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A SOCIAL CONNECTION APPROACH TO CORPORATE RESPONSIBILITY:

THE CASE OF THE FAST-FOOD INDUSTRY AND OBESITY

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**ABSTRACT** 

Corporate responsibility for consumption-related issues has been on the business ethics

agenda for several decades. However, some recent consumption-related issues, such as obesi-

ty, differ qualitatively from the traditional product liability cases. This study proposes an al-

ternative responsibility concept, referred to as the social connection corporate responsibility

(CR). A detailed conceptualization of a social connection CR is presented and subsequently

contrasted with the liability approach to CR. Then, a social connection logic to the case of

obesity is applied followed by an examination of how fast-food chains are socially connected

to obesity, and of what kind of responsibilities such a social connection implies.

Keywords: Corporate Responsibility, Consumption, Social Connection, Obesity, Fast-Food

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#### INTRODUCTION

Corporations' responsibility for consumption-related issues is a classic topic in the business ethics literature. Prominent examples were product liability cases, such as the Ford Pinto (Gioia, 1992), Rely tampon (Gatewood & Carroll, 1981), Metabolife (Crabtree, 2005), and the Tylenol cases (Stateman, 2008). Corporations took responsibility for harm, which the consumption of their product caused to consumers. For instance, Procter & Gamble recalled its Rely tampon in the 1970s, because its usage was linked to the toxic shock syndrome (Gatewood & Carroll, 1981). In classic product liability cases, scandals were in the focus and the product was most often defective. Here, it was relatively easy to determine the causes of harm (malfunctioning product components/ dangerous product ingredients) and assign responsibility accordingly.

Today, identifying the cause is more difficult. The world has become more complex. The very essence of causality is undermined by various factors leading to an erosion of notions of liability. As mentioned by Waddock (2008, p. 38), "the world that today's companies face is tumultuous and increasingly connected." Corporate value chains are complex with global supply chain networks (Lim & Phillips, 2008; Levy, 2008). Linked to the supply chain complexity is the demand for information and transparency by civil society actors.

Some recent examples of product consumption-related corporate responsibility (CR) issues cannot be traced back to clearly identifiable causes. Still, corporations are held responsible for their contribution to harm. Manufacturers of violent video games, for example, are scrutinized for contributing to the increased level of youth violence and school shootings (Hopf, Huber, & Weiß, 2008; Haape, 2009).

The extended CR demands for consumption-related issues are novel and join the debate on the generally expanding responsibilities of corporations, including the role of corporations as political actors (Matten & Crane, 2005; Scherer & Palazzo, 2007). Corporations are in-

creasingly expected to act when governments are unable or unwilling to regulate or enforce the law, deal with transnational social and environmental challenges, and provide social services such as public health.

This study examines an extended form of consumption-related CR, which has not yet been conceptualized in the literature. By using obesity as an illustrative case, this study argues that recent product consumption and usage-related issues differ qualitatively from traditional product liability cases. Obesity is the result of genetic and non-genetic factors, such as sedentary lifestyle or food choice (Malik, Schulze, & Hu, 2006; Nielsen & Popkin, 2003; Thorpe et al., 2003). Nevertheless, fast-food (FF) chains have increasingly been criticized for their contribution to obesity (Adams, 2005; Schlosser, 2002; Spurlock, 2004).

FF corporations are not assigned responsibility, because they *cause* obesity. They are assigned responsibility because of their *connection* to it. Such a demand cannot be understood under the prevailing, rather narrow liability understanding of responsibility. A liability approach to CR follows a legalistic mindset and assumes that an actor has responsibility if it can be proven that there is a direct causal link between an action and harm (Honoré, 1999). The focus on causality makes a liability approach difficult to apply in the obesity case (and other consumption-related cases discussed later). Instead, an alternative understanding of attributing responsibility is proposed.

A social connection approach to CR was first introduced by Young (2004). It assigns responsibility based on the connection – direct and indirect – between all actors, their activities, and their consequences on other actors (Young, 2006). The social connection approach does not replace the standard liability model of responsibility. Rather, it is an additional dimension. A shift to this broader responsibility concept ties in with recent debates on CR and corporate citizenship (Waddock, 2008). The core idea of a social connection approach is to encourage corporate actors to consider the *broader* consequences of corporate activities

without any particular focus (on a social, environmental, or philanthropic dimension) (Waddock, 2008). Societal issues are rather systemic – caused by a network of actors who contribute to, enforce, or mitigate harm through their actions and interactions. Hence, all actors that are a part of the network that causes a specific harm have a responsibility.

This study contributes to the existing literature on consumption-related issues by illustrating the qualitative differences between classic product liability cases and more recent consumption-related issues. The main contribution lies in enhancing an argumentation for this extended form of CR towards consumers. Furthermore, this study enlarges the debate for consumption-related issues and offers a conceptual basis for extended responsibility demands for consumption-related issues, which are vividly debated in the media and elsewhere (BBC News, 2001; Hopf, Huber, & Weiß, 2008; Schlosser, 2002; Spurlock, 2004). The following questions are addressed: What are the limitations of a liability approach in attributing responsibility? How can a social connection approach comprehend the latest CR demands for issues related to product consumption and usage? Why, how, and through which mechanisms are FF chains responsible for obesity?

The article is organized as follows: First, the two responsibility concepts (liability CR and social connection CR) are presented and compared. Second, the challenges of the proposed social connection approach to CR are discussed. Then, the social connection approach is applied to obesity, and the social connection of FF chains to obesity is examined. Finally, the responsibilities of FF chains are discussed.

#### FROM LIABILITY CR TO SOCIAL CONNECTION CR

A dominating form of attributing responsibility derives from the legal context in which fault for harm shall be established (French, 1984, Honoré, 1999). This is commonly referred to as liability thinking (Feinberg, 1970; French, 1984). The key characteristics of liability

thinking are causality, absolution of others, retrospective argumentation, static background conditions, and a community-cosmopolitan focus (Feinberg, 1970; French, 1984). CR proponents have frequently used the liability model to fortify their argumentation, even though they referred to moral/social responsibility rather than legal responsibility. This study refers to CR concepts that apply dominantly liability components, as *liability CR*.

