do you think are the best tactics for making companies more responsible?
What role do you think critical campaigns have on corporate citizenship?
What do you think of the practice of partnerships between NGOs and companies?
What is your view of the future for sustainability, how can sustainable development be achieved?

Engaged NGOs
What does your job involve?
What do you think of the concept of the triple bottom line?
Do you think the social, environmental and financial responsibilities can be equally weighted?
Do you think it is possible to achieve corporate citizenship within a competitive global market?
Do you think the triple bottom line can work when undertaken on a basis of self-regulation?
What limitations are there on the triple bottom line?
What kind of partnership do you have with company ‘X’?
Do you have conditions on engagement? If so, what are they?
In what way do companies impact on the day-to-day operation of the organisation?
Do you think this organisation has any influence on its corporate partners?
Do you think that corporate partnerships affect the reputation or independence of this organisation?
What is your view of the future for sustainability, how can sustainable development be achieved?
References


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