



## ARTICLE

## State-Business Relations and Arenas as a Legitimate Space for State-Corporate Crimes: The Case of Modern Slavery in Brazil

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### ABSTRACT

This article aims to explore the genesis of arenas as an interorganizational relation space that can promote, or at least cleave, the path for corporate crimes. Based on the scenario in which Brazil eradicated slavery, we argue there has been the creation of dynamic arenas and counter-arenas as spaces for avoiding or promoting corporate crimes, while the state has played the role of facilitator in such crimes. This paper asserts that promotion and prevention of corporate crimes are both legitimate actions by the state in its regime of permission, and every single actor who plays in this field through arenas. In order to map the key elements of these arenas, our investigation is based on the techniques of shadowing, in-depth interviews, and field observation. After building our data pool, we analysed the phenomena mostly through open, axial, and selective coding, based on the Grounded Theory approach as a mean for categorization.

### KEYWORDS

State-corporate crime; Slave labour; Arenas; Interorganizational Relations

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## RELAÇÕES ENTRE ESTADO E EMPRESAS E ARENAS COMO ESPAÇO LEGÍTIMO PARA CRIMES ESTATAL-CORPORATIVOS: O CASO DO TRABALHO ESCRAVO NO BRASIL

### RESUMO

Este artigo tem como objetivo explorar a gênese das arenas como sendo um espaço de relação interorganizacional que pode promover ou abrir caminho para a consecução de crimes corporativos. Tomando como base o cenário brasileiro de erradicação da escravidão, argumentamos que há a criação de arenas e contra-arenas dinâmicas como espaços para ora evitar e ora promover crimes corporativos enquanto o Estado desempenha o papel de facilitador de tais crimes. Essa discussão afirma que a promoção e a prevenção de crimes corporativos são legitimadas tanto pelo Estado em seu regime de permissão quanto pelos atores que atuam nesse campo por intermédio da formação de arenas. Para mapear os elementos-chave dessas arenas, nossa pesquisa se baseia nas técnicas de *shadowing*, entrevistas em profundidade e observação de campo. Após formado o *corpus* de pesquisa, analisamos os fenômenos principalmente por meio de codificação aberta, axial e seletiva, com base na abordagem da *Grounded Theory*.

### PALAVRAS-CHAVE

Crime estatal-corporativo; Trabalho Escravo; Arenas; Relações Interorganizacionais

## 1. INTRODUCTION

In the Organizational Studies field, one of the main arguments is the statement that contemporary society is composed of a set of organizations, which leads us to believe that, to understand society, it is necessary to understand organizations (Perrow, 1991). Based on this assumption, we observe that organizations – public, private or third sector – are conveniently connected in fields called “arenas”, where power relations and exchanges of resources and capabilities between organizations take place, while these organizations are looking out for their mutual interests.

The tight connection between these three sectors at the same level, which form different types of arenas, is justified by the growing neoliberal perspective. This perspective advocates that there is a conception of human being as competitive and rational, driving the notion of private power—there is also a conception of society which is understood as the means of achieving her/his own and individual purposes, driving towards the notion of a pool of resources owned by the private power. In this context, the state has been reduced to another player as powerful as the private sector. However, despite that the neoliberal discourse has called for “less state”, the structure of capitalism does not survive without institutions provided by the state (Paulo Netto & Braz, 2012), which open up space for the disclosure of arenas composed by at least two of the three main sectors – public, private, and the third sector.

Bases on the point of view that the neoliberal narrative has been used to manage the state—reducing it to another actor in the field—and also to introduce market forces into the public sector (Peci et al., 2008), it is important to discuss the political side of arenas. Despite some authors (e.g. Selsky & Parker, 2005, 2010) discussing arenas as a pragmatic order for apprehending the balance of power and managerial outcomes from the relations of the three parties, we problematize *arenas* as an open space for all kinds of relations, including those harmful for the society.

In recognition of the existence of multiple forms of arenas (Selsky & Parker, 2005), this article aims to discuss the creation of arenas who have the purpose of promoting, or at least cleaving, the promotion of corporate crimes. Therewith, we aim to contribute to the broadening of institutional debate related to the following points: (i) the shaping of arenas as the space where organizations interact and form *clusters of representation*, and (ii) as arena creation might culminate in crimes against society or against specific communities.

We investigated the emergence of arenas related to slave labour combat in Brazil. Thereunto, we followed recursive episodes which reshaped the institutional environment, strengthening relations between some groups of players and organizations while splitting other groups. Through these episodes, such as changes to law or public policy, it was possible to figure out some organizational clusters discussed in this article by the means of the concept of *arenas*.

In order to follow the main discussion, we firstly presented our theoretical framework that elucidates how crimes are committed by the relation between state and corporations, denoting that the state itself can be a facilitator to the commitment of such crimes after being demanded by those corporations (Marmo & Bandiera, 2021; Medeiros et al., 2020; Tombs & Whyte, 2009; Michalowski & Kramer, 2007; Chamblis, 1989).

We also briefly reviewed possible definitions of slave labour as a context-based concept (McGrath, 2013; Bales & Robins, 2001) which considers slave labour – or contemporary slavery, unfree labour, or modern slavery – as one in which a person has a complete lack of freedom as a result of physical coercion, debt bondage, precarious work, and/or forced labour, in addition to other typifying elements of contemporary slavery. Given this definition, we point out, on one hand, the existence of attempts in Brazil to eradicate slave labour and, on the other hand, the existence of practices that seek by any means to perpetuate the use of slavery within the means of production and operation of modern corporations and for-profit organizations (McGrath, 2013; Phillips & Sakamoto, 2011).

