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Wenner-Gren Symposium Supplement 3

by Leslie C. Aiello and James F. Brooks

Corporate Lives: New Perspectives on the Social Life of the Corporate Form is the third Wenner-Gren Symposium to be published as an open-access supplement of Current Anthropology (CA). This supplementary issue is based on a symposium of the same name that was jointly sponsored by the foundation and the School for Advanced Research (SAR) and was held on the SAR campus in Santa Fe, New Mexico, August 21–27, 2008 (fig. 1). The symposium was organized by Damani J. Partridge (University of Michigan), Marina Welker (Cornell University), and Rebecca Hardin (University of Michigan), who are also the guest editors for this issue. All three are younger scholars who are at the forefront of the emerging field of corporate anthropology.

Corporations are described in the guest editors’ introduction to this supplementary issue (Welker, Partridge, and Hardin 2011) as one of the dominant institutions of our time. Corporations simultaneously shape and are shaped by humans at all levels of society and in sometimes surprising contexts. The relevance of corporations to modern life was accentuated for the symposium participants by the economic crisis that unfolded in 2008 at the time of the “Corporate Lives” meeting. Although the symposium was planned well in advance of this crisis, this serendipitous convergence brought home to all participants the relevance of the meeting and the importance of anthropology to the study and analysis of all aspects of the corporate experience. As a major result of the meeting, the guest editors advocate for “fresh anthropological research into the nature of the corporate form and the experiments in social organization it opens up, the material and symbolic power of corporations over human and environmental life, how countermovements to capitalism are reshaping the corporate ethics and governance, and the contested internal nature of corporations” (Welker, Partridge, and Hardin 2011).

The “Corporative Lives” symposium was an innovative meeting in bringing together not only academic anthropologists but also environmental and social activists, investment specialists, and corporate executives to discuss and debate all aspects of corporations, including the growth of corporate forms and their occasional reinvention, corporate volatility, and long-range governance. Participants came from North and Central America and from South Africa and are involved as anthropologists or corporate practitioners in many other areas of the world and with many corporate forms. This provided richness to the discussions at the symposium and to the papers in this supplementary issue. The CA treatment of comments on papers also provides a unique opportunity for the nonacademic symposium participants to continue their discussions of the papers and to be heard in print by the academy.

Both the Wenner-Gren Foundation and the SAR are particularly interested in promoting the relevance of anthropology in the modern world and in the importance of the anthropological perspective for major issues that confront society today. “Corporate Lives” is an excellent example of this relevance. Likewise, the fact that many of the participants are at the beginning of their careers bodes well for the future of the discipline.

The “Corporate Lives” symposium was a unique collaboration between Wenner-Gren and the SAR. However, both organizations are looking for innovative topics for their respective symposium and workshop programs. We encourage anthropologists to be in contact with their ideas and symposium proposals. Information about the Wenner-Gren Foundation and its Symposium and Workshop program can be found on the Wenner-Gren Web site (http://www.wennergren.org/). Information about the SAR and its various symposia programs can be found on the SAR Web site (http://sarweb.org/).

Reference Cited

Figure 1. Participants in the symposium “Corporate Lives: New Perspectives on the Social Life of the Corporate Form.” Seated from left: Leslie Aiello, Catherine Coumans, Gabriela Vargas-Cetina, Sally Engle Merry, Marina Welker, Damani Partridge, Rebecca Hardin. Standing from left: James Brooks, Laurie Obbink, Michael Woodard, Thabo Mokgathla, Robert Monks, John Conley, Krista Gullo, Jessica Cattalino, Sue Cook, Steve Bohlin, Jane Lynch, Bená Burda, Jane Guyer, David Wood. Not pictured: S. Locklann Jain. A color version of this photo appears in the online edition of *Current Anthropology*. 
Corporate Lives: New Perspectives on the Social Life of the Corporate Form
An Introduction to Supplement 3

by Marina Welker, Damani J. Partridge, and Rebecca Hardin

The introduction to this special issue of Current Anthropology calls for more anthropological attention to how the corporate form shapes and is shaped by daily life. It also traces anthropologists’ engagements with corporations over time. We present transformations in traditionally corporate arenas, such as mining and textile production, alongside parallel developments in transnational cooperatives, organic production systems, and ethnic deployments of the corporate form. We consider corporate influence in unexpected sectors, from conservation to poverty alleviation to cancer survival. Furthermore, we analyze corporate norms and practices in relation to broader governance trends, from fair-trade dynamics to shareholder activism and from corporate social responsibility initiatives to the spread of accountability measures and the impact of corporate sovereignty. This issue brings together the voices of anthropologists, social activists, NGO managers, corporate executives, financial planners, and entrepreneurs. It is the product of a 5-day international symposium held in August 2008 at the School for Advanced Research (SAR) campus in Santa Fe, sponsored by both SAR and the Wenner-Gren Foundation.

This special issue explores one of the dominant institutions of our time: the corporation. When the symposium that led to this issue took place in August 2008, the unfolding economic crisis was calling urgent attention to the underlying phenomena that we had gathered to study and to the enduring but often hidden salience of the corporate form as it shapes and is shaped by human lives. Insurance giants, mortgage loan corporations, and investment banks—corporations that control other corporations—were beginning to crumble. Claiming that these shaky financial institutions would drag the country and possibly the world down with them should they fail, the U.S. government dug deep into public coffers to prop up the banks and lenders. Behind the adobe walls of the School for Advanced Research compound in Santa Fe, our conversations invariably gravitated to the financial meltdown and the consequences it might hold for different categories of people around the globe. What could a heightened sense of insecurity, vulnerability, and risk tell us about the broader conditions of contemporary capitalism? Who was crafting opportunities, making profits, and consolidating power amid the crisis? Conversations around these questions revealed parallels, but they also illuminated gaps and tensions that emerged from the particular geographic and professional perspectives of symposium participants. The academics, environmental and social activists, investment specialists, and corporate executives who attended the symposium came from Canada, Mexico, Nicaragua, the United States, and South Africa. As symposium organizers, we had assembled a diverse roster of participants in order to reflect, albeit partially, the range of ways in which people and corporate formations relate to one another.

Corporations surface in public media and debate when they unleash spectacular social, economic, and environmental disasters. Yet our symposium, conceived and organized in the years predating the financial crisis and Gulf of Mexico oil spill, was designed to probe more quotidian domains of corporate experience, power, knowledge, and practice. As institutions that pervade the social and material fabric of everyday

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life, corporations shape human experience not only in spectacular and disastrous ways but also in mundane, everyday, ambivalent, and positive ways. They are, after all, the source of or conduit for much of what we unwittingly and unwittingly produce and consume as we breathe, eat, drink, read, work, play, and move about the world. Millions of people worldwide labor for corporations and depend on them for their income. Corporations are wrapped into intimate associations, memories, and affective registers, as one symposium participant reminded us with her childhood recollection of her father arriving home each day in his polyester shirt emblazoned with name of his employer, Dupont.2

On a less obvious and visible register, corporations participate in the material making of our bodies, from our molecular makeup (e.g., Murphy 2006; Petryna 2009; Rabinow 1996) to our posture, which is indelibly shaped by hours logged behind a computer or stooped over a short-handled hoe (Jain 2006). While some of us are more conscious than others of the pharmaceuticals that course out of our faucets and the bisphenol-A that laces human breast milk, no human alive today is breathing air or drinking water that has not been touched by corporate action. The pervasive influence of corporations on the environmental, political, and economic spheres of social life prompted us to gather the Corporate Lives symposium to address how anthropologists have studied corporate forms in the past and how we might consolidate and expand our inquiry in the future. It was evident to all of us that the question at hand was less whether we should extend our study of the corporation but how we would go about it: the kinds of questions we would ask, the methods we would use, the ethical dilemmas we would face, and the ways in which we would disseminate our findings. The Corporate Lives title speaks to our interest in showing how several subjects are formed through corporate action and how they intersect. On the one hand, we are interested in the lives of corporations: their conditions of possibility; their births, deaths, and biographies (Bose and Lyons 2009); how they grow and shrink, morph and mutate, spin off parts and recombine; and how these composite institutions give off the impression of unified thinking, talking, acting subjects. On the other hand, we are interested in how corporate forms shape and are shaped by the lives of other social institutions (religious, state, media, and nongovernmental); the physical and natural world; and the subjects who labor within them, consume their products, and live downstream of them.

2. As Foster (2008) and Miller (1998) have shown, through the work of shopping for commodities and embedding them in our everyday social relations, we all participate in making corporate brands meaningful and unintentionally create their value. Boon (1999:257) raises this issue in contemplating the “intensity of [his] submissive response” to Coke, which evokes vivid memories of his now-deceased parents.

Toward an Anthropology of Corporate Forms

At several junctures in the history of the discipline, anthropologists have initiated new conversations around corporations and produced multiple landmark studies, articles, and ethnographies. Anthropologists played a significant role on the interdisciplinary team from the University of Chicago that studied Western Electric’s manufacturing plant in the 1930s and famously found the Hawthorne effect: workers performing better in response to researchers’ taking an interest in the conditions of their labor (Schwartzman 1993). Later anthropologists turned to the rise of industrial powers, such as Japan and South Korea; produced ethnographies of conglomerates, family firms, and banks (Clark 1979; Janelli 1993; Kondo 1996; Rohlen 1974); and traced women’s work in producing and maintaining corporate identities and masculinities in domestic and expatriate settings (Allison 1994; Kurotani 2005). Ethnographers have chronicled deindustrialization, or what happens when corporations pull up their stakes and tear down their factories (Dudley 1994; Nash 1989); the rise of temporary workers (Garsten 2008; Rogers 2000; Smith and Neuwirth 2008); and the growth of high-tech firms from the hubs of venture capital and product development labs (Dubinski 1988; Gregory 1983; Kunda 2006 [1992]) to their far-flung manufacturing and service-industry sites (Aneesh 2006; Ong 1987). Anthropologists have experimented with new modes of research and writing about corporate actors (Marcus 1998), and they have crafted searing accounts of the social and environmental disasters that corporations unleash and the structural politics that enable the ongoing unfolding of disaster (Allen 2003; Fortun 2001; Kirsch 2006; Sawyer 2004). Forging new analytics such as “global assemblages” (Ong and Collier 2005) and exploring the burgeoning intersections of biology and capital (Hayden 2003; Helmreich 2009; Sunder Rajan 2006), new strands of literature are developing, with important implications for understanding corporations as social forms, actors embedded in complex relations, and entities that produce and undergo transformation, with all the friction that entails (Tsing 2005). While universities have long been sites for the production of expertise implicated in consolidating capitalist rule (Mitchell 2002), anthropologists also have recently joined other academics in calling attention to how the corporatization of the university itself is being manifested in new audit cultures (Strathern 2000); transnational higher education branding initiatives (Olds and Thrift 2005); a stifling of activist research (Greenwood 2008); and university greening initiatives that uncritically adopt corporate discourse, expertise, and funding, leading to a silencing of voices seeking to define sustainability in ways that would counter rather than expand corporate power (Kirsch 2010).

Despite all these important ethnographic forays into corporate worlds, the overall corpus on the subject remains small, and we have yet to see the emergence of a sustained line of
scholarship and inquiry that would extend to the corporation the same critical weight or significance accorded the nation-state. Anthropologists have periodically observed and lamented our failure to study corporate executives and our tendency to concede to sociologists, economists, management specialists, and cultural studies the study of corporations (Benson and Kirsch 2010a, 2010b; Bestor 2004:12–13; Gusterson 1997; Nader 1972; Welker 2009). To date, one cannot discern a coherent set of research questions or competing schools of thought characterizing the anthropology of corporations. Studies dealing with corporations have often received greater recognition for their contributions to more established genres of inquiry, such as selfhood and identity, social movements, environmentalism, science and technology, industrialization and deindustrialization, and so forth. Within the voluminous literature on globalization and the subfield of economic anthropology, corporations have not yet figured as a staple theme (Benson and Kirsch 2010a). Corporate forms rate little mention in the indexes of introductory anthropology textbooks, and upper-level undergraduate and graduate seminars on corporations remain rare. In the United States, exceptions to this rule among anthropology programs at Wayne State University, Michigan State University, and the University of North Texas remain all too marginal to the core academic discipline. Below, we return to the theory/practice divide and the second-tier status of applied anthropology programs in the United States, which Baba (2005) links to broader global and academic hegemonies. There are, in fact, new efforts to bridge this divide with more engaged, collaborative, activist, and public practices of anthropology (Lassiter 2005; Low and Merry 2010), but it is not yet clear what role business anthropology—often a politically uncomfortable form of social action—plays in these efforts (Cefkin 2009).

Several factors may help explain why anthropological analyses of corporate forms have not gathered force and focus, appearing instead as discrete and discontinuous in relation to one another. The legacy of the nineteenth-century division of labor in the social sciences—which allotted to anthropology the task of studying that which was noncapitalist, nonmodern, and non-Western—undeniably plays a prominent role (Trouillot 1991; Yanagisako 2002). The Hawthorne anthropologists did little to challenge this division; after World War II they formed a management consulting, marketing, and design firm, Social Research, and their work was absorbed by industry. The Manchester School anthropologists associated with the Rhodes-Livingstone Institute began scrutinizing the social changes wrought by capitalism in the late 1930s but focused on workers and drew many of their cases from the frontiers of colonial capitalism, such as mining in southern Africa (Ferguson 1999).

As the discipline of anthropology matured across distinct but increasingly intertwined traditions of British structural functionalism and American interpretive traditions, it also entered a new phase in its engagement with history and political economy. In spite of June Nash’s (1979) call for an anthropology of the multinational corporation that would include managers and encompass different regional scales, the historical and Marxist political economy approaches that developed in the 1960s and 1970s also concentrated, for the most part, on the perspectives of exploited subalterns (e.g., workers, indigenous peoples), with whom anthropologists felt politically sympathetic (Yanagisako 2002).

A vigorous anthropology of corporate forms is vital if anthropology is to maintain its relevance as a discipline that offers a distinctive prism for interpreting and changing the world. Raw facts about the scale and political power of the largest corporations in the world (e.g., Chandler and Mazlish 2005; Litvin 2003; Nace 2005) would seem in themselves to justify more focused anthropological attention to corporations than they have, to date, been accorded. The hold that large corporations exercise over politics, resources, public meanings, and private thought suggests a critical task: undermining and destabilizing this order and countering the “politics of resignation” that treats corporate power as inevitable and inexorable (Benson and Kirsch 2010b; Foster 2010). But the contemporary and historical significance of corporate forms derives from their scope—their ability to organize and enable a variety of activities and economic, social, and political projects—as well as from the sheer scale that the largest corporations achieve. While the business corporation is the unmarked category and the one we focus on most in this issue, the corporate form has long been used by various religious associations, schools and universities, charities and historical societies, and bodies politic such as towns and cities (Maier 1993). Among business corporations, large enterprises remain the exception rather than the norm, and as Cattelino (2011) reminds us in her contribution to this issue, families rather than shareholders and managers continue to control the majority of corporations.

Our symposium, and the work represented in this issue, develops the notion that by moving toward a focus on corporate forms rather than the corporation, we can productively shift away from default conceptualizations of corporations as solid, unified, self-knowing, and self-present actors that relentlessly maximize profits and externalize harm. Such an understanding of corporations, while appealing for its black-and-white guide to judgment, is divorced from history, geography, and actual corporate practice. It may be rooted in a parochial view that derives from the peculiar legal career of corporations in the United States: once seen as artificial persons to be monitored and restrained by the state, their personhood has been naturalized, and they have been endowed with constitutional rights and the right to free speech—including unrestrained political spending since the 2010 Citizens United v. Federal Election Commission Supreme Court decision (Lamoreaux 2004; Millon 1990). Similarly, the significance of the Michigan Supreme Court decision in Dodge v. Ford Motor Company, which ordered Ford to prioritize shareholder profits over employee and community concerns, has often been exaggerated even within the United States (Paine 2003). While
the influence of U.S. corporations and U.S.-specific developments of the corporate form should not be understated—U.S. corporations make up many of the largest in the world, and corporate law in other parts of the world is often formulated in relation to U.S. law—neither should it be universalized. Despite the U.S. bias of our symposium (discussed in n. 1), articles within this issue bring perspectives on corporate forms in South Africa, Italy, Papua New Guinea, Nicaragua, Costa Rica, and India. We can also look to the small but important set of ethnographies of Japan and South Korea available in English for alternative understandings of the nature of corporations (e.g., Clark 1979; Janelli 1993; Kondo 1990; Rohlen 1974).

More broadly, an anthropological effort to pluralize, relativize, and contextualize corporate forms geographically and historically should participate in an interdisciplinary analytical framework that is actively engaged with the body of substantive empirical work on corporations carried out in other fields. The work of economic sociologists who study the social nature of business and organizational life more generally is crucial to this project (e.g., DiMaggio 2001; Granovetter 1985; Powell and DiMaggio 1991). New openings for conversations with business historians are also developing as the subfield has broadened its focus beyond big business and large corporations (which were once seen as the endpoint in the evolutionary trajectory of business; see Piore and Sabel 1984) to address small-scale entrepreneurs; questions of social justice, inequality, and identity; and cultural and symbolic facets of business (e.g., Horowitz and Mohun 1998; Lipartito and Sicilia 2004; Marchand 1998; Moreton 2009). New approaches in business history are informed by critical race studies and feminist theory, as well as by disciplinary trends in social history and cultural history. Anthropology can contribute to the social study of corporate forms a focus on how it can be used experimentally as the ground for various kinds of political and economic projects; an illumination of the articulation of different scales of corporate action; an examination of the links between corporate governance, sovereignty, and ethics; and an understanding of the formation of subjects in and through corporations.

An unsettled debate that is reflected in this issue is how the term “corporate form” itself should be used. Narrowly, it might be applied only to those organizations that are, in fact, legally incorporated. This seemingly narrow definition, however, would encompass a wide variety of businesses, as well as towns, municipalities, religious organizations, nongovernmental organizations, charities, schools, and so forth, illustrating how corporate forms can be put to many uses besides being vehicles for the accumulation of wealth (Maier 1993). Drawing on Marcel Mauss (1985) and Ernst Kantorowicz (1997), Shever (2010) traces how the legal personality of the corporation as a collective person under Roman law evolved into the Tudor legal doctrine of the king’s two bodies: “the mortal body of the ruler who is replaced periodically, and the eternal body politic of government that is made up of all subjects. The former is material and temporary, the latter intangible and perpetual” (29). This amalgamation, Shever (2010) continues, “has been the grounds for some of the most powerful entities in history: the church, the kingdom, the state, the empire, and . . . the transnational business firms of the contemporary moment” (29). In light of the legal facets that Shever highlights, we can examine how corporate firms undergird powerful but also more fragile entities and projects.

More loosely, the corporate form concept can be used to explore how people have broken off and mobilized ideas, language, and technologies created within corporations and brought them into new sites, leading to the spread of corporate forms. In this case, while “corporate form” is loosely applied as a vernacular term rather than a legal term, it generally invokes a more narrow set of purposes related to capitalism, business, and profits. When people speak of the corporatization of the university and other spheres of life (e.g., childhood, biology, nature, race, religion, etc.), this usually implies the application of capitalist ideals, principles, and logics. Questions of empirical description and analytic precision arise as a result. Consider, for example, in Comaroff and Comaroff’s (2009) Ethnicity, Inc., the images of magazine covers with the Royal Bafokeng Nation’s king and CEO that are juxtaposed, several pages later, with pictures of a roadside stall advertised with misspelled signs that “welcome” visitors to the “graft market.” Are these two phenomena better analyzed under the shared rubric of incorporation (or corporatization), or would terms such as “commodification” or “marketization” be more analytically precise? Further, anthropology has its own tradition, or, as one commentator put it, “muddled debate” (Dow 1973), around corporations and corporate groups, which may be organized around various principles including kinship, location and land tenure, and guild membership (see, e.g., Smith 1975). In this issue, the concept of corporate forms is used in ways that reveal the work of theoretical bricolage, which entails borrowings and combinations that leave traces as well as unfinished seams.

Below, we lay out the architecture of the issue and introduce some of the critical themes that emerged from our symposium as a foundation for an anthropology of corporate forms. The articles are paired with comments that bring into this issue the spirit of dialogue—as well as the disagreements and dissonance—that pervaded our symposium. Readers will find that the identities of those who authored the articles and comments are mixed; some fall firmly on the corporate or activist advocacy end of the spectrum, others are more conventionally academic in orientation, and yet others write from their identities and experiences as both practitioners and academics.

Corporations and the Imperative to Critique

Benson and Kirsch (2010a) argue powerfully for more scholarship on harm industries such as tobacco or mining “that
are predicated on practices that are destructive or harmful to people and the environment as “part and parcel of their normal functioning” (461). They later go on to note that “most, if not all, corporations are to some extent implicated in harm” (Benson and Kirsch 2010:467). Indeed, many of us had seats at the Corporate Lives symposium table because we have been drawn to the project of documenting and mitigating the harm that corporations routinely inflict on people and the planet (and often the two simultaneously). Politically and ethically, we find a sense of security and satisfaction in exposing corporate harm; to many anthropologists, it feels right to be critical of corporations.

While corporate harm represents a crucial piece of the emerging anthropology of corporations—and critical perspectives are amply represented in this issue—an exclusive focus on the negative aspects of these institutions undermines our ability to understand and even challenge corporate life writ large. In order to provide a full account of corporate capitalism, we must capture the more ambivalent and positive ways in which corporations make and enable, as well as curtail and destroy, life. We can acknowledge the ways in which corporations address human needs and desires at the same time we question the making of a political, social, and economic order that gives corporations, as opposed to other actors and institutions, such extensive control over the engines of production and consumption in most contemporary domains of public and private life.

Indigenous polities using the corporate form can usefully complicate our understandings of the social roles of corporations, as Cattelino’s (2011) and Cook’s (2011) case studies in this issue demonstrate. The Seminole Tribe of Florida, which used its sovereign status to open a high-stakes bingo hall in 1979, has undergone a transition “from endemic poverty to economic comfort” (Cattelino 2011) and it has launched a broader tribal gaming revolution. While the Indian nation remains embedded within a neocolonial context, Seminoles now exercise far greater agency and authority in deciding questions of governance than they did when they were dependent on federal subsidies and lacked the resources to challenge federal policy. The corporate form is one focus of their exploration of new and productive means of governance. The Royal Bafokeng Nation of South Africa has fought the colonial, apartheid, and postapartheid governments to first secure and then defend its land rights in battles that sharpened with the discovery of large underground platinum deposits. Today, the Royal Bafokeng Nation is using platinum revenues to provide public education, health care, recreation, and economic development opportunities to its population, as well as to establish a fund for the future.

Both of these polities’ wealth derives from harm industries: casinos that, by definition, relieve the poor of their money and the extraction of nonrenewable resources. Commenting on Cattelino’s (2011) article, the Royal Bafokeng Nation king, Kgosi Leruo Tshededi Molotlegi, and the Royal Bafokeng Nation treasurer, Thabo Mokgatlha, recognize this as a shared source of concern and a challenge to diversify for the future. Robert Gips (Drummond, Woodsum, and MacMahon), who has worked for decades as a lawyer and business advisor to Native American tribes and now offers counsel to the Royal Bafokeng Nation, and Steve Bohlin, retired managing director of an investment advisory firm that works with institutional investors (formerly of Thornburg Investment Management), comment on Cook’s (2011) article. Both are interested in how the financial and legal architecture of nations and corporations work and interrelate and in the practical question of how the Royal Bafokeng Nation and Royal Bafokeng Holdings could leverage their resources to accomplish more for Bafokeng people and accelerate the pace of improvements.

Gregory Bateson’s (2000) notion of the double bind is fruitful for understanding the dilemmas created by corporations, as well as those that inhere in anthropological research on corporations. As Cattelino (2010) has shown elsewhere, American Indian tribal nations require economic resources to exercise their rights of sovereign governance, and yet in a settler society, the acquisition and exercise of economic resources lead to challenges to the legitimacy of indigenous sovereignty and citizenship. This poses a contradiction or paradox, a choice between incompatible alternatives that negate the possibility of a resolution. Fortun (2001) describes working within these double binds as an advocacy and research practice, which for her entailed deploying legal, bureaucratic, and environmental representations of disaster while cognizant of the inadequacies and failings of each.

Such double binds are not necessarily fixed or overdetermined. We can rethink the double bind of the anthropological researcher who works closely within a corporation and furnishes an account of the positive and negative sides of corporate life; the researcher’s proximity may potentially bring greater accuracy to her or his critique rather than disqualify it out of hand. Kamari Clarke has explored the ethical complexities of anthropologists working in postconflict settings in Africa. In an extensive review of the code of ethics for anthropologists, she lends her voice to those calling for an engagement that adequately captures the ambivalent but urgent necessity of relationships between anthropologists on various sides of politically fraught issues and between anthropologists and their study subjects (Clarke 2010).

Crossing the Applied/Academic Divide on Corporations

Corporate anthropologists in the United States have described themselves as doubly stigmatized outcasts, seen by academic anthropologists both as morally dubious because of their association with industry and as intellectually inferior because of the applied nature of their work (Baba 1998, 2005; Sunderland and Denny 2007). In order to think about how this has led to a segregated development of applied and academic anthropological research on corporations—and what might be gained by analyzing, challenging, and moving beyond it—
we included academic anthropologists, corporate executives, entrepreneurs, activists, and hybrid academic and consulting professionals in the symposium and in this issue. Susan Cook, for example, shifted from an academic career to become the Royal Bafokeng Nation Research and Planning Executive, with responsibilities ranging from planning health, education, and recreation programs to tutoring visiting journalists on proper etiquette for interacting with Bafokeng royalty (Dugger 2010). Even as she criticized high-tech efforts to make inroads among poor consumers, Anke Schwittay cofounded an NGO, Rios Institute, that consulted with corporations as part of its mission to bring new technologies to underserved people.

In highlighting the role of academics who work for corporations, we are not proposing that the goal of academic anthropology programs should be to endow students with skills marketable to corporations. Those anthropologists who question the use of anthropological expertise to increase corporate profits and generate proprietary knowledge have compelling justifications for their ethical positions, formulated partly in reaction to ongoing issues over professional codes of ethics, clandestine military research, and training of researchers (see Fluehr-Lobban 2003; Gusterson 2005). In raising such ethical issues with students, however, we would do well to first inform ourselves on the range of corporate forms, corporate practices, and the roles of anthropologists within corporations. Equipped with this knowledge, we may instill in students greater critical capacity and the ability to better anticipate, analyze, negotiate, and respond to the kinds of practical constraints and ethical challenges endemic to corporate work. Today, corporations employ thousands of trained anthropologists; simply ignoring or suppressing this fact means failing to influence this sphere of work. Further, as we discuss in more detail below, corporate anthropologists are producing work that is crucial for theory building in the social study of corporate forms.

The articles by Guyer (2011) and Coumans (2011) and the commentaries by Cefkin and Kirsch are the most emblematic contributions to the debate over the role of anthropology within corporations in this issue. Jane Guyer, who primarily identifies as an academic anthropologist, writes about her experiences as a member of the World Bank–appointed International Advisory Group on the Chad-Cameroon Oil Development and Pipeline Project, which brought her under the sort of critical scrutiny routinely experienced by anthropologists who directly consult for or are employed by corporations. Guyer (2011) illuminates the ethical challenge of “hanging in” on a project as it develops over time from its initial blueprint. She also explores the experience of being subject to criticism while her advisory group’s accomplishments—efforts made, corrective actions taken, and potential problems averted—remain anonymously authored and unacknowledged in the public sphere.

IBM anthropologist Melissa Cefkin responds to Guyer (2011), illustrating the resonance of the ethical dilemmas and a sense of incremental and often anonymous difference making in the technology sector. Cefkin (2009) is a significant thinker in the growing network of corporate ethnographers who routinely publish on their professional work and meet at the annual Ethnographic Praxis in Industry Conference, which was inaugurated in 2005 and constitutes a business-specific space as opposed to the umbrella Society for Applied Anthropology or National Association of Practicing Anthropologists meetings. A new body of theory is emerging from these engagements, as well as reflexive work on how anthropology is itself branded (Suchman 2007), how consultants are increasingly outsourcing their own jobs by sending data analysis work offshore (Lombardi 2009), and how autoethnographic practices and technologies displace anthropologists (Malefyt 2009). While ethnography has achieved acceptance as a legitimate research approach in corporations—it has been effectively marketed to senior managers and is being incorporated into the business education curriculum (Kalocsi 2011)—anthropologists do not exercise a monopoly over the uses or future of ethnographic approaches. Jones (2010) notes that commercial ethnographic work is at risk of becoming a genre of research output (experience models, user personas, needs maps, and opportunity matrices) rather than a theoretical orientation that requires specific research practices to ensure an empathic description of participants’ own views of their worlds. This literature is also opening up new questions and avenues of inquiry about the emerging geography of corporate anthropology; its concentration in certain industries, particularly high-tech industries; and how this scholarship is shaped by the conditions of knowledge production that obtain in corporations, such as nondisclosure agreements (Fischer 2009) and practices of collaborative work and the enrollment of other actors (Nafus and Anderson 2009). Rappert (2010) suggests that by writing about the dynamics of concealment in corporate research—that is, directly addressing the limits, silences, and missing pieces—corporate researchers can add vital layers to their analyses.

Critiquing the silences of researchers in her article, Catherine Coumans (2011) writes as an academically trained anthropologist who became a professional activist for better social and environmental practices in mining. Coumans critiques various intermediaries—embedded anthropologists, developmentalist NGOs, and socially responsible investing (SRI) funds—for occupying the spaces of conflict created by the struggles of local community members and activists opposed to mining projects. Coumans claims that these intermediaries do not sufficiently use their knowledge and positions to benefit those engaged in struggle, arguing specifically that anthropologists could have used their knowledge to help local people. Coumans’s article shows that there is much to be gained from critically reading the reports and scholarship of consulting anthropologists, even as she rejects the terms of engagement that these anthropologists have established with corporations.

Although Kirsch comments specifically on Coumans’s work, he also makes a broader point that holds as much for
Corporate Forms Blurred and Unbounded

There are multiple salient points of entry for thinking about the diversity of corporate forms. National legal requirements and social norms and expectations—and the push and pull between them—contribute to broad differences in how corporations are organized and run in different geographical contexts. Legal norms also shape how corporations are talked about and experienced, whether as benevolent, kindly persons or irresponsible and violent psychopaths (Bakan 2004; Partridge 2011; Sawyer 2006); gendered individuals who represent the “face” of a company (Shever 2010); profit-maximizing entities that purportedly exist for the benefit of shareholders (Welker and Wood 2011); or communities that enmesh individuals in relations of mutual obligation (Rohlen 1974). Other important axes of difference include whether corporations are privately held or publicly traded; small or large; private, state owned, or in some transition between the two (e.g., Alexander 2002; Dunn 2004; Rudnyckyj 2009; Shever 2008); or family run (Yanagisako 2002). Even many of the largest companies, such as Ford, are family run, and kinship metaphors also pervade corporations that are not structured around family, serving both workers and managers as mechanisms for classifying, interpreting, and enacting social relations; as ideological resources; and as moral claim-making devices (Janelli 1993; Kondo 1996; Rohlen 1974; Shever 2008). Cattelino’s (2011) and Cook’s (2011) contributions also address how different corporate forms organized around business and social or political purposes exist in tension with one another and the challenge of teasing apart these different legal forms and the supportive and antagonistic ways in which they interact with one another in practice.

In discussing the coevolution of corporations and cooperatives, Vargas-Cetina (2011) offers a succinct account of the career of the corporate form. Often seen as an intermediate form between socialism and capitalism, producer and consumer cooperatives have long attracted anthropological interest and, early on, the vigorous support of Mauss (Ferry 2005; Fournier 2006; Greenwood and Gonzalez 1992). Since their inception as a utopian form of organization and vehicle for social action, cooperatives have, as Nash (2005) notes, “contained the same contradictions from which they were attempting to escape” (xi). Vargas-Cetina (2011) considers corporations and cooperatives within a spectrum of capitalist forms, challenging essentialized understandings of either and suggesting directions for further research on small corporations and large cooperatives, which include household names such as Ocean Spray, Purina, Best Western, Ace Hardware, and the Associated Press in North America; Amul in India; and Mondragon in Spain. Drawing on extensive research with a sheepherding cooperative in Italy’s highland Sardinia, Vargas-Cetina (2011) illuminates how the European Union is altering cooperatives by eliminating subsidies and establishing geographical indication trademarks. Such trademarks are designed to safeguard local production from impostors but come with new market values and manufacture standards and regulations that may erode traditional practices and the gift economy on which they have been based.

In their comment on Vargas-Cetina’s (2011) article, entomologist Emilie Bess and Michael Woodard, the codirector of the Jubilee House Community (JHC), draw on their experience operating the JHC’s Center for Development in Central America project, which has been running for 2 decades now. A key component of this project is the establishment, in league with Nicaraguan cooperatives, of a vertically integrated chain producing organic- and fair-trade-certified cotton products from crop to consumer. The Nicaraguan case, Woodard and Bess argue, illustrates how states can create a hostile rather than protective environment for the growth of cooperatives, yet cooperatives with a strong grassroots basis and sound leadership can nonetheless survive. With a neoliberal regime in power between 1990 and 2007 that favored multinational corporations over local cooperatives, cooperatives also sought to gain the right to open factories in neoliberal free-trade zones. During the symposium, Woodard insisted that corporate form need not dictate substance, conjuring up the notion of the bricoleur by explaining: “What’s available to me is the corporate form. I want to use that form to do something new and different. To use what is to make what should be.” Borrowing Malcolm X’s phrase, he argued later that social equality and improvement must be pursued “by any means necessary,” including, potentially, the corporate form.

Hardin’s (2011) article also takes forms assumed to be mutually exclusive—protected areas and trading concessions—and explores their historical links. She tracks elements of their common origins in the expansion of influential monogies through trade and military institutions into arenas of imperial engagement and eventually formal colonial administration. She suggests that recent and influential critiques of conservation organizations for “selling out” to corporate interests and abandoned indigenous peoples as their partners.
believe that common history of corporate forms for the mastery of territory under circumstances of empire. Further, they ignore the social complexity of patronage and informal (not representative) political processes for the distribution of services and goods, as those continue to shape rivalries and alliances to obtain extractive (or protective) rights to control resource bases.

Bahuchet, in his comment, moves further and suggests that to do ethnographic justice to the complexity of contemporary conservation mandates entails an experimental moment in environmental anthropology. He cites conversations held at his conference on social science in conservation, where Pete Brosius suggested that some ethnographers must themselves move away from the Malinowskian model of the lone researcher in his or her tent among the natives and instead fan out, covering conferences and boardrooms and complex field sites for conservation. At the same time, Bahuchet notes that long-term fieldwork during which individuals are immersed in ecologies, economies, and cosmologies that are foreign to them can continue to yield important results. Students in his laboratory are increasingly working as or with geneticists to understand deeper histories of human use of plants, land, and alliances with other humans in their reproduction and production of landscapes. Others, however, are continuing to carry out conventional studies of cultural ecology among complex groups undergoing adaptive processes to social and climate change. Still others are taking funders and NGOs as targets of study, not only in their boardrooms but also in their regional field offices, where the patronage relationships described by Hardin (2011) are perpetually at stake and yet are undergoing transformations. In grappling with the complex histories and counterintuitive effects of corporate forms, then, we also find ourselves reinventing and experimenting with canonical ideas about ethnographic fieldwork, anthropological training, and social theory in relation to other scientific fields.

Corporate Ethics, Governance, and Monitoring Regimes

Anthropologists and sociologists have long been interested in the porous relationship between economic and moral spheres of life, often questioning whether the economy should even be construed as socially disembedded and distinct from moral concerns (Fourcade and Healy 2007; Granovetter 1985; Griffith 2009; Polanyi 2001). Movements over the past 2 decades for organic and fair-trade products, SRI, and corporate social responsibility (CSR) show that there is new public and industry momentum for redefining the boundaries of economic and moral action. As anthropologists have turned their attention to movements for ethical consumption and social responsibility in corporations (e.g., Browne and Milgram 2009; De Neve et al. 2008; Jaffee 2007), Polanyi’s (2001) insights into the “double movement” of capitalism between the unleashing of markets and demands for social protection have remained relevant. These opposing tendencies, as Hart (2001: 650) stresses, can coexist and be contained within capitalism. This can be seen historically, with the precedent for contemporary ethical consumption movements in earlier formulations of consumer agency and sovereignty expressed in progressive and reactionary campaigns to boycott products or buy those affiliated with an ethical cause or label (Glickman 2004; Seidman 2003; Sklar 1998; Walvin 1997).

Schwittay’s (2011) and Partridge’s (2011) contributions to this issue examine how, within contemporary attempts to reformulate capitalism, corporate ethics intersect with new modes of governance, producing in turn new modes of citizenship, belonging, and exclusion. Ethical governance in corporations, they show, is both an internal and external problem and project. Merry’s (2011) contribution develops an account of the indicators used to measure and monitor state, corporate, and nongovernmental ethics. Indicators are key to what Partridge (2011) calls “long-range governance,” standing as a technology for acting at a distance. They are also at the heart of the corporate-NGO-state nexus, which has thickened in the wake of structural adjustment programs and the end of the Cold War, which has led to a sweeping, if always uneven, privatization of public goods and proliferation of NGOs in countries around the world (Harvey 2005).

Schwittay’s (2011) article taps into the CSR turn at Hewlett-Packard (HP) as the company, then under the leadership of Carly Fiorina, sought to create new products, consumers, and entrepreneurs at the “bottom of the pyramid.” Tracking the fate of initiatives that were supposed to bridge the digital divide from the moments of excitement, challenge, and possibility when they are being established, Schwittay (2011) brings to life the material, social, and emotional investments that various actors developed along the way and their bitter disappointment when corporate decisions were made to refocus, relocate, or terminate projects in Costa Rica, India, and Silicon Valley. Commentators Badiane and Berdish, drawing on their experience as employees in Ford’s sustainability office, seek to recuperate the possibility that corporations can benefit those at the bottom of the pyramid. They suggest, first, that HP’s efforts may not have sufficiently engaged external stakeholders and may not represent the work of other corporations. Second, Badiane and Berdish argue that such projects often have more positive impacts than are immediately apparent.

The disagreements on these pages reflect a tension that arose during the symposium over whether corporate practices of setting up labs for social and environmental innovation, such as Ford’s sustainability office, should be seen as genuine efforts at transformation or as palliative gestures to critics while business carries on as usual. From the latter perspective, the self-identified intrapreneurs, change agents, and tempered radicals (Meyerson 2001) are naïve to believe that politically progressive agendas can be pursued in corporate settings. Clearly, we cannot say that one or another view is correct in the abstract, and elements of both may often apply. Schwtti-
tay’s (2011) article and Badiane and Berdish’s response suggest that we pay attention to where such programs are housed, their funding streams, whether they are treated as cost centers rather than profit centers, how personnel are assigned and removed, what external actors are involved, and so forth.

Partridge (2011) examines the trend toward what the New York Times recently called “activist[al]-capitalism” and how this move is changing relationships between corporations and consumers and between consumers and people working along global corporate supply chains. He observes the kinds of political mobilization that are coming into being as the result of links between corporate governance, negotiations between corporate and nation-state sovereignty, and the related setting and enforcement of labor and environmental compliance standards. He also looks at the new forms of “supply-chain citizenship” that have resulted from the connections between corporate ethics and outsourcing. This form of citizenship, he argues, is a collection of long-distance promises of care that are economically and politically backed by transnational corporations. He traces “ethical production” from design houses to factory floors, from showrooms to department stores, from NGO monitoring agencies to consumer protest networks and illustrates how ethical standards get managed under the rubric of what Anna Tsing (2009) has called “supply chain capitalism.”

As he reveals the types of subjects/citizens these corporate/NGO/consumer networks produce, Partridge (2011) develops a new research agenda that explores how deeply ambivalent social impacts of corporations are now mirrored also in the role of NGOs that corporations subcontract to ensure that elements of supply-chain ethics can be verified and certified. In this sense, his piece is in line with elements of Hardin’s (2011), in which partnerships between NGOs and corporations are mandated or justified by elements of consumer anxiety about the violence done in extracting or producing commodities.

In a thoughtful and candid response to Partridge (2011), Bená Burda, a veteran of the organic-foods industry and the founder and president of Maggie’s Functional Organics, reflects on her company’s recent use of third-party fair-trade certifiers to conduct audits as a means of monitoring subcontracted factories (Power 1997, 2003). Gaining fair-trade certification was at first exhilarating for Burda, catalyzing a flurry of public relations activity and celebrations. Once these subsided, she found herself questioning the meaning of the process, asking whether it addressed workers’ own assessments of their needs and the best means to meet them. Despite her concerns, Burda remains hopeful that many different actors are engaged in and committed to improving these processes.

Audits rely heavily on assessment tools called indicators. In this issue, Merry’s (2011) transnational ethnography of the genesis of indicators and their migration patterns sheds light on how NGOs and development organizations are increasingly adopting corporate forms and idioms. Development and human rights indicators, in turn, are looping back to corporations, where they serve a mixture of strategic and social functions. Strategically, indicators can be used to anticipate risks and opportunities in a new business setting (e.g., the World Bank’s “ease of doing business index”). Corporations investing in CSR and claiming a role in promoting development also use indicators to determine, justify, and evaluate various programs, although these social goals cannot be divorced from the instrumental exigencies of promoting CSR programs and accomplishments. Within a larger critique of the theories and values embedded in supposedly objective indicators and their generation in the global North, Merry (2011) illuminates the role of corporate contractors in the indicator-making process and the active role that corporations play “in defining the terms of the indicators by which their social responsibility will be judged.”

Making Bodies and Fashioning Subjects

Anthropologists share with other social theorists a long-standing interest in how people construe personhood and internalize and perform identity in relation to various social institutions (Althusser 1971; Butler 1990; Foucault 1973, 1979; Goffman 1961, 1967). Foucault’s (1991) work has been particularly influential for recent scholarship on how people are governed not simply by force or repression or by closed “total” institutions but through technologies and apparatuses that productively foster—and also in subtle ways influence, coax forth, and coerce—human agency and conduct (Rose 1999). Ferguson and Gupta (2002) argue that extensions of Foucault’s concept of governmentality to neoliberalism have often remained tethered to “the idea of the territorially sovereign nation-state as the domain for the operation of government” (990). Citing the example of Cecil Rhodes’s British South Africa Company, they note that governmentality scholarship has focused little on the governance roles of entities such as multinational corporations. The final two articles in this issue consider the ways in which corporations make—and are remade by—human subjects. They address how corporations are intimately woven into our everyday lives and the intersection between personal experience and structural violence.

Beginning from her own experiences at a cancer retreat, Jain (2011) analyzes how the hegemonic languages of survivorship pervade cancer thought and experience and how Merck’s campaign for its human papillomavirus vaccine, Gardasil, taps into social fears and desires in creating the figure of the “previvor.” Jain (2011) shows how individuals are instilled with a sense that they can or should do more to protect their bodies from cancer (thinking positively, performing breast self-exams, eating five servings of fruits and vegetables, etc.); thus, a sense of shame is bound up with the diagnosis and even more in succumbing to disease. The emphasis on personal agency in cancer misrecognizes our lack of knowledge and control over the environment and how gender biases in health care may influence outcomes. Commenting on Jain’s
Methodological and theoretical challenges for the anthropology of corporate forms remain, including how to study these institutions from within and without. Recent anthropological work on advertising demonstrates the value of shifting from a focus on the finished public products of firms, a domain to which cultural studies also lays claim (Bose and Lyons 2009; Gordon 1995; Kaplan 1995), to the dissonant and contested processes through which advertisements are actually produced (Kemper 2001; Malefyt and Moeran 2003; Mazzarella 2003; Miller 1997). Even in cases where anthropologists and historians carry out their research without direct access (whether because they were unable to secure it or because they deemed the ethical price of admission too high), however, publicly available information on corporations is in certain cases sufficiently rich to allow for the construction of a layered portrait of corporate strategies, debates, internal dissonance, and transformations.3 We can also take inspiration from the innovative work of anthropologists of finance (Ho 2009; Miyazaki 2006; Zaloom 2006), which has demonstrated the complex and fractured ways in which elites make sense of the uncertainties with which they live and the consequences their everyday work can unleash.

The influence or encroachment of corporations, many would argue, has become more powerful over the past 2 decades because of the fall of socialist regimes and the dilution of policies in those countries that remain nominally socialist, as well as the spread—always geographically uneven (Harvey 2005; Smith 2002)—of neoliberal policies dismantling national social protections. The refiguring of the sovereignty of nation-states is correlated with the shifting sovereign power of the corporation. It may seem more politically proper to research and participate in the vibrant new movements developing to circumvent corporate supply chains with local, sovereign, and collectively organized forms of production, distribution, and consumption of food, clothing, work, and shelter (Gibson-Graham 2006; McMichael 2010). Yet as our contributors show, corporate forms are also being engaged to oppose the conventional ways in which large corporations are supposed to operate. More than ever, as the articles and comments in this issue argue, we need fresh anthropological research into the nature of the corporate form and the experiments in social organization it opens up, the material and symbolic power of corporations over human and environmental life, how countermovements to capitalism are reshaping corporate ethics and governance, and the contested internal nature of corporations.

3. Monks (2008:10) can be considered a relatively powerful shareholder because of the volume of shares his family controls. In addition, the trained lawyer is the former CEO and founder of multiple companies, investment funds, and shareholder service organizations; one of the founding trustees of the Federal Employees’ Retirement System under the Reagan administration; and an erstwhile administrator under the Department of Labor of the Office of Pension and Welfare Benefit Programs, having jurisdiction over the entire U.S. pension system.
Acknowledgments

This introduction—as well as the symposium and this entire issue—owes its initial existence to a panel Hardin and Partridge organized for the 2005 American Ethnological Society meeting in San Diego, California. The panel, titled “Ethnographies of Corporate Actors and Institutions,” included Sue Cook and Marina Welker as panelists and drew in Jane Guyer as an engaged audience member and interlocutor. Jane agreed to play a role as our advisor in the symposium process, and we are deeply grateful to her for her exemplary support and mentoring over the years. In addition to the material support provided by the Wenner-Gren Foundation and the School for Advanced Research, which made our symposium possible, we are thankful to the presidents of these organizations, Leslie Aiello and James Brooks, for taking a chance and holding their first collaboratively organized symposium around our theme. The experimental format of the symposium and this issue can be traced back to James Brooks’s suggestion at an early organizing meeting in New York. We are also indebted to the broader staff at both organizations for all of their work in shepherding us through various stages of the project and making our stay in Santa Fe so enjoyable. At Wenner-Gren, Victoria Malkin and Laurie Obbink bear special mention. The symposium participants and those who have lent their voices to the project since have challenged us and shaped our thinking about corporations in new ways; with this introduction, we can do only partial justice to the richness of their contributions and provocations. Jessica Cattelino, Melissa Cefkin, Chris Garces, Durba Ghosh, Jane Guyer, Sherry Martin, Hironaku Miyazaki, Paul Nadasdy, Rachel Prentice, Sara Pruitt, Elana Shever, Kathleen Vogel, and three anonymous reviewers all generously provided feedback on earlier drafts of this article. Marina Welker would like to thank the students in her Anthropology of Corporations seminar (spring 2007, 2010) for their contributions to her understanding of corporations. Damani Partridge would like to thank Sunita Bose Partridge, as well as Andrew Shryock, Kelly Askew, Josephine A. V. Allen, H. Roy Partridge Jr., and Hanes Walton Jr. Finally, we must express gratitude to our families, who have given us support and tolerated our absences and distracted presence as this long-distance project and collaboration unfolded.

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Blueprints, Judgment, and Perseverance in a Corporate Context

by Jane I. Guyer

This article draws on my experience as a member of the five-person International Advisory Group to the governments of Chad and Cameroon and the president of the World Bank on the Chad-Cameroon Oil Development and Pipeline Project (2001–2009) and as advisor to the Corporate Lives project. It addresses the problematics, for an academic anthropologist, of exercising judgment and perseverance in relation to corporate blueprints as the project developed over time. In three main parts, the article addresses our anthropological literature on ethics and involvement over time, offers examples of midstream dilemmas arising in the project, and lays out the responses of colleagues to my probing about the determinants of “hanging in.” The main purpose is to offer examples of ethnographic and ethical issues as they may arise in the increasingly complexly corporatized world on which the Corporate Lives project has focused attention and discussion.

Introduction

This article is about a professional-ethical process over time within a corporate context, especially as it presented midstream, so its subject matter and composition need dating exactly. My membership in the International Advisory Group (IAG) on the Chad-Cameroon Oil Development and Pipeline Project (hereafter "Project") originated in February 2001 and was intended to last 10 years or 6 years after first oil, whichever came first. It terminated in September 2009. The group was appointed by the World Bank and reported twice a year to the governments of the two countries and the president of the World Bank. My nomination came to me out of the blue. Apparently, many possible candidates had been suggested. Six were chosen; one could not continue because of commitments in her home government. The final group was composed of five members: two from Senegal, one from Canada, one from the Netherlands, and me. Our president had pursued a distinguished public career focused on finance; the executive secretary came from an engineering, public, and NGO career primarily focused on environmental issues; another member was trained in agricultural economics and had gained a high-profile position in the African NGO movement; another had risen to prominence within both scientific academia and public life; I was the only full-time academic.

I considered my own nomination from the vantage point of a Nigeria scholar, aware of the disastrous history of the oil fields of the Niger Delta, and (then) as the director of the Program of African Studies at Northwestern University. During my tenure as director, in 1995, Ogoni activist Ken Saro Wiwa and eight others had been executed by the Nigerian military government. At the end of 1996, our political science colleague Claude Ake, who had recently resigned from a Royal Dutch Shell commission of enquiry after Saro Wiwa’s death, himself died in an airline crash. In 1999 LaRay Denzer and I presented a long paper to the Program of African Studies seminar series entitled “The Oil Economy of the Nigerian People,” where we traced out the politics and conflicts of the Nigerian domestic petrol price. By the end of the decade, Bronwen Manby (1999) and Georg Frynas (2000) had published studies of the devastated ecology of the delta and the legal gridlocks that prevented compensation to its people (see more recently Kashi and Watts 2008).

To be nominated to an advisory group on a new African oil project around that time—a project that had been crafted with the delta in mind and apparently fenced in by environmental, revenue management, and revenue transparency agreements, as well as already having attracted intense pressure from both national and international NGOs—seemed a powerful coincidence. No comparable role was evident to me

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1. All Project documents are publicly available in English and French at http://web.worldbank.org/WEBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/EXTREGINI/EXTCHADCAMPIPELINE/0,,menuPK:843277∼pagePK:64168427∼piPK:64168435∼theSitePK:843238,00.html. The site includes the IAG terms of reference, all the IAG reports, many notes on specific topics, our introduction to the company’s Baseline Environmental Studies, the binding Environmental Management Plan, and the IAG final report.
at that time, one that would be compatible with full-time academic and programmatic life, one that would allow me to engage in a new way with oil in the future of West Africa, and one that offered impressive team partners. African oil exploration was expanding again in the new century, from Mauretania south to Ghana, the Bight of Benin, and Angola. New extraction technologies and old revenue transparency concerns focused attention on offshore oil fields. But offshore production evaded only some of the sociopolitical dangers that critics were increasingly identifying in the extractive industries. The revenue and environmental effects remained, and there was still onshore extraction. By 2001 there was already a strong literature warning against opening up new fields: Terry Karl (1997) on the "paradox of plenty," Michael Klare (2001) on "resource wars," Francois-Xavier Verschave (2000) specifically on Francophone Africa (with a chapter on Chad, oil, and dictatorship). Beyond oil, there was the "conflict diamond" tragedy and other catastrophes in the African extractive industries.

I visited the Niger Delta in 2002 with LaRay Denzer to gain firsthand experience of the kinds of issues the Project would address. Professor Ben Naanen of the University of Port Harcourt and former executive secretary of the Movement for the Survival of the Ogoni People organized our visit. I discussed the whole situation with scholars who were also active in one role or another in the oil world. Their views crossed the spectrum from entirely negative to optimistic. Decisive for my own decision to take part were Cameroonian and other (unknown) colleagues at the World Bank who apparently supported my nomination and another, radical, African colleague who defended the sovereign right of any country to develop its resources.

It was my ensuing 4-year (by then) involvement in the Project that accounted for my enthusiasm for Corporate Lives at its inception as a conference panel in 2005 and then later for my positive response when invited to be its advisor over the following 3 years. I had not envisaged writing anything about the Project for Corporate Lives but was encouraged by the organizers to present any relevant theme at the School for Advanced Research conference in 2008. The themes I found compelling for wider anthropological discussion at that time, and for elaboration now, reflect the timing. The original draft of this article was written in the early summer of 2008, just before some major new eventualities in the Project. The manuscript was submitted in August 2009, just as the IAG final assessment report was being completed. It was finally revised a year later, in the summer of 2010, as the Gulf of Mexico oil spill brought questions about responsibility in complex megaprojects to the forefront of all of our minds. Indeed, loopholes, zones of technical neglect, and government absence have seemed worse in the BP-Gulf case than any failures so far obvious in the Project.

This article is in three parts. Each might be read separately as its own tangent on a complex topic. The first part is devoted to ethics and action as they might be faced in new corporate contexts. The second describes the Project and some actual dilemmas that arose. The third returns to more general philosophical and ethnographic questions that opened up as I discussed with others the question of—as I called it throughout my discussions with others—"hanging in," or perseverance. The three parts merge in my own experience in that movement between them was iterative in ways that cannot easily be captured in a linear format. At the center of this experience was the problematic of perseverance over what is referred to in French as a task of longue haleine (long breath). The end point of the article is less a conclusion than a temporary pause for new breath before plunging more deeply than is possible here into the literatures and various comparative and analytical exercises that participation in both action and conversation suggested to me.

Decision, Judgment, and Implication in a Corporate World

It is for analytical purposes that I write here from the vantage point of 2005–2008 rather than 2010. Two large and interesting challenges converged in that time period. One has to do with the specific nature of ongoing professional commitment in the context of the kind of newly expanding corporate configurations with which Corporate Lives has been concerned. Notionally, corporations are legal individuals that live in perpetuity. “In perpetuity” imposes some quite specific conditions on those whose personal and professional lives intersect only temporarily with them. Contract law, limited liability, and a range of other legal forms frame that intersection. Yet the novel corporate formations depicted in Corporate Lives may not be as all encompassing or, in fact, as enduring as previous theory, such as Whyte’s (1956) The Organization Man proposed. Partiality, evanescence and emergence are self-evident. Multiplicity of partnerships, subcontracting, and informality can create gaps in legal coverage as well as altogether new situations. The other challenge has to do with rendering incisively any open-ended process from within it and in midstream: a challenge that must arise alongside an anthropological theoretical turning toward indeterminacy, suspicion, doubt, and one form or another of agency. One needs not only to register that processes are indeterminate but also to apprehend the terms under which people—including ourselves—take on the interplay between the power of those processes and our own powers to consider and to act within the moments before any authority has imposed its own material constraints or its own retrospectively coherent narrative. As David Mosse (2005) has argued, it is the power

2. An interesting comparative question can arise about the difference between undertaking projects that have been assigned a virtualist definition of a crafted end point (Carrier and Miller 1998; Devji 2008; Rabinow 2008) as distinct from those undertaken under a processual definition of a range of possible vistas. The former would seem logically to entail a deontological ethics, while the latter veer toward consequentialism and/or virtue ethics. Underlying this distinction are the further questions of
to depict a project's success or failure that creates the retrospective account, not the lived experience within its intersecting time frames, with their overlapping participants and shifting stakes.

A development project is a particular sort of formalized enterprise, but there are others in life that share some of the same temporal and ethical characteristics, from political insurgency to family dynamics. Participants' landmarks for orientation have time to slide back and forth across the terrain of moral imagination from expert confidence to personal loyalty to religious fidelity. Thus do the classic Western ethical distinctions between virtue ethics, consequential ethics, and deontology refuse mutual exclusion. Thus does an Africa-based sensibility, attentive to the need for regular oracular guidance, offer a counterpoint as "good to think with." And thus, also, does Pandian's (2009) India-based depiction of long-term attempts to reform person and milieu alike, from within and without, offer a vivid example of continuous cultivation amid multiple unresolved tensions.

With a Western intellectual legacy that includes the categorical imperative, the coherent political ideology, and revolutionary insurgency, to work from the philosophical canon may run into conundrums with respect to partial roles in fractionated and indeterminate processes where, nevertheless, the responsibility to respond somehow is assigned and accepted. Any large corporate type of enterprise that follows a contractual blueprint eventually runs into circumstances that were not envisaged at the outset, whether through justifiable ignorance or willful myopia. A study of megaprojects in Europe (Flyvbjerg, Bruzelius, and Rothengatter 2003) found that, classically, they have all tended to overpromise the benefits, underestimate the problems, and fail to set up adequate monitoring and evaluation. That all eventualities were not, in fact, fully envisaged by all parties equally and openly at the outset then becomes one of the problems that participants have to face, looking backward and forward. Diagnostics of the past— including shock, blame, regret, or perhaps appreciation for some specific prescience—become merged with the ethical and pragmatic questions of what is to be done now.

Social science has recently invested significantly in models of choice. But from an anthropological and experiential standpoint, it is clear that the above kind of emergent situation would have to be redefined—broken down into parts and tamed to a specific vocabulary—to make it amenable to choice analysis. Lambek (2008) usefully distinguishes choice from judgment. Choice calls for measurement and application of standard algorithms, whereas judgment demands consideration of incommensurables. All complex projects with many parties are likely to face issues demanding judgment rather than choice, and many would offer the opportunity to opt out altogether at the points at which contracts are reviewed. It is useful to review briefly how judgment has been addressed in our literature, leaving perseverance from one instance to the next largely for the third part of the article.

The American Anthropological Association (AAA) Code of Ethics (1996–2004) reflects our disciplinary orientation toward personal judgment in individual research. It is inflected by encompassing values of care, loyalty, and responsibility. However, it mentions but does not deal clearly with teamwork and nested agendas over time frames much longer than the personal fieldwork episode. There it extrapolates broadly, "the same ethical guidelines apply to all anthropological work" (sec. V.1). Longer-term commitments are referred to as "close and enduring relationships (i.e., covenantal relationships)" (sec. III.A.5). There is no special section on how to enact a covenant. Implicitly, the AAA trusts much to experience, to knowing how—in its words—to cultivate openness, informed consent, care, respect, negotiation, and recognition of "limits." Several of our recent discussions of ethics also focus on qualities of character: identifications and entailed actions by individual field-scholars (Scheper-Hughes 1995) and our self-cultivation as anthropologists in an attentive ethics (Carrithers 2005).

One challenge here that applies to all situations, individual and in teamwork, is that judgment in lived situations lies somewhere between professional and personal ethics. First is the professional consequentialist expertise through which counterfactuals are run in a virtual fashion: what would happen if . . . ? As a professional, one is responsible for deeply informed scenario building. Second is what Hannah Arendt (2003) defines as conscience: "the anticipation of the presence of a witness who awaits him only if and when he comes home" (187, emphasis in the original). This is explicitly personal. In many cases, it is only a close companion who would even know how a particular moment was or was not studied at professional standards and seized according to personal convictions. In corporate-like situations, the confluence of professional and personal ethics may be even less transparent—to others and even to oneself—than in the individual professional contexts on which AAA ethics are based. One or another party can be powerful enough to reorganize the rhetoric and the organigram to evade alternative accounts (see Jackall 1988; Mosse 2005). Similar issues would arise in the many new kinds of formalized organizations, all of which can start out in one ethical-political category and yet move to another over time: freedom fighters can become warlords, as Reno (1998) puts it.

3. Thanks to Anand Pandian for reminding me of Arendt's discussion of judgment and conscience.
Can the intersection of the personal and the professional be broken down and treated separately? It occurs to me that if there is one clear professional responsibility for any academic, but above all for an anthropologist, it should be the tireless search for understanding of the contours and the content of the bodies of knowledge at play. This component, a holistic commitment, seems quite downplayed in our literatures, and I wondered how the quest for knowledge had been configured in more personal ethical considerations. At one point, when I wondered whether we are not so deeply committed to our own justifications that the whole subject of knowledge becomes intellectually intractable, I was pointed in the direction of Amélie Rorty’s (1994) article, “User-Friendly Self-Deception.” Rorty insists on the importance of self-deception, without a modicum of which no causes in life would ever be taken up. She explores the philosophical canon to tease out the necessarily social-epistemic foundations from which the self can create deceptions, and she notes its power to counteract, in both social and personal dynamics, such other powers as crippling skepticism on the one hand and charismatic persuasion on the other. Rather than containing or denying what she sees as inevitable and necessary, she advocates instead an “open-eyed ambivalence” (Rorty 1994:211), that is, a certain constantly triangulated critical clarity about shifting permutations and combinations of stakes and participants. So the knowledge element should take an open-eyed form, with recognition of ambivalence, even within the presence of the self-deception that makes action possible. This would seem a quality that a professional actor could aim for in life and that a reader-critic could use as a yardstick, with respect to the kind of instances and comments with respect to perseverance that follow.

Another classic work on navigating phases of ambivalence is Hirschman’s (1970:1) extended essay on how “repairable lapses” in organizations are faced through “exit, voice and loyalty.” His particular contribution is to develop ideal types and combinations and then to suggest that there are not only personal resolutions but also culturally endorsed differences among them: “Loyalty holds exit at bay and activates voice” (Hirschman 1970:78). According to him, unlike faith, “loyalist behavior retains an enormous dose of calculation” (Hirschman 1970:79), hence, by implication, a drive for knowledge that neither faith nor refusal encourages. Interestingly, he suggests that “exit has been accorded an extraordinarily privileged position in the American tradition” (Hirschman 1970:106) such that the whole complex of calculation, self-deception, and voice is cut down in favor of a clear exit strategy whose sacrificial effects may never even be subjected to recognition or discussion.

If there are cultural emphases in the deployment of exit, voice, and loyalty as Hirschman suggests, then possibly there are occupational and national cultural specificities to their deployment. Might there be an affinity between a vocal loyalist orientation and the academic vocation, centered around the creation of credible evidence and the negotiation of alternate scenarios for action? Or, alternatively, might there be a stronger affinity between exit and the academic vocation, focused around the maintenance of a strict autonomy of vision? I am not sure that we have examples of how variation in moral culture might function where private corporate, public, and personal interests intersect, so the following is just a series of examples, told from my own angle, as honestly as possible. In retrospect, most of the midstream dilemmas in the Project fell within what one might think of as only one standard deviation from the expected normal results implied in the blueprint. For the dilemmas that fell beyond, we could advise but not necessarily prevail, because they were located at the highest levels of the Project, in government sovereignty and World Bank decisions. However, my experience with the narrower range of eventualities at the lower level can still draw attention to ethical and analytical issues for an academic anthropologist: issues of judgment responsibility first and, then, in the final part of the article, of their ongoing linkage over time.

The Chad-Cameroon Oil Development and Pipeline Project

Terms of Reference

The terms of reference appointed the IAG as a panel of advisors to the governments of Chad and Cameroon and the president of the World Bank (see n. 1). The IAG had been requested by the executive directors of the World Bank when they voted on the Project in July of 2000. As an initiative in public-private partnership and an experiment in deploying the income from a major industrial commercial project for development purposes, it had seemed to them in need of continual oversight to guide any drift toward purely commercial concerns on the one hand and purely national political military concerns on the other. There was only one other such advisory group during this period: on the Nam Theun Dam in Laos. Technical monitoring for faithful adherence to the Environmental Management Plan standards was carried out by a different group, which visited quarterly. Our own role involved visiting twice a year, to observe and advise with a view to offering a proactive guide for optimizing the protections and possibilities of the entire Project in the interests of the people.

The members of the group were not consultants. We all had other jobs. We were paid for our work, although none of us relied on that income for our living. We were not,

4. My thanks to Clara Han for this very interesting suggestion.

5. I have been interested in the analytics of the mid-time frame in two other works. In the land use studies, a group of us developed analysis of the decadal frame that had seemed particularly neglected (Guyer et al. 2007). In economic studies, I tried working with the concept of the “near future” in social imagination (Guyer 2007).
formally, direct advisers to ExxonMobil, the oil company executing the Project, although we met with its staff consistently and intensively. During our twice-yearly mandated visits to each country and annual visits to the World Bank offices in Washington, our group was free to meet with any and all organizations, authorities, and individuals who were implicated in the Project. Our factual observations were delivered in person to open meetings in the two countries, and our reports with recommendations were published online, simultaneously available to all parties.

Our first report drew attention to a structural issue: what we termed a “two-speed” process. The company’s advance was far more rapid even than its own predictions, whereas the development of state institutions was advancing at a much slower pace. Many matters derived in one way or another from this condition. Commercial interests are driven from the center, in this case from the offices of ExxonMobil in Houston. Oil prices were rising at the time, and there was a vocal lobby in the United States to develop an African orientation in its oil policy to mitigate dependence on the Middle East. The United States also has an interest in rapid development in many megaprojects. Alongside these global logics, many political, institutional, and administrative issues arise at the national and local level, each following its own temporal process. So, partly for reasons of sheer complexity and partly because our thinking had to mediate the two-speed disjuncture, dozens of heterogeneous issues were addressed during each visit. Just to mention a very few, they included the nature and progress of projects for indigenous peoples of the forest section of the pipeline; the hiring practices of subcontractors along the 1,000 km of the pipeline and in the oil field; the quality of in-kind compensation for individuals and communities who lost land and economic trees; the computer model for managing oil revenues in the Ministry of Finance; the definition of the “producing region” for purposes of allocating the constitutionally mandated derivation account of 5% of royalties; the status of the informal African settlement at the gate of the oil compound; the functioning of the company security forces; the legal projects for establishing laws on the environment and national oil spill response plans; and so on. The list is far too long to reiterate. I choose some midstream events that are fully covered in our public reports to illustrate places where the challenge of judgment and especially perseverance arose. Readers can consult the sources for these and others.

Examples of Midstream Dilemmas

By the midproject moment, some NGOs may have increasingly looked on us as a World Bank fig leaf making recommendations that were very slow to be taken up, if ever. It is worth noting that the term “perseverance” can be pronounced in two ways in English: one—perseverance—implies a positive endorsement of staying power and the other—perseverance—an annoying and inappropriate hanging on and continual return to a project in life or topic of conversation that has outlived all possibility of bearing fruit. The ambiguity between the two in our conversations with some NGOs began to emerge in the later years. By then other participants had warmed to the idea that we could be a triangulation point through which observations and ideas could pass, in some cases to check on their content and in others to allow indirect upward percolation across levels in established hierarchies. Many participants said that our twice-yearly reports were their only regular factual source on the project as a whole, and indeed the reports are now used to dissect the shortcomings of the Project and extractive industries in general by their adversaries.

Some sequelae, for those committed to a consequential ethics, will not be known until well after the end of our mandate, when the oil economy of Chad has taken off, World Bank policy has been redefined, and so on far into the future. It may not be clear for several years whether worst fears will be confirmed or at least some of the hopes realized and some exemplary points of reference judged apposite for extrapolation elsewhere. Very large questions remain unanswerable by empirical means. Somewhere has to be the first place to refuse the fossil fuel economy, but should it be Chad, one of the poorest countries in the world, which otherwise imports the oil for its own very small capacity for vehicular transportation and electricity services? If the state of governance is to be a litmus test, should—or can—known oil reserves simply be left in the ground? By now (2010), Chinese corporate involvement in the Chad oil economy is close to its own first oil and the construction of a refinery. At one international meeting, a Chinese social scientist remarked that the environmental standards in the Project were much higher than in China and that she hoped the model would transfer home, where the extractive industries remain dangerous, poluting, underinspected, and not well reported. In brief, large expectations may still be assigned to the Project by proponents and opponents alike that are far from being played out.

