Diverse and competing logics in the institutionalization of CSR in mining multinationals: Evidence from a subsidiary of a Brazilian mining multinational in Canada

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1. Introduction

This paper discusses the influence of competing logics of action on corporate social responsibility (CSR) within multinational corporations (MNCs) and the tensions that may result from differences in institutional settings in MNCs’ home and host countries. It asserts that whereas the institutional framework of the host country plays a major role in the regulatory and distributive spheres, the spheres of discretionary spending and soft policy are primarily shaped by the MNCs themselves through self-regulation, as well as being oriented by multinational institutions. It scrutinizes how guidelines from headquarters trigger institutional changes within units in both the home and host countries. This research takes as a case study Vale, a mining MNC headquartered in Brazil, and its Canadian subsidiary.

We identify the interplay between the multiple logics that frame the actions of actors embedded in national contexts in the process of the development and institutionalization of internal CSR policies within MNCs and in their activities in specific countries. Our approach draws mainly on the institutional logics perspective. Following Thornton et al. (2012), we suggest that the institutional configurations of CSR in the capital/labor nexus flowing from a combination of divergent logics operate at different institutional levels.

Salazar and Husted (2008) defined CSR as an obligation to respond to externalities created by market action. They acknowledged that other definitions may also be appropriate. Other scholars who reviewed CSR have stressed the lack of a consensual definition (Taneja et al., 2011; Aguinis and Glavas, 2012). This paper approaches CSR as a field of study (Crane et al., 2008), thus recognizing the ambiguities inherent to any definition of CSR, whether in academic inquiry or within the institutional infrastructures of scholarly debate, academic teaching and the firms themselves. Crane et al. (2008: 6) emphasized that defining CSR is more a normative exercise about what corporations should be responsible for in society, and even an
ideological exercise about how the political economy of a society should be organized to constrain corporate power, than a mere technical definition about what corporations do in society.

Studies of CSR normally include the social and environmental impacts of business upon society, both external and internal to economic actors. For this paper, however, the main focus will be internal CSR practices in mining MNCs as a laboratory for the shaping of labor relations and working conditions. Internal CSR practices have received less scholarly attention than the externalities of MNCs, especially for MNCs from emergent markets with subsidiaries in advanced developed economies (Geary and Aguzzoli, 2013; Webb, 2012; Ferner, 2009). Some argue that CSR is nothing more than a human resources maximization strategy (Hanashiro et al., 2007), while others see it as part of a gradual but profound transformation towards another way of doing business (Collier and Esteban, 2007). Carroll and Shabana (2010) concluded their review stating that only when firms are able to pursue CSR activities with the support of their stakeholders can there be a market for virtue and a business case for CSR. Although the relationship between CSR and labor issues was reviewed by Gonzalez-Perez (2013), her findings around human resources risk-management strategies, buyer- vs. producer-driven value chains and the added value of ethical goods are not centrally relevant to an industry like mining. While logistics and processing activities can be relocated to where production costs are cheaper, the main operations of mining extraction are territorially bounded to locations where metals are present. The mining boom of the 2000s also coincides with the rise of CSR in business, social and environmental discourses (Kell, 2012). Territory-dependent extractive MNCs, often operating in remote regions, must take into account the social conditions of local populations and comply with regulatory regimes put in place by national and sub-national institutions.

2. CSR from the institutional logics perspective

Taking up CSR as a field of study has afforded us an opportunity for a close examination of the challenges, in addition to the paybacks, of the CSR strategies and practices of MNCs. Current institutional research scrutinizes the process of incorporation of CSR as an example of institutional change within corporations and other organizations. According to Brammer, Jackson and Matten (2012), institutions
linked to CSR form constellations promoting certain types of corporate governance and CSR models.

Jackson and Aguilera (2003) helped reconcile institutional analysis with the role of different stakeholders (capital, labor, management). We built on their *actor-centered institutionalism*, initially applied to corporate governance, and developed it from the perspective of CSR’s internal target group for MNCs operating in both developed and developing or emergent countries. The initial model increased in complexity with the introduction of new variables, such as the state. Actor-centered institutionalism assumes that contexts are inhabited by multiple actors with different skills and capacities. Such actors may view and interpret the same institution in different ways and these differences may give rise to contention or conflict over different meanings, leading to the incremental modification of the institution over time (Jackson, 2010).