First, the causal relation between an actor's activities and an outcome is central in assigning responsibility (French, 1984) and the key characteristic in differentiating between liability and social connection. An actor is assigned responsibility if the direct actions can be causally linked to a harmful outcome, and if those actions were voluntary and consciously performed (Feinberg, 1970; French, 1984; Honoré, 1999). Some early reflections on CR, which focused on the businessperson's decisions and actions, illustrate this aspect (Bowen, 1953; Drucker, 1954). These concepts were aimed at establishing direct links between managers and wrongdoings. Bowen (1953), for instance, looked at the consequences that decisions of businessmen cause on society. Even stakeholder theory might be regarded as slightly supporting a causality approach. Stakeholder theory assumes the management of stakeholder relationships through "strategic management" (Freeman & Reed, 1983) and "negotiations" (Charan & Freeman, 1979), thus underlining a link between a corporation and those who might be directly affected by its decisions. In the work of some supporters of stakeholder theory, the causal relationship between the firm and stakeholders is stressed. For instance, Freeman and Reed (1993), Bowie (1988), and Frooman (1999) referred to power dependencies between stakeholders and corporations. Dependence is defined as "the state of relying on or being controlled by someone or something else" (Soanes & Stevenson, 2008). The word signals a direct (causal) relation between the actors (one actor has the power over the other or one actor is dependent on the other). Corporations frequently refer to causality as one of the most relevant factors in assigning responsibility (especially legal responsibility, but also moral responsibility). In his description of the Pinto case, Gioia (1992, p. 381) referred to causality as an indicator for responsibility: "labeling a case as a problem either required high frequencies of occurrence or *directly-traceable causes*" (author's emphasis).

Second, the liability model *isolates those who are assigned responsibility and those who are not* (Fletcher, 1999). Classic examples of such isolation of actors are product liability cases. Mattel recalled almost a million of its toys in 2007, because the toys were covered in lead paint (Story, 2007). Besides, the car safety and accident debate during the 1960s and 1970s is a further example for identifying the responsible entity and absolving others from responsibility (Nader, 1965). Car manufacturers had regarded the driver as the main actor who was responsible for driving safely, and thereby had absolved themselves from responsibility. Nader (1965) changed this responsibility attribution and triggered binding regulations for the automotive industry.

Third, liability CR regards responsibility as *retrospective*: It refers to an actor's action and is assigned once an event happened. Responsibility assignment serves as the redistribution of the conducted action (Fletcher, 1999). Here, again product liability cases are classic examples of this retrospective approach. In the 1970s, car manufacturer Ford was alleged that flaws in the gas tank design of its Pinto model lead to avoidable safety risks for customers (Gioia, 1992). The debate only emerged *after* fatal accidents had happened (Danley, 2005).

Fourth, *background conditions are regarded as static*. Legal rules and traditional moral custom in a specific context have often been taken as given and used as a main reference point. In his reflection of the Pinto case, Gioia (1992) referred to the existing regulations on car testing and stressed that the car crash tests were conducted under a standard that was not legally adopted at that time. Gioia (1992, p. 381) concluded that "Ford was not in the violation of law".

Finally, liability CR has originally taken the *community* as the reference point. As Jones (1991, p. 367) once argued, an irresponsible act "is either illegal or morally inacceptable to the larger community." This signals a communitarian – and thus, geographically limited understanding of responsibility. According to communitarians, actors are born into a certain community and are only responsible towards those who live in the same community (Bell, 2004; MacIntyre, 1984). Communitarian philosophers (Miller, 1995; MacInytre, 1984) emphasize the relevance of the nationally defined community in the definition of justice standards and moral judgment. According to Miller's (2001) communitarian principle, actors have special responsibilities towards those who they are linked to (family, nations, and neighborhood), and derive their values and principles from the community in which they live (Jones, 1991). However, a liability approach to CR has gradually adopted a *cosmopolitan* perspective. It has been applied to supply chain related matters, such as the allegations against Nike in the 1990s for bad working conditions in its suppliers' factories (Young, 2004). Nike and others were expected to apply the working standards valid in their home countries to their offshore suppliers' factories.

The liability approach to CR was a useful starting point for the CR debate. A liability approach to CR had been successfully applied to consumption-related CR issues, such as the Ford Pinto case (Danley, 2005) or the Rely tampon case (Gatewood & Carroll, 1981; Wall Street Journal, 1980). These cases covered both legal and moral CR.

A liability approach to CR can still be applied to recent consumption-related issues, such as the 2010 Tylenol recall (Smith, 2010) or the German dioxin scandal (BBC News Europe, 2011). However, with regard to the dioxin scandal, a liability approach to CR might be challenged. At the end of 2010, it was revealed that dioxin-contaminated animal feed additives were sold to local farmers in Germany, leading to increased levels of dioxin in food. The complex network of suppliers, traders, transporters, and other actors makes it difficult to

determine when and how the dioxin came into the animal fat (Marquart, 2011). This hampers the identification of the cause(s) and responsible actor(s). This already hints at the proposition of this article that recent societal issues are rather the result of a complex system – a network of many actors. There are various consumption-related issues that stretch the core components of liability thinking and challenge the classic responsibility approach.

## Challenges to a liability approach to CR

The main characteristics of liability CR are challenged when we review some recent consumption-related issues. We can observe a rise in more global problems, such as climate change, obesity, and youth violence, which transcend countries, industries, and products. Identifying causes and actors becomes difficult. The main differences between classic and recent consumption-related issues are the departure from both causality and a retrospective argumentation.

From causal relation to social connection: Civil society actors do not necessarily rely on a causal relationship to fortify their demands for CR. For example, Iveco, a Fiat subsidiary, and Toyota are criticized for selling minibuses to the Chinese government that had converted the minibuses into mobile execution vehicles (Pleiter, 2004). Non-governmental organizations (NGOs) demonstrate against human rights violations and China's high execution rate. They do not criticize Iveco for causing human rights violations or executions, but for supporting such practices through their business operations. A similar logic can be seen in the discussion about corporate involvement in the Holocaust. In his controversial book, Black (2001) stated that IBM was not the inventor or initiator of the Holocaust, but the company facilitated the Holocaust and was thereby socially connected. Black (2001) concluded from this connection that IBM had co-responsibility for the Holocaust, Firms are assigned respon-

sibility for how other network actors (their customers) use their products because firms contributed to harm by selling products.

