

Bound to Fail? Exploring the Systemic Pathologies of CSR and Their Implications for CSR Research

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Abstract

Among critics of corporate social responsibility (CSR), there is growing concern that CSR is largely ineffective as a corrective to the shortcomings of capitalism, namely, the negative effects of business on society and the undersupply of public goods. At the same time, researchers suggest that despite the shortcomings of CSR, it is possible to make it more effective in a stepwise manner. To explain the frequent failures of current CSR practices and to explore the possibilities of remedying them, I examine the close relationship between CSR, the persistent expansion of capitalism, and the pressure that capitalism puts on companies to legitimize their business operations. My analysis shows that the failure of CSR to serve as a corrective to the problematic effects of capitalism is, in fact, an inevitable consequence of the problematic dynamics of the capitalist system. On this basis, I suggest that capitalism limits the possibilities of making CSR more effective, argue for change on the systemic level of capitalism, and explore the ways in which CSR research can contribute to this political endeavor.

Keywords

capitalism, corporate social responsibility, CSR, neoliberalism, pathologies of CSR

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Corporate social responsibility (CSR) can be defined as companies' "actions that appear to further some social good, beyond the interests of the firm and what is required by law" (McWilliams & Siegel, 2001, p. 117). In line with the established literature (Matten & Moon, 2008; Scherer & Palazzo, 2007), I use CSR as an umbrella term that encompasses related approaches such as stakeholder management, corporate sustainability, and corporate citizenship. Generally, CSR means that firms voluntarily assume responsibility for their externalities (Crouch, 2006), provide public goods (Besley & Ghatak, 2007), and thus can substantiate or repair their legitimacy (Palazzo & Scherer, 2006). However, the extent to which CSR is suitable for meeting these promises is contested and there is mounting evidence that many CSR programs are largely ineffective (IMPACT, 2014).

Most studies that seek to explain why the shortcomings of CSR arise at all focus either on the individual level (Hahn, Preuss, Pinkse, & Figge, 2014; Maon, Lindgreen, & Swaen, 2010) or on the organizational level (Jones, Felps, & Bigley, 2007; Paine, 1994). However, an increasing number of researchers point at crucial connections between these shortcomings and the systemic level of capitalism. For instance, in their critique of the Creating Shared Value approach, which does not significantly differ from mainstream approaches to CSR, Crane, Palazzo, Spence, and Matten (2014) argue that all these approaches fail because they try to "solve the macro systemic problem of capitalism by changing micro firm-level behaviors" (p. 140). In a similar vein, other critical voices (Banerjee, 2008; Fleming & Jones, 2013) claim that CSR is not a suitable remedy for the problems capitalism creates. This perspective suggests that considering the systemic context of CSR—capitalism as a system in which "processes of capital circulation and accumulation are hegemonic and dominant in providing and shaping the material, social and intellectual bases for social life" (Harvey, 2015, p. 7)—is essential to explain the frequent failures of current CSR practices, gauge whether attempts to make CSR more effective (Christensen, Morsing, & Thyssen, 2013; Haack, Schoeneborn, & Wickert, 2012) are likely to succeed, and assess the potential of CSR to serve as a corrective to the negative effects of business and contribute to the public good.

Researchers have analyzed the interaction between the "contemporary, i.e. capitalist, political economy" (Streeck, 2011, p. 140) and the CSR activities of businesses from a comparative institutionalist perspective (Jackson & Apostolakou, 2010; Kang & Moon, 2012; Matten & Moon, 2008). Although these studies provide important insights into the forms CSR takes in different varieties of capitalism, they are silent about "the relative effectiveness of CSR . . . in delivering desirable outcomes" (Jackson & Apostolakou, 2010, p. 387) and hardly consider the problematic aspects of CSR (Kaplan &

Kinderman, 2017, as a notable exception). To address this gap, the present article conceptualizes the shortcomings of CSR as distinct pathologies,¹ seeks to analyze the links between them and the dynamics of capitalism, and explores possible remedies with a particular focus on the potential role of CSR research.

To understand how CSR is constrained by capitalism in general and by its contemporary neoliberal variant in particular, which, according to Streeck (2011), merely reveals the “essence” of capitalism, I will first explore the pathologies of CSR and then go on to explore how these pathologies can be explained as symptoms of the problematic dynamics of capitalism (p. 164). With the help of this framework, I show that these dynamics place severe systemic limits to the capacity of CSR to remedy the negative effects of capitalism. To curb and prevent these effects, it is necessary to address their causes on the systemic level of capitalism, rather than on the level of the company through CSR. On the basis of this analysis, I discuss how researchers can contribute to the political effort to attain systemic change.

The article is structured as follows: in the next section, I review extant critical CSR research and distill insights into the three most prevalent pathologies discussed in this literature. In the third section, I provide a systemic explanation for these pathologies by linking them with the key dynamics of capitalism. In the fourth section, I investigate how the pathologies of CSR can be remedied, focusing on the contribution of CSR research to this effort. Finally, in the fifth section, I summarize my analysis and discuss the contributions of this article.

Exploring the Pathologies of CSR

CSR has become a widespread business practice and an important research field. The mainstream approach to CSR asserts that CSR has the potential to serve as a remedy for the negative effects of business activities and capitalism more generally (for an overview of this approach, see Scherer & Palazzo, 2011; for an overview of the mainstream literature for practitioners, see Kazmi, Leca, & Naccache, 2016). The extensive approval with which this approach meets, however, contrasts with the ongoing corporate misconduct and the failure of companies to mitigate their complicity in the escalation of the current ecological and social crises. Climate change (Steffen et al., 2018) and a rapid decrease in biodiversity (Lister & Garcia, 2018) illustrate the former, whereas a rapid increase in economic inequality (Piketty, 2014) and disregard for labor rights, both in developed and in developing countries (International Labour Office, 2017), illustrate the latter. The aggravation of these crises despite the massive spread of CSR initiatives (Matten & Moon,

2008) indicates that CSR does not, in fact, work as it ought to. To understand why CSR does not meet its promise, I define the shortcomings of CSR as pathologies that are caused by specific underlying systemic causes. The most conspicuous pathologies of CSR identified in the literature are summarized in Table 1. I will discuss each in more detail below.

CSR as Market Expansion

The literature largely focuses on the potential of CSR to limit the negative effects of business activities and capitalism. In the respective studies, CSR is defined as a set of activities that companies engage in to contribute to the social good (McWilliams & Siegel, 2001). Critics, however, point out that CSR primarily serves as an opportunity to expand markets and their influence and to increase business profits (Hanlon, 2008; Shamir, 2008). Market expansion can take the form of a deepening of market relations through an intensification of the influence of markets on various areas of social life. Market expansion can also take the form of a widening of market relations through spatial expansion of market processes in geographical areas that have been hitherto untapped by capitalism.