Furthermore, we present the discussion on arenas from the perspective of the cross-sector social partnership literature (Selsky & Parker, 2001). Within this perspective, we bring possible articulations between actors from the public, private, and third sector, and point out how these, together, can compose arenas around a common agenda. Still, we extend this discussion to the scope of what we call a counter-arena, as the formation of an arena contrary to the hegemonic agenda within an organizational field.

Then, we indicate the methodological approach used to carry out the field work. This fieldwork allowed us to compose a research *corpus* that was analysed based on Grounded Theory approach, using the procedures of open, axial, and selective coding to bring out categories of analysis from the data itself. The fieldwork was carried out mainly throughout and around an organization which purpose is to convene different players / organizations to the slavery eradication agenda in Brazil. This allowed us to identify several dimensions of collaboration and conflict in this field.

Finally, we continue with the discussion and contributions. At this point, we presented some specific episodes that led to the maturation of the field of the slave labour agenda and the composition of two arenas – the slave labour eradication arena and the counter-arena that seeks to undermine the already consolidated eradication policies and practices, or those policies and practices in development. Then, we show how arenas and counter-arenas end up being a legitimate space for the execution of corporate crimes, and how the state acts as a regulatory entity in its regime of permission for the execution of such crimes and through its state regulation, which creates an institutional ambiguity which becomes an open space for such corporate crimes.

## 2. THEORETICAL BASIS

### 2.1. CRIMES OF COLLUSION AMONG STATE AND CORPORATIONS

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One of the central points in the debate about organizations is the power of corporations over other spheres such as the myriad of small businessmen and entrepreneurs, public institutions, and their interface with civil society (Perrow, 1991). Corporations have the capacity to interfere in the process of public management and public policies in such a way that their power is not only based on the economic dimension, but also reveal proximity to the achievement of monetary relations between corporations and members of the public sphere whose interests are aligned to each other (Michalowski & Kramer, 2006).

The alignment of interests between parts of the public sphere and some corporations takes place not only for legitimate and legal purposes, but also for hidden purposes. Considering these latter purposes, the ability of corporations to influence economic, political, legal and cultural aspects has become so exacerbated that, even when they act outside the law or in a criminal manner, they manage to exempt themselves from any responsibility. This reveals not only the power of such corporations, but also the existence of a symbiotic relationship between them and the public administration and regulatory agencies (Medeiros et al., 2020; Tombs, 2012).

In order to understand state-corporate crime and its consequences, the theoretical framework developed by Michalowski and Kramer (2007) indicates that state-corporate crime can be defined as “illegal or socially harmful actions that occur when one or more governance institutions politics` pursue an objective in direct cooperation with one or more institutions of economic production and distribution” (Michalowski & Kramer, 2007, p. 270). Within this framework, such actions must necessarily be articulated between two or more organizations from the public and private sectors that cause harm or damage to society.

The political-economic or radical approach related to corporate crimes considers that the origin of state-corporate crime is related to the political and economic structure of capitalism, whose presence in studies of corporate crime is not significant. From this perspective, the characteristics of capitalist society interact with the level of organizational and individual action, influencing not only the occurrence of corporate crime but also its unpunished nature (Michalowski & Kramer, 2007).

Although part of the literature indicates that certain harmful behaviours resulting from the overlap and connection of corporate and state objectives are not understood as a crime because they are not typified by law, it is important to emphasize that, in addition to other reasons, this occurs due to the strong influence of corporations on government institutions. On the one hand, the countries` legal systems seek to regulate the formation of monopolies, the committing of environmental crimes, quality standards for products and services, and other corporate actions (Griffin & Miller, 2011). On the other hand, the interests of corporations and society are seen as irreconcilable, and, in this context, legal systems that prioritize the interests of corporations over the interests of society come to light (Chamblis, 1989). Such legal systems emerge not only from pressure from corporations, but also from the influence of the political class and collusion or action on the part of the public sphere. Thus, as a result, we have the lack of criminalization of the harmful consequences of certain actions of corporations.

Within the transnational context, Michalowski and Kramer (2007) argue that there is a demand for the concept of state-corporate crimes capable of adapting to the various forms of injustice promoted by transnational corporations. This results in the understanding that state-corporate crime involves any actions taken by corporations that violate national laws or internationally

accepted standards, or any actions that give rise to social injuries, whether typified by the legal system or not. By bringing up such a conception, there are two distinct analytical possibilities around the concept of state-corporate crime: (a) state-initiated - when corporations contracted by the government engage in deviant practices, or have tacit government approval to do so; and (b) facilitated by the state - when government regulatory institutions fail to restrict deviant business activities, either through direct collusion between companies and the government or because they agree with shared goals that would be difficult to achieve by following a strict regulation.

In this way, we summarily understand that state-corporate crimes are those actions that harm, in one way or another, society and the environment, and emerge from the articulation between corporations and the public sphere. We also understand that such harmful actions can or cannot be typified by law, which does not disqualify the crime, since the legal issue is strongly supported by the power of corporations to influence the formulation of the current legal system. Finally, this assumption is connected to the agenda of regimes of permission, in which crimes are understood under the critical perspective and as something subserved by the government.