From absolution of others to shared responsibility: While liability CR aims at isolating those who are assigned responsibility and those who are not (Fletcher, 1999), we increasingly observe the demand for a network-wide, shared responsibility. The manufactured baby milk controversy is an example to illustrate that responsibility shall be increasingly shared among various actors who are connected to baby death rates (Save the Children, 2007). Save the Children UK acknowledges that there are several factors that influence the death rate of babies, including the sale of infant formula. The organization admits that "commercial promotion of substitutes is not solely responsible" (Save the Children, 2007, p. 2). Yet, Save the Children UK (2007) connects infant formula manufacturers, such as Nestlé, to this issue and expects the corporations to do their share of responsibility.

The re-appearing debate around violent video games is a further example to illustrate the challenges towards the absolution of responsibility actors. Rising levels of youth violence are alarming (Hopf, Huber, & Weiß, 2008). Many factors contribute to youth violence, and some argue that violent video games might be one reason (Weber, Ritterfeld, & Mathiak, 2006). Here, the role and responsibility of numerous actors are investigated. Governments are encouraged to introduce and enforce regulation. Videogame manufacturers are pressurized to adapt their products and marketing policies (Stöcker, 2006). Finally, consumers, especially parents, are expected to take their share of responsibility. The father of a boy who killed 15 people was convicted for manslaughter and bodily injury, because his son used the father's gun in the rampage (SpiegelOnline, 2011). The debate about youth violence goes beyond identifying and convicting responsibility actors. Responsibility should be shared among a network of actors, so that future incidents can be avoided. This also signals a more forward orientation as discussed in the following paragraph.

From a backward orientation to forward orientation: Recent consumption-related issues deal less with undoing and compensating past harms, but with changing certain things in the long term. Civil society groups, activists, and governmental institutions are concerned about youth violence, obesity, and climate change. Instead of finding the culprit in single cases (such as school shootings), there is also a rising global debate about how to decrease youth violence in general (CNN.com, 2004; Weber, Ritterfeld, & Mathiak, 2006).

background conditions, such as laws and regulations as static, civil society actors become more critical towards existing standards and regulations. The controversy of selling technology to governments is one example. While it is legitimate for corporations to sell their products to governments, they are criticized for doing so in specific contexts, as illustrated by the Nokia Siemens Networks case. Nokia Siemens Networks has been alleged of being complicit in human rights violations linked to the Iranian presidential elections in summer 2009, because it had sold a network infrastructure and software to the Iranian government, which then used this technology to block, control, and observe communication in the country (Rhoads & Chao, 2009). Victims of the Iranian oppressive regime and activists claim that Nokia Siemens Networks was connected to the human rights violations committed by the Iranian officials, because it had provided the regime with an instrument to support the regime's policies (Rhoads & Chao, 2009). Normal, legal transactions are scrutinized and questioned.

As discussed, some latest consumption-related issues challenge a liability notion to CR. Liability CR focuses on the relation between an actor (or multiple) and harm. This resembles a dyadic relationship. This study proposes to go beyond the dyadic relationships and examine the *systems* of dyadic interactions. As proposed by social network theory (Rowley, 1997), this study suggests looking at all actors, their interactions, and their connection to a societal issue to determine responsibility.

#### **Social connection CR**

The liability components are increasingly stretched. Most often, the problems cannot be reduced to a specific cause(s) and actor(s). Issues are global (obesity, youth violence) as well as industry and product spanning. Also, the product itself becomes the problem. In many classic cases, products were malfunctioning (Mattel, Ford Pinto). However, in recent consumption-related issues, products are not malfunctioning. They are actually criticized for functioning the way they are supposed to. The product causes harm as a side effect while being used as intended (youth violence), or harm is caused intentionally by consumers when they use or adapt the product for their own purposes (Iveco, Nokia Siemens Networks).

The traditional liability approach to responsibility stresses causal relations between harm and actors. However, videogame producers did not cause any particular school shooting, but were still claimed to be responsible. Nokia Siemens Networks was criticized for selling its technology to an oppressive regime. Responsibility seems to be less based on causality, but on the *social connection* of an actor to an issue. Responsibility derives "from belonging together with others in a system of interdependent processes of cooperation and competition" (Young, 2006, p. 119). Following Young's (2006) terminology, this alternative approach to liability CR is labeled as *social connection CR*.

Social connection CR breaks with some core assumptions of liability CR. Social connection CR is based on a social connection logic, shared responsibility, a prospective perspective, and a judgment of background conditions, which means that the existing rules, standards, and regulations are questioned. However, liability CR and social connection CR share the cosmopolitan approach. Table 1 summarizes the characteristics of liability CR and social connection CR.

Table 1

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Young's (2004) reference to a system consisting of interdependent processes and actors resembles the notion of network theory. Societal issues, such as obesity, are systemically caused by a network of actors who contribute to, enforce, or mitigate harm through their actions and interactions. All actors who are a part of the network that causes a specific harm have a responsibility. This responsibility is not derived from a causal link between actors *and* harm, but from the fact that *an actor is part of a network* that causes harm.

As discussed in network theory (Granovetter, 1973; Rowley, 1997; Pfeffer & Salancik, 1978), actors are connected to each other, and influence the outcomes through their interaction. Apparently, the power in networks is not necessarily determined by strong, direct (causal) ties between actors and issues, or among actors: As discussed by Granovetter (1973), weak ties can have tremendous effects in the network. It might be fruitful to shift the focus from strong causal relations to rather weaker connections among the actors (and issues) to find system-wide solutions.

This proposed definition of responsibility attribution is quite open and vague. This raises two challenges: First, how does an actor become a part of such a network; what does social connection mean and when is an actor socially connected to an issue? The second challenge relates to the idea of shared responsibility, which creates diffused responsibility: How can various actors come to action?