That CSR contributes to the deepening of market relations is most apparent where CSR activities affect “marginalized” stakeholders, such as workers in global value chains and the recipients of corporate welfare provisions in developing countries. As a result of the pronounced power asymmetries that characterize global value chains (Gereffi, Humphrey, & Sturgeon, 2005), multinational corporations often have the power to unilaterally demand and implement codes of conduct and impose systems of compliance (Locke, Amengual, & Mangla, 2009). Typically, local actors need to bear the increases in production costs that result from the implementation of CSR initiatives (Alamgir & Banerjee, 2019) and for that reason often perceive such systems as tools for extracting economic surplus (Khan & Lund-Thomsen, 2011). CSR allows economically and politically powerful corporations to adjust the way of life of powerless stakeholders according to economic principles (Banerjee, 2008). This is often the case in developing countries (Banerjee, 2018). As Khan, Westwood, and Boje (2010) found while investigating how non-governmental organizations fought child labor in the context of a CSR program, CSR potentially propagates modes of development that favor market principles over alternative modes of societal coordination (Banerjee, 2008; Drebes, 2014).

Furthermore, when companies engage in the provision of public goods in the context of their CSR programs, CSR also supports the spatial expansion of corporate power and market principles. In cases of limited statehood (Börzel & Risse, 2010), CSR and related approaches, such as corporate citizenship

Table 1. The Pathologies of CSR, the Dynamics of Capitalism That Affect CSR, the Range of Political Responses, and the Potential Contributions of CSR Research.

Pathologies of CSR	CSR activities	Primary recipients of CSR effects	Effects	Capitalist dynamics that underlie the pathologies of CSR	Steps toward systemic change; contribution of CSR research
CSR as market expansion	Codes of conduct Provision of public goods	“marginalized” stakeholders	Spreads the influence of capitalism to areas yet untapped by capitalism	Material expansion: Commodification	De-commodification <i>Contribution of CSR research:</i> Explore sustainable forms of the business–society interaction
CSR as indoctrination	Codes of conduct Multi-stakeholder initiatives CSR as a management function	Society Employees	Consolidates a “business ontology”	Symbolic expansion: Capitalist rationality and neoliberal discourse	Conceive alternatives to capitalism <i>Contribution of CSR research:</i> Explore the limits to conceiving alternative ontologies and search for such alternatives
CSR as legitimization	CSR research CSR programs Dialogue with stakeholders CSR reporting CSR branding	Academics Employees Local communities Civil society Consumers	Diverts attention from corporate misconduct	Legitimation requirements of capitalism	De-legitimize contemporary capitalism <i>Contribution of CSR research:</i> Reveal the limitations to capitalism’s capacity to remedy its flaws

Note. CSR = corporate social responsibility.

(Matten & Crane, 2005), amount to exercising quasi-governmental power. However, companies that engage in the provision of public goods such as infrastructure, education, or health care are not democratically accountable to the beneficiaries of these goods (Scherer, Palazzo, & Baumann, 2006), who therefore have no say in what sort of goods these businesses provide or in how they provide them. Because companies are under strong competitive pressure, it is plausible to assume that they will provide public goods as part of a profit-maximizing strategy (Besley & Ghatak, 2007), but will discontinue the provision of such goods as soon as it is deemed unprofitable or if it does not benefit the firm any longer from a nonmarket strategic point of view. Consequently, where CSR programs substitute governmental programs for the provision of public goods, stakeholders affected by CSR become subject to the cost–benefit calculations of the companies that provide these goods.

Besides serving as a “patch” for institutional voids, CSR may be seen as a deliberate strategy that companies pursue to advance free-market capitalism by disseminating CSR practices as an alternative to the provision of welfare by governments (Kaplan & Kinderman, 2017). It is important to emphasize that this pattern does not apply exclusively to cases of limited statehood and to developing countries. For example, as Kaplan (2014) has shown, from the 1950s onwards, CSR has been essentially re-shaping the division of governance labor in the United States at the expense of governmental intervention. Similarly, in Britain, in the late 1970s, business-driven CSR initiatives that addressed issues such as unemployment and urban decay propagated market principles in society (Kaplan & Kinderman, 2017) and were thus “an integral part of the widening and deepening of market relations” (Kinderman, 2012, p. 47).

CSR as Indoctrination

In this section, I focus on the ways in which CSR contributes to the propagation of capitalist reason. The mainstream literature argues that CSR has the potential to provide employees with “a deeper sense of purpose and meaning” (Mirvis, 2012, p. 106) and give capitalism a “human face” (Leisinger, 2016). In contrast to this view, other scholars, such as Baker and Roberts (2011), argue that CSR potentially rebrands instrumental intentions in ethical terms and thus transforms the interests of organizational stakeholders (Bergström & Diedrich, 2011). Mainstream CSR, as these critics argue, is in line with the foundational beliefs of capitalism (Hafenbrädl & Waeger, 2017), which promote unregulated competitive markets as the optimal way of governing society. In effect, CSR is anchored in the neoliberal paradigm (Djelic & Etchanchu, 2017) and thus has the potential to shape people’s worldviews

according to economic principles (see also the related discussion on sustainable development as a hegemonic discourse by Tregidga, Milne, & Kearins, 2018).

Acknowledging that the foundational beliefs of neoliberal capitalism are “acquired, expressed, enacted and reproduced by discourse” means that contemporary neoliberal capitalism should be perceived as an ideology (Brenner & Theodore, 2002; Saad-Filho & Johnston, 2005; Van Dijk, 2006, p. 124). From this viewpoint, CSR can be understood as one of the channels through which neoliberal ideology is reproduced by various means.

For instance, companies often publicize their CSR objectives in the form of a code of conduct. This allows them to present “the market as benevolent and the actors involved as caring and compassionate” (De Neve, 2009, p. 71) toward society. Firms may also take part in multi-stakeholder initiatives, such as the United Nations Global Compact (UNGC). Engaging in governance as part of such a scheme can be seen as a way of extending economic rationality beyond the economic sphere and representing it as a principle of action (Shamir, 2008). Furthermore, companies increasingly employ CSR managers and set up a CSR department. Establishing CSR as a management function serves as a signal to employees and the society at large that these firms engage in CSR as benign agents and are willing to solve social and environmental problems. Consequently, this trend can be regarded as an important facet of the institutionalization of the dominant discourse on CSR, and ultimately as a means of asserting the primacy of economic rationality as an organizational principle for society (Archel, Husillos, & Spence, 2011).

Depicting CSR as a potential remedy for the negative effects of business activities in particular and of capitalism more broadly suggests that capitalism possesses the capacity to remedy the problems it is causing. From this viewpoint, CSR reframes social and environmental problems—and the related socio-moral concerns—according to capitalist rationality (Shamir, 2008). This eventually results in the naturalization of a “business ontology” (Fisher, 2009), according to which economic rationality attains an axiomatic status as the only imaginable way of perceiving reality and of acting. Therefore, when CSR serves “as a means to fortify the social and ideological foundations of corporate capitalism” (Kaplan & Kinderman, 2017, p. 7), it can be understood as a form of indoctrination; that is, as the “inculcation of a learned unwillingness to consider the relative limitations of a system of thought” (Stansbury & Barry, 2007, p. 248).

An important aspect of the indoctrinatory nature of CSR concerns researchers in the field of CSR and in related disciplines, such as social entrepreneurship, socially responsible investing, and the emerging research on

grand challenges. Outside the critical margins of these disciplines, companies are depicted as part of a solution to societal problems and not as part, or even the source, of these problems. What is remarkable in this body of research is the substantial absence of macro-level reflection on the problems that CSR and related schemes are supposed to address.