Jackson and Aguilera (2003) do not include the state as a stakeholder. They acknowledge only a limited level of state influence when it comes to the definition of a public interest agenda and its corresponding institutional policies. However, in Latin American countries, exporting mining companies were often created or nationalized by the state. This was particularly true during the era of import substitution – from the 1950s to the 1980s – and then into the period of dictatorial regimes in the region. These antecedents mean that the state maintains an important and decisive role in the corporate governance of MNCs based in these countries. The shareholder structure at Vale illustrates the complexity of state influence on the second biggest mining MNC in the world. Despite being privatized by the Brazilian government in 1997, executive power continues to have a significant influence over the company’s management and strategic direction. Following privatization, Valepar became Vale’s controlling shareholder, with the right to appoint nine of the board’s ten directors. Previ, Banco do Brasil’s pension fund, is the majority shareholder of Valepar, with 49% of shares. Previ’s executives, many of them ex-union workers, have strong ties with the government, which has been led by the Labor Party since 2003. Banco do Brasil is a publicly listed semi-state organization that is 68% controlled by the Brazilian government. The Brazilian president appoints Banco do Brasil’s CEO and the bank actively implements government policies such as support for agribusiness, exports and loans to small and medium enterprises. Valepar is also 11.51% owned by BNDES (Brazilian National
Development Bank), which provided R$7.3 billion – its record loan for a single corporation – to Vale in 2008, and then again an additional R$6.2 billion in 2014 for expansion projects. In addition to indirectly controlling Vale through Valepar, the Brazilian government owns 12 golden shares, which entitle it to special veto power over fundamental changes in Vale’s business, including “change in corporate purpose”. A similar situation exists in the case of Petrobras, Brazil’s main oil producer. The state thus appears as an influent actor in the institutional configuration of Brazil’s two main extractive MNCs (state-owned Petrobras and privatized Vale).

Nölke (2010) and Schneider (2013), with their respective concepts of state-permeated market economies and hierarchical capitalism, each illustrate the intertwined relations between the state and business in Brazil as characteristic of the country's variety of capitalism. Developments in the theory of varieties of capitalism sprang from a need to connect political activity back to region-specific firm strategies and institutional complementarities in Latin America. The influential activities of MNCs, the ongoing presence of diversified business groups and the predominance of a low-skill labor pool are associated with features of corporate governance and labor markets which contribute to the resiliency of hierarchical capitalism. The state is often pressed to support core economic institutions and corporations where its fundamental interests are at stake.

In the case of Canada, the country tends to be classed as a liberal market economy (LME), together with the US, the UK, Ireland, Australia and New Zealand, but its similarity to the ideal type has been questioned. State legislation explains many of Canada’s particularities, from universal healthcare to the high density of trade unions and distinct doctrines in labor laws that lean towards a pro-labor standpoint, such as anti-scab legislation (Sayce and Gold, 2011; Godard, 2010; Duffy and Johnson, 2009). These examples illustrate why the state remains an important actor, even while recognizing the preeminence of corporate economic and even political power in the last half-century.
<table>
<thead>
<tr>
<th>Table 1 – Facilitators and constraints to mining MNCs in Brazil and Canada</th>
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<tbody>
<tr>
<td><strong>Facilitators</strong></td>
</tr>
<tr>
<td>• Funding of electoral campaigns by mining companies</td>
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<tr>
<td>• Weak opposition to the exploitation of natural resources</td>
</tr>
<tr>
<td>• Treasury money transferred to BNDES</td>
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<td>• Tax incentives.</td>
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*Source: The authors.*

These different elements arise from specific political contexts. In Brazil, national MNCs enjoy state support for their efforts to expand into international markets. Strong links between mining companies and the Brazilian state opens the door to political influence. For instance, the current president, Dilma Rousseff, was formerly the Minister of Mines and Energy and has long been a strong supporter of large-scale infrastructure projects. Another factor currently affecting the political climate in Brazil for mining MNCs is an ongoing delay in approving the new mining code, which has increased market uncertainty.