## 2.2. SLAVE LABOUR IN BRAZIL: GUIDING DEFINITION AND MAIN EPISODES

Slave labour cannot be defined before understanding the context in which such a definition is developed, which leads us to different definitions, all of them converging to the crime against the human being and the lack of freedom. According to Bales and Robbins (2001), there is a discrepancy and confusion in the concepts that define slave labour throughout the countries used as a reference by international bodies, governments and universities. Bales and Robbins (2001, p. 22) emphasize that “the result is a definition highly reflective of its historical context”, which leads us to understand that the concepts adopted by various organizations do not depend only on the context itself, but also on the temporal nature in which that definition implies.

Bales and Robbins (2001) present different spheres of the concept of slave labour as international agreements evolved, always seeking to give context to the place where the concept was built. Initially, one of the points dealt with by the League of Nations was the search for the elimination of slave labour or practices related to slavery through a pact between sovereign nations, according to Bales and Robbins (2001, p. 22). This agreement gives us the central idea that slavery is a violation of internationally recognized human rights, which makes it the so-called *jus cogens* norm adopted by countries. Despite of this agreement, there are different levels of freedom, and different conditions of employment which may vary from context to context (McGrath, 2013). Recognising the multidimensionality of the concept gives us the opportunity to discuss modern slavery in many contexts, connected to several theoretical approaches.

Although we recognize the different ways of defining work analogous to slavery and related terms such as forced labour, slave labour, and contemporary slavery, in summary this article is oriented by the definition offered by Article 149 of the current Penal Code of Brazil (Lei 10.803, 2003), which states that conditions analogous to slavery are classified when a person is subjected to forced labour, exhausting hours, degrading working conditions, and debt bondage.

Given this definition, we recognize that both before and after the formalization of the legal aspects of article 149 there were several actions and policies to combat slave labour that show not only the practice of eradication provided by the means of the state and other actors, but also the attempts of some firms to continue in the current *modus operandi* that makes use of slavery in their production networks. Considering different policies created, many will be treated, in the data analysis, as episodic situations that, according to Giddens (1984), shape the institutional field and, as a consequence, define the composition of arenas and, we might include, counter-arenas.

Once we have defined our understanding of modern slavery, we need to bring up two key aspects of slave labour – a relation between micro and macro practices (Crane, 2013), and how management is implicated to the production of slavery (Mascarenhas et al., 2015). Since slavery has been formally abolished in Brazil, it is not unusual find companies, even state-owned companies, using other forms of employee exploitation which go far beyond the limit of exploitation usually accepted in capitalist societies. This has been typified as a contemporary form of slavery and opens up space for practices such as illegality in hiring practices, unfair accommodations, forced labour, bonded labour, and servitude (McGrath, 2013).

These types of unfree labour are not an exception and have been used for companies to take advantage of employees as well as the competitive relation between players from the private sector, reducing costs and gaining scale (Mascarenhas et al., 2015). However, for those companies who want to intentionally put slavery into their productive chains, they might have the proper institutional context and also the capabilities to use it as far as they can go (Phillips & Mieres, 2015; Mascarenhas et al., 2015; Crane, 2013).

Institutional conditions which enable the existence of slave labour can be divided in industry, socioeconomic, geographic, cultural and regulatory contexts. These conditions are at the macrolevel of the organizational environment and can drive organizations to the use of slavery in consequence of high labour intensity, and depending on the level of competition, the level of vulnerability of local population, geographic isolation, an absence of public policies and or enforcement of the law. These elements are constitutional of the macrolevel since they can lead companies to the use of slavery (Crane, 2013; Mascarenhas et al., 2015).

On the other hand, microlevel practices illustrate that there are managerial elements which allows – or leads to – the use of slavery. Some of those are the absence of corporate governance and compliance management, the absence of contract management, a great pressure in costs and debt management, and lack of accountability and opacity (Crane, 2013). However, both macrolevel and microlevel can be understood not only in isolation but also according to contingency, which means the content of these elements may vary throughout the production chains as they pass through several contexts and realities (Phillips & Sakamoto, 2011; Phillips & Mieres, 2015).

These dimensions and elements of slave labour, followed by the concept we chose to guide us, are connected to the arena debate as they are not built by itself but through the relations of business-business, which means the incorporation of managerial practices – and through the relations of business-state, which means the mutual construction of an institutional environment in which the state is reduced to being a regular player of the game instead of the *croupier*.

### 2.3. ARENAS AS A SPACE FOR INTERSECTORAL RELATIONS

The process of re-democratization in Brazil and the significant wave of privatizations were two crucial aspects in forging the way in which public policies were formed. Currently, policies have been formulated based on the interaction of the State with the private sector and the third sector, which culminated in a scenario where governance occupied a central role in mediating the relationships between actors in these three sectors (Peci et al., 2008). In contexts other than Brazil, Borzel (1998) indicates that, as a result of strong waves of neoliberal reform, the state has been increasingly connected to actors who are not part of the state hierarchy, which has created relationship networks between sectors – state/public, private, and the third sector. Although, in Brazil, the state has a significant size and dimension, this situation of strong connection between the public, private, and third sector has also been evidenced (Souza & Hoff, 2019; Monteiro &



Fleury, 2014; Junqueira, 2004; Ivo et al., 1998; Fischer & Falconer, 1998; Melo, 2015) and can be treated as a mutual existence of roll-out and roll-back neoliberalism, both concepts revealed by Peck and Tickell (2008) and associated with the process of deep neoliberalization.