Such very large questions are not even broached here, and indeed truly major dilemmas among the signatories to the agreements cannot be referred to because the controversies may not have settled, even now. But the following smaller and past dilemmas indicate the kinds of responsibilities that arose and the contexts in which they were acted on and played out.

An unknown corporate practice and legal delays cause damage.

In 2004, a subcontractor of Exxon defaulted on US$5 million of debt to small Chadian businesspeople. Our report of late 2005 noted that “with respect to the commercial law dispute . . . the Chadian courts sentenced Exxon in August 2005 to pay monies owed to the Chadian suppliers of the . . . company.

6. An early description of the project was written up as a briefing (Guyer 2002). The final report is posted on the IAG Web site. Other midstream analyses of the project include prominently Ian Gary and Terry Karl’s Bottom of the Barrel (2003).
Exxon has complied by paying [the] direct creditors. It is now up to these creditors to pay their own suppliers, . . . who do not seem to be informed of these developments. Meanwhile, the lawsuit that Exxon brought against [the company] is still being arbitrated in the United States. In legal terms, Exxon was not responsible for the end point Chadian businesses because they were two steps removed, and it was legally buffered against the obligation to resolve egregious dereliction by its subcontractors. But the delay in resolution for these end suppliers was very damaging. In a Project that had fostering of the private sector as a development goal, the legal logic was producing perverse results for Project goals. I asked a U.S. businessman how such eventualities were avoided in the United States. He said that all such subcontracts have to be bonded precisely to cover this kind of situation. We pursued the question of whether the World Bank demanded its partners in public-private agreements to, in their turn, demand subcontractors to post bond, and we followed the case. But we could keep the issue in the public eye only through our reports and make note of this issue in corporate law and development practice, especially for countries where a national private sector is still under construction and the law is still not fully protective of nationals. Labor law is more developed, thanks to the long-standing international labor movement. A case brought in 2006 concerning the workers versus a very major Exxon subcontractor was decided in Chad in favor of the workers, and Exxon assured that the funds were in place (see Report Mission 12).

These cases were in process at exactly the time when very much larger events were under way. The World Bank president at that time, Paul Wolfowitz, suspended the Project and all other World Bank relations with Chad following a major disagreement with President Deby and the Chad National Assembly over their abandonment of the agreed Future Generations Fund as a regular savings from the oil revenues (see report Mission 12 and advice given at the time). Early 2006 was also marked by new hostilities on the Sudan border and the reelection of President Deby in Chad following the previous year’s referendum on the constitution that allowed him to run for an indefinite number of terms of office. A great deal was at stake in the renewal of relations with the World Bank that took place in July 2006. So after a hiatus during the breach in relations, we resumed our twice-yearly visits in September with renewed vigor, pursuing the subcontractor’s affair but keeping focus on the larger stakes.

The costs of negotiation crimp the budget for goods. The parties to the original agreements needed to renegotiate them largely in order to redress the less advantageous financial conditions for Chad that the risky inauguration of its oil economy had justified in the first instance. Royalties had been set at 12.5% and were renegotiated upward to 14.25%. This process took longer, required more expensive legal expertise, and entailed more meetings than had been anticipated, and it had to be paid for through the World Bank loan for capacity building. While justified, it left less funding for the building of on-the-ground routine capacities and urgent measures to prepare the populations in the oil region. There was popular discontent about delay and official criticism of the quality of some of the infrastructures, such as upgraded public buildings in the town nearest the oil field. Always aware of the magnetic pull of resources toward the center, we kept a clear vision of how such imbalances were developing in the allocation of resources. How to advise in each specific instance had to be thought through for each case, however, because there were some consultant services from which the cost-benefit ratio was much less advantageous than it would be for the costly royalty renegotiations in Paris.

Sovereignty and the limits of contractual agreement. The crisis in Darfur from 2003 and the new round of rebellions in Chad postdate the Project agreements. The price of security for the Chadian state rose in the early 2000s. Commitments taken through the Chadian assembly about revenue allocation, with the encouragement of the World Bank, came under pressure. By 2005, there was talk of the revenue management law being changed by parliament. In the event, World Bank president Paul Wolfowitz initiated a historic breach of relations that lasted from January to July 2006. We carried on. However fences would be mended in Chad, there was still the Project in Cameroon, where most of the spill risks lay. But in the meantime, the suspension entailed comprehensive loss of aid income from bilateral and multilateral sources at an intense military moment whose implications played out over a much longer period. Such gaps open space for innovations that may or may not fall within the parameters of any preexisting agreement.

A solution turns into a problem. The Chadian constitution, like many others, accords a proportion of royalties on natural resources to the communities from which they come as a derivation account. In Chad’s own formulation, the funds have to be received by democratically elected institutions, but by the time oil revenues began flowing, local government in Chad had not yet progressed to democracy. Local elections had been delayed. So, who should receive the royalties? Or, should they be left in an escrow account? Much discussion ensued among all parties, including us. A Chadian consultant was engaged on the legal/constitutional issues. The final decision was to facilitate deployment of the funds for the population by installing an interim organization that would reflect the current deconcentration model of local government, with appointees of the central government. The result—and for

Delays. All the cases cited so far involved delay at some stage. Delays often weaken the organizations that are designated in the blueprint; they cost money and put necessary synchronies under strain. In this Project, delays were, in part, only a ripple effect of the structural two-speed problem. Various components of the supporting projects were delayed for other reasons, and promising potential synergies were derailed. The mandated Regional Development Plan for the producing region got started late and had to be redone because of inadequacies with the first effort. The new version started from scratch, was completed with much participation in the region, and was systematically discussed but then delayed again in government circles. It was still not released when the regional-derivation account process was put in place, so its intended use as a guideline for expenditures of those funds was in abeyance. How could the spirit and the content of the plan be resurrected? Indeed, the power of delay and other revisions of time suggest that this may be a generally understudied aspect of the anthropology of power and its performance.

Neither entropy nor revival happens without help. To give up in one segment deeply affects the capacity to do anything in a series of other different ones. And where delay is at issue, perseverance seems imperative: to make clear the reasons, to repair the lapses, and to try to deliver on the promises. In other words, hanging in becomes essential to the knowledge imperative. Ethnographically and in professional ethical terms, the question remains of how actors think through, explain, and guide themselves through the varied entanglements and “repairable lapses” (Hirschman 1970:1) that present themselves.

Discussions of Perseverance

Over a couple of years I posed the dilemmas of perseverance—as hanging in—to various friends and colleagues in psychology, sociology, anthropology, philosophy, and religion, asking where to read about them. Their responses have been more varied than their disciplines and less immediately indicative of a classic point of reference than I expected. Their first thoughts directed me toward the following guiding themes: faith, in the religious register; the personal psychology of identity, including one’s willingness to live with ambivalence or to calculate a personal cost benefit; the self, in the depiction sense of “what kind of a person I am or can project myself to be”; the power of loyalty to others and respect for their own time frames and workloads; stoic adherence to changeless principles, come what may; or an experienced sense of the task and its conditions of completion. All seem plausible, but they are different in content, in the landmarks of judgmental triangulation, and in the temporalities typically at play. The great attraction of the last for me is its balance of the professional and the personal. One can work on it reflexively, like an artisan, rather than turning inward to examine that relative terra incognita of reflection, one’s conscience. Let me describe each option in more detail as I understood my colleagues to be expressing them.

I should add first that one colleague thought that the ethical challenges may differ little for a corporate employee than for a collaborator, critic, or advisor. Work on the complexity of dilemmas within organizations was recommended, such as Jackall (1988) on Moral Mazes. It would take another article to do justice to this and all the other suggestions people generously made, but the open-ended nature of my explorations requires that at least they all be put on the table. Each position was argued as if the speaker had a personal case, as well as a disciplinary literature, in mind. These thoughts are grouped and paraphrased in the following paragraphs.

1. Perseverance implies an ethical and pragmatic approach to responsibility. Who is affected, and in what ways, by any move one makes? This is where self-deception may qualify objectivist consequentialism. What do I try (ethically) to find out (empirically) and weigh in the balance (judgmentally) about the effects of real alternative courses of action? How might I live with having not tried? The clearest well-known precept that I know of on these difficult questions of partial and limited responsibility is religious rather than professional in origin. The Talmud says, “You are not required to complete the task, but neither are you free to desist from it.” There may well be comparable or alternative precepts in other religions. They would bear exploration with respect to the secular tasks of long-term professional ethics and in particular those laid down in new corporatized contexts when the organization, even if not the immediate task, will surely outlive us.

2. Perseverance engages personal identity in the sense of psychological costs. One asks, What is the personal cost in peace of mind of giving up what may, in the end, work out acceptably? Or conversely, what is the cost of backing a lost cause at great expense to oneself and others? What is the cost of even considering all the possible permutations and combinations? Does making dispensations of this kind necessarily involve enhancing one’s capacity to tolerate “cognitive dissonance” (as one philosopher colleague suggested) or simply to ignore it? How does this activity fit into the arc of life (age, age, age, age)?

8. Questions with respect to conscience might include its temporal reach; for example, does any part of it expire with age? How do acuity of memory and techniques of imprinting make conscience even possible through time?

9. This was one of many insightful suggestions made by Joel Robbins.
define when it has actually been achieved. Experience can
saved or not, how far it is from realization, and even how to
and social world. Experience can tell whether a task can be
through. It requires an intimate knowledge of the material
how long certain processes may take to work themselves
or other, definition of conventional temporal durations, such
the individual expressive identity—the identity presumed in rational-choice theory—is any justificatory narrative
relevant at all? Perhaps choice exists only in the kind of moral
culture that so highly favors the exit option that it requires
no explanation (see Hirschman 1970 and point 5 below for
a philosophical version).

4. Perseverance evokes issues of loyalty because others are
implicated in the task and would be deeply affected by its
abandonment by one participant. An entire group’s work
could be undermined and its members’ lives rendered un-
necessarily difficult if one of their number gave up or cut
down on their contribution. Is the redistribution of workloads
in times of stress an ethical issue at all, or are there legitimate
moments of chacun pour soi and sauve qui peut? There are
clearly differences in cultures of participation. Is life basically
a commons, or is it regulated by fee for service? Are collective
phases lived in a sports mode of temporary but very strict
binding rules or some other template such as common al-
legiance to a charismatic person or ideal?

5. Perseverance—to take the previous position into one of
its individualist rather than collectivist modes—stems not
from a psychology of choice but from philosophical convic-
tion: stoicism in the face of worldly threats to matters of
principle; unconditional commitment to one aspect of a sit-
uation; keeping one’s word even if given rashly to an under-
serving person or cause (as Adam Smith insisted in The Theory
of Moral Sentiments). Here arises the question of faith, of
deontology, of authentic self-reliance, and so on. The em-
phasis is on the initial commitment, with the activity of en-
durance as its necessary fulfillment.10

6. Perseverance rests on an implicit or explicit, technical
or other, definition of conventional temporal durations, such
as for tasks. “Give it time” refers implicitly to expertise in
how long certain processes may take to work themselves
through. It requires an intimate knowledge of the material
and social world. Experience can tell whether a task can be
saved or not, how far it is from realization, and even how to
define when it has actually been achieved. Experience can

10. Naveeda Khan made the fine suggestion that I read Devji (2008)
on militant Islam and the deontological trajectory. If the task is inter-
generational, then persevering is simply a permanent way of life to be
realized at all stages and at all levels of personal capacity.

redefine the possible. So how does cumulative experience fig-
ure in social theories of process and ethical theories of re-
sponsibility and action? This question slides inexorably into
consideration of qualities of leadership: as expertise in the
activities at hand and as the capacity to convey such expertise
in the face of technical doubt and fading confidence.11 It also
involves expert projection of the alternatives one could engage
in: virtual scenarios of the ethics, politics, and pragmatics of
life afterward. This in turn may demand a return to more
general principles that—in my own case here—might have
prevented others from taking on the Project in the first in-
stance. Would persuasion by Sarah Bracking’s (2009) detailed
argument that the global financial institutions are essentially
great predators or new negative evidence on oil industry prac-
tice make withdrawal at a certain signal both logical and
necessary?12 The question of judgment by experience has been
brought up recently by Scheper-Hughes (2010) as she argues
from a series of past struggles in favor of a “habit of courage.”
The next question goes back to the long loops of moral-
political narrative: which experiences can be connected to one
another and in what form? As a series with a common political
orientation? As successive phases of a single endeavor? As a
lived life?

As the last example suggests, these six different emphases
are not neatly self-contained. They overlap and support one
another, and they create tensions. In fact, it could be that the
varied adherence of members of task groups (McFeat 1974)
to different ethical groundings, perhaps changing over time
as well, is what makes small but long-term groups work at
all. Different dilemmas call forth different capacities for hold-
ing the tiller. Or the very same actions can be seen by one
member as, for example, inspiring loyalty (point 4) where
another sees them as invoking respect for knowledge (point
6). Finding that my colleagues’ orientations could vary across
such a spectrum and that leadership was immeasurably rel-
vant suggests that when the task is done, neither the en-
tailment in the blueprint nor constancy in the execution can
be drawn in a straight line of causation from its inception to
its completion.

11. African scholars Adigun Agbaje, Wale Adebanwi, and Ebenezer
Obadare (2009) have launched a new journal, Review of Leadership in
Africa, dedicated to the study of leadership, in light of the gap they see
between the quality of the scholarship on the topic and the depth of the
need for it.

12. A legal case is being pursued in Nigerian courts as I revise this
article. It involves KBR, which was a contractor in the Chad-Cameroon
Project. Although an unconnected case and subsequent to the Project, it
certainly raises general concerns about industry practice. The U.S. page
document filed in a Houston federal court alleged massive bribes in
connection with the construction of a natural-gas plant on Bonny Island
requiring US$7.5 billion. KBR pleaded guilty and was ordered to pay
US$420 million in penalties, nearly all of which was covered by Halli-
burton. Former CEO Albert Jackson Stanley, who ran KBR when it was
a subsidiary to Halliburton, was sentenced to 7 years in prison via plea
agreement (Wikipedia, August 4, 2010; http://en.wikipedia.org/wiki/
KBR_(company)).
Conclusion

What is completion? When does a task, or an argument, or a phase of social life, or a paper, come to a conclusion? This, too, I have found a compelling question beyond the present case with respect to an ethnography of tasks. “How Do Arguments End?” is the title of one paper I wrote for an African philosophy conference, using Gluckman’s Lozi ethnography (J. Guyer, unpublished manuscript). An end is more like a resting place, a plateau, than a finality. It is a place where the terrain traversed can still be perused and where the way ahead looms into view. Conventions for conclusion offer the author permission to redefine and reorient toward a next phase and at the same time invite others to pose unstructured comments that might guide their own next move.

My main conclusion here is that the conversation about ethics in the midterm range in relation to powerful organizations in perpetuity lies on somewhat unexamined frontiers between personal and professional ethics, between the arc of one’s own capacities and the conventional time frames of projects and between commitment to blueprints (deontology) and the imperative to ongoing scenario building (judgment) as things change. Possibly the selective derivation of modern ethics from a religious matrix to a secular matrix has downplayed what used to be called the “sins of omission” because the consequences of omission are hard to measure in secular or scientific terms. How, then, to assess the goodness of not omitting, that is, of keeping going? This whole domain may dip below theoretical notice. Much that is highly consequential, however, happens in a near-future time frame and under the sign of not omitting; probably all the more in the twenty-first century than in the past, as the consequences take on an increased urgency, lateral ripple effect, and cumulative intensity. The temporality of ethical vistas and technical tasks in corporate lives might be one place to focus an ethnographic and analytical attention that can also, at the same time, bring together our library of intellectual resources and our professional implication in the world.

Acknowledgments

This account is based on my experience with the International Advisory Group (IAG) of the Chad-Cameroon Project, but nothing I write necessarily applies to any other participants in that project. My colleagues, Dick De Zeeuw, Jacques Gerin, Mamadou Lamine Loum, and Abdou Mazide Ndiaye, and our assistant, Celine Houdin, were an inspiration to work with. Since I wrote the first draft of this paper in 2008, three important colleagues in this or like projects have died: Dick De Zeeuw (IAG member), Ellen Patterson Brown (PhD anthropologist in Chad for ExxonMobil and designer of many of the oil field interventions for the populations), and Shelton H. Davis (World Bank anthropologist for indigenous rights). I kept them closely in mind and heart as I revised. I am grateful to the Wenner-Gren Foundation and the School for Advanced Research for their invitation to advise the Corporate Lives project. It has proved an unusual intellectual opportunity without which—among other effects—I may never have undertaken any personal writing on the Chad-Cameroon Project. The only people who have commented on a draft of this article are anthropologist colleagues: Rebecca Hardin, Damani Partridge, and Marina Welker in the Corporate Lives project, whom I also thank for several years of discussion; Clara Han and Anand Pandian in the Department of Anthropology at Johns Hopkins University; Joel Robbins (2007), frequent interlocutor on religion and ethics; and two anonymous reviewers. Naveeda Khan made important suggestions. Many other students, friends, and relatives have responded generously to my probings about the issue of perseverance (or hanging in), but, without more discussion and clarification, they might not wish to be identified with the positions I understood them to be advocating. All their suggestions have been invaluable. I also owe much, over the years, to Paul Richards’s devotion to the importance of the task group as an understudied social form (see McFeat 1974).

Comment

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I viscerally recall an episode years ago when a job candidate visited the department where I was completing my PhD. He interrupted an extensive period of fieldwork for the interview and chose to present about that fieldwork for his job talk. While he has gone on to become a deservedly award-winning, successful academic, his talk faltered. How could he speak meaningfully, convincingly, and probingly about an experience he was so deeply in the midst of?

In her account of her experience acting as an advisor over several years to a World Bank–appointed advisory group to the Chad-Cameroon Oil Development and Pipeline Project, Guyer explodes the kinds of off-centeredness that come with being midstream. Doing so, she shifts attention to encompass not just questions of knowledge production as encountered in field research but also those of ethics encountered in the performance of active engagement. She opens up and explores multiple dimensions of the unfolding of the project and examines the quandaries of engagement largely underaccounted for in the anthropological literature. These include the dimensions of working with teams, understanding the interests of stakeholders, managing participation in multiple regimes of accountability, and endeavoring to reconcile the only ever partial control over decisions and results that comes with active engagement. Refreshingly, she turns the question of
whether to engage to one about how to and when. Temporality
and the question of whether and when to change course,
especially when the only course truly within her control was
whether to continue or withdraw her participation, lies at the
heart of her exploration of perseverance in the face of gov-
ernmental and corporate forms.

As an anthropologist currently working in and for a cor-
poration (I am at IBM in the research division) and with
prior experience as an anthropological consultant and re-
searcher, I work in a state of perpetual midstreamness. The
fragility of the corporate labor contract notwithstanding, my
daily involvement is not gated by an (admitted) acknowl-
edgment that it is bound by an end (no matter how far off).
Negotiating teamwork and engaging multiple stakeholders de-
mands an effort to both identify and enact a posture toward
competing interests; laboring to support the right decisions
and efforts requires acts of both judgment and choice. My
position, stance, accountabilities, and ongoing ability to act
transcend and persist beyond any given project I do.

What are the possibilities for ethical action in this state?
(The opposite question, it is worth noting, is equally in
demand of a reply: what are the possibilities for ethical action
in avoidance of this state?) As a corporate anthropologist, I
participate in at least two kinds of attempts. One type of
effort is explicitly, if modestly, interventionist. Together with
colleagues over the years I have developed a host of what may
be considered reflective tools for use inside business settings.
From engaging in international collaborations to thinking
through the enactment of both intra- and interorganizational
relations, these are tools for people inside of organizations to
use to attend to their own practice. A recent example of such
tools is a method, developed based on research on global
interorganizational service engagements, that supports inter-
nationally distributed teams of people who provide technical
service to clients on an ongoing basis to identify, describe,
and assemble a picture of the interactions (or touchpoints)
they collectively have with clients. We have purposefully de-
sign this to be a participatory, bottom-up exercise precisely
to engage members’ considerations on how their own and
others’ practices shape clients’ experiences in working with
them.

We have built such reflective tools with the intention of
their use heuristically, to facilitate change from within, rather
than normatively, or to impose change externally. This effort
is hard going. Finding a place for it in corporate contexts is
never easy. Particularly under conditions of perceived duress
or resource scarcity, businesses want solutions; they want the
answers to the questions of what people should do (and the
mechanisms for making it happen) rather than reflective ap-
proaches for enabling corporate actors to arrive at answers
themselves.

The second attempt for ethical action comes with trying
to recognize and act on the nonprogrammatic, often slight
actions we are positioned to take, such as the comment tar-
ged in an effort to reframe the problem here or the insistence
on extending the bounds of inclusion there. Perhaps this is
the one more resonant with Gayer’s advisory work, even if
the changes I might typically affect are relatively small and
mundane in contrast to the high-stakes project described by
Gayer. Emblematic of their essentially dialogical and perfor-
mative nature, the moments for such actions are often fleeting,
nearly invisible, and they remain unmarked.

Such actions do not readily fit the popular anthropological
trope of opposition, of providing correctives. The corrective
trope is one I myself often deploy to frame the anthropological
insertion into corporate discourse. To wit, I am fond of sum-
marizing some of the benefits of the anthropological voice:
corporations operate in terms of rationalistic boxes, while
anthropologists counter with interpretive modes that ac-
knowledge processes of joint meaning making. Organizations
get caught by viewing culture as a variable, while anthropol-
ogists help to get them unstuck by understanding the emer-
gent nature of cultural practices. Businesses fetishize the in-
dividual, while anthropologists remind of the collective and
the social. When effectively and critically expanded, these are
the kinds of commentary welcome and familiar to anthro-
pological discourse.

Instead, as a corporate anthropologist, I suspect that an
ethically affective result of my engagement happens (when it
does) in bits and pieces; in questions and redirects; in silences,
hesitations, and reframings. It happens much less in the
 wholesale rethinking of how something is understood and
what is at stake. Gayer incisively comments that
possibly the selective derivation of modern ethics from a
religious matrix to a secular matrix has downplayed what
used to be called the “sins of omission” because the con-
sequences of omission are hard to measure in secular or
scientific terms. How, then, to assess the goodness of not
omitting, that is, of keeping going?

How, indeed? Gayer’s effort to engage the messy and pow-
ered world of corporate governance structures demanded her
ever-critical and self-reflective perseverance. It also rested on
her authorized participation as one of a few specifically se-
lected members of the advisory team. I believe that such ac-
ctions in the minor key that I might take as an anthropologist
inside the corporation also happen by virtue of the fact that
it is my job to be there. I have a seat at the table. I am under
no illusion that at the end of the day I am there only because
(and for as long as) what I do is deemed of benefit to the
goals and interests of business. And yet by being there, applied
anthropological work in the corporate context may be pre-
senting us with the opportunity to foreground a less oppo-
sitional but neither fully complicit stance, to sidestep a George
Bushesque dichotomy of “you are either with us or against
us.”

These actions, in the midst of engagement, can feel, as
Gayer describes, almost rudderless. Efforts to shift things
along the way are difficult. They often fail. They do not tend
to provide much of a chance to parade one’s expertise. And
they render a story hard to tell and to keep faith in because they are produced from fleeting moments of indeterminacy and absences. This is the story of engagement.

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Occupying Spaces Created by Conflict

Anthropologists, Development NGOs, Responsible Investment, and Mining

by Catherine Coumans

Regulators, investors, and communities are increasingly aware of the potential environmental and social harm associated with open-pit mining projects. Local-level conflict is now commonly associated with proposed and operating mines as community members struggle to protect economic and social values of importance to them, to assert the right to refuse a mine, or to advance claims on mining companies for damages. In response, mining companies seek partnerships to help them secure a so-called social license to operate and manage risk to reputation. This essay examines the role of anthropologists, development organizations, and socially responsible investment companies in the context of conflicts between indigenous Ipili and the Porgera Joint Venture gold mine in the highlands of Papua New Guinea. In dialogue with the mine, these corporate engagement actors define the problems to be addressed and implement solutions that may impede the agency of the Ipili by not reflecting and advancing Ipili claims on the mine, providing information and advice regarding the community to the company (where it often becomes proprietary), lending legitimacy to corporate social responsibility strategies, and remaining silent about the environmental and human rights abuses to which they become privy.

“Beware of Anthropologists”

A conference in the Philippines in 1998 brought together international activists and scholars to discuss the environmental and social costs of mining. Following my presentation, I was approached by an enthusiastic Filipina community activist. She asked me about my background. When she found out I was an anthropologist, her eyes opened wide and she stepped back and exclaimed loudly, “Oh! I warn all the communities to beware of anthropologists!” I understood her concern. About 2 years earlier I had been confronted by the fact that some mining companies were actively recruiting anthropologists when a mining executive informed me that anthropologists had a choice to make: they could be either part of the problem or part of the solution. This raises questions about how different actors in mining conflicts define the problem, whose solutions get implemented, and what the impacts are on mining-affected communities.

In this essay I move between key debates in corporate social responsibility (CSR) that are playing out at national and international levels and the realities faced by indigenous Ipili at the Porgera Joint Venture (PJV) gold mine in the highlands of Papua New Guinea (PNG). I argue that debates on CSR legitimize and facilitate engagement between a wide range of actors and mining companies. I show through the Porgera case how these engagements can come into play when local struggle against social and environmental harm—often waged at great cost to community members over many years—is elevated to a high-visibility conflict that receives national and international attention. The corporate engagement actors I focus on are anthropologists, development organizations, and socially responsible investment (SRI) companies.

Through the Porgera case I examine how engagements between mining companies and these experts and organizations may facilitate the continuation of harmful social and environmental practices by not advancing community claims being made on the company, by providing information and advice regarding the community to the company (where it often becomes proprietary), by lending legitimacy to corporate strategies, and by remaining silent about the environmental and human rights abuses to which they become privy.1

1. Insights in this essay have evolved since my doctoral work (Coumans 1993) in anthropology on the mining-affected island of Marinduque in the Philippines (see Coumans 1995, 1997, 2000, 2002; Coumans and Marinduque Council on Environmental Concerns 2002). Data for this essay were collected over 11 years through my current employment as research coordinator and Asian-Pacific program coordinator at MiningWatch Canada. This position has provided me the opportunity to participate in national and international multistakeholder CSR pro-

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Conflict and Opportunity Associated with Mining

Large-scale open-pit mining is harmful to the environment because of the large volume of earth that is displaced, the massive volume of waste that is produced, and the potential long-term environmental toxicity of mine waste (Da Rosa and Lyon 1997). Attention to the social impacts of mining lagged behind focus on the environmental consequences of mining, but by the mid-1990s, significant social costs that mining exacts on host communities and indigenous peoples were recognized (Miranda, Chambers, and Coumans 2005:47–95). Currently, even many remote mining-affected communities are better informed about mining and better connected to each other and to external support organizations as a result of NGO activity and increased sharing of information among communities (Coumans 2008).

Potentially affected communities are rarely homogenous in their response to the prospect of a mine, and the percentage of community members who support or oppose a mine typically does not remain fixed over time. Levels of support and opposition often change with the stages of mining and may be affected by positive initiatives undertaken by the mining company or by negative impacts that were not anticipated. Traditionally, communities have tended to support mine projects until the high costs were revealed. But an increasingly common pattern is one in which a community is nearly unanimous in opposition to a mine for many years until the project receives its operating permit or until mining starts to degrade the things of value that people were trying to protect. At this point some of those who opposed the mine will start to try to offset these costs with benefits through jobs, compensation, or development projects. Others may try to negotiate protection for environmental and social values that have not yet been affected. Typically, there are short-term winners and losers in communities with operating mines, and typically the elite of a community are better able to capture benefits, while marginal community members and women suffer more of the negative impacts.

Conflict associated with proposed and operating mines is now common, as community members assert the right to refuse a mine or advance claims on mining companies for alleged damages. Mining companies recognize this new reality when they speak of needing a so-called social license to operate to avoid costly delays and even the potential loss of a project as a result of sustained opposition and conflict. In addition to pressure from potentially affected communities and their global supporters, mining companies face increased scrutiny from the media, regulators, investors, and downstream consumers such as jewelers and the electronics industry. Reputation is increasingly recognized by mining companies as an economic asset that needs to be managed (Power 2003). Finally, while mining companies operating in developing countries still largely operate with effective impunity (Ruggie 2008:3), some are being challenged in precedent-setting legal proceedings (Kirsch 1997) and through quasi-legal complaints mechanisms, such as UN treaty bodies. All of these pressures lead to increased demands on mining companies not only to seek approval from communities but also to be able to demonstrate responsible processes and practices with respect to host communities to a wider range of stakeholders.

Mining companies and their national and international associations are responding to increased pressure for corporate accountability by promoting voluntary CSR measures while vigorously opposing regulation and legal reform that would provide possible sanction and remedy in the home countries of multinational mining companies operating in developing countries (Coumans 2010). The embrace of CSR by mining companies has opened the door to a burgeoning CSR industry. A wide range of new impact assessments—human rights impact assessments (HRIAs), gender impact assessments, peace and conflict impact assessments—and the expansion of internationally recognized codes of conduct—some of which require quite detailed expertise to implement, monitor, and verify—are evolving together with rafts of for-profit experts and consultants in these areas.

Here I examine some of the consequences for local actors of the engagement of experts by a mining company in the context of the PJV mine. The three types of experts I focus on—anthropologists, development experts, and SRI companies—all have in common that they are perceived by, and may present themselves to, mining companies as problem solvers and risk managers. The objectives of the mining company are to continue operations with minimum social or reputational risk. While engagement of these experts by a mining company may create opportunities for some members of a mining-affected community, it may also undermine agency by others who are struggling to advance claims and/ or prevent long-term harm. I examine how and why the mandates of the experts brought in by the PJV mine have not been aligned with the stated goals and objectives of local actors.

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2. For indigenous communities, the right to refuse a mine is codified in the right to free prior and informed consent as set out in the UN Declaration on Indigenous Peoples Rights. Nonindigenous communities advance the right to say no in a range of ways, including by holding referenda to demonstrate lack of support for a project.

3. See also Kirsch (2010:87) for a discussion of the way mining companies create terms, such as “sustainable mining,” and provide innovative definitions to “conceal harm and neutralize critique.”

4. For example, the UN Global Compact, the Extractive Industries Transparency Initiative, the Organization for Economic Cooperation and Development Guidelines for Multinational Companies, the U.S./U.K. Voluntary Principles on Security and Human Rights, and the Global Reporting Initiative, among many others.
and why their work for the company has not advanced those goals.

The PJV Mine

The PJV gold mine started operations in 1990 at a 2,500-m elevation in a remote valley in Enga Province in the PNG highlands. Canada’s Placer Dome (Placer) managed the mine until 2006, when Barrick Gold (Barrick) acquired Placer. Barrick now owns 95% of the PJV mine through two wholly owned PNG subsidiaries. Five percent of the ownership of the mine is divided equally between the Enga provincial government and indigenous Ipili landowners within the Special Mine Lease (SML) area. The PJV mine is one of the most profitable gold mines in the world and represents 11% of PNG’s gross domestic product. The PJV mine has been the locus of serious and often violent social conflict involving the mine, landowners, and their guests in the SML area, as well as landowners adjacent to and downstream from the mine. Conflict around the PJV mine, while culturally informed and constructed, has been rooted in environmental and social impacts, rapid social transformations, and policies and practices of the mine itself (Biersack 2001; Filer 1999a, 2001; Filer, Burton, and Banks 2008; Jacka 2001; Nita 2001; Shearman 2001).

Environmental Impacts Associated with the PJV Mine

The PJV mine has faced intense criticism from affected landowners and international stakeholders over its mine-waste disposal methods. The PJV mine employs riverine disposal, which entails discharging millions of tons of tailings per year into the 800-km-long Strickland River system that ends in the Gulf of Papua. This disposal method is not permitted in Barrick’s home country, Canada. The PJV mine’s mountainous waste rock piles, called erodible dumps, have been engineered to move like glaciers and also empty themselves into the same river system. These dumps are expected to continue to empty themselves into the river system for many decades after the mine has closed down.

In the decade before mining began in Porgera, a number of engineering studies determined possibilities for mine-waste storage near the mine, as well as options to greatly reduce the production of waste (Shearman 2001). Underground mining started in 1990 and was supplemented by a large-scale open pit in 1992. The mine’s 1991 permit to use the river as a dumping ground is based on variances the government of PNG permitted to its own water quality criteria, including permitting a 160-km-long mixing zone in which metal levels are unrestricted. Independent scientific findings detailing serious downstream impacts were first published in 1995 (Mineral Policy Institute 1995; Shearman 1995). In response to considerable public pressure following these reports, the PJV mine employed the Australian Commonwealth Scientific and Industrial Research Organization (CSIRO) to review its operations (CSIRO 1996). CSIRO concluded that the impact of the PJV mine’s waste disposal constituted both chemical and physical risks to the river and that the PJV mine should “vigorously pursue the possibility of containing all or part of the tailings solids and waste rock on-site” (CSIRO 1996:7-2). A later study found that tailings being deposited in the lower reaches of the river, in overbank depositions, and in off-river water bodies include metals such as arsenic, cadmium, and zinc, which are readily bioavailable (Apte 2001).

“The Shooting Fields of Porgera”: Human Rights Abuses and Social Conflict

Disputes related to compensation payments from the PJV mine started at the time of permitting and construction of the mine and continue to fuel conflicts. There are conflicts involving people who are affected by the mine but do not receive compensation, such as the people living in the upstream area along the power line to the gas plant. There are conflicts that arise over legitimacy of entitlement and level of payment. In some cases anger is directed at the mine (power line poles have been cut down with some regularity); in others conflicts evolve into long-running and very deadly tribal battles. More recently, Porgerans have demanded international attention for three other sources of conflict and alleged human rights abuses related to the operations of the PJV mine.

One of these urgent sources of conflict is related to the rejection by the PJV mine and Barrick of a demand by executive members of the Porgera Landowners Association (PLOA) that all landowner families living within the SML area be resettled out of the SML area. The PLOA argues that the traditional land of the Ipili landowners is no longer fit for human habitation because many of the landowners live perilously alongside the open-pit mine and its numerous waste dumps. There is insufficient land in the SML area for subsistence gardening, and access to clean water is a major problem. After Barrick took over the mine in 2006, the PJV mine hired consultants the URS Corporation to conduct a resettlement study associated with plans for mine expansion. Expectations of resettlement were raised between early 2006

5. For Barrick’s perspective on the issues that are discussed here, see http://www.barrick.com/CorporateResponsibility/KeyTopics/PorgeraJV/default.aspx (accessed July 7, 2010).

6. For details of ownership structures over time, see Nita (2001:158).


8. Tribal warfare is common throughout the highlands and has received extensive anthropological attention. However, there are indications that premine feuds in Porgera did not fit the model of other large-scale tribal battles in Enga. They were of shorter duration and led to less property damage as a result of a cognatic social system that would “dilute clan loyalties in fights” (Bonnell 1999:64).
and June 2007, when the URS Corporation completed its final report (which is not being made public by PJV/Barrick; the data collected by anthropologists for this report are also considered proprietary).

The PJV mine ultimately decided against resettlement of all landowners living within its SML area because of, in part, the costs associated with a full resettlement (Mark Fisher, mine manager, personal communication, November 11, 2008). At a news conference in Canada, Mark Ekepa, chairman of the PLOA, said, “The mine has made it impossible to live here. . . . Either we need to be moved immediately, or Barrick needs to leave this place.”9 In a letter to Ekepa, Fisher stated, “There will be no full relocation of people off the SML, but we have begun the process of moving those eligible people who are at risk of being affected by the mining operation due to safety or geotechnical considerations.”10 The success of resettlement of smaller groups on a need-to-move basis is limited because landowners fail to comply with the PJV mine’s relocation terms.

A second area of conflict concerns ongoing allegations of human rights abuses by the PJV mine’s security forces. In 2005, a newly formed grassroots human rights organization based in Porgera, called Akali Tange Association (ATA), completed a report that alleged human rights abuses were being perpetrated by the PJV mine’s security forces. The report, called “The Shooting Fields of Porgera Joint Venture,” detailed alleged killings (14, of which 11 were by shooting) and beatings of civilians by the PJV mine’s security forces and provided postmortem reports and witness statements to support its allegations.11 MiningWatch Canada received copies of this report and started to engage with ATA on the issues it raised and to bring these issues to the attention of decision makers in Ottawa and the Canadian media. In a 2005 article, mine operator Placer admitted to eight killings of community members by the PJV mine’s security guards and police (Burton 2005). Under pressure to respond to these allegations, the PNG government established a public commission of inquiry in 2006 that heard witness reports. The report of the findings of this commission was finished in 2006 but has not been released. Since 2006, there have been further allegations of human rights abuses by security guards against men and women in the SML area.

In 2008, members of the executives of ATA and PLOA aligned in a new organization called the Porgera Alliance and came to Canada to speak out at Barrick’s annual general meeting about the need for resettlement and about the need for compensation for victims of alleged violence by the PJV mine’s security guards. They have returned to raise these issues at Barrick’s annual general meeting in each subsequent year. They have also regularly met with Canadian members of parliament and ranking civil servants and presented their concerns at the UN Permanent Forum on Indigenous Peoples Rights in New York.12

In 2010, Tyler Giannini, who heads the International Human Rights Clinic at the Harvard Law School, and Sarah Knuckey of the Center for Human Rights and Global Justice at the New York University School of Law testified for the second time before a Canadian parliamentary committee regarding the findings of their multiple-year investigation of these alleged abuses by the PJV mine’s security guards. “In October 2009 we provided testimony to this committee on allegations concerning gang rapes, physical abuse, and killings by security guards that we documented during three separate fact-finding missions to Barrick Gold’s PJV mine in Papua New Guinea. Subsequently, we submitted a detailed supporting document, including extensive appendices of police and autopsy reports, which we encourage you to review.”13

Finally, in an escalation of local violence, on April 18, 2009, more than 200 troops—including four mobile units, an air tactical unit, and intelligence officials from the PNG defense force—were deployed in Porgera in Operation Ipili ’09 (Muri 2009). News reports on April 30 indicated that “more than 300 houses belonging to local landowners near the Porgera gold mine in Engra Province have been torched allegedly by the policemen called out to restore law and order in the district” (Eroro 2009; Radio New Zealand International 2009). Mark Ekepa, chairman of the PLOA, is quoted as saying “these houses belong to the second and third generation landowners. . . . Many of those left homeless were three of the seven landowner clans—Tieni Wuape, Tieni Viagolo and Tieni Lakima—in Porgera.”14

In 2010, Amnesty International reported that the raids resulted in forced evictions and gross violations of human rights. The PJV mine housed the troops and pro-

9. See MiningWatch Canada (http://www.miningwatch.ca/index.php/ Porgera/Porgera_linked_to_abuse).
12. For press releases and backgrounds related to these visits, see http://www.miningwatch.ca and http://porgeraalliance.net.
13. For transcripts of testimony given by Giannini and Knuckey on October 20, 2009, and June 3, 2010, plus a copy of their supporting documentation, see http://www.business-humanrights.org/Documents/ CanadaParliamentarytestimonyBarrickPJV. For Barrick’s response to these and other allegations, see http://www.barrick.com/Corporate- Responsibility/KeyTopics/Bill-C-300-Submission-to-the-Standing- Committee/default.aspx.
vided them with food and fuel, and it continues to do so at the time of this writing. Amnesty’s (2010) report demonstrates that the PJV mine and Barrick were not living up to the Voluntary Principles on Security and Human Rights, which “Barrick and PJV claim to implement . . . at the Porgera Mine” (12). Landowners seek compensation for displaced families and support Amnesty’s (2010) recommendation that Barrick and the PJV mine call “for a full investigation into the forced evictions and police violence in the SML, the prosecution of those responsible, and the provision of remedies to those affected” (20). To date, this has not happened.

The following sections of my essay explore the relationships between anthropologists, a development NGO, and an SRI company with the PJV mine. These engagements can now be examined against the backdrop of environmental and human rights concerns associated with the PJV mine and the stated objectives and claims of local Ipili as outlined above.

Embedded Anthropology

Ballard and Banks (2003) observe that changes in the past 2 decades, both in global mining and in the sociopolitical contexts in which mining takes place, have placed mining operations at the center of a complex web of local and global relationships that open the door to potential areas of anthropological inquiry and theorization. Anthropologists have studied mining in PNG through traditional anthropological approaches that entail a high degree of independence from mining companies (e.g., Biersack 1995, 1999, 2001; Jacka 2001; Kirsch 1989, 1997, 2001; Sillitoe and Wilson 2003). But a significant number of publications are based on research conducted entirely or in part while anthropologists worked under contract for a mining company (among others, Burton 1992, 1999; Filer 1991, 1999a; Burton, and Banks 2008; Kirsch 1993; Macintyre and Foale 2004).15

The opportunity for anthropologists to engage in contracts with mining companies stems largely from pressures on mining companies to manage social risk and achieve and maintain a social license to operate, as discussed above. The urgency for mining companies operating in PNG to manage community relationships has been particularly acute because relationships in PNG between resource extraction companies and landowners have been notoriously volatile.

Academically engaged anthropologists who take on contract work for mining companies, as opposed to anthropologists who work full-time for mining companies, become temporarily embedded in mining projects as consultants paid by the company to broker relationships between the company, community, and wider stakeholder groups; as contract researchers to gather social and cultural data for the company; as cultural advisors to the company; and as expert participants in multistakeholder processes involving the company. Other forms of embeddedness are fuzzier. Sometimes anthropologists have independent funding for their mining-related research but accept logistical support in the form of housing or transport from the mine. Just as journalists embedded with troops gain access to experiences and information that would be difficult to obtain as independent journalists, embedded anthropologists may gain unique insider perspectives and information. However, like embedded journalists, their ability to publicize those insights or perspectives may be restricted, and their reporting may be biased by their operating environment.

Furthermore, engagements of anthropologists with mining companies have the potential to displace or suppress efforts by mine-affected community members to protect themselves from negative environmental or social impacts or to pursue their own strategic objectives with respect to the mine. Anthropologists have been, and continue to be, embedded in the PJV mine in at least two capacities, as consultants and as expert participants in multistakeholder processes and structures that fall under CSR initiatives launched by the mine.

Mapping the Ipili: Inside Knowledge, Proprietary Data, and Human Rights Abuses

Anthropologists were not directly involved in the social and economic impact study (SEIS) for Porgera that was completed in 1987 (Burton 1999:283).16 Nor were anthropologists engaged in the early rounds of unpublished genealogies conducted by the PJV mine in the 1980s, which informed the first relocation of landowners to make a place for the mine (Burton 1999:284–286). However, from 1990 on, anthropologists were engaged off and on by the PJV mine in efforts to gather census data and conduct social and ecological mapping and in a number of rounds of genealogies of the mine-affected Ipili communities related to relocation and compen-

15. I have sought to ascribe appropriate examples to each category. It is sometimes difficult to know whether data presented are derived from independent research, research conducted while under contract for a mining company, or some combination of the two. An important publication on Porgera (Filer 1999a) is in part an attempt to put research done under contract to the PJV mine in the public realm; this volume therefore provides greater clarity with respect to data collected under contract. In an introductory chapter, Filer (1999b:15) notes that the PJV mine provided “endorsement of the present publication” but did not allow for inclusion of the 1986 annual report of the Social Monitoring Programme and its recommendations. In October and November of 2010, Biersack undertook research on rape in Porgera under a contract from Barrick Gold. It is not clear yet whether a report from this research will be made publicly available (A. Biersack, personal communication, February 20, 2011). For further discussion on issues related to consultancy and anthropology, see Stewart and Strathern (2005).

16. Burton (1999) comments on the fact that it is “very unlikely that a social impact study team, without an anthropologist would properly characterize Ipili society in a matter of weeks” (285).

sation (Burton 1999:286–290). Social mapping and social impact work were also done by anthropologists for the PJV mine in connection with its mine closure planning in the early 2000s. Most recently, in 2006 and 2007, following Barrick’s takeover from Placer, anthropological expertise was engaged as part of a major study by the URS Corporation related to a proposed resettlement of all clans living in the SML area. It is fair to say that the most extensive study of Ipili genealogy and culture in Porgera since 1990 has been done by anthropologists under hire by the PJV mine and that much of this information remains proprietary.18

Burton and Filer provide reflections on their experiences as contract anthropologists for the PJV mine.19 They primarily focus on their relationships with mine management but also offer observations about relations between the PJV mine and mine-affected communities that may shed light on the current offer observations about relations between the PJV mine and focus on their relationships with mine management but also hold in various parts of the valley, by pursuing cognatic links of kinship, and to the flexible manner of reckoning relatedness to other people” and that this “severe vulnerability” of the mine was recognized in the 1987 SEIS (Burton 1999:284). This insight coincides with public statements from ATA and PLOA that indicate that most people staying in the SML area are related to the landowners and have their permission to be there.21

The problem of immigration for the PJV mine is in part related to the need to sort out entitlements to compensation and other mine-derived benefits related to the impacts of the mine. The ability to do this depends on reliable genealogies. Both Burton (1999) and Filer (1999a, 1999b; Filer, Burton, and Banks 2008) have discussed the inconsistent history of social mapping at the PJV mine and the predictable consequences of an incomplete database. According to Filer, Burton, and Banks (2008), “even before the takeover, the management of ‘community affairs’ at Porgera had been dogged by failure to maintain a proper record of who was actually entitled to receive whatever the company has agreed to distribute among the ‘local landowners,’ let alone to understand the social impact of such allocations” (174). Among the social impacts that Filer refers to, which are related to compensation failures by the mine, are some of the very tribal fights Barrick complains about,22 which are now, but were not traditionally (Bonnell 1999), among the most destructive in Enga province.23

The request for relocation of all landowners from the SML area, made publicly by PLOA, has a long history that is unacknowledged by the PJV mine. Filer, Burton, and Banks (2008) note that a “long-term” resettlement plan aligned to the company’s mining plans was “the subject of active discussion” under Placer when the social monitoring program was abandoned in 1997, after which relocation was placed in the “too hard’ basket” (175). There was also extensive anthropological genealogical input into the recent URS Corporation resettlement study commissioned by the PJV mine, but this study, its recommendations, and the reasons why the PJV mine decided to abandon the relocation plan have not been made public by the PJV mine.

The dispute between the PLOA and the PJV mine over the houses that were burned down by PNG military and police during Operation Ipili ’09, the first military and police “call out” there has ever been in Enga province, highlights the need

18. Many social data have been gathered for the PJV mine by social scientists I have not named here because I am focusing on anthropologists. However, the extensive work for the PJV mine by Glenn Banks and Susanne Bonnell deserves mention (see Filer 1999b). Additionally, there are important independent anthropological studies that have been done on the area before 1990. See, for example, Biersack (1987), Gibbs (1975, 1977), and Wohlt (1978).
19. Filer (1999e, 20, 1999a, 1999b) engaged with the PJV mine through his work as projects manager with the University of Papua New Guinea’s business arm, Unisearch PNG, which he helped to establish.
21. To understand the complexity and implications of the ways in which cognatic claims are made among the Ipili of the Porgera Valley, see Biersack (1999, 2001).
22. In interviews I conducted with landowners (March 2009) about a major tribal fight that took place in Porgera station in 2005, as well as about current tribal fighting between Aiyakena and Nomali, it was clear that these fights were both rooted in disputes over compensation payments from the mine.
for transparency with regard to the PJV mine’s proprietary genealogical data. Barrick initially maintained that the destroyed houses were a “temporary encampment of crude shelters”24 and that no one had been made homeless by the house burnings (Amnesty International 2010:9). The leadership of the PLOA insisted that these were permanent houses of landowners. PLOA also decried attempts by the PJV mine to sign agreements with people in villages under siege by Operation Ipili ’09, arguing that the company should be going through PLOA’s agents (PLOA executive, personal communication, July 3, 2009). It is clear from Filer’s observations that the lists of landowners the company is using may well be deficient, opening the door to further conflict between clans and between clans and the company.

Burton and Filer’s reflections on their work for the PJV mine indicate that in many areas where the Ipili of Porgera are in open dispute with the PJV mine—regarding relocation, entitlement and compensation, alleged abuses by the PJV mine’s security guards, and most recently Operation Ipili ’09—confidential data, as well as the identification of problems and recommendations that have been provided to the company over the years by anthropologists, could be of vital importance to Porgerans as they pursue their claims. Anthropologists who have provided services to the PJV mine to help the mine resolve its many social problems may well have been motivated by the desire to see local Ipili thrive.25 But their client was the mine, not the Ipili, and in a context of conflict, it is the PJV mine that has exclusive access to the data gathered from the Ipili, data it can use or ignore as it furthers its own goals, potentially in opposition to the Ipili.

Porgera Environmental Advisory Komiti: Business as Usual

In 1996, Placer created what it called an “independent” oversight body, the Porgera Environmental Advisory Komiti (PEAK),26 with a mandate to oversee the implementation of the recommendations in the CSIRO report discussed above. PEAK has never achieved financial or decision-making independence from the PJV mine and Placer, now Barrick, nor has it achieved its core mandate. Importantly, CSIRO’s review of the PJV mine’s operations and critique of riverine disposal of tailings was the outcome of years of struggle by downstream communities seeking recognition and compensation for the damages they suffer as a result of the PJV mine’s waste disposal into the Strickland River system.

The Porgera River Alluvial Miners Association (PRAMA) was formed in 1994 as part of the PLOA. PRAMA includes landowners in the SML area but also downstream landowners who directly suffer the mine’s contamination of the river (Nita 2001:161–162). An independent study conducted by Shearman (1995) finally raised the issue to the international level in Australia and put effective pressure on the PJV mine to respond. In 1996, the downstream people around Yuyan and Politika were successful in pursuing their claims for compensation for pollution of the river and for loss of alluvial mining beds under the waste from the mine (Jacka 2001:49). However, PRAMA and other Lower Porgera landowner groups have continued to struggle for recognition and compensation for the severe impacts their members face. The stakes for the PJV mine are high because Porgerans are well aware of the US$500 million out-of-court settlement that was obtained in 1996 by landowners affected by the neighboring Ok Tedi mine’s riverine disposal system (Kirsch 2002).

PEAK never achieved its mandate to oversee the implementation of the CSIRO recommendations. More than 10 years after its inception, PEAK members “expressed concern over access to a number of PJV documents” and decided to request documents, including the 1996 CSIRO study (PEAK minutes, April 25, 2006). PEAK also did not fulfill its mandate to assure that the PJV mine’s “activities are consistent with international best practice in social, economic and environmental terms.”27 Five years after its creation, Shearman (2001) noted that PEAK had “failed to catalyse and oversee meaningful change in waste management” (180). Shearman (2001) concludes that “through the use of PEAK in its glossy annual reports and sustainability documents, Placer has skillfully managed to acquire green credentials while continuing with business as usual at the Porgera site” (180).

In 2001, Yati Bun, executive director of the Foundation for People and Community Development in Papua New Guinea and chairman of PEAK at the time, quit the multistakeholder body. In his public resignation letter, Bun (2001) said, “My conscience cannot tolerate being involved any longer with the PEAK process of expediting the continuation of riverine discharge, as when the history of Porgera is written I do not wish to be the one that oversaw Porgera’s impacts and did nothing.”

In 2008, following a 3-year-long investigation, the Norwegian Government Pension Fund announced that it had divested from roughly CAN$230 million worth of shares in Barrick as a result of the riverine tailings disposal at the Porgera mine. The report noted that Barrick’s operation of the Porgera mine entails an unacceptable risk of extensive and irreversible damage to the natural environment. . . . The company’s riverine disposal practice is in breach of international norms. . . . The company’s assertions that its operations do not cause long-term and irreversible environmental damage carry little credibil-

25. For an important discussion of motivations for and implications of anthropological contract work with mining companies, see Kirsch (2002).
26. Komiti is Tok Pisin for “committee.” See http://www.peakpng.org.pg/ (accessed August 10, 2007). In 2003, PEAK’s mandate was expanded to include economic and social issues affecting local communities.
27. See the PEAK Web site (http://www.peakpng.org.pg/).
ity. This is reinforced by the lack of openness and transparency in the company’s environmental reporting. . . . The council finds reason to believe that the company’s unacceptable practice will continue in the future. (Council on Ethics 2008:97–98)

Australian anthropologist Martha Macintyre joined PEAK in April 2005. Placer cultivated long-standing relationships with academics. Macintyre had a relationship with Placer dating back to the mid-1980s, when she consulted for the company at its Misima mine in PNG (Macintyre and Foale 2004). While Macintyre probably hoped to increase the effectiveness of PEAK, she instead became complicit in PEAK’s implicit and explicit support for the PJV mine’s responses to environmental claims and alleged abuses of human rights in the SML area.

As allegations of violence related to the mine’s security guards gained international attention in 2005, PEAK tightened rules around its communications, making the organization even less responsive to stakeholder needs. “PJV requested that PEAK seek a detailed explanation on the background issues, before assessing and responding to communications from organizations and groups” (PEAK minutes, October 18, 2005: 3).28 In response to a letter from the miner’s association, “it was noted that PEAK is not to address any compensation issues associated with Porgera’s environmental impact or activities in general.” By making compensation for environmental damages off limits, PEAK distanced itself from the ongoing claims of landowners whose struggle for recognition had led to the establishment of PEAK.

In 2006, as the PNG government’s Commission of Inquiry investigated violence at the mine site, PEAK discussed a “code of conduct” for its members under the heading “Confidentiality Agreement” and resolved that all “queries and/or requests are to be directed solely to the Chairman and the Executive Officer” who will direct “all issues to PJV, Barrick Gold Ltd and the appropriate Government Agencies” (PEAK minutes, October 30–31, 2006). In 2008, the International Human Rights Clinic at the Harvard Law School continued its investigation of alleged violence associated with the mine’s security guards. PEAK members sought “to secure an independent legal opinion” regarding “members’ indemnity against legal action” (PEAK minutes, April 15–17, 2008). In 2009, PEAK met, with Macintyre in attendance, just months after at least 130 landowners in the mine lease area had been forced out of their houses, which were burned down in the police action Operation Ipili ’09. As Amnesty International and other organizations decried these gross violations of human rights, PEAK minutes make no mention of these events but note only agreement “to put out a press release recognizing the positive impact the Police Call-Out has had on law and order in the Porgera District” (PEAK minutes, October 4–5, 2009).


By remaining embedded in PEAK and adhering to its confidentiality rules, Macintyre not only legitimizes PEAK but also voluntarily restricts her own ability to speak out publicly about alleged abuses of human rights, to address compensation issues, or to provide local communities—the supposed beneficiaries of PEAK—key information that is relevant to their claims on the mine.

Development versus Accountability

John Ruggie (2008), special representative on business and human rights to the secretary general of the UN, identified a governance gap “between the scope and impact of economic forces and actors, and the capacity of societies to manage their adverse consequences” (3). He notes that this gap “provides the permissive environment for wrongful acts by companies of all kinds without adequate sanctioning or reparation” (Ruggie 2008:3). This governance gap assures that local-level conflict around mines often festers for years without resolution. The problem of effective impunity when mining companies operate in weak governance zones was also recognized in a 2005 parliamentary report in Canada, which called on the Canadian government to “establish clear legal norms in Canada to ensure that Canadian companies and residents are held accountable when there is evidence of environmental and/or human rights violations associated with the activities of Canadian mining companies” (Standing Committee on Foreign Affairs and International Trade 2005).

In subsequent Canadian government-led multistakeholder roundtables called “Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries,” the fault lines between civil society participants and Canadian extractive industry participants became clear.29 Civil society participants from labor, academia, and NGOs sought regulation and legal reform in Canada, the latter to facilitate bringing legal cases in Canada for alleged abuses by Canadian companies operating overseas. Industry and government participants supported voluntary CSR measures. In response to concern by all participants about the prevalence of social conflict around extractive projects, industry representatives emphasized, among other things, the need to expand development projects at mine sites as key to reducing conflict and achieving a “social license to operate.”30

In 2007, a series of closed-door meetings were initiated between major Canadian development organizations (World Vision, Care Canada, and Plan Canada) and a number of

29. The national CSR roundtables were held in 2006, and the final report—National roundtables on corporate social responsibility (CSR) and the Canadian extractive industry in developing countries, Advisory Group Report, Ottawa: Department of Foreign Affairs and International Trade—came out on March 29, 2007. I participated in the government’s advisory group.

30. For more on the relationship between mining companies and development organizations, see Welker (2009).
major Canadian mining companies (Barrick, Inmet Mining, and IAMGOLD). The aim of these meetings was to establish the potential for long-term institutionalized collaboration around development projects at Canadian mining projects overseas. The meetings led to the establishment of the Devonshire Initiative.

The Devonshire Initiative offers an institutional framework for engagements between Canadian development NGOs and mining companies (some of which were already partnering through individual contracts) and external funders such as the government of Canada and the Clinton-Giustra Fund. For development NGOs that have come under criticism for their partnerships with mining companies on controversial mine projects, the institutional “cover” of the Devonshire Initiative and funding from the government of Canada will be attractive.

Inmet provides insight into industry’s assessment of the accountability-focused CSR roundtable process versus the potential of the solutions-oriented Devonshire Initiative:

Inmet is a charter member and Working Group member of the Devonshire Initiative (DI). The Devonshire Initiative . . . grew out of the multistakeholder national Corporate Social Responsibility Roundtables convened by the Canadian government to address corporate social responsibility by the Canadian extractive industry in developing counties. The Roundtables highlighted the polarized and unproductive nature of the relationship between the extractive sector and a small segment of nongovernmental organizations (NGO). To overcome this polarization and move towards productive, on-the-ground solutions to issues of mutual concern, development NGOs and some industry members have come together in a new dialogue that could see both sides working together in developing countries to achieve mutual objectives. This is an exciting opportunity and we are fully committed to the DI process.31

Doing Development under the Radar in Porgera

In March of 2004, a Canadian development NGO (CDNGO) presented plans for a large-scale multiyear development project in Porgera at a meeting of PEAK. CDNGO noted that it wanted to be the “coordinating engine for economic development and capacity building in the Porgera Valley” and that it wanted to “develop a consortium of donors” (PEAK minutes, March 1–3, 2004). In particular, CDNGO indicated that it hoped to “attract resources from PJV, bilateral & multilateral donors” (PEAK minutes, March 1–3, 2004). PEAK expressed approval of the project. CDNGO secured a seven-figure sum from Placer.

In October of 2005, MiningWatch Canada received “The Shooting Fields of Porgera Joint Venture” from ATA about the alleged violence perpetrated by the PJV mine’s security guards and started to engage ATA over the issues. At that time, MiningWatch maintained contact with NGOs working at the national level out of Port Moresby but did not have contacts in Porgera. In order to discuss the issues raised in ATA’s report, I contacted CDNGO for the first time in November. In the course of a series of difficult conversations, my contact reluctantly divulged that CDNGO was involved in a pilot study for development work but insisted this was separate from the mine. While eventually agreeing that CDNGO had received a no-strings-attached charitable donation from Placer, my contact denied that CDNGO’s choice of Porgera as a location for development work was dictated by those funds. He later mentioned that CDNGO had an advisory group for its project that included the PJV mine’s manager. Similarly, he at first denied having any knowledge of allegations of killings associated with the mine’s security forces but later agreed that he was aware of the issue but had no relevant information to share because CDNGO was not involved with issues related to the mine. There is no information about the donation from Placer on CDNGO’s Web site. A brief reference to the project names PJV (Placer Dome) as the client.

In communications with local organizations, I discussed the involvement of CDNGO in Porgera. The executive of the Porgera Development Agency (PDA), an organization run by the local landowners that has at times been critical of the PJV mine, recalled the presence of a staff person from CDNGO and expressed frustration that Placer had funded a Canadian NGO when it was well known that PDA is the main agency for development projects in the area. The response of a member of ATA was more focused on the fact that the Canadian NGO was not speaking out in Canada about the alleged human rights abuses that are ATA’s primary concern: “The [CDNGO] group have been in Porgera long enough and know everything that was happening here in Porgera. They should not deny to report [sic] any matters in Porgera.” Another ATA member argued that CDNGO’s work was not arm’s length from Placer: “The organisation has finished its study on [sic] the first phase of their project and this year they waiting [sic] for the second phase to be approved. A proposal has been placed with Placer and waiting [sic] for it to be approved.” CDNGO quit the Porgera project in December of 2005 with no public explanation.32 Although development NGOs work under contract with mining companies at mine sites that are known for community opposition, conflict, and environmental concerns such as Porgera, they do so as silent witnesses.

31. Inmet Mining Corporation (http://www.inmetmining.com/sustainability/industryinvolvement/default.aspx [accessed July 13, 2008]). This text has since been modified on Inmet’s Web site.

32. Against the trend, this particular development NGO has, for now, made an organizational decision not to seek further partnerships with mining companies.
Shareholder Resolutions: A Choreographed Dance

The socially responsible or ethical investment industry is growing rapidly. In the United States, this market was estimated at US$2.71 trillion in 2008. In Canada it was worth approximately CAN$609.2 billion. SRI companies that hold lucrative but environmentally or socially harmful companies must be seen to be using their ownership to effect change in those companies. One way in which SRI companies publicly engage corporations on their social, environmental, and governance performance is through shareholder resolutions.

In recent years, some 10 shareholder resolutions have been filed regarding Canadian mining companies—Placer, Alcan, Barrick, and Goldcorp—by Canadian SRI companies, most by the Ethical Funds Company (EFC). Many of these resolutions concerned existing or potential mines where long-term and intensive resistance had elevated a local struggle to an international level. A mining company facing intense international scrutiny may be motivated to sit down with an SRI company offering risk-reduction solutions. The SRI company is, in effect, occupying a space for dialogue and negotiation that was created by community struggle.

In each of the cases mentioned above, there was a marked lack of convergence between requests made in shareholder resolutions and the stated objectives of the communities affected by the mine projects featured in the resolutions. The SRI companies also did not appear to have considered whether the resolutions, if acted on by a company, may place additional burdens on a community in struggle and even compromise its own efforts to achieve environmental, economic, and social goals. In a number of these cases, members of the communities whose struggles were featured expressed their frustration with the shareholder resolutions.

SRI companies’ primary interlocutors and clients are not local communities in struggle; they are (1) corporations, in this case mining companies; (2) clients of SRI companies, many of whom trust SRI companies to assure that the money they invest does not contribute to environment harm or human rights abuses; and (3) organizations that may be willing to support a shareholder resolution with their votes. SRI companies need to persuade corporations to engage with them and to demonstrate to their clients that they are, at the very least, talking to companies about improving practices. Corporations will engage only if an SRI company can make the business case that the actions it will ask the company to take will lead to risk reduction from regulators and local communities while maintaining profitability. This imperative importantly narrows the range of possible requests for action that an SRI company can make successfully.

Successful corporate engagements, from the SRI company’s perspective, are those that will allow it to communicate to its clients that it is moving the corporation to better its practices. A successful shareholder resolution may be one that will be withdrawn rather than put to a vote at the annual general meeting if the corporation expresses a willingness to engage in dialogue with the SRI company on issues of concern to the SRI company. Also successful is a resolution that a corporation is prepared to implement in return for good press, possible risk reduction, and relief, even if temporary, from the negative effects of community opposition. Finally, a resolution may be considered successful if it goes to a vote at the annual general meeting and receives a significant percentage of positive votes, sometimes defined as 20%, allowing the SRI company to assert that it has increased leverage for engaging the corporation in the future. In all of these cases, the SRI company declares success and issues a press release to publicize the fact that it is making a difference. None of these conditions for success necessarily responds to community demands. In those cases where a majority of community members oppose the operation of a mine altogether, a lack of convergence between a shareholder resolution and community goals is inevitable.

The relationship between SRI companies and the mining companies whose shares they hold is essentially symbiotic. The mining company provides lucrative returns for the SRI company’s clients, and the SRI company’s investment is characterized as a certification of approval by the mining company. Both parties have a vested interest in maintaining the relationship and meeting each other’s needs. The yearly shareholder resolution process is therefore a narrowly choreographed dance.

Ethical Investing in Conflict in Porgera?

The EFC was Canada’s largest SRI company. The EFC conveyed its public message in catchy phrases on its Web site. Under the slogan “Make money. Make a difference,” the EFC described its engagement with companies as “making good companies better” and with money as “money is energy . . . to create change.” The EFC said it was “the conduit” for “empowering our investors” in “reshaping the way it [a company] does business.” And the EFC explained that “you can’t change a company you don’t own. Thus, the power of share-

33. Examples are the EFC’s 2006 resolutions on Alcan’s proposed project in Orissa, India, and Barrick’s proposed Pascua Lama project in Chile, as well as EFC’s resolution on Goldcorp’s Marlin mine in Guatemala in 2008.

34. “In many cases, the mere act of filing the resolution results in fruitful dialogue with company management—they generally don’t want the resolution on the agenda of the AGM. If this dialogue moves the company toward meeting our dialogue goals, we’ll consider withdrawing the proposal before the management proxy circular goes out to shareholders” (https://www.ethicalfunds.com/en/Investor/ChangingTheWorld/HowWeWork/EngagingCompanies/Pages/ShareholderResolutions.aspx [accessed July 13, 2008]).
holder action lies not in divesting or avoiding companies with poor practices, but by helping to improve them.”

The year before the EFC was to file a shareholder resolution on Barrick that would involve Porgera, the company filed a resolution on another gold mining company, Goldcorp. This resolution galvanized opposition by community leaders and a number of NGOs, led to the first public attempts to theorize the problems with shareholder resolutions focused on mining operations, and altered the course of the resolution that named Porgera.

In 2008, a consortium of investors, including the EFC,36 filed a shareholder resolution that called on Goldcorp to "commission an independent human rights impact assessment for Goldcorp’s operation in Guatemala."37 Goldcorp is facing considerable community opposition at the Marlin Mine in Guatemala. The resolution immediately met with opposition for at least three reasons: (1) there had been no consultation with the affected communities ahead of the resolution being drafted; (2) by the time it was made public, Goldcorp had already agreed to the resolution;38 and (3) a memorandum of understanding had already been drafted that created a three-person steering committee with company but not community representation.39 Community members immediately felt that the resolution did not respect their own local actions regarding the mine and that it would negatively affect these efforts.

Goldcorp’s HRIA met with fierce opposition in affected communities in Guatemala and led to the first attempts by groups supporting these local communities to articulate publicly the nature of their concerns.40 In 2009, one of the SRI company partners withdrew from the agreement and stated, “We have been especially concerned about the lack of free and informed prior consent of the communities in regards to the HRIA, and that the interests of Goldcorp are being put before the interests of the local people.”41 The other SRI company partners carried on with the HRIA even though the EFC acknowledged that “the HRIA had had the unintentional consequence of ‘inflaming the situation’ in Guatemala” (Law 2009).

For the 2009 round of annual general meetings, the EFC planned to file a resolution on Barrick modeled on a resolution filed on Newmont Mining Corporation in the United States that covered more than one of its global operations. The EFC’s resolution was to cover five mine locations, including Porgera, and to ask Barrick to conduct an independent assessment of its community relations at these sites.42 However, the EFC had no relationship with community representatives at most of the five sites it planned to cover, including Porgera. MiningWatch Canada engaged the EFC on its planned resolution and insisted that the company seek consent of community members that may be affected by the resolution.43

I discussed the EFCs possible resolution with the chair of the PLOA and an executive officer of ATA. They both felt that Barrick would control the process and not allow the serious breaches of human rights that they allege are happening in Porgera to be revealed.44 More specifically, they pointed out that they had already endorsed an independent human rights investigation being carried out by the Human Rights Program at Harvard University and that they were not interested in a second and possibly competing study. In a meeting in Toronto between a staff member of the EFC and the executive officer of ATA, ATA’s executive officer stated a lack of trust in the independence of any review of Barrick’s operations paid for and commissioned by Barrick. He also emphasized the significance for community advocacy efforts of the position taken by the Norwegian government’s pension plan in divesting from Barrick over lack of transparency and poor environmental performance in Porgera.45

The resolution filed on Barrick by the EFC in 2009 appears to attempt to respond to concerns raised over its Goldcorp operations, and altered the course of the resolution that named Porgera.