#### CHALLENGE 1: WHEN DOES AN ISSUE BECOME AN ISSUE?

To provide some indications of what a social connection looks like and when an issue becomes an issue for a corporation, three parameters are advanced: business connection, internal stakeholder cognition, and external stakeholder pressure. The thesis of the article is that corporations are socially connected to societal issues through their business operations and

products. The strength of this connection can range from a strong (direct) connection (as we saw in the classic liability cases) to a stretched connection.

#### **Business connection**

An issue becomes an issue for a corporation when it is related to *business*. Two connections are possible: through corporate activities or product effects. First, a social connection can exist through corporate activities. This can include direct corporate activities that foster harm. An example is the tobacco industry that has deliberately increased the addiction potential of cigarettes (Daynard, Hash, & Robbins, 2002; Palazzo & Richter, 2005). The Joe Camel campaign in the 1980s/90s which was criticized for seducing teenagers to smoke and was eventually ceased (Cohen, 2000; Sullum, 2004), is a further illustration of a social connection between corporate activities (marketing operations) and harm-doing: This form of connection can still be captured by the classic liability model, though. The Joe Camel campaign caused an increase in smoking among young consumers.

The social connection through corporate activities can also capture more indirect activities. We can take the recent example of the Lebanese oil company, Tamoil. When dictator Gaddafi started to fight the developing revolution in Libya, politicians, activists, and others called for boycotting Tamoil and its affiliated petrol stations (e.g. in Germany and Switzerland). Here, neither the corporation nor the product did any harm. However, the German petrol station chain HEM is socially connected to the riots in Libya through Gaddafi's ownership of HEM's parent company. A second example for an indirect connection is the U.S. retailer Target and its donation to the 2010 governor candidate, Tom Emmer. Emmer publicly opposed gay rights. Customers and gay and lesbian associations called for a boycott of Target due to its indirect connection to oppressing gay rights (Birkey, 2010).

The approach of the Colalife initiative is a further example of how corporations are indirectly connected to societal issues. The initiative aims at using Coca Cola's distribution channels to transport social products, such as medicine (Berry, 2009). Coca Cola was approached by Colalife because of its presence and distribution system in developing countries where social products are highly in demand. These business operations connect the company to societal issues, such as malnutrition or health problems. In contrast to previous examples, here, the company can be a part of the solution to a problem.

A second way of how a social connection between corporations and harm can be established is through the connection between the product and harm. First, the product might be defective as in the classic product liability cases. This kind of connection is still captured by the liability reasoning. A second form of connection between product and harm is established through unintended side effects of product consumption on consumers. Here, the product functions as intended, but has negative side effects (cigarettes, obesity). Unlike the smoking example (Doll, 2000), there is no scientific (causal) relation between videogames and violence, and between FF and obesity. Instead, the relation can rather be described as "contribution" (Schlosser, 2002). Finally, corporations can be connected to harm when their customers use the product to cause harm. Nokia Siemens Networks' sale of its monitoring center to the Iranian authorities is an example of this connection. The Iranian government used the monitoring technology to identify, capture, and even torture dissidents (Rhoads & Chao, 2009). Nokia Siemens Networks did not cause the violence, but it was a part of the network and contributed to human rights violations. Civil society actors attributed and still attribute responsibility to Nokia Siemens Networks and its parent companies, Nokia and Siemens.

The relation between the business and the issue can provide a first indication of a social connection. The following questions might guide corporations in determining whether they are socially connected to an issue: Is the issue linked to our core business activities? Are our

partners involved in the issue? Do our marketing messages affect the social issue? Does our product contribute to the issue?

#### Internal stakeholder cognition and external stakeholder pressure

The discussed business connection to societal issues can be mitigated by internal and external stakeholders. Internal stakeholders might be cognizant of the social connection between corporate activities/ products and a societal issue. This might create dynamics and encourage companies to act upon their connection.

The impact of external stakeholders is more complex. External stakeholders might connect corporations to issues, irrespective of whether there is a connection between business operations and the issue. Therefore, external stakeholders might assign an actor responsibility for an issue without any connection between the business activity and the issue, or between the product and the issue. Those artificial connections will be discussed in more detail in the next section.

Considering the role of external stakeholders in making connections and assigning responsibilities, it is important to consider the legitimacy of the stakeholders making that claim (Mitchell, Agle, & Wood, 1997; Phillips, 2003). The likelihood that an issue becomes an issue for a corporation is related to the type of stakeholder – whether the connection claim is raised by a "dangerous," "definite," or "dominant" actor (Mitchell, Agle, and Wood,1997). Another factor mitigating the responsibility attribution is the stakeholders' capacity to be heard (Frooman, 1999). A stakeholder's capacity to be heard is influenced by the resource relationship between the stakeholder and the firm (Frooman, 1999). A stakeholder's power is highest in situations where the company is dependent on the stakeholder, but the stakeholder is not dependent on the company (Frooman, 1999).

One point of caution is necessary: From a strict normative ethical standpoint, it does not matter if a stakeholder makes the connection between a corporation and an issue. As soon as the firm is connected to an issue through its business (see previous section), it has a responsibility. Stakeholder pressure functions rather as a catalyst for triggering action. A review of the anti-sweatshop movement in the 1990s shows the importance of having stakeholders raising their voices and making the connection public (Appelbaum and Dreier, 1999).

The combination of the three parameters (business connection, internal stakeholder cognition, and external stakeholder pressure) results in seven social connection segments (Figure 1).

Figure 1

# **Social connection segments**

Segments 1–4 have all the business connections in common, but differ in how far stakeholders make the connection between the business and the issue explicit. An example of segment 1 is Nike, when it started outsourcing its production to offshore supplier factories where workers rights were violated. Nike was connected to those workers rights violations due to the production of its products and its delivery and price demands towards its suppliers. Until the beginning of the 1990s, this connection was not addressed by any stakeholder. This type of connection is referred to as *dormant*. Corporations might feel a wrong kind of safety, because neither internal nor external stakeholder demands exist.

Keeping Nike as an example, when the anti-sweatshop movement started in the mid-1990s, the workers' rights issue entered segment 2 of the proposed model: student groups and other NGOs started assigning responsibility to Nike (Appelbaum and Dreier, 1999). This segment can be referred to as *externally confirmed connection*. Even though the description

of the sweatshop issue sounds as if CR issues evolve from one segment to others, this is rather the exception.