Within this context emerge *arenas* – spaces where relationships between actors from two or more sectors occur with a specific purpose. Selsky and Parker (2005, p. 851) point out the existence of four types of arenas where intersectoral relations or intersectoral social partnerships (cross-sector social partnerships) can occur: “the intersection of the business and non-profit sectors, government and business sectors, government and non-profit sectors, and at their conjoint intersection”.

The arenas are formed from a set of actions performed by the actors who are part of them because of common agendas. From this set, agendas that connect the actors stand out, which may have a local, regional or global focus, and be directed towards more specific or more generic contexts and realities. These agendas can be drawn through a more managerial view (e.g. Selsky & Parker, 2005) and / or through a more political approach (e.g. Borzel, 1998; Alcadipani & Medeiros, 2020), which reduces the state as just another player and at the same time puts “profit seeking activities above social interests within the logic of the capitalist economic system” (Alcadipani & Medeiros, 2020, pp. 292).

The arenas are composed of two or more sectors, in which Selsky and Parker (2005) highlight the possible combinations between the public, private, and the third sector, and do not include international organizations such as the ILO, the UN and others.

During the emergence of arenas, partnerships are found between actors from two or more sectors, and these partnerships are emphasized by the literature in its conception of *cohesion* between the parties involved (Murphy & Bendell, 1999). On the other hand, within an arena where partnerships occur, there may also be figures of declared opposition (Elbers, 2004 apud Selsky & Parker, 2005) who have different positions from other actors, although they adhere to the main agenda contained in the arena. This, in turn, can eventually lead the arena to a higher degree of maturity, strengthening the relationships between the component actors, or it can lead to a disruption of the arena, causing the counter-arena to emerge.

Four types of arenas can be summarized in (1) the partnership between non-profit and for-profit organizations; (2) partnerships between governments and non-profit organizations; (3) trisectoral partnerships, and (4) partnerships between governments and for-profit organizations. For the purpose of this article, we highlighted partnerships between governments and for-profit organizations, despite that simultaneous existence of others can exist. This format is presented as public-private partnerships, private management of public goods (Ostrom, 1990), partnerships between the public and private sector to balance market failures (Tirole, 2005 apud Misoczky et al., 2017) and concessions.

One of the main elements that guide partnerships between public and private actors is the one that concerns the political-ideological commitments normally steered by a neoliberal perspective (Misoczky et al., 2017; Harlow et al., 2012; Peroni et al., 2009; Dixon et al., 2004; Miraftab, 2004). Some of these premises are supposedly related to an agenda oriented towards the efficiency of the delivery of public services through privatization, deregulation, outsourcing and state downsizing, what can be considered as the *hollow-out of the state* (Rhodes, 1994). Other elements are the transfer of part of the activities concerning the state sector to be carried out, in this case, under the aegis from the for-profit private sector (Selsky & Parker, 2005), and decentralization, treatment of the citizen as a customer, entrepreneurship as a value, management by results, and others (Misoczky et al., 2017, p. 189).

Within this arena, it is possible to note tensions linked to the institutional sphere, according to Bishop and Waring (2016). Since the institutional field that constitutes this arena is permeated by multiple fields that have their logic sometimes based on the dichotomy of competition-cooperation and sometimes as a blurred logic that mixes different perspectives, tensions emerge within the social organization due to the overlapping of organizational elements of different logics. In order to illustrate these different logics, we exemplify the relation between two of the biggest retailers: while competing in terms of customers and production chains, they cooperate at a sustainability-level cause. These elements, when guided by different logics within the public-private interorganizational relationship, are referred to as the overlapping of cultural aspects, organizational design, workforce composition and organizational activities (Bishop & Waring, 2016, p. 4). Such tensions, which arise through the superposition of different logics in the same (inter)organizational space, become part of practices at the micro level that, in a reflexive way, shape, reshape and transform the overlying social structure in this specific interorganizational field.

Other aspects related to arenas concern the legitimacy of arenas as spaces for action. Seeking to legitimize private sector organizations in a certain arena, efforts were found in the following directions: legitimization of myths that organizations create about themselves; articulation of the private sector elite to raise prestige in its sphere of action; the attempt to publicize the commitment to ethics related to corporate social responsibility of the firms. Through the composition of arenas, these agendas can be more easily achieved as it becomes a place for driving practice, advocacy, and other company needs. Furthermore, the arenas become a space that allows actions whose purpose is to legitimize power icons in their respective environments (Galaskiewicz, 1985). In summary, arenas constitute not only a point of convergence of actors from different sectors around a common agenda, but also as a space that allows the legitimization of the actions of the actors that make up a certain arena. Thus, these players become more susceptible to thrive.

### 3. METHODS

#### 3.1. ABOUT THE CASE

This research was conducted mainly in a non-governmental organization responsible for managing the National Pact for the Eradication of Slave Labour in Brazil (Pact), and the associated organizations and individuals. This organization - called 'Managing Organization' (MO) for the purpose of this paper - is currently<sup>1</sup> the main convener of slavery eradication in the private sector, and one of the main existing organizations related to the slavery-eradication agenda. In addition, its importance also resides in its role in continuing the pact made in 2005 and in its attributions to remove the use of slave labour from Brazilian private sector organizations and their production chains.

