THEMED ISSUE PROPOSED FOR *GEOFORUM*

Geographies of Corporate Practice in Development:

Contested Capitalism and Encounters

Abstract

In this introduction to the themed issue, *Geographies of Corporate Practice in Development: Contested Capitalism and Encounters*, we reflect on how development is shaped by a range of actors in relation to corporate practices and market-based interventions. The research collectively fills a gap in scholarly work critically interrogating the meaning, practices and outcomes of corporate activities that couple growth and profit-led commercial goals with claims to improving lives of vulnerable communities. The geographical perspective adds an understanding of places and narratives of corporate practice, both in the micro-politics of everyday engagements and in associated macro level changes across different scales of engagement. Although the capitalist enterprise itself has long been debated in economic and development geography, its associated social, development and environmental costs and consequences have become the subject of renewed contestation, debate and critique in the last decade, and particularly following the 2008 financial crisis. Here we introduce a set of articles focused on particular development experiences that reflect the grey space between seemingly irreconcilable opposites—sustained commercial growth and profit versus human well-being—recognizing that the corporate interests at stake are multifarious and situated across both corporate and non-corporate domains of influence and actions. For this reason, we speak in this themed issue not merely of corporations and the effects of their development projects, but rather emphasize the *encounters* between the assemblage of actors involved in implementing, contesting and morphing these projects across scales of intervention, from boardroom ideas to grassroots iterations with social, environmental and economic implications.

Keywords: Corporations and development; contested capitalism; corporate-community encounters

Introduction

The role of corporations in the Global South remains largely understudied in Development Geography, and yet in the last decade, corporate actors increasingly integrate social, environment and development challenges in their business strategies, coupled with claims that such approaches minimize ecological impacts, improve lives and livelihoods and/or eradicate poverty (Prahalad and Hammond 2002; Hart 2005; Kandachar and Halme 2008). While corporate entanglements with and influence over the development process have been documented by social scientists (Bond 2008; Ferguson 2005; Harvey 2006; Hibou 2004; O'Laughlin 2008), a gap remains in scholarly work critically interrogating the meaning, practices and outcomes of corporate activities that couple growth and profit-led commercial goals with claims to improving lives of vulnerable communities. The geographical perspective adds an understanding of the places and narratives of corporate practice, both in the micro-politics of everyday engagements and in associated macro level changes across different scales of engagement. This approach allows for more nuanced interpretations of how various actors engage, contest or provide alternatives to corporate interventions in the development process. This is particularly important in a wider public policy context, which has been increasingly characterized by a turn to market-based approaches, replacing the so-called dirigiste and state-interventionist approaches more prevalent in the twentieth century. This themed issue seeks to contribute to an emergent critical geographical literature examining corporations'

language of "social responsibility" and "sustainability", and their associated practices purporting to meet commercial, development and environmental aims – the so-called "triple bottom line".

As a starting point, we wish to reflect on how development is shaped by a range of actors in relation to corporate practices and market-based interventions. There is critical scholarship detailing corporations as generators of uneven development and how corporate activities truncate democratic life and accountability in their pursuit of profit, power and "supercapitalist" ends (Bakan 2004; Ferguson 1999, 2005, 2006; Reich 2007). Since the early 2000's, more celebratory accounts depict companies as sources of new development opportunities through sustainable enterprise seeking new business value for environmental and social ends (Laszlo 2003; Porritt 2010), as business language prefixes humane and deliberately apolitical qualifiers such as "natural" (Lovins and Lovins 2001) and "friendlier" to capitalism (Bill Gates, World Economic Forum, Davos, 2008). For the last decade, corporations have been called to care and act on behalf of people and the planet (particularly in contexts of vulnerability), but crucially, the motivations for these corporate entities to behave responsibly towards nature and communities remain tightly coupled with their core objective to increase profits (or, generate shareholder value). Today, corporations are represented in often contradictory ways "both as an engine of growth capable of eliminating international economic inequality and as a major obstacle to development"; as "a force capable of revolutionizing the productive forces in the economically backward areas of the world and as a major cause of underdevelopment through a massive drain of surplus to the advanced capitalist countries" (Jenkins 2013: 1). Although the capitalist enterprise itself has long been debated in economic and development geography, its associated social, development and environmental costs and consequences have become the subject of renewed contestation, debate and critique in the last decade, and particularly following the 2008 financial crisis.