When corporations accept responsibility and establish standards or programs such as codes of conduct or audits (internal stakeholders were cognizant and replied accordingly), one can label this connection as *accepted connection* (segment 3).

In segment 4, a business connection exists and is acknowledged by internal stakeholders, but not by external stakeholders. An example would be Hewlett-Packard's proactive engagement in developing a supplier's code of conduct in 2002 before any stakeholder group pressured the company to take responsibility. This segment can be referred to as *internally confirmed connection*. Another example is the Swiss supermarket chain, Migros. Based on its founder's motivation not to support alcoholism in any form, Migros does not sell alcoholic drinks.

Segments 5–7 share the fact that no business connection to the issue exists. In these segments, internal, external, or both stakeholder groups create an *artificial* connection between corporations and an issue. Stakeholders in these segments might argue that corporations can function as Good Samaritans – they are powerful, have resources, and might be in a privileged position to do good. Some philanthropic activities, such as disaster relief activities might be examples for those Good Samaritan cases.

The proposed parameters provide corporations with indications to determine whether an issue is an issue for them. Being confronted with such connections, corporations face a further challenge: How to organize solutions in networks?

#### CHALLENGE 2: HOW CAN ACTORS COME TO ACTION?

Who should do what, when, how? Young (2004) presented four reasoning criteria to conceptualize the degree of responsibility (power, privilege, interest, and collective action).

However, Young's (2006) elaboration on these parameters was relatively brief. She herself stated that a more thorough examination of the diffusion of responsibility would be needed.

This study proposes that insights from social network theory can help in conceptualizing the organization of solutions to societal problems. Social network theory has been applied in different contexts, such as interfirm relations (Beckman, Haunschild, & Phillips, 2004), network governance (Provan & Kenis, 2007), innovation (Obstfeld, 2005), institutional processes (Oliver, 1991), and stakeholder influence (Rowley, 1997). Network analysis provides tools to study how interactions among actors impact societal issues or actors' behavior (Rowley, 1997; Nohria, 1992).

"Network theorists conceptualize an organization's environment as a set of social actors" (Rowley, 1997, p. 894). Instead of having an organization in the network's center, this study proposes that the network circles around a societal issue. One can conceptualize a societal issue as a set of actors who contribute to, enforce, or mitigate the societal issue through their actions, relationships, and interactions.

This study has relied on two central concepts of network theory: density and centrality. Density evaluates the quality and power of the whole network (Oliver, 1991; Rowley, 1997). It is the ratio of actual links between network members and all links possible among the network members. Hence, the higher the network density, the higher is the amount of connections among its members and more information is shared within the network (DiMaggio and Powell, 1983; Pfeffer and Salancik, 1978). Higher network density leads to conformity to norms and expected behavior among actors (Meyer & Rowan, 1977). In dense networks, norms are better diffused and actors might start having shared behavioral expectations. If we increase network density, we might create a common ground of responsibility expectations across the network (Oliver, 1991). Galaskiewicz and Wasserman (1989) argued similarly and

stated that network actors might imitate other members' behavior so that they are perceived as legitimate actors.

Network members could try to increase network density to foster specific behavior expectations. As Rowley (1997, p. 898) stated, "as network density increases, the ability of a focal organization's stakeholders to constrain the organization's actions increases." The present study proposes a more positive attitude: Higher network density increases the likelihood of a corporation to *accept* stakeholders' behavioral expectations.

In contrast to density, centrality focuses on an actor's position in the network. It can be used as a proxy for power. Young (2006) elaborated on power as one criterion to determine an actor's responsibility, but she did not explain what determines power. Power in a network is not so much determined by specific attributes, such as resources (which was used by Young), but rather by the position of the actor within the network. Brass and Burkhardt (1993) differentiated between three forms of centrality: degree, closeness, and betweenness. Degree centrality refers to the number of direct ties to other actors. An actor with high degree centrality is well connected to all other actors and occupies a privileged position as he/she has access to various sources of information. Closeness centrality refers to the shortest path from a given actor to other actors in the network (Freeman, 1979). It measures an actor's independent access to different points in the network. High closeness centrality indicates that an actor is less dependent on other actors in receiving information and can spread information fast throughout the network (Brass, 1984). Betweenness centrality is the extent to which an actor is on the shortest path between other network actors. This position influences the flow of information. High betweenness centrality indicates that an actor controls the network and flow of information. Actors with high betweenness centrality are intermediaries between other actors. They can use their powerful position for good and bad, because they can forward or block information. If used for blocking information, other network actors might want to decrease the actor's power by filling structural holes and increasing network density. Structural holes are network areas in which actors are not connected (Burt, 1992). It might be beneficial if those connections existed. Filling structural holes means to create alternative paths between actors, which were previously held by a central actor. Filling structural holes thereby decreases betweenness power and network density, because the amount of actual links in a network increases. Structural holes could, for instance, be filled by actors who are disadvantaged in the existing network (Zeitz, 1980).

Five conclusions for social connection CR can be drawn from this discussion. First, with the higher network density, it will be easier to coordinate (collective) action, because behavioral expectations are shared within the network. Higher density is achieved by increasing the number of ties among actors and filling structural holes. Second, actors with high degree centrality can function as coordinators within the network, as they are the ones who are connected to many other actors in the network. This claim is supported by the findings of Brass and Burkhardt (1993) that high degree centrality is associated with assertiveness and coalition formation. Third, actors with high closeness centrality can act as experts. They might be close to the issue and thereby have privileged information about the issue, which they can then spread through the network if they enjoy high closeness centrality. With shared information, organizing actions will be easier. Fourth, actors with high betweenness centrality can support collective action by acting as transmitters. As those actors are intermediaries between other actors, they can control the flow of information (Freeman, 1979). By transmitting information through the network, they support the coordination of (collective) action in the network. Finally, actors with high betweenness centrality might actually abuse their position and block certain information flows. In such cases, (collective) action is hampered. Filling structural holes might help in overcoming this challenge; either the already existing members of the network manage to fill the structural holes or new entrants do that.

After having presented the conceptual foundation, this study applies a social connection approach to CR to obesity.