The MO is responsible for connecting and being in contact with several other organizations from the private, public, and third sectors. The MO is an organization which has associated members, mostly from the private sectors, interested in the slavery eradication agenda. On the one hand, there are a myriad of companies from the private sector orbiting the MO, most of them contributing to the main agenda and being benefited by MO guidance in terms of anti-slavery practices, while others have been disputing space for undermining slavery eradication arena. On the other hand, MO has been orbiting other spaces such as the Municipal (São Paulo) and the National (Brazil) Commission for the Eradication of Slave Labour, Brazilian Supreme Federal Court, ILO, and other spaces, playing the role of advocacy and upholding the anti-



slavery agenda. The constitution of such a complex scenario gives this paper the opportunity to understand arenas in this context, lodging arenas in which there are state-business relations driven to the legitimate use of slavery.

In order to maintain discretion of the case, only the elements and characteristics of public content will be developed in this article and how the observation of this organization allowed us to understand the interorganizational relationships that occur in the context of slavery eradication. Following our aim to be discreet, the content of the observations and interviews guides the constitution and presentation of the corpus, but without inserting excerpts from the interviews and observation notes.

### 3.2. PROCEDURES FOR THE FORMATION OF THE CORPUS AND ITS ANALYSIS

Throughout the field research, three main procedures were used to obtain information: in-depth interviews, observations, and shadowing. These procedures were carried out in several stages, according to the demands of the process of organizing and categorizing the corpus. Therefore, the use of these procedures was non-linear.

Van de Ven et al. (1979, p. 23) highlighted that interorganizational relationship studies can be based on (1) identification of populations of relevant agents that are part of a network, (2) identification of key people in each agency who have knowledge on the relationships with other agents, and (3) through data collection, asking each agent to address other agents in the same network and from other networks. This gave us the basis to proceed with interviews, observations and *shadowing*. Furthermore, for methodological issues, we merged the concept of *network* and *arena*, understanding both under Van de Ven's eyes.

As the MO is designed from an affiliated-member model, we investigated inside and outside dynamics. In-depth interviews were firstly conducted with three key informants, in various rounds, in order to understand the internal dynamics of the MO, and their relationship with actors and organizations that were not part of its membership. The choice of key informants was based on the contributions of Kumar et al. (1993).

Observations were carried out on several occasions, such as: internal meetings of the MO with its members; in prospecting meetings for new membership; at tables for discussion on similar work carried out at events on corporate social responsibility and related topics and with the presence of members of the public power, the private sector and the third sector; in open meetings of the Municipal Commission for the Eradication of Slave Labour (COMTRAE). In these meetings, we observed discourse, content, and practices of attendants, the organization they were at the moment representing, interactions before and after the meetings, and hallway conversations. It is important to emphasize *shadowing* was a key method to follow these encounters.

The shadowing procedure was used to monitor routine activities, prospecting meetings, and other encounters with various actors that were part of the context. The choice of a specific person – a boundary spanner, which is a member of the MO – was also based on Kumar et al. (1993). In the perspective adopted, shadowing was understood as a strategy for composing the research corpus that can be used within different methodologies, such as case studies and ethnography (Bøe et al., 2016). In this context, the closed shadow technique was used, accompanied by several field notes, several rounds of contextual interviews and chats, and monitoring of several group meetings led by the spanner, or with his participation (Bøe et al., 2016). The use of this technique gave us the opportunity to access unique and exclusive conversation circles.

The analyses of the material obtained from the fieldwork were carried out based on the Grounded Theory, taking this approach not only as a way of organizing the data set but also as a technique for coding and categorizing emerging elements from the fieldwork. The steps of open coding, axial coding, and selective coding were used. These steps allowed the channelling of the mass of data into more specific labels, which, at the same time, presented a better explanatory capacity for the investigated case. In this way, the last step adopted was the formation of categories that encompassed several labels, having in their definition the indicative of its explanatory capacity and what it was intended to explain, according to Corbin and Strauss (1990) and Strauss and Corbin (2008).

#### 4. DISCUSSIONS

The formation of an arena for slavery eradication took place after successive episodes. These episodes were classified as occurrences of eradication policies, program development, private sector, and third sector initiatives, actions of actors with strong influence in the institutional field, and others. From these classifications, we briefly highlight some episodes that shifted the institutional field and culminated, in a non-linear way, in the scenario found between 2015 and 2017 (Chart 1).