36. The other members of the consortium are the Public Service Alliance of Canada Staff Pension Fund/Shareholder Association for Research and Education, the First Swedish National Pension Fund, and the Fourth Swedish National Pension Fund (http://www.hria-guatemala.com/en/default.htm).


38. The press release itself was another source of anger for local people opposing Goldcorp who had not been consulted on the shareholder resolution as it effusively praised the company for “behaving responsibly and responding to the concerns raised by local stakeholders in Guatemala” (http://www.newswire.ca/en/releases/archive/April2008/24/c9323.html).


40. See open letter to Goldcorp and shareholders from Rights Action, August 20, 2008 (http://www.rightsaction.org/Alerts/Goldcorp_HR_Assessment_Flawed_051710.html). See letter to the shareholder group from MiningWatch Canada, December 4, 2008 (http://www.miningwatch.ca/sites/miningwatch.ca/files/Shareholder_Itr_2008-12-04_0.pdf). MiningWatch first met with one of the members of the shareholder group in May of 2008 and articulated its concerns privately.

41. Statement from the Public Service Alliance of Canada on the HRIA with Goldcorp, March 18, 2009.

42. Personal communication with the EFC, February 5, 2009. For a copy of the final resolution and the five mine sites mentioned, see https://www.ethicalfunds.com/en/Investor/ChangingTheWorld/DifferencesWeMake/MakingGoodCompaniesBetter/Shareholder-Resolutions/Pages/default.aspx.

43. MiningWatch Canada sent the EFC letters dated December 15, 2008, and February 9, 2009, and had a conference call with EFC staff on February 5, 2009. The EFC did not agree with the premise that shareholder resolutions that would require community involvement should be based on community consent.

44. Personal communication in Porgera, March 21 and 23, 2009.

45. See Porgera Alliance’s announcement of Norway’s divestment from Barrick at http://porgeraalliance.net/.
resolution and planned Barrick resolution. The resolution lists problems at five Barrick mine sites globally, including Porgera, but initially asks Barrick’s board of directors to “convene an independent third party” to “review the company’s engagement practices and performance” at only one site—the only site where the EFC did have solid community relationships. However, the resolution reserves the right for the EFC to add other sites to the independent review based on “evidence of eroding community support” rather than based on community consent.

Conclusions

Increased awareness by regulators, investors, and communities of potential environmental and social harm associated with mining projects and efforts by mining companies to address concerns while maintaining operations have fueled efforts to design and implement solutions. Mining companies are proactively engaging and embedding problem solvers—among these, anthropologists, development experts, and SRI companies. Many of those who engage undoubtedly do so with the intention of being positive agents of change. Some also acknowledge professional, reputational, and financial incentives to engage mining companies. Fundraising departments of large development NGOs are always looking for ways to diversify funding sources. Academics who engage the private sector are increasingly rewarded by their academic institutions and by academic grant makers who are interested in private-sector partnerships. SRI companies need to be able to show they have the clout to influence corporate behavior as they compete in an open marketplace for shareholder dollars with investment companies solely focused on returns. In this article I have illustrated how the motivations of mining companies and their engagement partners shape the CSR solutions that are implemented at mine sites. I have also argued that these solutions often fail to reflect community positions regarding unacceptable impacts or to advance the remedies sought by communities.

Ballard and Banks (2003) call on anthropologists involved with mining companies to engage in “sustained reflection on the implications and consequences of our interventions” (306). Engagement by experts should minimally “do no harm”; ideally, it should reflect and further community goals with their free prior and informed consent. This means that corporate engagers need to be able to assess the potential impact of their engagement. Effort has to be made to determine the nature of local claims on a company and how these are being pursued. Are community members seeking compensation for specific personal or communal damages, rehabilitation for a degraded ecosystem, consequences for human rights abusers, protection for a sacred site or a natural resource that sustains livelihood, or cessation of mining? How could engagement undermine or delay achievement of these community goals?

In all cases, those who engage companies as problem solvers are likely to gain information that is critical to community struggle. Contracts may need to protect issues of commercial confidentiality but should prohibit little else from being shared with the affected community, particularly data extracted from the community or advice given to the company regarding the community. Knowledge of criminal activity or human rights abuses should not remain confidential through contract or through professional courtesy. Much of what experts have learned about the Ipili and about mining-related conflicts in Porgera as consultant anthropologists, as development specialists, through participation in PEAK, or through dialogue with the company as an SRI company is currently not accessible to community members engaging the PJV mine.

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Comment

Stuart Kirsch

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Catherine Coumans provides a new model for studying corporations and contemporary capitalism. Rather than focus on production and consumption, she examines the relationships mining companies forge with other actors: indigenous landowners, NGOs, anthropologists, nation-states, corporate shareholders, and multilateral organizations. Anthropologists have not paid sufficient attention to how these different stakeholders broker deals and make compromises, how their decisions are influenced by money and power, and the consequences for differentially situated actors. Studying these interactions provides a very different perspective on capitalism than does tracking commodity flows or conducting ethnographic research on stockbrokers. Coumans argues that anthropologists need to examine how corporations negotiate questions of accountability with different publics, some of which have the capacity to limit the harm caused by corporations (see Benson and Kirsch 2010).
Although Coumans identifies the importance of reputational risk for corporations, she also suggests that anthropologists have need for concern on this score. Anthropologists have long been accused of stealing peoples’ culture, but they are now being criticized for selling that knowledge to mining companies, which treat it as proprietary business information. It is true that the mining industry employs or funds a growing number of anthropologists. As Coumans notes, public relations consultants recognize the strategic value of buying up anthropological expertise, which limits informed commentary or critique (see Kirsch 2007:309). The contractual obligation to remain silent may pose an ethical dilemma for anthropologists, who used to have a code of ethics that required them to make their research results available to the public. This seems like an example of a collective action problem that might be addressed by the discipline’s professional associations, which could establish rules concerning limits on confidentiality when the subjects of anthropological research are exposed to harm.

Anthropologists explain their decision to work for the mining industry in various ways: the desire to improve relationships between mines and communities, the recognition that the downsizing and privatizing of the academy requires anthropologists to find new markets for their skills, or simply that corporations are more willing to pay for anthropological advice than are indigenous groups. Coumans provocatively compares anthropologists who work for mining companies with journalists embedded within the army during the second Iraq war and notes the restrictions imposed on what the journalists saw and how they were permitted to report on it. Alternatively, one might compare the anthropologists working in the “killing fields” of Porgera with the anthropologists participating in the controversial Human Terrain System (HTS) in Afghanistan, which embeds anthropologists within active combat units, where they provide guidance to the army on its interactions with local populations.

I take issue with Coumans on one issue. It is not necessarily the case that anthropologists who consult or work for the mining industry feel under pressure to toe the company line or censor their opinions. There is no reason to assume that anthropologists as a group share a common set of understandings about mining companies and their practices. In general, one finds that anthropologists working for mining companies tend to produce accounts closer to industry positions, and the accounts of anthropologists working primarily with NGOs and communities tend to be more sympathetic towards the claims of these groups.

Finally, there are several questions I would like to raise. First, although Coumans discusses many of the key actors in these interactions, she does not address her own positionality as a member of an advocacy NGO. I am particularly interested in thinking about advocacy as a mode of knowledge production as illustrated by her article. What are its strengths and weaknesses, and how does it differ from other forms of expertise? Second, the area around the Porgera gold mine has become one of the most violent places in the rough-and-tumble nation of Papua New Guinea. Payments made to landowners have facilitated the emergence of a dangerous class of “super big men” (J. Jacka, personal communication, 2010). It is important to recognize that the mine has been a catalyst for these conflicts rather than naturalizing the violence as “tribal fighting” (see Kirsch 2009). However, it is equally important to understand how these conflicts also emerge out of the juxtaposition of exchange systems historically based on the dispersal of wealth and individuals who embrace capitalist-style accumulation of wealth. Third, anthropologists need to remain attentive to issues beyond the interests of the landowner groups most vocal about their grievances and the mining companies that set the parameters of research projects when they hire or fund anthropologists. For example, the extensive literature on Porgera makes only limited reference to what happens to pollution from the mine once it enters the Strickland River. Under particular hydrological conditions, water from the Strickland may flow into Lake Murray and the surrounding lagoons. This poses a potential health risk to the Boazi, Kuni, Mbagua, and Zimakani peoples living in this remote area, given the elevated mercury levels in the mine tailings and the naturally high background levels of mercury in the lake. Finally, pollution from the Porgera mine eventually flows down the Strickland into the Fly River, which has already been affected by more than 1 billion metric tons of mine waste discharged by the Ok Tedi copper and gold mine (Kirsch 2006, 2008). Ignoring the impact of pollution from the Porgera gold mine on the Kiwai and their neighbors in lower Fly River reinforces the joint venture’s strategic avoidance of a complete accounting of its externalized social and environmental costs. Ironically, this suggests that advocacy as a research method may have some of the same shortcomings as research supported by the mining industry.

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**Survival Odds**  
**Mortality in Corporate Time**  
by S. Lochlann Jain

This article examines the current rhetoric of cancer survivorship in relation to the emergence of new statistical models of cancer incidence, treatment, and mortality record keeping. In this article I examine the paradoxical effect of the moral economies of survivorship and agency in relation to the recent use of personal agency in combating disease used in direct-to-consumer medical advertising.

Fortunate and favored, the survivor stands in the midst of the fallen. . . . The Survivor . . . has a price to pay. Many of his own people lie among the dead. (Canetti 1984:227–228)

Several years ago, my family visited the Commonweal center in Bolinas, California. My mother, a physician, wanted to find out more about the therapeutic approaches to cancer at the famous retreat center. At that time I mentally listed all the people I thought would want to know about such a “comforting” retreat—I’m quite sure my inner voice had something of a paternal tone to it as I imagined all the sick, tired people wandering over the green hills and looking across the “inspirational” views.

Such medical travel was not uncommon in my family. On a previous trip we had visited the barracks where lepers had been sent on the island of Molokai, Hawaii, until Hansen’s disease was largely cured in the 1940s. That place, too, was breathtakingly beautiful, set against the cliffs and ocean that must have seemed to those people like prison bars.

My mother’s insatiable empathy for the ill had not yet seeped down to me, and thus I did not think of ill people as well people who had had some misfortune. Rather, ill people fell into a category: people engaged in appropriate categories of behavior; they went to, they were sent to, the sorts of places that sick people go. People with cancer seemed like a different race or genre of person; if anything, I imagined I would die violently but quickly in a car crash on Interstate 280 between San Francisco and Stanford, or, statistically more likely, on Route 17 over the Santa Cruz Mountains. But I never really thought about it that much.

My mother’s insatiable empathy for the ill had not yet seeped down to me, and thus I did not think of ill people as well people who had had some misfortune. Rather, ill people fell into a category: people engaged in appropriate categories of behavior; they went to, they were sent to, the sorts of places that sick people go. People with cancer seemed like a different race or genre of person; if anything, I imagined I would die violently but quickly in a car crash on Interstate 280 between San Francisco and Stanford, or, statistically more likely, on Route 17 over the Santa Cruz Mountains. But I never really thought about it that much.

Maybe that’s why diagnosis felt literally Kafkaesque, as though the doctor’s ungracious stutter, “Umh, do you know what this test shows?” turned me into some kind of pitiable insect. That’s another story filled with chaos and drugged-out memories. This story begins when, months later but still flush with the shame of diagnosis, I wrote anonymously to a retreat center in Vancouver called Callanish that modeled itself loosely on Commonweal. I received a response immediately, a gentle letter letting me know about the week-long retreats for people dealing with and dying of cancer. Callanish was not shy. People dying of cancer? I remembered how when my friend Mary Dunlap’s death was imminent, she couldn’t find any physician in San Francisco who could help her with that part—the dying part—of pancreatic cancer. On her tour of the physicians of the city (at least the ones covered by her health insurance plan), they would all say, “There is nothing more we can do for you.” She found that once the possibility of life seeped from medicine, the doctors were done. After all, you are supposed to gather your resources to “battle” cancer. “Succumbing” to medicine was something one did, apparently, on one’s own.

But I wasn’t dying of cancer; I wasn’t metastatic. I was deeply lonely and alienated, and, let’s be honest, I was cruising. I wanted to find out more about this “cancer” thing. Everyone talked about it as if it signified some coherent concept, but I found only paradoxes and things that made no sense. For example, the pamphlets told me that once my surgical incision had healed, I could return (return?) to “washing walls.” The “Look Good Feel Better” workshops sponsored by the cancer clinic and the cosmetics industry told me that if I started to wear base and penciled in eyebrows?) And so on. A few cells gone wacko, and then, wow, everything changed.

Months later, a call from the head retreat person let me know that there had been a cancellation. I asked to be in a retreat with others in their thirties. I didn’t want to be with a bunch of old people as I had been in the chemotherapy room; I felt done with my role of making all the other cancer...
nerds feel as though at least things could have been worse. Without ever making a full commitment, I booked my flights for “cancer camp.” Only later—after partaking in several other retreats—did I realize how groovy it might have been. It might have been about how to beat the odds or remain cheerful rather than the actual in-depth work it offered of examining death and illness. After all, hope and exceptionalism pervade cancer culture like a shrill thread, everyone hanging on for dear life and yet still dangling.1

Lauren Berlant might consider cancer hope a “cruel optimism,” which, she writes, “names a relation of attachment to compromised conditions of possibility . . . whatever the content of the attachment, the continuity of the form of it provides something of the continuity of the subject’s sense of what it means to keep on living on and to look forward to being in the world” (Berlant 2006:21). Survival itself, or rather the hope for survival, might be taken as cruel optimism’s basest form. It may just be what keeps people going through harsher and harsher experimental chemotherapies. Then again, the attachment to hope offers another sort of cruel optimism; evidence of this attachment on a cultural level takes many forms. Recently, for example, an academic review of an article I submitted for publication states: “While reading this essay, I was trying to imagine [my friend going through cancer treatment] . . . dealing with it through some sort of other discourse [than hope and survivorship]. I couldn’t.” Lance Armstrong, with his odd mix of self- and corporate promotion, presents another widely distributed image of the promises and potentials of hope. Another form of attachment to hope offers itself in hospital and pharmaceutical ads, as if these companies are giving patients the life or death choice to take up the alms they have on offer.

Such attachments come with costs. If on the one hand we have to hold onto them for the poor cancer patient who needs them to get through treatment, well, this cruel optimism serves other interests, too. I believe that the attachment to hope saves us from doing the dirty work of really looking at what is being survived and how—that politics and suffering is more easily black-boxed behind chipper wrapping paper. Here I take a different angle in examining the discourses of cancer.

In this article I explore how the disjuncture between the mortal time of a human life marked by its end in death and the immortal time of the corporation and the medicines it proffers mesh with the rhetorical narratives of cancer, particularly the language of survivorship. In the first section of the paper I offer an analysis of the politics and idea of survival against the odds. Others have examined how numbers have infused our understandings of health and medicine in ways that dramatically differ from previous models of illness and treatment (Christakis 1999; Dumit 2002; Jain 2007; Rosenberg 2002:246–260; Valier and Timmermans 2008:509). Based on this observation, I examine a locution common in popular contemporary cancer reporting, commentary, and social interaction: that of survival against the odds. How do we understand these odds, and what are the social implications of such language?

I then turn to an analysis of the recent Gardasil campaign to understand how this campaign played on cancer fear and offered opportunities to fight the odds even before a diagnosis. This campaign can give further insight into the individual and corporate stakes in such language.

### Coming to Survivorship

That retreat, the first of several week-long retreats I have attended, offered my first lesson in how people struggle with the hegemony of the various languages of survivorship. Ironically, in popular culture the cancer survivor has been recently presented as nearly a superhuman figure. One person told me that when he introduces himself as someone with Hodgkin’s disease, he gets no response, whereas when he says he is a cancer survivor, a congratulations most often follows. An obituary hanging on my office wall describes a fellow scholar who died of cancer as so committed to her work that she missed not a day of teaching because of cancer (i.e., until she croaked). Lance Armstrong so doggedly prides his survivor status that the

1. Initially the term “survivor” was pegged to cancer in order to ensure that the medical system recognized the specific medical issues of people who had endured cancer treatments. However, in the past decade, the notion of survivorship against the odds—the enumeration of survivorship—has come increasingly to matter in popular accounts of the disease. That is what I want to focus on here.

2. “Survivor” takes the sting out of the stigma, but the rhetoric may also be understood as part of a broader cultural cancer management technique. Recall, for example, sociologist Talcott Parsons’s (1981) still relevant description of “sick role” from the 1950s. Parsons hypothesized that the break from responsibility required by illness was rendered legitimate when the ill person followed culturally determined conventions of being ill, such as seeking health care and trying to become healthy (Parsons 1981:70).
The investments in this figure run deep, and on several occasions I have witnessed people in support groups discussing both their dismay at the term “survivor” and also the cultural barrier against criticizing it. As one person in my support group said, “It is as if to be against the survivor rhetoric is to be against living.” The survivor figure can present terribly difficult positions for people with cancer who are not, in fact, surviving, in ways I analyze elsewhere.

We assume survival until we don’t. The doctor survives the clinical trial, the child survives the parent, the well survive the sick. You don’t really think about it until you are called into the position of survivorship, asked in some way to inhabit the category, live amid those in that category who are not, in fact, surviving. I know that feeling, the muted exhilaration of the survivor. You wake up in the morning not dead or sick. You wake up happy and miserable at the same time, guilty of your happiness as you think of the two women from your support group who are currently dying, as if one’s own survivorship were somehow contingent, itself, on the statistics and those who are contained within them. To me, cancer is not a “Why me?” thing. In a world of plastics, nuclear fallout, pesticide runoff, it’s just a distributive thing. Why not you? Or me? As it happens, though, it was me. Or it was then.

All manner of explanation fills the cancer void. As one woman on my retreat said, “Maybe I haven’t laughed enough. But then I look around the room and some of you laugh a lot more than I do and you’re still here.” Another person was tortured by the fact that she had suffered from an invisible pain syndrome that no one seemed to believe. She had wished she had something visible, something like cancer, and now she did. Others try to understand cancer as a lesson that they were dealt because they needed to change something in their lives. My first therapist made me feel like I was being sexually harassed when he asked at my first appointment, “Which breast is it in?” At my next appointment, when I plucked up my courage to ask him why he had wondered, he said that some people think cancer in the left breast indicates that the person is not expressive enough. He didn’t say that this was his theory, but why did he ask?

I remember at that first cancer retreat looking around at the other seven participants and wondering who would die first. Lisa, about my age, had a 2-year-old daughter at home. Breast cancer. Liz, from Montreal. Leukemia. Sharon from Ottawa, worked for Canada Health. Breast cancer. Then there was Tina, a nurse. Oral cancer. Alice, a mother of a 12-year-old, who had stage III ovarian cancer about to start her third course of treatment. Beth had received the high-dose bone marrow transplant therapy a decade ago in Montreal and had been ill ever since. Kate, an English educator, was diagnosed the same day as I was (though about 25 years later in her own life) but with metastatic disease.

I knew at the time that engagement in such a pastime was wrong. Unlike my father, who delights at weddings in predicting how long a marriage will last, I told no one. One might attempt to explain or justify his or her own survival, as I did through garnering facts such as age and stage (though such facts matter only for a population). But living in prognosis by definition belies prediction and explanation: you don’t 70% die; you live or die (Jain 2007). As it turned out, I was right. The three oldest and sickest, women in their fifties (which seemed much older than it does now), are now gone. But in a weird way, it nearly seemed as though the bearing out of my assessment made their slow and excruciating deaths more reasonable, if still not fair. Can that be true? Rationalization is one way to bury the piles of the dead.

And there are other explanations: the treatment, my vegetarian diet, my good constitution, my kindly nature and good will? Some of these explanations are impossible to justify in the usual ways. For example, cancer surgeons’ success rates—potentially, if inexact, measurable by tracking rates of recurrence—are not even collected. Other explanations and secret theories belie objective measurement. Some survivors of the Halsted radical mastectomy credited that surgery with their survival long after the procedure was abandoned by most surgeons (Lerner 2001). Others attributed survival to high-dose chemotherapy and autologous bone marrow transplant even though it was found after 5 years of offering the harrowing procedure to have lower survival rates (Rettig et al. 2007). Who knows? Just because it killed more people than it saved does not mitigate the fact that it may have saved some.

Another theory of cancer survival clings to the notion that the more difficult the chemotherapy course, the more effective it is; the boundaries between aggressive treatment and efficacious treatment are constantly blurred. In this tangle of uncertainty, the only sure thing seems to be the statistics: at least they offer concrete numbers. But what are you supposed to think when you show the doctor the chart with stage and prognosis written on it, as I did, and ask him what it means and he doesn’t skip a beat and says, “Exactly what it says.”

Beating the stats in some ways provides precisely the individuated battle that an American needs these days. Survivorship forms a powerful metaphor for the subjects of cancer, a figure standing in for hope; for the potential success of various scientific, political, and economic cancer wars; and of personal spirit. Everyone loves a survivor. The term corresponds nicely, also, to other interests that like to foreground agency in the face of poor prognoses. Hospitals and pharmaceutical companies advertise everywhere that our choices to use their services may save our lives.

The media, especially, love the survivor story. One avowed cancer survivor writes, “I had a quote 40% chance for survival for 5 years and 25% for 10 years,” she recalls. ‘Now did I live by those statistics? No. Did I let them influence the way I battled the disease? No.’ [Kristine] Chip says she persisted by

4. I take this up in detail in “The Mortality Effect: Counting the Dead in the Cancer Trial” (Jain 2010).
relying instead on the principle, “With a positive attitude and
hope, you can conquer anything” (Steinberg 2003:41). The
lone survivor of the “rare and aggressive cancer” cuts a heroic
figure these days, unlike the dork who dies of a banal quo-
tidian cancer. But what interests me here is the way that Chip’s
own agency is configured in relation to statistics about cancer.
She battles odds here; she specifically does not battle other
people who will die, statistically anyway, so that she may live.

But the possibility of surviving the odds is relatively recent.
Indeed, it may not be a coincidence that the culture of the
cancer survivor rose in tandem with the consolidation of
cancer statistics and the disclosure of those to the patient
(Christakis 1999). The Oxford English Dictionary (OED) at-
tributes the first use of the word “survivor,” dated to 1624,
to John Donne’s Devotions upon Emergent Occasions, Medi-
tation XVII. For Donne (1975), the shared endeavor of death
as a facet of the interconnection of human life forms the core
of his meditation: “No man is an island, entire of itself; . . .
any man’s death diminishes me, because I am involved in
mankind. . . . Never send to know for whom the bell tolls; it
tolls for thee” (87).6

Moving on from Donne, the OED dispenses with this sense
of inextricable collectivity. Instead, the individual is dis-
istinguished, and distinguished precisely by his or her longevity,
by his temporal dislocation from the collective: “a person,
animal, or plant that outlives another or others; one remaining
alive after another’s death, or after some disaster in which
others perish” or “outliving another or others: remaining alive
after some disaster in which others perish.” This echoes
Chip’s ubiquitous notion of survivorship, one meshed with
the ideologies of population statistics.

The bell neither notices nor tolls for a statistic. The many
that built the category of one’s survivorship in the language
of population data lie dead, people we’ve never met nor could
meet, for statistics contain homogeneous units with only one
variable: alive or dead. You build these Frankenstein numbers,
and they become something else. They feed on your friends’,
acquaintances’, and enemies’ deaths, and they will feed one
day on each of our deaths, just as they feed now on our lives.
Survivorship can only ever be temporary.

According to Michel Foucault (1977), who gave us the
powerful notion of biopolitics, Donne’s version of survival
predates the change in power necessitated by a political shift
away from God and the sovereign toward the state and cor-
poration. Foucault writes that our notions of death differ from
contemporaries of Donne:

Death becomes, insofar as it is the end of life, the term, the
limit, or the end of power too. Death is outside the power
relationship. . . . Death now becomes, in contrast, the mo-
moment when the individual escapes all power, falls back on
himself and retreats, so to speak, into his own privacy. Power
(Foucault 1977:248)

Death no longer makes sense as life everlasting. Now, more
than a comma separates life and death (Edson 1999).

The noted biologist Steven Jay Gould (1985) offers a way
to understand this. When diagnosed with abdominal meso-
ethelioma, Gould wrote an article titled “The Median Is Not
the Message.” The article tours his prognosis, taking us
through all of the reasons that this curve (fig. 1) does not
predict his death within a median 8 months between diagnosis
and death. He writes of the hope he finds in an inevitable
“right skew” of the distribution curve. While a symmetrical
distribution would have a mirrored bell curve, a right skew
has a steeper slope up and a more gradual decline, meaning
that while the first half the group diagnosed with abdominal
mesothelioma will die before 8 months, the second half will
drop off gradually over the coming years. As he points out,
“there isn’t much room for the distribution’s lower (or left)
half—it must be scrunched up between zero and eight
months,” while the right half, where everyone hopes to be,
can extend for years and years. Indeed, in his case it extended
for 20 years (Gould 1985).

The collective, for Gould, serves as the measure of his own
hope, rendering it an objective truth of a population into
which he has been slotted and in which he seeks to both

5. It’s no coincidence that a scholar of Donne, Professor Vivian
Bearing, would be the protagonist of a play contrasting versions of death
and survival. In Wit, Bearing discusses the comma—the slight pause that
separates life from death—between life and life everlasting in the Holy
Sonnet X, “Death Be Not Proud.” As Bearing had learned from her
professor: “Nothing but a breath—a comma—separates life from life
 everlasting. It is very simple really. With the original punctuation restored,
death is no longer something to act out on a stage, with exclamation
points. It’s a comma, a pause” (Edson 1999:14).

6. Different though they are, both Donne’s and Cannetti’s versions of
survival predate the rise in population statistics and the use of those
numbers to manage questions of political and economic power. Accord-
ing to the philosopher Michel Foucault (1977), this shift toward nu-
merical aggregation and explanation arose with a political shift away from
God and the sovereign as the primary sources of governance and toward
the state and corporation. Thus, Canetti (1984:232) could write that the
“true subject” gives up his or her life for the ruler and that the ruler
needs these deaths to maintain and demonstrate his or her power over
death and life. In other words, in Canetti’s view, the sovereign can pick
out individuals who might live or die. The ability to let live or make die
distinguished sovereign power and marked his or her position as sov-
ereign. Cancer makes one a subject through survival (not kicked out like
the leper). Foucault (1977) considered subjects as populations. The in-
dividual is no longer of interest to political power. Foucault requires a
different notion of death. He writes that notions of death for citizens
familiar with population aggregates differ drastically from what Donne
would have called death. According to Foucault, our notion of death
could not be more different from Donne’s, in which death is necessarily
a collective and political endeavor. In contrast, in the age of population
statistics and aggregates, death is a limit on political power; death becomes
“the moment when the individual escapes all power, falls back on himself
and retreats, so to speak, into his own privacy. Power no longer recognizes

www.oed.com/view/Entry/195113?redirectedFrom = survivor# (accessed
June 21, 2010).
locate and distinguish himself. Justifying one's own life in the face of the death of the collective makes a dangerous bedrock for hope. But in so doing, Gould translates for us Elias Canetti's (1984) observation about survivors: "It is as though the battle had been fought in order for him to survive it" (228). The continuity of one's self allows a kind of retroactive purpose to the statistics themselves. No one wants to be a statistic; no one can help relying on them. This mode of representation could not differ more from another version of survivorship.

The Holocaust comes with a unique visual culture depicting clear-cut brutalities that is circulated through museums, Web pages, documentaries, and Hollywood movies. The familiar images depict the barbed wire; the thin, bald bodies with their striped uniforms hanging off them; the piles of bodies; the bodies in midcrumple after a shooting. The distant black and white images stand as markers of what precisely we must remember. Amid various traumatic and judgmental debates about how these survivors survived and the ethics of that survival, the last few Jewish survivors have been ascribed the role of having borne witness to Nazi devastation, with their tattoos and children being the fleshy carriers of that history, and holding the burden of ensuring that history “never again” repeats itself.

At the Holocaust museum in Washington, DC, the display strictly ushers observers through the entire exhibit, and you can’t shy away from much. Arriving on the second floor, one finds a massive pile of thin black and brown midcentury shoes taken from people before they entered the gas chambers. Hundreds? Thousands? At once universal—anyone could have worn them—they are also specific, bearing the particular moldings of the feet that did wear them. Though tossed singly, not even in pairs, haphazard, unnamed, anonymous, stiffened through time and transit, the shoes reference the bodies and lives that inhabited them.

Statistics don’t carry these fleshy references; statistical deaths are separated from bodies. The dead bodies counted as data in the randomized controlled trial, and of Gould’s graph, all carry a nonreferential character that lives cannot. Holocaust survivors, because of the historically closed moment of the event and the efforts to ensure that the event
exceeds other war killings, have a particularity that survivors of endemic disease cannot.

People who come to that statistic may try to find themselves there, matching their prognosis to the height of the right skew, while the stories that were lent to that curve dissipate into a universal that will come to be inhabited by other people—others who will wear them in their own ways, leave their own imprints, soft spots, worn-out parts. But that search will always be disappointed, for numbers are not shoes. A number will not mold to your arches; it will not record the quality of your life. Fickle adulterers, numbers make love with the generations who move through them. This absorption of each death into an abstract category explains the “victory of sterility and death”—as Gould (1985:41) quotes Hilaire Belloc as saying—that statistics embody.

However, Gould’s logic requires this victory, for he writes not of death but of time, time underpinned by a logic that necessitates a comparison of his life chances against the graph. Yet the graph abstracts the lives it purportedly represents to such a degree that his hope to emerge victorious does not place him atop a pile of dead bodies with both arms raised in victory but rather paints him as a victor against the odds.

If Canetti’s theory of sovereignty needs actual dead bodies that can be counted and used to consolidate sovereign power, Foucault enables us to understand how the numbers can be gathered in the interests of more dispersed fields of power. For example, the objectified hope presented in cancer facts and figures elide other kinds of truths and politics that Gould does not consider. Gould had a disease virtually always caused by exposure to asbestos, a disease known since the nineteenth century to be caused by asbestos, that according to historians exists only because of a massive cover-up by the asbestos industry. The disease might easily have never existed, which would have led to a different curve entirely (Davis 2007).

Second, the left curve offers a seemingly objective view of the natural course of a cancer rather than a glimpse into the politics of diagnosis. Ovarian cancer, for example, is known as a particularly aggressive cancer in that people often die relatively soon after diagnosis. But like most cancers, life chances have everything to do with stage at diagnosis, and figures elide other kinds of truths and politics that Gould does not consider. Gould had a disease virtually always caused by exposure to asbestos, a disease known since the nineteenth century to be caused by asbestos, that according to historians exists only because of a massive cover-up by the asbestos industry. The disease might easily have never existed, which would have led to a different curve entirely (Davis 2007).

One could turn to many places to find the uniqueness and historical specificity of this way of understanding time and death. Marcus Aurelius (1992), in Meditations, for example, wrote, “Always remember then these two things: one, that all things from everlasting are of the same kind, and are in rotation; and it matters nothing whether it be for a hundred years or for two hundred or for an infinite time that a man shall behold the same spectacle; the other, that the longest lived and the soonest to die have an equal loss; for it is the present alone of which either will be deprived, since (as we saw) this is all he has and a man does not lose what he has not got” (10). Thanks to Derek Simons for the quote.

One Less

Merck offers a potent form to understand the power of statistical ambivalence in the making of social and material culture in its recent advertising campaign for its human papillomavirus (HPV) vaccination, Gardasil. The “One Less” cancer as aggressive makes its progression seem inevitable and unstoppable.

Statistical aggregations provide a logic through which bodies become interchangeable numbers—they become statistics for which nothing need be felt, neither guilt nor pleasure nor horror. The Holocaust Museum insists that the Holocaust stories will be preserved so that we remember, even so that we feel the horrors viscerally with concrete manifestations of experience. The injunction to remember, precisely so that it never happens again, centrally configures the exhibit and its justification. The message is that we are all vulnerable, that we must stand up against racial and other forms of violence so that the next time we are not rounded up and burned. This point in some ways runs parallel to the lesson that Gould has for his readers: by reading the graph correctly, we can all have hope; we might all find ourselves on the right end of the graph, even as this is logically impossible. Both modes of survivorship come together as problems of correct representation and interpretation.

It makes good sense that a nation committed to individual agency and bootstrap ideology encourages survivors to rationalize and explain each survival and death in relation to the strength of the individual rather than the social decisions about acceptable levels of carcinogens and statistical distribution. The faith in statistics versus the faith in one’s own outcome is perhaps impossible to reconcile, and Gould inadvertently demonstrates how this is so.

One finds the social logic of the individual within cancer everywhere: in the Pharma ads, in the medical training sessions, and in cancer culture more generally, such as the American Cancer Society slogan “Hope starts with me.” It is also familiar from other campaigns, such as those offered by the army—“The Power of One”—or of Time Warner—“The Power of You.” In this sense, the “battling the odds” trope so familiar in cancer culture echoes a broader American understanding of agency even as it paradoxically defines itself both within and necessarily outside of statistical culture.

9. Indeed, physicians bear these statistics in mind in vastly different ways. In San Francisco, California Pacific Medical Center’s Dr. Bertrand Tuan says that he does not do hands-on exams that involve feeling for swollen nodes, skin irregularities, or other abnormalities for his breast cancer patients because he believes that “if someone has metastatic disease, they will know it” (June 2008). On the other hand, Dr. Garrett Smith does a close manual exam because he thinks the 3 months potentially gained in early detection of recurrence can offer the opportunity to save a life, and “that’s the fun part” (August 2008). Both approaches and physical exams (one lasting about 2 minutes and the other about 30) fall under the current acceptable limits of standards of care both medically and legally.
campaign virtually parrots this statistical logic back to its hoped-for consumers by interpellating them to resist becoming “statistics.” It offers the tools to do this by harnessing their consumer power as agents to battle the odds by getting the vaccine. Thus, Merck conjures a market based in fear with the notion of agency central to survivorship.

Merck asks us to carry the passport of the ill even before diagnosis, to live in an anticipated illness, to beat the prognosis before hearing its words in a logic that parallels the counterafficients of the randomized controlled trial, the missed diagnosis, and the cure. The campaign features quick visual references to young women participating in energetic activities as the voice-overs and textual cues repeat the campaign’s tagline: one less.

I could be one less—one less statistic . . . because now there’s Gardasil. . . . I want to be one less woman who will battle cervical cancer. . . . With Gardasil you could be one less.10

The ingenious rhetoric promises to establish the viewer as a survivor even before she has cancer—the consumer-patient is invited to “survive” not by battling cancer but by battling troubling cancer statistics (“one less”) and by battling cancer anxiety.

The teenage athletes seem successful in their energy and desire to participate. The vaccination promises to allow these girls to stay in the realm of sport as previvors—to opt out of cancer’s battles, to step out of that ring altogether, just as when you leave the hospital after a test, you put on your clothes again and walk away.

The “one less” phrase echoes a mantra familiar to those who belong to precisely the active and activist groups Merck is portraying. The ubiquitous “one less car” bike sticker asks its car-driving readers to notice that the cyclist is taking less space than a car rather than too much for a bicycle. But one less car offers an anticonsumptive stance, while Merck requires quite the opposite.

By confusing “less” with “fewer” in an apt grammatical error, the slogan plays on colloquialism that one becomes a statistic when one becomes a casualty of something. More than just denigrating the disease, the phrase ignores the fact that those outside a group also constitute the group. About the test that led to her initial diagnosis, one person with cancer I interviewed said, “They tried to comfort me by saying that there was an 80% chance it was nothing, but that meant a 20% chance that it was cancer, and it was.” The statistic needs both the 80% and the 20%. “One less” aptly hints at that.

Still, an HPV vaccine may result in fewer women with the disease. Yet Merck leaves open the precise nature of the disease referred to: a few precancerous cells found on a Pap smear or all-out terminal cervical cancer? This necessary hedging covers critical questions—such as how long the vaccination works and whether and when boosters will be required—that remain unknown. More critically, it confuses and takes advantage of population and individual logics through its fabricated images of young women’s collective self-empowerment.

The advertising similarly leaves untouched the fact that HPV is a sexually transmitted disease. One doctor I spoke to said, in disgust of the marketing practices, “Instead of educating women about the sexual transmission of the disease, they are treating women like swine assuming that they will eat swill and so we’ll just vaccinate them like pigs.” The HPV vaccine vaccinates for only two strains of the virus and not for others that account for 30% of the precancerous lesions that can be detected with the Pap smear; thus, even women who are vaccinated will need to undergo regular Pap smears. They neatly cover over this paradox by representing the vaccination as a cancer vaccine rather than as a sexually transmitted infection vaccine. Other ads also rely on this omission.

The “I Choose” campaign (who would choose cancer?) and the Digene’s HPV test print ads refer to those who don’t get the vaccination as gambling by having only a Pap test. Sociologist Steven Epstein has argued that this decision not to market the vaccination to boys was made purposely so that the product would not be associated with sexual practices. Even the name of the other HPV vaccination, Cerverex, is gendered. As he notes as well, this decision may leave certain groups—his interest is pre-gay boys who have higher risks of HPV-induced anal cancers—untreated, even as the vaccine is justified as a public good (Wailoo et al. 2010). Thus, the advertisement implies that it offers the opportunity to protect oneself from cervical cancer without giving any information about what the disease is, how it is spread, who is at risk, or other HPV-related diseases.

“One less” makes sense only in terms of a target number that the vaccine itself promises to shift: one less than what? To survive cancer here—or, rather, to previve cancer—relies on the constitution of a vulnerable collective that one outlasts. The fulfillment of Gardasil’s deepest promise would be the elimination of the collective itself. Thus, the advertisement at once installs and collapses the temporal distance between the healthy present and the diseased future, positing and erasing the distinction between the individual consumer and the body (the singular “one less” rather than the collective “one fewer”) of unnamed women afflicted with cervical cancer. The vaccine itself, in the complex of biomedical agency and interests, stands out as that which will make the difference between life and death for each girl who follows the ad’s directive to ask her doctor. In these senses, the commercials fit a different logic than previous public health promotions of vaccinations in which each person’s vaccination was in the larger social interest of the collective good. For Gardasil, vaccination promises the purely individualized promise of self-care and agency.

While Merck’s marketing strategy required raising the spec-

Historian Kirsten Gardner explains the long delay in adopting the test as the result of a lack of infrastructure for universal testing and a lack of financial and political clout for women’s cancers. Sociologists Adele Clarke and Monica Caspar (1998) have examined the classifications of precancerous cells and the politics of both cell classification and the women who were hired to read the cell cultures in terms of institutional practices that had to be reorganized before the Pap smear could be widely adopted. Epidemiologist Devra Davis (2007) suggests, rather, that the delay resulted from a professional interest of physicians in maintaining control over the very profitable surgical biopsies and cancer treatments and a resistance to “the notions that public health agencies and nurses could conduct tests, train experts to read them and screen large numbers of people for signs of illness . . . seen by many physicians as a plot to socialize medicine” (123). In the 1970s, when the test was widely adopted, death rates from cervical cancer dropped dramatically—in many cases to far less than a third of previous rates (Davis 2007:122–127). It would be virtually impossible to argue that the decades-long delay in adopting this inexpensive test didn’t come at the cost of hundreds of thousands of premature deaths. The Merck campaign invokes the justifiable suspicion, based in such histories, that the best treatments and detection get lost in the politics of medicine.

In this context, the necessity for self-advocacy makes perfect sense. It comes as no surprise that such a critical message comes in the form of medical direct-to-consumer advertising rather than as a public health campaign. The Gardasil ad underpins and asks its viewers to buy into a model of patient self-advocacy and the idea that from that advocacy (“Ask your doctor”) one can take responsibility for her own well-being.

In my ethnography of people diagnosed and misdiagnosed with cancer, several people credited their advocacy skills in their successful diagnoses. Here is a representative story.

When I was 33 (I am now 35) . . . I discovered my lump during my self breast exam. After my exam, [my doctor] sent me for a mammogram and advocated for me when the mammogram department was dragging their heels on getting me into their clinic that week (the mammo department was completely unacceptable). My nature is to be proactive and advocate for myself—at the end of the day, I ultimately am responsible for my well-being. (Anonymous e-mail message, June 16, 2008)

Because cancer is usually asymptomatic and not obvious to the naked eye, successful early diagnosis usually requires a multifactorial approach that may include physical exam, biopsy, blood tests, and scans. In this case it involved an active primary care physician, a patient who did breast self-exams (and so was educated, trained, and motivated), a mammogram that picked up lesions even on a young patient, and a fine-needle aspiration (a test with a high false-negative rate) that turned out an accurate diagnosis. Against the stories of
many patients who have asked for tests or exams and not received them or received only quick breast or dermatological exams that missed critical details, this story suggests that proaction can make the difference.

Cashing in on the industry of cancer fear, Merck offers a firm plan on how to avoid cancer to a group that is bombarded with media fear reporting about the disease and that consists of those who often have parents and relatives with the disease. Offered very little information about the disease and virtually none on how to be “good patients,” they are told how to discuss concerns with doctors to make sure their concerns are taken seriously. The fear factor around cancer is now so high that one recent study, for example, found that “of 2,500 girls ages 8–18, nearly 30% believed they might currently have breast cancer.”

Conclusion: Valuing a Year

Such stories of personal agency serve a critical role in the rhetoric of the cancer survivor and always teeter dangerously between self-congratulation and disgust or even blind fury at the fact that patients have to become such experts to negotiate a medical system so disparate and faceless. Even then, their efforts can fail. The Gardasil vaccination is the first vaccination whose expense vastly outstrips its immediate benefits, and in light of such a short period of data collection, no indication yet exists of such basic data points as the length of efficacy, whether the vaccination will increase the virulence of other strains of HPV, and the short- and long-term health consequences.

In light of the missing health data, much has been made of the cost-benefit calculations of the vaccination, which provide another valence to understand statistical thinking and the kinds of substitutability and fungibility it allows for and encourages. According to one study, the vaccination of all current 12-year-olds would result within a standard acceptable cost of $40,000 per year of life saved, whereas a “catch-up” vaccination of the age group of those aged 12–20 would result in a spending of $120,000 per year of life saved. Regardless of how much a particular individual would be willing and able to spend for that year, the latter sum is considered beyond acceptable social spending for one abstracted year of life.

Epidemiologists who attempt to weigh the benefits of a drug or treatment contrast the years of life saved by the treatment with the cost of the treatment. They can do this only by putting everything into comparable terms, and numbers allow this flexibility. The study assigns each year of life a value between 1 and 0, where 1 is perfect health and 0 means you are dead. How do they do that? They ask patients and each other, they guess, and they use charts. They factor out things that are critical to the measurement but seem harder to gauge, such as the quality of life of caregivers or things that affect quality of life outside of health, such as the weather, how comfy your bed is, or the impact of your physical health on your mental health. There is no such thing as a less-than-one value; if the drug causes you to have a disabling stroke with locked-in syndrome and you wish you were dead, even then the equation of your life will have a positive value.

That number is put into a formula that takes into account the cost of the drug. In the case of Gardasil, quality-adjusted life years (QALY) of giving the drug to American 12-year-olds was found to be $40,000 (Kim and Goldie 2008). Critiquing the baseline assumption that money can be exchanged for a year of life on a social basis is not my particular interest here, but it is worth noting that the many necessary assumptions to such calculations may undercut the entire game. For example, in lieu of evidence that the vaccination works for longer than a few years, the assumption was made that it lasts for life. It was assumed that the vaccination would have no bearing on the development of more virulent strains of HPV, though no evidence exists either way.

Such calculations offer something of a philosophical logic game: if \( x \), then \( y \). And really, you can speculate anything for the \( x \) part of the equation, such as whether Gardasil works for 10, 20, or 60 years. But without any data, it is just a completely arbitrary speculation about risks and costs. In considering the study in an editorial, Dr. Charlotte Haug (2008) wrote that cost-effectiveness analyses offer “tools for decision making under conditions of uncertainty. These analyses do not in themselves provide evidence that medical interventions are effective” (862). Given the scientific form of data presentation, it can be incredibly easy to forget that and, further, to slide uneasily between medical and financial efficacy.

Why are medical profits literally always completely invisible in these equations? Why is it always the case that the cost per year of life is the variable and all other costs are acceptably fixed? What if we had a calculation that took the cost of life to be fixed and the variable to be something like how much profit Merck would be able to leverage or how much Merck’s president’s retirement package should be? As we can tell by the huge range in the cost of the vaccinations (anywhere between $400 and $1,000), that valuation could be as flexible as the value of a year of life. One recent article reported that the value of an American life in such calculations has been declining significantly over the past decade (Wedekind 2008). Democratic logic slips into the debate precisely at the point

16. “Breastcancer.org Helps Young Girls Put Breast Cancer Fears into Perspective,” http://www.breastcancer.org/about_us/press_room/prevention.jsp (accessed June 21, 2010). Girls who had been through breastcancer.org’s educational lecture came out knowing that they should “drink less diet soda” and that the main risks for cancer are “just getting older.” Nothing on the breastcancer.org Web site indicated anything about rising cancer rates, links to common toxins, how to raise concerns with a physician, or the politics of treatments.

17. This study was widely reported in the press and on multiple blogs (Kim and Goldie 2008).

18. Their assumptions are optimistic, assuming lifelong protection, no replacement with other strains of HPV, continued screening, and natural immunity to HPV is unaffected (Haug 2008).
that health profits are being tallied. Kim and Goldie (2008), for example, write that “under these conditions, if we are willing to pay $100,000 per QALY, a catch-up program for girls between 13 and 18 years of age appears to be reasonable” (827). But who are these elusive “we” willing to pay $100,000? A cost-benefit study analysis with this sort of “conclusion” may make sense in a social system where everyone has access to the same care and costs are limited, but it simply makes no sense in a nation where costs and treatments vary so dramatically and in which the decisions are made by insurance companies who use an entirely different index of the cost benefit of the vaccine. A democratic-socialist logic has a strange way of creeping into these equations as if lives were exchangeable or had the same value. This, a side effect of living inside a framework of fungible odds, obscures the politics of such decisions.19

Acknowledgments

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Comment

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Jain’s essay offers a multifaceted analysis of how social notions of disease shape the ways in which Americans conceptualize and experience cancer. Reflecting on her own story of diagnosis and survival, Jain examines the intimate and macabre ways in which individualization is reinforced through statistical logics and heroic conceptions of human agency. In doing so, she draws attention to the anonymity of statistical representations of death and disease while also demonstrating how ideologies of “hope and exceptionalism” are pervasive in the rationalization and interpretation of cancer. Jain’s critique exposes not only the sensuality of objects (such as thin midcentury shoes) that continue to reference the bodies of the dead but also the implications of measuring hope in terms of statistical calculations—for one to live, others must die. She develops this visceral commentary on contemporary “cancer culture” in the United States by bringing Foucauldian insights on the individualization imposed by modern power structures to bear on the trope of “battling the odds.”

As the subtitle of Jain’s article suggests, the relationship between temporality and the corporate form presents a compelling vantage from which to examine not only corporate perpetuity but also the interplay between personhood, human mortality, and time. Jain gestures toward this early on, contrasting the “mortal time of a human life” with the “immortal time of the corporation,” and again in her discussion of the biopolitics of secularism. While she returns to a discussion of time in her conclusion, a deeper exposition of the role of temporality—and continuity—in defining both corporations and personhood might have enriched this article. Her study might have also benefited from further discussion of how she contextualizes this analysis within the United States. For example, Jain argues that battling the odds of survival “in some ways provides precisely the individuated battle that an American needs these days.” The “social logic of the individual” is central to both Jain’s definition of the United States as “a nation committed to individual agency and bootstrap ideology” and her reading of cancer culture. While this connection is insightful and significant, her framing of it errs toward a portrayal of American thought as homogeneously that of secular liberalism and works to foreclose the possibility that multiple social notions of disease might be operative in this context.

In the second half of her essay, Jain offers intriguing insights into the ways in which corporations shape the organization of and possibilities for daily life by analyzing an advertising campaign for the Gardasil vaccine produced by Merck. The “consumer-patient” to whom this marketing is directed provides a provocative dimension of Jain’s analysis. She argues that the Gardasil campaign promises women the means to resist becoming cancer statistics by harnessing their consumer power. This dual subjectivity—consumer and patient—complicates the narrative of agency and individualism that Jain has pursued elsewhere in this article. Both subjectivities involve a claim to potential agency. While the first may be grounded in a “quest for self-realization through consumerist desire,” the second, as Jain argues, is framed by the heroic figure of the survivor (Mazzarella 2003:34). The tension between these two constructs—the effort to realize one’s self as a “previvor”—opens up a new set of questions for analysis. How are the politics of cancer obscured by the narrative of agentive consumption? Is the agency of the individual displaced onto the commodity of the Gardasil vaccine? Is this a shift away from an ideology of self-reliance?

In my research, which examines the corporate history of the production and consumption of handloom and handicraft
textiles in postcolonial India, I explore aspects of commodification, consumer subjectivity, and valuation that resonate with Jain’s material. Like Jain, I am interested in the multiple ways in which subjects and objects are defined in relation to corporations. Rather than treating corporations as monoliths, in my own work, I examine how corporations operate as institutions composed of a variety of actors and moral narratives. Taking such an institutional perspective also reveals the ways in which corporations can arise from the diverse challenges and circumstances of human experience. While I would have been interested to see Jain delve more deeply into the workings of Merck as a corporate institution or the range of corporate ventures (e.g., Livestrong.com)20 active in the fashioning of popular cancer culture, she nevertheless provides an engaging and timely perspective on the ways in which ideas of individualism and agency—as they are mediated by statistical logics, popular framings, and corporate slogans—inform the representation and experience of cancer.

References Cited


20. Livestrong.com is a for-profit created by Demand Media in alliance with the Lance Armstrong Foundation, which seems to epitomize the characteristics of cancer culture that I describe.


Shareholder Activism and Alienation

by Marina Welker and David Wood

This article opens up the category of the shareholder, who conventionally sits as a stick figure at the heart of popular explanations for why corporations ruthless seek to maximize profits. Following the logic that a gift may be seen as an extension of the giver’s self, we take up the possibility that investment portfolios might be viewed as reflections or extensions of shareholder personhood. We examine how three shareholder activist movements in the United States—socially responsible investment, shareholder value, and responsible investment—address the relationship between shareholder personhood, values, and investments. The divergent ways in which these shareholder movements have grappled with the contradictory entailments of share ownership illuminate the contestation at the heart of corporate ownership over the nature of the capitalist person.

As a financial advisor I work and live in two different worlds. The world I live in is populated with caring people who strive continuously to make the lives of their children, their communities, and often the world at large a little bit more livable. The world I work in is populated with people who ceaselessly work to achieve superior investment results for their clients. These two worlds are occupied by the same people. When at home, they care, and when at work, they care. But what they care about in each locale is at conflict with what they care about at the other. As a result, they work long days to achieve a goal that jeopardizes all that they hold dear when at home. (Domini 2001:xv)

The moral crisis depicted by Amy Domini, one of the founders of the modern social investing community, is no less profound for being conventional. Her words illuminate the schizophrenic way in which capitalism is organized. While she depicts financial advisors inhabiting multiple worlds governed by distinct rules, alternatively, this dilemma could be framed as the compartmentalization of individual persons into multiple selves who must activate certain logics and suppress others according to their context. In this article, we consider how a similar predicament holds much wider currency today, marking the experience of the average passive, anonymous corporate shareholder. As persons, we all inhabit a range of subject positions that give rise to a host of environmental, social, moral, and religious values. As shareholders, however, we are conventionally seen as desiring above all to maximize return on investment through rising share prices and dividends, limiting or precluding consideration of competing values and beliefs. This article seeks to complement discussions of corporate personhood (e.g., Bashkow 2010; Mark 1987; Millon 1990; Sawyer 2006) with a consideration of how shareholder activists construe shareholder personhood and the consequences these understandings hold for the ethical expression and agency of shareholders in the context of capital markets.

We divide shareholder activism into three overlapping movements: socially responsible investment (SRI), shareholder value, and responsible investment. These movements resonate with various agendas ranging from more progressive to conservative ends of the political spectrum. The modern SRI movement emerged in the 1960s and 1970s from larger struggles for civil rights in the United States and the overthrow of apartheid in South Africa. SRI activists sought to create and rationalize a sphere of investment that accounts for social and environmental values. Shareholder value activism, which began gathering momentum in the 1970s, sought to discipline powerful corporate managers and restore control to the “real” owners of corporations, the profit-seeking shareholders. The responsible investment movement, which coalesced in the past decade, promised to synthesize the social values that have driven SRI with the profit orientation of the shareholder value movement. In this article, we stabilize these intersecting social movements in discrete, ideal-typical form for the purpose of distilling from them theories of personhood and value.

The intellectual provocation underpinning this article can be formulated as a question: might an investment or a portfolio be seen, like the gift in Mauss’s (1990) classic contribution to exchange theory, as an extension of self? If so, what are the implications for how we see shareholders and for how we theorize persons? A rich anthropological literature has

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considered numerous ways to conceptualize personhood, much of it focusing on relational understandings in which persons do not act and cannot be understood as free and discrete agents independent of the social relations in which they are embedded. McKim Marriott (1976) coined the term “dividual” to suggest that Indian Hindus conceived of themselves as composite, made up of materials and social relations that originate outside of themselves. Ethnographers of Melanesia have extended this line of analysis in new directions, suggesting that in contrast to the “permeability” of Indian personhood to flows of substance, some Melanesians construe persons as “partible,” or open to reconfiguring, as parts of their selves that are owed to others can be separated or extracted and replaced with other parts (Strathern 1988).

Such accounts of relational personhood often appear in stark opposition to a putative Western notion of the individual, a clearly bounded autonomous subject who has a unique indivisible core or self. Although the individual is often described as completely separable from the social relations in which he or she is embedded, scholars following Macpherson (1962) have argued that the “possessive individual” is in fact a product of capitalist social relations. The distinction between Western/non-Western and individual/dividual notions of personhood has given rise to a debate about which binary should be seen as a useful device for critiquing the unself-conscious presuppositions of Western social theorists or as a problematic reflection of the essentializing tendencies of scholars conducting cross-cultural research on selfhood (Bataglia 1995:8; Foster 1995). LiPuma (1998) suggests that all persons have dividual and individual facets and negotiate the tension between the two. Numerous scholars, moreover, have questioned the notion of the autonomous, coherent, self-directing Western self by showing how subjects are formed through sustained interaction with institutions (e.g., Althusser 1971; Foucault 1979; Goffman 1961), are internally divided and in conflict (Freud 1960), utilize multiple voices or registers in everyday speech (Bakhtin 1981), engage in the performance of identity in relation to shifting contexts (Butler 1990; Goffman 1967), and cultivate or cycle through different identities as Internet users (Boellstorff 2008; Turkle 1995). In this article we extend this analysis of multiple and contested personhood to the corporate shareholder, the quintessential possessive individual who is supposed to stand at the heart of contemporary capitalism. We do so by probing shareholder activists’ implicit theories of personhood and value.

In the following passage, Graeber connects Strathern’s concept of the partible or multiple person to value:

People have all sorts of potential identities, which most of the time exist only as a set of hidden possibilities. What happens in any given social situation is that another person fixes on one of these and thus “makes it visible.” One looks at a man, say, as a representative of his clan, or as one’s sister’s husband, or as the owner of a pig. Other possibilities, for the moment, remain invisible. It is at this point that a theory of value comes in: because Strathern uses the phrases “making visible” and “giving value” more or less interchangeably, (Graeber 2001:39–40)

To briefly preview our arguments about how shareholder activists invoke shareholders and the question of value, we suggest that early SRI activists drew on a relational model of personhood to posit shareholders as moral persons who see their portfolios as an extension of selfhood. Shareholder value activists, by contrast, made visible only one facet of persons as shareholders: a desire for profit. Responsible investment converts moral into economic reason such that responsible investing will conform to the shareholder value imperative. In doing so, proponents suggest that prudent investment can address whole or complete persons (Strathern 2004) in their moral values and profit desires, at least over time. However, we show that “responsible investors” wind up encasing values in economic rationality.

This article grows out of our respective research interests and experience. Serving as director of Harvard University’s Initiative for Responsible Investment (housed in the Hauser Center for Nonprofit Organizations) and as a board member of the Social Investment Forum, David Wood is a member of the responsible investing expert and activist community. Marina Welker is an academic anthropologist who has carried out research on the corporate social responsibility industry in mining, focusing on Denver-based Newmont Mining and its Batu Hijau copper and gold mine in Sumbawa, Indonesia. Beyond our professional work, however, we also wrote this article as a means of wresting with our own roles as typical shareholders, that is, as members of the largely passive and anonymous mass of investors whose future retirement and children’s college education hinge on the performance of the corporations in our mutual fund portfolios. We work among academics who are far more likely to criticize corporations for existing to maximize shareholder profits than to acknowledge that we stand among those shareholders in whose name corporations are supposed to maximize profits. While this stance could be seen as hypocritical, we suggest that it also reflects a more general structural predicament of shareholders that we explicate in the next section.

The Alienated Shareholder

If consumers are alienated from the conditions of commodity production (Marx 1992), the majority of shareholders today are, analogously, alienated from the firms they invest in. This was not always the case. In the early nineteenth century, American shareholders had a more powerful sense of agency over and responsibility for the corporations in which they invested. As one survey documents, the plutocratic distribution of shareholder voting rights that prevails today, which accords one vote per share and thereby grants the greatest political power to the wealthiest shareholders, was in effect
for fewer than 40% of corporations for most of the nineteenth century (Dunlavy 2004). Most early corporate charters stipulated that shareholder voting rights be organized either in a democratic fashion, according one vote to each shareholder regardless of the number of shares held, or in a graduated fashion that would accord more votes to larger shareholders within limits. Shareholders’ sense of responsibility for the actions of corporations they owned derived from their potential liability for corporate activities and debts. These legal determinations of shareholder agency and responsibility were embedded in a broader conceptualization of the individual shareholder as belonging to a body politic, a sense of membership that was directly modeled on citizenship in a state. In this era, corporate charters and rules for self-government were seen as akin to constitutions, and the public for the most part did not distinguish clearly between the public and private natures or the political and economic functions of corporations. Corporations were widely seen as an extension of government chartered for public purposes, such as building turnpikes, canals, and bridges (Maier 1993).

Many of the social and legal conditions for the alienated, passive, anonymous shareholder that we take for granted today arose by the early twentieth century. Plutocratic voting rights for shareholders came to be seen as “natural, fair, and right” and were the legal norm by the end of the nineteenth century (Dunlavy 2004:83). States instituted limited liability protections for shareholders that confined their financial risk to the capital they invested in a company; debtors could not hold a shareholder personally liable for a corporation’s debts. The corporate form was also profoundly transformed as corporations acquired new constitutional rights and as states introduced general incorporation laws and abandoned regulatory traditions in a race to the bottom kicked off by New Jersey in 1890 (and essentially won by Delaware in 1899). Whereas new corporations were once individually chartered by legislative acts and restricted in their life span, activities, and geographic regions, general incorporation laws turned the formation of new corporations into a bureaucratic process; conferred on them potential immortality; and eliminated constraints on their activities, mobility, and ability to hold shares in other companies (Nace 2005).

Supreme Court Justice Louis D. Brandeis voiced his concern in 1911 over how the broadening distribution of shares and the fact that shareholders could profit from corporations without assuming responsibility for their “doubtful practices” would yield “evil results.” Alienation, in his view, did not exempt shareholders from responsibility. Brandeis insisted that “there is no such thing as an innocent purchaser of stocks” (quoted in Monks and Minow 2008:129). While only 1% of the American population held stocks in 1900, this number increased to 15% by 1970, and by 1998 half the population held shares (Paine 2003:92). More and more, shares were held indirectly. In 1986, pension and mutual funds owned a third of publicly traded stocks in the United States; by 2000, they held more than 60% (Monks 2008:121). The growth in indirect shareholding, which we suggest is linked to a growing sense of alienation on the part of shareholders, was due in large part to two crucial changes in federal law and the tax code. First, the U.S. Employee Retirement Income Security Act (ERISA) of 1974 provided tax incentives to employed individuals to save in individual retirement accounts (IRAs). Second, in the early 1980s, the private sector began replacing traditional defined-benefit pension plans, which paid retirees a set sum annually until their death, with 401(k) plans that compelled workers to manage their own retirement assets and make contributions. Public education and nonprofit institutions followed suit with 403(b) plans. Many employers replaced pensions with the new plans, which were initially intended only as a retirement supplement, because they cost a fraction of the traditional lifetime plan.

The architects of these new retirement policies and instruments marketed them as democratizing investment by empowering workers to exercise free choice and participate in the ownership society through the creation and management of their own portfolios. Defined-contribution plans were to liberate individuals as autonomous, rational, enterprising, self-governing agents who conduct their lives as a kind of enterprise: setting their own goals and priorities, taking prudent risks, and assuming responsibility if their savings proved insufficient for retirement (Frank 2000; Rose 1999). This portrait was drawn in contrast to supposedly paternalistic defined-benefit pension plans in which Big Brother stuffed workers’ piggy banks. In effect, however, defined-contribution plans “transfer risk away from the corporation and onto employees” (Hacker 2006; Monks 2008:44–445). The new plans entail a tremendous degree of constraint (e.g., limits on the mutual fund companies employers work with), compulsion (e.g., individuals must choose whether to join; how much to contribute; how to allocate, alter, and adjust portfolio holdings; and how to stretch the lump sum, accessible on retirement, over the unknown span of the rest of their lives), and dependence on distant experts (e.g., mutual fund managers, credit-rating agencies, financial journalists, investment consultants, boards of directors).

When we invest in mutual funds, we delegate to others—that is, mutual fund managers—decision-making powers over what to invest in and how to vote on proxy issues. Until a new Securities and Exchange Commission (SEC) regulation in 2003, mutual funds did not even have to tell investors how they voted on proxy resolutions, although voting outcomes showed that they typically voted in solidarity with corporate management. In making decisions for us, the mutual fund manager is governed by a legal obligation, or fiduciary duty, to act in the interests of shareholders. This naturally creates
a dilemma: how is the mutual fund manager to know the interests of a diverse aggregate of people? Conventional logic holds that the only thing that can be assumed for certain about a group of shareholders is that they hope for a financial return on their investment.

While shareholders have grown in sheer numbers and prominence in expert discourse, they have been disappearing as a differentiated set of actors who are embedded in social relations, who are motivated by a range of subject positions and social values, and who are knowledgeable about—as well as endowed with a sense of responsibility for—the actions of the companies that make up their portfolios. In expert discourse, shareholders are typically assumed to be alike in their desire for maximized risk-adjusted financial returns; their personal moral beliefs are held separate from their actions as shareholders. In the next section, we explore the rise of SRI and the promise this movement was thought to hold for relieving the moral alienation of investors.

SRI: Discovering the Morality in Share Owning

I ask all of you to join me in one minute of silence in memory of the 10 victims who will die this week in Bhopal as you contemplate how you will vote on this resolution. (Ward Morehouse, proxy for the Sisters of Charity)

I urge you to live up to your moral responsibility and vote “yes” to the proposal [for compensation and health care for Bhopal victims]. Only then can we, the stockholders of Carbide, live down the shame epitomized in the slogan that environmentalists are raising repeatedly these days, the slogan that “Exxon spills, Carbide kills.” (Dr. Clarence Dias, proxy for the Sisters of Charity)

The feeling among . . . [environmental, local civic, and public health] groups is that our company, Union Carbide, is an outlaw company, is a criminal company, is a company that poisons people for profit and does not pay the full consequences. Despite all the glossy public relations efforts of our company, this attitude damages us. (Gary Cohen, proxy for the National Toxics Campaign)

The voices of these activists, captured in the proceedings of Union Carbide’s 1989 annual shareholder meeting and reproduced in Kim Fortun’s Advocacy after Bhopal (2001:105–110), express some of the key beliefs of SRIs. Their words are rooted in the notion that shareholders are social persons who hold moral values, or “conceptions of what is ultimately good, proper, or desirable in human life” (Graeber 2001:1). They also express the normative view that the financial portfolio should be seen as a reflection of the moral position of the individual or institutional shareholder. In considering this extension of self into the world, the investor not only looks through her or his own lens but also considers the regard of others.

With tactics like the call for a minute of silence to remember Bhopal’s victims, the activists seek to obliterate the alienation and distance of shareholders and to instantiate instead a sense of responsibility and moral immediacy between corporation and shareholder. They refer to Union Carbide, strikingly, as “our” company, insisting that their own shareholding is not simply token and that other shareholders should share their normative perspective. Robert Monks (2008:114) points out that shareholders once saw their stocks as “property that they could work to improve” rather than “betting slips.” Two corollaries of this view, from the SRI perspective, are that shareholders are actually responsible for improving the corporations they own and that they can be shamed, tainted, and damaged when their corporations wreak social and environmental harm.

In the United States, the development of these SRI perspectives began in the civil rights movements and various religious orders, which have long connected ownership to morality by proscribing certain enterprises and investments as sinful. Debates over whether and how American businesses should operate in apartheid South Africa catalyzed the rationalization of SRI. In the 1960s, various American Protestant denominations began demanding church divestment from corporations doing business in South Africa, while university students, who had been protesting corporations such as Dow Chemical for supplying napalm and Agent Orange to the U.S. military in Vietnam, also began calling for university divestment from South Africa. For the growth and institutionalization of SRI, the year 1971 was a watershed. Protestant church representatives mobilized by the antiapartheid struggle established the Interfaith Center on Corporate Responsibility, and two money managers for the United Methodist Church founded Pax World Fund, the first easily accessible mutual fund for retail investors in the United States. At the General Motors (GM) annual shareholder meeting, an Episcopalian bishop presented the first shareholder resolution calling for the company’s complete withdrawal from South Africa. With only 1.29% of the shareholder vote, the resolution failed. But it attracted favorable attention from Reverend Leon Sullivan, an African American Baptist minister whom GM had newly appointed to its board of directors after coming under pressure from Ralph Nader and his activist lawyers to diversify the board. Sullivan subsequently backed away from calling for total withdrawal from South Africa and began working on a code of conduct that would allow corporations to continue operating in the country while promoting apartheid reform (Seidman 2003).

The Sullivan Principles, released in 1977, called for deseg-
regulation of meals, restrooms, and workstations; equal pay for equal work; and black employee training. However, they remained within the South African legal framework. Many corporations signed on to placate those institutional investors (pension funds, mutual funds, universities, municipalities, and state legislatures) that were questioning whether they should be supporting business in South Africa, and an accounting firm named Arthur D. Little gained a monopoly contract to monitor corporations for progress and compliance (Seidman 2003:394). Debates continue over whether Sullivan signatories actually constituted any real threat to apartheid and contributed to its eventual breakdown or instead perpetuated the apartheid regime by providing crucial financial support (Mangaliso 1997; Seidman 2003). For our story, the Sullivan Principles were significant to the rationalization of SRI.