The set of articles in this themed issue capture development experiences reflecting the grey space between these seemingly irreconcilable opposites—sustained commercial growth and profit versus human well-being—recognising that the corporate interests at stake are multifarious and situated across both corporate and non-corporate domains of influence and actions. As corporate interventions are increasingly coupled with community-corporate service provision or Non-Government Organisation (NGO) and civil society involvement, a range of actors influence the shape and outcomes of corporate 'development' work, including activist communities and micro-entrepreneurs, United Nations bodies and representatives (UNICEF and UN Special Rapporteurs), and different arms of the state. The involvement of these diverse actors has gradually altered the geographies and politics of corporate engagement in the Global South, and consequently muddled the very roles, responsibilities and discourses of corporations. For this reason, we speak in this themed issue of corporations and the *effects* of their development projects by emphasizing the *encounters* between the assemblage of actors involved in implementing, contesting and morphing these projects across scales of intervention, from boardroom ideas to grassroots iterations with political, social, environmental and economic implications.

Beyond the catch-phrase of "social responsibility"

To set the stage for this themed issue, we start by briefly highlighting the diversity of discursive strands lying at the nexus of corporations and development that attest to a strategic logic of sustainability and responsibility. Since Milton Friedman's iconic *New York Times Magazine* article (1970) on the "Social Responsibility of Business", the language and idea of "corporate social responsibility" (CSR) are common catch-phrases amongst business practitioners working on sustainable business models. The actual meaning of CSR has become diluted and in many instances remains inconsistent with legal interpretations of corporate obligations to maximize shareholder value. CSR has too easily become the

umbrella acronym for everything ranging from corporate philanthropy, affiliations with civil society groups and corporate 'sustainability' strategies targeting positive environmental and social impact. Furthermore, despite the legal status of the corporation as a "legal person,"[1] both intellectual adversaries and proponents of corporations alike have argued that ascribing ethical obligations onto an entity void of a "moral conscience" is problematic (Chomsky 1999; Friedman 1970; Nace 2003; Paine 2004; Korten 2001).

The 21st century business case for marrying socio-environmental considerations with the economic bottom line has increasingly been expressed as a matter of "potential competitive advantage" and economic survival. Since the original concept of "CSR" emerged in the early 1970's, other idioms associated with expanded responsibilities of corporations since the early 2000's have included "Base of the Pyramid" approaches, "social business" and "Markets for the Poor". The "Base of the Pyramid" refers to the largest and poorest bottom of the socio-economic pyramid, living under $2/day PPP (Hart and Prahalad 2002). This demographic description has become used amongst business practitioners who are interested in developing new business opportunities that offer new and more appropriate goods and services to this demographic. BoP approaches are nevertheless anchored in capitalist, profit-seeking models. The term "social business" was originally coined by Muhammad Yunus (Yunus 2009, 2011). In contrast to BoP approaches, social businesses are in principle primarily designed to address a social problem, and their financial sustainability is based on no-loss and no-dividends, but not on seeking to maximize profit. For this reason, most social businesses are either not corporate-led, or separate from the corporation's core business. "Markets for the Poor" is an approach to poverty alleviation adopted by large development donor agencies, recognizing the dependence of poor communities on market systems for their livelihoods, and seeking to improve these market systems in terms of their efficiency and sustainability (DFID 2008). Although this approach does not differ ideologically from BoP and social business, the focus has often been on small and medium enterprises as opposed to larger corporate entities.