#### **OBESITY: APPLYING A SOCIAL CONNECTION LOGIC**

There are three groups of arguments for using obesity as an illustrative case for social connection CR. First, the topic as such is important. Obesity is a recent topic, which is seriously discussed in health organizations, governments, medicine, and the media (Nestle, 2002; Schlosser, 2002). Also, it appears that the health consequences of obesity surpass those of smoking (Whitlock et al., 2009).

Second, obesity allows illustrating the complexity in applying a social connection logic. The obesity problem differs from the tobacco case, where notions of responsibility are more straightforward: The link between smoking and health risks is well established (Doll, 2000; International Agency for Research on Cancer, 2002). Tobacco companies were aware of the health risks and even consciously supported the addiction (Daynard, Hash, & Robbins, 2002). These facts made responsibility assignments towards the tobacco industry straightforward. The obesity case is different: Food is a necessity. FF chains do not purposefully adapt their product ingredients to create/increase any addiction potential (at least not that we know of). However, there has already been research claiming that certain ingredients in FF can be addictive (Colantuoni et al., 2002; Martindale, 2003; Zhang & Kelley, 2002). Moreover, consumers have more control over their eating and living habits, when compared with smoking (addiction). Consumers can engage in various activities to mitigate the risks associated with eating FF. The personal responsibility in the obesity case is higher than that in the tobacco case, and corporate responsibility is less obvious. However, the higher level of personal responsibility in the obesity case does not mean that other actors are relieved from their responsibilities, as will be discussed later.

Finally, the obesity case is interesting because FF chains are increasingly assigned a responsibility for obesity which is rather a classic public policy issue. Traditionally, public health is an issue for governments. Still, the private sector and even a specific industry (FF) are approached to act on this political issue. This is good example to illustrate the growing political role of business. FF corporations are not only assigned responsibility for obesity, they have even started to adapt some of their practices, as will be discussed later.

## **Obesity: definitions and background information**

Obesity can be defined as having excessively high levels of body fat or adipose tissue in relation to lean body mass (Centers of Disease Control and Prevention, 2004). Since 1980, obesity rates have increased three-fold worldwide (WHO, 2009). In their latest report, the OECD predicts that two-thirds of its population will be overweight or obese by 2020 (Sassi, 2010). In developing countries, obesity rates are expected to rise further (WHO, 2007). Therefore, the World Health Organization refers to obesity as an epidemic (WHO, 2004).

This labeling is also related to its health consequences, which include an increased stroke risk, type 2 diabetes, coronary heart disease, various cancers, and psychological disorders (CDC, 2002). Health risks, such as diabetes and bone instability are increasing among obese children (Fontaine, Redden, Wang, Westfali, & Allison, 2003; Libuda, Remer, & Kersting, 2009). If obesity is not addressed and reduced, nutritionists claim that "the youth of today may, on average, live less healthy and possibly even shorter lives than their parents" (Olshansky et al., 2005, p. 1143). Obesity is also linked to higher economic costs, such as expenditures for preventive, diagnostic, and treatment services as well as morbidity and mortality costs (CDC, 2004). Considering these consequences, the question of what causes obesity arises.

Weight gain results from a calorie imbalance and is influenced by an interaction of genetic, metabolic, behavioral, environmental, sociocultural, and socioeconomic factors (Malik, Schulze, & Hu, 2006; Nielsen & Popkin, 2003; Thorpe et al., 2003). The dynamic interplay of these different factors makes it impossible to identify a distinct causal factor, and applying a liability approach to assign responsibility is challenging. A report from the Centers for Disease Control and Prevention (2003) indicated that the increase in obesity results mainly from non-genetic factors, such as food choice and lifestyle. Following a social connection approach, all actors who are related to these factors need to be considered in assigning responsibility for obesity. Traditionally, health has been a classic public policy issue and governments have the responsibility to ensure societal wellbeing and health. However, during the last years, FF chains are increasingly regarded as one actor having a responsibility for obesity, thereby being regarded as political actors.

## FF corporations in the obesity spotlight

The argumentation that FF chains are socially connected to obesity is based on three groups of factors: First, FF chains are socially connected because of their business activities and products. Second, external stakeholders link FF chains to obesity. Third, the connection between FF chains and obesity is partly recognized by internal stakeholders.

<u>Business connection.</u> As discussed, social connection can be determined by the product and corporate activities. FF constitutes a health risk (Bowman, Gortmaker, Ebbeling, Pereira, & Ludwig, 2004; Pereira et al., 2005). Energy density in FF can be up to 65 percent higher than the average diet (Stender, Dyerberg, & Astrup, 2007). As weight gain is related to higher energy intake than energy expended, food that has excessively high amounts of fat and sugar is considered as adding to the obesity crisis (Adams, 2005).

Besides, FF chains are socially connected to obesity due to their corporate behavior: FF chains "promote the sale of food high in sugar, fat and sodium content, unfairly target vulnerable consumers, encourage overconsumption, fail to provide patrons with the information needed to make informed decisions at the point and time of purchase and ultimately shift or externalize the costs associated with consumption of FF to the public" (Adams, 2005, p. 313). The aggressive marketing practices of FF companies target especially children (Adams, 2005; Barboza, 2003; Seiders & Petty, 2004). FF corporations intend to create brand loyalty among children to tighten them to their products through their playgrounds and special child menus with toys (Burger King, 2008; Kentucky Fried Chicken, 2008a). All these activities bind children to FF chains even though children might not be aware of the consequences of FF consumption on their health. Parents can play an important role in educating their children or controlling their children's eating behavior, but they can only do so to a certain extent: Children influence household spending and teenagers spend a considerable amount on food, especially junk food and snacks (Eurofood, 2002; Hunter, 2002). Nevertheless, parents have a responsibility for their children, which must be considered in responsibility attributions for obesity. It must be consumers' responsibility in general, as they are a part of the obesity network.

External stakeholder pressure. Several actors strengthen the link between obesity and FF products and between obesity and marketing practices of FF chains. Nutritionists argue that portion sizes, energy density, and industrially produced trans fats make FF obesogenic (Stender, Dyerberg, & Astrup, 2007). They warn against eating FF (Bowman, Gortmaker, Ebbeling, Pereira, & Ludwig, 2004; Stender, Dyerberg, & Astrup, 2007) and recommend to consume FF in very small amounts only (Ludwig, Peterson, & Gortmaker, 2001; Ludwig & Rostler, 2007). Besides, early research studies claimed that certain ingredients in FF can be even addictive (Martindale, 2003; Zhang & Kelley, 2002).