Whereas many researchers in the field are sincerely concerned about the problematic implications that capitalism and business have for society and the natural environment, current mainstream research on CSR tends to encourage the perspective of the “liberal communist” (Žižek, 2008; discussed in Cederström & Marinetto, 2013), who sees no contradiction between capitalism and the solutions that are necessary for addressing the problems caused by capitalism. As a result, the majority of relevant research neither considers the limitations and problematic aspects of CSR nor explores their root causes, but instead “naturalizes” them and the context in which they occur: capitalism (Fleming & Jones, 2013).

CSR as Legitimation

Perhaps the most intriguing and paradoxical effect of CSR is that it legitimizes, at least to some extent, the operations of companies. “Legitimacy” can be defined as the generalized perception of how desirable an entity is (Suchman, 1995) and is regarded as a precondition for organizational survival. Much of research on the connection between CSR and legitimacy (Palazzo & Scherer, 2006) focuses on the ways in which companies can maintain or repair their legitimacy through CSR. For instance, businesses use CSR to achieve legitimacy among their employees. As some CSR scholars argue, comprehensive CSR programs increase a firm’s legitimacy in the eyes of current (Lee, Park, & Lee, 2013) and potential employees (Turban & Greening, 1997). Critics, however, argue that organizations use CSR as a means of legitimizing inherently problematic business practices. Critical researchers have identified a number of ways in which CSR serves as a tool of legitimation.

First, the language of CSR, when examined from a critical perspective, can be seen to cause self-deception among managers. As Marens (2012) has shown, CSR programs allow “corporate executives to define roles for themselves that [aim] to ameliorate the potentially negative impact of their own autonomy in the interest of social peace and economic efficiency” (p. 61). Baker and Roberts (2011) have found that CSR offers managers the opportunity to identify themselves as responsible for the business they are running and thus absolves them “from feelings of moral conflict, doubt, and concern” (Baker & Roberts, 2011, p. 14). This allows managers to overcome the

contradictions that result from socially problematic corporate activities and thus forecloses any further-reaching reflection on and critique of a company's activities or indeed taking action (Costas & Kärreman, 2013).

Second, CSR activities in general and stakeholder dialogue in particular can be seen as ways of increasing the legitimacy of businesses and their activities in the local communities where they operate. Research on CSR as a means of creating business legitimacy emphasizes the capacity of dialogue between companies and stakeholders to increase corporate legitimacy through moral reasoning. However, a number of both theoretical (Banerjee, 2008) and empirical studies (Archel et al., 2011) object that dialogue with stakeholders is likely to be used as a means of legitimizing the status quo, instead of eliminating the problematic issues that threaten the legitimacy of companies (Roberts, 2003).

Third, non-financial reporting, one of the mainstays of CSR, is usually regarded as a way of increasing a firm's legitimacy by increasing the transparency of business activities. The advocates of increasing transparency where the non-financial performance of businesses is concerned purport that it enables various stakeholder groups, such as customers and investors, to evaluate a firm's activities (Perrini, 2006) and modify their actions accordingly, with respect to buying and investing, respectively. Whereas some studies show that non-financial reporting is related to higher levels of CSR performance (Graafland & Smid, 2019; Mahoney, Thorne, Cecil, & LaGore, 2013), critical researchers note that increasing transparency serves primarily as an attempt to increase corporate legitimacy in the eyes of civil society by "greenwashing" (or whitewashing) a firm's image (Laufer, 2003). This involves utilizing strategically select information about the positive aspects of a business's conduct to deflect public scrutiny from its negative effects.

Even if there is no intention to beguile the public, attempts to repair the corporate image by developing internal and external CSR communication, disclosing non-financial information, and engaging in stakeholder dialogue (Roberts, 2003) are highly ambiguous. Reporting on CSR may therefore be used to construct a reality that is difficult to deconstruct, partly because of the complexity of a business's global operations and partly because of the jargon that businesses typically use. Both of these factors make it difficult to assess the risks associated with specific business practices (Zyglidopoulos & Fleming, 2011). In sum, when companies are unwilling or unable to improve the social or environmental impact of their operation (Durand, Hawn, & Ioannou, 2017), they may use non-financial reporting to obfuscate their actual environmental or social performance. As a result of this practice, CSR reporting may involve limiting transparency in an effort to limit accountability.

Fourth, in the area of marketing, CSR is regarded as a means of increasing the support of a firm's stakeholders in general and of customers in particular (Maignan & Ferrell, 2004). Firms achieve this by utilizing their CSR program in corporate communication and marketing efforts. In line with the established "win-win" logic, CSR is justified because it is believed to simultaneously benefit the firm (by improving its reputation) and the recipients of CSR. Taking a closer look reveals that CSR is an important means of safeguarding corporate legitimacy in the eyes of a firm's customers, without, however, necessarily creating any positive outcomes for other stakeholders (Prasad & Holzinger, 2013). As Brei and Böhm (2011) have shown in their study of ethically bottled water, the use of CSR as a marketing instrument illustrates the "workings of wider reproductive mechanisms of the hegemony of capitalist accumulation and legitimacy" (p. 249).

The Dynamics of Capitalism as Systemic Constraints on CSR

The mainstream approach to CSR research, the practitioner-oriented literature, and the self-descriptions of companies (BP, 2019; Nestlé, 2019) focus on the capacity of CSR to serve as a firm-based corrective to the negative effects of business activities and as a contribution to the public good. The review of the pathologies of CSR presented in the previous section sheds light on the limited capacity of CSR to attain these objectives. Most of the current literature locates the causes of CSR's failures primarily on the individual and organizational levels. However, capitalism defines the systemic conditions in which organizational activities are embedded (Burawoy, 1979). Therefore, to comprehensively understand the pathologies of CSR, it is crucial to "raise the analysis to the structural and more abstract level" (Fleming & Jones, 2013, p. 84; see also the related call for more research on "system issues" by Bansal & Song, 2017, p. 130).

Although researchers interested in the pathologies of CSR point out several key connections between CSR and capitalism (notably Banerjee, 2008; Fleming & Jones, 2013; Hanlon, 2008), most build their argumentation on relatively undifferentiated or highly selective conceptualizations of capitalism. Banerjee (2008), for instance, explores in detail how the concept of CSR tends to be shaped by narrow business interests. However, he does not explain how these interests logically follow from the political and economic conditions that he regards as the root causes of ecological and social problems. Similarly, Hanlon (2008) focuses on the use of CSR as a facet of the post-Fordist accumulation regime, whose aim is to expand market relations, but only mentions CSR as a means of legitimation in passing.