Although each of these expressions have slightly different connotations, funding arrangements and roles ascribed to specific corporate and non-corporate actors engaged with low-income markets, each approach sees market-based economic engagement with low-income communities as a positive and critical component to achieving a more sustainable future. Across these idioms the scope of stakeholders expands, pushing the responsibility of business pursuits beyond mere commercial profit, with new considerations of the "other" emerging across corporate-led development. As Gupta writes,

> *The 'other' now begins to figure in the way one individuates oneself. This has become a structural condition of modern societies and it has nothing to do with altruism or generosity[…] This is why it is imperative now to think in terms of business ethics where considerations of the 'other' are crucial for any entrepreneurial venture that hopes to last the distance over the long haul.* (Gupta 2005, p. 25)

Consequently, as corporations increasingly re-appropriate particular "ethical regimes", new research areas materialise for examining the micro-politics of corporate engagements (Dolan and Rajak 2011). These include critiques of legitimising discourses amongst corporate actors (Welker 2009), calling for further ethnographic studies scrutinising social business practices that seek to confront and even reverse the patterns of "business as usual". In each instance, we recognise that corporate interventions do not merely

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[1] In 1886, in *Santa Clara County v. Southern Pacific Railroad*, the U.S. Supreme Court ruled that private corporations were "natural persons" under the U.S. Constitution. Strikingly, however, the U.S. Constitution does not mention the corporation anywhere, although the corporation is accorded constitutional protection by virtue of its status as a "person" (Korten 2001, p. 59).

impose or transplant particular commercial practices in a given setting, but also interface with existing commercial enterprise, potentially displacing (Meagher 2012) or partnering with (Thieme 2010) a diversity of informal sector workers that have also shaped their own particular market relations and economic rationalities. In all cases, these interventions affect existing political, social, environmental and economic landscapes, and have diverse everyday impacts on both those who embrace and those who contest corporate presence.

A range of non-state actors facilitate or contest the corporatization of services and resources in particular geographies. While these trends are not new, the escalated scale and pace of these processes amplifies the need for more sophisticated responses, beyond previous channels of resistance. The agency of these actors to shape particular claims or engage in corporate activities influences and responds to these changing landscapes. The transnational nature of some corporate interventions generates a proliferation of responses, across scales and forms, and goes beyond mere commercial spheres. Shareholder activism and human rights demands from UN Special Rapporteurs reflect the emergence of new actors demanding corporate change in a range of geographies. These interlocutors alter spaces for corporate practice, but also demonstrate new forms of activism and transnational solidarity, which can mirror corporate approaches and actions themselves. Human Rights activists demanding change from the corporate boardrooms of London represent a distinct form of financial pressure to companies, while working within the established channels of business practice. Statements from UN Rapporteurs or other similar experts challenge corporate practice by attesting to fundamental, universal rights, while calling into question the morphing corporate language that has increasingly evoked universal social and environmental values on the one hand, whilst retaining for-profit agendas on the other.

Six readings of corporate-community relations

The six papers in this collection go beyond binaries between power and victimhood, formal and informal, global and local, business and social, state and market, private and public in order to explore the messy complexity of development and contested capitalism – and indeed the various interpretations of capitalist relations in particular geographies. They offer grounded reflections on corporate interventions in diverse locations of the Global South spanning Bangladesh, Ecuador, India, Kenya, the Philippines, and Zimbabwe. Reflecting different geographies and micro-politics, each paper problematizes the agency of Transnational Corporations (TNCs) beyond simplistic ideas of globalization (Kearns 2008), while also teasing apart the constellation of relationships and actors involved in these particular corporate-community encounters (Cross and Street 2009). The papers each draw theoretical and empirical insights into the nodes of engagement between corporate actors, positioned as contemporary agents of development, and local communities assuming heterogeneous shifting roles and agencies. These roles range from beneficiaries of CSR projects on the one hand, to artisanal miners competing with corporations on the other; consumers of social enterprise models; producers engaged in the supply chain of particular crops; or self-employed informal workers repurposed into entrepreneurial micro-franchisees.