In Canada, the government’s CSR strategy is embedded in a wider commercial objective to create better conditions for Canadian business to compete in the international market. The Toronto Stock Exchange’s concentration of investor capital in mining assets facilitates support for the industry and is legitimized nationally through discourses of job creation.
In relation to employees, national labor laws serve as a starting point for labor conditions. National institutions not only arbitrate capital/labor relations but also shape the way labor conflicts are managed. National institutions may play a role in negotiations over collective agreements or in attributing to unions autonomy in their right to strike. Employee representation within corporate governance and the disciplinary role of labor justice are also regulated by national institutions.

The degree of specialization within the mining industry means that the skills of its employees are mostly non-portable. Combined with the relatively low number of positions available in the mining regions, workers tend to prefer internal participation over simply leaving the company as a means of resolving workplace demands, conflicts or grievances. The institutions that incorporate and give a voice to workers in relation to CSR are active through representational rights within corporate governance and trade organizations. Workers in Canada and Brazil participate in health and safety committees to receive information and they also take part in consultations on possible hazards and safety improvements as well as quality control. The main difference between the two countries is the level of capacity and involvement of trade unions in these committees.

We adopted the definition of institutional logics as the “socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences” (Thornton et al., 2012: 2). This analytical framework proved useful in understanding how “actors are influenced by their situation in multiple social locations in an interinstitutional system, for example the institutional orders of the family, community, religion, state, market, professions and corporation” (Thornton et al., 2012: 2).1

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1Stakeholder theory is considered a “necessary process in the operationalization of CSR, as a complimentary [sic] rather than conflicting body of literature” (Matten et al., 2003: 111). Together with convention theory (Boltanski and Thévenot, 1991), it bears conceptual similarities (e.g. enabling aspects of logics (or repertoires), legitimacy, identity) with the institutional logics perspective. These approaches all seek to analyze conflicting logics without focusing on isomorphism and to explain how the meaning of behavior changes with shifts in the referent to different institutional orders.
Table 2 – Ideal types within an interinstitutional system

<table>
<thead>
<tr>
<th>Categories</th>
<th>Community</th>
<th>State</th>
<th>Market</th>
<th>Profession</th>
<th>Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Root metaphor</td>
<td>Common boundary</td>
<td>State as redistribution mechanism</td>
<td>Transaction</td>
<td>Profession as relational network</td>
<td>Corporation as hierarchy</td>
</tr>
<tr>
<td>Sources of legitimacy</td>
<td>Unity of will belief in trust and reciprocity</td>
<td>Democratic participation</td>
<td>Share price</td>
<td>Personal expertise</td>
<td>Market position of firm</td>
</tr>
<tr>
<td>Sources of authority</td>
<td>Commitment to community values and ideology</td>
<td>Bureaucratic domination</td>
<td>Shareholder activism</td>
<td>Professional association</td>
<td>Board of directors, top management</td>
</tr>
<tr>
<td>Sources of identity</td>
<td>Emotional connection, ego satisfaction and reputation</td>
<td>Social and economic crisis</td>
<td>Faceless</td>
<td>Association with quality of craft personal reputation</td>
<td>Bureaucratic roles</td>
</tr>
<tr>
<td>Basis of attention</td>
<td>Personal investment in group</td>
<td>Status of interest group</td>
<td>Status in market</td>
<td>Status in profession</td>
<td>Status in hierarchy</td>
</tr>
<tr>
<td>Basis of strategy</td>
<td>Increase status and honor of members and practices</td>
<td>Increase community good</td>
<td>Increase efficiency and profit</td>
<td>Increase personal reputation</td>
<td>Increase size and diversification of firm</td>
</tr>
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*Source:* Adapted from Thornton et al. (2012).

The sources of legitimacy within the institutional orders of market and corporation have traditionally been the share price and market position of the firm. As non-governmental CSR reporting tools like the Global Reporting Initiative (GRI) become formally linked to the disclosure procedures of stock exchanges, we observe that communities may be the generators of new practices (O’Mahony and Lakhani, 2011). The inclusion of community as an institutional order signals a rebound in theory after an overemphasis on institutional isomorphism and globalization (Marquis et al., 2007). For example, the New York Stock Exchange (NYSE) has become the latest exchange to join the United Nations’ Sustainable Stock Exchanges (SSE) initiative,
designed to promote corporate transparency and responsible investment.² Recognizing that stock exchange initiatives have had a decisive influence on the disclosure behavior of listed companies in regards to CSR indicators, we support the argument of Thornton et al. (2012) that shareholder activism remains the central source of authority of market logic.