This rationalization has continued as SRI evolved since the early 1970s. Large mainstream secular SRI funds have grown in number and sophistication (e.g., Parnassus, Domini, Calvert, TIAA-CREF, AHA, PaxWorld), and they have professionalized the SRI industry with new codes of conduct, performance indicators, social and environmental accounting firms, and specialized investment research firms, such as KLD Research and Analytics. They have continued to refine their ethical filters, using “negative screening” to exclude tobacco companies; military contractors; U.S. Treasury bonds that could be used for military purposes; and for-profit prisons, public schools, and health care facilities because the clients of these industries—prisoners, children, and the unwell—“are at a particular disadvantage as consumers of the services being offered” (Domini 2001:56, 60). Beyond negative screening, these mutual funds conduct “positive screening,” selecting best-in-class companies for investment from particular industry sectors or based on performance criteria. The theory and practice of SRI have been extended into alternative asset classes, with social venture funds, cleantech funds, urban real estate funds, and so on.

SRI funds continue to use shareholder resolutions in an attempt to alter corporate practices, and many also include support for community development financial institutions under the broader umbrella of social investing. SRI funds such as Domini also altered the broader political context of mutual funds by lobbying for an SEC rule mandating disclosure of how they voted proxy shares on behalf of clients. In recent years, the Social Investment Forum has been increasingly active in public policy debates on issues such as financial market reform and executive compensation legislation. The SRI universe today encompasses numerous funds that cater to the diverse religious, moral, and political beliefs of investors and are guided by objectives that range from avoiding products associated with personal vice to promoting structural transformation.

SRI offers the promise of integrating shareholder and social concerns both in the world and inside people: it sets standards for acceptable corporate practices and uses a threshold to determine a range of investable companies. But the fact that we can now choose to allocate some or all of our portfolios to an array of responsible investment products does not necessarily imply investor sovereignty; even as the menu grows longer, employees still have little choice but to order from it. In 2007, for example, Cornell faculty and staff could select two SRI funds: TIAA-CREF’s Social Choice and Domini’s Social Equity. To focus on the latter fund, 30% of its shares were in IBM, J. P. Morgan Chase, Citigroup, Verizon, Hewlett-Packard, Merck, Bank of America, Goldman Sachs, Johnson & Johnson, and Microsoft. Without disputing Domini’s methodology for choosing such corporations or its efforts to influence them through shareholder resolutions (see Coumans 2011), we would simply point out that many investors, if they scrutinized even the SRI components of their portfolios, might reach the conclusion that these do not mirror their own beliefs about social responsibility. The advantages of joining with other investors through a shared vehicle such as a mutual fund, which brings with it at least the potential of increased leverage (through the increased number of shares) over corporate behavior, comes with the trade-off of outsourcing the decisions about standard setting to fund managers. SRI mutual fund investors are still alienated from their investments because of a structural lack of agency. This alienation may also arise from an active suppression of our connection with our portfolios, which bears so little resemblance to our idealized selves. Whereas SRI activists sought to activate shareholder values—pluralizing both the category of shareholders and their moral beliefs—the shareholder value movement we explore in the next section folded shareholders into a singular homogeneous category and endowed them with a singular purpose: profit.

Shareholder Value: Ownership and Profits

Today, management has no stake in the company. Altogether, these men sitting up here own less than three percent of the company. And where does [the CEO] put his million-dollar salary? Not in Teldar stock; he owns less than one

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3. For Muslim investors, Amana Funds complies with Sharia principles, avoiding interest (riba), alcohol, and pornography. For Catholic investors, Ave Maria Mutual Funds screens out companies involved in abortion or pornography and those with policies it deems to undermine the marriage sacrament. Another conservative Christian mutual fund, the Timothy Plan, avoids alcohol, tobacco, abortion, “antifamily” entertainment, and corporate recognition of gay marriage. The Women’s Equity Fund invests in companies that advance women in the workplace, and the Meyers Pride Value Fund was created to invest in companies with progressive policies for the gay and lesbian community. Against the entire SRI concept, investors can select the Vice Fund, which invests predominantly in tobacco, alcohol, gambling, aerospace, and defense industries.
percent. You own the company. That's right, you, the stockholder. And you are all being royally screwed over by these, these bureaucrats, with their steak luncheons, their hunting and fishing trips, their corporate jets and golden parachutes. . . . Teldar Paper has 33 different vice presidents each earning over 200 thousand dollars a year. Now, I have spent the last two months analyzing what all these guys do, and I still can't figure it out. One thing I do know is that our paper company lost 110 million dollars last year, and I'll bet that half of that was spent in all the paperwork going back and forth between all these vice presidents. The new law of evolution in corporate America seems to be survival of the unfittest. Well, in my book you either do it right or you get eliminated. In the last seven deals that I've been involved with, there were 2.5 million stockholders who have made a pretax profit of 12 billion dollars. [Applause]

"Thank you. I am not a destroyer of companies. I am a liberator of them! The point is, ladies and gentleman, that greed, for lack of a better word, is good. Greed is right, greed works. Greed clarifies, cuts through, and captures the essence of the evolutionary spirit. Greed, in all of its forms; greed for life, for money, for love, knowledge has marked the upward surge of mankind." (Gordon Gekko addressing the Teldar annual stockholder meeting in the motion picture Wall Street [1987; Oliver Stone, director])

In Michael Douglas's famous speech as corporate raider Gordon Gekko, he encapsulates the dogma of shareholder value, which rests on the core assumption that corporations exist to maximize profits for shareholders. While shareholders might well be greedy for life, knowledge, and love, as shareholders they are seen as solely concerned with money. Legal backing for the perspective that corporations exist to maximize shareholder returns is often derived from Dodge v. Ford (1919), the Michigan Supreme Court case that forced Ford Motor Company to use profits to pay shareholder dividends rather than for Ford's proposed charitable purpose of creating more jobs and affordable cars. While the legal significance of this case is probably overstated, shareholder value activists also find intellectual inspiration in Milton Friedman (1970), who was seen as something of a radical fringe thinker when he voiced the shareholder value credo: "the social responsibility of business is to increase its profits."

Particular historical and structural forces enabled shareholder value activism, which began to take root in the 1970s. This decade saw poor corporate performance alongside the perceived erosion of U.S. political and economic hegemony; the fraying of the social contract between capital, labor, and government; and the coining of the term "stagflation" to describe the puzzling combination of stagnant economic growth and inflation. Shareholder value activists blamed inefficient and complacent managers—such as the overpaid senior executives excoriated by Gekko—for sapping the strength and dynamism of American capitalism. They thus called into question eminent business historian Alfred Chandler's (1977) famous portrait of managers as the "visible hand" in the market and "managerial capitalism" as the telos of corporate capitalism or the inevitable, efficient, logical, and rational result of firm growth (see also Galbraith 2007 [1967]). While shareholder value activists promised to restore power to investors, the true owners who had elected to risk their own capital on a firm, this was hardly a widespread, popular uprising. Rather, the central protagonists of the shareholder revolt were wealthy individuals, speculators, and managers of high-volume institutional investments (e.g., foundations, private and public pension funds, mutual funds, banks, and insurance companies) who were themselves acting on behalf of the capital of millions of investors.

With the surge in institutional investment catalyzed in part by ERISA and 401(k) and 403(b) plans as described above, by the 1980s institutional investors controlled significant voting blocks in corporations. Because of the securities acts passed in 1933 and 1934 in the wake of the Wall Street crash, however, they enjoyed little political power or the ability to act as a collective (Davis and Thompson 1994; Useem 1993). Given their large size, it was unwieldy for institutional investors to simply sell shares or exit from corporations they considered problematic; instead they sought to exercise agency over corporations by expanding their vote, or to use Hirschman's (1970) term, "voice." Shareholder value activists had legitimate concerns about the near total control managers exercised over the composition of the board of directors, the selection of an accounting firm, the institution of changes in governance rules, the handling of shareholder resolutions, and the state in which corporations were incorporated.

The Reagan administration, which fostered a laissez-faire ideology in the executive branch and weak antitrust enforcement, nurtured the "insurgent consciousness" of shareholder value activists as they launched their "new social movement" (Davis and Thompson 1994; Stearns and Allan 1996). Armed with junk bonds, shareholder activists used hostile takeover bids to discipline corporations that did not appear to be maximizing returns on their assets. Many were vulnerable because through the 1970s their assets had grown in value as a result of inflation, while their profits were low as a result of stagnant growth. Twenty-nine percent of Fortune 500 companies were subject to hostile takeover attempts during the 1980s.

Layoffs of workers and managers often ensued in the wake of takeovers as corporate assets were liquidated or reconfigured with the ostensible goal of enhancing efficiency, and "existing social arrangements such as plant and headquarters locations; product lines and services offered; union contracts; pension and retirement benefits; and contracts with local suppliers, banks, and other community organizations [were] all called into question" (Hirsch 1986:801). Employees suffered relocations and the loss of jobs, status, benefits, and oppor-

4. Bakan (2004) perpetuates the view that Dodge v. Ford established clear precedent for the profit-maximization interpretation of corporate obligations, while Paine's (2003) work shows that the legal obligations of corporations have been construed in multiple ways.
tunities, suffering profound health and family problems as a result (Dudley 1994; Hirsch 1986:801; Luo 2010). Before the takeover mania, corporations were conventionally seen as long-term, stable, and reliable employers of workers and producers of goods and services, entities that were embedded in particular places and relations of mutual obligation with various stakeholders (workers, suppliers, contractors, the government, and surrounding communities), as well as shareholders. Conforming to a relational theory of personhood, corporations were seen as dependent on (rather than autonomous from) this network of actors.5

In buying, selling, breaking up, and recombining firms, shareholder activists extended a conceptual shift that had already begun in the 1960s, when managers adopted conglomeration as a growth strategy and acquired firms across numerous unrelated product lines. In the process, they created a creature over which antitrust laws—created to control familiar vertically or horizontally integrated monopolies—had little control. Neil Fligstein (1990) describes how managers began to conceptualize conglomerate firms in financial terms as “bundles of assets” or “diversified portfolios” open to investment strategies and experimentation. One of the consequences of the 1980s takeover mania, however, was to dismantle the conglomerates created during the 1960s and 1970s.6 Corporate raiders and managers trying to preempt hostile takeovers sold off and liquidated unprofitable business units and product lines so that they no longer appeared on the balance sheets as idle or unproductive assets. Often they identified a limited set of strengths as the firm’s core competencies and labeled the profitable unit left over after the sell-off as the firm’s core business. Increasingly construed as bundles of assets that existed solely for the pocketbook of shareholders, corporations were less likely to portray themselves in relational terms or as embedded in particular places and social relations.

The financial perspective on the firm as a portfolio or bundle of assets and the growing emphasis on shareholders were also reflected in the new prestige and prominence accorded to the discipline of investor relations and to the chief financial officer (CFO). Where corporations had once treated financial managers as backroom bean counters preparing retrospective tax statements, over the 1970s and 1980s, they were promoted to the apex of strategic decision making and spin-doctoring (Zorn 2004). The CFO’s role was to think about the company like a stock analyst and use this perspective to actively manage unruly shareholders. The CEO-CFO dynamic duo often ascended to the helm at the expense of presidents and chief operating officers, who were traditionally more concerned with production figures than share prices (Zorn 2004).

Shareholders became the central “mythical reference point” of expert discourse by managers and shareholder value activists (Power 1997:44). As layoffs of middle managers reduced bureaucratic oversight by headquarters’ staff, corporations pushed authority down to lower levels and instituted performance measures that were supposed to reflect shareholder value (Useem 1993). Corporate executives, mutual fund managers, and investment bankers devised means to apply the cultural ideology of shareholder value to themselves (Ho 2009). With stock options and other ownership plans, executives increasingly made their compensation appear to be contingent on share price increases and dividend gains. They became increasingly engrossed in the “evaporated property” index of stock price (Schumpeter 2006 [1942]), checking their “personal report cards” 10 times a day and making mental calculations of their year-end incomes. One large corporation erected a prominent display of the share price at the entry to the executive office building (Useem 1993:117–118). To inculcate shareholder value ideology among employees, corporations hired communications specialists to create audio tapes and video program series on the topic and began inserting stock price and annual shareholder meeting information into newsletters and electronic communications to employees (Useem 1993:71–75). Corporate operations and the activities of employees were broken down such that each could be rewarded or held responsible for how they had contributed to or detracted from earnings per share.

The notion that managers must have incentives such as stock options in order to align their interests with those of shareholders rested on notions of personhood embedded in agency theory. In papers published between 1976 and 1997, University of Chicago–trained economists Michael Jensen, William Meckling, and Eugene Fama provided economic justification for the takeover movement on the grounds that it enhanced market efficiency. Further, they systematically “re-cast management as an agent of shareholders and shareholders as the principal authority to whom managers are responsible” (Khurana 2007:316). Agency theory treated managers as “inherently self-interested ‘utility maximizers’” and dismissed “the idea that executives should be held . . . to any standard stricter than sheer self-interest” (Khurana 2007:323). Disseminated through the financial press and MBA curricula, agency theory achieved hegemonic status in many business schools, with its deductive and generalizable approach displacing scholarship grounded in inductive observation (Khurana 2007:318). Agency theory naturalized and legitimated “opportunism as the dominant mode of managerial behavior” while driving out any possibility of managers’ deriving any alternative meaning from their work or creating meaning for others (Khurana 2007:324, 382). It represented a radical revision of stereotypes of managers as loyal, conformist organization men—and, increasingly over time, women—who subordinated their own interests and identity to that of the firm (Mills 1951; Whyte 1956; Wilson 1955) and whose role...
was to act as industrial statesmen mediating between various stakeholders (Khurana 2007).

As the mythical reference point and unmarked category of shareholder value discourse, shareholders are also defined as socially disembedded actors with no interests vis-à-vis the corporations in their portfolios beyond profit maximization. Retirement instruments such as the 401(k) and the IRA both embodied and enabled investor capitalism and the merger frenzy. As workers had to shift between jobs and companies in the insecure environment of flexible capitalism, the new retirement instruments represented portable investment products that an individual could transfer between employers or access early in the absence of employment (Harvey 1989; Martin 1994). These instruments also cost companies around a third of traditional pension plans and thus fit into a cost-cutting era. Ironically, with their retirement savings, shareholders could contribute to their own disenfranchisement as workers. For example, a significant internal conflict of interest arises for a GM worker who, as a shareholder with retirement savings invested in GM, might support a plan to close U.S. factories and open new ones in free-trade zones abroad, while he or she would oppose this same plan as a worker (or stakeholder) whose job would be lost by such a move. The shareholder in such cases could be described as a victim of structural violence and as an unwitting perpetrator. Such contradictions underscore how deeply constrained shareholder agency is and how alienated shareholders are from their own investments.

The Business Case for Responsible Investment

Dear Investor, Cutting corners to cut costs may lead to short term gains, but . . . it all adds up [to] increased liabilities and compromised credibility. In the end, the true costs placed on the communities will be translated into real expenses for you, the investor. The best way to strengthen your investment is to hold Newmont accountable to the highest social and environmental standards. (Project Underground 2003)

Companies today can see that there are issues of reputational risk. No company wants to be tagged as a violator of human rights. From a financial point of view, that can lead to exposure and liability. Long-term institutional investors understand that. (Sister Patricia Wolf, Executive Director, Interfaith Center on Corporate Responsibility [Holstein 2006])

In the above epigraphs, a radical NGO critic of corporate mining and a progressive nun frame environmental and human rights abuses by corporations as potential liabilities for shareholders rather than as violations of the values of shareholders or corporations. In doing so, they use the business case that is the hallmark of the responsible investing movement. Proponents of the business case for responsible investment frame corporate issues such as human rights, labor conditions, corruption, and global warming in terms of the risks and opportunities they present for long-term shareholders, discursively marginalizing the purposes that once drew people to SRI. Amy Domini (2001:xvi, 13) suggested that SRI investors are motivated by a Hippocratic oath to “ask first that we do no harm” and “the desire to align investments with values and the desire to play a role in creating positive social change.” The business case subordinates such concerns, giving priority to how environmental and social issues affect investments rather than to how investments affect the world.

The business case essentially routs broader ethical concerns through shareholder profits, thereby reinforcing the power and primacy of the shareholder value dogma, capitulating to a logic that leaves profit maximization as the inviolable goal of the corporation and affirming a tendency to measure and interpret environmental and social problems against their real or imagined impact on share price. Kurucz, Colbert, and Wheeler (2008:99) argue that a “false separation” between ethics and economics “is perpetuated when we attempt to justify positive social behaviour in economic terms, rather than as valuable in itself, and as integral to a healthy capitalist business system.” For the purposes of our discussion of personhood, another important effect of the business case is that it places ethical concerns outside of the official scope of how shareholders will be understood. That is, shareholders are presumed to choose responsible investment because they prudently anticipate that others (e.g., regulators and activists) will act on social and environmental values rather than because these shareholders themselves seek to precipitate change and own stock portfolios that more accurately reflect their values. We turn now to how this movement arose and why the business case is so alluring that even radical NGOs and nuns would resort to it.

By the late 1990s, SRI experts were expressing frustration with the marginalized status of the discipline. If SRI wanted to create real change, internal critics argued, it would have to rebrand and start accessing real money from the broader investing world. In the words of PaxWorld CEO and former Social Investment Forum president Joe Keefe (2008), SRI would never achieve real growth because it was viewed as “a ‘niche’ marketing strategy, or an ‘alternative’ investment category, or an asset class, or a lifestyle choice.” SRI had failed as a “unified investment theory. It was rather the marrying of various investment styles with various ‘values,’ often religious in origin” (Keefe 2008). “Values” here carries a faint hint of disdain or distaste. While protecting the planet, promoting diversity, and respecting workers’ rights may be embedded in sustainable investment, as values they are not relevant to an investment discipline. Like index investing or “other investment disciplines, or theories, or schools of thought . . . [sustainable investing] has a particular viewpoint on what is the best way to achieve market performance or
outperformance over the long term” (Keefe 2008). While some rebranding advocates such as Keefe promoted “sustainable investing” for the new label and others used “responsible investment,” they shared a goal of going mainstream and a single formula that would supposedly unify and confer legitimacy on the new discipline: environmental, social, and governance analysis, or ESG.

ESG is at the heart of the UN Principles for Responsible Investment, released in 2006 (UNPRI 2004, 2006). The UN’s Environment Programme Finance Initiative and the Global Compact together coordinated the process for establishing the principles, which were developed with the help of stakeholders, including some of the world’s largest pension funds. In keeping with the business case, ESG is portrayed as financially material to portfolio performance (Keefe 2008; UNPRI Fl 2006). A report bluntly titled Show Me the Money: Linking Environmental, Social, and Governance Issues to Company Value (UNEP 2006) argues that ESG analysis is vital for (1) assessing management, because well-managed companies do not externalize their costs onto society; (2) anticipating global trends, including political risks and opportunities to create new products and services related to major social and environmental problems; (3) anticipating regulatory trends; and (4) identifying risks to corporate reputations. The report portrays ESG as a forward-looking discipline that offers a deeper window into corporate performance than traditional financial analysis alone would allow. The Social Investment Forum report, 2007, construing the reports as mainstream validation of responsible investment.

As responsible investment professionals are crafting an identity for the industry, some have sought to distance the field from its roots. They frequently narrate the development of their discipline in teleological language, using metaphors of maturation and evolution. One prominent professional remarked to a conference gathering: “This is not your parent’s SRI. We have more than negative screening, with best-in-class and positive screening. ESG analysis, new players such as the UN PRI, with over $10 trillion in assets under management, and groups like the Carbon Disclosure Project, with over $40 trillion in committed assets.” To assert that responsible investment has parity with orthodox financial disciplines, professionals emphasize its size, power, strength, rationality, professionalism, rigor, and robustness, as well as its amenability to quantification, taking issue with the notion that financial reporting is a “hard” discipline, while issues around stakeholder engagement are “soft.” By framing social and environmental questions in the lingua franca of materiality and shareholder value, advocates can also create a seemingly unassailable case for taking such concerns seriously by asserting that whatever is being argued for is financially motivated and thereby free of parochial values, politics, and interest groups.

Responsible investment advocates have also crafted their identity around promoting the interests of the long-term shareholder. Whereas corporate performance over the next 5 or 50 years holds no necessary relevance for the unmarked profit-maximizing shareholder, responsible investors use a long-term temporal orientation to invoke a multitude of possible perils and opportunities. The long-term time horizon serves two functions for responsible investors. First, it is the means by which they make the link between investment returns and socially and environmentally beneficial outcomes and so entice money into investments that create social and environmental benefits rather than externalize social and environmental harm. Second, long-term time horizons become the fiduciary justification for incorporating ESG information into investment decision making. These two functions are mutually reinforcing: fiduciaries can take into account ESG issues only if they affect the returns on their investments, and the weight of capital markets can be brought to bear on important social and environmental issues only if those issues can be described as important to financial returns.

Responsible investment advocates seek to gauge and showcase the movement’s growing strength in various terms. For example, the Social Investment Forum reported in 2007 that $2.7 trillion, or approximately 1 in every 9 dollars invested in public equities in the United States, included some sort of social or environmental criteria in its selection.9 Sister Patricia Wolf of the Interfaith Center on Corporate Responsibility reported that whereas her organization was once happy with 3% of the shareholder vote, and even 3 years ago managed to get only 6%–8% of the vote on human rights resolutions, in 2006 human rights resolutions at the annual shareholder meetings of Boeing, Chevron, and Halliburton gained between 22% and 25% of the vote (Holstein 2006). Responsible investors also greeted with a chorus of approval investment bank reports on the risks and opportunities of global warming (e.g., Kerschner and Geraghty 2007; Llewellyn 2007; UBS 2007), construing the reports as mainstream validation of responsible investment.

For responsible investors, over the long-term, speculation will yield to quality, and externalities will be internalized, because otherwise the markets are not rational. If we look again at the reasons for mainstream investors to adopt responsible investment, we find that the agency of investors themselves is written out of the equation. As Show Me the Money explains, ESG can help identify the changing landscape of resource constraints, regulatory mandates, public investment, and consumer demand that will favor socially and environmentally beneficial outcomes. In each case, agency is

rather than conservative money market funds the default in-
ruled that companies could make target-date mutual funds
routine and judicious oversight of their retirement portfolios,
enrolled in defined-contribution plans were not exercising
In 2006, the U.S. Congress, acknowledging that employees
Conclusion
In 2006, the U.S. Congress, acknowledging that employees
externalized. Oil will be depleted, governments will regulate
carbon emissions, nonprofits and governments will promote
urban regeneration, and consumers will not buy products that
are produced by oppressed or underage workers. The exter-
ialized costs will be internalized over time; smart investors
will adjust their portfolios appropriately, because material in-
formation will lead them to do so.
In practice, the business case for corporate responsibility
is very plastic and mutable. Almost any social or environ-
mental problem can be rephrased as a business risk or op-
portunity. An extractive industry operation that hires security
officials with past records of human rights abuses, for ex-
ample, can be seen as risking its reputation capital. Mining
geologists who trespass on the land of local residents while
exploring for signs of mineral deposits can be seen as risking
a mine’s social license to operate. A meeting between a cor-
porate executive and a Greenpeace representative is an op-
portunity to add value. The open quality of the business case
means that it can be creatively deployed in potentially infinite
ways to repackage social and environmental agendas as cor-
porate profits won or risks averted. Yet such repackagings do
more than discursively externalize ethical agency onto gov-
ernments and society at large; they also shape how moral
personhood is construed, how corporate priorities are set,
and how corporate social and environmental interactions are
formed and experienced.
This is evident in the making of climate change as the
archetypal issue of responsible investment. Climate change is
a better fit with the business case than are social issues such
as human rights or living wages. First, it is seen as rooted in
scientific fact rather than culturally relative moral beliefs. Sec-
ond, in the race to find the truth of the business case through
measurable outcomes, environmental issues generally have the
upper hand, as they can be related to concrete “ecoefficiency”
gains, whereas many social measures are negative (e.g., claims
about avoiding reputation damage or liability). Responsible
investment conferences frequently feature speakers such as Al
Gore, Bill McKibben, and Van Jones and endorse benchmarks
such as achieving an 80% reduction in greenhouse gases by
2050. The responsible investment community is often told,
and tells others, that these moral and scientific goals will be
hard or impossible to achieve without the active support of
the investment community, which plays so important a role
in how resources are allocated in capitalist society. Climate
change is then framed in terms of risks to investment returns,
as well as one of the greatest opportunities of the twenty-first
century (Ceres 2006).

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Comment
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As the number of institutional investors increased, some
prophets said that these investors, moved by their stakes
and informed by their expertise, would begin to play in earnest the supervisory role of the legendary stockholder.


The power of corporations in the political life of democratic nations is so invasive—“The large private corporation fits oddly into democratic theory and vision. Indeed, it does not fit” (Lindblom 1980:356)—that many question whether their coexistence is possible. In order to preserve the wealth-generating properties of corporations in some harmony with democracy, it has been necessary to conceive of and articulate a credible theoretical limitation on the power of corporations. One theory derives from Adam Smith’s “invisible hand,” that owners will act in their own interest. And yet in the most recent times, we experience Alan Greenspan confessing his “mistake” to believe that banks operating in their self-interest would be enough to protect their shareholders and themselves.

Much of the learning about the role of shareholders in corporations derives from the time that relatively few people actually owned and in many cases operated the businesses. A different range of questions arises in the context of publicly traded companies with shareholder rosters in the hundreds of thousands.

We need pause and consider exactly what the shareholder of 2010 is. Under the memorable rubric “Punters or Proprietors,” the Economist (1990) published a typically insightful analysis of shareholders. The author concluded that the preponderance of owners did not consider themselves as such and held shares in the same manner as they would betting tickets in a horse race. Thirty percent of outstanding equities are invested in an index of one sort or another. Likewise, another 20% of the outstanding shares are invested pursuant to a variety of computer-driven algorithms, generally in the search for value anomalies among various industries, companies, and currency denomination. In both of these cases, choices are made by a mechanistic formula and do not reflect a human being’s decision to buy or sell. Another 30% of investors know the stock market solely through their friendly broker. Although brokers are of all kinds, they are paid if their customers buy or sell, the more frequently the better. None of these groups has the long-term informed engagement with their holdings necessary to be informed owners.

So, quite quickly, we are left with 20% of the total who might be thought of as real proprietors or even potential activist investors. These are the owners who consider the long-term disposition of their funds; who follow the conduct of their portfolio companies; and who are prepared, if necessary, to take steps to assure that defects in the governance or strategy or execution by managements are addressed. McKinsey calls this 20% of investors “intrinsic investors,” those who base their decisions on a deep understanding of a company’s strategy, its current performance, and its potential to create long-term value. Even though they occasionally have holdings that are large in currency terms, they usually are a small percentage of the total, so the “collective action” problem whereby an activist takes all the risks and incurs all the costs with the prospect of only a pro rata share of gains, if any, is a daunting prospect.

With their massive analytic resources and huge numbers of shares under management, institutional investors have both the clout and the capabilities to emerge as the “legenda...


The Marketization of Poverty

by Anke Schwittay

Increasingly, transnational corporations (TNCs) see themselves, and are seen by multilateral development organizations and national governments, as part of the solution to global poverty alleviation. Guided by C. K. Prahalad’s theories about the “bottom of the pyramid” (BoP), TNCs are developing products and services for the billions of people living on a few dollars a day that are supposed to enable these poor people to enterprise themselves out of poverty. In the process, poverty and the poor are made amenable to market interventions by being constituted as a potential new market for TNCs. Hewlett-Packard’s (HP’s) e-Inclusion program was the first corporate-wide BoP initiative in the high-tech industry that aimed to create corporate and social benefits. An analysis of its company-internal evolution from an intrapreneurial initiative to a fully incorporated business operation is complemented by a study of e-Inclusion’s activities in Costa Rica, which aimed to improve the lives of rural Costa Ricans by providing access to HP technology and by creating new sources of income for electronic entrepreneurs. However, transforming the poor into protoconsumers of TNC products and services cannot address the structural drivers of their circumstances and will lead to neither the eradication of poverty nor a corporate fortune at the BoP.

In recent years, there has been a lot of talk about the bottom billion(s) in reference to the world’s poor who live on less than minimal income. As the parentheses suggest, their exact numbers are unknown. Prahalad (2006), who popularized the term, observed that “be it four or five billion, [and] if it is only 3.5 billion, so be it.” Especially when representing human lives, numbers do matter; one of the effects of aggregating the world’s poor in this way is that they seem to become numerical rather than human entities.

The bottom billion(s) are the newest instantiation of the articulation of business and development, whose connection stretches from the imperialist endeavors of colonial companies, to the philanthropy of early company towns, to the foreign direct investment strategies of structural adjustment programs (Litvin 2003). Now, their relationship is reconfigured in important ways, including new conceptualizations of poverty, the poor, and the role of business in eradicating both.

In the development field, Paul Collier (2007), a former director of the World Bank’s research department, has written about “a group of countries at the bottom” that are home to “the billion people who are living and dying in fourteenth century conditions: civil war, plague, ignorance” (3). He criticizes large development organizations for preferring to focus their efforts on the other 4 billion who are not quite as poor.

The road map to such an “inclusive capitalism” has been laid out by Prahalad (2005:1), a business school professor at the University of Michigan until his untimely death last year. According to Prahalad, at the bottom of the world economic pyramid (BoP), which represents the world’s population according to its purchasing power parity, live several billion people earning less than $1,500–$2,000 annually. As an aggregated mass, these billions represent a huge market potential for transnational corporations (TNCs), which by going after this “fortune at the bottom of the pyramid” will also eradicate

1. Finding talk about the bottom of everything to be offensive to the people who are relegated to that location, some people have begun to talk about the “base of the pyramid” (Hammond et al. 2007:1).
2. This number varies depending on which one of Prahalad’s articles one consults (Prahalad 2005; Prahalad and Hammond 2002; Prahalad and Hart 2002). All dollar figures reported in this article are U.S. dollars.
Eradicating Poverty through Market Capitalism

In order to capitalize on the fortune at the BoP, TNCs need to become more innovative and resourceful and take more risks (Prahalad 2005). In other words, they need to pursue a form of corporate entrepreneurship that results in a more “inclusive capitalism” (Prahalad 2005:1). Prahalad’s linguistic innovation joins others such as “compassionate capitalism” (Benioff and Southwick 2004), “virtuous capitalism” (Fikirkoca 2007), “social capitalism” (Fast Company 2008), and the all-encompassing “enlightened capitalism.” By qualifying capitalism with adjectives that endow it with humane qualities, these authors concede that the system, if left to its own devices, does serve those who can afford its wares at the expense of those who cannot. Correspondingly, the authors celebrate efforts to correct this shortcoming by stretching the boundaries of the capitalist system to include the bottom billion(s) who have until now been excluded from its gains and suffered from its impacts. Gates continues this tradition.

Magic Markets?

In January 2008, Gates (2008) presented his ideas about “creative capitalism” to the assembled world and corporate leaders at the World Economic Forum in Davos, Switzerland. Because the capitalist system and its market incentives result in people with the greatest needs receiving the smallest benefits of the global economy, Gates (2008) called for a “system innovation” or “refinement” to ensure that capitalism will serve those who cannot pay for what it offers. His proposed solution, to complement the profit incentive with a “recognition” incentive that would materialize in enhanced company reputation, customer appeal, and employee attraction, is actually part of the business case that corporate social responsibility (CSR) advocates have been making for years (Welker 2009). More interestingly, Gates (2008) also argued for “an approach where government, businesses and nonprofits work together to stretch the reach of market forces . . . to do more for the poor.” Examples of such boundary extension include tiered pricing, Bono’s RED campaign, and developed market access for poor farmers.

Similarly, BoP advocates view market participation as the most effective and efficient way to alleviate poverty, not least of all because they judge the efforts of governments and development agencies over the past 50 years to have failed (Easterly 2006; Pollak 2008). In addition, the poor are poor because they are in the clutches of informal markets, where they pay a “poverty penalty” for an absence of choice, quality, and low price (Prahalad 2005:6). Access to formal market mechanisms will overcome these inequalities and resulting poverty.

Anthropologists beg to differ. Against the universal idea of the market, Anna Tsing (2007) reminds us that “markets are made in the friction of political and cultural circumstances”...
(21) and exhibit social and historical specificities that affect their operations (Crow 2004). In addition, Katharine Rankin (2004) has shown that simply providing access to markets does not automatically create opportunities for the poor because of the ideological barriers standing in the way of women and lower castes.

Julia Elyachar’s (2005) analysis of the markets that were fostered by microenterprise development and microfinance in Cairo reveals that as an abstraction, these markets were nonentities to which microentrepreneurs could not sell. By contrast, the successful market practices of long-established Cairene workshop owners relied on culturally specific networks and forms of value, which the freshly minted microentrepreneurs neglected at their own peril. On the other hand, it is the valorization of these cultural forms of the poor as social capital that creates “markets of dispossession.” Through an examination of the historical, political, and social embeddedness of Cairene market institutions, Elyachar shows how the disembedded character of neoliberal development efforts aimed at market creation contributes to their frequent failure.

In order to entice TNCs to join such development efforts, another market abstraction is called for: the constitution of the bottom billion(s) as large emerging markets encompassing billions of people with trillions of dollars of purchasing power between them (Hammond et al. 2007). For this transformation to take place, the poor and their plight have to be made amenable to market interventions.

**Marketizing Poverty**

According to Prahalad (2005), “if we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up” (1). Especially when being targeted as TNC customers, the poor will have a choice of high-quality, affordable products that will improve their quality of life. As a result, they will have more self-esteem and trust in their innate entrepreneurial abilities. The latter, when scaled up and reinforced with training and microcredit, will enable the poor to pull themselves out of poverty. This focus on self-reliance, choice, and consumption marks the neoliberal “entrepreneurs of the self” as the ideal subject of development (Rose 1999:142).

TNCs that have begun to follow Prahalad’s enterprising logic increasingly see themselves—and are seen by governments and multilateral development organizations—as part of global poverty alleviation efforts. Correspondingly, poverty is being reconceptualized as a problem that can be solved by market mechanisms. This “marketization of poverty” is one step up from its “depoliticization” (Ferguson 1995). In *The Anti-Politics Machine*, Ferguson (1995) analyzed the erasure of poverty’s historical, political, and social foundations by World Bank technocrats in Lesotho, because these structural causes stood in the way of the technical interventions development experts were equipped to carry out. Rather than a deliberate process, this erasure is an “instrument-effect” of development created by the need for “the sort of intervention that the [development] agency is set up to do” (Ferguson 1995:69).

Similarly, for market interventions to be regarded as solutions to poverty, the latter must be presented in a marketized way. The resulting emphasis on (potential) economic and financial returns as dictated by the legal profit-maximizing requirements under which U.S.-based TNCs operate leads to their inability to take historical, political, and sociocultural structures of poverty into account. When the aim is to produce new market opportunities for TNCs by constituting the poor as protomarket participants of the consuming and enterprising kind through technologies such as market segmentation, microfinance, and capacity-building programs, underlying causes of poverty can not be ascertained, addressed, or altered.

Over the years, criticism of Prahalad’s ideas has emerged from different quarters. Some participants of the 2004 Eradicating Poverty through Profit conference, which celebrated Prahalad’s ideas having gone mainstream after a slow start (Schwittay 2009), expressed concerns about brain and capital drain to the north, TNCs’ failure to contribute to strong local economies and equitable wealth distribution, the creation of an unsustainable consumer culture, the enslavement of the poor to credit, and the subsidization of TNCs to the detriment of local businesses.

The most important academic critique has come from Aneel Karnani (2007), Prahalad’s colleague at the Michigan Business School, who dismisses Prahalad’s theories as both “harmless illusion and dangerous delusion” (92). It is an illusion because there is no fortune to be made at the BoP, and Prahalad can claim otherwise only because he is inconsistent about the exact size and location of that market. In response to such arguments, Allen Hammond of the World Resources Institute, who has worked with Prahalad to make the BoP case to the high-tech industry (Prahalad and Hammond 2002), collaborated with the International Finance Corporation (IFC) on an extensive quantitative study of the BoP market (Hammond et al. 2007). He found a market of 4 billion people who each make less than $3,000/year but have a combined purchasing power of $5 trillion. In order to disaggregate these vast numbers, the study then looked in detail at geographic regions, countries, and industries.

3. Bill Gates does talk about markets rather than the market.
4. In standard economic language, emerging markets are those national economies that have over the past decades opened themselves up to the global economy through abandoning government monopolies, allowing foreign investment, and lowering trade barriers. In this sense, emerging markets are already existing markets, but until recently they were restricted.

5. Some of the confusion about the market size comes from the different currencies being used by researchers, from U.S. dollars to international dollars to local purchasing-power dollars.
Hammond has also engaged in a direct e-mail dialogue with Karnani that has been reproduced on the Next Billion blog, a project of the World Resources Institute that is spearheading the popularization of BoP ideas. Here, Hammond (2009) acknowledges that the income cutoff used to determine the size of the BoP “is an essentially arbitrary judgement.” Such randomness stands in awkward relation with standard economic data and with the specificity Hammond himself is trying to establish with his research with the IFC. While the distinctions of the latter are a first step to give contours to the BoP, they will not convince Karnani and others of the merits of the BoP approach.

Beyond critiquing Prahalad’s case studies and his advocacy for the poor being able to make purchasing choices in the absence of sufficient education and access to information, Karnani (2007:108, 2008) accuses Prahalad of promoting “empowerment lite.” Real empowerment comes not from rural women using a skin-whitening cream (to cite one of Prahalad’s examples) but from changing gender relations, improving women’s access to education, and increasing their real income through steady employment at living wages (Karnani 2009).

After an initial reply to Karnani, Prahalad (2006) has moved on to writing about more mainstream corporate innovation. The BoP discussion continues on the Next Billion blog, where it focuses on at times arcane economic calculations and semantic duels between “marketing to the poor” and a “market-based solution to poverty.” Meanwhile, some TNCs have been trying to turn Prahalad’s ideas into corporate programs; foremost among them was HP.

Taking Prahalad High Tech

In October 2000, Carly Fiorina announced the launch of HP’s e-Inclusion initiative to the audience of the Creating Digital Dividends conference in Seattle, Washington. During the next 5 years of its existence, the program evolved around several core objectives: enabling HP to present itself as a leading global corporate citizen; developing and testing new HP products, services, and business models in “emerging-market laboratories”; and improving the lives of the rural poor in its places of operation through providing technology access, electronic services, and entrepreneurship development (Dunn and Yamashita 2003:50; Schwittay 2008, 2009).

The e-Inclusion program was thus an example of what Klaus Schwab (2008) calls “corporate social entrepreneurship . . . defined as the transformation of socially and environmentally responsible ideas into products or services” (2). Schwab, the World Economic Forum chairman, thereby places social entrepreneurship, which is generally conceptualized as the actions of socially committed individuals who use market mechanisms to create large-scale and system-changing solutions to global poverty (Martin and Osberg 2007), squarely within large corporations. This opens up the possibility of thinking about social entrepreneurs as operating within companies in what has come to be known in the business literature as “corporate social entrepreneurship” (Austin, Stevenson, and Wei-Skillern 2006). Relatedly, entrepreneurs operating inside companies have been termed “intrapreneurs” (Pinchot 1985); the merger of the two has resulted in the birth of “social intrapreneurs” (SustainAbility 2008).

The cofounders of e-Inclusion fit the bill of social intrapreneurs perfectly because they attempted to harness the power of HP and its technologies for social ends. As the program became institutionalized within the company, these idealists made room, sometimes involuntarily, to managers and executives who tied e-Inclusion closer to HP’s corporate objectives. What united their efforts was the need to juggle the wants of the program’s beneficiaries with the at times incompatible demands of HP’s business.

A Brief History of e-Inclusion

The e-Inclusion program was started in 1999 by three HP veterans: Ralph, a scientist at HP Labs in Palo Alto; Ellen, a manager working at the labs as a vaguely defined change agent; and Robert, a senior manager in one of the company’s mainstream businesses. The groundwork for the program was laid in 1995, when HP discontinued its annual reviews at HP Labs and lab employees organized their own reviews. This was part tech show and part workshops on a variety of issues, among them product sustainability. Out of his own interest in environmental issues, Ralph attended the latter workshop and subsequently became involved in a larger sustainability conference at HP, where Stuart Hart (1997) gave a keynote address on the profitability of corporate environmental sustainability programs. A few years later, Hart joined forces with Prahalad to publish the first article about “the fortune at the bottom of the pyramid” (Prahalad and Hart 2002:1).

It was at the HP sustainability conference that Robert, guided by a personal commitment to social equality, began to think about how to develop products and services for the world’s poor. The person who pulled the strands together was Ellen, a self-styled “corporate revolutionary” who had been brought into HP Labs as the “worldwide change manager” to find out why, in spite of the lab’s fame, nobody considered it the best research lab in the world (Waugh 2001:12). Working with lab employees to fund projects that would realize their vision of the best lab in the world, her own goal became to make HP Labs the best research lab for the world. As the most creative and least restricted space within HP, HP Labs was a good place for social intrapreneurs such as Ellen to test their ideas (Schwittay 2008).

The e-Inclusion program started to make her vision a reality. Along the lines of Mohammad Yunus’s work in microfinance, Ellen’s goal was to turn millions of noncustomers into buyers of HP products and to build “self-sustaining,

6. All names are pseudonyms, and all quotes are taken from personal interviews carried out during 2003.
profit-making businesses, so that the rural poor can better their lives for themselves by relying on their own entrepreneurial skills and not charitable donations." To make her point, she handed out copies of the biography of Yunus—the social entrepreneur par excellence—to her coworkers to convince them that his revolution of banking and development aid could also happen at HP. Her own memoir about her time at HP Labs is full of stories of how she was able to creatively use HP’s resources, operations, and technologies to realize her strong personal beliefs about the environment, social justice, and the role that technology and high-tech companies can play in improving the lives of the world’s poor (Waugh 2001).

These beliefs were shared by Ralph and Robert, and as a result, the original e-Inclusion program focused on social rather than corporate returns. Because the cofounders did not want to create another sales development program, e-Inclusion’s first places of operations were small countries such as Senegal and Costa Rica, where the cofounders felt they could make a fast and significant impact.

New Income for the Poor

The original objective of e-Inclusion was to “level the playing field with the help of the information revolution and address some inequalities stemming from the industrial revolution, which created the first world of industrialized countries and the third world of agrarian countries,” as a coauthor of e-Inclusion’s first business plan put it. For Robert, the way to achieve this was to provide meaningful employment that could ideally be achieved through or facilitated by the Internet.

Robert contrasted the unequal distribution of money, which led to global inequalities, with the equal distribution of brain cells, which form the basis of the information society. Programs such as e-Inclusion could provide crucial access to information because “a high percentage of education, health and jobs is about information.” He cited India’s large software workforce to support his claims that companies could not ignore the 90% of the world’s intellectual capacity that was held by 4 billion poor people. Robert therefore had a slightly different version of how the poor could benefit TNCs: not as consumers but as employees. While the rise of India’s IT industry is indeed impressive and has improved the lives of many middle-class Indians, simply attributing it to access to information neglects the unequal distribution of educational resources and of opportunities necessary to turn brain cells into skills, knowledge, and qualifications. The industry has also done little for the country’s marginalized groups.

Ellen and Ralph had more enterprise-driven ideas:

We envisioned a woman in Bangladesh or the Dominican Republic who usually takes four to five eggs to the next town to sell every day. But if she can use the Internet to communicate with the kiosk in the next town and find out they already have enough eggs, then she can go to a different town and sell her eggs—eggs that might not have gotten sold in the first village, where there was an oversupply. Then, with successful sales, she can get another hen. And she can grow her business, and grow it, and grow it. (Waugh 2001: 117)

In this vision, and in keeping with Prahalad’s ideas about the poor as always-already entrepreneurs, e-Inclusion’s objective was to unearth the technosavvy entrepreneur at the BoP. The program’s social benefits were to be realized through giving the poor access to digital technologies and related services—such as e-health, e-education, and e-government—and through harnessing their entrepreneurial drives for income generation. Ellen’s ideal poor woman has access to a computer, knows how to use it to connect with kiosk owners with similar technology savvy and access, and is empowered by her personal abilities to turn the sale of a handful of eggs into an ever-growing business.

Just as in Robert’s reasoning above, there are a number of reductionisms at play in these imaginings. The first one is of a technological nature: the idea that mere technology access will enable people to take advantage of its benefits, foremost among them information availability, and will thereby improve their lives. What I have called the “fetishism of ICT” (information and communication technology) disregards the social embeddedness of technology use on which its impacts depend (Schwittay 2008:195). Then there is also the difficult task of making ICT relevant to people’s life projects as well as consistent with their cultural values (Braund and Schwittay 2006).

The second is an economic reductionism, relating to the above discussion of market access and market mechanisms as a panacea for poverty alleviation. Instead of overcoming gender and class barriers, providing market access with the help of technology can add additional layers of exclusion when certain groups are barred from using computers or the Internet, especially in public places (Sreekumar 2007). Last but not least is the limited conception of human beings as self-maximizing, rational actors (Becker 1976). Growing one’s business endlessly is the aim of *homo economicus universalis*, a construct that ignores the varieties of human (economic) motivations that are shaped by social expectations and cultural norms.

The cofounders’ visions materialized in a number of projects that, on the one hand, aimed to bring the poor access to computers and the Internet through community technology centers and, on the other hand, used HP mobile technologies to create new sources of income for the poor. When these initial projects did not meet the potential sales expectations of HP’s senior leadership, e-Inclusion underwent a “strategic reorientation.”
Robert was laid off in the summer of 2001 as part of e-Inclusion’s refocusing on more conventional and more profitable business models. 8 One week after his departure, e-Inclusion started its McInerney project in Brazil, which consisted of outfitting local McDonald’s restaurants with computers and Internet access. Robert called this a “desecration of the original idea”; not only did the project collaborate with one of the most mainstream businesses that is completely inaccessible to the rural poor but also it was the first move into the big markets of which he had tried to stay clear. In so doing, McInerney points to the spatial specificity of BoP markets, where locations with large populations, foremost among them the so-called BRIC countries (Brazil, Russia, India, and China), are clearly more desirable than others. Beyond mere geography, certain groups of the rural poor, such as the “aspiring poor,” who have shown entrepreneurial promise, are also seen as being more amenable to fashioning as consumers than others (Prahalad and Hart 2002:1). In this way, consuming and enterprising subjectivities are linked to form the ideal BoP market subject.

By November 2001, a revised e-Inclusion Web site announced “a more aggressive approach to building profitable solutions.” Correspondingly, e-Inclusion’s mission was now to close the gap between the technology-empowered communities and the technology-excluded communities on our planet by making it profitable to do so. . . . e-Inclusion Solutions is determined to invent new solutions that will increase revenues for HP’s current lines of business while promoting economic development in emerging markets.

As e-Inclusion had moved beyond its intrapreneurial start-up phase and as profit had become its declared objective, “a different kind of people were needed to carry on the work. People who can execute, deliver on time, and work with country offices,” according to Ellen. Two of the original cofounders were not among these people.

One of e-Inclusion’s original project managers ascribed the failure of the program’s initial version to it being “too extreme for HP.” According to him, it fell prey to the usual inhibitors to innovation in large organizations, foremost among them people afraid of taking risks for fear of losing their budgets, becoming obsolete, or getting fired if they make a mistake (Jackall 1988; Schoenberger 1997). He warned not to underestimate these “antibodies. . . . Like white blood cells, they are strongest internally. What we are suggesting is very disruptive change, and if you are playing heavily on how enlightened this is, then you are also saying that the current practice is unenlightened.” If e-Inclusion would have been successful for the company in the ways its intrapreneurial cofounders had hoped, it would have turned the established ways of doing things at HP on their heads (Christensen 1997; Prahalad 2005).

Instead, the program was firmly incorporated into HP’s existing structures. It was funded in part from the business budget, for which a return had to be shown. To that end, the Emerging Markets Solutions (EMS) group was established in May 2002; it was directly responsible for “more effectively capturing the business value for HP” through new product development (Hewlett-Packard, “Emerging Market Solutions,” unpublished document, 2003, p. 2). The group was headed by HP’s former chief intelligence officer, who, in the words of her personal assistant, “has the ability to roll out massive technology programs, which is a perfect fit with e-Inclusion, because she knows what can be replicated.” There were new rank-and-file employees, one of whom came directly from the BoP Learning Lab at the University of North Carolina, where she had worked with Stuart Hart. The program was also more closely incorporated into HP’s overall corporate strategy: while the details for e-Inclusion’s move to its first major site—in Kuppam, India—were hashed out, HP expanded its mainstream business operations in that country (“HP expands position in India,” HP New Delhi press office, April 24, 2001). Fiorina courted the country’s business leaders during a trip to India, and HP Labs India opened in Bangalore, focusing on emerging-markets development (Schwittay 2008).

Because of the greater need to commercialize products, e-Inclusion’s relationship to HP’s business units and country sales teams changed as well. According to one e-Inclusion employee, “some people [in these groups] get it and some don’t.” The latter were concerned that new products and services aimed at the low-end market might “cannibalize” existing high-end products. For the e-Inclusion employee, however, EMS was “not just about dropping the price point but about tailoring the technology to the needs of the poor” and to places with challenging social and environmental conditions. Furthermore, most salespeople were realizing that “empowerment sells,” in reference to the goodwill toward HP that came from its high-profile social engagement.

Given this evolution of the program, was it still aiming at the BoP market? Robert’s successor, who was also HP’s senior vice president for global citizenship, denied that there had been a shift from the bottom to the middle of the pyramid. Instead, she argued for more indirect benefits of e-Inclusion, which in its search for corporate returns increasingly partnered with governments and development agencies. It was the latter that were serving the people at the bottom (Schwittay 2009). The program’s public relations manager’s acknowledgment that “I am not going to sell a computer to somebody making one dollar a day” made e-Inclusion’s objective to sell HP’s products and services to those who could afford them more explicit. Enlarging this group of potential customers was the aim of a number of pilot projects that used HP’s mobile technologies to create new sources of income for the rural poor.

8. This reorientation took place within the context of larger changes at HP because of its merger with Compaq Computers.
Electronic-Entrepreneurial Women in Costa Rica

The e-Inclusion program’s first project site was San Marcos de Tarrazu, a small town of 10,000 people in the mountainous coffee-growing region south of San Jose. Here HP collaborated with the Costa Rican Foundation for Sustainable Development (ENTEBBE), founded by Jose Maria Figueres, who as president of Costa Rica from 1994 to 1998 was instrumental in setting the country on its high-tech path.9 The main focus of the e-Inclusion–ENTEBBE collaboration was the Little Intelligent Communities (LINCOS) project, which turned recycled shipping containers into “21st century community centers” with access to computers and the Internet. Despite high expectations and large amounts of initial funding, LINCOS did not scale as planned, and HP exited after outfitting the first two containers in 2001 (Braud and Schwittay 2006).

In order to spread the word about the LINCOS container in San Marcos and its environs, an e-Inclusion manager in San Diego developed a pilot project sending “digital brokers” door-to-door with small HP handheld computers (PDAs). The brokers sold electronic services such as sending e-mails, searching for information, and taking pictures with the PDAs’ cameras, and then they went to the LINCOS container to fill the orders and print the results (S. Bossinger, “The Information Broker Concept: An Innovative, Business-Driven Method of Delivering Information e-Services,” unpublished report, 2002). The main users of the service, which by all accounts was well received, were housewives and students. The brokers also did small jobs for local institutions—from schools to small businesses—including typing and sending letters, developing Web sites, and designing business cards and flyers. The most successful of the brokers was a young woman called Serafina, and her story shows how the Information Broker project presented both a continuation and a break with technology-based development strategies.

From Nimble Fingers to Fast Feet

Women have been the subjects of development efforts since the 1970s (Escobar 1995). Initially, neophyte factory women working in high-tech maquiladoras in Malaysia and other Southeast Asian countries were part of national development schemes attracting high-tech TNCs to special manufacturing and trade zones (Ong 1987). Here, women were strictly supervised, and these disciplining practices are continuing in the maquiladoras’ successors, data entry centers (Freeman 2000). The Information Broker project scaled high-tech development from the national level to the microlevel and replaced factory discipline with independence and self-initiative. Serafina excelled at both.

Serafina had left her studies in industrial engineering and

dominance were turned on their head by Serafina’s success and her husband’s apparent subordination to it. His judgment disregarded the fact that now that the latter spent more time at home, Serafina’s husband was able to exert more control over his wife.

Indeed, he asked Serafina to cut back on her public work in order to dedicate more of her time to her family, and although clearly reluctant, she was resigned to follow his wishes. Her economic improvements thereby subverted the newly found freedom she had enjoyed, an unintended consequence of gendered development policies shared by many women. In northwestern Costa Rica, changing labor markets and social policies aiming to improve women’s lives are resulting in the disappearance of low-income men’s traditional power bases within their families (Chant 2000). As decisions in and about the household are taken out of men’s hands, their “crisis of masculinity” can lead to increased tensions and violence in the home (Chant 2000:207). While Serafina’s husband’s (re)assertion of authority was more subtle, it revealed that as institutionalized forms of control are becoming weaker as a result of new types of income-generating activities, more traditional gender-based forms are often reactivated. Sylvia Chant (2008) has analyzed this complex interplay of the feminization of poverty and poverty alleviation projects and their relation to changing gender dynamics. For Juan, Serafina’s story also spoke to the changes the country and especially its relation to changing gender dynamics. For Juan, Serafina’s story also spoke to the changes the country and especially its coffee growers have been undergoing in order to survive in the new global economy.

Technopreneurial Poster Woman

Juan saw Serafina as part of a shift from “coffee producers to coffee entrepreneurs” that was necessary for the Costa Rican agricultural sector to remain viable.10 As he explained, coffee producers are interested only in growing coffee and harvesting the beans, and if their harvests do not provide for their livelihoods, they expect the government to help them with subsidies or other assistance. In the context of Costa Rican welfare policies, these are reasonable expectations, although they are increasingly restrained by government spending cuts.11

Coffee entrepreneurs, by contrast, take charge of these challenges and think about how they can improve their situation through their own initiatives. Rather than waiting for the government to step in—or abandoning coffee altogether, migrating to the city, and becoming a security guard, to cite a frequent occurrence—coffee entrepreneurs look at their coffee production como una pequeña empresa (like a small enterprise) and diversify by developing new products (such as coffee liqueur or coffee bean sweets), by looking for new outlets and buyers for their crops, and by marketing themselves in novel ways. The latter includes using the Internet, as Serafina taught her husband to do.

Serafina was not just an entrepreneur, however, but also an emprendedora, the Costa Rican equivalent that emphasizes the social responsibility entrepreneurs have toward those around them. Although there were slight nuances in the many interpretations of the term I encountered, all agreed on an emprendedora being more than an empresaria (business woman) by virtue of being innovative, creative, and visionary. She is also an agente de cambio, a change agent concerned with the welfare of the community, to which a mere focus on business can actually be detrimental. Part of becoming an emprendedora is overcoming obstacles through initiative, persistence, and positive outlook. This definition of what it means to be an entrepreneur in Costa Rica is shaped by the country’s social welfare history and strong social contract between government, businesses, and citizens. Both have given rise to expectations of social responsibility and cultural norms of cooperation that belie universal constructs of entrepreneurship.

The same holds true for ideas about the social responsibility of companies, which in Costa Rica are influenced by the (declining) presence of cooperatives—economic institutions with an integral mission to work for the betterment of their members—and the strong welfare state. The participation of the private sector in social welfare provision is frowned on; this is especially true for TNCs, which have acquired a bad reputation because of the imperialist dealings of companies such as United Fruit (Litvin 2003). When HP abandoned LINCOS and Costa Rica, it reinforced such historical perceptions, of which e-Inclusion’s cofounders were painfully aware. As Ralph told me, “There is a legacy of first world companies coming with solutions to third world problems. They try to sell their stuff and then leave. We [HP] are part of that legacy.” LINCOS’s director agreed. He saw his program becoming a victim of HP following “whatever is fashionable at the moment; sometimes it’s communities, sometimes poor people, sometimes new products.” Indeed, in spite of the good intentions of individual managers such as Ralph, one of the challenges of CSR programs, whose social dimensions call for a longer-term perspective, is to operate within the short-term mentality dictated by Wall Street (Ho 2009). The resulting

10. Los Santos, the region of which San Marcos is the administrative capital, is representative of rural Costa Rica because 95% of its population is working in the agricultural sector, mainly growing coffee (Uncosantos, “Programa de Desarrollo Regional de Los Santos y Caraígeres,” unpublished document, 2002). This is one of the reasons why San Marcos was chosen as the site for LINCOS, others being Figueres’s close connection to the area, its proximity to San Jose, and the work of a local woman in bringing the container there.

11. The Costa Rican welfare state was instituted by Jose Maria Figueres’s father, Jose “Pepo” Figueres, the country’s most popular president, who held office three times during 1949 and 1974 (Edelman and Kenen 1989). In part because of his spending policies, Costa Rica was the first Central American country to default on its International Monetary Fund payments in 1981, which resulted in the imposition of structural adjustment programs. However, as the then foreign trade minister told me in 2003, “if you are small [i.e., a small producer] and get worse... because of Free Trade, then the government has a responsibility to take care of you.”
flavor-of-the-quarter thinking at HP had unintended consequences for LINCOS’s own evolution.

Emprendedoras in the Making

After HP terminated its collaboration with LINCOS, the latter became more “entrepreneurial,” in the words of its director, to compensate for the disappearance of corporate funding. This transformation was made possible by that same collaboration, which inculcated LINCOS with market-oriented rationalities and conducts. These materialized in efforts to build its staff’s capacity in business plan writing, branding, marketing, strategic planning, and time management carried out by a group of MBA students from the University of California, Berkeley, Haas School of Business sent to Costa Rica by HP (B. LeMay, H. Meulemeester, and N. Francet, “LINCOS Project Costa Rica: Analysis of Economic Sustainability Final Report,” unpublished document, 2000).

The result of this entrepreneurial makeover was branded “LINCOS Second Generation” and was most visible in the operation of the third LINCOS container, which opened in Rio Frio in Costa Rica’s banana belt in 2003. In contrast to the San Marcos container, which had provided free access to technology to as many people as possible, the Rio Frio container targeted individuals and groups with financial and aspirational promise, foremost among them small-business owners and companies who paid for the services they received. According to LINCOS’s newly hired business development director, “the container has a perspective more like an entrepreneurial promise, foremost among them small-business owners and companies who paid for the services they received.

The container was managed by three women who had worked for more than a year to bring it to Rio Frio. Before its opening they underwent a variety of training sessions on cultural awareness and communication skills. The women also learned to write the container’s operational, strategic, and promotional plans; establish its budget for the first year; and set the fees for each individual service offered. This detailed, painstaking, and sometimes mind-numbing work was intended to inculcate new bodily habits and ways of thinking (Foucault 1995 [1975]). For days on end the women sat bent over the computer keyboard, staring into its screen. They learned how to enter numbers into a spreadsheet and calculate the price of a photo printout, an e-mail, a Web search, or a business card design, taking into account the cost of running the container so that there would be a small profit at the end. While this apparent return to nimble fingers might seem a far cry from the image of the dynamic entrepreneur endowed with fast feet, their training reinforced the women’s emerging entrepreneurial subjectivities by disciplining them to think about their work in the container in an economic way. In the process they became constituted as calculating and fiscally prudent subjects who would be able to run the container in a businesslike manner.

The women had also established contacts with potential customers in the local government, community, and business organizations to find out how the container could help them and how much they would be willing to pay for its services. In contrast, regular people in Rio Frio did not know much about LINCOS. Rather than a cause for worry, this was part of the strategy of preselecting “worthy clients,” as one of the women told me. Similarly, she argued that “the purpose is not to convert the container into a school but to identify those children with the greatest potential and the desire to develop it.” The women decided that their clients had to use their training at the container for something “useful,” such as getting a job, personal growth, opening a business; in short “they can’t just stay home with the skills they acquired.” Indeed, the container’s mission, proudly presented by the women after a hard day’s work, centered on “aiming for the identification and formation of emprendedoras who will empower, strengthen and multiply their services . . . [for] sustainable human development.” Setting an example with their own work, the women considered themselves to be emprendedoras because “we made our dream of bringing LINCOS to Rio Frio a reality and overcome many obstacles along the way.” Now they were able to use the result of their labor for the social betterment of promising people in their town while keeping an eye on the financial health of the container.

What the women in Rio Frio and Serfina had in common was an ambition to improve the lives of people in their communities. They were personally driven to succeed in this goal and willing to try out new things to fulfill their dreams. When HP and LINCOS offered them the opportunity to use ICT to this end, they eagerly accepted and learned the necessary skills. In this sense, they indeed were aspiring and enterprising individuals not afraid of taking risks. It is women like Serafina and the Rio Frio container operators who Prahalad and Fiorina had in mind when talking about the promise at the BoP. In the case of e-Inclusion, that promise did not result in a fortune for HP, and the program was eventually shut down.

Conclusion

The white paper that evaluated the Information Broker project repeatedly talked about the pilot’s success, which “set the stage for [its] development in other locations” (S. Bossinger, “The Information Broker Concept: An Innovative, Business-Driven Method of Delivering Information e-Services,” unpublished report, 2002, p. 21). Similar to a generic development discourse that can be replicated in different sites (Ferguson 1995), the manager extrapolated a “recipe” detailing all that was needed to implement the project, anywhere (S. Bossinger, unpublished report, 2002, p. 24).

The pilot site and its participants became secondary to such abstract global ambitions, which became disappointingly clear when the project was terminated after its initial 3-month pilot
run even though the brokers were under the impression that it would be continued if successful. The resulting sense of feeling used, which manifested itself in other project sites as well (Schwittay 2008), ultimately undermined one of the main objectives of the Information Broker project, which was to build recognition of the HP brand as an ethical brand belonging to a company that was concerned with bringing technology access to rural areas such as San Marcos and to generate community goodwill toward the company. To this end, the brokers wore shirts sporting the HP logo12 and told people who answered their call that HP, one of the largest computer makers in the United States, was supporting them and thereby helping to bridge the digital divide. According to one of the brokers, this association with HP gave their work legitimacy and importance. She explained that 80% of the world population has no knowledge about technology. HP is a company that makes computer equipment and wants to expand. They use the name [HP] in the project because people could remember it more easily. When people would go and buy something, they would see the HP logo and remember, “Ah, the girl told me about them.”

The brokers were thus well aware of HP’s aim to create protoconsumers of its technology, an endeavor that was marginally successful in the program’s main sites in India and South Africa (Schwittay 2008, 2009).

Still, when Fiorina was ousted by HP’s board in February 2005, her successor decided that e-Inclusion had not generated sufficient returns on the company’s investments and terminated the program as part of overall cost-cutting measures. A final post on its Web site (http://www.hp.com/e-inclusion/en/vision/faq.html) declared that our e-Inclusion efforts have evolved over the last 4 years as we have recognized that aligning e-Inclusion to our business objectives will allow us to have an even greater impact. What began as a broad effort to apply technology to closing the digital divide, has become focused largely on using ICT to accelerate enterprise and entrepreneurship, and thereby stimulating economic growth.

At last, entrepreneurship was what was left of e-Inclusion, whose business aspects were absorbed by HP Labs India and whose social aspects became part of the company’s philanthropy program, which itself came to focus more on support for small enterprises.

The e-Inclusion program has been followed by similar flagship initiatives at other high-tech companies. In all of them, social benefits have become a by-product of clearly prioritized business objectives (Schwittay 2009). This has not diminished the importance accorded to TNCs in the global fight against poverty, however; indeed, the Millennium Development Goals embrace creative capitalism in their call for partnering with the private sector to halve the number of the bottom billion(s) by 2015.

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Comment

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Schwittay’s article is particularly salient, given the recent financial crisis and the trickle-down effect it is predicted to have on the world’s poor. She provides a multisited ethnography looking at CSR initiatives (specifically HP’s e-Inclusion BoP program) in Costa Rica and HP’s headquarters in Palo Alto, California. She critiques the BoP strategy as marketization of poverty without attending to the underlying structure of poverty. Schwittay implies that these programs have a longer shelf life in PowerPoint at HP than in reality, leaving the reader to ask what this suggests about the BoP strategy and more generally about our own apparent complacency with the spread of capitalism as a means to address societal problems.

However, most BoP proponents would argue that development schemes have largely failed and BoP programs are aimed at addressing structural issues of poverty by allowing people living on less than $2 a day access to markets from which they were previously excluded. For example, they would view participation in the market as a solution to the underlying structural inequalities of poverty (Hart 2005). We will approach this debate in our brief commentary from the perspective of employees of Ford Motor Company’s sustainability office and respond to Schwittay’s article with three primary observations. In the interest of transparency, we will begin with a brief explanation of our roles and a description of the Megacity Mobility program at Ford.

As a Ford employee from 2002 to 2007 who is currently on educational leave, Krista Gullo is an embedded observer writing a multipositioned response from the vantage point of
someone who has worked inside Ford and as part of the team implementing a program with many similarities to e-Inclusion (the Megacity Mobility project) and now as a researcher (Mosse 2005). David Berdish, manager of Sustainable Business Development, has been called the social intrapreneur responsible for delivering the vision of sustainable mobility for Ford (SustainAbility 2008). Social intrapreneurs are the corporate equivalents of social entrepreneurs, addressing societal challenges from within businesses.

As with HP’s e-Inclusion program Ford’s Megacity Mobility program was an attempt to address environmental and social challenges while also creating new forms of value. More specifically, the Megacity Mobility program originated with the aim to address growing transportation needs in global urban regions—beginning with prototypes in South Africa, India, and Brazil. However, again like e-Inclusion, a variety of internal and external pressures made it impossible to continue the program as a standing business entity within the traditional institutional infrastructure of the company. Today Megacity Mobility exists as the Ford Urban Mobility Networks and is focused on gaining a deeper understanding of emerging-market trends such as urbanization, electrification of vehicles, and integrated multimodal transportation.

Based on this collective experience, Schwittay’s article led us to three primary observations. First, as with other sustainability issues, addressing poverty on a global scale requires participation of all sectors of society, including corporations. During the twentieth century, organizations, and corporations more specifically, became the dominant structure in society (Scott and Davis 2007). According to Perrow (1991), “organizations are the key to society because large organizations have absorbed society. They have vacuumed up a good part of what we have always thought of as society, and made organizations, once a part of society, into a surrogate of society” (726). Given this, we would agree with the view that access to participation in the market is a potential solution to the underlying structural inequalities of poverty. Furthermore, quoting the Economist (2008), “the greatest change agents for sustainable change are unlikely to be [social entrepreneurs], interesting though they are. . . . They are much more likely to be the entirely reasonable people, often working for large companies, who see ways to create better products or reach new markets, and have the resources to do so.”

Taking this perspective, it seems reasonable to envision and even expect corporations and their employees to play a part in poverty alleviation; whether the program is an official BoP program is less salient. Instead, what we would like to emphasize is that corporations should play a part—for example, they should not be the sole or primary organization responsible—in addressing environmental and social issues. We would argue that when corporations participate in addressing these issues as part of a larger sectoral initiative, many of the problems of HP’s e-inclusion program are avoided by virtue of the stakeholder dialogue process. In future research it would be interesting to explore corporate programs that are community based and fit within larger cross-sectoral initiatives and compare them with BoP programs.

Second, while the e-Inclusion and Megacity Mobility programs might not exist in their original form at HP or Ford, it is likely that the transformative effect of such programs is underestimated. We would argue that the Megacity Mobility program had an impact at Ford (as well as outside of the company in the prototype locations) that is hard to see or quantify. Often, the visible impact of these programs is only the tip of the iceberg, because it is the beginning of engaging employees in a new way of thinking and approaching their daily jobs that incorporates elements of sustainability.

Finally, we agree with Schwittay that embedding poverty alleviation efforts within local cultural norms is crucial and that as a result there is not a one-size-fits-all BoP program that companies can adopt. (And, incidentally, so does Stuart Hart [2005]. He devotes three chapters of his book to the topic of developing what he calls “native capability.”) We see translating the value of anthropology, and more specifically the value of corporate programs that are embedded in local culture, as a key insight from this article and an area in need of future research and emphasis among both corporate employees and academicians.