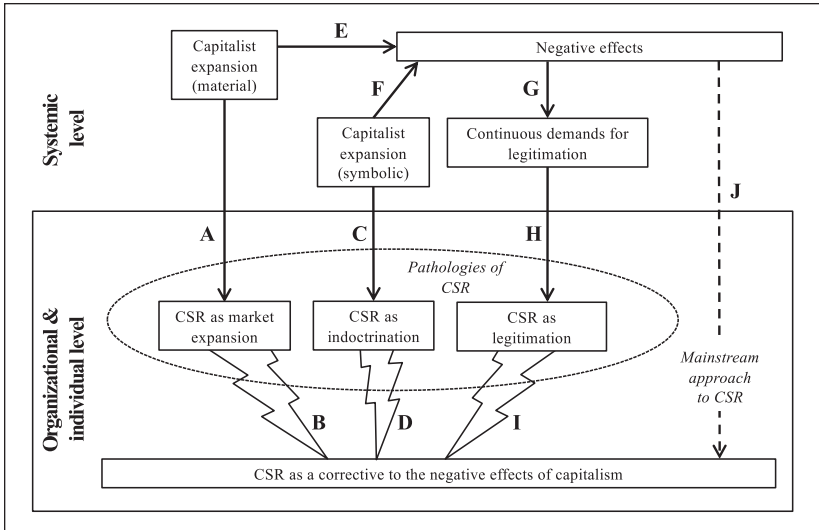


Figure 1. The dynamics of capitalism as systemic constraints on CSR on the organizational and individual level.

Note. CSR = corporate social responsibility.

In contrast, although CSR research from a comparative institutionalist perspective (Blindheim, 2015; Jackson & Apostolou, 2010; Matten & Moon, 2008) explains comprehensively the relationship between CSR and capitalism, it is silent about the limitations of CSR and their systemic causes. As a result, this body of research does not offer sufficient insight into the causes of the various pathologies of CSR, their interconnections, and their roots in the problematic dynamics of capitalism.

To gain a better understanding of the pathologies of CSR and of both its potential and limitations as a corrective to the negative effects of capitalism, in the following I will discuss key aspects of the dynamics of capitalism and how they affect companies (represented by solid arrows in Figure 1). Specifically, I will discuss the material and symbolic expansion of capitalism, as a result of which this system constantly has to legitimize itself in response to criticism and resistance. This discussion will help explain how the pathologies of CSR (see Table 1) arise from the systemic constraints that actors and organizations face when they attempt to use CSR to address the problematic effects of capitalism. It will also show how these pathologies in turn prevent CSR (see lightning-shaped arrows in Figure 1) from serving as an effective corrective to the negative effects of capitalism as postulated in the mainstream approach to CSR (see dotted arrow J in Figure 1).

Material Expansion: Capitalism as Continuous Commodification

The history of capitalism is characterized by a continuous expansion of the market system into new geographical regions (Harvey, 2003; Hoogvelt, 1997; Marx & Engels, 1848/1972). Commodification lies at the core of capitalist expansion (Polanyi, 1944/2001). This means that, as a result of this expansion, the natural environment and several categories of social relations are treated as commodities and therefore as input factors in processes of production. In his analysis of primitive accumulation, Marx (1867/1962) described how capitalism was constituted by the violent privatization of the commons and their subsequent utilization as means of production. Luxemburg (1913) termed this process *Landnahme* (“land-grabbing”). Luxemburg primarily used the concept of *Landnahme* to explain European imperialism in Africa and Asia in the late 19th and early 20th centuries, but it can also be applied to processes of economic globalization down to the present day (Scholte, 2005).

Apart from expanding spatially, capitalism also tends to expand within capitalist societies. One example of this second type of expansion is the intensification of commodification in areas previously shielded from market forces (Esping-Andersen, 1990; Ruggie, 1982), such as pensions (G. F. Davis, 2009), education (Willmott, 1995), and health care (Pellegrino, 1999). Another example of capitalist expansion is the increased application of market principles in the area of environmental protection (Bakker, 2010); for instance, through carbon offsetting (Heynen, McCarthy, Prudham, & Robbins, 2007). In sum, it can be argued that capitalist expansion intensifies the integration of market mechanisms deeper within society (Streeck, 2011).

Both the widening and the deepening of capitalist expansion affect directly companies and the decision-makers in such firms. The possibility of expansion provides companies with opportunities for growth that translate into pressure to increase profits. On the collective level, these dynamics result in constant pressure to grow, which is one of the main characteristics of capitalism (Gladwin, 2012). Consequently, it is no surprise that companies engage in commodification and continuously seek new profitable outlets to survive (Harvey, 2010). Thus, market competition is the mechanism which translates the expansionist tendencies of capitalism to the level of the individual firm and makes CSR an instrument of market expansion (arrow A in Figure 1).

The pressures described above are most conspicuous in the principle of profit maximization in general and in the shareholder-value paradigm in particular (G. F. Davis, 2009; Lazonick & Sullivan, 2000; Stout, 2012). Acknowledging the comprehensive pressure that capitalism puts on companies to increase profits and thus to apply the capitalist rationality to all of their

operations helps explain how CSR is directly shaped by the capitalist system. The quest for profit maximization results in the transformation of allegedly ethical endeavors into profit opportunities (Rhodes & Pullen, 2018). To put it differently, although companies ought to be using CSR to address the problems that their operations and capitalist expansion cause, they often use these problems as a means of creating new markets (Hanlon, 2008). Therefore, in many cases, CSR serves as an instrument that facilitates the expansion of capitalism, thus preventing companies from limiting their negative externalities and providing public goods (see lightning-shaped arrow B in Figure 1).

Symbolic Expansion: The Spread of Capitalist Rationality and Neoliberal Discourse

Capitalism expands not only on the material level but also on the symbolic level. Building on Weber (1905/2005, p. 20), who stated that capitalism “educates and selects² the economic subjects which it needs,” many authors (Habermas, 1989) have observed the tendency of capitalist rationality to expand in all areas of social life at the expense of non-capitalist forms of reasoning. Foucault (2008) argued that capitalism in its neoliberal form “thoroughly revises what it means to be a human” (Mirowski, 2014, p. 58).

The expansion of economic reason to all spheres of the lifeworld is instantiated in the works of neoliberal economists such as Becker (1976) and Buchanan and Tullock (1962). At first glance, these approaches appear to be primarily analytical. However, as important elements of the neoliberal discourse, they contain a significant normative component: “in representing the world of market rules as a state of nature, their prescriptions have a self-actualizing quality” (Peck & Tickell, 2002, p. 381). In the form of “sophisticated common sense,” neoliberal capitalism has the tendency to seep into all societal institutions and eventually reshape actors and ideas according to market principles (Bröckling, 2015; Brown, 2015; Rose, 1996). As a consequence, individuals increasingly behave as market actors in areas that are not marketized (Brown, 2015), such as health (Cederström & Spicer, 2015), dating (Brown, 2015), and interpersonal relations more generally (G. F. Davis, 2009).

On the level of firms, management theory and practice have been historically permeated with neoliberal thought (Hanlon, 2015). Increasingly, however, corporate functions, such as human resource management and accounting, are being reshaped according to neoliberal reason (Styhre, 2014), while competition within companies has been growing (Pongratz & Voß, 2003). These developments represent materializations of the neoliberal discourse on the level of companies. As a result, the concepts of “market” and “competition” have become naturalized. Institutional research suggests that

the diffusion of organizational policies is often the result of isomorphic adaptation (DiMaggio & Powell, 1983). This mechanism can thus explain how concepts such as “market” and “competition” become naturalized: companies align their activities and practices with prevalent expectations in the business world, public policy and society, and thus with neoliberal ideas. Consequently, the symbolic expansion of capitalism affects CSR, which gets aligned with the ideas of “market” and “competition” and thus contributes to the propagation of these ideas (arrow C in Figure 1).