Researchers also examined the effect of FF marketing practices. Research has shown

that children want to eat the food advertised (Strasburger & Wilson, 2002). There is consider-

able literature on the effects of advertising on children in general (Vakratsas & Ambler,

1999), as well as the effects of food advertising on children in particular (Borzekowski &

Robinson, 2001; Zuppa, Morton, & Mehta, 2003), indicating that advertising influences chil-

dren's behavior.

Besides, civil society actors criticize that FF is available nearly everywhere (local

communities, schools, universities, and hospitals) (Markel, 2003; Zive et al., 2002). Markel

(2003) criticized the fact that school children and university students do not have to leave the

campus to buy FF products. Zive et al. (2002, p. 376) concluded that "middle school students

eat excessive amounts of fat at school".

Finally, the discussion about the social connection between FF chains and obesity has

entered the mass media: Publications, such as Schlosser's (2002) "Fast Food Nation" or Spur-

lock's (2004) documentary "Super Size Me," have catapulted the discussion on the top of the

agenda. Just recently, the Physicians Committee for Responsible Medicine launched a con-

troversial TV commercial that targets McDonald's (Honawar, 2010). The spot shows a dead

body holding a Big Mac in his hand in the morgue. The spot ends with the adapted slogan: "I

was loving it." Consumers also establish a social connection between FF chains and obesity.

This is best illustrated by the rising number of lawsuits against FF chains (Keshian, 2005).

Obviously, various actors establish a social connection between FF chains and obesity.

FF chains have reacted, which shows that the internal stakeholders are cognizant of the con-

nection to obesity. However, as argued in this study, most of their activities still follow a lia-

bility approach to CR.

Internal stakeholder cognition: Reactions by FF chains to the social connection claim

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Following the increasing amount of lawsuits against FF chains (Keshian, 2005), the Republican representative, Keller, sponsored the "Personal Responsibility in Food Consumption Act," which was highly supported by the food industry (Warner, 2005). This act would have protected food producers and retailers from the responsibility of overweight and obesity. Even though the bill was never passed by the Senate, the support for this act by FF chains signals their desire to keep a focus on a liability approach to responsibility and ensure that obesity is the personal responsibility of consumers (Warner, 2005).

In some countries, FF chains have stopped using trans fats that are considered as unhealthy, because they are related to coronary heart disease (Sun et al., 2007). However, FF chains have only stopped using trans fats where it is legally forbidden, and still use them in other countries (The Associated Press, 2008). This inconsistent behavior illustrates that FF chains act according to a liability notion of CR, as they refer to legal regulations without going beyond. It equally shows that the industry has a limited focus on individual nations only. Although existing community standards and rules (no trans fats) are obeyed, in places where such standards do not exist, FF products do include trans fats.

Besides, FF chains adapted their product offerings, added healthier options to their menus, and adapted their marketing practices. McDonald's, for instance, ceased its supersize menus after Spurlock's (2004) documentary. These changes have only occurred in Western countries. In Asia, FF chains have continued their business as usual: 2008 surveys found that McDonald's did not provide nutritional information on its websites in some Asian countries and that the company aggressively targeted children through its advertisements practices, which the company had ceased in Europe years earlier (Chhabara, 2008). This behavior signals the lack of a cosmopolitan approach to take responsibility for obesity. Only after persistent pressure from Consumers International, McDonald's introduced healthier food options in its Asian restaurants.

Finally, FF corporations offer calorie tables in their restaurants to inform their customers about product ingredients. Corporate homepages offer similar details about product ingredients and nutrition information (Pizza Hut, 2008). During the last few years, CR reports of FF companies include more information about nutrition and healthy lifestyles (McDonald's Corporation, 2008). However, FF corporations follow a liability CR logic in their communications. This is especially obvious if we consider the liability criteria as causality and absolution of others. FF corporations mainly refer to the energy intake and burning equation, which signals rather consumer responsibility for obesity (Kentucky Fried Chicken, 2008b; McDonald's Corporation, 2006; Pizza Hut, 2008). FF companies focus on an assumed causal relation between too much food and obesity. The individual should make reasonable food choices and engage in enough physical activity to avoid an imbalance. Lawyers of FF companies underline the reasoning of consumer responsibility by arguing that "every responsible person understands what is in products such as hamburgers and fries, as well as the consequences to one's waistline, and potentially to one's health, of excessively eating those foods over a prolonged period of time" (Santora, 2002, p. B 1). Hence, the one who decides about eating a hamburger must be the one who is responsible. Other actors appear to be absolved according to the FF corporations' communication. Seemingly, FF chains shift responsibility to the consumer following a liability CR logic.

However, nutritionists insist on FF industry's connection to obesity. Such consumptionrelated issues require a shift from liability CR to a social connection approach to CR. This shift has considerable implications on how FF chains can take responsibility for obesity.

## **Responsibility Implications**

Building on the social connection model presented earlier, this study presents four responsibilities: action, information, damage control, and participation responsibility.

**Business connection.** As argued earlier, FF chains are socially connected to obesity through their business activities and products. Three responsibilities can be derived from this business connection: action, information, and damage control responsibility.

Action responsibility is defined as any concrete CR behavior that supports environmental changes and leads to favorable conditions to fight obesity. First, FF companies could adapt product ingredients. As mentioned earlier, corporations have already stopped using trans fats in their product preparation. However, there is still room for action responsibility, because FF corporations adapt their products to local regulation only. Action responsibility means to apply a global strategy signaling cosmopolitan thinking. Second, FF corporations could enlarge their product range and include healthier options as they have already started doing. However, even those healthier options are still criticized to contain too much fat (Physicians Committee for Responsible Medicine, 2003; Wootan, Batada, & Marchlewicz, 2008). Finally, action responsibility includes adaptations in marketing and branding strategies with the goal to use less seducing tools to attract children. There has not been much reaction on the part of FF corporations so far. Potential activities include withdrawing from public institutions, such as schools, universities, and hospitals, and restricting or abandoning children advertising. Existing advertising restrictions in the tobacco industry illustrate that such restrictions are possible.