Drawing on Human rights and agricultural literature, **McKinney**'s paper is a critique of corporate approaches to the issue of child labor, arguing that they reproduce limiting ideas of childhood and work, and link directly to processes of neoliberal restructuring. She draws on cottonseed pollination work in India, showing that children experience labor interventions as surmountable everyday obstacles. **Tatiana Thieme** describes how a Nairobi based corporate-led urban sanitation intervention engaged with local informal economies and existing waste worker collectives, and the ethical and practical challenges of turning basic needs into an entrepreneurial offering. **Deborah Cheng'**s paper analyzes the corporate-community delivery of water in Manila's low-income neighbourhoods, focusing on how neoliberal governmentality perpetuates the contracting out of public services to private and community entities. **Heather Bedi** scrutinizes CSR narratives attesting to Human Rights claims in the context of resource

extraction and commercial land grabs in Bangladesh. **Samuel Spiegel's** paper on diamond certification systems in Zimbabwe critically examines the language and practice of conflict associated with diamond mining in Zimbabwe, and how public discourses have overlooked interests of artisanal miners. Finally, **Emily Billo** explores how CSR programs in Ecuador shape political and social relationships, focusing in particular on indigenous groups' support for and dependence on CSR programs associated with oil extraction.

The contributions of **Cheng, McKinney, and Thieme** demonstrate that as the flows of capital, goods, services and production travel across geographies, it becomes increasingly challenging to locate and evaluate the connections between the corporation and the everyday experiences and politics of work, access to services, and negotiations around wages, payment and financing taking place in situated practice. The papers by **Bedi, Billo, and Spiegel** address how new claims to social responsibility and human rights emerge in relation to corporate practices, and how these facilitate the license for corporations to operate, extract, exploit and in some cases promote violence. Each paper illustrates how sites of conflict, tension, or inadequate infrastructures produce fertile terrains not only for multi-national actors but also various NGO and development agencies to pursue pro-poor agendas with local communities' interests at heart, either promoting universal human rights or purporting to meet basic needs. These dynamics expose the shifting social and power relations that concern resource governance and access, and the entanglements of business and humanitarian means and ends.

While the six papers raise critical questions concerning corporate-led development, the case studies offer points of comparison as well as points of contrast in relation to the implications of corporations becoming new actors in development practice. **Thieme** and **Cheng**'s papers both reflect on corporate models that build on the efforts and existing networks of informal sector workers and NGOs, forming "partnerships" that further perpetuate formalization from below rather than providing employment contracts. These models also further encourage the privatization of formerly public goods and services in the absence of basic (municipal) provision in urban settings. But there are some notable differences in the everyday dynamics of these two models for basic services provision. In **Cheng**'s case study, the water provision intervention targets whole communities of individual households, whereas **Thieme**'s case study describes the micro-franchise, Community Cleaning Services (CCS), as targeting public facilities shared across multiple households. Furthermore, local community members who were involved in the Manila micro-network were appointed, and already established as leaders in their community. In contrast Nairobi's CCS cleaners are also garbage collectors who are marginalised and stigmatized youth on the one hand, but entrepreneurial and savvy navigators of the NGO/development Nairobi network on the other hand.

For **Billo** and **Cheng**'s papers, *governmentality* provides a theoretical frame for analyses of CSR programs as institutions of development, with prominent power implications. **Billo** shows how CSR programs, facilitated by oil extraction companies in the Ecuadorian Amazon, create new patterns of power and division among indigenous communities. **Billo** examines how CSR programs were crafted as community improvement, and suggests that CSR muddles relations as corporations intervene to provide development programs. These interventions are not uncontested, although the kinds of contestation to corporate-community engagements come in different forms and manifest themselves in a variety of spaces. Some are punctuated by moments of contestation during meetings (**Cheng**'s example of Santa Ana General Assembly), but most are everyday tensions concerning payment, customer relations (**Thieme**) or new power dynamics amongst communities (**Billo**). There are therefore differences in the kinds of performative spaces in which contestation happens, ranging from formal general assemblies or larger meetings versus the quotidian, negotiated practices that happen at the interstices of corporate-community relations.