What this analysis shows is that the CSR activities that companies pursue follow the capitalist dynamics and are continuously adapted to the business ontology that capitalism propagates. Consequently, CSR contributes in itself to the diffusion of this ontology by creating specific public expectations for corporate responsibility (Kaplan, 2014). Furthermore, CSR appears to assert that capitalism has the capacity to stabilize itself by applying its logic to the problems it is causing. The end result is that CSR blurs the distinction between the social and the economic spheres, “coding” the former as an instance of the latter (Shamir, 2008). In sum, CSR can potentially promote the very principles underlying the problems that it is supposed to address and thus supports the symbolic expansion of capitalism. This pattern encourages decision-makers to apply market principles at the expense of alternative criteria, such as ethical considerations, which are central to CSR, and therefore inhibits CSR to serve as a remedy to the negative effects of capitalism (see lightning-shaped arrow D in Figure 1).

The Negative Effects of Capitalist Expansion and the Resulting Demands for Legitimacy

Legitimacy is a necessary condition for the stability of societal orders (Weber, 1922/1978). The expansion of capitalism has negative effects, both on the material and on the symbolic level, that continuously threaten its legitimacy (Habermas, 1975). The material expansion of capitalism and the related processes of commodification will inevitably amount to “annihilating the human and natural substance of society,” as Polanyi (1944/2001, p. 3) famously argued. Throughout the history of capitalism, its negative effects have been constantly felt in various forms (Marx, 1867/1962; Polanyi, 1944/2001). Currently, a major side effect of capitalism is its negative impact on the environment. Research provides mounting evidence that the carrying capacity of our planet will be surpassed soon (Steffen et al., 2018) and that climate change is likely to be already irreversible (Crowther et al., 2016). Examples of the negative social implications of unchecked capitalist expansion are the exploitation of workers in global supply chains (Gereffi, 2005), increased

levels of economic inequality (Piketty, 2014), financial precariousness, and job insecurity in developed countries (Kalleberg, 2009). These problems are the result of unbridled profit-seeking (Lazonick & O'Sullivan, 2000) and industrial restructuring (G. F. Davis, 2016). Both ecological problems and social problems exemplify the negative externalities of business activities in capitalism.

The material expansion of capitalism and the related imperative of profit maximization also hamper the provision of public goods. Profit-maximizing companies will rationally abstain from providing a public good in sufficient quantities (Samuelson, 1955). As a result, this particular public good will be undersupplied. To prevent this, the provision of public goods is usually the responsibility of governments (Kaul, 2001). However, in many cases, governments do not provide public goods, either because they are incapable of doing so or because of privatization. In the latter case, the private provision of public goods—a mainstay of the neoliberal agenda (Harvey, 2005)—has often led to significant losses for society.

With respect to the symbolic expansion of capitalism, many authors across the political spectrum have observed that capitalism is not capable of maintaining, or even destroying, the moral foundations of its existence (Polanyi, 1944/2001; Roepke, 1958; Schumpeter, 1975). As Streeck (2011, p. 146) has argued, one of the defining characteristics of capitalism is that it focuses almost exclusively on rational decision making and economic efficiency. This narrow focus renders capitalism incapable of creating the normative preconditions that would guarantee its stability, such as solidarity, fairness, and trust (Habermas, 1984). In addition to these moral deficiencies, as Habermas (1989) argued extensively, the expansion of monetary coordination into the lifeworlds of individuals and the resulting commodification of social relations lead to a loss of meaning. Briefly put, capitalism seems to be characterized by a paradox; namely, it systematically destroys the symbolic and cultural conditions that make it possible.

In sum, the negative implications of capitalism, both on the material level (see arrow E in Figure 1) and on the symbolic level (see arrow F in Figure 1), pose a constant threat to its legitimacy and therefore to its stability and reproduction. This threat creates a continuous structural demand to stabilize capitalism (see arrow G in Figure 1). As Boltanski and Chiapello (2006) have shown, it is the role of ideologies that the authors term “spirits of capitalism” to ensure that capital-owners and workers remain committed to capitalism. The key insight this perspective provides is that capitalism, due to its “ethical undetermination” (du Gay & Morgan, 2013, p. 20), is highly adaptive and can assimilate a broad range of criticism. The “spirits of capitalism” are configurations of normative expectations that are continuously endogenized by

capitalism in response to demands made by its critics. By internalizing these demands to a certain extent and improving some of the criticized practices, capitalism stabilizes itself against externally imposed “tests” and justifies its existence. However, its core dynamics persist.

Throughout the history of modern capitalism, the company has been one of the major sites of resistance against the negative aspects of this system as well as the site of major innovations aimed at tackling these negative aspects. Criticism of the negative elements of capitalism—for instance, of social inequalities and what Marx (1867/1962, p. 510) termed “alienation”—has spurred the development of novel management techniques and conceptions of the firm that focus on meritocracy and autonomy (Boltanski & Chiapello, 2006). On the whole, it can be argued that business practices have been comprehensively shaped by the “spirits of capitalism” throughout the past 100 years. Importantly, however, these “spirits” have not altered the fundamental principles of the system; instead, they have served as temporary adjustments. From that viewpoint, CSR is shaped by the continuous legitimation demands of capitalism (see arrow H in Figure 1) and serves as a temporary adjustment, in the sense that it accommodates the demands voiced by critics of capitalism: “business agrees to concessions that modify corporate practices at the margin, but . . . do not challenge the fundamentals of managerial authority or market rationality” (Levy & Kaplan, 2008, p. 446).

The utilization of CSR as a means of legitimizing inherently problematic (but profitable) business practices, instead of making these business practices less problematic, can be explained by the mechanisms I discussed in the previous sections and summarize here. First, market pressures induce managers to legitimize problematic business practices (also by means of CSR) to simultaneously secure profits and social acceptance, both of which are requirements for the survival of a firm. Second, isomorphic pressures induce managers to align CSR with the capitalist ontology, which rules out changing business practices substantially and thus turns CSR into a largely ceremonial exercise.

Broadening the focus of my enquiry and moving from the legitimacy of single companies to the legitimacy of capitalism as a whole, I argue that CSR can be regarded as a response to the critics of contemporary capitalism as a system. Chiapello (2013) argued that capitalism is constantly criticized for loss of meaning, shaping human beings through its processes, destroying the natural environment, and increasing social imbalances. In the 1960s and 1970s, there were some efforts to reform capitalism in response to such criticisms, but these efforts proved short-lived because every response to critique was readily instrumentalized (Boltanski & Chiapello, 2006). Even if CSR does not fully qualify as a “new spirit of capitalism,” because it disregards the

perspective of employees (Kazmi et al., 2016), on the surface it remedies problems of moral emptiness and unsustainability, both of which can be said to result from the symbolic and material expansion of contemporary capitalism. At the same time, however, CSR is part of the mechanisms that create the problems that it allegedly helps address. This means that the focus of CSR on legitimizing business and capitalism prevents CSR from serving as an effective remedy for the repercussions of business conduct and of capitalism more generally (lightning-shaped arrow I in Figure 1).