Chart 1<sup>2</sup>

##### Main Episodes

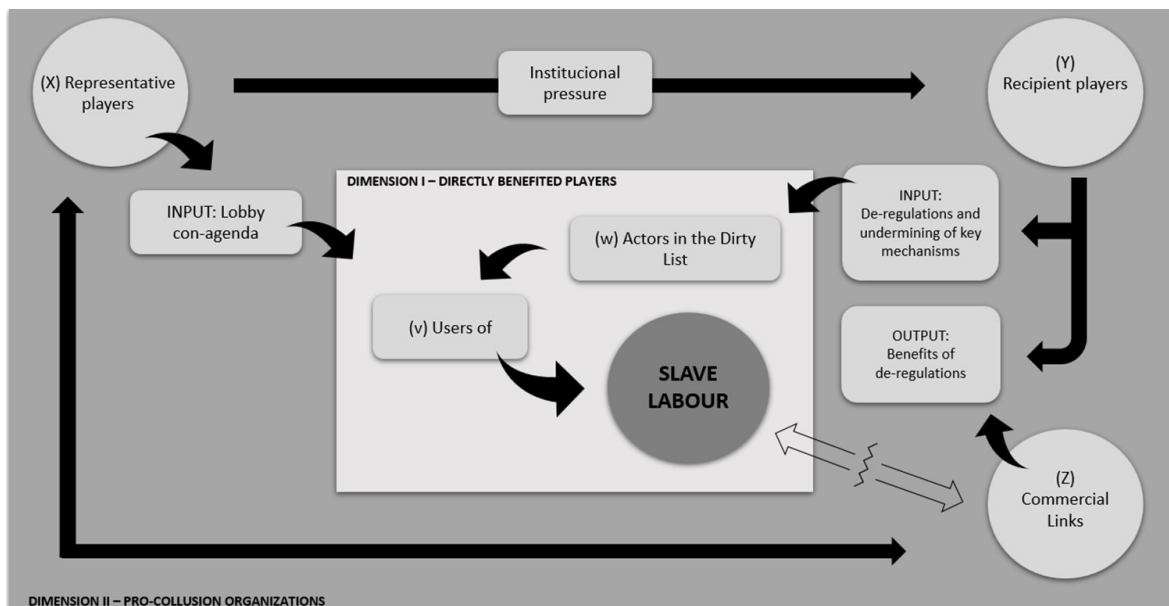
Episodes	Description
Creation of the PERFOR	Improvement of inspection mechanisms, working conditions of inspectors and institutional instruments that helped in the repression of slave labour and of abusive and persuasive methods that can be seen as harmful to workers, conducting them into forced labour
International representation against the Brazilian State	CEJIL and Americas Watch denounce the Brazilian State to the IACHR, with the CPT
Creation of IOS, Ethos and Reporter Brasil	Along with the ILO, these organizations were the main drivers for the creation of the National Pact that culminated at InPacto
Creation of the “Dirty List”	Through an inter-ministerial ordinance between the Ministry of Labour and Social Security and the Ministry of Women, Racial Equality and Human Rights, the “Dirty List” was created based on the observance of two ILO conventions
“Dirty List” in abeyance	In response to pressures from ABRAINC, CNI and CNA, the Brazilian Supreme Federal Court accepts and suspends the List
Creation of a parallel / non-official “Dirty List”	Using information obtained through the LAI, Reporter Brasil creates an alternative “Dirty List” that guides part of the private sector in their decision-making in terms of suppliers
Revocation of the suspension of the “Dirty List”	Minister Carmen Lúcia revokes the suspension, although the MTE has not made it public again

Note: Figure adapted from data available in InPacto (2016)

Source: Prepared by the authors

These episodes, analysed in depth by other studies (see e.g. Paganini, 2018, and McGrath, 2013), allow us to observe the existence of an arena and a counter-arena. The arena, made up of organizations and actors from the public, private, and the third sectors, has consolidated itself as the main articulator in the fight against slave labour. Thereby, part of the third sector linked to part of the private sector endeavoured pressures on the public sector, demanding the creation of new policies or the reform of existing ones; on the other hand, the policies created in the public sphere end up outlining new practices adopted by private organizations.

In the slavery-eradication arena, five groups of actors and organizations were classified (see Figure 1), namely: (1) inspectors, (2) institutional mechanisms developers, (3) private sector mobilizers, (4) content and data producers, and (5) advocates and the activity of advocacy. Furthermore, we highlighted two things that scale the articulation of actors: (a) street-level bureaucrats, and (b) mobilizing actors and organizations. We emphasize that the same actor is not restricted to only one group.