Information responsibility can be defined as providing balanced communication about the corporations' products and their effects. FF corporations are already providing information about the nutritional value of their products online and in their restaurants, but the information can have negative effects on consumers (Wansink & Huckabee, 2005). Consumers are overwhelmed by nutrition tables and lack time in reading and understanding it thoroughly. Instead, they rather focus on labels and health cues, such as "low fat" or "light." This leads to misperceptions. Over one-third of the consumers in a restaurant with nutrition information believed eating less calories than they actually did, which was triggered by external

cues, such as ads and healthy labels (Wansink & Huckabee, 2005), thus confusing the consumers. It might be difficult for a confused consumer to really take a personal responsibility. As this effect is known in research, it might also be known in business.

In contrast to the other presented responsibilities, *damage control responsibility* addresses the potential consequences of FF on customer health. Damage control responsibility encompasses those activities that help minimizing and decreasing the consequences of obesity. The FF industry could use its gains from obesity by investing them into treatments that aim at reducing the negative health effects of obesity. Examples could be the support of research and development in the pharmaceutical industry regarding overweight and obesity-related medicaments.

**Internal and external stakeholders**. If we consider the wider network and its different stakeholders, there is a further type of responsibility: participation responsibility.

Participation responsibility aims at working together with other stakeholders in the network. Over the last few years, there has been an increase in the creation of multistakeholder initiatives (MSIs) in which "actors from business, civil society and governmental or supranational institutions come together in order to find a common approach to an issue that affects them all and that is too complex to be addressed effectively without collaboration" (Roloff, 2007, p. 234). MSIs aim at filling the global governance gap by functioning as standard setting bodies, control instances, and transparency providers (Utting, 2002). MSI creation has been triggered by the power imbalance caused by globalization (Richter, 2001), the demand that markets should be embedded in social institutions (Newell, 2001), and by potential window-dressing corporate behavior, missing independent monitoring and verification systems (Kemp, 2001; Utting, 2002). Until now, MSIs were rather used in supply chain related CR areas (sustainable foresting or responsible mining). However, MSIs can also be potentially used in consumption-related CR issues.

This study suggests that all actors who are socially connected to obesity have participation responsibility. They could participate in or initiate MSIs that focus on obesity itself or obesity-related issues. Participants can leverage from each other's expertise, increase awareness, control, and pressure. An MSI that aims at developing child marketing standards is a useful, but missing self-regulatory body. Once standards are set, the MSI might engage in monitoring corporate marketing practices and act in case of violations. FF corporations that actively participate in such potential MSIs and adhere to the agreed rules, signal their willingness to fight obesity and increase their credibility. MSI involvement constitutes a promising solution in a social connection world.

The presented forms of responsibility co-exist. The effect of these responsibilities is influenced by the position (power) of FF chains in the network. Action and information responsibility promise to be effective when FF chains enjoy high density and betweenness centrality. Subsequently, their actions and provision of information impact a large amount of network actors to which FF chains are tied. FF chains can act as information transmitters. Even though the responsibilities are mainly applied to FF chains, they are – to a varying degree – relevant to all actors within the network who are connected to obesity. While this study focused on the role of corporations, future research might aim at investigating other actors who share responsibility in more detail.

#### **CONCLUSION**

Consumption-related CR issues have been on the business ethics agenda for some time. However, recent issues differ considerably from the classic product liability cases. Some recent consumption-related issues can rather be understood by applying a social connection approach to CR. Applying the social connection approach to obesity allowed the illustration of the usefulness of this responsibility approach.

This article has four major contributions: First, this study contributed to the existing literature on consumption-related CR issues by illustrating the qualitative differences between classic product liability cases (e.g. Ford Pinto) and more recent consumption-related CR issues (e.g. obesity). The detailed conceptualization of liability and social connection CR fills an important literature gap. Social connection CR is a relevant concept as it helps us to understand the latest consumption-related CR issues where a liability approach is challenged.

Second, this study contributed to the existing conceptualization of Young's (2004) social connection model. It enhanced Young's (2004) theory by combining it with insights from social network theory, thereby providing more guidance on how social connection looks like, addressing the challenges of the model, refining the social connection model, and presenting more concrete responsibilities.

Third, this study contributed to the vivid public debate about FF chains' responsibility for obesity. Such demands can best be understood by applying a social connection model to CR. FF companies are increasingly referred to as being responsible for obesity (Spurlock, 2004; Sassi, 2010). This study went beyond the observation that FF chains have a responsibility for obesity and normatively examined the grounds on which FF chains have a responsibility for obesity and the implications of such a responsibility.

Finally, the article contributes to the debate on the political role of corporations (Matten & Crane, 2005; Scherer & Palazzo, 2007). A social connection approach to CR stresses the notion that different actors, public and private ones connected to an issue, share responsibility. Obesity is a classic public health issue which traditionally governments should take care of. This study, however, conceptualizes obesity as an issue for corporations in general and FF chains in particular, and advances some concrete responsibilities for this type of private actor.

Even though the study focused on obesity, the social connection logic can be applied to other consumption-related demands, such as youth violence. Civil society actors increasingly apply a social connection logic in assigning responsibility to corporations. This underlines the importance of this article for the public CR debate.

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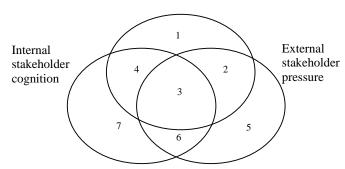
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Table 1: Liability CR and social connection CR characteristics

Liability CR	Social Connection CR
Causality	Social connection
Absolution of others	Shared responsibility
Retrospective argumentation	Prospective perspective
Accept static background conditions	Question background conditions
Communitarian/ cosmopolitan approach	Mainly cosmopolitan approach

Figure 1: Social connection segments

# **Business connection**



# Legend:

Segment 1: dormant connection

Segment 2: externally confirmed connection

Segment 3: accepted connection

Segment 4: internally confirmed connection

Segment 5: external artificial connection

Segment 6: confirmed artificial connection

Segment 7: internal artificial connection