The Pathologies of CSR as a Point of Departure for Systemic Change: Potential Contributions of CSR Research

In the preceding analysis, I showed that the problematic dynamics of the current capitalist system permeate CSR, that these dynamics are in turn perpetuated by CSR, and that CSR is therefore unsuitable for limiting the negative effects of business and capitalism. The pathologies of CSR can be seen as simply the symptoms of the inherently problematic dynamics of capitalism. Making CSR more progressive could address these symptoms, without, however, remedying their systemic root causes. Remedying the root causes would amount to systemic change, which is a large-scale political project. Whether such change would involve reshaping the existing institutions or creating new institutions to tame capitalism (Crouch, 2013; Esping-Andersen, 1990) or to replace capitalism with a new system (Kenis & Lievens, 2017; Srnicek & Williams, 2016) is an open question.

CSR research can contribute to the large-scale political project of systemic change if it takes into account how systemic factors affect CSR. Research on CSR is located at the intersection of the systemic level (society, capitalism, and the natural environment), the organizational level, and the level of individual actors and focuses on the organizational processes that aim to address the negative effects of business conduct and capitalism, which management research mostly overlooks (Dunne, Harney, & Parker, 2008). In that respect, CSR research can make a distinct contribution to systemic change (see the rightmost column in Table 1). The pathologies of CSR and their systemic causes bring to the fore the key limitations of capitalism and can thus serve as points of departure for such an endeavor: CSR research can help question the legitimacy of contemporary capitalism—a precondition for re-thinking the currently dominant business ontology and potentially redesigning organizations and institutions to avoid the commodification pressures of contemporary capitalism. I will discuss these possibilities in the following sections.

Tackling Legitimation: Questioning the Acceptability of Capitalism

A first important step toward systemic change is delegitimizing contemporary capitalism. As I argued earlier, legitimizing problematic business practices, and thus capitalism, is one of the pathologies of CSR. Whereas the proponents of liberal capitalism in general and of its neoliberal variety in particular favor market-based solutions such as CSR to societal problems (Kaplan, 2014), there is mounting empirical evidence that CSR does not significantly help limit the negative consequences of business activity and capitalism (Doda, Gennaioli, Gouldson, Grover, & Sullivan, 2016; IMPACT, 2014). Researchers who wish to contribute to systemic change can gather comprehensive knowledge about what limits the effectiveness of CSR. Such insights are relevant not only to business studies but also to actors in the areas of politics and economics and can serve as an important argument against neoliberal capitalism. Research on CSR focuses on the interaction between companies and society and is thus well positioned to explore the mechanisms that hinder market-based solutions to the problems that companies and capitalism create. To achieve this, CSR researchers need to take into account that business activities in general and CSR in particular are largely shaped by the economic and political system in which they are carried out.

Establishing extensive connections between the systemic level and the organizational and individual level would enable CSR scholars to raise awareness of the fundamental flaws of CSR. Research that exposes the inherent inability of capitalism and capitalist organizations to remedy the problems they are causing has the potential to provide new insights into the dark sides of capitalism (Sauerbronn, Diochon, Mills, & Raufflet, 2018) and to thus contribute to the de-legitimization of the current economic system. Legitimacy is widely defined as “a generalized perception” (Suchman, 1995). This “classic” definition, however, provides few starting points for delegitimizing the predominant social order. More recent research suggests that, to preserve institutional stability, the diversity of legitimacy judgments needs to be suppressed (Bitektine & Haack, 2015). According to this view, crises can lead to the removal of factors that suppress deviant judgments and might result in active resistance against a dominant social order. For the prospects of delegitimizing contemporary capitalism, these ideas imply that as the environmental and social crises intensify, attempts to form and diffuse deviant judgments about the legitimacy of capitalism could help bring about change in the current institutional order.

Tackling Indoctrination: Crafting an Alternative Ontology Beyond the Logic of Capitalism

The capability to conceive alternatives to contemporary capitalism is a second important step toward systemic change. Examining closely the pathology of “indoctrination” can serve as a springboard for developing such a capability. Realizing that many of the current approaches to limiting the negative effects of business and capitalism are framed within a narrow “business ontology” and actually support the propagation of this ontology can help develop a new ontology that departs from the capitalist conceptualization of society.

In line with the argument that the “scientific is political” (McCormick, Brown, & Zavestoski, 2003), I argue that research on CSR, as a subdiscipline of business research at the interface between business and society, can play a crucial role in the process of crafting an alternative to the ontology of capitalism. Research on CSR can shed light on the mechanisms that currently hinder business actors and the broader society from conceiving alternative models of business conduct and facilitate the search for alternatives that are resistant to those mechanisms. For this to happen, CSR research needs to become more interdisciplinary (see the call for more interdisciplinary research by de Bakker, Crane, Henriques, & Husted, 2019), open up, and devote more attention to real-world problems, as, for example, a recent special issue on economic inequality in this journal has done (Bapuji, Husted, Lu, & Mir, 2018).

“Opening up” empirical research would mean involving the stakeholders who are affected by a particular issue in research on that issue. As McCormick (2007) has shown in her analysis of two social movements that criticized relevant scientific research and related practices (an anti-dam movement in Brazil and an environmental breast-cancer movement in the United States), in these two cases collaboration between researchers and stakeholders affected by specific policy decisions led the involved actors to contest scientific assessments, open up political spaces, and eventually reclaim power by generating new scientific knowledge.

In the fields of business studies and CSR, topics that lend themselves to this type of research include the negative effects of capitalism in general (M. Davis, 2006), the extreme ecological unsustainability of current forms of capitalism (Klein, 2015), and various forms of resistance to capitalism (Notes From Nowhere, 2003). Integrating the stakeholders who are directly affected by these issues into research could help understand better how alternatives to capitalism emerge and persist and eventually contribute to the emergence of an ontology that transcends the currently dominant capitalist worldview and poses questions that are crucial, both to business and society.

Tackling Material Expansion: De-Commodification

A third crucial step toward systemic change is the quest for institutions that can shield society from the expansion of the market (Crouch, 2013) and for less destructive ways of organizing firms and markets (Brenner, Peck, & Theodore, 2010; G. F. Davis, 2016; Klein, 2015; Wright, 2010). Markets have the potential to increase social welfare, provided that they are embedded in non-capitalist social relations (Polanyi, 1944/2001). Capitalist expansion, however, can undermine these relations, also through CSR, and threaten social and ecological stability. Examining the pathology of “expansion” can shed light on how even measures aimed at limiting the negative effects of business and capitalism may, in fact, help capitalism expand. For instance, the more comprehensive pricing of natural resources and externalities (Bakker, 2010) or expanding CSR, in whatever form (e.g., the suggestions of Visser, 2011, for CSR 2.0), are likely to strengthen, rather than limit, market relations in the longer run. This insight can help refine earlier studies that viewed societal attempts to limit the expansion of capitalism and the commodification of social goods as prerequisites for societal stability (Esping-Andersen, 1990; Ruggie, 1982). Although these insights still matter, I argue that to change capitalism, either by “making capitalism fit for society” (Crouch, 2013) or by “challenging capitalism at the largest scales” (Srnicek & Williams, 2016, p. 70), it is necessary to build a framework for limiting capitalist expansion and commodification.