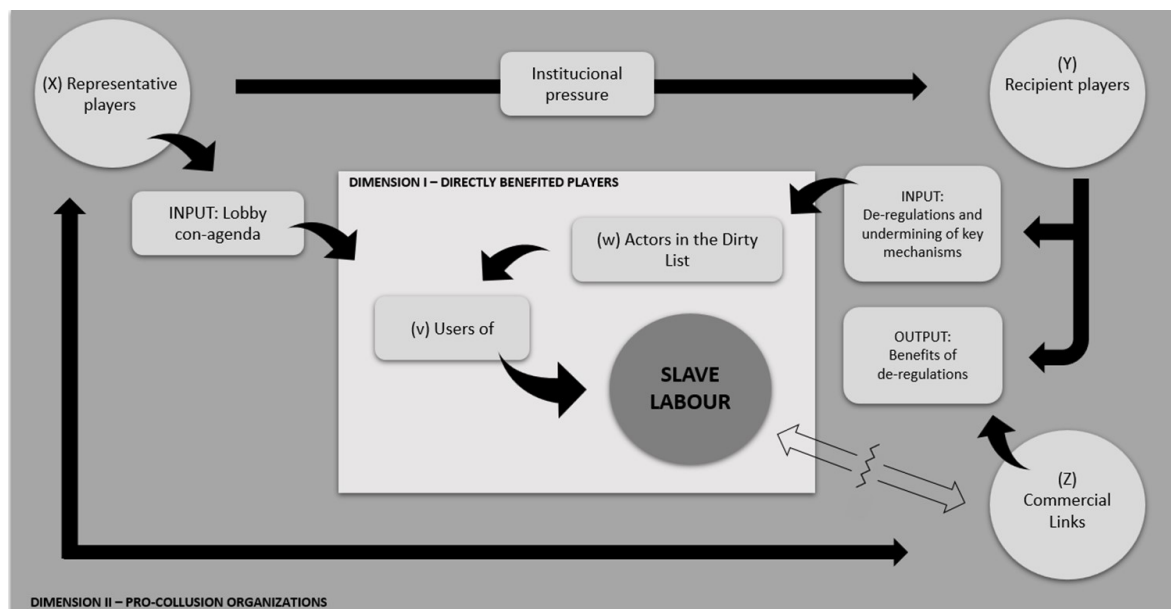
*Figure 1.* Slavery-eradication Arena

*Source:* Prepared by the authors

Dimension (a) encompasses actors and organizations in this arena that act directly in the fight against slave labour, through the confrontation that deals with the rescue of enslaved workers, with their social reintegration, with their legal support, and also with the development of mechanisms that allow the efficient progress of the actions mentioned above. In this dimension, there are figures categorized as (1) inspectors and (2) developers of institutional mechanisms, who represent those who work in spaces where slave labour has been identified and those who seek, through the legal, institutional, and operational apparatus of the State, offer the conditions for the performance of the former.

Dimension (b) involves actors and organizations that play the role of mobilizing sectors of society so that they get involved with agendas linked to the fight against slave labour, despite being far from the field. This is the focal point where the categories composed of actors and organizations such as (3) private sector mobilizers, (4) content producers, and (5) advocates and the activity of advocacy are found. Thus, we understand that, in this dimension, there are actors whose role is to mobilize part of society and employ influence in strategic sectors so that they seek to promote decent work. Among the forms of action found in this dimension, there is the production of content that allows knowledge of the causes and consequences of contemporary slavery in the country and that help in the argumentation of actors and organizations that work directly with the capture of other players in the field so that they can move on to compose this main arena. These actors and organizations generally have connections with the public and private sectors, and they are mostly composed of players from the third sector.

On the other hand, also based on these episodes and in our field research, we note the existence of a counter-arena (see Figure 2), composed of actors and organizations from the private and public sectors, despite the third sector having been absent from this counter-arena. This counter-arena emerged with the role of denying the mechanisms already legitimized and with proven efficiency for slavery eradication. Still, after categorizing the players that make up this arena, we defined five groups: (v) actors and organizations that directly use slave labour, (w) actors and organizations registered in the “Dirty List”, (x) representative players, (y) recipient players, and (z) commercial links. These five groups represent part of the private sector, part of the state sector, and some international figures. It is shown as part of the counter-arena only the elements that, in some way, had an influence to reconfiguring the main arena and/or change the flow of actions of the players in the first arena or even reshape institutionalized policies against slavery.



*Figure 2.* Counter-Arena

*Source:* Prepared by the authors

In the context of slavery eradication, these two arenas are in constant dispute and conflict. For this reason, on the one hand, the search for the arena to legitimize new eradication mechanisms employs a strong influence on the reconfiguration of the counter-arena. On the other hand,

the counter-arena's attempt to undermine existing mechanisms or stifle the emergence of new mechanisms acts in the reconfiguration of the arena. The reconfiguration of the arena and the counter-arena refers to bringing new actors closer to the arena or distancing actors who already belong to an arena. In addition to the actors' sphere, reconfiguration is also associated with new actions carried out by members of an arena after the occurrence of episodes that act as reconfiguration episodes.

On the one hand, the reconfiguration of the counter-arena based on movements carried out by the main arena is a fact that allows greater mobility of actors to seek to establish mechanisms that lead to the eradication of slave labour. On the other hand, the moment of reconfiguration of the arena is when mechanisms already legitimized by it are reduced or eliminated, which allows greater mobility for actors who seek, in some way, to benefit from slave labour. The latter is the point of insertion of the debate about corporate crimes or state-corporate crimes.

#### 4.1. STATE-CORPORATE CRIMES

As arenas and counter arenas are being reconfigured, it is possible to note corporate crimes are more susceptible to happening, which can be understood as a strong correlation between state-corporate crimes and the conflict of these two arenas. The episode of successive suspensions of the Dirty List constitutes one of these moments, in which the institutional field undergoes a reconfiguration. Around this episode, it was possible to notice, on the one hand, that some actors who made up the main arena ended up abandoning this arena or abandoning the guiding principles of this arena, since the main blame & shame mechanism, which pointed to slavery-users already typified by the Brazilian prosecutors, was no longer in force. In addition, actors who used this mechanism as a guide for their global or local commercial activities found themselves left helpless by the absence of the "Dirty List" as the main way to clean their production chains. Thereby, commercial relations between organizations that use slave labour and other actors reoccur with greater frequency, and there is, therefore, no action against this practice as the main mechanism was undermined.

Thus, the situation mentioned above indicates greater ease in carrying out corporate crimes, understanding that the suspension of the Dirty List facilitated the execution of socially harmful actions. This facilitation can be seen from the perspective of deficient state regulation (Medeiros et al., 2020). This perspective, understood from crimes facilitated by the state (Michalowski & Kramer, 2007), indicates a moment of rupture in the existing regulatory relationship between the state and corporations (Bernat & Whyte, 2016), since the "Dirty List", when suspended, ceases to serve as the core instrument of regulation between these two parts. On the other hand, the state maintains its status as a regulatory entity, favouring specific demands from corporations, mentioned below.