Complex power relations and dynamic governance structures undergird mining in the Bangladesh, Ecuador and Zimbabwe examples. **Bedi, Billo** and **Spiegel**'s examinations of how mineral extraction

corporations shape and are shaped by development practices mirror increased scholarly attention to these dynamics (Bebbington et al. 2013). Common throughout is the state promotion of capital accumulation, with mixed results for workers and rural populations in terms of prospects for empowerment or marginalization. The diplomatic, political and social costs of the economically valued extractive industries sectors reflect the reality that mining is a "harm industry…predicated on practices that are destructive or harmful to people and the environment" (Benson and Kirsch 2010: 461). Interventions by diverse NGO, UN and state actors demonstrate associated tensions as these 'harm industries' expand and extend globally. In different ways, the papers critique the "anti-politics" (Ferguson 2005) of corporate practices, which tend to transcend or by-pass political failures of state-led development (**Billo, Spiegel and Bedi**), and focus instead on capabilities (as opposed to the structural inequalities) of the poor, their local partners (**Billo, Cheng, Thieme and McKinney**). The theme of depoliticization maps across each paper in particular ways, and alludes to the tendency for corporate-led development discourses to overlook power and structural injustices, whilst paradoxically engaging with claims of 'empowerment' through entrepreneurship. Yet, the relationship between the state and corporations in each case varies considerably. In certain cases, the nodes of engagement between state and corporate actors are mediated by NGO or other civil society actors, with different arms of government (e.g. municipal, federal, or ministerial) involved peripherally or centrally in these corporate-led development schemes. Each paper therefore acknowledges the importance of politicizing corporate-led development in order to reflect on the multiple flows and encounters of power and knowledge that move across 'expert' and stakeholder spheres.

Finally, there are important methodological contributions in this issue, as each paper highlights the value of grounded data on corporate-community engagements, reflecting the role of place-based, embedded and politically engaged geographical research in this emergent area of critical scholarship. This perspective allows the contributors to examine, with novel insight, the discrepancies, overlaps and convergences of "boardroom" discourses and claims, often reflecting a kind of "corporate good will" and "human face". These processes are described in relation to the everyday messy micro-politics and experiences at local "grassroots" levels, where the "corporate face" is often interpreted, imagined and experienced in highly contradictory ways.

Conclusion

For the purposes of this themed issue, we seek to emphasize not the different ideologies behind particular corporate-led development discourses, but instead the distinct contexts in which particular projects are situated. We examine these projects' claims of 'social responsibility' in the broad sense in relation to their effects in practice, and to the particular actors involved in corporate-community relations. Read together, the research highlights the need for more nuanced accounts examining corporate-led development, by considering the following: the materiality of resource extraction on the one hand (**Bedi, Billo and Spiegel**), but also the implications of privatizing basic services without investing in basic infrastructures (**Cheng and Thieme**); the alternative interpretations of work amongst communities with whom corporations are engaging commercially or in labour relations that transcend formal/informal, legal/illegal boundaries (Thieme, McKinney, Spiegel); the discourses of resource politics that are rendered "technical" (Li 2007) and apolitical by corporate actors but which are profoundly political in their effects (**Bedi, Spiegel, and Billo**); and the embodied effects of corporate engagements in low-income communities that raise crucial questions around the face of the company at a grassroots level and in what ways local communities can critically engage with these corporate entities (**Thieme and Billo**). In drawing out these important cross-cutting themes, the collection demonstrates the value of critically engaged geographical research on the role of the corporation in the context of contemporary concerns over development, livelihoods and sustainability.

Acknowledgements

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