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Measuring the World
Indicators, Human Rights, and Global Governance

by Sally Engle Merry

Indicators are rapidly multiplying as tools for assessing and promoting a variety of social justice and reform strategies around the world. There are indicators of rule of law, indicators of violence against women, and indicators of economic development, among many others. Indicators are widely used at the national level and are increasingly important in global governance. There are increasing demands for “evidence-based” funding for nongovernmental organizations and for the results of civil society organizations to be quantifiable and measurable. The reliance on simplified numerical representations of complex phenomena began in strategies of national governance and economic analysis and has recently migrated to the regulation of nongovernmental organizations and human rights. The turn to indicators in the field of global governance introduces a new form of knowledge production with implications for relations of power between rich and poor nations and between governments and civil society. The deployment of statistical measures tends to replace political debate with technical expertise. The growing reliance on indicators provides an example of the dissemination of the corporate form of thinking and governance into broader social spheres.
The Expansion of Indicators for Global Governance

Technologies of audit and performance evaluation common in the corporate world now reach into many domains of global governance. Since the mid-1990s, technologies that were developed in the sphere of business regulation have jumped domains to human rights and corporate social responsibility. Interest in using indicators to monitor human rights compliance has grown significantly. Indicators introduce into the field of global human rights law a form of knowledge production in which numerical measures make visible forms of violation and inequality that are otherwise obscured. Statistics on income, health, education, and torture, for example, are useful to assess compliance with human rights norms and progress in improving human rights conditions. The use of these statistics and indicators derived from them by the committees charged with monitoring compliance with the major human rights conventions has increased over the past two decades. Some committees, as well as the UN’s Office of the High Commissioner of Human Rights, are developing more sophisticated indicators to facilitate the analysis of information and increase accountability. Indicators, particularly those that rely on ranks or numbers, convey an aura of objective truth and facilitate comparisons. However, indicators typically conceal their political and theoretical origins and underlying theories of social change and activism. They rely on practices of measurement and counting that are themselves opaque.

The world of civil society organizations has also been transformed by the increasing use of statistical measures. There are demands for quantifying the accomplishments of civil society organizations and for “evidence-based” funding. Donors to human rights organizations want indicators of success, such as reductions in trafficking in persons or diminished rates of poverty and disease. As donors move closer to business, they have adopted business-based means of accounting for productivity and accomplishments. The concept of “venture philanthropy” underscores this new perspective. Recipient organizations are tasked to develop measures of what they have accomplished within the period of funding. Given the difficulties of measuring accomplishments such as “increased awareness of human rights,” NGOs tend to count proxies for these accomplishments, such as number of training sessions or number of people trained. Clearly, the use of quantitative measures of accomplishment and the introduction of ranking systems based on these measures are transforming the way these organizations do their work.

This article considers two sociological aspects to the expansion of the use of indicators. The first is a knowledge effect. Numerical measures produce a world knowable without the detailed particulars of context and history. The constituent units can be compared and ranked according to some criteria. This knowledge is presented as objective and often as scientific. The interpretations lurk behind the numbers but are rarely presented explicitly. These numbers seem open to public scrutiny and readily accessible in a way that private opinions are not. The second is a governance effect. Statistical measures of populations are clearly connected to eighteenth- and early-nineteenth-century ideas that the people of a country represent its wealth and that good governance requires measuring and counting these people.

As forms of knowledge, indicators rely on the magic of numbers and the appearance of certainty and objectivity that they convey. A key dimension of the power of indicators is their capacity to convert complicated contextually variable phenomena into unambiguous, clear, and impersonal measures. They represent a technology of producing readily accessible and standardized forms of knowledge. Indicators are a special use of statistics to develop quantifiable ways of assessing and comparing characteristics among groups, organizations, or nations. They depend on the construction of categories of measurement such as ethnicity, gender, income, and more elaborated concepts such as national income. Indicators submerge local particularities and idiosyncrasies into universal categories, thus generating knowledge that is standardized and comparable across nations and regions.

One of the critical ways an indicator produces knowledge is by announcing what it measures, such as “rule of law” or “poverty.” Neither of these categories is self-evident. When sponsoring organizations name their indicators, they interpret what the numbers mean. Labeling is essential to produce a measure that is readily understood by the public and simple in its conception. Labels do not necessarily accurately reflect the data that produce the indicators, however. How indicators are named and who decides what they represent are fundamental to the way an indicator produces knowledge.

Indeed, statistical measures create new categories. An indicator may even create the phenomenon it is measuring instead of the other way around. For example, IQ is whatever it is that the IQ test measures. Here, the process of measurement produces the phenomenon it claims to measure. As Porter (1995) points out, although the categories of enumeration may be highly contingent at first, once they are in place, they become extremely resilient and come to take on permanent existence as a form of knowledge. He uses the category of Hispanic in the U.S. census as an example of this phenomenon (Porter 1995:42). One of the most well-known examples of this process is the introduction of the census in India by the British colonial authorities in the nineteenth and twentieth centuries (Cohn 1996; Dirks 2001; Randeria 2006).
To increase legibility, the population census classified individuals by caste, religion, gender, and other criteria. The British arranged the castes in an orderly hierarchy and sought to collect “objective” information about caste identities. However, the caste categories in existence at the time were relatively fluid, situational, segmented, and local. In place of a wide range of forms of ritual and social exclusion in practice, the British selected pollution by touch as the key marker of low-caste status. Thus, the category “Untouchability” emerged as a distinct, all-India category. By redefining castes in terms of categories that applied across the subcontinent, the British rendered caste into a far more fixed and intractable social entity but one that could be more readily counted and compared (Randeria 2006:19).

Indicators are a technology of not only knowledge production but also governance. They are widely used for decisions, such as where to send foreign aid, where to focus on human rights violators, and which countries offer the best conditions for business development. Modern states use statistical information, some of which is bundled into indicators, to decide where to locate highways and railroads, where to build schools and hospitals, how to allocate taxes, and how to deploy police forces to control crime, to give only a few examples. As the modern state came to see its wealth as its population, it put greater emphasis on counting and assessing the nature of the population. Standardized measures mean that the state can better administer its population by knowing its birth and death rates and income levels, for example, and collecting taxes (Porter 1995:25).

The use of statistical information in general and indicators in particular shifts the power dynamics of decision making. Indicators replace judgments on the basis of values or politics with apparently more rational decision making on the basis of statistical information. In theory, the process is more open, allowing the public access to the basis for decisions. As Porter (1995) argues, in the premodern world, aristocratic elites relied on nonnumerical information circulated within small private circles. Statistical knowledge grew in importance with the birth of the modern state. The first great enthusiasm for statistics in Europe came in the 1820s and 1830s, and by the mid-nineteenth century in France, statistics were thought to produce the broad public knowledge necessary for a democracy. Quantification provided an openness to public scrutiny. For French bridge and canal engineers at midcentury, for example, calculating public utility by numbers offered a defense against parochialism and local interests in the locations of railroads and canals (Porter 1995:121). The massive expansion of quantification in recent times comes from a political culture that demands more openness and seeks to drive out corruption, prejudice, and the arbitrary power of elites even at the cost of subtlety and depth (Porter 1995:85–86). This, Porter claims, is the power of numbers.

However, statistical measures have embedded theories and values that shape apparently objective information and influence decisions. Despite the increase in democratic openness produced by the use of statistics in decision making, this is a technology that tends to consolidate power in the hands of those with expert knowledge. In many situations the turn to indicators as modes of governance does not eliminate the role of private knowledge and elite power in decision making but replaces it with technical, statistical expertise. Decisions that were carried out by political or judicial leaders are made by technical experts who construct the measures and develop the processes of classification and counting that produce the numbers. In nineteenth-century France, for example, despite claims to rigorous definition and lack of ambiguity, statistical measures were often arcane and hard to understand, requiring careful interpretation by experts (Porter 1995:74, 80–81). In the area of contemporary global governance, an increasing reliance on indicators tends to locate decision making in the global North, where indicators are typically designed and labeled.

Indicators provide a technology for reform as well as control. Indicators can effectively highlight deficits, areas of inequality, spheres of human rights violations, and other problem areas. Reform movements depend on producing statistical measures of the wrongs they hope to redress, such as human rights violations, refugee populations, disease rates, and the incidence of poverty and inequality. They are a valuable reform tool in their ability to show areas of state failure.

As indicators become increasingly central to global reform and global governance, it is critical to examine how they are produced and how the forms of knowledge they create affect global power relationships. They influence the allocation of resources, the nature of political decisions, and the assessment of which countries have bad human rights conditions. They facilitate governance by self-management rather than command. Individuals and countries are made responsible for their own behavior as they seek to comply with the measures of performance articulated in an indicator.

This article advocates an ethnographic approach to understanding the role and impact of indicators. Doing an ethnography of indicators means examining the history of the creation of an indicator and its underlying theory, observing expert group meetings and international discussions where the terms of the indicator are debated and defined, interviewing expert statisticians and other experts about the meaning and process of producing indicators, observing data-collection processes, and examining the ways indicators affect decision making and public perceptions. I am in the early stages of an ethnographic study of three human rights indicators, tracing the social networks and systems of meaning through which they are produced and used. A critical dimension of the ethnography of global indicators is an analysis of the sources of information they use and of the forms of cooperation and resistance by countries and NGOs in the contest over who counts and what information counts.
Defining Indicators

Indicators are statistical measures that are used to consolidate complex data into a simple number or rank that is meaningful to policy makers and the public. They tend to ignore individual specificity and context in favor of superficial but standardized knowledge. An indicator presents clearly the most important features relevant to informed decision making about one issue or question. Although indicators are quantitative—expressed in rates, ratios, percentages, or numbers—some are based on qualitative information converted into numbers. A recent effort to develop indicators for the Committee on the Elimination of All Forms of Discrimination against Women (CEDAW), for example, uses quantitative indicators such as literacy rates, maternal mortality rates, and labor force participation rates that are sex disaggregated, along with qualitative indicators such as the existence of legislation concerning equal inheritance rights, polices addressing quotas for girl children in educational institutions, and programs for legal aid services and shelters for women victims of violence. These qualitative measures are quantified by counting the number of laws, the number of shelters, and so on, to produce a number (Goonesekere 2004:10–11). Some indicators use a variety of qualitative measures to construct an ordinal numerical ranking, as is the case with rule of law measures that assess a country’s rule of law on a scale of 1 to 5 (Davis 2004:152). Many indicators are composites of other indicators, a blending and weighting of established indicators into a new bundle (see Kaufmann and Kraay 2007).

The importance of understanding indicators emerged during my conversations about human rights reform with several senior UN staff members. They argued that it was impossible to engage in reform projects without indicators and were working to develop indicators of early marriage. They confronted conceptual challenges in determining the age of marriage. Did marriage begin at the age of betrothal, the age at the wedding ceremony, the age of first sex, or the age of cohabitation? These events have different implications for human rights violations. Age of betrothal might flag forced marriage, because younger girls are less likely to exercise free choice. Not all societies have recognizable wedding ceremonies, nor do they necessarily lead to first sex or cohabitation.

1. “Indicators to Measure Violence against Women.” Expert Group Meeting organized by UN Division for the Advancement of Women, UN Economic Commission for Europe, UN Statistical Division, Geneva, Switzerland, October 8–10, 2007. This document, reporting the discussion of an expert group meeting to develop an indicator for violence against women, describes indicators as follows: “Indicators are part of the knowledge base needed to assist policy and decision-making. They help to raise awareness of an issue. Indicators, with their associated benchmarks, contribute to the monitoring of progress in achieving goals, and in policy evaluation. They enable an evidence-based comparison of trends over time, and within and between countries. Indicators on violence against women may also support the assessment of States’ exercise of their due diligence obligation to prevent and address violence against women, and the effectiveness of related policies and other measures” (4).

Age of first sex could indicate medical complications of early childbearing, such as fistula. Cohabitation might spell the end of a girl’s schooling. One UN staffer sighed and noted that marriage is very complicated. Despite these complexities, they settled on cohabitation. I have since pondered this choice, thinking about the difference it would have made were another criterion chosen and wondering how the decision was made and by whom. What were the criteria? Was it the availability of data? To what extent was this decision based on a theory of early marriage and particular health or social problems? At the time, I did not trace the process of deliberation and expert group meetings that led to this discussion, but as I study indicators further, it is clearly important to do so.

Indicators typically do not come with a discussion of such decisions or an analysis of the implications of the choice. Clearly, the selection of any criterion depends on how marriage is defined. Depending on which criterion is chosen, the indicator could measure how much early marriage and childbearing damage health, diminish women’s schooling, or prevent free choice of partners. The indicator submerges these issues and their surrounding theories. The essence of an indicator is that it is simple and easy to understand. Embedded theories, decisions about measures, and interpretations of the data are replaced by the certainty and lack of ambiguity of a number. Like money, it appears to allow abstraction and easy comparison among groups and countries by converting values into numbers. But what information is lost? Does the number bury the messiness of difference and allow equivalence?

A comparison with money is instructive because it is the quintessential unit that flattens difference into commensurate values. The “cash nexus” famously pointed to money’s capacity to make possible comparison and exchange of items and services such as potatoes and sex. But does money bury the messiness of difference and allow equivalence? As Bill Maurer (2005) notes, the apparent equivalence created by money is undermined by questions of morality and sociality. He examines alternative currencies, such as Islamic banking or community currency in upstate New York, grounded in critiques of capitalism. Although the money in each system is technically fungible with the others, translation is not simple. The currencies coexist as convertible but socially incommensurate in meaning and morality. Efforts to move between currencies or to do Islamic banking lead to awkward compromises. Maurer (2005:104–121) refers to the operation of the uncanny as a way to think about the tension of things that are the same but always different. Indicators rely on a similar alchemy; they create a commensurability that is widely

2. Kaufman and Kraay (2007) emphasize the importance of sharing information on measurement error and the constituent elements of the indicator, but in their review of governance indicators, they note that many indicators do not make this information available.

3. As Mary Poovey (1998) argues, the origins of the idea of the modern scientific fact and its representation by numbers, themselves subject to manipulation according to fixed rules, occurred along with the invention of double-entry bookkeeping as a mode of business management.
used to compare, to rank, and to make decisions even though the users recognize that these simplified numerical forms are superficial, often misleading, and very possibly wrong.

Human Rights and Audit Culture

The use of indicators to monitor compliance with human rights is a rapidly growing field. Until the late 1990s, many human rights activists resisted the use of indicators because of concerns about lack of data, oversimplification, and bias (see Alston 2005:22; Green 2001:1082–1084; Rosga and Satterthwaite 2008). For example, the Freedom House indicator, “Freedom in the World,” with its seven-point scale from “free” to “not free” based on annual surveys starting in 1972, was widely seen as ideologically biased (Alston 2005:23). Efforts to develop indicators for social and economic human rights have faced difficulties in making the measures concrete (Rosga and Satterthwaite 2008). Indicators measure aggregates, while human rights are held by individuals (see Green 2001:1085). Building a composite index of human rights performance promotes quick comparisons of countries along a scale but ignores the specificity of various human rights and conceals particular violations. Measurement errors are also a major concern. There are significant differences in the quality of data on human rights violations among countries. Those countries more concerned about human rights are likely to report a higher proportion of violations than those that resist human rights principles (Alston 2005:22–25).

Despite these concerns, the use of indicators is growing in the human rights field, migrating from economics through development to human rights compliance. UN agencies such as UNICEF, UNIFEM, the Commission on the Status of Women, the Office of the High Commissioner on Human Rights (OHCHR), and the UN Statistical Commission are taking the lead. There are long-standing initiatives to develop statistical indicators among other UN agencies and programs, such as FAO, ILO, UNESCO, UNICEF, WHO, and UNDP (Malhotra and Fasel 2005). A set of indicators has been developed for the Millennium Development Goals. Universities and NGOs are also active in collecting and systematizing data. For example, the University of Maryland has a research project on minorities at risk that examines the status and conflicts of politically active groups (Malhotra and Fasel 2005:21). Many economic and social indicators, such as the World Bank Worldwide Governance Indicators and the UNDP Human Development Index, are used to assess compliance with social and economic human rights (Filmer-Wilson 2005:28; Green 2001).

Development agencies have long used indicators. The recent shift to a rights-based approach to development (Sen 1999) has brought human rights and development closer together and encouraged the use of economically based indicators for human rights compliance. The 2000 UNDP Human Development Report devoted a chapter to the value of indicators for human rights accountability (UNDP 2000). The World Bank has collected and disseminated a wide range of socioeconomic statistics derived largely from national statistical systems, as well as data on governance and the rule of law based on expert and household surveys (Malhotra and Fasel 2005:15). These are useful for monitoring compliance with social and economic rights in particular (Green 2001). Economists at the World Bank have also played a critical role in developing indicators for international investment, such as its Doing Business project to assess business conditions around the world (Davis and Kruse 2007:1097). The 2009 Doing Business Report ranked 181 countries on 10 criteria for doing business—such as starting a business or dealing with construction permits—producing an overall “Ease of Doing Business Index.”

In his anthropological account of a European development project in Africa, Richard Rottenburg (2009) uses Latour’s concept of centers of calculation to describe the production of such comparative translocal knowledge. In order for a development bank to produce the knowledge necessary to monitor and control projects, it must know about projects around the world in comparable terms through their reports. Bank officials juxtapose these reports to create a common context that produces new knowledge. The process depends on producing representations of projects that travel (reports), that are immutable (certain in meaning, not shifting according to the teller), and that are combinable. Making reports combinable requires establishing in advance standardized procedures for measuring and aggregating the information in the report. By comparing the reports, the development bank produces translocal knowledge that allows it to monitor and control projects from a distance and to be accountable to the taxpayers (Latour 1987; Rottenburg 2009:181–182). This process, developed in the domain of economics and reliant on universalistic technical standards, provides a template for the production and use of indicators in other domains.

While there is considerable discussion of how to develop good indicators and critiques of their errors of measurement, their quality of data, their embedded assumptions, and their simplification (see Davis 2004), there is far less attention to the implications of the use of indicators for practices of global governance itself (but see Rosga and Satterthwaite 2008). Within social science, however, there has been considerable attention to the impact on practices of governance of these new political technologies based on statistics and accounta-
bility—what has been called “audit culture” (Power 1999; Strathern 2000). Audit technologies are theorized as instruments for new forms of governance and power, “agents for the creation of new forms of subjectivity: self-managing individuals who render themselves audible” (Shore and Wright 2000:57). These technologies allow people to check their behavior for themselves so that governments can withdraw from checking behavior and simply check indicators of performance (Strathern 2000:4). The self-checking practices become evidence of accountability from the perspective of the state. Marilyn Strathern’s (2000) edited collection focuses on new mechanisms for accountability established by the British government for evaluating and reimbursing university faculty. The contributors argue that the new system places responsibility for compliance on the performer, not the checker. Thus, there is a shift of responsibility that masks the underlying power dynamics: the indicator itself does the work of critique, and the governed person seeks to conform to the terms of the government. Similar benefits devolve to treaty bodies that develop indicators: if the treaty body can persuade the country being governed to develop its own indicators, the committee can replace its practices of checking country policies and actions with countries’ self-checking (Rosga and Satterthwaite 2008). The turn to indicator creation marks a shift in the way the administration of human rights law takes place. Instead of pressuring countries to conform to human rights laws on the basis of ambiguous and contextualized accounts in country reports or case studies—reports in which each country is presented as shaped by its history, social structure, wealth, and political agendas—indicators provide comparable information in numerical terms. The burden of assessment rests on the indicator itself, with its agreed-on standards and means of measurement. Although the experts developing one set of indicators for monitoring compliance with human rights conventions argued that the numbers were to be used not to rank or shame countries but to assess a country’s progress over time, once an indicator has been created, such rankings are possible (Turku Report 2005:7). The reliance on numbers, with their apparently simple and straightforward meanings, produces an unambiguous and easily replicated field for judgment. Compliance becomes far more open to inspection and assessment.

Moreover, responsibility for compliance shifts to the monitored organization, corporation, or country itself, which must not only seek to comply but also monitor and report the success of its efforts. The enforcement body moves away from the role of an authority imposing criticisms to a body that registers performance in terms of already-established indicators. In other words, the process of assessing compliance shifts from the encounter between statements and rules in a quasi-judicial forum such as a treaty body hearing to the creation of the measure itself. Once the indicator has been established, compliance is simply a matter of recording performance according to the indicator. Treaty bodies are moving from asking countries to come up with their own indicators toward a universal set of indicators for all countries that can be assessed impartially by the treaty body (Rosga and Satterthwaite 2008:4). Corporations have clearly been active in defining the terms of the indicators by which their social responsibility will be judged. In sum, the expansion of the use of indicators in global governance means that political struggles over what human rights or corporate social responsibility means and what constitutes compliance are submerged by technical questions of measurement, criteria, and data accessibility. Political debates about compliance shift to arguments about how to form an indicator, what should be measured, and what each measurement should represent. These debates typically rely on experts in the field of measurement and statistics, usually in consultation with experts in the substantive topic and in the national and international terrain. They build on previous research studies and knowledge generated by scholars. The outcomes appear as forms of knowledge rather than as particular representations of a methodology and particular political decisions about what to measure and what to call it. An indicator provides a transition from ambiguity to certainty; from theory to fact; and from complex variation and context to truthful, comparable numbers. In other words, the political process of judging and evaluating is transformed into a technical issue of measurement and counting by the diligent work of experts. Practices of measuring phenomena that are relatively easily counted, such as money or inventories of goods, are transplanted into domains far less amenable to quantification, such as frequency of torture or prevalence of ill health. Technologies of knowledge developed in the economic domain move uneasily into these newer fields.

The creation of indicators reveals a slippage between the political and the technical. The slippage occurs in the way issues and problems are defined, in the identity and role of experts, in the relative power of the people engaged in producing and using indicators, and in the power and clout of the sponsoring organization. Through the apparatus of science and measurement, the indicator displaces judgment from governing bodies onto the indicator itself, which establishes standards for judgment. Nevertheless, indicators are inevitably political, rooted in particular conceptions of problems and theories of responsibility. They represent the perspectives and frameworks of those who produce them, as well as their political and financial power. What gets counted depends on which groups and organizations can afford to count. However, indicators differ significantly between those produced by a powerful organization, such as the World Bank, which scores and ranks countries, and more participatory processes, such as OHCHR human rights indicators, in which the experts provide a framework—but to a somewhat greater extent, the choice of indicators, methods, and data collection lies with the countries being measured.

The Genealogy of Indicators

Where did indicators come from? What is their genealogy? Since their creation in practices of financial management and governance in Europe perhaps four centuries ago, they have migrated across sectors and nations. The use of numerical information to understand the world reflects the creation of what Mary Poovey (1998:xii) calls the “modern fact” as a form of knowledge. The modern fact is basic to the ways Westerners have come to know the world. It organizes most of the knowledge projects of the past four centuries (Poovey 1998:xiii). Numbers are the epitome of the modern fact because they seem to be simple descriptors of phenomena and to resist the biases of conjecture and theory because they are subject to the invariable rules of mathematics. Numbers have become the bedrock of systematic knowledge because they seem to be free of interpretation and to be neutral and descriptive. They are presented as objective, with an interpretive narrative attached to them by which they are given meaning. Numbers can be assigned to observed particulars in a way that makes them amenable to such manipulations and makes them amenable to a knowledge system that privileges quantity over quality and equivalence over difference (Poovey 1998:xiv).

However, Poovey (1998:xii) shows that numbers are not noninterpretive but embody theoretical assumptions about what should be counted, how to understand material reality, and how quantification contributes to systematic knowledge about the world. Establishing the understanding of numbers as an objective description of reality outside interpretation was a project of modernity. Although some see facts as interpreted, the idea that numbers guarantee value-free description is still pervasive (Poovey 1998:xxx). Poovey argues that the early-nineteenth-century combination of numbers and analysis enabled professionals to develop systematic knowledge through noninterpretive descriptions. The nineteenth-century separation of numbers from interpretation made numbers different in kind from other knowledge, they could be developed by a special class of professionals who worked with them. Experts, professional knowledge producers, took responsibility for managing this different kind of knowledge, knowledge that existed before policy and could be used in neutral ways to inform it (Poovey 1998:xv).

Statistics became increasingly important as a technology of governance in nineteenth-century Europe. As scholars of the intellectual history of statistics indicate, numbers as an instrument of knowledge production were developed first for business transactions, exemplified in particular by the invention of double-entry bookkeeping, and subsequently as instruments of state governance (Poovey 1998). The use of numerical measures by states for administration and tax collection stretches back millennia, but it is only with the development of the modern state that statistics have been used to describe the characteristics of populations themselves. Quantification, with its aura of objectivity, became increasingly important to a variety of government and business functions in the nineteenth century, from developing cost-benefit measures for locating railroad lines to the need to measure life spans by life insurance companies in the mid-nineteenth century (Porter 1995:106–121; Schweber 2006).

Contemporary global indicators inevitably rely on local data-collection processes, although they may be created and managed at the international level. Local centers may understand the process differently, carry out the measurement tasks in different ways, or resist cooperating with national and international expectations. It is striking that all of the global governance indicator projects I have looked at are created in the global North—which sets the agenda, names the indicator, and assembles the criteria—while data collection typically takes place mostly in the global South. As the use of indicators enhances the exposure of nations to international scrutiny and potential control, there may be forms of local resistance to the process.

Using Indicators for Governance

As tools of governance, indicators are commonly developed by powerful bodies seeking to manage and control populations or allocate resources. They may also be used to rank countries or organizations or to determine eligibility for a benefit. Indicators are directed not only at helping decision makers decide where to build a railroad or in what country to invest but also at promoting self-governance among the governed. By establishing standards according to which individuals, organizations, or nations should behave, indicators should inspire those who are measured to perform better and improve their ranking. Students in the United States are very familiar with the role that grades play in their educational lives. One of the reasons for creating indicators for treaty compliance is to promote nations to take steps to improve their performance according to the numerical standards of human rights treaties. Countries sometimes respond by emphasizing their status on indicators where they rank highly. For example, when Lithuania reported to the committee that monitors compliance with CEDAW on July 2, 2008, which I observed, the government representative, the secretary of the Ministry of Social Security and Labour, pointed out that according to the World Economic Forum’s Report Global Gender Gap Index 2007, Lithuania was among the countries that made the most significant progress among the top 20 countries and now occupies fourteenth place. The minister also noted that Lithuania was in second place in the employment rate of women raising children below 12 years according to the EU Report on Gender Equality in 2008. Clearly, the minister was using these rankings to point out how well her country was succeeding in diminishing gender discrimination (CEDAW/C/LTU/Q/4).
The governed often shift their behavior in ways designed to improve their score, although they may do so in ways not desired by the producer of the indicator. As Rosga and Satterthwaite (2008) note, indicators have a relatively short life before those who are governed by them begin to change their behavior in order to enhance their score. While this may be the desired outcome, it may also produce strategies to “game” the indicator. For example, some colleges downgraded by US News and World Report for low rates of alumni giving divide their gifts into three yearly payments. Although some highly ranked colleges have recently refused to participate at all, those ranked lower have relatively little power to challenge or change the system of ranking.

As indicators shift responsibility for governance from those in power to those who are governed, they may undermine autonomy, a sense of trust, and the willingness to cooperate among certain kinds of populations. Strathern (2000) and her colleagues criticize the Research Assessment Exercise program of the British government, which has introduced indicators of faculty productivity and activity as the basis for allocating revenues to academic departments. As Strathern argues, this mechanism creates the standards to which universities then seek to govern themselves, but for professionals who work long hours with low pay under conditions of autonomy, this regime suggests a lack of trust and leads to alienation and resistance, producing exhaustion and withdrawal.

The turn to indicators is part of a new form of governance, one that engages the person in governing himself or herself in terms of standards set by others. This new form of governance emphasizes “responsibilization,” in which individuals are induced to take responsibility for their actions (O’Malley 1999). In some of the most successful examples, such as grades in school, the indicator comes to shape subjectivity, defining for the individual his or her degree of merit. These indicators promote self-management, what Nikolas Rose (1989:226–227; 1996, 1999) calls “government at a distance.” He argues that new systems of governance have emerged in the postwar period that seek to control individual behavior through governance of the soul (Rose 1989, 1996, 1999). In the liberal democracies of the postwar period, citizens are to regulate themselves, to become active participants in the process rather than objects of domination. Rose (1989:226–227) dates the formation of this self-managing system of governance to the 1950s but sees a major expansion during the era of neoliberalism and the critique of the welfare state. However, Kipnis (2008) criticizes Rose’s emphasis on the connection of audit culture and neoliberalism, because similar practices of monitoring occur in China under a very different political regime.

Indicator Governance and the Corporate Form

Indicators are a basic technology of corporate management and control, but as they move into the previously distinct domain of human rights and humanitarianism, the boundaries between business, the state, and what is commonly referred to as “civil society” blur. In practice, the corporation is increasingly intertwined with these other domains of society in discourse and in management strategy. The spread of its techniques of auditing and counting to the state and civil society is an instance of this seepage of the corporate form. Here I will identify three forms of interchange.

The first is the donors’ demand for performance evaluations of civil society organizations by foundations and governments. Social justice and humanitarian organizations face an increasingly onerous burden of quantifying their accomplishments, even when they are difficult to measure and the data are expensive to produce, as discussed above. A further step in this direction is the U.S. government’s move to create indicator-based development funding. The Millennium Challenge Corporation (MCC), started in 2004, relies on competition among countries to allocate funding. Countries that perform better on the indicators established by the MCC are more likely to receive funding. This system replaces the earlier use of conditions that have to be met by countries receiving development aid. This approach emphasizes a country’s responsibility for its governance and embodies the argument that effective government is fundamental to development.

The key concern of the MCC program is controlling corruption through promoting “good governance.” Countries are measured by 17 indicators grouped into three broad categories: ruling justly, investing in people, and encouraging economic freedom. The indicators are all developed by other organizations. Five of the six governance indicators were developed by the World Bank, while two are from Freedom House. Health and education indicators come from UNESCO and WHO, and economic freedom indicators come from the World Bank and the Heritage Foundation’s trade policy indicator. The MCC also uses the Corruption Perceptions Index of Transparency International and the U.S. State Department Human Rights Report. The process of selection involves four steps. The MCC Board identifies eligible countries from the low- and middle-income range, publishes the selection criteria, and develops scorecards for each country, and on the basis of these scorecards, it selects some for assistance. Countries selected by the board as eligible are invited to submit proposals for a MCC Compact. A few countries with a low score on one of the policy indicators are selected each year to participate in the Millennium Corporation Threshold Program to help raise their score and become eligible for a Millennium Challenge Grant. The Threshold Program is run by the U.S. Agency for International Development (USAID).

In a discussion of the Threshold Program in January 2008 at the American Enterprise Institute (“Can Indicator-Based Competition Make Foreign Aid Work?”), speakers emphasized that the turn to indicators is a result of the emphasis on accountability. The overarching idea is to replace condi-

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tionalities with competition. Under this indicator approach, countries know what is expected of them and can compete for funds according to these standards. However, at this event, the representative from the UNDP said that he thought the mechanism was too complex and that conditions should be loosened. These examples suggest that work associated with the promotion of development, human rights, and good governance is increasingly being channeled by reliance on indicators.

The corporate form is also moving into domains of state and civil society governance with its engagement in processes of indicator development and data collection. Corporations are increasingly involved in the expensive and highly technical process of collecting and analyzing data and writing reports for NGOs, governments, and UN agencies. For example, a recent initiative of USAID East Africa and the USAID Inter-agency Gender Working Group to create a compendium of monitoring and evaluation indicators of violence against women and girls was developed by MEASURE Evaluation in collaboration with a technical advisory group of experts. The advisory group consisted of experts from UNHCR, USAID, CDC, UNFPA, WHO, academics, independent consultants, and several people from MEASURE Evaluation, one of whom authored the report (Bloom 2008). MEASURE Evaluation describes itself as providing technical leadership through collaboration at local, national, and global levels to build the sustainable capacity of individuals and organizations to identify data needs, collect and analyze technically sound data, and use that data for health decision-making. We develop, implement and facilitate state of the art methodologies for approaches to improving health information systems, monitoring and evaluation (M&E), and data use; and we collect, share, and disseminate information, knowledge, and best practices in order to increase the use of data and advance the field of M&E in many countries.

The organization is funded by USAID and works in partnership with the University of North Carolina, Tulane University, and ICF Macro, among others, revealing the collaboration of academic, government, and corporate actors.

ICF Macro is a large corporation that includes a program, MEASURE DHS, that since 1984 has provided technical assistance for 240 demographic and health surveys in 75 countries around the world. ICF Macro is based in the Washington, DC, area and maintains offices across the United States. It conducts projects for private- and public-sector clients in more than 125 countries. ICF Macro has annual revenues of approximately $150 million and more than 1,100 employees, and in 2009 it joined with ICF International. Similarly, an Organization for Economic Co-operation and Development educational testing program, Programme for International Student Assessment (PISA), hired an international contractor, an Australian company, to work with each participating state to carry out the assessment. Student questionnaires and tests were developed by the international contractors, the PISA governing board, and functional expert groups (von Bogdandy and Goldmann 2009:13). The development of data and analysis, and sometimes even the indicators themselves, is clearly a blend of public and private activity that brings together corporations, academics, NGOs, governments, and UN bodies, as well as local, national, and international organizations. Data collection and analysis companies typically come from developed countries and often work in developing countries.

Not only are corporations increasingly involved in producing the data and measures that make up indicators used in the public domain, but efforts to persuade corporations to be more socially responsible have also adopted this technology. As social movement activists, NGOs, the UN, and other NGOs seek to control the human rights, environmental, labor, and corruption practices of corporations, they have turned to the same strategies of governance that corporations exported to the social reformers. The emerging field of corporate social responsibility (CSR) relies on indicators of corporate performance to assess companies (see Welker and Wood 2011). The UNGC and the GRI, two of the most widely used global CSR systems, both rely on indicators to assess compliance with their general principles, and both are voluntary. The UNGC Web site claims that it is the largest corporate citizenship initiative in the world. It says it launched the program in 2000 and as of May 2007 had more than 3,000 companies from 100 countries, as well as more than 700 civil society and international labor organizations, participating in the initiative. The GRI is an international network of business, civil society, labor, and professional institutions. This group has created a reporting framework through a consensus-seeking process. By 2006, more than 1,000 organizations from nearly 60 countries had formally declared their use of the GRI guidelines according to a UNGC report (UNGc 2006:3). GRI developed a set of detailed indicators that the UNGC adopted to implement its general principles.

The Global Compact Annual Review 2007 describes its monitoring process as a system of periodic reports by every signatory company every 2 years, detailing its compliance with the UNGC 10 principles, articulated as indicators, plus its support for the Millennium Development Goals (MDGs). The 10 principles cover human rights, labor, environmental issues, and corruption. The reports are called “communications on progress.” They should include a statement of continued support for the UNGC by the chief executive officer or other senior executives, a description of practical actions of a company’s efforts to implement the UNGC principles and undertake partnership projects in support of broad UN goals such as MDGs, and measurements of expected outcomes using as much as possible indicators or metrics such as the GRI guidelines. If a company fails to file a report within 3 years

of signing on or 2 years from its previous communication on progress, it will be defined as inactive and dropped from the UNGC group.13

The 2008 guidelines for communications on progress advocate presenting information about commitment, systems in place to insure compliance (such as policies, programs, and management systems), activities, and measures of outcomes. It recommends that reports should “use performance indicators appropriate for your company’s size, sector and unique operating environment, and also allow for benchmarking and comparability” (UNGC 2008:15). In other words, companies are invited to develop their own metrics. “Companies should develop systems and evaluation programmes to assure that the information they are recording, collecting, analysing and disclosing is accurate and reliable. Importantly, this need not be a highly complex and expensive process, but could be as simple as a local Global Compact network peer review programme” (UNGC 2008:15). The guidelines to reporting stress that it is important to produce reliable and specific measures in order to assess progress rather than to focus only on policies or activities. “Specific measurements that track actual performance are essential for ensuring continuous improvement” (UNGC 2008:17). Some of the internal benefits claimed for the process are discussion and awareness of these issues in the company, while external benefits are enhancing the corporation’s reputation (UNGC 2008:18). Thus, the CG represents another example of the mobilization of the argument that social responsibility is good for business, not just morality (Welker and Wood 2011).

The guidelines use more than 30 indicators developed by GRI. Some focus on behavior while others ask for numbers of training sessions or policies and management programs. The following list of illustrative indicators is characteristic of the UNGC approach of enumerating trainings or policies more than actual behavior: HR 1, percentage and total number of significant investment agreements that include human rights clauses or that underwent human rights screening; HR 3, total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained; HR 4, total number of incidents of discrimination and actions taken; HR 5, operations identified where the right to exercise freedom of association and collective bargaining may be at significant risk and actions to support these rights; HR 6, operations identified as having significant risk for incidents of child labor and measures to contribute to eliminate child labor; SO 5, public policy positions and participation in public policy development and lobbying; SO 2, percentage and total number of business units analyzed for risks related to corruption; SO 3, percentage of employees trained in organization’s anticorruption policies and procedures (UNGC 2008: 21, 33, 39). The guidelines suggest that companies check with their human resources, employee relations, supply management, legal, media and public relations, public affairs, or corporate relations offices for this information.

The GRI focuses on sustainability reporting guidelines. In 2006, the organization published its third generation of guidelines, performance indicators, and indicator protocols called GRI G3 (UNGC 2006:5). The indicators developed for the GRI can be used to address the 10 principles of the UNGC. Although there are some differences, overall, the two voluntary reporting mechanisms cover roughly the same issues.

Thus, the monitoring system for UNGC and GRI is quite similar to that of UN treaty bodies, in which a governing organization confronts the dilemma of judging compliance based on information provided by the organization being judged. Like treaty body reports, the information requested focuses more on the existence of polices and training programs than on actual changes in behavior. Treaty bodies typically cope with this situation by politely asking for more information and focusing on information about laws and policies more than on data on performance. Nevertheless, treaty bodies constantly request more statistical data on outcomes and performance and are currently seeking to develop indicators for human rights. In both of these monitoring systems, indicators seem to offer a solution to the lack of independent information available to those who seek to govern.

Conclusions

Indicators are a political technology that can be used for many different purposes, including advocacy, reform, control, and management. In some ways, indicators are like witchcraft. Witchcraft is the power to guide the flow of supernatural forces for good or harm. It is pervasive in societies that see supernatural forces as powerful actors in the world. Misfortunes and disease are the result of hostile supernatural forces, but healing and recovery from psychic and physical illness also rely on the mobilization of supernatural powers. Sometimes the same person is both a witch and a healer, because both depend on the ability to control these forces. Like witchcraft, indicators are a technology that exercises power but in a variety of ways, depending on who is using it for what purposes. And like witchcraft, indicators presume a system of knowledge and a theory of how things happen that are hegemonic and rarely subjected to scrutiny, despite their critical role in the allocation of power.

As the world becomes ever more measured and tracked through indicators, it becomes increasingly important to sort out the technical and political dimensions of this new technology. Indicators produce readily understandable and convenient forms of knowledge about the world that shape the way policy makers and the general public understand the world. Those with long use have become naturalized, as well as hegemonic, as in the case of grades for school performance. This is a form of knowledge production and governance that
has expanded from its economic corporate origins to a wide array of uses in national and global governance. Indicators contribute to the calcification of categories—such as caste, race, or gender—that are subjected to categorical definition and measurement. The use of these statistical techniques, with their aura of certainty, is producing new knowledge of the social world and new opportunities for governance through self-governance. The expansion of indicator technology into new domains and spaces of governance is another way the corporate form is reshaping contemporary social life.

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Comment

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I endorse Sally Engle Merry’s call for an ethnography of indicators. As I do so, I am overwhelmed by the multilayered irony of the situation. As Merry notes, many indicators emerged as tools of “progress” and “reform.” They replaced softer, more interpretive means of evaluation, offering the promise of rigor, openness, objectivity, and, consequently, fairness—numbers don’t lie. (Think of the early, post–World War II days of the SATs, when the tests were promoted as a “fair” way for elite colleges to find promising students outside of the usual family and prep school channels.) But now we suspect that those same indicators are tools of repressive categorization, discipline, and control (think SATs again), and we turn for help to the avowedly interpretive methods of anthropology.

In a further irony, anthropology itself was once a leading producer of indicators. One of the first recognizably anthropological field projects, the Cambridge Anthropological Expedition to Torres Straits, was a festival of measurement (Stocking 1984). Later, even as “Boas’s anthropology under-
not be surprised that indicators rule across the political-economic spectrum, from banks to NGOs.

One thing that Merry does not point out explicitly is that the corporation itself is a form of knowledge production. Although the corporation has always enjoyed a kind of incomplete legal personhood, there is still no agreement among corporate scholars in this country about just what sort of thing it is (Schrane 1987)—is it the manifestation of an agreement among contracting private parties, a creature resulting from a concession by the state, or something else? But however one resolves this theoretical dispute, there is no doubt that the legal existence of a corporation is predicated on the production of knowledge in the form of specified indicators. Initially, it must produce the knowledge required for a charter by a state; when it wants to sell stock and raise money, it must collect and report the information demanded by the Securities and Exchange Commission in the precise categories that the SEC specifies; and thereafter, to maintain its fragile personhood, it must continue to measure and report on its behavior to these same state and federal authorities. So the retreating nation-state is devolving the duty of creating and applying indicators onto an entity, the corporation, to which that is second nature.

In the March 2010 issue, American Anthropologist announced the creation of a “public anthropology” section (Checker et al. 2010). Nowhere does the public need anthropology more than as it confronts the power of indicators, now increasingly in the hands of private for-profit corporations. I hope that Merry’s ethnography of indicators will become a reality and that it will be done and reported with sufficient clarity that the public will pay attention.

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Activist Capitalism and Supply-Chain Citizenship
Producing Ethical Regimes and Ready-to-Wear Clothes

by Damani James Partridge

In this article I examine the new forms of citizenship that have resulted from the connections between the emergence of new corporate ethics (including fair trade) and outsourcing. The process I call “supply-chain citizenship” is based on a collection of long-distance promises of care that are economically and politically backed by transnational corporations. I analyze the trend toward what the New York Times recently called “activi[st]-capitalism” and how this move is changing relationships between corporations and consumers and consumers and people working along global corporate supply chains. This study builds on my previous research on workers’ bodies, citizenship, and sovereignty, now examined along global corporate supply axes. I observe the kinds of political mobilization that are coming into being as the result of links between corporate governance, negotiations between corporate and nation-state sovereignty, and the related setting and enforcement of global labor and environmental standards. In my investigation, I trace ethical production from design houses to factory floors, from showrooms to department stores, and from NGO monitoring agencies to consumer protest networks.

This article examines the changing nature of citizenship since the fall of the Berlin Wall amid the emergence of new corporate practices such as fair trade, social responsibility, and what organizations such as the World Bank call “development.” From state-based forms to increasingly corporate-organized realities, citizenship is shifting, and sociocultural anthropologists are critically equipped to understand the everyday implications of these transformations. This article expands my previous research on workers’ bodies, citizenship, and sovereignty, which I now examine along global corporate supply chains. I have conducted this research since 2004 in places such as New York; New Delhi; Mumbai; Managua, Nicaragua; Ann Arbor, Michigan; and Bonn, Germany, and visited design houses, showrooms, factory floors, NGO offices, compliance agencies, and five-star hotels. Ultimately, I ask what kinds of political mobilization are coming into being as the result of links between corporate governance, negotiations between corporate and nation-state sovereignty, and the related setting and recent enforcement of emerging labor and environmental standards.

The aftermath of the Cold War has been critical to what I identify as a global shift: “What will come next?” (Verdery 1996). That is, what will come after socialism and the Cold War, with its violent global hot spots, as neoliberal expansions increasingly seem the inevitable future, with pronouncements of third ways that entail clamping down on welfare provisions, asylum rights, and immigration while structural-adjustment-loan conditions demand more open markets and (in effect) the economic disparity between “us” and “them” persists? Boats sinking in the Mediterranean, filled with people hoping for a better life in Europe, have become iconic examples of the intensity of globally produced and transnationally managed inequality.

As I have examined life after socialism, my work has become less centered on the nation-state and more and more on how nonstate paradigms and institutions increasingly shape the future of social, economic, and political existence. I have discovered that transnational corporations increasingly intervene in nation-state sovereignty, sometimes using NGOs or private compliance agencies to enforce minimal labor and environmental standards, in which the balance of power depends in part on the strength of nation-state versus corporate sovereignty, the ability to make and enforce soft laws versus hard laws, the availability of labor and environmental resources, and the desire for foreign capital investment and jobs in arenas where people have few alternatives after generations of land dispossession and little hope for immediate redistribution.

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In this emerging context, if citizenship is what social scientists imagine as social, economic, and political inclusion (see Marshall 1992; Ong 1996, 2003; Turner 1993), its parameters are being transformed as social, economic, and environmental lives outside of rich nations are increasingly directed by transnational corporate initiatives involved in organizing production for higher-paying export markets. On the basis of pressure from activists, journalists, NGOs, and rich consumers (see also De Neve, Luetchford, and Pratt 2008), corporate entities are shifting their own logics of production toward new standards for social, economic, and environmental justice and new means for development.

Development stands in for any pretense of equality. In practice, transnationally active corporate entities are working out new modes for governing their global supply chains (see also Dolan 2005), which I argue are resulting in new forms of citizenship. Gay Seidman (2003) has recently written that “if states view economic growth as dependent on corporate investment decisions, and if workers feel that any industrial job is better than nothing, governments tend to scale back attempts to protect their citizens in the workplace” (382). On the basis of international pressure to do more than take advantage of the nation-state’s failure to protect its citizens, the gap produced by the failed enforcement of existing laws has begun to be filled by a range of voluntary regulations and monitoring practices that are effectively producing this new kind of citizenship. These voluntary regulations are also a result of the guilt among rich-nation consumers about colonial and postcolonial participation in producing global inequality (see also Dolan 2005, 2007). Counter to the nation-state model, the grounds for citizenship, as well as the associated terms of governance, are shifting. While the nation-state may be becoming more corporate (see Comaroff and Comaroff 2009), the transnational corporation is becoming more governmental.

Corporate Governmentality

John and Jean Comaroff have recently recalled “Marx’s once-scandalous thesis that governments are simple business agents for international capital” (Rancière 1999 quoted in Comaroff and Comaroff 2009:117). Looking at the recent congressional bailout of corporations in the United States and China, the claim seems apropos. The corporation acts as a kind of supracitizen who can rely on not only government help but also total devotion. On the other hand, as the transnational corporation intensifies its own practices of global governance, one wonders to what extent it is less like a citizen and more like a governmental body, raising serious questions of legitimacy. These include not only whether transnational corporations should have so much power to set and regulate transnational environmental and labor standards but also whether these standards should be voluntary. But even if they were mandatory and democratically formed (with the people they most directly affect having the most significant voice in creating them), who would enforce them?

Increasingly, corporations operate transnationally without equally robust counterweights or regulators. Regulation need not come from nation-states, but even consumer NGOs are voluntary (as opposed to democratic), often enforcing detached values in remote locations and collaborating with transnational industry. The corporation impedes regulation or too much activism by being activist itself. This is not necessarily its intention but inevitably an effect, as it does not begin with the improvement of social life and the collective but instead with the business plan. Even the consumer is invested not centrally in global equality but primarily in the desire to consume with less guilt (see Dolan 2005).

Moving from the logic of governing the family/state to governing the corporation, I understand corporate governmentality as a transnational governmental rationality that exceeds its own institutional, geographical, and legal limits, establishing its own “techniques of government” (Foucault 1991 [1978]), its own standards for social and environmental justice, and simultaneously enforcing nation-state laws (at a minimal standard) and superceding nation-state sovereignty. In “Market Affections,” Catherine Dolan (2007:241) writes about “ethics as a mode of governmentality” inasmuch as global producers (including the people doing the physical labor) must adjust the conditions of their production to international standards primarily set in rich nations but enforced at the sites of global production. In this arena, one can see how (graduated) membership is established within corporate net-
works to include the management of outsourced labor, factory-owner compliance, labor organizers’ complicity, NGO collaboration, top management survival and promotion, and consumer satisfaction, as well as how transnational corporate entities suggest, implement, and monitor global labor and environmental standards to deploy their own versions of social justice and social change. In this investigation, one should note the shift from legal, political, economic, and social responsibility to ethical volunteerism (see Comaroff and Comaroff 2009) from nation-state protectionism (e.g., in pre-1989 India) to voluntary compliance in a field of much more open markets. Some might argue that the corporation (as a legal entity) precedes the nation-state and was always involved in forms of (colonial) governance, but it is important to understand how these forms have shifted with recent moves by corporations, journalists, NGOs, activists, and wealthy consumers to emphasize human rights, development, and environmental justice as primary goals. To what extent are corporate and anticorporate activists from rich nations unwittingly on the same side of capitalist expansion and global development, modifying capitalism’s harshness and thus enabling its expansion and lessening possible resistance than the contemporary conditions might otherwise allow? There is still much more to be understood about the forms through which corporations negotiate nation-state boundaries and govern physical environments and laboring subjects even if governance is not an explicitly articulated corporate goal.

2. In her work in the mid-1990s, Aihwa Ong (1996) used the term “graduated citizenship” to describe the unequal process of becoming a citizen for East Asian versus Southeast Asian immigrants. In her work centered in northern California, she found that Cambodian refugees were on a trajectory toward becoming black, whereas Chinese immigrants were on a trajectory toward becoming white.

3. In Ethnicity, Inc., writing about the neoliberalization of state (as opposed to corporate practices), Comaroff and Comaroff (2009) argue that “the rise of neoliberal voluntarism in many places—Britain and Italy are anything but alone in this—transforms modernist conventions of social responsibility into postmodern idealizations of ethical responsibility” (130). They add that “neoliberal ethics are focused less on securing a state that nurtures human freedom or equality than one that underwrites and abets the ‘entrepreneurial and competitive behaviour of economic-rational individuals’” (Comaroff and Comaroff 2009:130). While their focus is on the neoliberalization of the nation-state and the move toward what they call “Nationality, Inc.,” my investigation has focused on how corporations are acting like not only entrepreneurial individuals but also governmental institutions with ethnical programs but without wide-scale local participation. In many cases, as I will show, these are programs that make claims not only to do the minimal harm but even, increasingly, to make lives better.

4. As opposed to governance, language such as “managing risk,” “setting standards,” or “compliance” is more common in the everyday par-lance of ethical production (see also Dolan 2008). A recent annual report by the trade organization Organic Exchange writes about one of its signature programs: “CottonConnect was created in December 2009 as an independent company that will provide retailers with a much-needed holistic view of their supply chains (including an opportunity to manage the risks and leverage the opportunities within them); to better mitigate the social and environmental impact of their activities; and to reduce costs embedded within the chain) and help farmers convert to producing sustainable cotton (benefiting from associated lower input costs, health benefits and better long-term soil fertility” (http://organicexchange.org/oecms/images/stories/publications/OE_2009_annual_report_080610.pdf; accessed August 18, 2010).

5. I, following authors such as Escobar (1995), am critical of the use of “development” as a term that both implies global hierarchies between the underdeveloped and the developed and also assumes an already defined (implicitly superior) path toward the future. The central argument about business, social impact, and sustainability seems to be that sustainability comes through having not only a social model that is ethical but also an economic model that can survive over time. The question, however, is to what extent the economic model of sustainability includes a value chain (see Gereffi, Humphrey, and Sturgeon 2005) that requires differentiated global economic standards for everyday existence.

Background

Since 2004, through interviews, observation, and an investigation of relevant legal and planning documents from the perspectives of corporate and NGO management, I have examined the trend toward what the New York Times recently called “activi[st]-capitalism” and how it is changing relationships between corporations and consumers and consumers and people working along global corporate supply chains (see also Dolan 2005, 2007, 2008). Charity, as Dolan (2007) points out, is clearly engaged in unequal relations of power, so avoiding its invocation also means avoiding the accusation that colonial forms are reemerging in fair trade or socially responsible guises, in which an impoverished, uncivilized, human burden is being addressed via episodic acts of European kindness. In this research, I have investigated the claim that, as one production manager put it, this is not charity but a sustained (and sustainable) form of persistent financial and social investment in development. What are the stakes and strategies for political action when it exceeds nation-state rationality and typical regimes of government or activism? How are ethical standards managed under the rubric of what Anna Tsing (2009) called “supply chain capitalism”? What types of subjects/citizens do these corporate-NGO-consumer networks produce?

In the milieu I describe below, corporate practices, while following and creating ethical logics, are involved in constant negotiation with a range of actors, including people who work along their supply chains; consumers; global corporate executives; NGO heads; managers; and local factory owners, farmers, and mills. These relationships have produced forms of intervention and forms of citizenship that Marx’s critique of capitalism did not predict, even if commodity fetishism, now as fair trade consumption, does persist (see De Neve, Luetchford, and Pratt 2008). With the emergence of the ethical regimes I describe below, there is neither pure free-market rationality nor more open democracy but a negotiated rationality based on local and global economic and social relations. This does not mean that the negotiation is harmless or without effect.
Corporate Sovereignty

Increasingly, corporate networks enforce national labor and environmental standards along their supply chains in cases where the nation-states themselves fail—most obviously to negotiate better conditions for labor and the environment but more fundamentally to redistribute access to national resources such as land and mineral rights. The new corporate standards are based not only on national laws but also on global industry and labor standards with new thresholds for zero tolerance. Consumers in rich nations are increasingly savvy activists in their own consumption, with their own monitoring organizations and technical expertise and their commitment to fair wages, no slavery, and no child labor (as a recent preliminary NGO standards document stipulates, not for children under 15; see also Dolan 2005; Esbenshade 2004; Seidman 2007). All the stakeholders are supposed to be involved in the global production of ethical regimes and in how the corporation sets, implements, and monitors directly employed and subcontracted subjects. The new forms of citizenship this global network produces include new notions of accountability and new terms for negotiation and protest.

In this context, I understand what I have begun to think of as supply-chain citizenship as a collection of long-distance promises of care that are economically and politically backed by transnational corporations. These relations of citizenship, while sometimes relying on the more stringent transnational corporate enforcement of national laws, are detached from nation-state forms of belonging even while the nation-state claims, in the case of India, to be the world’s largest democracy. In New Delhi and its metropolitan extensions, I have found that there are higher stakes for factory-owner compliance to the transnationally enforced global compliance standards (set not by one general body but by different kinds of corporations) than for compliance with the national laws or the demands of labor unions. Local NGO activists recognize that factories are more likely to comply with national laws if transnational corporations adopt local laws as their own minimal standards.

In my investigations, it is clear, as others have also suggested (see De Neve, Luetchford, and Pratt 2008; Rabinow 2004:47), that the moral landscape being produced is directly connected to issues of power and sovereignty. Anthropologist Paul Rabinow (2004) argues that “even when it is not absolute, national states and institutions remain funnels, as it were, through which things must pass on the way in or the way out” (48). He pointedly suggests that “sovereignty in most domains remains national” (Rabinow 2004:48). On the other hand, in Neoliberalism as Exception, anthropologist Aihwa Ong (2006) points to spaces within nation-states, such as free-trade zones, in which the normal laws of national protection are excepted to allow for the more unregulated flow of capital and goods and the management of laboring bodies. I have found that such exceptional spaces are part of the everyday life of transnational capitalism. In all these spaces, including the normal factory floor, social scientists, journalists, and activists need to look more intensely. From contemporary mercenary armies such as Blackwater (more recently known as Xe; see AP 2009) in Iraq to multinational clothing production in India, China, Latin America, or Africa, the funnelling capacity of the nation-state is not globally consistent (see also Ferguson 2005). In fact, the proliferation of fair trade, new compliance standards, NGO and private regulators, and activist consumers suggests the need for a new definition of citizenship in our typical understanding of government, social justice, and democracy.

Rabinow (2004) states that “in Empire, Tony Negri and Michael Hardt . . . argue that military intervention is only one form of imperial intervention. . . . Judicial and moral forms provide potent vectors as well. In fact, Negri and Hardt argue, the softer, ‘moral’ forms are frequently deployed first. Following Weber, we might say that such moral intervention is less costly in both economic and political terms” (49). In other words, the moral claims create the grounds for economic and political intervention. Among these are the promise of work and the claim of future economic prosperity. I have found that the corporately produced ethical regimes managed in part in collaboration with NGOs are directly connected to decisions about what constitutes the good and the fair life and implementation of these decisions on a global scale. The emphasis on the ethical softens potential resistance from local actors, including nation-states.

Fair trade initiatives demand that the extra financial premium generated by fair trade consumption not be simply paid to the workers but also invested in the local community, a form of accountability that was also used by American corporations in apartheid South Africa to counter the call for total divestment (see Seidman 2003). Bená Burda, the head of an organics clothing firm I interviewed, remarked that “this is an arrogant, white, First World attitude that says to a company in a developing country . . . that you’re working with huge factories in developing countries: ‘We know that you need to spend money on education, so we’re only going to give you this money if you agree to spend it on something in the communities there.’ I said, ‘Give it to the friggin’ workers and let them decide how to deal with it.’” Implicitly, the fair trade ethics produced in rich consumer nations are attempting to fill the gap of local government failures. In fact, the local is itself in flux. In New Delhi clothing factories, for example, many workers are migrants who work seasonally in factories only to support family lives elsewhere.

A New York–Based Clothing Firm Started to “Help People in Africa”

My investigation began in 2004 in New York with a high-end clothing firm I call “Righteous.” Righteous refers to the Gap.

6. I have also changed the names of the specific individual actors in order to have the space to be critical without potentially jeopardizing their jobs.
and other large American companies’ labor and environmental compliance standards as a “cover your ass” mentality, but I see that “covering Gap’s ass” is part of the broader spectrum in which new modes of citizenship are being created. Righteous was started by an international celebrity. As it prepared its first season, I spoke in the trendy downtown headquarters with the person in charge of production strategy and placement. She said that the company was more invested in social impact as opposed to environmental impact. She went on to note that in 2005, all of the factories in Africa would shut down because the quota laws that had opened up space for African imports into the United States and Europe were ending.7 She pointed out that before 2005, the main reason manufacturers were producing in Africa was to get around quota restrictions that limited the number of garment exports from China, not because of cheaper wages.8 She went on to note that many of the factories in Africa were owned by Chinese multinationals.

I asked her why her business strategy was focused on Africa, and she said, “Because that’s where [the celebrity’s] focus is in terms of development work.” She pointed with some skepticism to the celebrity’s vision, and she saw Africa as a potentially difficult place for high-end production.9 Then she returned to the company script: “Let’s partner with partners and accelerate that level of expertise.” She emphasized local production and focused on African cotton: “We’re focusing in Southern Africa—Lesotho for knit production . . . In Tunisia . . . we’re trying to focus on nonsubsidized cotton.”10 Arbitrarily, it seems, “local” in this case means African as opposed to Chinese. The emphasis on using unsubsidized cotton was new, she said, and would have significant benefits for “African” farmers who could not compete with European Union and American subsidized cotton.11

She continued by saying that “[the celebrity] said that instead of just promoting charity work . . . the best way to foster true growth and true economic well-being was to provide job creation, and he felt that the fashion industry was appropriate.” Interestingly, in other interviews with production managers and NGO activists, one of the recurrent themes was that this is not charity work. “This is a business,” an NGO manager who helped start a cooperative factory in Nicaragua told me, emphasizing the sustainability and longevity of these networks.12 Finally, I asked the strategist about Righteous’s global impact in terms of the number of people it will employ in Africa: “I don’t know if you could quantify it, because we’re working with an existing facility. I think the bigger impact will be acting as a catalyst within the industry.”

In a later conversation, in winter 2005, the Righteous strategist told me that she believed in development and that she saw the corporation as an effective means of achieving it.13 She had also worked for the Commerce Department of the U.S. government but felt that it was not as effective. When I asked her how she defined development, she told me that for her it meant the alleviation of poverty. One could argue that in the way that she chose to fight poverty, she was also (unwittingly) creating the conditions for its sustenance—the dynamics of the supply chain require that factory owners be paid less than executive managers and that cotton-farm workers be paid less than factory workers.14 Even with ethical sourcing in the supply chain, profit is contingent on there being major differentials between the price of goods sold and what mainline producers get paid. People who work in factories are often relatively poor. As Rabinow (2004) argues, “Once rights language exists in public consciousness it sets

7. Because Righteous was just starting, it did not have as much leverage as it might in a few years to say where the cotton it bought should come from. In the conversation, she pointed me to the African Growth and Opportunity Act, which would end in 2005. The Chinese quotas (which limited Chinese exports to the United States and Europe to give other countries the opportunity for more trade) would also go away in 2005, meaning that a large portion of manufacturing would move to China and away from Africa and other places that could compete in terms of expertise or (low) cost. According to the current Web site, “The African Growth and Opportunity Act (AGOA) was signed into law on May 18, 2000, as Title 1 of The Trade and Development Act of 2000. The Act offers tangible incentives for African countries to continue their efforts to open their economies and build free markets” (http://www.agoa.gov/ accessed June 13, 2008).


9. While production can be moved throughout the world, does the fact that it is more difficult in Africa demonstrate a different type of social commitment? Is there also a market rationality for this move?

10. As the author of The Travels of a T-Shirt (Rivoli 2005) has noted, the connection of American cotton production to land-grant universities that work to maximize efficiency has made American cotton some of the cheapest in the world. The fact that land-grant institutions are also public, however, makes this an indirect subsidy.
up a dynamic directed at the inevitable gap between what a society practices and what it preaches. That gap is its engine, its steam, its normativity” (47). The gap in this case between the ethical claims of corporate agendas and the lives of the actual people who work in factories, on farms, or in mills is also instructive in seeing the production of corporate ethical regimes and their social effects. Corporate forms of governance require a retheorizing of governmentality (i.e., the techniques and practices of governance; see Dolan 2008; Foucault 1991 [1978]) that is distinct from the theorizing that is already emerging in the relationships among NGOs, nation-states, and local communities. 

Because of the demands on corporations by consumers (via media representations, activist sentiments, and purchasing power), there is a new type of governmentality concerning factory workers distinct from that first implemented by corporations in the initial phases of European colonial expansion. Now, corporate interests are mediated through the prism of consumers, NGOs, compliance agencies, and people working in factories and in agricultural fields who have wishes and demands expressed not only via media representations of labor exploitation and activist demonstrations but also by new techniques of regulation and exposure. Anthropologist Arjun Appadurai (2002) has recently observed what he calls “new models of global governance and local democracy” (22). He concludes:

But among the many varieties of grassroots political movements, at least one broad distinction can be made. On the one hand are groups that have opted for armed, militarized solutions to their problems of inclusion, recognition, and participation. On the other are those that have opted for a politics of partnership—partnership, that is, between traditionally opposed groups, such as states, corporations, and workers. (Appadurai 2002:22)

One should note the ways in which interventions into nation-state sovereignty happen not just through grassroots networks and coalitions but often in spite of them. Political movements such as antisweatshop demonstrations have led to situations in which corporations manage what they think of as antiexploitative conditions, often in negotiation with consumers and NGOs but not with the people who work in the factories, in the dying houses, in the mills, or on the farms (see also Dolan 2008; Esbenshade 2004).

This can be seen in part in the financial value-added language of fair trade. About consumers, a recent pilot-phase fair trade document from a major international-standard-setting NGO notes that “evidence shows that they are willing to pay more for Fair Trade Certified products—pushing more money back into the value chain.” While one might think of the value added to fair trade production in terms of the sustainability of higher standards and higher worker pay, one might also think of this cynically in terms of the ability to earn higher returns simply by adding a concern for global workers to the marketing strategy of garment production.

While Righteous wanted to set up regulatory practices through local NGOs, in our initial conversations the production strategist admitted that they were not yet in place. In other words, the intention and claims for development preceded their enforcement, not to mention the unproven claim that the term “development” itself makes for a better future (see also Escobar 1995). The standards for fair trade in this industry are a work in progress. In this case, the social and environmental imperatives are driven by the celebrity’s own social and environmental conscience (not a democratic, locally agreed-on vision). One should think of this as a kind of voluntary justice, based, in part, on favorable market conditions. In the end, the logic of this corporate management of labor and environmental practices is based not on national citizenship, which might be described as protecting the rights and will of the local citizens (via a process in which they participate directly), but on protecting or creating the image of the corporation, which is linked to consumers feeling good while buying its products (see Dolan 2005) and to its employees in New York who think of themselves as global social activists while receiving high salaries.

A March 15, 2005, Newsweek article (Childress 2005) is titled “Green and Still Chic: Forget Birkenstocks: The New Generation of Ecofashion Even Works with Blahniks”—that is, Manolo Blahnik shoes, which on the Bergdorf Goodman Web site started at $545 for sandals in the summer of 2008. Further emphasizing the popularity of this trend, I learned from an NGO activist from Nicaragua that before an organic fabric mill representative could make it to the cooperative factory, he stopped at Walmart, and they took almost all of his sample fabric. It was apparent from an NGO activist’s presentation at Whole Foods in Ann Arbor, Michigan, that Gap and Nike were also moving in the direction of organic apparel. In the arena of fair trade, the negotiation over the definition of the terms happens most intensely between the small, more idealistic companies and the much larger corporations.

Given these trends, I began to ask how capitalist rationality intersects with environmental and labor-conscious corporate practices. What are the potential effects on people who work in factories, fabric mills, or farms and on managerial rationality? To be fair, I should point out that on the basis of my interviews and observations, many of the strategists, regulators, and planners, even at major corporations, were genuinely interested in working for a company that cares about labor

15. One should not forget that the social effects are not limited to the industries’ own criteria for measurement of success.

16. More recently, work with a transnational network of NGOs has made monitoring possible, although a factory owner with whom I have been in conversation accused the NGO of calling to ask for bribes to pass the factory for the compliance criteria.

and the environment. But what are the effects of this form of care?

Ramping Up Production to Save a Lake

At an early stage of my research, I went to a presentation at the flagship Ann Arbor, Michigan, Whole Foods Market. The story, as told by Bená Burda, begins with an urgent call from a Ben and Jerry’s ice cream store manager: “Where are my T-shirts?” The next call followed from a garment factory in Alabama: “I just want to let you know that we’re not going to get this order delivered on time.” Burda: “I said, ‘Neil, this order is for a concert. You can’t tell the band to keep jamming until the shirts get there. You have to have the shirts done on time.’ He said: ‘Nope. I’m telling you: the shirts ain’t going to get there.”

Although he had all of the materials, he was basing his estimation on his knowledge of previous attempts: “We’ve never sewn more than a thousand shirts a day at my shop,” he said. Burda hung up the phone and did what any normal person would have done who didn’t have a seventh-floor window to jump out of. I got off the phone, drove my car to metro airport, flew to Chattanooga, Tennessee, drove three and a half hours to this guy’s plant, and started working in the production line. . . . I started flipping T-shirts, sleeves right-side out. I started delivering bundles of sleeves to the person who made the body so that they could put the sleeves in. I started clipping threads. I started doing anything I could do to speed up production. And the women who worked there didn’t really embrace me. They just kind of, like, looked at me, but they didn’t kick me out, either, because I was helping them to speed up production, and they got paid by the piece.