On the one hand, we have the movement of members of the main arena, as discussed above. On the other hand, we have the reshaping of actors from the counter-arena. Taking again the episode of successive suspensions of the Dirty List into account, the counter-arena gets stronger around this reshaping movement. As an example, it has the pressure employed by the CNI, CNA and ABRAINC for the "Dirty List" instrument to be permanently suspended. Once slave labour is no longer publicized by the "Dirty List", for-profit organizations tend to be less concerned with this type of work in their production chains. Also, since the main instrument is suspended, corporations are not held responsible for the crime they commit. This, in turn, is understood from the perspective of permit regimes (Medeiros et al., 2020; Whyte, 2014).

This facilitation took place at the request of the private sector (e.g. CNI, CNA and ABRAINC), with the consent of part of the public sphere (e.g. STF and MTE) against such crimes. This situation is formed from permission regimes, such regimes being understood as the existence of greater corporate power over the public sphere. On the other hand, the State provides a legal and administrative framework for the activities of corporations within a country, and, by suspending the “Dirty List” according to a specific episode, it presents a permission regime in which, as required by corporations, it weakened institutional mechanisms that constituted such framework. This ultimately culminates in a criminogenic environment, according to Tombs and Whyte (2009).

In short, we can see from the episode of successive suspensions of the “Dirty List” that the main arena that had been maturing around this agenda had its mechanisms weakened at the time of suspension of the list. This weakening is the epicentre for corporations in this arena to stop observing their management practices that aim to distance themselves from the crime of using slave labour. Since some organizations in the eradication arena approach the practice of corporate crimes, this can be understood from the deficient state regulation, due to the loss of the main regulatory instrument – the “Dirty List”. On the other hand, since the state accepts the demands of counter-arena actors, this demonstrates that the State can reorganize its legal and administrative north also to facilitate the execution of corporate crimes, which constitutes a regime of permission and shows that State is never a neutral player and, in this case, is for the corporations.

Therefore, we can conclude that both the arena and the counter-arena end up constituting a legitimate space for the execution of corporate crimes, with, in some way, the state’s consent for such execution, as the state is responsible for making such practice legitimate, although it remains socially harmful.

## 5. CONCLUSION

This article followed two important paths in terms of contribution to the field of Organization Studies. On the one hand, we showed that it is possible to carry out corporate crimes with the consent of the state, a fact elucidated through the case related to the agenda of slave labour in Brazil. This came to light from the analysis of the successive suspensions of the Dirty List, which ended up loosening one of the main institutional mechanisms for combating slave labour. Thus, from a context of institutional ambiguity and neoliberal policies, we demonstrate that the occurrence of corporate crimes can be facilitated or even driven by the State. Although the state is not uniform, its conflicting role in the institutional environment provided the necessary voids for the pursuit of corporate crimes.

On the other hand, we have brought to light categories that allow us to understand the occurrence of corporate crimes or any other organizational misconduct in a broad way. As these categories were constructed in contexts of the hollow-out of the state and neoliberalism roll-out simultaneously, the context we brought is apparently as specific as few countries that present the coexistence of types of society – called prismatic societies. However, since it is an analysis of the arrangement of various organizations which is modified according to the system by which the state is shaped, the elements brought in this article can be borrowed to analyse other contexts, as long as the state will not be seen as another simple player in the environment.

In terms of limitations of this study, this research was built from the reading of documents, interviews, and shadowing obtained from the interaction with a specific organization that constitutes the main arena. This becomes a methodological obstacle since we do not delve deeply



into the subjectivities of the counter-arena actors. Thus, one possible future line of research is to investigate the motivations beyond the economic axis that led organisms such as part of the State, CNI, CNA, among other bodies, to advocate for the suspension of the Dirty List, a deed that diluted part of the fight against slave labour in Brazil.

Finally, one of the premises obtained from our investigation was that private sector organizations tend to be less concerned with the type of work in their supply chains when the Dirty List is suspended, or, in other words, they do not fight against slavery with the same impetus. This being one of the findings of this article, we suggest that future researches look into the management mechanisms used by large corporations in order to verify, when the Dirty List was suspended, whether there was a change in practices in terms of choosing suppliers, purchasing inputs and building commercial partnerships.

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## NOTES

- 1 This research had started in 2015 and the scenario have not changed until 2021.
- 2 PERFOR - Program for the Eradication of Forced Labour and Grooming of Workers / CEJIL – Centre for Justice and International Law / IACHR – Inter-American Commission on Human Rights / CPT - Pastoral Land Commission / IOS – Instituto Observatório Social / ILO – International Labour Organization / ABRAINC - Brazilian Association of Real Estate Developers / CNI – National Confederation of Industry / CNA – Confederation of Agriculture and Livestock of Brazil / LAI – Brazilian Freedom of Information Act / MTE - Ministry of Labour and Employment.

## AUTHOR'S CONTRIBUTION

**PP:** Conceptualization, Data curation, Formal analysis, Investigation, Methodology, Visualization, and Writing. **CM:** Conceptualization, Data curation, Formal analysis, Investigation, Methodology, Visualization, and Writing.


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## CONFLICTS OF INTEREST

The authors declare that there are no conflicts of interest related to this work.

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