3. Diversity of logics and institutional change through CSR

The institutional logics perspective provides a systematic approach to the analysis of cultural heterogeneity in countries of operations and to understanding the institutional orders at play in the institutionalization of CSR. These institutional logics are better understood at critical junctures: periods of institutional change following crises, shifts in leading ideas or more radical policy changes (Hogan and Doyle, 2007). Concerning the trajectory of CSR at Vale, four critical junctures have been identified. We now analyze how different logics of action operated at each of these junctures.

The rise and institutionalization of CSR

The rise of CSR was propelled by two parallel movements: the globalization of production and financial flows and the globalization of civil society and its means of action. Community logic, often serving to counteract the excesses of market logic, sustains many kinds of social engagements. In the mining industry, certain CSR issues came to be more expensive to ignore than to address, and this caught the interest of investors and academics. The source of legitimacy for economic actors rests mainly upon their ability to maintain a firm market position, but is also bolstered when these actors include social dialogue with other actors and groups as part of their core activities. At least symbolically, economic activities are pursued to the benefit of both the corporation and the communities in which it operates.

Our findings confirm the hypothesis advanced by Campbell (2009) that corporations will be more likely to act in socially responsible ways when there exists, near their operations, independent or private organizations – including civil society, NGOs, institutional investors and mass media – monitoring their corporate behavior and

having the capacity to mobilize for change when necessary. The assimilation of CSR discourse into the more traditional sphere of risk management by leading stock exchanges and the adoption of the GRI as a major reporting tool at the NYSE impelled listed MNCs to adopt systems of CSR performance measurement and reporting.

In Brazil, corporate logic dominates the process of developing and implementing of CSR policies. This can be explained in part by the strongly hierarchical relations that tend to characterize Brazilian corporations, where new policies are voted in by a board of directors and implemented top down. The state has little authority in the process, even pulling back from its welfare and wealth distribution role to support corporate economic interests. Canada, on the other hand, has developed a national CSR strategy and acts with a stronger hand when it comes to law enforcement. In both countries labor unions have lost any leadership role in the co-definition of internal CSR policies. They maintain their representative role – guaranteed by law within their national contexts – but there are very few examples of successful union actions in this respect anywhere in the world (Bronfenbrenner, 2007). Figure 1 maps out the interplay between the institutional logics at play in a radar-type graphic of mainly heuristic value. Countries are scale-positioned not according to statistical data but rather as estimated by the author based on qualitative data, the evolution of CSR in each country and the trajectory of the specific MNC serving as our case study.
Community logic plays a strong role in the development and institutionalization of CSR. We argue that other logics have specifically assimilated a vocabulary of practice drawn from that of community logic. According to Crouch (2012: 133), it is difficult to apply the concept of lobbying to the influence large global corporations try to exert upon the global polity, i.e. nation-states and their treaties; on the other hand, the participation of individual firms and corporate associations in the definition of CSR standards can be seen as “legislative activity”. Corporations are therefore powerful political actors that are not subject to traditional political checks and balances.

**The financial crisis of 2008–2013**

The firm-centered approach to CSR is clearly seen during the critical period of 2008–2013, representing five years of slow growth. Financial crises aggravate the climate of pessimism, coupled with other structural problems, that triggered them in the first place. When a stock market crisis hits the real economy, productivity tends to decline while unemployment tends to rise. The mining sector reacted to the 2008–2013
waves of financial crisis with a variety of measures including discourses of austerity, cost reductions and the prioritization of returns for investors. Market logic, characterized by impersonal market relations and strategies aiming at increasing profit, remains strong through these crises. Crouch (2012) affirms that this conjuncture of crises led to a shift in the balance of power, which featured deep cuts in expenses, outsourcing and the renegotiation of collective agreements. The political power of corporations increased greatly, as evidenced by the willingness of states to intervene to protect them. While governments directed billions towards supporting corporations and banks through the crises, workers were told to “tighten their belts”. Mining corporations distributed high dividends in 2008–2009 while implementing downsizing measures throughout the crisis period and directing popular discontent towards strikers who were opposed to the renegotiation of collective agreements to adapt to competitive global markets. Corporate logic was reinforced during the crisis period, with its hierarchical relations and bureaucratic roles stressed and any deviance from organizational culture and corporate identity incurring the risk of being fired or organizationally ostracized.