In sum, I argue that to address effectively the dysfunctions of capitalism, it is necessary to create frameworks for the sustainable interaction of business and society. In contrast to CSR, which can be seen as an “internal” solution that works according to the dynamics of capitalism, these frameworks need to be built on solutions that are external to the capitalist system, follow alternative principles (Gladwin, 2012; Kenis & Lievens, 2017), and re-embed the market in society (Adler, 2015; Polanyi, 1944/2001). From this perspective, business, as it is currently conducted, is part of the problem and acknowledging this could prove a key point of departure for CSR researchers.

One task that CSR researchers need to undertake is to “research and teach about as many different forms of organising as we are able to collectively imagine” (Parker, 2018, para. 34). This task involves exploring topics such as democratic alternatives to shareholder-centered corporate governance models, non-profit firms, cooperatives, the possibilities of conducting business in a steady-state economy, and decentralized and local forms of production and consumption where the expansionist imperatives of contemporary capitalism are unlikely to take hold. Such organizational forms may serve as the building blocks of an economic system that is free from the problematic dynamics of

capitalism and does not give rise to the pathologies discussed further up. Indeed, as this study indicates, acknowledging the limitations of CSR as the inevitable consequences of the dynamics of capitalism may help inspire an essential and exciting research agenda at the intersection of business and society.

Discussion

The Potential and Limitations of CSR as a Capitalist Practice

Currently, the major part of research and business practices focus on the potential of CSR to serve as a response to and remedy for the problematic effects of business and capitalism (dotted arrow J in Figure 1). Responding to calls to consider the systemic limitations of CSR (Crane et al., 2014; Fleming & Jones, 2013), this article explores how the dynamics of capitalism shape and limit CSR. By revealing how the expansionist tendencies of capitalism and the related legitimization requirements result in distinct pathologies of CSR, the analysis presented in this article shows why CSR remains largely ineffective. This insight casts serious doubt on the assumption that CSR is a suitable corrective to the detrimental side effects of companies' activities in particular and of capitalism in general. This is the first theoretical contribution of my article.

Some researchers (Fleming & Jones, 2013) diagnose CSR as a complete failure due to its close relation with capitalism. However, capitalism in general (Esping-Andersen, 1990; Hall & Soskice, 2001) and its current neoliberal incarnation in particular (Brenner & Theodore, 2002; Fine & Saad-Filho, 2017; Ong, 2006) are far from monolithic. Local cultural patterns, different historical trajectories, and institutional differences shape the ways in which capitalism is legitimized in different social contexts and also set limits to its expansion. Therefore, analyses of CSR from a comparative institutionalist perspective present a more nuanced picture. This perspective suggests that CSR, depending on the extent to which institutions moderate the persistent expansion of capitalism and limit its problematic implications, also takes a different shape in different social contexts (Kang & Moon, 2012; Matten & Moon, 2008). Researchers in this field (for an overview, see Kinderman & Lutter, 2018) argue that CSR either mirrors institutional frameworks that aim at moderating capitalism ("mirroring" thesis) or serves as a substitute for the lack of such institutional frameworks ("substitution" thesis). Whereas the former perspective (Gjølberg, 2009) builds on the assumption that CSR contributes to social welfare, the latter perspective (Jackson & Apostolakou, 2010; Kaplan, 2014) allows for a more ambiguous interpretation of CSR.

By exploring the factors that limit the potential of CSR to contribute to social welfare, the framework presented in this article provides researchers who apply the comparative institutionalist perspective with a toolkit for analyzing the potential of CSR to remedy the negative effects of business and capitalism more generally under different institutional conditions. By shedding light on the specific mechanisms through which capitalism affects CSR, the framework helps understand better the “substitution” thesis and the “mirroring” thesis, which both seem to be applicable under certain conditions (Kinderman & Lutter, 2018). More specifically, this framework explains the dynamics that underlie the “substitution” thesis by highlighting how capitalism fuels the expansion of CSR. The tendency of CSR to serve as a means of expanding capitalism prompts a spread of CSR in areas with relatively weak institutional frameworks, as in the case of “explicit” CSR (Matten & Moon, 2008). Accordingly, the filling of institutional voids through CSR can be understood as a specific form of the expansion of capitalism.

Furthermore, this framework can help elucidate the “mirroring” thesis by explaining why CSR can serve as a corrective to capitalism when the systemic environment of companies gives them some leeway to act in ways that do not conform, at least to some extent, with capitalist rationality. The framework developed here suggests that the pathologies of CSR are less likely to occur in such an environment, because limiting the problematic dynamics of capitalism also limits the extent to which CSR is shaped by these dynamics. This type of environment exists in states that have a strong welfare-oriented infrastructure (Midttun, Gjølberg, Kourula, Sweet, & Vallentin, 2015). In such settings, CSR has the potential to harness business expertise and use it to tackle problems that are beyond the reach of other societal actors’ problem-solving capacity (Börzel & Risse, 2010; Schneider & Scherer, 2019). However, even in those cases, CSR can complement, but not substitute, the governmental provision of public goods and of legislation that regulates business conduct, by mirroring existing institutional settings (Gjølberg, 2009; Kinderman & Lutter, 2018). In essence, these arguments suggest that although the prospects of CSR under the Anglo-Saxon model of capitalism are rather limited, it has the potential to help limit the negative effects of capitalism under alternative models that are based largely on state involvement and institutionalized social solidarity.

Finally, from the perspective that this article proposes, the tendency of companies to increasingly adopt CSR “explicitly” (Matten & Moon, 2008) and of governments to rely, also increasingly, on CSR as a regulatory tool can be interpreted as indications that CSR is used as “a means for creating favorable conditions for deregulation and liberalization” (Kinderman & Lutter, 2018, p. 25). That is, the inherent tendency of CSR to propagate market

practices and ideas (see the related “explicit expansionist” variety of CSR in Blindheim, 2015) potentially increases the influence of companies in society and enables capitalism to expand into more areas of social life (Kaplan, 2014; Kaplan & Kinderman, 2017).

Curing CSR Without Changing Capitalism?

Recently, some researchers suggested that CSR can become more “progressive” on the micro-level of organizational actors. For example, Wickert and Schaefer (2015) argued that “managers have a positive moral capacity and the ability to decontextualize and consequently recontextualize their actions” and eventually trigger social change in their firms (p. 127). In a similar vein, Christensen and colleagues (2013) argued that although mere talk about CSR is often initially decoupled from action, it might eventually increase the capacity of actors to engage in CSR. Here, I explore the implications of my framework for efforts to “upgrade” CSR to an effective corrective to the repercussions of business activity and capitalism on society and the environment; this is the second theoretical contribution of my article.

I do not deny the existence of spaces for individual agency both within organizations and in capitalism more broadly, for which research on micro-emancipation (Spicer, Alvesson, & Kärreman, 2009) and on non-capitalist forms of organizing (Gibson-Graham, 2003) provides some evidence. However, effective CSR is most needed in settings where the negative effects of business and capitalism are most pronounced. Simultaneously, in exactly these settings, the pressure that capitalism places on companies to expand and legitimize their actions is strongest. The framework presented in this article suggests that when these pressures are particularly strong, as is arguably the case in large corporations, they constrain the form that CSR takes and thus severely restrict the capacity of actors in those corporations to limit the negative aspects of business and capitalism (Gladwin, 2012).