But the owner of the plant told me to get out of his plant. And I told him I wasn’t going to get out of his plant and that I needed my order. . . . I kept saying to him, “Let me talk to the women. Let me talk to these women. Let me explain to them why I’m here.” And he kept saying, “No, you can’t talk to these women. These are my women, and you can’t talk to them.” But then the three o’clock bell rang, and then he looked at me and said, “Okay, you’ve got five minutes.” So I gathered as many of the women around who would stay, and I explained who I was. And I explained that these were very special T-shirts because they were made from organic fiber and organic cotton, and they were for a very special project, that there was this band called Phish . . . and I said, “They live in Burlington, Vermont, and they’re these college kids. And they met, and they play this great music, and they have this cult following, and they’re really becoming a popular band. And, you know, in this town where they grew up, Burlington, there’s this lake called Lake Champlain, and it’s this huge lake, and virtually everybody in the community has something to do with the lake, and, you know, kids swim in the lake. They get their employment from the lake . . . their lives are affected by the lake. And this band . . . all the proceeds from these T-shirts and this concert are going to go to clean up this lake. This band is just doing this, you know. And so I need these T-shirts, and I need to get them out on time. And I’ve been told it’s impossible. I mean, I know you can’t sew more than a thousand shirts a day, but I need you to sew more than a thousand shirts a day, because if you can sew eleven hundred shirts a day, I can get this order out on time.”

So, the women didn’t sew eleven hundred shirts that day. The women sewed twelve hundred and fifty shirts. They sewed twelve hundred and twenty-five shirts the next day. And they got the order shipped a day early, on time, complete, and the quality was excellent. I have a shirt here, you can see it.

And the coolest part, for me, of the story was watching these women working through the break, with their phone on their ear, saying things like, “You’re just going to have to make a peanut butter sandwich for dinner. I can’t come home. I have a lake to save.” That’s what they said. They said, “I have a lake to save.” They didn’t say, “My boss is making me work overtime, and I might get the best paycheck I’ve ever gotten, because I’m getting paid by the piece.” They didn’t say, “This crazy woman from Michigan is making me stay here, and she’s flipping sleeves.” They said, “I have a lake to save.” And so it was at that moment that kind of a lightbulb went off for me, and I realized that what our real job was, in addition to saving acres of land from chemical cultivation, was to connect the women who sew our shirts to the people who wear our clothes. And that if we could get those two people to start talking to each other . . . that there wouldn’t be anything like labor abuses any more. There wouldn’t be garment sweatshops anymore.

And the other big lesson from that story was watching the owner of that plant sitting in his cubbyhole office with his calculator, saying, “Oh, my God, we can make twelve hundred shirts a day now. These are my new production quotas.”

She noted that the message of this experience went over the factory owner’s head. After raising his production estimates, he went out of business within 6 months.

This account complicates the global production and regulatory story. Relating it to Nancy Scheper-Hughes’s (2003) and Lawrence Cohen’s (2003) work on the global organ trade (see Scheper-Hughes and Wacquant 2003)—in particular, the global economic disparity that leads to people selling kidneys and parts of livers—in my work on garment production and supply-chain citizenship, I see alienation arise when the gift goes unrecognized as a gift (when people donate their organs or labor power anonymously) but also how the relationship changes when one explicitly links the gift giver (or donor/laborer) and the recipient (or consumer; see also Foster 2005). This is a reversal of the normal aid/development paradigm.

The potential connection between donor and recipient or laborer and clothing consumer is further complicated by the
distance produced by the persistence of economic disparity and the politics of (in)security. In an extended visit to a development NGO in Latin America that was run by Americans who had helped local residents start several cooperatives involved in global clothing production, I noticed that even when in close physical proximity, there was nevertheless a persistent social distance between the Americans and the Latin Americans.

When I asked about security, I was told that American volunteers who visited the NGO compound (it was surrounded by walls and barbed wire) were advised to walk only in the housing settlement directly across the street. One of the female NGO activists told me that people told her that her kids could be kidnapped if they played outside the gate. She also said that when they first came to Latin America, they did not have walls and barbed wire, but they began losing thousands of dollars of equipment. Now they had 24-hour security and locked the gate of their communal house before they went to sleep.

She told me that she could not head the clinic anymore because she could not work in a situation in which she would have to refuse medical care to some people in order to sustain their funding structure. Her husband, who jokingly called himself “the visionary,” told me that cancer was a death sentence for the Latin Americans who visited their clinic. Apparently, it was not for the Americans who worked there.

While there were always friendly greetings between the Americans who had been living there for more than 15 years and the people who were originally from the country, I noticed that few close friendships had been established. Even though the Americans spoke fluent Spanish, had started the clinic, and had contributed significantly to changing the lives of the people in the region, the Americans and the Latin Americans did not hang out with each other in their time off. Most of the cooperative members who owned the cut-and-sew facility and the emerging ginning plant lived in a nearby area with many informal settlements and some government-built housing but also with dirt roads and less glamorous modes of everyday transportation. I was surprised, for instance, when I learned that at the Thursday night communal dinners, at which people who no longer lived on the NGO compound were invited to eat, one of the former American volunteers who had married one of the Latin American staff members was not allowed to bring her husband to dinner. The other Latin American staff, I was told, would be upset and feel unfairly treated. “Why not invite everyone to the dinners?” I asked. “They wouldn’t want to come,” I was told.

The conversation went on to reveal that most of the local Latin Americans with whom they became friends eventually got jobs on the compound, which meant that there had to be a professional distance between them. The visionary explained that this had to do with the fact that the Americans could always leave. This fact apparently reduced trust between the Americans and their Latin American counterparts. I had the feeling that the distance was also unwittingly self-imposed.

The extent to which the social barriers can be broken down seemed difficult. As Dolan (2007) points out, even while fair trade activists make claims to the contrary, it is difficult to get away from the relationship between charity giver and charity recipient. The imbalance in power of these relationships produces its own hierarchies as exemplified by the persistent need for gates, fences, locked doors, and security bars on residential windows, although I should also note that this seemed to be a feature of almost every house in the region.

In the global context, one has to think of the difficulty of connections. Consumers and workers have no direct attachment; the gift of labor is not understood as a gift but simply as a rational component of monetary exchange. Money, in fact, produces the alienating effect (see also De Neve, Luetchford, and Pratt 2008). Corporate governmentality, even in its ethical dimensions, does not seem to be changing these relationships. While Foster (2005) argues that “the goal of this sort of analysis, put in the marketing terms examined here, would be to replace one love relationship with another: that is, to replace the erotic and romantic love of a consumer for a branded object with the love between fellow members of a deterritorialized economic community” (12), the problem becomes how to get beyond love as a voluntary (charitable) enterprise.

It is clear that the “save the lake” story is part advertising pitch,18 but even so it is an important and new reality that points toward the shifting nature of corporate rationality and the changing dimensions of who and which institutions contribute to the production of supply-chain citizens. To what extent can worker motivation be derived from an ability to participate in social and environmental justice? As Anna Tsing (2009) has recently argued, workers of color and nonmale workers may be less inclined to identify themselves as workers (read as “white male” subjects) and more inclined to identify themselves as entrepreneurs and consumers. It is perhaps on this basis that people working in factories can forge more equitable global relations to their consumer counterparts. Even in a Latin American cooperative free-trade-zone cut-and-sew facility, it was clear that the worker/owners could not consume like their NGO American counterparts (who lived frugally and were environmentally aware), nor could they consume like their primary customers in North America and Europe. In the “save the lake” example, the process of making T-shirts is linked to the performance of a social service for which one also gets paid. The rationality is not centered on work or pay but on the resulting social good. On the other hand, the ethical chain that ties Ben and Jerry’s to a clothing supplier, to a factory, and ultimately to the people working in the factory (who can potentially help save a lake) is a process that produces them not only as potential environmental activists but also as more compliant and more efficient workers. But an emphasis on efficiency alone misses the point.

18. In other instances, I heard clothing industry managers talking about “the story” as critical to the success of new ventures.
A base level of equality between producers and consumers and between the organics clothing head and the women working in the factory has to be in existence at the outset for the factory women making T-shirts to be considered environmental activists. This equality has to do not only with determining the agendas of the activism but also with living conditions and pay.

A Third Case

Before arriving at the final section of this article, I will pose a brief (more obvious) counterexample to the logic of ethical production. When I met with people at “Rise” (pseudonym), another New York–based high-end fashion company (that has since gone out of business), they pointed to their good will in terms of labor and environmental practices as expressed in the company’s mission statement: “The company is based on more humanitarian ideas than most companies. We’re doing business very ethical, loving, honest. We’re incorporating some of the spiritual principles from our daily lives into our business practices. From the manufacturer, to the supplier, to the store, everybody matters.” But then the owner admitted that she had never visited China (where the company was producing most of its clothing) and did not, in fact, know what the factories there were like. “We have the agents that we’re dealing with. But we haven’t ever actually been to China. . . . How would we know? It’s not our factory. We will be going to China so that we can find out,” she told me. In the meantime, she was making a good pitch to those who would not ask questions—consumers marginally invested in less exploitative conditions of production. But in reality, there were very serious tensions involving payment, the quality of production, suppliers, and department stores. Given the poor quality of a (then) new cycle of production from Gurgaon (near New Delhi) and the inability to deliver to the department stores with whom it had contracts, this company went out of business. Even if it had been able to substantiate its claims about love, honesty, and ethics, clothing production is a volatile industry.

New Risks

There are new questions arising from this research. What are the new risks involved in globalized ethical manufacturing? Capitalism does not work without risk, and even ethical clothing production does not work without making a profit (or at least breaking even). These factors, in addition to changing tastes and fashion, are part of the reason for the intensification of the globalization of clothing production. Even though risk in the supply chain has been transferred to distant global mills, factories, dye houses, and farmers (e.g., clothing companies in the United States do not own their own means of production), what social and environmental opportunities lie under this new regime of risk? Has the treatment and the living standards of people who work in globalized factories, in fabric mills, and on farms changed as production moves farther away from the sites of consumption? What are the chances for wealth redistribution in the new manufacturing centers?

What is interesting about Righteous is that it uses the form of the supply chain itself to argue for ethical intervention. If the supply chain is based primarily on capitalist rationality, can we trust the ethical claims? Alternatively, are the practices of Righteous a way to make the supply-chain form of capitalist organization necessarily an ethical regime, creating the conditions for an economic sustenance that will ultimately help Africa? Might the help mentality not just be another way ofdifferentiating between us and them (see Dolan 2007)? Are we still the (superior) helpers, while they remain the (grateful) helped? Are these helping gestures not ultimately undermining the fight for a more just and equitable world?

I want to conclude with some of my methodological concerns. I will begin with an ethnographic account of returning to Ann Arbor, Michigan, from an extended trip to a Delhi factory where my wife, my daughter, and I stayed at the owner’s home.

It’s amazing being back home from New Delhi. It’s snowing like crazy here. Jasmine [my daughter] has a big smile on her face and keeps pointing outside and saying, “Snow, snow, snow, snow.”

The factory owner’s younger son was really sad to see us leave. He ran to the store to buy pasta for Jasmine for our last dinner there. I have been thinking about how difficult it will be to be critical of the factory, given the warm hospitality of the owner and his family. I am also wondering to what extent the hospitality is based on business rationality (my wife is a potential customer) and not on true feeling.

As it turns out, I hear from another source that the factory owner complained about our use of his car even though he offered it willingly. In addition, he threatened a U.S.-based customer from whom he did not receive payment after hearing complaints about the quality of the goods his factory produced. He had built a new factory with airy, well-lit, clean, and well-ventilated working conditions, but when he lost his working relationship with Righteous, it mysteriously burned down. Some suspected that the insurance benefit was greater than the risk of no clients for only potentially ethical production. He was used to working with massive quantities for millions of dollars at low profit margins. While the margins for high-end production are much higher, so are the demands for quality and consistency in production.

The Righteous production managers and designers actually did not want to leave him. They were committed to family-run businesses (as opposed to multinationally managed enterprises) and to staying with the same suppliers over an extended period. They would build the supplier up and create systems that could be replicated in other places. What was not clear, however, was the extent to which “family-run” necessarily meant more ethical or more just.

Designers and managers in the (family) factory complained
about filthy bathrooms, workers not being paid on time, and bribes given to union leaders. I saw people huddled in a corner while doing beadwork in the basement. On a tour of the factory, the owner’s older son joked that one of their large and well-known American clients required them to play music on the production floor, so they played music in one of the production rooms to stay in compliance. In most others, they did not. (In another case, a former global production manager told me that what music to play can be a source of tension among the people working in factories.) While the higher-end companies such as Righteous moved away from this factory, the large multinational high-profit companies stayed even while beginning new ethical initiatives with global reach. Perhaps this is the difference between the “save your ass” mentality versus the lesser impact of more idealistic producers. But in my observations, even with smaller higher-end companies, there were never direct relations with the people who worked in the mills and factories or on the farms, only ideals and principles that could not always be followed when it came to meeting deadlines.

Five-star hotels, global travel, good food, and even “hedonism,” as one of the India-based designers who worked for an Indian export factory described it, are the perks. But factory workers are still migrating from places such as Bihar on the far eastern side of India to work seasonally in factories on the outskirts of New Delhi. Their potential labor power is more valued than the social impact that international production managers and high-end firm owners imagine themselves making. They do not have the same access to capital or wealth as do the local (New Delhi) middle-class factory owners who gain new economic opportunities as a result of the factory work that has shifted from the United States and Europe and the availability of cheap labor. Even the factory owners work on Saturdays, and some even work 7 days a week, often late into the evening, sometimes remarking that a life with servants (at home) allows them to concentrate exclusively on their work in the factory. In other words, global production is also producing them as different types of subjects working much harder and much longer hours than executives in the United States and Europe, but it is also making them rich. It is reifying, if not augmenting, local and global social hierarchies.

In a commentary called “The False Dilemma of the Sweatshop,” Sanjay Reddy and Christian Barry (2006) quote Nicolas Kristof from the New York Times: “Anyone who cares about fighting poverty, should campaign in favour of sweatshops, demanding that companies set up factories in Africa” (13). They add that “such critics seek similarly to persuade us that workplaces in which workers may be put at great risk, paid very low wages and subject to physical intimidation or sexual harassment are tickets out of poverty for the global poor” (Reddy and Barry 2006:13).

Under present international trade rules, companies can profit by choosing to operate in a country in which labor standards are more lax or are unenforced. Such diversion of trade and investment would not occur if global trading rules instead rewarded countries that promote labor standards by offering them additional access to export markets in rich countries through providing them with financial assistance that could be used to neutralize the cost-raising effects of worker-friendly reforms (measures such as wage subsidies paid to employees that improve labor standards; Reddy and Barry 2006:13).

The use of the term “poverty” in this example refuses to address the history of its own production (e.g., colonialism, land grabbing, slavery, and forced labor; see also Escobar 1995). Such an argument still operates under the logic of capitalist work (in this case factory work) as freedom and progress. This is no less flawed than the argument that these authors critique. There is not a false dilemma but a refusal to challenge contemporary relations of power. On the other hand, in NGO discourse and compliance-company activism, there is a proliferation of fair trade initiatives, monitoring agencies, and standard setting.

While popular debate, academic speech, and political rhetoric make reference to outsourcing, Aihwa Ong (2006) has recently called it more accurately the business of “labor arbitrage.” It is clear to me that “outsourcing” is a term stuck in the logic of nation-states already potentially privileged by the inequality of global production. It is not labor in general that is a concern but national labor in particular. Within this discourse of outsourcing, one imagines that commodities are produced nationally and that by ending practices of creating jobs abroad, one can maintain the local nature of what is always actually global production. If one begins not with the commodities themselves but with the raw materials tied to their production (such as cotton, silk, linen, or wool in the case of garment production), then one realizes that there is no escape from the global market. The way we live our daily lives already necessitates and underscores the wars and killing that take place over diamond mines, land-use rights, and the control of oil fields.

To protest outsourcing or globalization is to protest what one cannot imagine life without. It is to suggest that those in certain parts of the world already tied to the drudgery of mining or picking cotton should stay in these positions, that they should serve only these global functions and not inhabit the working spaces and conditions won by labor unions in wealthy nations.19

19. Aihwa Ong (2006) writes about an intensifying competition between what she calls U.S.-based sweatshops and manufacturing centers in other parts of the world. Increasingly, she argues, Chinese workers in Los Angeles are in competition with Chinese workers in China, meaning that workers in Los Angeles must work for similar wages (when one takes into account the time it takes for goods to get from China to the United States). In a conversation with an Organics CEO who has made special efforts to continue producing some product lines in the United states, she pointed out the resistance of one particular fair trade initiative to work with American-based factories because of the strength of American laws in securing worker rights. She said that this was the case even
In order to undo the inequality ensconced in the deep history of globalization, one needs to think globally. This is already happening in the desires and laboring minds of those who work in the outsourced factories and in the boardrooms and five-star hotel rooms of buyers on business trips. Unemployment is now a global reality that has turned nearly everyone into some type of actual or potential labor. On the other hand, as Anna Tsing (2009) suggests in her recent article on supply-chain capitalism, the failure of workers to organize globally might be based on the fact that they do not necessarily identify as workers but as farmers getting extra cash to support their future dreams of entrepreneurship and consumption or as flexible part-timers working for extra cash for the family right now. In this sense, corporate ethical regimes are increasingly intervening where labor unions and nation-states are not (even if environmental and labor laws are on the books). The question, again, is what kind of future does this type of globalized management of ethical global production hold for people in the world? To what extent is it sustaining contemporary relations of power? Or is it making lives slightly better but also more dependent and more vulnerable? What are the alternatives?

I conclude with the words of a compliance-standards research manager at a major standards-setting NGO based in Europe:

So I entered [the NGO], as well, because I wanted not a distant relationship with trade, having understood this formula for development. But to come to an organization that was interested and whose mission statement was also about helping poorer producers in the South access markets in the North that guaranteed a minimum price for their trading goods and insisting that a premium had to be paid to access these commodities. And that premium would be decided by a joint body made up of workers and management on how this premium could be fed back into the system for development. So this was, indeed, an incredibly useful formula.

Earlier in our conversation, she had contrasted this trade formula with aid (a kind of charity), which she saw as the distribution of goods largely produced in the United States and Europe but without the benefit of recipients being able to set the terms or benefit financially or systematically from the handouts paid by Western governments to Western industries and then distributed in third locations. Trade, she suggested—much like the Righteous production manager in New York or the NGO advisor to the cooperative in Nicaragua who said “this is a business” (not a charity)—provided the possibility of a more systematic and sustainable relationship that shifted the flow of capital and the possibility of transformation, unlike the aid paradigm that paid for Western workers to make voluntary, humanitarian gestures without reconfiguring the relation to resources or the access to capital.

It is not clear to me that trade will work either or that it will work beyond making lives minimally better while creating new wealthy groups at critical nodes along the supply chain. It could be that the cooperative form is the answer, but as we see in the work of Gabrielle Vargas-Cetina (2011), there are also problems there.

After the fall of the Berlin Wall, in what some called the “period of transition,” Katherine Verdery (1996) asked, in the title of her book, “What was socialism, and what comes next?” We might now ask, “What is contemporary capitalism, and how might it be transformed?” Does the answer lie in new relations between consumers and supply-chain workers? But who would enforce them? How might communication and negotiation be transformed? Can we imagine more direct relations without middlemen/women, NGOs, or incorporated compliance arms? What techniques might be invented to strengthen accounting and accountability?

In calling attention to supply-chain citizenship as a limited and limiting form of global belonging, it makes sense that one should also begin to call for more supply-chain democracy—that is, political, social, and economic accountability—particularly from the perspective of those for whom ethical standards are being created without their input and without significant improvement of their lives. On the other hand, one might ask to what extent any of these options are equivalent to apartheid-era corporate accommodation. What economic alternatives exist that would make possible a more robust system of social transformation?

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Comment

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I am very invested in the questions that Damani Partridge is raising in his work regarding this new movement around fair trade, especially relative to the true effect any of the effort is...
having on the workers themselves. I have spent 18 years in the organic-apparel industry running a small for-profit brand. We have produced products in the United States, Ireland, Costa Rica, Israel, Turkey, Nicaragua, and Peru. Because of the requirements of an organic chain (segregation of inventory, special equipment cleaning, etc.), I have been exposed to every step of our supply chains in most of these countries.

When working in these industrial settings, it does not take long to notice the consistent isolation and microview that each worker has regarding his or her job. Most workers seem completely disenfranchised from the finished garment they are helping to make. In addition, the poor treatment they receive, the inadequate pay, and the bad working conditions result in not only a workforce that is exploited and unmotivated but also poor-quality production and late orders. In the past 10 years I have seen a direct link between exposing workers to the role they play in providing a finished product and the ultimate quality of each garment.

I point this out as though I agree with Partridge that there is an identified segment of journalists, activists, and “rich consumers” demanding “supply-chain citizenship.” However, I believe there is a business case for this effort as well. For us, as for the NGO advisor quoted in Partridge’s article, “this is a business”—and in fact a viable sustainable business. So we have both an ideological basis and an economic basis for this work. The real question we need to ask is, What actual value are we adding and to whom through all of this effort?

We have spent the past 10 years developing three production chains (one each in the United States, Central America, and Peru) and have worked in various ways to increase worker investment in each. We initially pursued the cooperative model, creating a three-legged stool between workers, an NGO, and us (representing the market). Relative to worker equity, the cooperative model was easiest, as it took responsibility for fair wages and working conditions away from us and placed it in the hands of the worker-owners. After inspiring the creation of three worker-owned cooperatives, I do believe this model holds promise. However, we also have experienced many of the problems Vargas-Cetina (2011) points out in her work, and I now express concerns similar to Partridge’s regarding the promise of this co-op model as “the answer.”

It was the experience we had in this cooperative model of fair production practices that ultimately led us to pursue independent third-party certification. We do believe some type of on-the-ground verification is necessary, both to ensure credibility and to progress further toward a stated goal of improving wages and working conditions. Ultimately, supply-chain citizens, even the most transparent and values driven, are simply customers. No matter how often we witness a production line in action, we are not really aware of daily working conditions. Therefore, we feel we need an audit system to check and validate between our planned visits. We also see the wisdom in capitalizing on the experiences of other NGO stakeholders relative to their decades of work in labor rights. They could help both rate our efforts and pass on their recommendations. Our experience has taught us that there is no perfectly run factory or co-op and that we need to engage all actors in this chain in order to strive for continuous improvement.

We are now actively participating in two separate labor certification pilot projects. One is being run by the U.S. subsidiary of an international NGO. It has a fairly developed model based on more than 20 years certifying agricultural food commodities (coffee, chocolate, bananas) to a fair trade standard, which it is now beginning to apply to multistage production chains such as apparel. Most notable in its standard is a social premium, paid by licensed brands and based on a percentage of the cost of goods. The administration of this premium is to be done by a worker committee, and the funds are to be used to improve social programs in local communities. The second labor certification program we work with has already certified one of our three supply chains. This is a U.S.-based for-profit entity that has extended its many scientific and input certification programs to include a new labor program.

Our involvement in both programs means we are currently testing many of the ideas Partridge proposes in his writing. As an academic, I am not sure whether he really understands the impact his work could have on what is currently happening on the ground. The overreaching goal of fair trade certification is, particularly in the apparel sector, to make work more equitable, to level the playing field for all workers in the chain. I think that his conclusions, in terms of anthropology, are one thing. Their potential impact on the way ethical production develops in practice is most important to me.

A great deal has happened to change my feelings about fair trade and certification along the clothing production supply chain since we began this certification effort. I recently completed a fair-labor certification trip to Central America. We have just been certified and have sent out a press release, which means I am now engaging the stakeholders in this process, those at the center of this work. These include NGOs, labor rights groups, and the people who are writing the fair trade standard. This process is making me understand how much of the effort is still not sorted out. The stakeholders and people studying these issues can affect the outcome dramatically. I think there is much more of an understanding among the auditors/inspectors of the ambiguity that still exists in the process.

This notion of “voluntary justice” and Partridge’s recurring question fascinate me: how just is it really? Regardless of how it came to be and what motivated various players to develop it, the point is what are the results? Does it simply promote the status quo and reinforce the production and branding system that ultimately (supposedly) created its need? Partridge raises that question throughout this document, and I think that it is very timely. What needs to happen now in order to make any of this real is to publish findings transparently,
evaluate pilots thoroughly, and look at results in larger societal terms.

Partridge’s “Righteous” example seems typical to me of how this whole movement, if we can call it a movement, bears out in real life. It is usually a high-profile individual or a celebrity or a high-profile brand that gets involved in this work. Someone creates a status brand, encapsulating this particular individual’s stated values relative to saving the world. Our goal, I believe, is not to allow the adulation of the celebrity or the loftiness of the stated values to hide or gloss over the actual effect on the workers or the accomplishment of the goal.

The Certification Process

As we have just been through the process, here is a brief overview of how it works: We receive a dollar bid from the certifier of the entire cost of the certification. Once the bid is accepted, the certifier schedules audits and sends auditors to each supplier in our production chain. The auditors spend a day at each facility and review everything from payroll practices to health and safety regulations. Then the auditors interview a random selection of workers in order to validate the records and practices they have reviewed. One of the two standards we are testing includes a 1-day training session for a representative number of workers at each facility, explaining the concept of workers’ rights, the fair trade certification, and their social premium. The auditors present a report of their findings to the certification company along with a list of items needing correcting. (The list our chain received included everything from marking a fire exit more boldly to providing proof that an overdue Social Security payment had been made.) Once the certifier receives assurances that corrections have been made, certification is granted. We of course then start our PR/marketing campaign of the certification, as do all suppliers within our chain. (One factory added the certifier’s logo to its business cards.) We are now in the midst of responding to media, customer, and stakeholder reaction, requests for interviews, participation in forums, etc.

Of course, all of this occurs in the middle of a rush to market. There are deadlines. Brands push to get through the process. Certification companies rush to get invoices sent and bills paid. And in the case of the NGO certifier, brands pay 1% of the selling price of each garment sold as fair trade to the certifier as a licensing fee.

A “Fair” Premium?

The fair trade premium, the idea that worker pay stays the same and that workers instead are rewarded with a group bonus and then set up a committee of workers charged with deciding how to spend this premium, is worth examination. Does it in fact improve the lives of the workers? Do workers truly decide how to spend it? Do they feel pressure to spend the premium according to what management says? Or perhaps worse, will it be spent in a way the brand (i.e., customer) thinks it should be spent? Does it promote equality or a hierarchy, because only the workers on the committee have a voice in the decision of how the premium is spent? How is a social benefit to all workers qualified? What if the workers live in different towns, do not all have children, and so on? We have found in practice that the certifier approves the decision made by the worker committee. In our experience, workers are confused by the idea of a premium and repeatedly ask why any bonus is not simply translated into higher pay.

In the end, does the concept of a social premium work against democratization in a workplace? Is the ruling class making the decisions for the working class about how to improve their lives? Again, Partridge’s essay speaks to this concept as it examines the effectiveness of the entire concept.

Other Questions within Certification

The two sets of standards we are being certified for speak to specifics within Partridge’s overview. The NGO’s program certifies only the agricultural stage, at the beginning of the apparel supply chain, and the sewing stage, at the very end. Social premiums, proposed as the sole benefit to the sewers, and an additional benefit to a high fair trade commodity price paid to growers are not delivered to any of the midchain workers. The hands that gin the cotton, spin the yarn, knit or weave the fabric, and dye the fabric are left out of this process. The question is, Can this model attain the ultimate goal of leveling the playing field for all workers in the chain? In our particular chain, if we were to add a 10% premium at all of the stages of production, our products would be priced out of the market.

Another issue is how to make this validation work in all countries. The NGO does not currently offer certification to any supply chains in the United States, western Europe, or Canada. The model was developed to improve the lives of workers in the world’s least developed countries. In his essay, Partridge also notes the labor abuses in the United States. Are these workers’ lives not important? How does this model encourage development of supply chains in the United States and elsewhere? Is an apparel company actually discouraged from entering the marketplace with products made in the USA because those products would be at a competitive disadvantage to products made in India, for example?

The non-NGO certification company’s standard is a very different model. There is no premium being paid to workers at all. Basically, it is a guarantee of conditions, that there are not filthy bathrooms and some of the other things Partridge mentioned. This certification audit includes an examination of the enforcement of employment and safety laws in the country and then a comparison of living wages on a very basic level. They also examine every player in the supply chain so that no stage is overlooked. Ten percent of all workers are interviewed at every stage. Auditors write up different levels of noncompliance to the standard. When the most critical
violations occur, certification is denied until they have been corrected. Secondary and tertiary violations require a plan to rectify, which is checked at annual reaudit. The term of the standard is 3 years.

This audit process had an effect on all participants. In some instances, workers viewed the violation as frivolous. But in most instances, there was a responsiveness and willingness to correct the problem. And the workers did seem to respond with a sense of pride once certification was granted.

I relate one final anecdote regarding our participation in this first certification. We invited a representative from an internationally known labor rights NGO to observe our audit process. She had nothing to do with the process, but she was present at each meeting and all worker interviews. Her organization has actually been very critical of both sets of labor standards—those of the NGO and those of the private for-profit company. After the trip, the certification organization relayed that the labor rights representative reported being “very impressed” with our production chain. The labor rights representative has since told me herself that the benefits our Costa Rican factory offers its employees are something she had never seen and that she was very impressed. Somewhat ironically, this validation meant more to me than any of the certification reports.

After receiving preliminary notification that indicated we would receive fair-labor certificates for our entire chain, I was relieved and celebratory for approximately 48 hours. Surprisingly, what followed was a sharp letdown. I felt as if I needed to go back to Central America to talk to the workers. I was left with the strong feeling that none of this meant anything in terms of the workers and their lives.

As Partridge postulates in his article, the workers were mostly ignored during this entire process; they had not been integral to any of this happening. I felt a strong urge to ask each of them, “Why are we really doing this, and do you feel as if this could affect the work you do and the conditions under which you do it?” The issues within these pilot programs become more significant because, as Partridge points out from a sociological perspective, this may not be a model that works.

The first experience I had of describing the entire audit process and showing the pictures was at a staff training for the certification at Maggie’s. The team’s first questions were “What does this mean to the workers now that we have this?” “How do we answer questions for consumers and retailers?” “What does their health care really provide?” “What materials is their house made of; is that tin or is it brick?” and “Why aren’t there any women in that manager’s meeting?” They were very basic questions about workers’ lives. I was left feeling very unfulfilled. I was experiencing this big sense of pride, that we got this validation from a third party, and now I felt, “So what?” I mean, to me, it is such “First World” thinking. This is all supposed to make me sleep better at night, because some company provides a certificate that my production chain is approved and nobody is going to get killed in these factories and these people are making decent money? It just does not do anything. And so, overall, the concept of voluntary justice is really interesting because it ends up not only producing products for a small percentage of the world’s consumers, the “rich consumers” that Partridge refers to, but also helping those consumers feel good about their purchases.

Again, the question is raised: “Does this just reinforce the exploitation of the workers that we’ve created out of this production system so far?” If you end up being able to produce only products that go to such a small segment of the world’s population, then aren’t you just a self-fulfilling prophecy? Aren’t you just redoing and reinforcing the system that created the severe injustice in the first place?

For me, as Partridge suggests toward the end of his piece, it is about leveling the playing field. I really do not feel as if this whole idea of a premium is going to flesh out, to carry weight long term. To me the question is, How can we level the playing field without arrogance and deception, for ourselves and for our stakeholders?

Finally, I think that this new form of corporate governance, through soft law and hard law, is hypothesized to result in not only the continuing exploitation of supply-chain workers but also the equal exploitation of supply-chain management and factory owners. I think Partridge brings this point out, but I think it needs further examination. What effect is this having on all of the actors in the chain? And how does the role of each also serve to encourage change versus supporting the current system? Partridge writes about the owners of factories in India often working on Sunday and definitely working on Saturdays. They lack personal time and require servants so that they can devote their entire lives to their business. And so the exploitation extends beyond factory workers or others working along the supply chain; it also extends through the validators, through the certifiers, through the high-end brands (note the example of the brand that is no longer in business), and even through the ethically based brands. And so, again, I ask, is the net impact going to be simply to keep the system in place? To preserve what is already status quo?

This example is the same as self-preservation of the Wal-Mart business model, one that pushes the suppliers very hard, continuously, for very low prices, keeping supplier workers in low-paying jobs and preventing supplier managers and owners from moving ahead. These workers, managers, and owners, both in developing and developed countries, can afford to shop only at Wal-Mart. And so the chain sustains itself.

On the other side, if the cost of doing the “right work” is so taxing on the entire production chain, then the stakeholders need ultimately to turn themselves into a “critical wealthy node” in order to rise above the game. That is what I see happening at the inspector level, at the certifier level, and at the entrepreneur level. I end up feeling that myself: “I have to get something out of this, because it’s unsustainable. I’m just killing myself.” If that is what we are really doing, creating so much pressure on all players in this chain that they have to exploit the others in order to turn themselves
into some sort of wealthy partner so that they can rise above it all, then again, what we are doing does not really change anything.

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Concessionary Politics
Property, Patronage, and Political Rivalry in Central African Forest Management

by Rebecca Hardin

The origin of concessionary politics that shape forest use and management in equatorial Africa can be traced to precolonial and colonial practices. Yet these political processes are constantly being reinvented, and their consequences for ecological and social systems reach far into the future. Gleaned from fieldwork among residents of a protected area and logging zone in Central African Republic (CAR), this concept relates village-level analysis of traditional governance to national and international adoptions of legal concessions of land for the management of natural resources. Constituted through specific phases of prospecting, delimiting, and negotiating control over labor and territory, concessions can be characterized by particular cultural practices: negotiation at local or regional levels of concessionary rights that have been formally ceded at a national level; patron-client relationships involving expatriates and/or traditional authorities that mediate or even replace governance by the nation-state; and fields of territorialized identity politics that tend toward relationships of rivalry and alliance across groups for redistribution of wealth through services, gifts, and performances of collective contestation or celebration. Through interpretive analysis of a national holiday celebration in CAR, I explore the legacies and transformations in concessionary politics shaping conservation and logging in that region more broadly and consider their implications for changing environmental governance in equatorial Africa.

The national celebration of the proclamation of the Central African Republic (CAR) after its independence from France takes place each year on December 1. Crowds gather for military-style parades down the central streets of previous colonial outposts that have become regional centers. Part earnest performance, part subversive appropriation of French national culture, such events involve nearly everyone in Central African communities. Children don school uniforms washed and pressed into crisp, clean lines of cotton cloth. Women wear brightly colored fabrics with political slogans and portraits of contemporary party leaders. Men dress in suits or uniforms that indicate their roles in military and civilian life and, with their colleagues from the office or division, walk apart from the women and children.

Men, women, and children all walk in single file, to the staccato whistling and tapping of military-style marching bands, past grandstands and sets of bleachers filled with waving crowds. Most people, when they reach the end of the exercise designed to produce the straight lines of the formal national holiday, peel off into the concentric circles that are more characteristic of rural celebrations in the CAR. Men slide into the makeshift buvettes (bars), where older women pour them cups of hard liquor from round glass jugs or serve them beer made from honey or millet in calabashes (hollow gourds). Children scatter into the circle dances, whose drum-beats remind them of sleepless full-moon nights in village settings without electricity. Older participants seek the ubiquitous round rattan stools called mbalambo for a comfortable seat under the embrace of mature shade trees; younger women adjourn to the thatched-roof circular

1. It may seem naive to attribute circular forms to Central African societies and straight lines to French imperial and colonial culture. Even the most iconic military moments in France—a parade of troops down the avenue du Champs Elysees, for instance—have circular elements at play, such as the Place de l’Etoile with its Arc de Triomphe through which troops pass. Of course, many Central Africans build rectangular rather than circular homes; I am grateful to Abena Dove Osseo-Assare at the University of California, Berkeley, for cautioning me about this in my prose. Conflating circular with past ways and linear with more contemporary practices would be inaccurate and in fact characterizes a previous era of modernization efforts rife with stereotypes about African societies. Yet I also appreciate Lamine Sagna, currently teaching at Princeton University, for sharing experiments to reduce crime through urban residential design along fractal lines that reproduce the circular patterns of dwellings and settlements throughout many African landscapes.

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paillettes that even in more developed urban centers remain the preferred architecture for kitchens and restaurants.2

Under one such famous structure in Bangui, parliamentarians are known to adjourn from their formal sessions in massive concrete government buildings to gather in the ample, almost monumental thatched dining area. There they reconvene around covered dishes and cut deals while eating deftly with their fingers the national favorite foods: steaming round mounds of manioc (cassava flour) with hot greens from either manioc leaves or the Gnetum vines that grow in forests and are known as koko, shredded and cooked in meat or fish stews. To celebrate the Central African nation-state is perforce to marvel at contrasting idioms and to embrace any cognitive dissonance from the ways in which people code shift not merely among the multiple languages spoken by the majority of citizens but also among sociopolitical registers and rituals.3

I witnessed my third National Celebration of the Republic in the mid-1990s in the small town of Bayanga in southwestern CAR. It was shortly after the 1991 establishment of the nearly 475,000 km2 known as the Dzanga Sangha Dense Forest Reserve in that region (fig. 1).4 The afternoon illustrated to me a kind of economic code switching by many Central Africans since the early days of their colonial encounters with Europeans: that between barter and monetary economies; that between subsistence activities and wage labor; and that between different arenas for conflict resolution and negotiated access to resources, from kin-based clan structures to the patronage relations with corporate employers and more formal legislative processes.

Kin-based modes of power sharing and distribution of risk and wealth have long occurred in this region and have been described by ethnographers for decades, giving rise to powerful formulations of “rainforest traditions” (Vansina 1990) or even further nuanced “traditions of invention” (Guyer 1996). In the Sangha Basin, specifically, they have worked through alliances known widely across language groups in the western Congo Basin as mponi, a ritualized exchange of blood between big men or leaders (see discussions of this in the work of Joiris and Bahuchet 1994; Robillard 2010; Rupp 2011). The leaders then share alternating access to resources ranging from watersheds and fishing territory to women or even political office (Hardin 2000).

In the town of Bayanga, for example, between 1975 and 1995, the mayor’s office was occupied alternately for single terms by one of two big men, one from a Bantu C-10-speaking clan and the other from a Bantu A-80-speaking clan. These same two clans had for decades taken alternate years for their rights to fish with naturally occurring poisons in local watersheds or tributaries to the wider river. My field site was thus not only a logging town but also a riverbank where groups of fishing and horticulturist peoples had forged ritualized reciprocal arrangements with one another for access to forests and streams—those invisible yet effective institutions that for so long have been at best ignored and at worst subjected to clumsy if well-meaning interventions by those who seek to reform and improve property arrangements and economic systems in Africa.

In addition to these alliances with one another, each of the clans living on Bayanga’s riverbank had their respective arrangements with distinct groups of forest foragers, or “pygmies,” who lived nearby (Bahuchet 1993). Into this already

2. My 2 years spent as a Peace Corps volunteer among Gbaya Kara beekeepers along the Chadian/CAR border (see Burnham 1980) and subsequent years studying hunting camps and settlements among BaAka hunters and gatherers in the Sangha Mbaere prefecture (Hardin and Remis 2005; Remis and Hardin 2009) introduced to me three probably interpenetrating traditions (see Rupp 2011) of circular home construction, settlement layout, and material culture (e.g., the famous Gbaya pottery jugs or BaAka baskets).

3. The official language is French; the national language is Sango; mother tongues are of Adamawan, Oubanguian, and Bantu language families. Many children also learn Hausa, Fulani, or elements of Arabic.

4. Principal fieldwork was conducted from March 1995 to March 1996. I also lived in Bayanga for 12 months in 1991, for 2 months in 1992, for 2 months in 1993, and for 2 months in 1997. A field visit in 1999 has also contributed to this analysis, as has work in the colonial archives in France in 2002 and 2006 and collaborative work with colleagues at the University of Michigan since 2006 on concession companies in neighboring Cameroon and Congo Brazzaville under the auspices of National Science Foundation grant 0709545 from the biocomplexity program, now Coupled Human and Natural Systems.
complex social matrix came first colonial trading companies, then plantations, and finally an expanding independent Central African state growing in tandem with a mixture of logging companies and biodiversity conservation projects throughout the postcolonial era between 1970 and 2000.

The rivalries between German and French colonial forces were not immune to the political idioms of equatorial African ceremonies; oral histories I collected indicate that at least one French administrator engaged in mponi rituals with the predecessor of one of today’s mayors/big men. But relationships between Africans and Europeans were nested within broader geopolitical tensions between European powers as they played out in these forests. Indeed, France ceded the entire upper Sangha River region to Germany and then got it back again with the treaty of Versailles in the early 1900s.

The town’s present echoes the historic rivalry between these two factions still commonly referred to by Africans and foreigners alike in the area. After decades of French-dominated colonial trade in various forest products, a Yugoslavian para-statal company built a large logging company there in the 1970s. Since the late 1980s, French businessmen have purchased and managed that logging infrastructure. Their rivals in the region, however, are proponents of a new economy of forest use centered on biodiversity science and ecotourism and championed by German- and U.S.-based NGOs.

At the height of the national celebration festivities in Bayanga in 1995, when most of the town had marched in the long parade down the main road but before too many had dispersed into the more specific celebrations, the sous-préfet (at that time the most senior national official in local residence) delivered a speech. He stood amid a hushed and expectant crowd. His speech entreated the two local industries described above—loggers and conservationists, French and Germans, respectively—to manage their intense competition in the interest of Bayanga’s and the CAR’s development:

I exhort the valiant population of the sous-préfecture of Bayanga to double their vigilance, to jealously preserve the exceptional wealth of wildlife that spills from the dense forest of Bayanga, against the abusive infiltrations of poachers. Of the representatives of political parties, I ask a frank collaboration, to keep hatred at bay and to work, with rectitude, to advance the promotional programs of the president. Also, on the occasion of this national holiday, I offer up a call in the direction of those who direct the Société Sylvicole of Bayanga and the Dzanga Sangha Projects, all from a single mother, to adopt dialogue and consultation, for the peaceful development of the sous-préfecture of Bayanga.  

Whatever his wishes for national unity and peaceful regional development, the day was most festive because of the tensions that had been building for weeks in this two-company town. For more than a month before the holiday, the personnel of the two agencies mentioned by the sous-préfet had been furiously accumulating T-shirts, neckties, bolts of cloth, and new shoes to see who would put on the most impressive march.

The contrast between these two economic poles, logging versus conservation-based forest uses (such as research, tourism, and trade in nontimber forest products), should not be misconstrued here as an opposition between corporate forms and those of NGOs. Instead of contrasts, one can consider how the contest between them generates material goods, gossip, entertainment, and new connections to worlds beyond the forest to new forms of skills, equipment, and economic knowledge.

I have argued elsewhere that contemporary practices in conservation and timber exploitation in equatorial Africa are made up of interrelated professional, pedagogical, and policy elements in a complex matrix of new forms of forest valuation and alienation of forest lands (Hardin 2011). This article offers historical, ethnographic, and conceptual depth to those assertions. I argue that conservation’s colonial origins in the CAR corresponded to three phases of what I term “concessory politics,” or social and territorial struggles for control of natural resources, labor, and knowledge. They correspond to particular kinds of actions, elements, and tropes in human efforts to obtain and retain control of land (whether for exploitation, conservation, or both).

It is this common set of histories and practices linking activities as disparate as logging and wildlife conservation that undergird the performances by Central African participants in the national holiday parade and that inform their paradoxical delighting in and deploiring rivalries between competing economic forces in their world. Before I describe in detail the rival costumes, emblems, and personalities of Bayanga’s parade, let us consider the history of these competing forces and their fit within a concessionary politics framework.

**Conceptualizing Concessions**

“Concessions” refer to formal legal arrangements by which land is temporarily demarcated for specific uses. I define “concessions” not only as formal legal acts that enable the demarcation of spatial units for utilization and management of ecosystems but also as social processes. The formation of concessions and the succession of concessionary economies over time play out through three key phases: prospecting for resources; mapping boundaries; and negotiating the circumstances of extraction, production, and redistribution of wealth therein. The making of concessions has long pitted a wide

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6. Recent scholars of forest concession policies in central Africa resort to the Food and Agriculture Organization’s land tenure thesaurus and find concessions defined as “a bilateral or unilateral legal act by which an authority grants a private or public person a right of use or a privilege” (Ciparisse 2003:8; cited in Karsenty et al. 2008).
range of actors and institutions against one another in complex geopolitical contests.

These interactions favor social relations of patronage and rely on forms of political identity that are experienced as primordial, though in fact they may result from intense interaction through the expansion of capital and empire. “Concessionary politics” refers to this complex of territory, identity, and political economy. It proceeds through cyclical repetitions of three phases: prospecting, delimitation, and negotiation. Cycles recur as humans are constantly finding new uses or values for elements of the natural world. In southwestern CAR, commodities at the heart of concessionary politics have ranged over the past century or more from animal skins to ivory, from game meat to timber, and from diamonds to coltans, or coltan, for the fabrication of cell phone batteries. This constant shifting of commodities in a context of fluid land tenure has made for enormous changes over time in the town of Bayanga, from trading posts to plantations and from sawmills to sustainable ecotourism lodges.

Comaroff and Comaroff (1997) caution against facile assumptions of continuity whereby today’s global expansion becomes mere “neoimperialism,” though they note “some surprising and complex continuities between the time of the great imperial outreach and the late twentieth-century era of global expansion” (xv). Used from the eighteenth century, the notion of the concession reinforced sovereign power and extended that power through various actors and across varied geographical and social contexts. It conferred rights as specific as the planting or cutting of particular trees by clergy or the placement of vendor stalls in the gardens of the Palais Royal in Paris and as extensive as the right to explore and trade products from within entire river basins or within entire colonies as empires expanded. 7

Concessions are made through several phases of activity: prospecting, delimiting, and making concessions. These activities constantly redefine key elements in transnational environmental governance: resources, territories, and identities that serve in the advancement of claims to access rights. The specific physical actions through which all this happens include exploration, competition, and negotiation. These actions are undergirded by tropes of discovery, mastery, and rivalry that can be learned in early childhood, reinforced through formal education and leisure activities, and expressed through careers as diverse as activist, logger, conservationist, or researcher. They are not just economic cycles; they are interpersonally expressed cultural logics through which people organize their efforts and aspirations.

The first phase of concessionary politics, prospecting, is often linked to the inflated estimation of the value of the resources in question. The search for mineral deposits or wildlife populations—especially in the colonial era—is particularly grueling work. By definition it means traversing vast landscapes. In the early twentieth century, when mining and protected areas both experienced their first major booms in Africa, the remarkable power of speculative ascriptions of value to territories became evident. Today this is all the more true given the development of highly speculative financial markets that generate wealth merely from the heated exchange of possible plans—sparks thrown by the friction between rival bids on potential and real investments (Tsing 2004).

During the second phase, the delimitation process, rival parties engage in contests of speed and method, mounting actual expeditions or virtual assessments, each claiming to have better technologies of detection or measurement or better links to local informants and forms of knowledge. In the Sangha River region, during negotiations regarding French and German administrative boundaries and trading concessions, there were heated debates between rival exploration teams from each country. Each claimed that the other team’s reports contained inaccurate accounts of elephant populations or climate and geophysical characteristics of the regions in question (Hardin 2000). Today similar dynamics operate with respect to, for example, estimates of carbon-storing capacities of forest tracts.

The third phase is that of making concessions work through specific investments in infrastructure and negotiations of labor practices. This is when many of the relationships created across groups during prospecting and delimitation mature. They may grow into relations of confidence and conferral on a more sustained basis, as between local guides and those they have assisted in negotiating unfamiliar landscapes, or they may sour as new groups and individuals move into and out of concession zones with their own agendas (table 1).

Rivalries of concession-seeking actors can characterize all these phases, as we can see in the regional histories of competition between French and German factions that characterized colonial expeditions. It is remarkable that a French/German divide still undergirded competing visions of forest management through the 1990s, and it is an important precursor to current concerns about Asian incursions into African markets and resource bases. For the purposes of this analysis, the nationalities of the actors are less important than the underlying logics, attitudes, and interactions that shape such rivalries. Performative moments in those rivalries, such as the national holiday parade, can reinforce opposed identity.

7. “Who makes concession to the high magistrates of four barons, high lords of justice of Flandres Walonne, of the right to plant belonging to His majesty on all the grand planted roads . . . to enjoy them as an incommutable property and, in perpetuity, with the faculty to cede all or part of this right, either to the communities or to private actors” (France, 1777, Arrest du conseil d’Etat du roi). The decree pertaining to rivers and waterways promulgated by Santa Anna was to give General Francisco Garay an exclusive 25-year concession to use steamboats on the Rio Grande/Bravo and to colonize lands along its many tributaries (Mexico, 1842, “Decree Promulgated by Santa Anna, Presidente Provisional, Mexico, on October 15”), whereas in Quebec we find language closer to that of the charter colonies under the Treaty of the Law of Fiefs “followed in Canada since its establishment drawn from that contained in the custom of the prevôte and viscount of Paris, to whom all fiefs and lordships of this province are subject, by virtue of their original title of concession” (Cugnet 1775).
categories such as “locals” and “immigrants” or “French” and “German.”

The persistent cultural logics of concessionary politics are crucial to understanding links between precolonial, colonial, and contemporary economic arrangements between communities and wider trade networks. To summarize, basic features of concessionary politics as a social phenomenon include regional- and local-level negotiations of services and rights (often concerning working conditions, health, and environmental issues) that have been formally ceded at a national level; gift giving and exchanges of favors among and between elites who live in concession areas (sometimes performed through collective and highly ritualized cultural events such as parades or festivals); and fields of interpenetrating identity politics that through rivalry can reconfigure transnational politics of resource use (but that remain anchored in the contests for control over specific territories or resources).

These features emerge through the three phases mentioned above and are subject to many factors, including market swings, currency crises, political instability, and ecological cycles. Forged through intersecting culturally specific modes of territorial management since the eighteenth century, concessionary practices appeal to interpersonal and intergroup dynamics of rivalry, though they also serve to create understandings among elites over time.

Concessionary politics are not merely crafted through scrambles for African resources that play out between national, international, and financial institutions, nor are they merely imposed on rural regions and communities from the top down. Rather, residents of concession areas have, over time, developed abilities to defy or at least define the limits of state power. They thus participate, with a range of outsiders, in creating and re-creating concessionary politics. In many ways the individuals and organizations presented here further focus rather than resolve questions of whether such intersections are salutary for the dynamism of environmental fields or simply serve to do what Sivaramakrishnan (1995:3) terms “imagining the past within the present,” reproducing older dynamics of closed rooms and close races for concession agreements and territorial control (Reed 2002; Schoenberger 1989).

Contextualizing Concessions in Africa

The definitive works on concession companies in the Congo region emphasize the larger companies because they have the most detailed historical records (Bouteillier 1903; Coquery-Vidrovitch 1972). They describe the chaotic and often cruel practices of concession managers who forced laborers to plant, collect, or cut forest products for regional and global markets.8 Ultimately, however, Cantournet (1991) cautions against thinking of the mosaic of concessions in the region as a full-fledged concessionary system:

Inasmuch as the word assumes a certain logic in these actions, with clear directive ideas and coherent execution, it seems not to suit the old Congo or even the French Equatorial Africa that was its successor. It seems that it is giving too much credit to the colonialists of the early part of this century, be they civil servants or commercial agents, residents or metropolitans, to think that they were capable of conceiving and especially of carrying out “systems” when in fact the scarcity of material means and financial and human resources condemned them to a kind of permanent improvisation, sometimes with tragic consequences. (Cantournet 1991:15 [my translation])

Perhaps they were not systems. But early trading concessions were powerful legacies, nonetheless, where shared cultures of wealth extraction came to shape the exercise of political power by mixed European and African elites in much of the Congo Basin (Bigo 1988). Tracing the mix of brutality and privilege that characterized concessionary regimes through several generations, one cannot ignore the wealth it created on both sides of racial and social divides. Prominent families such as those of former CAR emperor Jean Bedel Bokassa and future French president Valery Giscard D’Estaing became closely allied in part because of the ways that concessionary violence catapulted the young Bokassa into French colonial worlds.

Bokassa saw his own father killed because he participated in the liberation of captive workers of the concession company Compagnie Foresti`ere Sangha-Oubangu (CFSO), one of the largest of the second wave of concessionary regimes described above. Bokassa’s mother died shortly thereafter, and the aunt who was entrusted with his care was beaten to death under the brutal CFOS rubber regime. CFOS was the subsidiary of a colonial company, the Soci´et´e financiere fran¸caise et coloniale, directed by Edmond Giscard D’Estaing, the father of Valery, later president of France. After the orphaned Bokassa joined the French military and served with distinction suppressing opposition to French colonial control in Indochina, he, too, became president and then emperor of the CAR.

Table 1. Schema of concessionary politics

<table>
<thead>
<tr>
<th>Phases</th>
<th>Elements</th>
<th>Actions</th>
<th>Tropes or ideals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospecting</td>
<td>Resources</td>
<td>Exploration</td>
<td>Discovery, rivalry</td>
</tr>
<tr>
<td>Delimiting</td>
<td>Territories</td>
<td>Militarization</td>
<td>Mastery</td>
</tr>
<tr>
<td>Making concessions</td>
<td>Identities, infrastructures</td>
<td>Negotiation, confrontation</td>
<td>Diversification, expansion</td>
</tr>
</tbody>
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8. A handful of key ethnographic studies explore the particular violence of the extractive industry within African colonial and postcolonial contexts (Crush 1992; Ferguson 1999; Taussig 1987).
Valery D’Estaing and Jean Bedel Bokassa became close friends and hunting partners, spending leisure time together in and around the protected areas of the CAR (Verschave 2000:223).

Conservation of natural resources has thus been intertwined throughout colonial and postcolonial eras with their consumption. This has both benefited from and contributed to concessionary logics for the use of valued natural resources. Many Africans see political cultures of environmental conservation as intimately intertwined with resource extraction. Rather than being consistently guided by good science and sound policy, zoning for conservation, hunting, and logging, from what they have seen, is more often forged during “sundowners,” the cocktails shared after a long day of safari hunting. Bokassa’s properties in France were, indeed, ample compensation for the extent to which the CAR became the very nearly private game park, hunting ground, and source of undeclared diamonds for France’s first family. Such histories hold the key to why the costs and risks of managing a concession do not prevent fierce competition for concessionary control. The calculation of rewards by both African and European actors has never been only economic; it is also political, strategic, and symbolic. This is true not only for the past but also for the present and well beyond Africa.

Apter’s (1999) notion of coauthored popular cultural forms that emerge from and transcend colonial contexts is a useful starting point for a dialectical analysis that takes seriously both fluidity or mutability and the irreducibility of certain experiences or the persistence of particular forms. Other foundational contributions include the notion of multiple meanings of traditions in a colonial state (Hobsbawm and Ranger 1983; Vail 1989), followed by the acknowledgment that mutability and coauthored cultural production do not preclude the contemporary experience of traditional or indigenous identities as primordial. These issues raise a second important puzzle: fluid and intricate social networks often rely on particular notions of place, territory, and identity. This is no less true for African ethnolinguistic identity groups than for corporate social forms that invest in African landscapes.

Anna Tsing (2004), following a more general argument from Heilleiner (1993), reminds us that an “earlier free flowing internationalization of finance” was cut off in the wake of World War II by the creation of financial institutions that gave control of resources to nations themselves. Concessionary politics implies a reconsideration of such free-flowing phenomena as they connect Africans and Europeans over time. Further, it asserts that they have never been cut off but have been comfortably nurtured around the edges and in hidden pockets of the modern nation-state in the era of international development. Early transnational economic formations such as charter companies and concession companies were always structured by key tensions between public and private interests, between competing national interests, between emerging ethnoregional interests, and between races, to name a few. Yet, out of these confrontations, we see patterns and systems of rivalry, alliance, and resolution of conflict emerge and endure tremendous institutional transformations.

Not as chaotic and cruel as the cartels and militias that exploit diamonds in West and Central Africa, concessionary politics is their close cousin. Reno (1998) argues that the existence within a central state of patronage networks, however weak and partial, distinguishes warlordism from other forms of governance. Kresl (1976) explores the limits of statistical and bureaucratically organized information and intervention for understanding—let alone controlling—the range of activities that contribute to a national economy under circumstances of rent-seeking behavior. MacGaffey (1991) looks further into the accountability challenges of concessionary systems in equatorial Africa, where there is widespread political instability.

Most concessionary arrangements fall somewhere between warlords ruling in a failed state and a centralized state exercising effective control over resources and revenues. Several factors combine to determine where on this continuum a state (or a subregion) is located at any time. These include the nature and wealth of the resource base, privatization or decentralization of resources, and the political and cultural legacies of the longue durée. Frynas (1998) argues that companies functioning in politically unstable states such as those in equatorial Africa enjoy unrivaled dominance over and interconnectedness with state structures. Frynas notes that more study is needed of planning in these companies; it is here that they limit possible challenges to their powerful positions in precarious states. And yet in the literature on Norway, I found similar concerns about secrecy and lack of transparent planning even in that more stable European context (Kresl 1976). Concessionary politics is by no means an exotic cargo-cult-like phenomenon emerging only in tropical or postcolonial contexts.

That said, colonial legacies have bounded scholarship in particular ways; research that compares the different French- and English-speaking regions of the African continent is rare. What has been done is largely historical rather than ethnographically centered on contemporary politics and on the distinct code law and common law systems that undergird changing resource use patterns. Fred Cooper’s (1996) work across these areas is a remarkable example of historical work with broad relevance for more ethnographic study. Cooper (1989) has also argued that European powers decided to decolonize Africa at a time when organized-labor movements made the extraction of raw materials from Africa for European industry less economically advantageous and politically palatable. Less has been written about the postcolonial period (see, however, Agrawal and Ribot 1997).

Several relatively recent works dealing with the violence of...
colonial commercial activity in Africa have been published, marketed, and consumed as crossover work, read by academic and popular audiences (Elkins 2005; Hochschild 1998; Verschave 2000). These new genres, cultural histories of exploitation, echo the popularity of a previous generation of works whose authors were justifiably outraged and committed to documenting violence in colonial settings (Burrows 1903; Gide 1948). Such studies, then as now, expose rich veins of buried information about the extensive scale of violence done to colonial subjects during the consolidation of European holds on the natural resources and labor of the African continent.

Concessionary politics unites widely disparate actors on intimate if unequal terms; it connects my neighbors in Bayanga to international financiers or forest ecology experts. This interdependence displaces the role of the state in local and regional politics while reinforcing the relevance of national governments in framing the parties to be involved in these provincial politics of patronage. International relations are thus fashioned in the microcosm of the logging or mining town, with its particular history.

Intimacy, in anthropologist Michael Herzfeld’s (2005) work on notions of national belonging, implies a sense of acknowledged commonality, even shared shame, and perhaps also shared hope. Nash (1979:31) describes the arrival of waves of laborers to Bolivian tin mines; the government had allocated these people’s labor (and because of silicosis and other diseases, all too often their very lives) to companies by “concession.” Yet Nash’s (1979) work also describes elements of loyalty and even mutual desire across social categories in the patron-client relations of such arrangements. Raffles (2002) also describes widespread nostalgia in the Igarape Guariba corner of the Amazon Basin for past patraos, or plantation bosses. He contrasts their legacies, seen from various vantage points, with those now under construction with progressive rhetoric that belies continued social inequality while perpetuating human efforts to capture labor and natural resources through place-based social claims to power.

This article is not centered on the contradictory politics of advocacy in the Congo Basin forests, where both animal rights and human rights movements are only now beginning to mature. Rather I sketch a self-perpetuating and adaptive set of political practices, rituals, and expectations that have long been coauthored by African forest residents and traders, missionaries, state officials, or project personnel. Concessionary politics deeply shapes the range of action open to even the most ardent defenders of transparency, accountability, and prescribed good governance, making a kind of big man of them, constrained to compete with rivals and to redistribute elements of the wealth they gain through their work in the forest. From the vantage point of the two-company town that is Bayanga, this seems as true for commercial loggers as for conservationists.

Conservation as Concessionary Politics

The establishment of the Reserve Dzanga Sangha was reminiscent of colonial-era concessions as described by Cantournet (1991) and others. First there was prospecting, including censuses of wildlife and plant resources by Richard Carroll (1986; now a program director at the World Wildlife Fund—United States [WWF-US]) and J. Michael Fay (1998; who works with Wildlife Conservation Society [WCS]), who came into these forests on completion of Peace Corps contracts and seeking data for their doctoral research at the Yale School of Forestry and Washington University, respectively, in the late 1980s. Just as colonial timber prospectors did, they established temporary forest camps and walked transects with local guides, counting various signs of wildlife and estimating densities in the wider region.

Based on these estimates, they proposed projects to the CAR government and the WWF-US for the establishment of core conservation and multiuse buffer zones in the area. They then returned to the field for the delimitation phase—with uniforms and equipment provided by the U.S. Fish and Wildlife Service international division—to train and arm an initial handful of reserve guards to patrol the area’s borders and various management zones against poachers (see fig. 1). The administration of the RDS was assured early in its history by the very U.S. ecologists who had conducted the prospecting and wildlife census work. However, they engaged other experienced former Peace Corps volunteers, including myself, to set in motion an ecotourism economy to rival the trophy hunting and timber revenues that had become the region’s main revenues.10

Finally, the last phase unfolded with the making of concessions both social and in terms of infrastructure. By the time of the 1995 parade described here, the negotiation phase of the reserve’s concessionary politics was well under way. Women from the community were regularly at the doorstep of the reserve director and were tossing trampled cassava stalks on his floor and furiously demanding compensation for the damage that rising elephant populations were inflicting on their fields. But the negotiations were not only with local communities. In the mid-1990s, the administration of RDS had shifted from a partnership between WWF-US and the CAR government to one between a consortium of interests spearheaded by a variety of German agencies, including Deutsche Gesellschaft für Technische Zusammenarbeit, a German development agency, and WWF-Germany. Further complicating matters, the sawmill and villas for expatriate personnel built and then abandoned by the Yugoslavs were no longer standing quiet as they had been during the prospecting and

10. As with prospecting, delimitation is increasingly connected to tourism through what Donald Moore (1998) calls “post-colonial politics of conservation where the global discourse of eco-tourism figures prominently” (382). Dieke (1993:44334), in his work on tourism in Zambia, notes that legislative provisions are often the key to attracting investment funds for tourism.
delimitation phases of the protected area’s formation in the late 1980s and early 1990s.

Timber exploitation had begun again gradually under the direction of the company Sylvicole de Bayanga.11 This had occurred in spite of efforts by conservation funders to impose a logging ban in the region. A defiant CAR state, caught between powerful labor movements in southern forests that demanded jobs and development and seeing its own profit in multiple avenues for foreign aid and investment in the area, had accorded the rights to the Bayanga concession again. It had gone even further and split the Ministry of Environment in two; one half became the Ministry of Forests, Hunting, Fish, and Waters (under French technical counsel), and the other became the Ministry of Environment and Tourism (under German technical counsel). The German and French ambassadors were regularly visiting the town of Bayanga, calling for an end to the “hostile camps” that had formed there, and signing with ingratiating flourishes the guest books at both the nature lodge and the logging pavilion.

Varying forms of resource dependence and rivalry from very local levels thus shape national institutions and even international relations of funding, expert knowledge, and diplomacy. This trickle-up effect can be captured in detail through a concessionary politics framework. It is an important conceptual corrective to theories of dependency that overemphasize rural Africans as hapless victims of international systems imposing norms from afar that constrain local livelihood and governance options. Long-term fieldwork on these economic cycles in African communities reveals how the negotiation of concessions over time can lead to new cycles of prospecting for resources and the substitutions of actors and commodities at the center of these systems without the demise of the concessionary cycles themselves.

Concessionary Relations

Back in Bayanga, the new Sylvicole president directeur general (PDG; chief executive officer) was a dashing and unpredictable man. Richard Chenareau had been an analyst and trader at one of the oldest and most fully family-owned finance operations in France. He had a pilot’s license and a taste for high living. His mantra was about not only modernization, economic development, and successful exploitation of the southern forests but also their value as resources for global tourists tired of the usual circuits. He brought in friends from Air France and lured cooks and skilled obsequious servers from the finer hotels in Bangui to staff bungalows on the logging company’s property along the river. He began to lay the groundwork for his own forest tours and performances by locals. In this sense he was a competitor to emerging conservationist circuits (see below), who also sought to appropriate the site for its nonextractive value.

Although Chenareau cultivated a somewhat detached affect, he had considerable personal charisma, patronage skills at the local level, and clientelist lobbying and investment strategies at national and international levels. He was proud to have hired nearly 500 employees for the sawmill and harvesting operations and to have monthly salaries that totaled 12–15 million CFA francs a month. Chenareau played superbly to the patronage expectations of many local residents, as one of my key informants, whom I will call Mendong, made clear.

Mendong was born in Bayanga and initiated into adulthood there. As a young adult, he worked for diamond miners, missionaries, and loggers. Now in his later years, he was working for conservationists as an interpretive guide for visitors to the region. Mendong had thus experienced many relationships to his various patrons, and he described the Sylvicole PDG as

a very good patron. He gets that snuff that the older women like to sniff and distributes it in our neighborhood. On holidays, he buys us cases of beer and slaughters a cow, and we all eat meat. When his workers get sick with malaria, he uses the plane to fly them to hospitals for care.12

Mendong’s views, expressed not without some irony, were shared by many of my neighbors and friends in Bayanga. While these feelings may be part of colonial legacies of patronage, they are playing out in more parts of the forest than ever before, because policy shifts increasingly require logging companies to provide services to communities in ways that resonate with the old cahier des charges—described in detail by Guillaume (2001)—whereby company personnel provided for medical, educational, and infrastructural elements of their workers’ lives and communities. Chenareau, when not in Paris or St. Barth’s, was intensely concerned about the well-being of each and every one of “his” Bayangans. At the time of the parade, he was locked in a battle with the conservation project about which of the two would build a new maternity clinic for the town. As with the multiplying environmental ministry described above, it appeared that the town would get two clinics rather than a firm choice.

Chenareau’s Cheshire cat–like capacity to disappear and reappear, beautifully groomed and bearing new equipment or small gifts for his workers, contrasted markedly with the leadership style of the GTZ project. Gruff Gerhardt Kunder had a penchant for listening to Supertramp blaring from speakers on his Land Rover. Kunder was one with his chainsaw; I have never before or since seen anyone singlehandedly dispatch a massive fallen mahogany from the road so quickly. His frenetic to and fro between Bangui and Bayanga reflected a love of the road that had taken him across the continent in various forms of trucks and motorbikes as a younger man, deploying

11. The principal shareholder was Mitcorp Real Estate, of whose capital 50% was held by Lamballe Holding NV, a branch of Elysee Investissements (capital 95% controlled by Edouard Stern of Groupement STERN; from Sylvicole and WWF archives).

12. Field notes, January 27, 1995; interview with Mendong.
his mechanical skills against the continent’s red dirt challenges.

Kunder took the abbreviation for foreign experts at the head of the conservation project to a new level. As conseil technique (CT; technical counsel), he had an impressive suite of skills. He owned a “green” logging operation that ran on its own wood waste back in Germany’s black forest, and he wanted to draw this area of Africa up under a new mantle of sustainable industry that he would spearhead through sheer force of will and new technology. His approach, distinct from that of the wildlife biologists who founded the protected area, placed him in more direct competition with the logging presence in the region.

I often felt like a glittering forest myself, eyed eagerly by each of these men for what informational resources I might offer, while patiently enduring their protestations of good intentions to help and protect me. Often Kunder would roar through the quiet neighborhoods of Bayanga at night on his red motorcycle while seeking someone—sometimes me, sometimes one of his employees—to answer a question or provide a translation. In a cloud of cigarette smoke and holding a notebook in the glare of his headlight, he would work furiously at notes for future memos and proposals to mobilize support for himself and his backers in a new bid for these forests. Chenareau was more likely to send an employee to summon me when he felt that something I knew could be useful. Deposited at his doorstep I would hesitate, getting my guard up as the purring Peugeot pickup receded into the dark. I would discretely await a further summons from where the PDG sat in the warm glow from the generators, amid the cool clink of ice cubes in his drink, his shoulders draped in a cashmere sweater against the chill of the night air coming off the river below. As he anticipated tidbits of information I could offer about how his work was being described around the world, his eyebrows arched with mildly patronizing amusement. They contrasted with the fierce energy emanating from under Kunder’s bushier, wilder brows. No less than local leaders in the equatorial African Big Man tradition or past rivals in French and German colonial explorers, these two men were engaged in a form of social contest that was central to their identities, as well as to their territorial control.