Interestingly, CSR programs were not much affected by the crisis. Mining MNCs either maintained their commitments or reduced the scope of some of their programs only temporarily, and at most may have cut managerial positions. This contradicts Campbell’s hypothesis (2007: 952) that “corporations will be less likely to act in socially responsible ways when they are experiencing relatively weak financial performance and when they are operating in a relatively unhealthy economic environment where the possibility for near-term profitability is limited”. Nonetheless, the mining industry could not afford to pull away from its CSR commitments, now solidly institutionalized in public discourse, mandatory industry guidelines, non-financial reporting obligations and national regulations. The financial crisis impelled MNCs to engage in expansion and merging processes in a drive to remain competitive. The need for economic survival led in some cases to enhancements to CSR obligations in order to secure their licenses to operate and not be seen as falling behind other MNCs in the industry in regards to their social commitments.
Labor relations

Discourse and narrative are at the heart of labor relations. These relations are shaped by national legislation addressing the financial autonomy of workers’ unions and their participation in collective agreement negotiations and other areas directly affecting them, such as workplace health and safety. Multiple narratives play a sense-making role, provide legitimacy and build their authors’ identities (Thornton et al., 2012). While professional logic insists on values like dignity and safety at work, market and corporate logics are driven by competitive strategies based on minimizing labor costs. States intervene where necessary to guarantee constitutional labor rights.

MNC labor practices in Brazil and Canada have included the dismissal of claims from unions and workers questioning the contradictions arising between CSR practice and profit maximization, instead directing the claimants to state institutions – arbitration in Canada and labor justice in Brazil. In this context, the asymmetry of power between the parties is exacerbated: the potential cost of judicial procedures that can last up to three years, even with the prospect of a favorable ruling, has a dissuasive effect on the
worker, who prefers to accept compensation from the employer, meager though it may be, over long-term uncertainty and risk. For the corporation, eventual judicial fines for violation of labor, human or environmental rights laws end up costing less than implementing structural solutions such as infrastructural investments and changes to labor culture.

In a globalized world, MNCs control large industries, bypassing competitors through the restructuring of global commodity production, the lowering of wage costs through outsourcing, new technologies and foreign subsidiaries. In the mining industry, these factors are not decisive because of the issues of geographical location of minerals and the need for professionals to operate the machinery. The following figure illustrates the pivotal influence of the institutional configuration of CSR-related actors in defining national labor relations.

**Figure 3** – The influence of the institutional logics on labor relations

![Figure 3](image-url)
Health and safety at work

Health and safety at work is one of the most sensitive issues for employees, their families and workers’ unions. Since major life-threatening hazards are associated with mining operations, considerable resources are invested in training and safety equipment. During our fieldwork, interviewees insisted that the key elements in employee safety are clear procedures, direct and open communication and the underlying attitudes of both managers and employees towards safety issues. The complementarities and contradictions of the various institutional logics at play, along with the asymmetry of power between the actors involved, explain how internal CSR is nationally configured in this particular area.

Brazilian mining workers’ unions are considered weak since their financial resources are very scarce and they have not developed specific capacities to counterbalance the preeminence of the corporation in the field of health and safety. Safety issues raised by the unions may be considered by the corporations, but only within the hierarchical structure of relations that is a feature of corporate logic. When the state’s regulatory institutions (public prosecution, labor justice) fail to identify and bring to justice those responsible for causes of injuries and deaths at work, the unions do not have an institutionalized channel to turn to that has the power to extract answers from the corporation. The risks might be questioned by small NGOs, but these are powerless to negotiate with an MNC.