The material effects of narrow budgetary constraints and of pursuing profit-maximization are likely to push decision-makers toward decisions that favor economic considerations over social or environmental considerations. Moreover, the current business-centered ontology potentially prevents individual actors from reflecting on their actions and from considering non-economic motives. The material and symbolic expansion of capitalism and the pressure it puts on individuals, in combination with the precarious legitimacy of businesses, will most likely lead to CSR being utilized as a means of veiling the negative social and environmental implications of economically beneficial activities, rather than contributing to substantial change.

One consequence of what I describe above is that the recent discussions about increasing the effectiveness of CSR, despite its obvious shortcomings, tend to overlook the macro-level of the political economy. Considering that the dynamics of capitalism create the conditions that prevent this system from becoming more sustainable, any attempt to limit the negative effects of business activities has to involve changing these dynamics.

The Necessity of Systemic Change and the Potential Contributions of CSR Researchers

The analysis of the connection between the pathologies of CSR and their systemic root causes suggests that the potential of business to remedy through CSR the problems that the continuous expansion of capitalism and the related processes of commodification entail is inherently limited. In contrast to the more skeptical view that “there are limitations to the critique of the system as a whole” (Gond & Nyberg, 2017, p. 1142), I argue that only systemic change will help tackle the obvious social and environmental problems that capitalism causes (Banerjee, 2008; Freeman, Parmar, & Martin, 2016). Introducing this kind of change is obviously a political project (G. F. Davis, 2016; Klein, 2015) that involves many factors. CSR researchers can contribute to this project by analyzing and challenging the currently dominant business ontology in this field. If CSR scholars subscribe to a research agenda that does not rest on a business-centered ontology, they will be able to help conceive new organizations and institutions that avoid the pitfalls of contemporary capitalism. Illustrating the avenues on which CSR research can contribute to systemic change constitutes the contribution of this article to the debate about the potential and limitations of the discipline of CSR (Parker, 2018).

The discussion of CSR researchers’ potential to contribute to systemic change has important implications for their work as business school teachers and complements extant research that more generally explores the potential of business scholars to change capitalism (Fleming & Banerjee, 2016; Willmott, 2013). In their role as business school teachers, CSR researchers can illuminate why and how the problematic dynamics of capitalism permeate CSR activities, making CSR part of the problems that capitalism generates rather than a solution to these problems. Consequently, they can expose the inability of capitalism to remedy its shortcomings and emphasize the need for systemic change. Fleming and Banerjee (2016) suggested that raising awareness of the ethical aspects of business among students can help them question whether taken-for-granted management practices are inevitable or not. I fully agree with them on this point; however, in my view, it is important

to regard business students not only as future managers but also as political subjects who can be enabled to contribute to systemic change. Business education that builds on a comprehensive understanding of the problematic aspects of capitalism and the resulting pathologies of CSR will help students understand expertly the mechanisms underlying the problems of business conduct and find appropriate solutions. By these means, business schools might overcome their current myopic economic focus (Smith & Van Wassenhove, 2010) and thus increase their relevance for society, which, according to numerous observers (Bennis & O'Toole, 2005; Khurana, 2007), has gone astray in the recent decades.

It should be stressed that focusing research and teaching on tackling the problematic implications of capitalism does not suffice in itself. To attain this objective, several institutional constraints need to be overcome. As Stern and Barley (1996) have discussed and many scholars have observed, mainly in critical essays (G. F. Davis, 2015; Marinetto, 2018), current institutional conditions at business schools push scholars toward research that gets easily published. Doing research on "real-world problems" (Greenwood, 2008; Whiteman & Yumashev, 2018) under such conditions is difficult and there are disincentives aimed to discourage researchers from publishing books and essays in non-academic media outlets, which, however, might have a higher societal impact than academic journals. Consequently, many actors such as the deans of business schools, journal editors and reviewers, as well as decision-makers in funding organizations would need to abandon the one-dimensional fixation on journal publications and rankings, citation metrics, novelty, and theoretical contributions and instead acknowledge the urgent need to direct research toward the problems created by business and capitalism. It is extremely unlikely that a single decision maker could launch a radical initiative to overcome the institutional constraints discussed above. Nevertheless, individuals can utilize their capacities to contribute to a gradual, possibly very long process of systemic change, both within business schools and society more broadly.

Importantly, when exploring the potential of critical research and teaching to contribute to systemic change, it is necessary to take into account the marked capacity of capitalism to constantly remake itself. As Boltanski and Chiapello (2006) have shown, one characteristic of capitalism is that it adapts itself continuously in response to the criticism it receives. For any attempt to contribute to systemic change to succeed, it will be necessary to consider how capitalism manages to assimilate criticism without touching its own fundamental dynamics. Consequently, such attempts need to aim at nothing less than addressing these fundamental dynamics.

Conclusion

In this article, I have argued that CSR is shaped to a large extent by the dynamics of capitalism, particularly by the material and symbolic expansion of capitalism and the continuous pressure that this expansion puts on businesses to legitimize their operations. Whereas in the literature the mainstream perspective depicts CSR as a potential remedy for the negative effects of capitalism, this article shows that the close connection between CSR and capitalism inherently limits the potential of the former to address the problematic implications of the latter. Furthermore, this article casts doubts on suggestions that CSR can be made more “progressive” stepwise.

The insights that this analysis offers may serve as a point of departure for renewing the agenda of researchers who study how business and society interact. Researchers in this field are uniquely positioned to deconstruct the promised capacity of capitalism to correct itself. Incorporating into research the perspectives of the stakeholders who are most affected by the downsides of capitalism can help develop a more realistic approach to the interplay between business and society and explore new ways in which these two can interact.

To what extent CSR research (and research more generally) can contribute to overcoming the deficiencies of the current economic system remains an open question. In any case, there is ample evidence that capitalism has entered “a long and painful period of cumulative decay” (Streeck, 2014, p. 64), as stagnating growth rates, growing economic inequality, rising indebtedness, and impending ecological collapse demonstrate (Crowther et al., 2016; Klein, 2015; Wallace-Wells, 2019). At the same time, however, these self-destructing tendencies of contemporary capitalism may be creating opportunities for political intervention and an increasingly fertile ground for critical reflection and for developing new forms of business and societal organization more generally. Researchers may be able to use these opportunities and contribute to such endeavors.

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1. A pathology can be defined as “the sum of changes that occur in an organism as the result of a specific disease” (Cammack et al., 2006). The analogy of pathology is apposite for discussing the shortcomings of corporate social responsibility (CSR) in that it helps illustrate how the underlying systemic causes (the disease) limit the effectiveness of CSR and prevent it from fulfilling its functions (the pathology).
2. In the German original, Weber writes, “. . . erzieht und schafft sich” This can be translated more accurately as “educates and creates for itself,” which seems to cover the expansion of capitalism on the symbolic level more adequately.

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