Before the parade, both the PDG and the CT had sought intelligence about the other’s planned provisioning of participants. Under Kunder’s influence, the GTZ had prepared for the parade by financing the printing of festive white T-shirts adorned with a sketch of a mysterious creature, Mokala Mbembe, said to live in the swamps of northern Congo, from where several of Bayanga’s longest-term residents (the aforementioned A-80 speakers) had migrated at the turn of the century. In red lettering, the shirts proclaimed the name of that language group’s neighborhood: Quartier Bindjo-Bomlitaba. On the back, the shirt read “Projet pour la Protection de la Nature de Bayanga: GTZ.” This clear appeal to ingenuity, to place-based efforts to protect patrimony, and to the mystical powers of an imagined origin point for some people within the forest was conceived to promote an eco-tourism complex that had been build over a local grave site, creating a neighborhood of disgruntled local residents, many of whom opposed the conservation project. Nevertheless, many of the project’s employees were decked out in these T-shirts, topped with faux bow ties and dinner jackets, for the parade.

The wives of logging company employees, on the other hand, were preparing to march in new outfits emblazoned with the logo of the Mouvement pour la Liberation du Peuple Centrafricaine, a political party of the CAR.13 Their husbands, largely immigrants to the area from savanna regions farther north, would appear in the hard hats and work clothes that they wore to the sawmill each day. This appeal to the politics of nationhood and industrial labor, with its capacity to erase ethnolinguistic differences in the production of a modern economy, was planned as a marked contrast to their competitors’ outfits and slogans.

But where were the goods? The morning preceding the parade was one of expectant silence throughout town as people scanned the skies for the logging company plane that was to come in from Douala, Cameroon, bearing new bolts of cloth for the wives to wear as they marched. The PDG had personally made the trip to purchase items needed for adequate display of company solidarity and style on this occasion. When at last his plane touched down at nearly 11 a.m., a cheer rose from the town itself—from the kitchens and palmwine stands where all had been awaiting the buzz of its motor.

The parade was delayed while Chenareau distributed goods and participants adorned themselves. Then the parade unfolded, culminating in the ironies of the sous-préfet’s address to the costumed participants. At once a celebration and a calculated expression of what, concretely, the two different relationships of patronage looked and felt like, the holiday was most of all a ritual expression of what such relationships are made into within local systems of accumulation and redistribution.

While many experts and committed conservationists were tearing their hair out trying to conceive of a single rational sustainable set of policies for this area as a multiple-use zone, local residents were celebrating and encouraging the proliferation of rival visions of development and belonging. In the process, they reinforced regional and environmental markers of identity and offered rhetoric that gleefully attributed the sources of conflict to outsiders. They thus displace and in a ritualized public way address the real tensions of social change through subsistence shifts, state expansion, in-migration, and

13. Mouvement pour la Liberation du Peuple Centrafricaine candidates and constituents, unlike previous parties that have held power, are largely from the northern parts of the CAR. This has caused deep tensions, largely manifested in the form of mutinies by southern-backed forces, between more northern and southern factions.
increasing pressures on the common resource base at the root of the entire system.

Conclusion

The conservation sector has seen a move from “boots to suits,” with greater and greater numbers of desk and conference-bound conservation professionals working within international organizations (Buscher and Whande 2007). This is happening even alongside changes in the forestry sector itself, which is attempting to move “beyond the timber barons” (Poffenberger 1997). The ensuing contradictions provide multiple types of contemporary conservation experiments with the private sector and make conservation NGOs particularly fecund sites for exploring new corporate forms from both individual and societal perspectives but within contexts of highly valued and complex ecological systems. Territorial control of protected areas, as well as ability to mobilize financial and political support for protected areas, can hinge on the charisma of particular conservation personalities and popular narratives about their exploits (Brockington 2009). In several respects, star field conservationists are dependent on the successful corporate sponsorship efforts of their metropolitan organizational hubs (see Rubino et al. 2000).

Conservation politics, however, are not a creation of metropolitan media outlets and jaded urban audiences; as we have seen, they emerge from the ground up, reproducing as a complex of phased practices even as commodities or resources of value at its center shift. This brings us to a final meaning of the term “concessionary politics.” Many conservation professionals are good scientists who are committed to understanding complexity and who recognize in their work a kind of less-than-perfect politics. Rather than being able to enforce pure protection, they make concessions to markets for tourism or timber and engage with actors who are detrimental to fragile ecosystems. In addition, they enable simplified accounts of their activities in the press. Such compromises can be temporally and territorially advantageous; often they result in mosaics of monitored land and new forms of partnership across sectors.

The spectrum of actual concessionary practices with respect to what we might loosely term “conservation economies” is wide and is widening. Engaged critics concerned with displacement of humans without rights to resource access are beginning to shape conservation processes (see Brockington, West, and Igoe 2006). Then again, so are expectations from corporate funders’ and young output-oriented philanthropists who seek performance from their investments in various arenas. Economist Dick Price has created a “conservation concession” for Conservation International in Guyana that works thus, and it claims to be far faster and more effective than other more conventional approaches to securing landscapes. Beyond the few key international conservation NGOs, private entrepreneurs (e.g., in Peru the founder of Patagonia clothing company) have purchased large tracts of land as private reserves. Perhaps the most remarkable version of such pristine landscapes for purchase is the Century 21 Partnership with the Jane Goodall Institute’s Chimp Eden in South Africa, where time-share condominiums and five-star hotel rooms are available in proximity to chimp communities that are for observation, learning, and entertainment.

Not all of these arrangements are occurring in areas where there is also extractive industry and hence the particular pressure of labor politics. The variations in contests and contracts that make up contemporary concessionary practices in Africa is worth further research from ethnographic perspectives. In the case of forests, concessionary politics may offer some effective solutions for harvesting, monitoring, and managing particular resources sustainably and offsetting the risks of forest conversion for agricultural or mining purposes.

Such solutions, however, are likely to be enforced despite increasingly cosmopolitan communities and rather than based on their own innovations for managing and resolving resource competition. Today, concessionary politics—whether for timber, hunting, or other purposes—rely increasingly on participatory mechanisms for dialogue between residents and their powerful patrons, whether businesspeople or conservationists. Not necessarily “tyrannical” (Mosse 2001), it can take multiple forms (Joiris and Bigombe Logo 2010).

The anthropology of new corporate forms as they interact with older concessionary logics and with the emergence of new hybrid governance models that link private, public, and civil society and community actors can be of crucial use. It must not only listen for the ironies in conservationist discourse and attend to the cruel consequences of corporate schemes for extraction of resources but also consider the distinctions between participatory and truly representative political processes. Further, it must look for any signs of reconfiguration in the rooted logics of mastery, dominance, and even salvation of places and peoples. These cultural logics of concessionary politics have long underwritten the social contests that shape resource management schemes to the advantage of elites in ways that defy reform through mere policy measures.

14. Conservation International (CI) is a third NGO with yet again a distinct philosophy and set of ties to corporate actors (initially, primarily through CI leader Peter Seligman to Gordon Moore of Intel fame). The working documents on the idea of “conservation concessions” that Price produced for meetings in 2002 read like an “ahh!” moment as he discovers that outright purchase or rental of land could be a more immediate means of protecting it from development than any project-based or formal-protected-area strategy. The experiment is still unfolding in Guyana, and CI claims that it has pioneered the approach (http://www.conservation.org/FMG/Articles/Pages/guyana_conservation_concession.aspx).
Acknowledgments

My first formulations of concessionary politics occurred in May 2000 at the Agrarian Studies Conference at Yale University; in May 2001 as a lecturer for the Centre Malher for African Studies at the Sorbonne; and in June 2001 for the U.S. Agency for International Development Central Africa Regional Program for the Environment and World Resources Institute in Washington, DC. For the verbal comments on these various presentations from David Newbury, Marie Claude Smouts, and Jesse Ribot, respectively, I am grateful. Written comments from Jane Guyer, Alain Karsenty, and Pauline Peters have shown me ways to refine and strengthen these arguments. Further encouragement from Jennifer Robertson and comments from two anonymous reviewers from the University of California Press and two from the Current Anthropology review process have also strengthened these ideas, as have discussions with my co–principal investigators (grant 0709545) and research assistants on the Coupled Human and Natural Systems grant for work on concessions in Cameroon and Congo.

Comment

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With the huge socioeconomic and political changes in the Central African rainforest, the inhabitants of this region are still, more and more, the focus of attention.15 The recent increase of protected areas, intensification of the timber trade, influxes of foreign aid, and formulation of international conventions all impose new attention to the rights of indigenous populations of the tropical regions. Results of recent research into the present political and economical context of Central Africa pose a series of urgent questions and considerations of importance for any researcher in the social sciences.

The international approbation of texts such as the Convention on Biological Diversity (1992) or the UN Declaration on the Rights of Indigenous Peoples (2007) imposes political constraints on development and conservation projects in Central Africa that will be of importance for the rights and the way of life of the local populations and that in return merit careful attention from scientific researchers. Hardin’s work describes practices of contestation, reclamation, and celebration that date from colonial circumstances but were redefined in the transition to postcolonial industries for nation building and then again with the recent proliferation of transnational networks of protected areas for biodiversity conservation. Hardly have these redefinitions of concessionary politics in an age of NGO-driven conservation become clear than the next transition in forest valuation and protection/use is upon us. To mention a few looming processes based on the recognition of autochthony among forest-dwelling communities, there is the process of compensation currently under discussion through the Reducing Emissions through Avoided Deforestation or Degradation and the Forest Stewardship Council mechanisms for certifying sustainably harvested timber.

But first, who are the autochthonous in Central African rainforests? My own work has featured ethnoecological studies of BaAka peoples of these Central African rainforests, as well as efforts to attain an actual picture of the knowledge about cultural and linguistic diversity among the so-called Pygmy populations and the diversity of situations of contact and socioeconomical associations with the very numerous other surrounding populations. Today the Congo Basin is fragmented into approximately 170 different languages from three linguistic families (Joiris and Bahuchet 1994). These include some 20 groups of hunter-gatherers, collectively known as Pygmies despite internal differentiation in speech and lifestyle.

All Pygmy groups live in complex socioeconomic associations with farmers, a reality that is reflected in variously shared languages and cultures of these associated groups (Bahuchet 1985; Joiris and Bahuchet 1994). But they also appear to have particular legacies of watershed-based territories despite their wide-ranging social relations with other groups (Verdu et al. 2009). Data from linguistics and genetics research, then, confirm Hardin’s notion of a paradox between social fluidity and territorial moorings for many people who are born and live in the forests of the Congo Basin. There can be no accurate generalization about the difference between Western rigidity and African fluidity or vice versa. However, there is some reason for concern about the emerging politics of autochthony in these forests.

Reading Hardin’s piece, we find a vision of forest foragers and their neighbors not as those existing outside of economic exchange, not as pure primitives, but rather as participants in global economies who nonetheless have strategies available to them for participating on some of their own terms. Indeed, Pygmies have been implicated in guiding various trading partners, hunting and gathering various forest resources, and transporting them as commodities for generations. Notably, they play a major role in prospecting for most commodities and thereby shape some of the spatial aspects of how and when harvesting (of plants, animals, or data) occurs.

They have forged particular highly varied and reciprocal arrangements with their non-Pygmy partners over the course of their history. These arrangements in turn have shaped the
way such groups have, respectively and together, interacted with commercial and administrative forces from abroad in their lives. They are also confronted with the consequences of historical cahier des charges, or contemporary policy agreements between companies and states for the construction of schools and clinics that all too often exclude Pygmies relative to other groups from the services they provide. These deeper histories of layered reciprocal exchanges between states and companies, between companies and local communities, and within local communities are indispensable for what Hardin calls “conceptualizing” and “contextualizing” historical or actual concessions for forest control and the policies that surround and shape them.

Beyond the scope of her article, however, is the fact that in today’s western Congo Basin, two different transborder projects have been set up. The first to emerge was the Tri-national Sangha Conservation Area starting in the late 1980s (Fay 1998) and within which the Dzanga Sangha Dense Forest Reserve is situated in contiguity with Nouabale-Ndoki in Congo and managed by the WCS and later by Lobéké in Cameroon, also a WWF project. The aim of the second project—the Trinational Dja-Odzala-Minkébé, also led by the WWF—was to link three existing protected areas not in contiguity but through corridors joining them: Dja in Cameroon, Odzala in Congo (two old reserves), and Minkébé in Gabon (the most recent one).

At the same time, logging and hunting concessions have proliferated throughout the zone (Kamdem-Toham et al. 2003). If we are to accept Hardin’s process-oriented definition of concessions, we can then place protected areas also under this rubric, but we must couple the documentation of life and livelihoods within them with consideration of what we might term the “concessionary matrix,” whereby increasingly dense mosaics of territorial units for either conservation or commercial activity are demarcated. To me this is a situation of serious concern about whether and how these variously linked seminomadic groups are able to move not only for subsistence but also for trade and ritual purposes through forests and watersheds as the Congo Basin frontier closes around them through concessionary political processes.

Current work on the role of NGOs in reshaping local economies and the flows of aid and expertise into these forest regions suggests that the proliferation of such actors in the Congo Basin is having profound effects on the structure of livelihoods and local and regional politics (Robillard 2010). However, unlike areas of Latin America or Asia where there seems to be a vibrant tradition of grassroots NGO formation from local material bases and with locally defined agendas, in equatorial Africa many of the groups currently emerging to mediate and reshape concessionary politics are vehicles for what Hardin calls “prescribed environmental governance.”

This lends more urgency to the ethnography of spontaneous ritual and publicly performed social practices of conflict resolution and debate about the terms of economic development in these forests. Hardin’s central contribution is not only in her ethnographic detail about such questions but also in her use of it to build an intuitive and generative concept that may be used more broadly throughout this region and beyond.

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Corporations, Cooperatives, and the State
Examples from Italy

by Gabriela Vargas-Cetina

Focusing on shepherds’ cooperatives in Sardinia, Italy, I show how cooperatives have borrowed incessantly from other types of businesses, including private capital businesses, and have provided models for those businesses and other organizations. In order to highlight the place of these organizations within a common institutional environment, “corporations” here are corporate bodies— including firms, trade unions, and political parties—and the cooperatives are also a type of corporation. The Italian state and the market are key institutions in the organizational context and climate within which cooperatives in general, and Sardinian cooperatives in particular, function. The emergence and consolidation of the European Community has added a new layer of complexity to the organizational environment as it tries to regulate in all European countries the ways in which capitalist businesses and cooperatives operate.

Introduction

Through a focus on agropastoral cooperatives in central Sardinia, I propose that cooperatives must be understood within a larger organizational context that includes the Italian state, the European Union (EU), and capitalist businesses. Both cooperative and capitalist businesses are profit-oriented business organizations where ownership is shared and decisions have to be made while paying close attention to markets. Shepherds’ cooperatives in highland Sardinia have been promoted by the Italian state, and they have changed through time according to larger economic trends and changing organizational models.

Cooperatives and capitalist businesses, including transnational capitalist corporations, are variations within a range of corporate organizations: they have internal regulations; they are structured around the pursuit of a common, collective goal; and they behave as a single entity in their dealings with other corporate bodies and individuals.1 They have coexisted and influenced each other; today, both capitalist corporations and cooperatives have borrowed extensively from each other and from other types of organizations, and even nation-states have borrowed ideas from both the cooperative movement and the world of private business (Belini and Rougier 2008; Harvey 2005; Prospero 2003). Corporate organizations continue to negotiate their limits with the nation-state, which, as part of the same organizational context, has to deal with them all in creating spaces, rules, and structures (J. P. Davis 1960 [1905]; J. S. Davis 1965 [1917]; Truitt 2006).

In English, for a long time “corporation” referred to different types of associations or their representatives: church denominations, persons who were considered to incarnate the church or the monarchy (as in the corporation sole of British law), guilds, commercial companies that were chartered by monarchs, private firms of all sizes, and even cooperatives. The diversity of meanings of what appears to be the same word has to do with the common origin of them all, which dates back to the medieval corporations of faith and trade. What all the entities so encompassed share is based on their identification as aggregates that are to be treated as a single unit ("moral persons" in Roman law and its European and Latin American derivates today) that has rights and obligations and has the right to self-regulate their internal affairs (Cawston and Keane 1968 [1896]; Chayes 1960; J. P. Davis 1960 [1905]; J. S. Davis 1965 [1917]; Epstein 1995; Mickelwait and Woolridge 2003; Truitt 2006). Up to the late nineteenth century, the individual members of these corporate bodies were protected in their dealings with other individuals and other organizations, and all members participated in the everyday workings of their organizations. Thus, the corpo-

1. I will use here the established Italian conceptualization of capitalist businesses—which are those where capital is provided by investors, separate from labor—and cooperatives, where capital and labor tend to be provided by the same people who are members of the cooperative business or where part of the capital may come from public funds but the work is carried out by the member owners of the cooperative association.
ration was the aggregate of all its individual members, who acted as a single entity and were responsible for the actions of the collective (Chayes 1960; J. P. Davis 1960 [1905]; J. S. Davis 1965 [1917]; Galbraith 1976; Greif 2006; Hanna 1983; Knapp 1973; Mickelthwait and Woolridge 2003; Sen 1998; Truitt 2006; Veblen 1923 [1904]). In the nineteenth century, however, this changed radically in England and the United States to give way to the modern business corporation, an organization that, first, is a legal entity with the rights of a person; second, has the right to extend tradable shares; and, third, functions under the principle of “limited liability,” whereby shareholders are not fully accountable for what the company does or the debts it incurs, a feature that radically changed the relation between the corporation and those who participated in it as shareholders (Bakan 2004; J. P. Davis 1960 [1905]; J. S. Davis 1965 [1917]; Galbraith 1976; Hanna 1983; Knapp 1973; Mickelthwait and Woolridge 2003; Sen 1998; Truitt 2006; Veblen 1923 [1904]).

In countries that have a legal tradition based directly on Roman jurisprudence and the Napoleonic code—such as France, Italy, Spain, and most of Latin America—the word “corporation” never became narrowly associated with incorporated limited-liability shareholding companies; rather, it retained the connotation of “corpus” implied in the earlier characterizations. Also, in anthropology, since the early twentieth century, “corporation” is often used to refer to kinship or tribal organizations that have rights and property in common and either move as a single body in action or acknowledge a group of representatives as acting on their behalf (Smith 2007 [1974]). This sense of “corporation” is closer to the way the concept is still understood in the Latin-derived languages, such as Italian. The main difference, in fact, between cooperatives and capitalist firms in Italy is the control and direct participation that the members of cooperatives have in the everyday operations of their organizations, along with a set limit on the number of shares each member of a cooperative may own.

The research behind this article stems from my original dissertation work from 1990 to 1992 in the regions of Ogliastra, Baronia, and Barbaga among shepherding families and with members of shepherding cooperatives in Sardinia, Italy. I participated in the everyday life of shepherding families and their activities, including shepherding; grapevine cleaning, planting, and pruning; grape harvesting; wine making; olive harvesting; baking; accompanying people to meetings with government officers; and participating in celebrations and festivals. I also met with government officers and politicians. After a long absence, I started returning to Sardinia at least once a year for short periods of 1 to 3 weeks between 2000 and 2007. I have not engaged in shepherding, transhumances, or other agropastoralist productive activities after 1992. My knowledge about current Sardinia is more from direct than fully participant observation and from a less embodied vantage point gleaned through visits to known places and encounters with old and new friends, including urban and rural families, scholars, and extension officers and technicians. The cooperatives have managed to survive during these years in spite of increasing pressure from the market and from the EU’s policies, which push them to compete with private firms in the market under relatively similar conditions.

In Italy, the word corporazione refers mainly to trade unions, political parties, and organized branches of the Catholic Church such as religious orders and confraternities, as well as to interest groups in general. Corporazione often has a negative connotation when used to point at coalitions of interest groups that block change or obtain “sectorial” benefits, because during his government, fascist dictator Benito Mussolini instituted what came to be called the “fascist unions.” These unions included both the associations of employers and the workers’ trade unions in single, larger associations. These were classified by economic sectors, such as banking, different branches of agriculture, and different types of industrial manufacturing, and they forbade workers’ meetings and strikes (Candeloro 1986; Palla 1996; Roberts 1979).

Cooperatives were originally born in the nineteenth century. Like guilds in the past, cooperatives emerged under many different ideologies and working principles, but the basic idea behind them all was to benefit their members and improve their living conditions by protecting them from the unbridled forces of the market (Degl’Innocenti 1977, 1981; Earle 1986; Holyoake 1908 [1878]). Attending to the accepted time line of the emergence of the modern corporation—which generally takes the 1862 British Companies Act as an important moment for the emergence of today’s joint-stock, limited-liability corporations (Hanna 1983; Mickelthwait and Woolridge 2003; Truitt 2006)—we see that noncommercial corporations, shareholding corporations, and cooperatives have long shared the same institutional spaces, borrowing from and working next to and against each other since at least the end of the 1800s. Furthermore, if, as some scholars argue, cooperatives developed out of the guilds and the produce banks organized and run by churches (Degl’Innocenti 1977; Putnam, Leonardi, and Nanetti 1993), then the process of mutual relations and frictions between different types of corporate businesses extends into the past to the Middle Ages.

Cooperatives have often copied aspects of capitalist business models as they try to compete with capitalist corporations operating along the same commodity chains and within the same or similar markets (George 1994; Kotov 2001). Industrial and commercial capitalist corporations have long negotiated with state governments for both support and increased freedom of operation, and they have operated in spaces where they have to reckon with cooperatives in the same labor and consumer markets and commodity chains. This is especially true in Italy, where cooperatives thrive in agriculture, retailing, public works, and even in the volunteer “third sector” (Lotti, Mensing, and Valenti 2005). They are advertised by the chambers of commerce of every Italian province as an option for entrepreneurs who are more interested
in making enough profit to stay afloat than they are in undertaking high-risk business ventures.

Today we are witnessing only the most recent chapter in this long history of interrelatedness. However, while capitalist firms have gone global through the geographic redistribution of coordinated production and/or marketing processes (Barcellona 1990; Gereffi 2001, 2002), cooperatives have retained mostly a local or regional orientation. This is paradoxical, because capitalist companies were originally established to further personal and regional wealth, while the international cooperative movement emerged with the goal of reaching and benefiting workers around the world (Holyoake 1908 [1878]). Private-capital businesses, in the meantime, have borrowed some of the ideas and selling concepts of cooperatives in order to appear as consumer and community friendly and retain the favor of consumers (Gourevitch and Shinn 2005; Hansmann 1993).²

Starting in the 1980s, the economic philosophy often called “neoliberalism” eased the way for large business firms to become more powerful than ever before. The world as governments came to streamline their bureaucracies and transform many public services into businesses run by capitalist firms (Harvey 2005:2). Under this doctrine, free trade acquired a new political dimension, and the liberalization of the markets came to include the market of labor in full force. Trade unions began to be seen as obstacles to technological and organizational advancement, and job security became scarce. Nation-states started to forgo many of their previous public services, and these were rapidly transformed into consumer services (Bakan 2004; Harvey 2005). Some nation-states, particularly in the United States and England, began to lobby for the removal of barriers to international free trade, and important global financial institutions such as the World Bank started to demand the implementation of structural adjustment policies in those nations seeking to access their funds (Ferguson 2006; Hewitt de Alcántara 1994). This new economic climate also reached Italian cooperatives, including those in Italy, became eligible for these funds. This way, besides the funds specifically negotiated by the three Italian cooperative federations (then the Lega, the Confederazione, and the Alleanza), cooperatives became eligible for EEC and government support directed at small and midsize businesses. This was particularly favorable for shepherds’ cooperatives in Sardinia, many of which had chosen to stay outside the cooperative federations. Today, cooperatives are still treated as firms of different sizes, so the EU’s and the Italian policies continue to apply to them in that general capacity. Also, in the 1990s, a new type of cooperative was legalized in Italy, the social cooperative, which undertakes actions meant to improve the localities where the members of the cooperatives live.³ Agropastoral cooperatives now have to navigate the policies of the European Community, the price fluctuations that occur in the markets where they operate, the funds and projects for businesses and cooperatives promoted and implemented by the Italian government, and the always tighter regulations pertaining to food and food-processing quality enforced by the EU.

Shepherds’ Cooperatives in Highland Sardinia

Bardia is a municipality within Nuoro Province, in central Sardinia, that has a municipal territory of 222.81 km² and is inhabited by 8,000 people.⁴ One thousand of these live in Cala Fiumi, by the Gulf of Orosei, some 9 km away from the main village. Until 2001, Nuoro Province also encompassed what today is Ogliastra Province. Bardia’s population is not large by international standards, but even before 2002 it represented a sizeable number of voters, giving it political leverage. Besides, many politicians and bureaucrats are either Bardiesi or

3. Regarding “social cooperatives,” a Wikipedia entry (http://it.wikipedia.org/wiki/Cooperativa_sociale) states that they came about in the 1970s in northern Italy and from there spread to the rest of the country. My perception, however, is that they appeared or gained visibility in the 1990s, often associated with large transnational NGOs such as the World Wildlife Foundation, Tools for Peace, and Green Peace and they were often staffed by volunteers. In the 2000s they later took on the form of small cooperative firms, often subcontracted by local and regional governments to run social services such as clinics, treatment facilities, therapy centers, education programs, and other welfare-related services.

4. Bardia and most proper names of Sardinian localities are pseudonyms. I have decided to keep them even if most of my readers in Sardinia know all the real names of the places mentioned in my publications and love to tell me so.

friends of the Bardiesi. Many Bardiesi are highly trained professionals; some work in Nuoro City, the capital of the province, and commute daily. Cala Fuili is now a favorite destination among Italian, German, and French tourists, providing an additional source of income for Bardiesi families in the form of rent paid for summer houses, payment for goods or services rendered, and government support to small businesses in tourism-related activities.

Agropastoral economic activities in Bardia include the raising of sheep, goats, cattle, and pigs and the production of milk, cheese, wheat, olives, and grapes. Three cooperative plants—the first a winery (cantine sociale), the second a dairy plant (caseificio sociale), and the third an olive press (olearia cooperativa)—process most of the local products, along with the agropastoral products of surrounding villages. Two cooperative vineyards supply the winery, and the plant also has on lease 55 hectares of municipal lands. These lands are located next to Su Cuile Mannu, the shepherds’ production cooperative. All three processing cooperatives (the winery, the dairy, and the olive press) accept in their membership people from surrounding towns and villages. There are other local cooperatives, including bakeries, butcher shops, agroturismi (low-cost or pay-in-work restaurants and lodgings), and a cooperative that takes up appalti (contract bids), which won a contract to carry out a reforestation project. Bardia is one of the municipalities that has benefited the most from the development programs of first the EEC and now the EU and those of the Italian and Sardinian governments.

The current ways of making cheese and wine, with attention to hygiene and international standards, were first introduced in Sardinia by the unified Italian government in the nineteenth century. Then, the development of the manual techniques progressively changed with the developments in industrial processing during the twentieth century, and now it would be very difficult to say which manual processes are actually mimicking industrial ones and which industrial processing steps are based on older manual procedures. At the beginning of the twentieth century, Greek and mainland Italian entrepreneurs set up processing plants to make feta and pecorino romano cheeses by processing the milk of local sheep and goats. The demand for these cheeses also resulted in the development of manual techniques that allowed shepherds to make them in their holds in the mountains and then either take them home to be sold by their wives or sell them to itinerant merchants who traveled between the villages. The Bortigali cooperative dairy, which emerged in 1907, was one of the earliest cooperatives of shepherds on the island, and along with the dairies owned by the industrialists from the mainland, it contributed to the development of processing standards for pecorino romano, until recently the main cheese produced in central Sardinia (Pisano 1991).

Bardia’s cooperative food-processing plants are well inserted in the regional economy of Ogliastra, Barbagia (which encompasses most of Nuoro province and part of Oristano), and Baronia (on the north of Nuoro Province). These are subregions of central Sardinia where sheepherding is economically important. The success of the local cooperatives has been politically driven because starting in the 1960s, it was expected that industrialization would put a stop to criminality in the island (Fadda 2002; Heatherington 2010; Piredda 2004; Porcheddu 2004; Regione Autonoma della Sardegna 1979; Satta 2001). Several industrial complexes—and renewed support for agropastoral cooperatives in all of central Sardinia in what today are the provinces of Oristano, Nuoro, and Ogliastra—were expected to turn shepherds into industrial workers or, at least, sedentary livestock breeders. Bardia shepherds were chosen as good candidates to receive funds for the transformation of their pastoralist practices into allevamenti stanziali (sedentary sheep and goat breeding). The project included the creation of monti dei pascoli (pasture land reserves) for cooperative sheepherding, support for the cooperative winery and the cooperative olive press, and the expansion of the cooperative dairy (Ayora-Diaz 1993, 1999; Vargas-Cetina 1993, 1994).

As I have argued elsewhere (Vargas-Cetina 1993, 2004), one of the reasons why Bardia was granted most of its benefits through the agropastoral reform projects is not, as we might think, because of the high criminality prevalent there but, on the contrary, because of the low incidence of local criminality in comparison with surrounding municipalities. Also, large tracts of good agricultural land were part of the fundo demaniale (the municipal land reserve) and thus could be used for prime pastures, and two shepherds’ cooperatives (the Su Cuile Mannu shepherds’ production reserve and the cooperative dairy) had been founded before 1976. These features made Bardia an obvious choice for the pouring out of resources that went to those localities favored by regional politicians and by extension officers and technicians. Bardia was designated as a “demonstration community” that would set the example of how modern stock breeding could transform the countryside in central Sardinia.

Bardiesi shepherds understood the politicians’ need for their success and accepted the funds and technologies offered to them. As for being a demonstration community, Bardia probably outdid the expectations of the politicians and development planners. The Bardiesi dedicate much of their time to keeping a complex and rich system of exchange, including help, gifts, food, and celebrations of many kinds. For a long time they opposed what they saw as threats to their established cooperation practices and gift-exchange circuits because the cooperatives’ advisors tried to exclude nonmembers from access to the cooperatives’ installations and to convince the shepherds to create a single flock, managed collectively. Today, shepherds continued to keep their own flocks in the Su Cuile Mannu shepherds’ production cooperative and to rely on their family and friends for the most labor-intensive tasks during the year, bringing them into the cooperatives’ lands and installations for the parties and celebrations marking these particular times (such as sheep shearing, lamb slaughtering, and shortened forms of transhumance during the sheep produc-
tion cycle and vine pruning, yard cleaning, and harvesting during the wine production cycle). The process of negotiation between shepherds and bureaucrats resulted, with time, in the adaptation of the cooperatives’ rules to suit the established production, gifting, and feasting practices of the shepherds and their families.

One of the main differences between cooperatives and capitalistic corporations today is the way in which decisions are made. In Bardia’s cooperatives where agropastoral products are processed, there are periodical general meetings, where all members participate to discuss the affairs of the organization. At these meetings they discuss whether to keep doing what the cooperatives have been doing or change the use of the cooperative’s resources. For example, the membership of the shepherding cooperative has often voted to take up or turn down new projects. These have met with more or less success each time and have included activities such as growing flowers, raising whitetail deer, devoting part of the land to vineyards, and even, in 2006, developing a local tourist attraction within the cooperative’s lands. When one of these initiatives fails, the land is returned to pasture.

Bardia’s cooperative dairy was founded in 1971 with 100 members. In 1991 the cooperative had 318 individual members who supplied milk to the plant. This number fluctuates constantly, as sometimes members from the surrounding municipalities become included or excluded, according to the availability of subsidies and the ebb and flow of milk. In 2010 the president of the co-op reported to newspapers that there were 204 members. The main supply of milk comes from the Su Cuile Mannu shepherds’ cooperative and from the more recent Bardia II, so the membership never falls under the original 100. In 1992 the plant already had a processing capacity of 40,000 L/day, which has remained more or less to date. The plant’s production cycles vary according to the cycles of sheep- and goat-herding practices in the region. It works at full capacity between February and April, when it processes between 30,000 and 40,000 L daily. At the lowest point of milk production in the year, Bardia’s cooperative dairy still processes 10,000 L of milk, when other dairies on the island have already ceased activities completely for some time. One of the most striking features of the cheese-making process at Bardia’s dairy plant is that having introduced some variation to pecorino romano cheese making, it now reproduces mechanically, almost in every detail, the process of manual cheese making practiced by the shepherds of the area when they make what they call casu sardu cheese. Local cheeses, including those produced by the cooperative, compete locally and regionally with those made by shepherds in nearby localities, as well as with cheeses imported from other regions of Sardinia, Italy, and the world.

Around the world, industrial cooperatives tend to have problems of supply. One of the most common solutions is to promote the vertical integration of production and processing either through a single cooperative structure or through two- and three-tiered structures (Baviskar and Attwood 1995; Nash, Dandler, and Hopkins 1976). In the case of Bardia’s cooperative dairy, most of the milk supplied is secured through a two-tiered structure that includes the Su Cuile Mannu shepherds’ cooperative. According to Su Cuile Mannu’s bylaws, each share held by a member accounts for the supply of the milk from 30 sheep to the cooperative dairy, year-round. Because each sheep may have one or a maximum of two shares in the production cooperative, this means that each member of Su Cuile Mannu has to give the milk from 30–60 sheep. Other milk production cooperatives from neighboring municipalities have often been part of the dairy cooperative’s membership, and now individual members are also accepted, as long as they sign exclusivity contracts with the dairy’s management.

The cooperative dairy processes milk into several types of cheese, oversees the butchering of lambs and goat kids that the shepherds will not keep in their flocks, and supplies subsidized fodder to the members of the organization. It also provides veterinary care to its members’ flocks free of charge and markets the cheese and meat processed there. In order to keep the shepherds supplying the cooperative, the dairy has to function differently from privately owned similar plants. The members receive a cash advance once a month for the milk they have delivered. Then, at the end of the year, they receive the difference between the advance money and the profits that the cheese and the other products marketed by the dairy fetched in the market. In theory, if the international prices of cheese, meat, and live lambs fell during the year, the members would be expected to shoulder losses. In practice, however, the Bardiesi have never had to give “advance” money back. The plant has benefited from regional programs for agricultural cooperatives and nonrepayable grants. Although most of the loans that the cooperative has obtained from the government through the years are partly exempt from repayment, the association has had to repay some low-interest loans. However, Porcheddu (2004:31) estimates that 75% of the capital invested in shepherd’s cooperative dairies has come from nonrepayable government grants. Besides, at least since the 1990s, cooperatives in Sardinia have systematically benefited from the funds that the EU, the Italian government, and the Sardinian region have destined for the support of small and midsize businesses (Lazzarini 1991; Piredda 2004). In the 1990s the dairy cooperative joined other cheese producers on the island to obtain the geographical indication trademark Pecorino di Sardegna first and Pecorino Sardo Denominazione d’Origine Protetta (DOP) later. Pecorino Sardo DOP is a registered “protected denomination of origin” European trademark since 1996, and Bardia’s dairy cooperative markets its pecorino cheese under it. The EU is now downsizing its subsidies to agriculture and its support for midsize businesses, including food-processing plants. So far, European agricultural exports have been subsidized, and cheese has been one of the products benefiting from these subsidies. Also, it is uncertain whether Bardia’s cooperative dairy will continue operating at a profit without
any kind of governmental support. Of course, this is also true for similar dairies in the region that are privately owned.

In central Sardinia, people distinguish between shepherds (pastori) and livestock breeders (allevatori stanziali). The difference is that shepherds, even if they are members of a major production cooperative such as Bardia’s Su Cuile Mannu, continue to practice some type of transhumance or at least of short displacement of their animals. Su Cuile Mannu closes down completely during one full month of the year, and all the members have to take their animals out of its lands. Also, allevatori stanziali generally own more infrastructure, may have larger flocks, and practice selective breeding. Both pastori and allevatori stanziali can own a maximum of two shares each at Bardia’s cooperative dairy, but the plant can also buy milk from independent sellers if its processing capacity allows it and the milk meets the dairy’s quality standards of fat and casein contents. Each shepherd gives the plant between 15,000 and 20,000 L of milk each year. The members of the dairy co-op, including the allevatori stanziali in the privatized lands of Bardia II, have the obligation to give the plant their entire milk yields between January and May, even when it surpasses the quota their shareholdings prescribe.

Bardia’s cantina sociale (cooperative winery) also carries out an industrial replication of the processes families used to undertake at home for the production of household wine, and the factories have also altered the way in which wine is manually made at home. Those families that prefer not to give their grapes to the cooperative or to sell them to private wineries now make use of electricity-powered crushers to extract the juice from the grapes. The cantina also relies for supply on two local cooperative vineyards, and it has received economic support from the Sardinian and Italian governments and the EU. After 2000, tracts of the shepherds’ cooperative lands have also been converted into vineyards to try to generate increased family revenue when the EU began withdrawing price supports for milk and cheese. Because many shepherding families are also members of the wine cooperative, often through the careful organization of family labor carried out by the house’s female head, they have been able to convert part of their home economy so as to increase their wine-related revenue.5

As with cheese, Sardinian wines have been given European DOP quality awards, by joint requests of cooperative and privately owned wineries. In order to make this happen, in the 1990s the EU implemented a process of transformation of formerly multivarietal vineyards in Sardinia into monovitigno plots (single-grape vineyards). The main grape boosted through this process has been Cannonau. It is native to Sardinia and produces a very dark wine, commonly known on the island as “black wine.” Monovitigno cultivation was promoted through a program of subsidies for those who wanted to leave their old vineyards and open new ones with a single-grape type. Today, Cannonau di Sardegna DOCG is a European protected wine. This award covers wines produced on the island by both cooperatives and private wineries. One of the most famous wineries in Sardinia is Sella and Mosca. It exports wine to the rest of Italy, Europe, and the world. Cooperative Cannonau producers are benefiting from the markets opened by this private winery. Out of 311 businesses included in the catalog of the most profitable businesses in Sardinia in 2000, both the cooperative cheese plant and the cooperative winery of Bardia continued to be among the top 175 (Osservatorio industriale della Sardegna 2002).

The wealth increase brought about by the development programs and by the beach tourism that comes every summer to Cala Fuili circulates constantly in the form of little and large gifts, food for visitors, and the organization of enormous banquets and celebrations hosted by individual families but in fact provided by the whole village. Along with local private businesses, cooperatives now participate fully in the complex of gift and ceremonial exchange. All major local cooperatives, including Su Cuile Mannu, the cooperative olive press, the cooperative winery, the cooperative dairy, and the local trade unions and cooperatives of falegnami (carpenters), fabbri (ironsmiths), and camionisti (truckers) give help in kind for the banquets, in which 4,000 or more guests may take part. This includes supplying meat, oil, wine, grappa, corkscrews and bottle openers, cheese wheels, iron supports and planks for benches and tables, and awnings for the setting up of the large tents under which the banquets take place. Only after 1970, when the economy of rural Sardinia began to be transformed by the European Community’s policies and by the new influx of mass tourism, did the ceremonial economy of Bardia begin its current inflation, turning the feste campestri (country feasts) into the ostentatious celebrations they have become.

In recent years the European Community has begun to demand that all cooperatives find ways to increase their profits and become self-sustainable. Agriculture-based cooperatives, such as dairy and wine factories, have diversified and packaged their products in ways considered attractive in an effort to be competitive in the market, where they have to compete with private capital. As of 2000, under pressure from the United States and the General Agreement on Tariffs and Trade (GATT) organization, the EU has started a “soft landing” program to reform the European system of subsidies to agriculture. This program has directly affected shepherds’ cooperatives in all of Sardinia, including Bardia. It consists of gradually phasing out production quotas and subsidies. Right now there is a fixed maximum of milk each shepherd can produce every year or of wine a vineyard can yield per hectare.

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5. While in other parts of Sardinia, such as Ogliastra, women carry out the sowing and cleaning of vineyards along with men, in Bardia women do not till the land but only participate in the harvest. However, in Bardia the main woman of the house, locally identified as sa mere ’e su domu (from sa mere de su domu in academic Sardinian, meaning “the person in charge of a house”), is in charge of organizing the work of the entire family, including all male and female members or, if she has married children, even the extended family’s and her own (Da Re 1990, 1996; Murru-Corriga 1987).
in exchange for subsidies provided by the EU through the regional government. The rationale behind this change was to create an adequate supply and demand through the EU without the prices of agricultural goods being in danger of a sudden crash. The first step has been to encourage agricultural producers to produce beyond the quotas so that they stop qualifying for the subsidies. In the meantime, private-capital firms have entered agreements with cooperatives in order to market and export their products together, under the Denominazione d’Origine certificates, which guarantee the quality and speciality of agricultural products in the European Community.

Conclusion

I have attempted to show in this article that shareholder cooperatives and capitalist businesses in central Sardinia have shared common institutional spaces for a long time and they continue to do so. Cooperatives, at least in Italy, are the result of what people consider “corporate” ideas. Shepherds’ cooperatives in Bardia could not have survived as long as they have had they not been helped by the Italian state and worked together with private-capital businesses. Capitalist firms in Italy and elsewhere have borrowed ideas and discourses from cooperatives, and the Italian state and European Community are trying to enforce quality and business responsibility policies on capitalist firms. In the meantime, cooperatives are trying to find ways to adjust to the new economy and to oppose the damaging social effects the neoliberal economy, including decreased employment and decreased quality of life for the many and increased wealth for the few. However, cooperatives are keeping to a corporate logic in that their leaders and members want the cooperatives to prosper as associations and not to benefit only individuals within them.

The problem is not that “corporations” in general have gained economic preponderance but that some of them—and especially many of those characterized by limited-liability tradable shareholding that emerged in the nineteenth century in the United Kingdom and the United States—have managed to escape the checks and balances within which small businesses such as shepherds’ cooperatives have to work. Capitalist business corporations today are, as J. P. Davis (1960 [1905]) noticed in 1905, outside the control of their shareholders themselves. This lack of moral identification between this type of corporation and its body of owners and the policies that enforce the suppression of trade barriers have turned business corporations, and particularly transnational firms, into the social danger that they have become in the twentieth and twenty-first centuries. Limited-shareholding transnational corporations are destroying the environment, imposing their goals on society, and asserting the market of money over all other circulation spheres.

Shepherds’ cooperatives in Sardinia so far have been playing within both local and global rules with some success but with a great deal of help from subsidies supplied by the Italian government and the EU. Capitalist businesses also regularly receive help from the Italian government and the EU. Small and midsize businesses in Sardinia, including many cooperatives, are beginning to have problems staying afloat because they continue to be marked by the productive cycles, unlike the large consumer-driven transnational capitalist firms. Hopefully, they will find ways to be self-reliant without becoming the kind of corporation that has the power to challenge national states, impose their own rules of trade, subvert the rules of social responsibility in their favor, and create poverty where resources are rich. Cooperatives are a type of corporation. Their corporate character is not necessarily the problem, nor is their for-profit vocation. The problem is that in the late twentieth century and the beginning of the twenty-first century, a specific type of corporation, the limited-liability shareholder capitalist corporation, has been allowed to escape the social and cultural rules that continue to bind many other corporate organizations. Cooperatives, unfortunately, are not inherently exempt from this possible state of things. There are already transnational cooperative corporations—such as Amul in India, Cruz Azul in Mexico, and Mondragon in Spain—that are increasingly adopting the aggressive methods of capitalist limited-liability shareholder corporations in order to place their products in international markets and undercut competitors, even as they continue to uphold the cooperative values inside their production plants. The corporate principle of collective enterprise is flexible enough to be at the crossroads of two widely differing roads: the road to money riches or the road to human riches and moral limits on excessive human greed, however that may be defined locally and regionally. The answer to good business is not necessarily in the cooperatives but in society as a whole and the rules that key players, including the governments of nation-states, may devise and enforce in the contexts of corporate activity.

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government and European Community policies for Sardinia affecting local developments there. This article has been in the works for several years now. I started work as a Fellow of the Society for the Humanities at Cornell University in 2006–2007. I then presented a first full version at “Corporate Lives: New Perspectives on the Social Life of the Corporate Form,” sponsored by the Wenner-Gren Foundation and the School of Advanced Research in Santa Fe, New Mexico, organized by Marina Welker, Damani Partridge, and Rebecca Hardin, aptly advised by Jane Guyer. I produced the version originally submitted to Current Anthropology at my home institution, the Autonomous University of Yucatan, and then did the revisions at the Center for Ethnography of the Department of Anthropology of the University of California, Irvine, in 2010. I thank all the institutions that have hosted me and provided me with resources through these years. Thanks to Steffan Igor Ayora-Diaz, Brett de Bary, Sarah Evans, Gary Gereffi, Matthew Hart, George Marcus, Tim Murray, June Nash, Genny Negroe-Sierra, Micol Seigel, Suman Seth, Phil Stein, Noa Vaissman, Marina Welker, Pilar Zabala, and all the School of American Research seminar participants for help and feedback on the ideas presented here. Igor Ayora-Diaz, Jessica Cattelino, Damani Partridge, Tracey Heatherington, Marina Welker, Elayne Zorn, and three anonymous reviewers made detailed comments on the manuscript. Gisselle Vargas-Cetina’s and Roxana Chavarria’s help has given me the peace of mind needed to focus on my academic work. Special thanks to my husband and fellow anthropologist Steffan Igor Ayora-Diaz for his sustained support and constructive criticism and to the many individuals and families who have warmly welcomed us in continental Italy and Sardinia, bravely putting up with our unending curiosity.

Comment

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Gabriela Vargas-Cetina argues in her excellent article that cooperatives on Sardinia would likely fail without the financial support of the Italian state. Our experience as a development organization working with cooperatives in Nicaragua tells a very different story, one in which cooperatives have survived and even thrived in an environment of hostile state policies. From 1990 to 2007, neoliberal financial policies of the Nicaraguan government actively sought to destroy cooperatives in favor of investment from large international corporations. Many cooperatives have succeeded in this hostile environment, in large part by adopting new models of investment and product marketing, including the networking support from NGOs, the niche marketing of products, and the opening of a factory in a specially established free-trade zone.

Agricultural, manufacturing, and service cooperatives enjoyed strong support from the Sandinista government from 1979 to 1990. Policies of agrarian land reform redistributed landless farmers the land holdings of the ousted Somoza dictatorship and made credit available to cooperatives. In the mid-1980s the policy expanded to redistribute land that had been held out of production for several years. Cooperatives were recognized as both economic and social entities in which every worker was an owner and every owner a worker. Success of a cooperative was not dependent on net profit but on subsistence of its members. When profitable, cooperatives were obligated to contribute to the welfare of communities by subsidizing community programs. Under these policies, thousands of cooperatives were formed, and they provided sustainable income to tens of thousands of families.

The political climate changed dramatically in 1990 when the neoliberal UNO party gained power. Understanding that a reversal of the agrarian land reform policies would lead to civil war, the new government initiated a series of aggressive financial policies designed to isolate, weaken, and collapse cooperatives. In stark contrast to the European Economic Community policies of the same era, Nicaragua’s new financial policies made credit inaccessible to cooperatives. An export-driven model of economic development subsidized large producers and withdrew support for production of locally consumable foods. The state stopped repairing infrastructure in areas with large numbers of cooperatives, making it increasingly difficult to get products to market. During the Central American Free Trade Agreement negotiations in 2003, Nicaraguan representatives made an unsuccessful attempt to exclude cooperatives from some specific benefits of the free-trade agreement, such as excluding products from cooperatives in duty-free quotas.

In addition to financial policies that were actively hostile to cooperatives, large international corporations were given incentives to come to Nicaragua and compete with local businesses. International corporations were courted with agreements of infrastructure improvements to benefit their economic activities. New policies exonerated international corporations from the 30% tax on net profit paid by all other businesses by creating free-trade zones. A government office was established to facilitate import and export activities, saving these corporations substantial time and expense. These neoliberal economic policies continued as Nicaragua was governed by a series of political parties from 1990 to 2007. In 2007, with the reelection of the Sandinista party, procooperative policies were reinstated, including policies intended to solidify the gains of agrarian land reform of the 1980s.

Despite 17 years of policy that encouraged competition by large corporations and actively targeted dissolution of cooperatives, some cooperatives established before 1990 survived. Manufacturing cooperatives suffered because of lack of
capital, but some agricultural cooperatives fared better. Cooperatives that were strong, well focused, and with clear objectives survived in this hostile state environment. PRODECOOP, a union of cooperatives in the coffee-growing region, has successfully established itself in both the commodity market and the specialty coffee trade for high-end organic fair-trade coffee. DelCampo, a union of cooperatives that works with producers of peanuts, sesame, honey, soy, and other crops, adopted strategies for competitive international marketing of their products and invested in projects of seed improvement that increase crop yield.

Some cooperatives formed after 1990 in the midst of anticooperative policies succeeded with the support of NGOs and international solidarity groups by employing innovative business models that relieved the economic isolation of the destructive neoliberal financial policies. COPROEXNIC, an agricultural cooperative founded in 1995, worked with NGOs to establish direct links to the international market. Initially, end-user buyers prepaid crops, and the cooperative used these prepayments for production. As the cooperative grew, it developed a system of revolving funding that allowed it to invest in infrastructure development, capitalization, diversification of crops, and renovation of coffee plantations. The COMAMNUVI manufacturing cooperative, founded in 1999, worked with NGOs and a U.S. wholesale/retailer to establish itself in the organic/sweat-free clothing market. COMAMNUVI succeeded in the hostile business environment to become the world’s first 100% worker-owned free-trade zone, allowing the cooperative to export garments without paying duties. This cooperative is now a link in the chain of vertical integration of production and processing that includes the growing, ginning, spinning, knitting, dying, finishing, cutting, and sewing of the first 100% fair-trade garments ever produced.

We agree with Vargas-Cetina that financial investment from the state simplifies the formation and maintenance of cooperatives. However, examples of Nicaraguan cooperatives demonstrate that with sound leadership and effective development strategies, cooperatives can survive even in an atmosphere of antagonism on the part of the state. Indeed, if cooperatives are based on anything other than sound and well-focused grassroots organizing, they can never be sustainable. It is the responsibility of the state to support such organizations, but the state cannot be relied on always to fulfill its responsibility.

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This article examines Florida Seminole corporations and tribal government gaming together as a case study of the production of the state-society divide. In 2007, the Seminole Tribe of Florida acquired Hard Rock International, a major corporation with cafés, hotels, and casinos around the globe. This $965-million deal, which remains the largest purchase of a corporation by an indigenous nation, created a media storm and extended Seminoles’ geographical and financial reach far beyond reservation borders. Like Seminole casino gaming, which is possible only because of tribal sovereignty, the Hard Rock deal called attention to the fuzzy boundaries of indigenous corporate and national forms. This has been the case insofar as Seminoles’ governmental statues as a sovereign undergirds some of their economic activities while impeding others. Seminole corporations and tribal gaming show the project of differentiating economy from government and family to be a cultural and historical one that creates distinct yet broadly relevant dilemmas for indigenous peoples in the United States.

On December 6, 2006, the Seminole Tribe of Florida shocked the business world by announcing an agreement to acquire Hard Rock International, a multinational corporation, for approximately $965 million. Yet this was not the first groundbreaking business news to come from Seminole country: in December 1979, Seminoles opened Hollywood Seminole Bingo, the first tribally run high-stakes bingo hall in Native North America. That act launched a rapid transition from endemic poverty to economic comfort on Seminoles’ (population approximately 3,500) six South Florida reservations, and it paved the way for other tribal nations to follow suit in what would become a tribal gaming revolution. Indeed, when I phoned to learn more about the Hard Rock acquisition from tribal counsel Jim Shore, the first Seminole to become a lawyer, he mentioned having encouraged press release drafters to compare the deal with bingo’s launch. Both instances, he said, showed the Seminole Tribe to be a “pioneer” in business (December 12, 2006, interview).

In one respect, acquiring Hard Rock was a very different proposition than opening Hollywood Seminole Bingo: the latter was a governmental operation on reservation lands that was permissible because of and protected by tribal sovereignty. As sovereigns, American Indian nations have the right to operate and regulate reservation economic activities, which are not taxable by other sovereigns such as states or the federal government. By contrast, Hard Rock would remain a wholly owned private corporation subject to taxation and regulation just like any other company. Still, what brings together these two forms of economic organization and what also ties them to the earlier 1957 adoption of a charter to form a Seminole economic development corporation is that each marked an innovation in the relationship between governance and economy for American Indian tribal nations.

This article examines Seminoles’ ownership of Hard Rock as a case study in the blurry boundaries between indigenous corporate and national forms and as a broader exploration of the analytical and political stakes of efforts to segregate the economic sphere from government and family. This work extends previous ethnographic fieldwork (12 months in 2000–2001 and numerous shorter periods thereafter) on Seminole gaming and sovereignty conducted on the Tribe’s six rural and urban reservations with tribal council permission (Cattelino 2008). Seminole Hard Rock raises classic questions of how and with what effects law, social theory, and popular ideology draw—and struggle over—distinctions between state and society, with uneven consequences for different populations and peoples. These questions, which apply broadly to the social scientific study of corporations, go back at least to Karl Polanyi’s (2001 [1944]) historical and cross-cultural...
(Polanyi 1957) examinations of the institutions that shape economic processes and political scientist Timothy Mitchell’s (1999, 2002) explorations of how the seemingly autonomous sphere of “the economy” emerged through political and representational processes inseparable from the nation-state and colonialism. Yet the wide scope and historical depth of these issues do not obviate analysis of the cultural specificity of Seminole economic organization. To the contrary, the seemingly exceptional characteristics of indigenous corporations bring to the fore matters of culture, kinship, and local governance that too often are ignored in the study of corporations. Seminoles’ acquisition of Hard Rock shows the project of differentiating economy, government, and family to be a cultural and historical one that creates dilemmas for indigenous peoples in the United States, peoples whose governmental status often undergirds their economic activities.

John and Jean Comaroff (2009) recently wrote about the global salience of what they call “Ethnicity, Inc.” It is a process, they argue, that entails a dialectic: “One element of that process lies in the incorporation of identity, the rendering of ethnicized populations into corporations of one kind or another; the second, in the creeping commodification of their cultural products and practices” (21). That is, ethnicity and the corporation merge when groups consolidate by virtue of their business projects (they cite American Indian tribal gaming by groups that previously were not federally recognized) or when ethnic groups such as San in South Africa market their culture. In this dialectic between the incorporation of identity and the commodification of culture, they further argue, each seeks to complete itself in the other (Comaroff and Comaroff 2009:116). For American Indians, the corporate form has been available and utilized for governance ever since the modern business corporation became widespread in the early twentieth century. Indigenous corporations have taken many twists and turns, some of which better fit the Comaroff model than others. As such, a historical and ethnographic perspective is required. As we shall see, federal-government-promoted indigenous incorporation sometimes erodes traditional tribal governments and at other times reinforces and restructures them. Indigenous-initiated corporations, on the other hand, generally are the by-product of sovereignty assertions. Tribal sovereignty sometimes has afforded American Indians the space to experiment with corporate forms that reinforce social and cultural ties in different ways from the examples cited by Comaroff and Comaroff. At the same time, tribal corporations’ need to be interpretable to outside economic actors (such as credit rating agencies and investors) encourages the practical and ideological separation of business from politics, culture, and family. The modernist project of separating economic spheres from political ones is vast, and Seminole corporations contribute to its social scientific analysis an example of the real-time production of the state-society divide.

**Hard Rock Rising**

Seminole’s Hard Rock acquisition points to the openings and barriers that arise when indigenous governance intersects with the corporate form on a large scale. The Tribe compiled a DVD of breathless media accounts such as this from CNN’s Anderson Cooper show: “But the Seminoles aren’t just buying a piece of history; they’re also making history. This is the first major purchase of an international company by a Native American tribe.” Gary Bitner, the Tribe’s public relations point person, hired six European public relations firms to explain tribal sovereignty to the international media (February 11, 2007, interview). The main press conference was staged at the Hard Rock Cafe in New York City’s Times Square. There, medicine expert Bobby Henry led a blessing in the Mikasuki language while dressed in a red long shirt, leggings, and feathered turban. Several female kin stood on stage wearing Seminoles’ distinctive patchwork skirts and capes. The CEO of Hard Rock International presented tribal council representatives with a guitar previously owned by Hank Williams Sr. and *Sopranos* actor and E Street Band musician “Little Steven” Van Zandt lauded the acquisition’s benefits for rock and roll and planet Earth. Seminoles then posed for photographs atop the Hard Rock marquee.

The acquisition of Hard Rock followed—and quickly became iconic of—an emergent pattern in Indian Country whereby tribal governments sought economic diversification beyond gaming. Gaming has been lucrative on reservations located near major consumer markets, but the exigencies of legal wrangling, market saturation, and non-Indian gaming expansion push toward diversification. Before buying Hard Rock, as discussed in my book about Seminole gaming (Catelino 2008), Seminoles attempted diversification with cattle, citrus, cultural tourism, convenience stores, and more. Hard Rock dwarfed those efforts: when the deal closed in March 2007, the Seminole Tribe held business interests in 45 countries through a network of 124 Hard Rock Cafes, several Hard Rock Live performance venues, and hotels and commercial casinos. Seminoles owned the world’s largest rock memorabilia collection, featuring Madonna’s classic bustier, guitars signed by rock and roll greats, and even the Village People’s “Indian” headdress.

The organizational structure of the new Seminole Hard Rock resembles in some ways private enterprise and in other ways nationalized industry. The Seminole Tribe of Florida, a governmental entity, wholly owns Seminole Hard Rock Entertainment and Seminole Hard Rock International, the parent companies of Hard Rock International. A shell company above these parent companies, Seminole Hard Rock Holdings, is incorporated in the U.S. Virgin Islands and is a taxable entity outside of the Tribe’s sovereignty but not outside of

their ownership. Seminole Hard Rock Entertainment is managed by a board of directors, with members appointed by the Seminole tribal council. After acquiring Hard Rock, the Seminole Tribe retained most of the corporation’s management. The chairman of the seven-member board of directors of Seminole Hard Rock Entertainment is Jim Allen, a non-Seminole who is also CEO of Seminole Gaming. Three tribal members and several non-Seminole gaming experts currently sit on the board.

The tribal council holds Seminole Hard Rock’s shares as a representative body of the Seminole people. The tribal council consists of five elected representatives, including one each from the three highest-population reservations, elected every two years; the chairman, elected at large by all tribal citizens every four years; and the vice chairman (ex officio), who is the at-large elected president of the board of directors of the Seminole Tribe of Florida, Inc. Electoral participation is high, and most tribal citizens know their elected officials on a personal basis. The tribal council operates tribal gaming, Hard Rock, and various other tribal enterprises; the elected board of the Seminole Tribe of Florida, Inc., runs other economic ventures (for more on that body, see below).

The Hard Rock deal was complex. The Seminole Tribe of Florida purchased Hard Rock from a British company, the Rank Group. Merrill Lynch conducted the sale on behalf of Rank, and the Tribe worked with Merrill Lynch to secure bond financing and with other financial and legal firms to structure the deal. James Allen, the CEO of Seminole Gaming, spearheaded the Tribe’s efforts to acquire Hard Rock in consultation with the legal department and the tribal council. Seminoles were able to win the bid in a private auction partly because, remarkably, at that time, more than 25% of Hard Rock’s revenues came from licensing fees paid by the Seminole Tribe for already-existing casino resorts on the Hollywood and Tampa reservations. The $965-million purchase was financed through a $525-million bond issuance by a new Hard Rock operating company and $500 million in equity from the Tribe’s gaming division capital structures. As MarketWatch reported, the deal highlighted “the growth and increased sophistication of stock and debt issuances by Native American nations” (Wines 2006); the South Florida Sun-Sentinel reported financial analysts and Indian experts saying that the Seminole Tribe of Florida had “suddenly become a symbol of American Indian financial power and a blueprint for its future” (Holland, Blum, and Steighorst 2006). The Native American Finance Officers Association (NAFOA) designated this as the “Deal of the Year” in 2007, and during NAFOA’s annual conference, Richard Bowers of the Seminole Tribe joined other Indian leaders as the first Native Americans ever to ring the bell at a global financial exchange, the New York Mercantile Exchange.

Deals of this scale require access to credit, which long has been a challenge in Indian Country. As anthropologists and others from Marcel Mauss (1990 [1950]) to Janet Roitman (2005) and Julia Elyachar (2005) have shown, credit makes visible and produces relations of obligation and recognition between actors. As of late 2008, the Seminole Tribe was the only gaming company (including commercial gaming) to enjoy an investment-grade credit rating (BBB—) from the major Wall Street rating agencies. That they had a credit rating in the first place reflects change. Increasingly, Indian nations are turning to Wall Street for capital, but, for several reasons, Wall Street has taken a while to adjust. First, as discussed in the newspaper Indian Country Today, “Along with the technical analysis, the raters confronted the major issue in tribal credit: sovereignty” (Adams 2005). American Indian governments are sovereigns, not private actors, and, because of this, lenders cannot presume that specific legal protections and regulations apply within indigenous territories. Although rating agencies treat tribal nations as sovereigns, securing a high rating may in fact compromise tribal sovereignty and the practical ability to govern. For example, agencies look favorably on set-aside mechanisms whereby “general governmental expenditures” are “clearly and enforceably subordinated” to debt service. This means that tribal nations agree to prioritize repaying investors over providing for the welfare of their citizenry. Moreover, agencies expect tribes to issue waivers of sovereign immunity when entering into business transactions; Fitch, at least, “takes added comfort by those tribes that submit to state jurisdiction.”

Second, tribes face legal limits to bond issuance, which include the IRS stipulation that tax-exempt tribal bonds can be issued only for essential government purposes. Legal scholar Gavin Clarkson (2007) considers this to be discriminatory when compared with looser regulations for non-Indian governments that allow financing for projects such as sports stadiums.4

Access to credit is governed less by law or abstract economic principle than by corporate custom and its extralegal regulatory force. As Karen Ho (2009) has argued, social scientists pay too little attention to the culture and customs that fuel Wall Street transactions. Although the Seminole Tribe is not subject to U.S. Securities and Exchange Commission regulation, Seminole officials act as if they are, according to general counsel Jim Shore, so that their data will be interpretable by Wall Street credit rating agencies. A spokesperson for the Southern Ute Nation in Colorado, which is “worth” $4 billion because of its energy resources and which is the only American Indian nation to boast a triple-A bond rating, recalled the difficulty of gaining initial access to credit and the snowball effect of getting on the inside: “Before we closed our first deal with Conoco and got in trade publications nobody believed we were credible. Now, with substantial assets and a triple-A credit rating, everybody wants to be our friend” (Moran 2007). As one reporter put it, the doors to Wall Street are

4. Seminoles were stung by this distinction: they originally sold $560 million in tax-free municipal bonds to finance the Hollywood and Tampa Hard Rock casino resorts only to face a subsequent IRS ruling that tribal casinos did not qualify for tax-exempt bonds.
opening, “and tribes and financial gatekeepers like the rating agencies are beginning to learn each other’s mysterious ways” (Adams 2005). They do so by building trust and familiarity; for example, Seminole representatives meet repeatedly with the same analysts from credit rating agencies.

The success of the Hard Rock deal also depended on its being interpretable within the Seminole polity. Seminoles marked the deal’s closing with a ceremonial signing in Hollywood that was attended by more than 300 people. The event took place under the Council Oak, a majestic tree under which Seminoles held midcentury political meetings. The ceremony, as reported in a regional newspaper, was typical (including when the press is not present) in blending appreciation for present prosperity with humorous recollections of past struggles (see also Cattelino 2010): “Small kids howled the Pledge of Allegiance [JC: to the US and Seminole flags] in tribal garb and T-shirts. Tribal council members took turns on stage talking about the struggles of the Seminoles to defend their rights against the federal and state governments. They also recalled how poor they grew up in the 1950s, decades before gaming filled the tribe’s coffers” (Huettel 2007). Tribal chairman Mitchell Cypress recalled childhood rides in cattle trailers to the dirt playground that had since become the bingo hall, and council representative Max Osceola Jr., a frequent spokesperson, remarked that Seminoles knew the natural kind of hard rocks, the kind his mother used for doing laundry in drainage ditches (Huettel 2007). Although a novel piece of history, then, the acquisition also had its own history: in commemorating that history, Seminoles combined political critique of past poverty and federal dependency with a celebration of cultural resistance and new economic prosperity. The turning point was tribal gaming.

Gaming “Pioneers”

When I ask Seminoles about Hard Rock, many refer not to the 2007 acquisition but rather to an earlier moment: the Tribe’s 2001 contract with Hard Rock to license the name and build Hard Rock casinos, hotels, and resorts on the Hollywood and Tampa reservations. The earlier moment did not make global business headlines, but it had a more dramatic local effect: when Seminoles expanded previously modest casinos into glitzy resorts, it altered the reservations’ traffic patterns, employment opportunities, entertainment and dining venues, and overall feel. And it yielded revenues of unprecedented scale. The Hollywood and Tampa Hard Rock operations feature hotels, pools, spas, and restaurants, and the Hollywood facility received unanticipated publicity when tabloid darling Anna Nicole Smith passed away in her hotel room. Many tribal members are eager to stay in the hotels, angling to convince an elected official to give them a discount, and the hotels have a reunion atmosphere during important events such as the Miss Seminole pageant or the tribal fair.

The distinction between Hard Rock ownership and tribal gaming raises questions about the cultural processes by which activities come to be categorized as political or economic. Although perhaps confusing, it is important to distinguish between Seminoles’ ownership of Hard Rock International, a corporate entity subject to the same taxation and litigation as any other, and the operation of the Hollywood and Tampa facilities by Seminole Gaming, which is an arm of the tribal government. American Indian tribal gaming is protected by the various tribal nations’ sovereign immunity, and it is enabled by their sovereign authority to operate and regulate on-reservation business (Light and Rand 2005; Rand and Light 2006). Since the 1988 Indian Gaming Regulatory Act, tribal gaming is subject to regulation by the National Indian Gaming Commission. Tribal government operations will enjoy a market advantage wherever economic activities (e.g., gambling, tobacco and gasoline sales) are highly taxed and regulated by surrounding governments. The Seminole Tribe operates seven casinos on federal trust lands, ranging in size from the Hard Rocks to a tent with a few slot machines on the rural Big Cypress reservation. By the mid-2000s, gaming industry experts estimated Seminoles’ annual earnings from gaming to have exceeded $1 billion (Meister 2006–2007), and Seminole casinos ranked behind only MGM Mirage and Harrah’s of Las Vegas in total cash flow for 2005 (Holland, Blum, and Stieghorst 2006). Generally, Seminoles have allocated casino revenues in ways that reinforce their sovereignty and cultural distinctiveness (Cattelino 2008).

Tribal nations are unique because of their small scale and their complex relationships with the United States, but in other ways they exemplify the fiscal dilemmas facing all sovereigns. Enterprises such as casinos are attractive because it is otherwise difficult for tribal nations to obtain revenues necessary for governance. The obstacles are many: American Indian reservation lands are inalienable and nontaxable (because they are federal trust lands), poverty makes it impossible for many tribal governments to tax their citizens (who are subject to federal taxation), and private lenders historically have been wary to invest on reservations for reasons ranging from racism to uncertainty about credit security under tribes’ sovereign immunity.

The initial decision to go into business with Hard Rock was not an easy one for the Seminole Tribe. It became entangled with criticisms of patronage politics in the tribal administration at the time, concern that non-Indian employees were dictating and profiting from tribal government policy, worry that indebtedness would threaten tribal social services and per capita distributions, and even a rumor that casino construction would destroy the First Seminole Baptist...