In Canada, a higher percentage of unionized workers and affiliation with powerful national unions in the mining industry translates into greater authority on the part of the unions and higher membership contributions leading to greater financial and human resources, and therefore the capacity to offer a convincing narrative. These conditions stem from provincial labor legislation in the province of Ontario. The example of Vale Canada in Sudbury, Ontario, illustrates a specific national internal CSR configuration. Professional logic is sustained by a four-generation tradition of miners going underground and passing down specialized knowledge of mining safety. The specificity of underground mining was new to Vale when it took over Inco in 2007. The United Steel Workers (USW) Local 6500 confronted Vale’s corporate logic with strong arguments: their unionized safety supervisors have traditionally served as the first point of contact for workers underground; they are extremely knowledgeable in health and safety and provide the mandatory safety trainings required by provincial
legislation; when fatalities do occur, the union jointly investigates with the employer; and employees with limited access to the union nonetheless have access to human and financial resources to be able to conduct their own independent investigation. In addition, the union has the ongoing support of community organizations. State logic intervenes when public welfare is at risk, imposing its authority through bureaucratic domination. Interviewees in managerial positions acknowledged that the number of safety training hours provided is set by provincial legislation rather than the preference of the corporation. The procedures following fatal accidents in Canada are institutionalized and involve a series of corporate, union and state representatives. The Brazilian MNC had to comply with Canadian regulations and boosted its legitimacy and moral capital by performing well on specific GRI indicators.

The tension between safety and production exemplifies the contradictions between the professional and market/corporate logics. The fear of not being able to achieve ever-increasing production targets – and the corresponding bonuses – creates a strong dilemma for workers. After some time, bonuses paid for high productivity end up being perceived by the worker as part of their basic salary, with the worker adjusting their household budget to include this extra amount. The right to stop production over safety concerns may be approved by the corporation and the discourse and regulations on health and safety may be in line with national and international standards, but in the workplace the tension between safety and production is strong. Although this tension may be instigated by supervisors, increasingly, the main pressuring agents are peers. This has been observed as inducing moral suffering among workers who try to follow safety rules but are pressed by their peers not to interrupt production in order to meet set targets and the corresponding paybacks (Dejours, 1998).
Figure 4 – The influence of the institutional logics on safety at work

The possibility of effective mobilization of MNCs and their subsidiaries in the field of health and safety depends, in the long term, on national institutional factors, such as the legislative and monitoring capacity of state institutions, resolution mechanisms for labor disputes and pressure from internal and external stakeholders. Vale’s sustainability policy (within its global strategy) seems to have followed a three-stage trajectory. The first stage, after privatization, starting in 2006, was to pursue international expansion. In the second stage, Vale Global, guided by market and corporate logic (highly hierarchical), centralized all its policies, decision-making and actions in view of creating a global corporate identity and standardizing its practices. The third stage consisted of another round of organizational restructuring, this time determined by a move towards decentralization. After 2012, decisions and actions affecting local operations were transferred back to local management in order to accommodate new logics specific to the context. At Vale Canada, the national institutional configuration led to corporate logic coexisting with professional and community logic. Vale pulled back on imposing corporate logic in a boldly hierarchical manner, but only after it had strongly affirmed its corporate identity.
In Brazil, due to institutional voids and the very high level of economic and political power of MNCs set against marked social inequalities, market logic assimilated community logic. This led to the adoption of CSR practices such as literacy classes for low-skilled employees and employee volunteering projects in communities in need near sites of operation. The MNC also developed measures to enhance its reputation and increase employee satisfaction as a means of mitigating the negative impacts of its predominating shareholder value ideology, which puts return on investment above employee well-being, as long as employees are fit to work productively. In Canada, the process was characterized by the blending of market and professional logics, mainly due to union capacity in the fields of health and safety and training.

**Figure 5** – The influence of the institutional logics on the institutional configuration of internal CSR in Brazil
Institutional configuration models as they appear in Figures 5 and 6 show more linkages than those that exist between structure, strategy and corporate management processes (Ennen and Richter, 2010). Due to reporting obligations on CSR indicators at stock markets and by (international) industrial associations, MNCs integrate CSR into their market logic – what Jackson and Ni (2013) defined as equifinality – in different, path-dependent ways according to CSR developments in each country. All options are designed to lead to the same end: good performance for investors. Institutional configurations specify to what extent national units might deal (or not) with state interference, challenging external stakeholders and strong workers’ unions. According to this configuration, the MNC decides to centralize or decentralize its organizational processes, adopt specific strategies and opt for a shorter- or longer-term vision. These
strategic decisions reflect the sources of legitimacy, authority and identity of the institutional logics at play at the societal, national, sectorial and organizational levels.

**Concluding remarks**

Increasing economic liberalization, along with the global financial crisis, favored the preponderance of market and corporate logics within CSR. However, as illustrated by the various critical junctures at Vale, CSR cannot be viewed as shaped by a single logic of action. While corporate logic stresses hierarchical relations and bureaucratic roles in CSR-related issues, community logic is aimed at building trust and reciprocity. The multiple-actor institutional configurations within each country and within the MNC must reconcile these different logics of action. For instance, labor representation and unions retain a key role in counterbalancing the market and corporate logics of action.

The diversity of logics accounts for the specific institutional configurations of internal CSR in different countries. In this sense, the ability to switch from being an integrated actor to a global actor according to the corporation’s interests at stake differentiates the MNC from local businesses. Subsidiaries also acquire the ability to translate and adapt guidelines from headquarters – which convey the identity of management at headquarters and of institutions in the home country – for their internal and external audiences in the host country in such a way as to fit into the host country’s specific institutional environment.

CSR-specific institutional configurations in Brazil and Canada arise from:

a) historical practices in the national labor market  
b) existing legislation and effective compliance  
c) coalitions for the protection and development of the workforce  
d) institutional links that downplay workers’ rights in favor of shareholder value ideology.

Could CSR development be interpreted as a product of what Polanyi (1944) identified, already in the early twentieth century, as a countermovement, society’s attempt to oppose the consequences of pervasive commodification? State intervention to redress market failures appears to have regained legitimacy as a consequence of the neoliberal wave and the global financial crisis.
The logics at play within CSR are in competition and, far from being static, vary with the unfolding of events. In 1998, Frederick observed that corporate logic dominates as the outstanding element and its configuration hinders a paradigm shift towards a fourth generation of CSR. However, the increasing influence of community logic, driven by environmental risks and post-materialist movements, has arisen in the process of CSR policy development and implementation. During the 2008–2013 crisis, community logic sustained critical positions strongly calling for corporations to behave responsibly and responsively towards issues beyond their narrow business interests. New technologies and organizational processes raise other ethical issues related to CSR. According to Frederick (1998), CSR will continue to evolve and will thoroughly fulfill its promises only when it ceases to be fully dependent on firm-centered interests and domination.

We observed that corporations incorporate into their CSR discourse issues traditionally attributed to the claims of civil society – ethics, social responsibility, transparency, dialogue with stakeholders and sustainability – as well as transferring other attributes of the citizen-state relationship into the mandate of the private sector. We see a clear movement towards private governance of social issues. In this responsibility distribution scheme, problems are not attributed to the production process or the capital/labor nexus, instead being displaced to other realms.

Power relations are often overlooked in CSR discourses and practices. Assigning to employees and governments the same status and equal responsibility for the well-being of the planet and the protection of human lives as that of the MNC owners/producers implies that the capitalist private order can be a solution to collective social issues. Even strong labor unions that are located in regions that are particularly strategic for the extraction and transportation of natural resources do not possess the means to effectively oppose MNCs. Internal CSR therefore integrates the complementarities and contradictions of multiple institutional logics. As long as corporate and market logics continue to dominate, approaches to CSR will remain firm-centered and rife with contradictions with regards to a corporation’s workers and the territories in which it operates. Contradictions within CSR stem from the sources of legitimacy, authority and identity of, and the particular strategies used by, institutional orders. Coexistence, collaboration and tension among actors and their respective
corporate, market, professional, state and community logics explain the CSR field. CSR practices embed macro-level institutional logics through analogies, translations and adaptations of organizational processes. Even though the above analysis noted the preeminence of market and corporate logics within CSR, the local repertoire of management and supervisors’ practices in the field reveals the influence of other institutional logics.

In this way, CSR development was sustained by different logics when it was incorporated into core business activities during the first decade of the twenty-first century. This period corresponds to a series of neoliberal policies implemented in liberal as well as hierarchical market economies. The CSR movement, together with other systems of checks and balances, is designed to curb the most extreme consequences of capitalism, such as the depletion of natural resources and human catastrophes. Our findings suggest that further research needs to be carried out with other industries to test and refine the institutional logics approach. A better grasp of CSR in MNCs contributes to a deeper understanding of modern capitalism. In order to advance our understanding of the complex socio-political issues around CSR, we need to map the diverse logics involved at multiple levels (firm, local and national) as well as identify their cross-level effects.
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