5. For example, they have bought back federal programs (e.g., housing) from the Bureau of Indian Affairs, and they have funded expanded tribal social services (clinics and universal health care, schools and lifelong tuition benefits, elder care), cultural projects (a museum, fairs and festivals, language preservation), and economic development projects. The tribal government issues per capita distributions biweekly to each tribal citizen.
Seminoles rely in large part on non-Seminole staff to evaluate and negotiate commercial transactions, and during the early 2000s, it was not uncommon for non-Indians seeking investors to request financial backing from the tribal council for everything from movie scripts to new inventions. As such, tribal citizens struggled to assess the trustworthiness of outsiders’ queries and staff members’ recommendations. At a special tribal council meeting to approve financing for the Hard Rock facilities, a tense debate over internal control and accountability ensued before the tribal council voted to borrow more than $500 million. The Seminole Tribe would pay licensure and development fees but would manage the facilities (February 9, 2001, observation). A subsequent lawsuit between the tribal government and the developer drew outside media attention, but tribal members debated whether to prioritize long-term economic development over day-to-day reservation social services and economic security. Underlying these debates were fundamental questions about the relationship between governance and economy, questions that would arise once more with the Hard Rock acquisition.

Separating Spheres

I was surprised to learn that the Seminole Tribe bought Hard Rock, but I was not alone. The tribal council had authorized gaming officers to pursue the venture, but few Seminoles knew anything about it until they heard about it at a last-minute tribal council meeting held to approve the final terms or on the news. The deal followed months of competitive bidding by major private equity groups, and all were bound by confidentiality agreements. As the Seminole Gaming CEO and chairman of the board of Hard Rock International, Jim Allen, explained, “The only way you can make this decision is to do it under the context of confidentiality” (July 16, 2008, interview). If the tribal council would have held a meeting and told tribal citizens what they were going to pay for Hard Rock, he predicted, “I would tell you we would’ve been excluded from the bidding process immediately. . . . It has nothing to do with Hard Rock or the Tribe. That is basic commerce business practice anywhere around the world” (July 16, 2008, interview). Jim Shore, general counsel, admitted that confidentiality agreements put pressure on tribal members’ expectations for information: “We have a confidentiality agreement. We always told the other side [in a business deal] that we have to report to the Tribal Council, who needs to approve these things”; nonetheless, tribal citizens on the “street level” questioned the council’s motives until the council satisfactorily explained that “we’re in a different ball game, and we need to respect some of these things” (July 16, 2008, interview). Navigations of confidentiality in the Hard Rock acquisition reflected a structural tension between Seminoles’ growing corporate power and their tribal governance norms. As tribally owned businesses expand, it is unclear how Seminoles will balance a long-standing commitment to distributed power and knowledge within the tribal polity (Kersey 1996; Skafte 1969) against corporate requirements for information control.

Beyond the question of representative government—the relationship of citizens to elected officials raised by Jim Shore—the Hard Rock acquisition has widened the practical and ideological separation of Seminole governance from business. It therefore offers a window into how the state-society divide is established and reinforced in practice. This point builds on social science showing that economic life in the United States is embedded in social and political relations (e.g., Granovetter 1985; Zaloom 2006; Zelizer 2009). More specifically, I aim to show how the separate spheres are produced, what hierarchical effects this generates, and how the very undertaking enacts politics of indigeneity.

When I asked board chairman Jim Allen what potential investors or partners want to know about Seminole Hard Rock, he responded, “The first question is ownership; the second question is control; the third question is . . . frankly, after that, the questions become very short because the Tribe has empowered myself and the board to run the business” (July 16, 2008, interview). That is, investors seek assurance that business managers, not politicians, are at the corporate helm. For Seminole Hard Rock, a wholly owned corporation that is not protected by tribal sovereignty, it is clear that managerial separation of tribal government from business must be maintained. Seminole Gaming, on the other hand, is and must be part of the Seminole Tribe of Florida and under its sovereignty.

Growing numbers of financial consultants serve Indian Country, and common advice is to separate government from business, essentially to deepen the state-society divide. A driving force is the Harvard Project on American Indian Economic Development (HPAIED) in the Kennedy School of Government. HPAIED scholars Steven Cornell and Joseph Kalt, who argue for a “nation-building” approach that sees development as a political problem, nonetheless have advocated the separation of politics from business management. As they write, “Businesses cannot compete successfully when the decisions are being made according to political instead of business criteria” (Cornell and Kalt 1998:199). Similarly, authors of the important federal Tribal Business Structure Handbook recognize that tribal sovereignty is the basis for tribal enterprises, but they advise that the first “key factor” to consider when trying to determine “the best structure for a particular activity” is “segregate politics from business” (Atkinson and Nilles 2008:1-3).

To segregate Seminole politics from business reorients longstanding practices and values that integrate the two. These include the historical (and, to some extent, ongoing) organization of economic and political life by the matrilineal clan family and the prevalent comparison of political leaders with hunters who gather resources and redistribute them. This

6. Some Seminoles are Baptist, others observe “traditional” religion, and others draw on both.
model of redistribution, whereby political legitimacy is gained through redistribution and giving, not accumulation, is ritually enacted each year at the Green Corn Dance (Cattelino 2009; Sturtevant 1954). Richard Bowers, president of the board of directors of the tribal economic development corporation, emphasized to me that the Seminole Tribe has to “keep economics and government together” (February 14, 2009, interview). Others, including former chairman James Billie, deploy images of “old-time hunters” to describe politicians (April 13, 2001, interview).

Beyond the question of whether segregating business from politics accords with Seminole values, it is worth noting that segregation is rarely an equal proposition. What is being protected from what? As Timothy Mitchell (1999) wrote, “The appearance that state and society or economy are separate things is part of the way a given financial and economic order is maintained” (84). Much of the research and consulting literature emphasizes the potential of politics to jeopardize good business, not the other way around. The concern is that tribal politics interfere with market efficiency and casts investor doubt on credibility. The aforementioned handbook for tribal governments, for example, frequently mentions the necessity to create a safe environment for investors by isolating business from politics. James Penrose, general counsel and managing partner of Standard and Poor’s, a leading credit rating agency, cited Seminoles’ weak internal controls and alleged governmental impropriety as reasons for their 2005 BB bond rating despite their strong financial position and good market conditions (Adams 2005). In 2010, the Seminole Tribe lost its investment-grade rating after tribal council members became targets of a federal investigation for improper spending of casino revenues. Previously, general counsel Jim Shore described one aspect of his task as maintaining the split: “I always thought my job was to keep government out of gaming” (July 16, 2008, interview). He went on to say that it is a bit different with Hard Rock, because the tribal council owns the corporation, “so they have to have some involvement. But they need to know where their line is. Because they are a government, they’re not business people. . . . A good politician just leaves the business people alone to do a good job, and they can use that for their politics back home” (July 16, 2008, interview). Shore cast the messiness of politics as a one-way danger to economic life. On the other hand, when I asked him what should be the relationship between the tribal council and the Seminole economic development corporation, he emphasized that money makers should always be at the service of the government.

The project of protecting business from the polluting forces of government obscures two issues of special importance for indigenous peoples. First, one could flip the terms and worry that standard business practice pollutes tribal governance and thereby endangers indigenous forms of political legitimacy when, for example, profit motives conflict with political values of redistribution. Second, many businesses—including all gaming enterprises—are built on indigenous peoples’ status as nations, which in turn often is key to indigenous identity. Tribal government businesses are distinctive, yet they illustrate the broader inseparability of governance from economy that so often is masked by free-market ideologies. As economic historian Karl Polanyi famously argued, the creation of a separate market sphere based on economic motives was a historically specific and ultimately impossible “utopian endeavor” made possible only by political action, and it must be understood against the backdrop of societies in which economy is understood to be “submerged” in a variety of social relationships (Polanyi 1957, 2001 [1944]:31, 48–49).

The theme of separating politics from business runs deep in American discourse, and political theorist Scott Bowman (1996) has written that “in American political thought and political science alike, most conceptions of corporate power are based on the traditional liberal distinction between the state or politics (the public realm) and the marketplace or society (the private realm)” (27). Bowman goes on to note that this analytical distinction carries normative weight. Scholars are hardly innocent. As Gibson-Graham (2006 [1996]) writes, theories of capitalism are “generating a representation of the social world and endowing it with performative force” (xI). That is, our theories of the world can help to (re)create the world as we know it. In the Seminole case, this obscures the centrality of tribal sovereignty to the very possibility of indigenous economic action. Moreover, it side-steps a third dimension of Seminole economic life: family and kinship.

Family Business

Seminoles rarely characterize gaming as a uniquely or culturally Seminole activity, and the casinos have relatively few touches of Seminole décor. This cultural indifference is also true of Hard Rock. Whereas most analysts of indigenous corporations (e.g., Comaroff and Comaroff 2009) focus on cases where identity and commoditization are closely intertwined, the Seminole Hard Rock acquisition is differently configured as the competitive purchase of a corporation by an American Indian nation, with relatively little sale of culture or culturalization of business. If the ethnic corporation model is too narrow to describe Seminole economic organization, another can offer insight: the family business.

Seminoles commonly refer to their collective as a family. For example, when Max Osceola Jr. explained to a reporter why he would like to see a Seminole as director of every department, he did not turn to race or ethnicity but rather family: “Eventually, we would love to have a Seminole at the head of every department, because this is a family business, and who else is going to want a business to be more successful

7. Too often, anthropologists assume rather than analyze the relationship between indigenous capitalism and redistribution. For an example of overreaching presumptions regarding elite class formation, see Schröder (2003).
than the owners and the family?" (Suarez 2007). John Fontana, the non-Seminole general manager of the Tampa Hard Rock casino, spoke of his loyalty by saying that despite its size, the Tribe feels like a family business (August 24, 2005, interview).

Naming Seminole Gaming a family business achieves multiple effects: it familiarizes and deracializes group boundaries through use of an all-American metaphor, it underlines the locality and nontransferability of the business, and at times it is a self-critical explanation for inefficiency and conflict. Gloria Wilson, an elected representative on the board of directors of the Seminole economic development corporation, explained that it is organized differently from most corporations because shares are distributed to Seminoles at birth, they disappear at death, they cannot be transferred, and no one can hold a shareholder’s proxy. I asked a leading question about family business, and after Wilson responded that “that’s basically what it is: it’s a family corporation” (July 10, 2008, interview), she began to laugh. What is humorous about a family business? Sometimes Seminoles rolled their eyes or chuckled when talking about the Tribe as a family, saying that being Seminole came with all of the troubles and unavoidable bad characters that any family has. Others spoke with pride about being a tight group, held together by deeper ties than are most businesses. Still others worried that the tribal government structure was replacing the family as a locus of financial resources and cultural knowledge. Being a family business also has implications for employees. Some, like John Fontana, become loyal, but others feel excluded and resent nepotism in hiring and promotion. Anthropologists long have labeled kin groups in corporate terms, and the practical and the conceptual ties between the American corporation and the family run deep (Marcus and Dobkin Hall 1992). Kinship theorist Susan McKinnon (2005) argued that Euro-American assessments of families as corporate units contributed to neoliberal theories of genetic maximization and self-interested reproduction. Comaroff and Comaroff (2009:54) cite Meyer Fortes’s (1953) exposition of the corporate lineage, which they see in operation today, albeit no longer as an analogy but rather as the materialization of genealogical relations (cast as blood and biology) in indigenous corporations. The most extended anthropological discussion of kinship and corporation is Sylvia Yanagisako’s (2002) treatment of family firms in northern Italy. Yanagisako examines the relationship between family and business (and locates their separation in bourgeois ideology) as part of a larger exploration of how capitalists and their desires come into being and of the “cultural sentiments, meanings, and subjectivities” of entrepreneurial action (xi). If we cannot take capitalist desire for granted but instead understand it to be culturally produced by people in social relations, this raises the question of how Seminole capitalism intersects with everyday kinship practices.

Unlike Yanagisako, I cannot draw an analytical link between Seminole ideologies of gender and family and the organization of their firms. Still, when employees and tribal members deploy the language of family business, they particularize Seminole businesses. Meanwhile, when top management personnel avoid the language of family, they appeal to Wall Street’s desire for businesses to look just like any other, to be devoid of meaningful difference that could interfere with best practices and good credit risk. The ideology that family pollutes business and that commercial relations are distinct from intimate ones persists despite the fact that more than 90% of all business enterprises in the United States are family owned and nearly 35% of Fortune 500 companies are family firms.

For American Indians, there is particular irony in present-day efforts to segregate business from kinship and government. As I discuss elsewhere, modern theories of property, money, and governance since at least John Locke (1690) and through the anthropology of Lewis Henry Morgan (1877) separated Native Americans’ alleged pre-political society, organized by kinship and characterized by the absence of private property and money, from civilized society, organized by politics based on property and territory. For Seminoles, it is novel to work through the interrelations of family, business, and government in contexts such as Wall Street meetings with credit raters. Not new at all, however, is nonnative anxiety about the relationship of indigenous business to other forms of collectivity, especially family and polity.

**Federal Indian Policy and the Shifting Sands of Economic Organization**

Tribal ownership of corporate enterprises did not begin with Seminoles’ acquisition of Hard Rock, and the range of available structures for tribal businesses is wide. Some tribal nations have corporation codes and charter tribal corporations: the holding company Ho-Chunk, Inc., for example,
operates a number of businesses and is chartered under the laws of the Ho-Chunk Nation. In other cases, such as the Mohegan Tribal Gaming Authority, unincorporated tribal instrumentalities are created by tribal ordinance and controlled by a management board consisting of tribal council members. The evolving structure of tribal businesses is an active area in finance and law, and efforts are under way to standardize tribal corporation laws under a tribal nations version of the Uniform Commercial Code. Growing attention to current trends in tribal business organization, however, too often overlooks historical antecedents that illuminate the tensions among government, corporation, culture, and family as models of collectivity. The cultural significance of indigenous corporations has shifted alongside changes in federal Indian policy, illustrating the extent to which business is cultural and political in the United States.14

In 1934, Congress passed the Indian Reorganization Act (IRA), the focal point of the Indian New Deal and a partial reversal of prior federal assimilation efforts (Biolsi 1992; Deloria and Lytle 1984; Philp 1999). Commissioner of Indian affairs John Collier, an IRA architect, had leftist leanings and was attracted to cooperatives and other forms of collective economic organization. The IRA supported tribal constitutionalism, albeit based on boilerplate models, and under Section 17, tribes could supplement their constitutional governments with federally chartered corporations. The story of Seminoles’ IRA adoption is long and twisting (Kersey 1989), so for now it must suffice to say that some Seminoles adopted it on paper in the 1930s and the “modern” Seminole government reorganized under its terms in 1957. With the encouragement of Bureau of Indian Affairs (BIA) officials, Seminoles were the only tribe to organize originally under both a tribal council government and a Section 17 federally chartered corporation (Kersey 1996:61). These are, respectively, the Seminole Tribe of Florida and the Seminole Tribe of Florida, Inc. (known locally as “the board”). The board has five members: three elected every two years to represent the largest population reservations; the president, elected at large by all tribal citizens to a four-year term; and the vice president, an ex officio member who is the elected chairman of the tribal council.

The board’s purpose was “to further the economic development of the Seminole Tribe of Florida by conferring on said tribe certain corporate rights, powers, privileges, and immunities; to secure for the members of the tribe an assured economic independence; and to provide for the proper exercise by the tribe of various functions heretofore performed by the Department of the Interior.”15 Originally, the board could sue and be sued, but in 1996 the charter was amended to extend sovereign immunity to the corporation. Projects have included the twelfth-largest cattle business in the United States, citrus and sugarcane, smoke shops, the Okalee Village cultural tourism establishment, and a shell mine. In 2008, the board entered into joint agreements with other tribal governments and the Department of the Interior to form a buying consortium that would circulate goods and services within Indian Country (Native American Group 2008).

IRA architects responded to an early-twentieth-century world in which the corporate form was increasingly salient, and no doubt this organizational structure was more appealing to Congress than nationalized industries or cooperatives. By chartering the corporation at the federal level (i.e., not under the tribal council), however, the IRA authorized a kind of two-body government, and until the 1970s the board held more local power than the tribal council (Kersey 1996). Jacob Osceola, a former board representative, speculated that the copresence of the board and the tribal council resulted from a federal conspiracy to keep Indians fighting among themselves rather than against the federal government (November 29, 2000, interview). He later recalled participating in a 1980s effort to abolish the board only to learn from the BIA that the Tribe had no power to do so: it would take an act of Congress. One of the few literate elected officials at the time, he despaired of meeting the technical challenges and gave up (July 10, 2008, interview).

Seminoles are at once citizens of a tribal nation and, simultaneously, shareholders of a tribal corporation. This structure enshrines the distinction between government and economy even as it undermines that very distinction insofar as the board holds political power and the council operates business enterprises. Gloria Wilson, then the Hollywood board representative, was frustrated with the widespread perception by Seminoles and outsiders alike that the Seminole Tribe has two governments. “We don’t have two governments. That’s what a lot of people don’t understand, is that we’re a corporation . . . we don’t govern anything” (July 10, 2008, interview). She explained that a government looks out for health, education, and welfare, whereas a corporation is profit motivated. Yet, despite their distinct missions, board representatives act as typical politicians, and the council pursues economic development. Board representatives run for office with campaign dinners and platforms, make ceremonial appearances at holidays and parades, fly the board flag (which resembles the tribal council flag), sponsor fishing tournaments and other events, and deliver speeches. Council representatives, meanwhile, undertake economic development projects including Hard Rock, Seminole Gaming, and smoke shops,


14. It is hardly a new claim that corporations are cultural, and U.S. corporations themselves have undertaken the study of corporate culture (Marcus 1998). The claim here is different, that the corporate form has been understood by policy makers and others as sometimes reinforcing and at other times corroding indigenous cultural distinctiveness.

and today the council subsidizes board projects. That tribal members and outsiders struggle to distinguish the two bodies’ powers is hardly surprising. More importantly, as noted above, many Seminoles are comfortable with the inseparability of government from economics.

If the IRA promoted the corporate form in an effort to reinforce indigenous collectivity, postwar federal Indian policy, by contrast, took a conservative turn toward small government with the infamous 1950s termination policy whereby the governmental status of some American Indian tribes was severed under federal law. At that time, federal officials once again encouraged Seminoles, who were slated for termination, to form a corporation, only now the private corporation would serve as a bridge to dissolving their collective governmental status and reinforcing individual citizenship (see Cattelino 2010). During Seminole termination hearings, federal lawmakers held forth the possibility of converting common lands to assets in a private corporation, but they insisted that in the federal government’s eyes, Seminoles henceforth would be treated as individual citizens, not a tribal entity (U.S. Congress 1954:1058). Seminoles avoided termination, and this led to their retroactive reorganization under the IRA.

These shifts in federal Indian policy tracked broader developments in the political history of American corporations. In the early decades of the twentieth century, corporations often were seen as safeguards against the rampant individualism of the late-nineteenth-century industrial giants. In the postwar period, corporations increasingly came to be understood as antistate institutions (Bowman 1996). Experimentation with indigenous corporations would continue at the federal level, most importantly with the Alaska Native Claims Settlement Act of 1971. Native Alaskans were granted title to more than 40 million acres of land and were awarded almost $1 billion in return for the extinguishment of their claims to Alaska lands. In lieu of indigenous governments, village and regional corporations were established to manage the settlements (Berger 1995 [1985]; Dombrowski 2001; Hirschfield 1992). Even as the cultural significance of the corporation has shifted in federal policy, indigenous nations have experimented with the corporate form.

This leads back to Ethnicity, Inc., Comaroff and Comaroff (2009) point to the ways that “Ethnicity, Inc.” can be “a projection of the entrepreneurial subject of neoliberalism onto the plane of collective existence” (140). In the Seminole case, however, collectivity structures, limits, and calls into being the corporation most often through processes other than commodification. One difference, no doubt, is historical: Seminole corporations do not follow the intellectual property model that Comaroff and Comaroff describe for some other groups who market their culture, nor is this a situation in which incorporation has been necessary for the consolidation of indigenous identity. Instead, Seminoles understand their corporations to be arms of tribal government even as corporate speak increasingly creeps into governance. I point to these differences not to issue a blanket apology for the corporate turn in indigenous economic organization. Instead, the Seminole case suggests that understanding indigenous incorporation demands a historicized analysis of indigenous communities’ expectations for collectivity, as well as of the expectations that settler governments and publics bring to indigenous economic and political life.

The Sun Will Always Shine

The most widely cited comment from the Times Square press conference was made by Max Osceola Jr.: “Our ancestors sold Manhattan for trinkets. Today, with the acquisition of the Hard Rock Cafe, we’re going to buy Manhattan back one hamburger at a time.” His joke reconfigured an oft-told tale of indigenous financial naïveté (and settler swindling) as a comeback story of business-savvy repossession by indigenous peoples. That day and since, Osceola has signaled that Seminoles’ aspirations are expansive: “And so to provide for the Tribe, we’re looking beyond the borders, the four square borders of our reservations. We’re looking not just in the United States, we’re looking in the world.” He told the South Florida CEO, “When the British had colonies all around the world they used to say, ’the sun will always shine on the union jack.’ Well the sun will always shine on the Seminole Hard Rock. . . We are in 45 countries now” (Suarez 2007).

For Max Osceola Jr.—who majored in political science and was one of the first Seminoles to earn a bachelor’s degree—to compare the Seminole Tribe with the British Empire represents more than ambition: it exemplifies his and other Seminoles’ keen sense of irony and their ongoing insistence on contextualizing current wealth and power within a history of

16. Explanations vary for why the council, rather than the board, has operated gaming since 1979. Some Seminoles attribute it to the fact that in 1979, the council but not the board had sovereignty immunity, whereas others cite the nitty-gritty politics of who held power at the time. Since Indian Gaming Regulation Act’s 1988 passage, only the council can license tribal government gaming.

17. In the nineteenth century, Cherokee and Creek nations tried to form railroad companies as a means of controlling the development of railroads through Indian territory (Flanders 1989:301). In the 1920s, the Klamath Tribe wanted to terminate their trust relationship with the federal government and charter a company to manage their assets (Deloria and Lytle 1984:48–52). When the Menominee Tribe was terminated by federal policy, they maintained collectivity by operating a lumber business and also forming a county within the state of Wisconsin (Hosmer 1999).

18. Like other anthropologists who examine bioprospecting or court cases over indigenous symbols, Comaroff and Comaroff focus on the increasing tendency of indigenous and ethnic groups to brand themselves as cultures (see also Brown 2003; Christen 2005). Those cases draw attention to the reconfiguration of identity as property, whereas Seminole Gaming and related corporate ventures—which do not market identity-linked commodities—point less to an analysis of property than one of indigenous governance and its historical relationship to economic organization.

dispossession by (settler) colonial powers. When I first read this comment, it reminded me of a 2000 conversation we had in the tribal headquarters lobby while awaiting a tribal council meeting. Osceola emphasized that Seminoles had government long before white people came, that Seminoles had laws and ways to judge and punish people. He compared the Seminole situation with that of nations colonized by Britain, Ireland, African countries), but he noted that American Indian tribes have not been able to reclaim full sovereignty because they are economically and politically dependent on the United States (December 18, 2000, interview).

Recalling this conversation reinforced a political reading of Osceola’s subsequent public statements: not only were Seminoles overcoming past colonization by extending a business empire around the globe but also they were doing so despite limitations on indigenous governance that resulted from their ongoing neocolonial position within the United States. Seminoles’ varied experiments with economic organization—purchasing a major multinational corporation, pioneering sovereignty-based government gaming businesses, running a federally chartered tribal economic development corporation—demonstrate the stakes for indigenous peoples of balancing their own and others’ sometimes divergent and often shifting expectations of the proper alignments of government, economy, family, and culture. These expectations live in the minutia of corporate bond ratings, in allegations of nepotism, in advice to separate politics from business, in metaphors of family business, in the ways that economic life is formally organized, and in narratives of economic prosperity and past dispossession. The blurriness of the boundaries among American Indian corporate, national, and kinship forms may be especially striking by comparison with other groups, all the more so because tribal sovereignty enables some breaks from the corporate form while also drawing tribal nations to it. Rather than rendering Seminole business a narrow case, however, this simultaneously suggests the importance of identifying how and why the state-society distinction produces systematic dilemmas for indigenous peoples and also facilitates analysis of the cultural politics of corporations beyond indigenous contexts. It is not enough for anthropologists to continue the long disciplinary tradition of proving the state-society divide to be contingent and an ideological project. Instead, we can show its production in practice and its uneven effects in history, especially but not only for indigenous peoples.

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Comments

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When I was being trained as an accountant, I remember being struck by the fact that a major part of what I was learning was a language of expertise. This language, in combination with certain concrete quantitative skills, would make me valuable to others and to their projects.

Being in dialogue with a group of academic anthropologists on this project has, of course, awakened me to a very different set of expert languages. It has been more than entertaining to see them try to translate words such as “hegemony” and “praxis” (which is related to but not the same as “practice”) for the benefit of myself and other practitioners around the Corporate Lives table. It has also, of course, been interesting to see those of us around the table with backgrounds in financial planning attempt to narrate clearly the underlying causes of the current financial crisis, for example. This project has been one of translation and communication across expert communities.

Reading Jessica Cattelino’s paper, I am struck that the Royal Bafokeng Nation and the Seminoles, despite their dramatic differences, are being constructed here as a common expert community—“native” groups who have successfully crafted relationships to capital that are not mediated by states, NGOs, or others. More than that, we have each become capitalists in addition to remaining “natives.” Here, too, are translational challenges. And certainly, I expect that members of the Royal Bafokeng community would consider that journey to increasingly successful capitalism analogous to the learning of a foreign language—one that unlocks many doors but comes with its own particular rules and conventions.

I have played a kind of translational role within the Royal Bafokeng structures, helping them to better understand and plan for risks in their financial strategies and to better invest their capital in a rapidly changing world without losing sight of how to keep their own financial house in order. These are enormous challenges, and they resonate with what Cattelino terms in her paper the “interpretability of data,” evoking a
politics of compliance with conventions of capital not based on de facto obligation.

Like Jim Allen, the CEO of Seminole Gaming, I am an outsider to the Royal Bafokeng Nation—a hired gun, an advocate and watchdog, someone trusted to be and to remain enough outside structural political tensions that characterize the group’s internal dynamics as to protect its interests from outside forces beyond its control.

Of course, for Bafokeng as for Seminoles, the idea of utterly separate spheres of business and politics belies much of their history. Kinship, and indeed fictive kinship with non-Tswana allies, has always been constitutive of economic leadership within the group, as, perhaps, they have been for others around the Corporate Lives table. One commentator who shall remain unnamed shared with mixed pride and shame the size of the assets (and properties, including an entire island) that became his upon his marriage to a fortunate daughter. It is perhaps no coincidence that as we went around the table speaking of what corporations “are to us,” his vision was one of building dreams, community, and family through shared enterprise.

My point is that both the Bafokeng and the Seminole seem titillating examples of “natives made good” in modern integrated global economies. And yet, is what they are doing so different from what others do and have long done and from what they themselves have done in the past? I am not disagreeing with the creep of corporate forms, what Cattelino quotes the Comaroffs as calling a dialectic of both extension of the valence of ethnic identities and reduction of them to commodities. I saw as much in my previous job, when I worked for the North West Parks and Tourism Board in South Africa. There I saw firsthand the South African iterations of tensions here tackled by Hardin’s article and Sanderson’s commentary. The privatization of parks, the corporatization of tribes—is nothing sacred?

And yet, it seems to me that this vision of particularly vulnerable or violent conversions of the public or the community to the market misses much of the nuance of actual translation and learning processes. It also marks groups such as ours as “special” and hence in some ways even more accountable for the inevitable ills of capital; how can the Seminoles sleep at night when they profit from sectors such as casinos and clubs that are part of the fiscal and physical challenges that many Native Americans face? And yes, the Royal Bafokeng Nation portfolio includes mining interests elsewhere in the world, even as we struggle to diversify away from dependence on that sector in our own territory and to improve the social and ecological footprint of mining on our communities and economies. The notion of diversification used by Cattelino captures nicely several registers of what is happening in such processes, as it evokes both the struggle toward economic security and the proliferation of self-images that such processes entail.

It is no wonder that the most astute and supportive of observers remain flummoxed by such complexity, and I commend Cattelino for her grasp of both financial categories and Seminole perspectives and strategies. Their experiments are extremely differently structured from those of the Royal Bafokeng Nation, where the nation as a collective stands behind each transaction and there are central distributive mechanisms. In that sense we are each points on a kind of spectrum of economic experiments; the differences emanate from different political and historical legacies, but they also shape different social realities in the present and for the future.

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Reading Jessica Cattelino’s paper is like looking through a window into the future. Despite our geographic distance from one another, the similarities between the Florida Seminoles’ acquisition of Hard Rock International (and the circumstances that led to and from that deal) and the young holdings company wholly owned by my community, the Royal Bafokeng Nation, are striking.

The story of the Seminoles and their ascendancy in the business world is essentially one of using the forces of the free market to decolonize an indigenous community that had previously (and maybe still does) suffered violence, discrimination, and economic isolation at the hands of a colonial oppressor. And now those very oppressors, or their descendants, are the business partners, investors, advisors, and employees of the Seminoles.

As a black African community previously dispossessed of its land, subjected to cruel forms of discrimination and exploitation under apartheid, and reduced to an underdeveloped and undereducated population with little belief in its own potential, the Royal Bafokeng Nation has espoused some of the same strategies to “buy Manhattan back one hamburger at a time.” Except in our case, we’re now starting to control the supply of platinum to the commodity-hungry car manufacturers in Detroit and Tokyo—claiming our dignity one catalytic converter at a time.

Cattelino’s account of the discomfort that arose for the Seminoles when faced with the decision of going into business for the long term or prioritizing the more immediate needs of the community also hit home for me. Our population is affected by poverty, AIDS, unemployment, alcohol abuse, and generational divides. To enter into investment deals that involve the levels of risk, confidentiality, and financial expertise such as the Hard Rock deal is a situation we in the Bafokeng Nation can relate to. What we have found is that it is unrealistic to expect that each and every community member will understand the exact strategies and mechanisms of long-term sustainable economic diversification and investment. If there is a basic foundation of trust in the good intentions of the leadership, however, the community can take a leap of
faith—or just trust in the family spirit, as Cattelino suggests—and go with the leader’s vision. As we try to make quantum leaps in the development of our community, it is that trust, perhaps even more than shared information, that has allowed us to move forward.

As for the artificial divide between business and governance, I appreciate the academic argument that these are overlapping spheres that constitute each other in many ways. And I do not buy into the idea that business trumps politics when it comes to reputation and stature. But to a certain extent, the Bafokeng have also consciously decided to keep the two spheres separate. In recent debates held in Phokeng about what to name some of our subsidiary businesses (our Premier League soccer team, our new five-star hotel, our about-to-be-listed platinum mine), I have avoided naming everything “Bafokeng This” and “Bafokeng That.” And that is because commercial enterprise carries certain risks—risks of failure, of being bought/sold, or merging with other commercial entities and brands. The name of our community should not be subjected to such risks because it’s our family name, our identity, and it should not be commercialized no matter how much recognition or brand appeal it carries. This is just one example of where I believe it’s important to keep some autonomy for governance/politics with respect to business and finance.

The Royal Bafokeng Nation has recently served as the first rural community ever to host FIFA World Cup soccer. This was a huge opportunity for us and a great honor. It placed our community and our people on the global map as never before. I imagine that the feeling we felt when England played the United States in our stadium on June 12, 2010, was a little bit like what the Seminoles felt when they celebrated the launch of the Hard Rock acquisition: nervous, exhilarated, like the dawn of a new era in the life of the community. It’s comforting to know that other communities have embraced change with such vision and courage and explored new ways of thinking about economy, governance, family, and identity without any certainty of what lies ahead. It’s good to look through the window and see the Florida Seminoles blazing their path into the future. We will watch carefully and learn from our Seminole friends.

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The Business of Being Bafokeng
The Corporatization of a Tribal Authority in South Africa

by Susan E. Cook

In this essay I explore the tensions and contradictions inherent in the Royal Bafokeng Nation’s status as both community and corporation. As one of South Africa’s approximately 750 traditional communities, the Royal Bafokeng Nation is on the one hand part of a modern parliamentary democracy governed by a liberal constitution and on the other a traditionally governed patriarchy that preserves hereditary rule and communal forms of land tenure. As a corporatizing entity, the Royal Bafokeng Nation is also one of South Africa’s largest community-based investment companies, and it channels revenue derived from mineral deposits into a broad investment portfolio that in turn funds an aggressive social-development program. The legal, financial, and social tensions that arise when an ethnically based polity seeks to maximize its financial standing by becoming a player on the global commodities stage are the focus of this article. Rather than hindering its prospects for commercial success, the traditional elements of the Royal Bafokeng Nation—in both a legal sense and a cultural sense—are arguably the keys to its prosperity, now and in the future.

Introduction

As I put the finishing touches on this essay, a World Cup soccer match was being played in the Royal Bafokeng Stadium, a short distance from my office. As helicopters circled, vuvuzelas blared, and crowds of foreign visitors swarmed around the village of Phokeng, the tensions between an ever more commercially successful “ethnic corporation” (Cook 2005) and a struggling community of previously disadvantaged people had never been more stark, making this fertile ground for the inquiries of a linguistic and cultural anthropologist.

I first visited the Bafokeng community as a graduate student in 1995 while doing fieldwork for my PhD project on urban varieties of Setswana. My exposure to the political and economic contours of the Bafokeng community was limited at that time, but in subsequent years I became increasingly interested in the unique aspects of the setting, and I developed a collaborative relationship with a number of community leaders, including Leruo Molotlegi, who became the kgosi (king) about 3 years after I finished my fieldwork. A more policy-oriented series of conversations followed Leruo’s ascension to the Bafokeng throne, and I was persuaded, after 8 years as an academic anthropologist, to apply the tools of social theory to the Bafokeng context as a policy maker. With a theoretical grounding in political economy, a comparative perspective on social change, and the observational skills of an ethnographer, I have, since 2007, been actively engineering change rather than simply trying to record and analyze it. Does the hiring of a white American anthropologist suggest a crack in the facade of Bafokeng Incorporated (Comaroff and Comaroff 2009)? The Comaroffs would say no, it is exactly in the nature of the ethnic corporation to bring in hired guns to help incorporate the tribe and to commodify its culture. Who better, in fact, than an anthropologist, they would no doubt remark. To the extent that I write about these issues here, however, I do so in my personal capacity as an anthropologist of traditional governance and corporatization, from which vantage point I am also sometimes a character in the stories I am positioned to tell.

In this essay I explore the tensions and contradictions inherent in the Royal Bafokeng Nation’s status as both community and corporation. As one of South Africa’s approximately 750 traditional communities, the Royal Bafokeng Nation is an interesting case of South African–style democracy wherein a parliamentary democracy governed by a liberal constitution nevertheless recognizes and protects indigenous forms of governance that support patriarchal rule and communal forms of land tenure. The Royal Bafokeng Nation is also, however, one of South Africa’s largest community-based investment companies, and it channels revenue derived from mineral deposits into a broad investment portfolio that in turn funds an aggressive social-development program in 29 rural villages. What tensions arise when an ethnically based...
polity seeks to maximize its financial standing by becoming a player on the global commodities stage? What contradictions inhere in a communally organized and administered tribe using the mechanisms of the market to secure a measure of autonomy from state structures? Does the ethnic corporatization become more or less traditional as it starts to deploy the tools and techniques of corporate governance alongside patriarchal governance? These are some of the questions posed in this essay, as well as in the article by Jessica Cattellino (2011, in this issue). While the Bafokeng case and the Florida Seminoles share some striking similarities, Cattellino’s essay explores the state/society divide as it is both practiced and produced in the context of the Florida Seminole’s global business interests. This analysis of the Royal Bafokeng Nation’s process of corporatization draws into focus the power of the current legislative environment to shape the business strategies of indigenous groups.

The Royal Bafokeng Nation covers an area of 1,400 km² in South Africa’s North West Province and is home to approximately 300,000 people. The Bafokeng date their arrival in the Rustenburg valley to around 1450 (Hall et al. 2008; Huffman 2007; Mbenga and Manson 2010). While the community forms an integral part of the state’s system of provinces, districts, and municipalities, the Royal Bafokeng Nation is also governed by a kgosi, a hereditary role (usually the eldest son of the previous kgosi). Christianized since the mid-nineteenth century and having long abandoned polygamy, the Bafokeng community has seen few serious succession disputes over the past five or six generations, with a direct father-son line leading back over the past 15 dikgos (kings/ chiefs; Comaroff 1978). The present leader of the Bafokeng is Kgosi Leruo Molotlegi, a 42-year-old architect and pilot who assumed the role of kgosi after his brother, Kgosi Lebone II, died in 2000.

Kgosi Leruo relies on a complex of traditional and corporate structures to lead and run the Bafokeng Nation. There are hereditary headmen (dikgosana), who attend to people’s day-to-day matters in each of the 72 wards (makgotla) that make up the 29 Bafokeng villages. These headmen are assisted by their wives (bommadikgosana) and by wardmen (bannakgotla). In line with the Traditional Leadership and Governance Framework Act (no. 41 of 2003),¹ the law governing how traditional authorities may operate, the Bafokeng Traditional Council is made up of 11 community members, five elected and six appointed by the kgosi. The Traditional Council and the Council of Dikgosana together make up the Bafokeng Supreme Council, chaired by the kgosi, which debates and ratifies all major financial and policy matters for the nation. The community’s infrastructure and basic services are managed by the Royal Bafokeng Administration, effectively a local municipality. Royal Bafokeng Holdings, based in Johannesburg, manages the community’s mineral assets and investment portfolio, and the Royal Bafokeng Institute serves as an education reform agency for the region. The professionals in the Office of Kgosi–Treasury, Governance, and Planning manage the strategic alignment between the various entities and monitor and communicate the nation’s overall progress toward its stated goals to both internal and external audiences.

The “Platinum Tribe”

The governance structure of the Bafokeng Nation is not unusual in the communities recognized as traditionally governed in South Africa. A patriarchal hereditary system headed by a kgosi and divided up into wards is common to Tsawana-speaking communities in both South Africa and Botswana (Schapera 1952; Schapera and Comaroff 1991). What sets the Bafokeng apart is the fact that they own their land and have successfully exercised their rights to both its surface and its underground assets. The Bafokeng have owned their land by title since the late nineteenth century. They were thus able to maintain their geographic integrity despite incursions by waves of white settlers, the first and second Anglo-Boer wars, apartheid-era laws, an oppressive Bantustan regime (Bophuthatswana under Lucas Mangope), and corporate raids on their mineral resources.

The founder of the modern Bafokeng Nation acquired his status not because he was the first Bafokeng kgosi (he was not) but because he focused his 57-year reign on securing the community’s legal hold on its land. The present kgosi’s great-great-grandfather, Kgosi Mokgatle (1834–1891), realized that it was not enough for the Bafokeng to own their land in the traditional sense. Starting in the 1840s, in the face of increasing incursions by Afrikaner farmers, Mokgatle, with advice from Paul Kruger, who was later to become the first president of the Transvaal Republic, decided that the community must begin to buy the title deeds to its land if it was to avoid total dispossession (Coertze 1988). To raise the cash to purchase select tracts of land, Mokgatle sent regiments of Bafokeng men to surrounding farms and the newly discovered diamond fields in Kimberley in the late 1860s and 1870s. A portion of the wages earned by these men was placed in a land acquisition fund (Bergh 2005). With the help of a German missionary (Christophe Penzhorn from the Hermannsburg Missionary Society [German Lutherans]), who agreed to buy the land in his name (thereby skirting the laws that prevented blacks from owning land), Kgosi Mokgatle began a historic process of acquiring the ancestral lands of the Bafokeng.

This history of land acquisition by the Bafokeng highlights two things. First, the Bafokeng established themselves as a private corporate land owner as early as the late nineteenth century. Bergh (2005:115) points out that by the beginning of the twentieth century, almost 20% of the land owned by blacks in the Transvaal was owned by the Bafokeng. Second,
although there was subsequent contestation over who rightfully owned Bafokeng land, the public and well-documented process by which the Bafokeng legally obtained their land put them in a strong position to assert their status as a private landowner for generations to come.

Platinum was discovered on Bafokeng territory in 1924 (Mbenga and Manson 2010). As owners of the land, the Bafokeng began leasing parts of their territory to various companies, including Gencor, now known as Impala Platinum, the world’s second-largest platinum mining company. As early as 1953, the secretary of mines wrote that “it would appear that the ownership of both the surface and mineral rights in respect of the land in question vests in the said Bafokeng Tribe and the land therefore ranks as private land for the purposes of the mineral laws” (italics added).2 The Bafokeng, in other words, were able to control their land and its resources as a private landowner under the prevailing Roman Dutch code.

The president of Bophuthatswana (the Tswana homeland recognized by Pretoria in 1977), Lucas Mangope, saw the Bafokeng as his rivals and enemies and presumed to negotiate mining contracts directly with Impala Platinum on behalf of the Bafokeng. This set in motion a protracted fight between the Bafokeng and the Bophuthatswana regime on the one hand and the Bafokeng and Impala Platinum on the other. The case against Impala, which hinged crucially on the issue of ownership of the land and the process by which any of it could be leased to an outside entity, was settled out of court in favor of the Bafokeng in 1999, 9 years after it was initiated. This case was a landmark decision against a major mining company in South Africa and earned the Bafokeng the nickname “The Tribe of Lawyers.”

In 1994, the homeland system went the way of apartheid, and the African National Congress–led government became the next in the long line of regimes to threaten Bafokeng control of their land and its resources. The new government’s Minerals and Petroleum Resources Development Act (no. 28 of 2002)3 was an attempt to undo the country’s long-standing legal principle that vested mineral rights in the landowner. The act, which came into force on May 1, 2004, seeks to expand opportunities for historically disadvantaged South Africans to enter the minerals industry by implementing new mining rights. It also reiterates the South African Freedom Charter of 1950 in its preamble, stating “South Africa’s mineral and petroleum resources belong to the nation and that the State is the custodian thereof.”4 But because the Bafokeng were already using royalties from mining to uplift the surrounding community, the Bafokeng’s lawyers argued successfully that their revenues should be exempt from nationalization for a period of 5 years, at which point the exemption could be reviewed. Another challenge came in the form of the Communal Land Rights Act (no. 11 of 2004),5 which sought to shift control of communally administered land from tribal councils to government-controlled land rights boards. To the extent that the act replaces traditional authorities and the customary laws and structures they use to administer land with more centralized and party-affiliated structures under the control of the central government, the Bafokeng opposed this legislation from the start. The act was declared unconstitutional in mid-2010 (Cook 2004), and the administration of privately owned communally administered land in the Bafokeng territory has been largely unaffected.

One provision of the Communal Land Rights Act was very much aligned to Bafokeng strategy, and despite the law having been repealed, the Bafokeng administration continues to pursue this cause. According to the act, communally held land is to be transferred into the name of the community that occupies it, effectively repealing the practice of registering communal land in the name of the government. The minister’s trusteeship over land is an artifact of racist and segregationist policies and is therefore anachronistic in contemporary South Africa. In the case of the Bafokeng, “the government officials in the Native Commissioner’s office, the Secretary for Native Affairs, the Minister of Native Affairs and the Bafokeng all regarded the Bafokeng as the owner of the land,” and further, “there is no recorded instance where the government of the Republic of South Africa sought to deal with Bafokeng land contrary to the wishes of the Bafokeng.”6 The Bafokeng therefore maintain that it does not take a genius (or a law) to effect the change in legal ownership from the state to the community. The Bafokeng administration has therefore applied to have ministerial consent removed from the administration of Bafokeng land. Some Bafokeng individuals have opposed the application, suggesting a preference for government oversight of the administration of the land.7 The outcome of the application is pending at the date of this writing. What is clear is that the history of Bafokeng land ownership and the worldwide platinum boom of 1996–2008 are a very powerful combination.

Overview of the Bafokeng Asset Base

Under the leadership of Kgosi Leruo, the Bafokeng Nation (through its council and kgotha-kgothe) established Royal Bafokeng Resources (2002) to manage the community’s mining interests (platinum and chrome) and Royal Bafokeng Finance (2004) to develop a nonmining investment portfolio. In 2006,

the two companies were combined to form Royal Bafokeng Holdings (RBH), which manages the community’s overall investment strategy and portfolio. RBH is mandated by the community (through representatives in the Bafokeng Supreme Council) to invest the communal purse for maximum return and sustainability. In its first few years, RBH has been staggeringly successful. In 2005 the community’s asset base was worth R8.8 billion; 2 years later, the value was R33.5 billion (approximately US$4.15 billion). Most of this growth can be attributed to the decade-long platinum boom, which saw the price of platinum rise from US$421/oz in 1996 to more than US$2,000/oz in 2008. Although the global economic recession that began in mid-2008 took a toll on platinum (an important component in the manufacture of catalytic converters in cars), the RBH portfolio nevertheless outperformed most major stock indexes and earned the community a 30% return on investment in its first 3 years.

Although RBH owns stock in approximately 20 companies at the time of this writing, about 85% of its dividends come from Impala Platinum. The other 15% come from smaller dividend streams and interest on R5 billion in cash holdings. This cash is both an asset and a liability. While dividends are not taxed in South Africa, interest earned on cash in the bank is. Given its levels of cash under management, RBH would have faced a 40% tax on its interest income (or approximately R220 million of the R550 million it earned in 2008) if it were not deemed a universitas persona, a not-for-profit organization that operates in the interest of and benefit to the community. The South African Revenue Service, under the direction of the South African Treasury, has long sought to redefine the Royal Bafokeng Nation as a corporation rather than a universitas persona on the grounds that it is a for-profit undertaking. The Bafokeng Nation’s response is that the developmental arms of the nation, principally the Royal Bafokeng Administration and Royal Bafokeng Institute, effectively reduce the burden on the state to provide basic services and infrastructure to the Bafokeng people, and because the state does not tax itself, it must not tax the Royal Bafokeng Nation. The alternative, as Bafokeng treasury executive Thabo Mokgatlha puts it, is for the community to be reclassified as a corporation, pay the tax on the interest income, and use the remainder of its assets in any way it chooses.

It is in this context that a philosophical debate is being arranged with National Treasury and SARS to persuade them to change the VAT legislation to accommodate communities that perform functions which would otherwise be performed by Government particularly because they would be funding their budgets.8

This debate is one of the reasons why RBH converted its royalty agreement with Impala Platinum into shares in 2007. Subsequent to the shares-for-royalties swap with Impala, the Royal Bafokeng Nation now receives only royalties from the Bafokeng Rasimone Platinum Mine, a 50/50 joint venture between the Bafokeng Nation and Anglo Platinum. If challenged by the state again, the Bafokeng lawyers and accountants say that they will argue that the living standards of community members will decrease if the royalties are expropriated by the state, constituting a breach of the constitution’s expression of the “real rights” of individuals living under the protection of the state. In this negotiation over taxes, the Royal Bafokeng Nation explicitly positions itself as a community and a not-for-profit enterprise assisting the state with its responsibilities, whereas the state would earn more tax revenue if it could convincingly argue that the Royal Bafokeng Nation is a private company.

RBH and Black Economic Empowerment: Big Deal?

In the current investment environment in South Africa, the Royal Bafokeng Nation’s status as a community investor, and in particular a black community investor, is again highly salient. Black Economic Empowerment (BEE) refers to a set of regulations in South Africa that determines how companies operating in specific sectors (mining, telecommunications, construction, etc.) must transform their shareholder base and governance structures to include more “previously disadvantaged” (understood to include black, “colored,” and Indian) people. State-awarded tenders are open only to those companies that comply with their sector’s transformation charters by selling shares to black investors or broad-based investment groups (such as RBH) and appointing black managers and directors. Large corporations in South Africa have thus, since 2005, been seeking empowerment partners to meet their targets. Many of these partners have been members of the small black elite who were already well connected politically and were able to amass huge personal fortunes through these new laws. Vocal critics of the policies have thus pushed through reforms to the original laws in an effort to pioneer more broadly based empowerment practices (Hamann 2004; Rajak 2006, 2008, 2009).

In contrast to these few wealthy individuals, RBH is a black-owned investor whose vision is to become the world’s leading community-based investment company. Niall Carroll, the CEO of RBH, calls this vision “social capitalism”: using the mechanisms of the free market to benefit the collective. Thabo Mokgatlha remarks that corporate South Africa is, by and large, very conservative and prefers “traditional investors” to broad-based investment groups such as RBH. Individual investors can be wined and dined and invited for a round of golf to discuss corporate strategies. Group investors are seen as unpredictable and harder to influence. RBH has a distinct advantage over other BEE empowerment partners, however: it pays cash. Where other investment groups rely on loans

and other forms of leveraged funds that can be complicated and time consuming, RBH has sufficient cash on hand to vie for major investment deals in the telecommunications, financial services, and energy sectors. Most of the big empowerment deals in the mining sector have been completed, according to Mokgathla, so RBH is looking elsewhere, including offshore, for its next big deal.

Mokgathla explains that there is another downside to the success of RBH. Many in the corporate world feel that the Royal Bafokeng Nation is overempowered. In other words, RBH is being lumped together with Patrice Motsepe (the first African to make the Forbes 100 list) and Tokyo Sexwale (sometimes called the South African Donald Trump), who have grown their wealth by becoming empowerment partners to mainly white South African companies. The difference is that RBH is run not on behalf of a small group of individual investors but rather under the guidance of 300,000 shareholders. This is what is meant by “broad-based” investment, the assumption being that all 300,000 people benefit from the dividends from these investments.

To what extent is this actually the case, and what are the implications for RBH’s status as a preferred BEE partner if the benefits to the community are actually more of a drip than a flow? This is a persistent theme in policy debates within and around the Royal Bafokeng Nation. To date, the benefits of being “the richest tribe in Africa” have been communal and infrastructural rather than individual and financial: electrified homes with clean water, better schools and clinics, more paved roads and community halls, and so on. At kgotha-kgothe and other public gatherings, people’s sense of frustration at not having more direct access to the communal purse is evident. From the perspective of the more communally minded, the kgosi is responsible for the well-being of the nation, and the nation is suffering; something must be done.

This idea resonates with the political economies of precapitalist societies where the chief/leader was expected to maintain a surplus of grain and herds of cattle in the event of a shortage among the people. Through patron-client relations and networks of subchiefs (dikgosana), the surplus could (and should) be distributed as necessary to prevent starvation in years of poor rainfall or disease. In the current context, the implication is clear: it is unacceptable to many that the Royal Bafokeng Nation’s investment portfolio is valued in the hundreds of millions of dollars while unemployment is conservatively estimated at 40% and most Bafokeng households subsist on approximately US$100/month.9

How does the kgosi and his administration respond to these allegations? By espousing “Vision 2020,” the overarching vision of the Royal Bafokeng Nation that strives to create an enabling environment (read education, good security, and availability of jobs) so that members of the Royal Bafokeng Nation can prosper as individuals by the second decade of the twenty-first century. Dependency on a paternalistic regime, in other words, is no longer a necessary part of the plan. Achieving such a goal, however, is a long-term process with few successful models or precedents in Africa. The internal discourses of communalism, paternalism, and kinship-based favoritism are on a collision course with a newer rhetoric of individual empowerment, entrepreneurship, and meritocracy. And of course the criteria for membership in the nation itself become more and more salient as the benefits of membership become more pronounced. As Comaroff and Comaroff (2009) argue in Ethnicity, Inc., “inclusion and exclusion” are a key dimension to ethnically defined enterprise. But the direction of this trend is not a foregone conclusion in the Bafokeng Nation. While Comaroff and Comaroff (2009) argue (correctly, in my view) that “the more that ethnically defined populations move toward the model of the profit seeking corporation, the more their terms of membership tend to become an object of concern, regulation, and contestation,” it does not automatically follow that the Bafokeng powers that be will privilege “biology and birthright, genetics and consanguinity, over social and cultural criteria of belonging” (65). A recent case suggests another possibility.

As the Royal Bafokeng Institute brings a higher level of academic opportunity and extracurricular options to the 45 schools on Bafokeng land, the benefits accrue not only to the ethnic Bafokeng children enrolled in these schools but also to the non-Bafokeng (who outnumber Bafokeng in some schools). When Bafokeng families whose children attend schools outside the Bafokeng territory (mostly middle-class families who can afford the higher fees at the former model C schools) recently threatened to disrupt programs unless their children were included, the response from the Bafokeng administration was that the educational programs are for those who entrust their children to their schools, and if you enroll your children elsewhere, tough luck. While this may appear anomalous within the specific formula for ethnic incorporation laid out by Comaroff and Comaroff (2009), their broader point bears out: “not all ethnically defined populations are caught up in it [the dialectic between the corporate and the cultural] to the same degree. . . . Not everyone need be equally embraced by the process. Or even embraced at all” (116). It may be that the Bafokeng middle class, having achieved their own self-sufficiency earlier than most, will be left on the sidelines while services are targeted at those in the greatest need irrespective of ethnic membership.

The Royal Bafokeng Nation’s 2009 budget for social and community-based spending was R1.2 billion (approximately US$150 million at June 2010 rates). Of this, 58%, or approximately R700 million (US$87.5 million), is allocated to infrastructure development and social programs. Education programs account for 29% of the budget, and 11% went toward the development of commercial and community-level sports. Aside from loans for university students and school lunches, very little of the budget is targeted at the individual

or household level. If the benefits are collective, how is the effect on individuals measured? What, specifically, constitutes evidence of service delivery and equitable distribution of communal resources? Is it the annual budget and spending priorities of the nation? Is it anecdotal feedback from the community members as they represent themselves to kgotla-kgobre and increasingly to the media? More and more, it will be longitudinal and ethnographic studies that examine changes in household circumstances over time. A socioeconomic household survey is conducted every 3 years to determine whether spending, savings, and expenditure on health and education increase. Will programs that fund environmental management, loans for university education, education reform at the primary and secondary level, and installation of waterborne sewage help alleviate poverty in the short term? Maybe not. The Bafokeng agencies must successfully address food security, primary health care, and accelerated job creation in order to bridge the gap between the traditional expectations of the community and the longer-term strategic aspirations of the administration.

The Lebone II project is a good example of the ongoing debate between equitable distribution of the community’s wealth and sustainable planning for the longer-term goal of poverty alleviation through human development. Lebone II, College of the Royal Bafokeng, is an independent school founded by the late Kgosi Lebone II in 1997. Initially intended as a selective private school for future leaders of the Royal Bafokeng Nation, the school and its vision have been transformed under Kgosi Leruo into a competitive independent school cum teacher-training facility at the center of Vision 2020’s strategy for education reform. Lebone II was designed to meet global standards of educational excellence, and its total enrollment is capped at 800 (kindergarten through grade 12), with the planned mix of students at 70% Bafokeng and 30% non-Bafokeng (including white, Indian, non-Bafokeng black, and international students). The curriculum prepares students for the South African national exams but also enables them to study for the International Baccalaureate, which positions them to apply to universities anywhere in the world. The school’s new campus reflects the principles of green building, total integration with the local landscape and climate, and the school’s role as a “teaching hospital” for 45 schools in the Bafokeng region. The fee structure features a sliding scale, and all applicants take an entrance exam to determine academic ability.

For many Bafokeng, this unique and important institution is nothing more than an elitist institution satisfied with educating a few Bafokeng at the highest standards and leaving the rest to suffer the limited economic opportunities that inevitably accompany a diploma from the inferior state schools. The idea of Lebone II as a training center for 45 primary and secondary schools whose teachers and principals have never been exposed to high standards of content knowledge, pedagogy, teacher-parent interaction, extramural activities, and so on, is lost on many who are desperate for a pathway out of poverty. The rewards seem to be accruing to too few and to the rest too slowly. But even with third-party funding, Lebone II is an expensive project (in excess of US$56 million), and it will be at least 10 years before the families of the students enrolled there will reap the economic benefits of the resources being invested. Many in the community feel that this is an unacceptable use of the resources that their forebears worked so hard to secure a century and a half ago. This pervasive sense of entitlement to a piece of the Bafokeng cake is one of the most difficult challenges for the current Bafokeng policy makers, including me.

Conclusion

I have tried to show, through a discussion of the Bafokeng Nation’s status as landowner, its control over some of the world’s largest platinum deposits, and its resulting status as a major investor in South Africa, that the community’s long-term strategy depends on its status as both community and corporation. As a recognized traditional authority, the community is able to maintain patriarchal and hereditary forms of governance that exist alongside but in many ways supersede the state’s political mechanisms. As a universitas persona, the nation also enjoys tax-exempt status, enabling it to marshal its resources for the benefit of the immediate community rather than allowing its dividends to be dissipated by the national treasury and its highly bureaucratic spending programs.

On the other hand, the nation has embarked on an aggressive corporatization process in order to capitalize on its platinum interests and ensure the financial viability of the Bafokeng community in the postplatinum era (generally estimated to be 50 years from the present). Corporate structures, strict financial controls, and near-obsessive adherence to corporate governance laws are some of the initiatives introduced by Kgosi Leruo in his first 10 years as leader of the community. Enthroned in 2003 wearing a navy blue suit under his leopard skin kaross (see S. Cook and R. Hardin, unpublished manuscript), Kgosi Leruo is at once a symbol of traditional authority and a corporate CEO. The language and procedures of the nation’s business and administrative arms are a combination of global corporate protocols and more local forms of deference to patriarchy, ancestors, and traditional social mores.

The bottom line, as it were, for the Royal Bafokeng Nation rests on a paradox. In order to successfully pursue its goal of being a major player in the global commodities market, the Bafokeng have adopted conventional corporate strategies and outlooks. As a community committed to perpetuating non-democratic forms of governance, the Bafokeng Nation has also clung to its status as a chieftainship, communal-land administrator, and patriarchal society. The financial advantage
in this is that the community, to date, has retained a tax-exempt status. The appeal in remaining a tribal authority extends well beyond the R220 million/year benefit, however. There is a cultural patina to RBH that despite Mokgatlha’s comments about the drawbacks of being a communal investor lends it an aura of uniqueness, potential, and vision. “A poor community that has its act together,” as the former U.S. ambassador to South Africa, Eric Bost, put it, the Bafokeng Nation represents the convergence of need, political will, and resources—a highly attractive combination for investors, development professionals, and politicians alike. Bafokeng Incorporated, in fact, relies crucially on the simultaneous pursuit of tradition and modernity, the communal and the private, the local context and the global marketplace. And beyond the immediate (albeit ambitious) goals to achieve basic development and economic sustainability for the Bafokeng people, there are those who see the potential for the Bafokeng Nation to develop a policy/governance model with “contemporary relevance for the continent,” in the words of Celia Dugger (2010) of the New York Times. The World Economic Forum, the United Nations, and the World Bank all follow the Bafokeng approach to combating “the resource curse” with interest. With its relatively small area and population and its impressive resources and professional competencies, the Bafokeng Nation aspires to more than providing for people’s basic needs. Environmentally sustainable mining, the mass enrollment of girls in sports, early-childhood education, and decentralized HIV/AIDS treatment programs are only some of the localized answers to deeply entrenched problems that might yield far-reaching solutions.

It is ultimately the South African constitution and current political dispensation that have allowed the Bafokeng Nation to straddle the line between traditional community and private corporation. As the legislative environment changes, it is possible, even likely, that the Bafokeng leadership will have to shift its strategy in pursuit of its goals. At the present juncture, however, the nation’s dual status is allowing it to amass wealth and maintain nondemocratic structures in a way that many view, paradoxically, as progressive and visionary.

Acknowledgments

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Comments

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The Royal Bafokeng Nation uses an interesting structure to promote the well-being of its inhabitants: it employs the earnings from a wholly owned corporation to fund the running of the nation. “Royal Bafokeng Holdings (Pty) Limited RBH is responsible for the management and development of the commercial assets of the Royal Bafokeng Nation (RBN), with the overall business objective of maximizing returns to enable the RBN to deliver sustainable benefits to the community.”

The path it followed to this juncture was unusual: sending legions of young men to the mines in the 1800s to raise the capital necessary to purchase the land on which the nation had been living for 600 years; securing the mineral rights to its land; defending its rights against the Bophatswana representatives; defending its rights against the mining companies; and, finally, transferring many of the assets of the nation into an investment company.

RBH is a hybrid that holds itself out to be neither fish nor fowl. It represents itself to the South African Revenue Service as a universitas personarum, a not-for-profit organization that operates in the interest of and for the benefit of the community. It uses this designation to avoid paying taxes on its interest and royalty earnings, which, unlike dividends, are taxable. RBH, through the dividends it pays to its shareholders, provides funding for health, education, entrepreneur development, social development, and sports development. The amount budgeted in 2009 for social and community-based spending is R1.2 billion.

However, its structure is entirely corporate. The mandate of maximizing returns is clearly a profit motive. The ownership structure is designed to consolidate decision making. The citizens of the Royal Bafokeng Nation are not the owners of RBH. The Royal Bafokeng Nation donated its shares of RBH to the Royal Bafokeng Nation Development Trust (RBNDT), thereby relieving the supreme council (with its members that are elected by the people or appointed by the kgosi) of ownership decisions and delegation of powers within RBH. RBH’s shareholders are the named trustees of the RBNDT; thus, the RBNDT holds the distinction of being able
to exercise shareholder rights. RBH does not require that its audited financial statements be published and is not a listed company on any stock exchange.

The shares in RBH were recently donated by the Royal Bafokeng Nation (as univcrsitatis personarum) to the RBNDT. Up until this donation of shares, the shareholder of RBH was the Royal Bafokeng Nation. Shareholder rights were exercised by the supreme council of the Royal Bafokeng Nation under delegated powers. The supreme council in turn delegated certain powers to the kgosi. The kgosi exercised these delegated powers to elect directors, appoint senior management, and approve external auditors. With the donation of shares to the RBNDT, it will be the trustees of RBNDT, acting in concert, who will exercise the rights of shareholders, including the delegation of powers.11

The shares of RBH are owned by the RBNDT. The board will consult with the trustees of the RBNDT, acting as shareholders in their capacity as trustees of the trust. The board will, or will instruct management to, provide regular briefings to the beneficiaries of the RBNDT as they are represented at the biannual kgotaha-kgothe of the Royal Bafokeng Nation.12

Approximately half of the earnings of RBH are paid out to the RBNDT, with the other half being used to grow the balance sheet and make investments. This amounts to about 3.5% of the value of RBH. While this payout ratio is relatively attractive, it is lower than what most endowments would use for funding an institution. One of the items pointed out in Cook’s article is the difficulty of finding suitable uses for the funds. The desire to spend wisely is understandable, but one wonders whether the level of funding could be higher, given the poverty of the nation and the lack of infrastructure. RBH’s status as an universitas personarum is at stake.

All in all, RBH, even if it is very closely controlled by the kgosi, is doing much for the Royal Bafokeng Nation. Yes, it is a corporation and its ownership structure makes it clear that the people of the Royal Bafokeng Nation have only indirect influence in the use of its dividends and almost no say in the governance of the corporation. However, the kgosi and the rest of the leaders are funding a nation with those dividends, and they are trying to provide for the future of that nation when the platinum runs out. Many believe that today’s prevalent corporate structure focuses on maximizing profit for shareholders at the expense of other stakeholders: employees, community, and the natural environment. The compensation structure for the managers of many corporations is skewed toward promoting short-term stock price increases. Plus, the cost of raising capital is made less expensive by having a lofty stock price. Corporations often speak of being good citizens and how they care about the other stakeholders, but many think these are just public relations ploys. Being a good corporate citizen is secondary to stock price. Through its ownership of the RBH, the Royal Bafokeng Nation is trying to do the reverse: stock price is secondary to being a good corporate citizen.

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Susan Cook has written an important account of the Royal Bafokeng Nation’s remarkable progress in blending social development with a world-class business holding company. Cook is insightful and forthright about the challenges the nation faces as it attempts to use its platinum resource to help tackle the poverty and unemployment that confront its people.

I read Cook’s article with fascination, having worked for more than 25 years as a lawyer and business advisor to Native American tribes and tribal businesses. These range from poor tribes trying to develop small businesses to tribes that have conquered poverty and operated renowned, highly profitable gaming and entertainment resorts that employ tens of thousands of people. I also serve on the governing body of Seminole Hard Rock Entertainment, operator of Hard Rock cafes, hotels, and casinos around the world. Viewing the Bafokeng’s efforts through this lens, I was struck repeatedly by parallels to the development experiences of Native America.

Native American tribes and the Bafokeng Nation both have engaged in long struggles to regain dispossessed land and resources and reestablish and affirm sovereignty and jurisdiction. Tribes and the Bafokeng both seek to develop businesses to fund social needs and address unemployment in challenging environments. Both wrestle with the challenges of trying to insulate their businesses from government meddling and micromanagement while at the same time ensuring that their business investments serve sovereign goals.

The Bafokeng Nation has made inspiring strides. While some progress is obviously attributable to the nation’s platinum reserves, the Bafokeng’s progress is also due to their enlightened leadership. Unlike most Native American tribes—where democratically elected tribal leaders often cannot stay in office unless they support ever-increasing amounts of distribution of business revenues to individual tribal members—the political structure of the kingdom, coupled with farsighted leadership, allows for a long-term development strategy focused on growing, diversifying, and using revenues generated by its impressive asset base. The nation’s focus on using revenues to improve education is wise; clearly, though, this strategy will take years before it can bear fruit.

Such a strategy is sound, especially given possible changes in the demand and price for platinum. Cook acknowledges, though, the inevitable tensions that arise as individuals question why the distribution of the nation’s revenues is not

11. Royal Bafokeng Holdings (Proprietary) Limited, Corporate Governance Policy.
greater. Observation of recent Native American history (and general democratic politics as well) suggests that grassroots community pressure for a liberalized revenue distribution strategy may mount even if this may not best serve the long-term interest of the nation as a whole. To address this pressure, it may be that the Bafokeng can set precedents using their assets in ways that provide more immediate benefits while still growing and diversifying revenues. Can RBH diversify its sometimes passive business investments to include, for example, greater funding of capital-hungry firms who will contractually agree to establish operations and hence provide appropriate and desperately needed new jobs in Bafokeng territory?

Indian tribes in the United States have adopted many different business models and employ a variety of corporate and governance structures. But tribes are united in their focus on restoring and expanding their sovereignty. This focus is echoed in Bafokeng’s efforts to vindicate land rights, to establish that tax treatment of RBH and of Bafokeng BEE qualification rights should rightfully reflect the fact that the Bafokeng business model is community based. Ownership benefits extend to the community as a whole, and dividends fund government infrastructure and services, which is identical to tribally owned businesses in the United States. Such tribally owned businesses have successfully maintained their nontaxable federal income tax status; it is to be hoped that the Bafokeng will achieve the same treatment.

I expect that the future of the Bafokeng Nation will include continued efforts to expand Bafokeng sovereignty, to establish, for example, the right to control local schooling in the kingdom as a means of improving education. Such efforts may well be aided by possible negotiation of consensual intergovernmental agreements between the Bafokeng Nation and relevant South African government entities. In the United States there are now numerous examples of tribal intergovernmental compacts governing the regulation of tribal gaming. Other agreements address the preemption of nontribal taxes and the recognition of tribal tax regimes, law enforcement cooperation and police cross-deputization, reciprocal recognition of tribal and state court judgments, and applicability of tribal air- and water-quality regulatory regimes. Such Native American precedents may well prove useful to the Bafokeng.

Perhaps part of the Bafokeng Nation’s future will include lessons learned from the experience of Indian tribes in the United States. Perhaps part of Native America’s future will include lessons learned from the Bafokeng Nation as it creates inspiring precedents for linking business success with grassroots social development. Cook’s lucid article is an important step toward the occurrence of these worthy goals.

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