Social movements and organization theory: toward a new synthesis

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Organization theory and social movements: Twins separated at birth?

- Organizations are “systems of interdependent activities linking shifting coalitions of participants; the systems are embedded in…the environments in which they operate” (Scott)
- Social movements are “collective challenges by people with common purposes and solidarity in sustained interaction with elite opponents and authorities” (Tarrow)
- Both are forms of collective action with common concerns (strategy, human resource management, technology, alliances…)

Early efforts at rapprochement

- Zald and Berger (1978), “Social Movements in Organizations: Coup d'etat, Bureaucratic Insurgency and Mass Rebellions”
- Then: twenty years of silence...

Signs of cross-fertilization in the 1990s

- Neo-institutional explanations of changing repertoires in women’s political organizations (Clemens)
- Social movement explanations of struggles for corporate control (Davis and Thompson)
- Ecological explanations of feminist social movement organizations (Minkoff)
- Resource mobilization explanations of employee rights movements (Creed and Scully)
- Industry emergence as a social movement (Wade, Swaminathan, Powell)
Then: intrusions from the real world

- Social movements aimed at organizations
  - Shell and Brent Spar; Shell and Nigeria
  - Nike and the "no brand" movement
- Social movements in and among organizations
  - Spread of domestic partner benefits
  - Organizational change as social movement
- Organizations that look like movements
  - Fluid, permeable, project-based coalitions
  - Networks and coordinated action

Why now?

- Economic globalization: shifting boundaries of economy and polity
- What firms and movements do: post-industrialism and the society of the spectacle
- How they do it: information technologies and the transaction costs of collective action
- Who/what they do it to: changing centers of power from states to corporations

The field of play has shifted for states, corporations, and social movements. Organization theory has yet to catch up.

Shift 1: Globalization has changed the shape of corporations and social movements
Corporations as “rootless cosmopolitans”

Headquarters: Hong Kong
Incorporation: British Virgin Islands
Annual meeting: Barbados
Manufacturing: Mexico and China
Stock listing: New York Stock Exchange

PartyGaming.com, a Gibraltar company founded by American pornographers, operated Internet gambling operations for US clients on Canadian servers while listing its shares on the London Stock Exchange.

Poisonous pet food containing melamine from China was made by a Canadian manufacturer but sold under dozens of different brand names in the US. The global “OEM model” is not just for Nike anymore.

Multinational corporations are increasingly “boundaryless,” “stateless,” and network-like, yet they are held responsible by social movements for actions of their associates:
- Nike and Wal-Mart: accountability for labor practices in their supply chains
- Unocal: accountability for the human rights abuses of the government of Burma
15 Fevrier 2003: “The World Says No to War”

Up to 10 million citizens on every continent (including Antarctica) marched in protest on the same day against the imminent US invasion of Iraq.

For post-industrial collective actors, the “output” is often an image or perception:
- Corporations: brand management and investor relations
- Movements: perceptions of WUNC (we’re worthy, unified, numerous, and committed)

Shift 2: Information and communication technologies (ICTs) enable changing repertoires of collective action

18 Brumaire de Joseph Estrada?

- February 1986: “People Power” results in the ouster of Ferdinand Marcos after 17 years of autocratic rule and 3 years of popular struggle
- January 2001: “People Power II” results in the ouster of Joseph “Erap” Estrada after 2.5 years of democratic rule and 4 days of popular struggle
Why People Power II?

- Evidence of presidential corruption and declines in foreign investor sentiment create perception of threat among business elite, which revives anti-Marcos Kompil coalition and sponsors “popular” uprising
- ICT-enabled repertoire of contention:
  - E-petition with global catchment area
  - Web gives 2-way access to global information and commentary, allowing expatriate engagement
  - 700,000 street protestors at EDSA mobilized by cellphone text messages (obliged by mobile cellsites)

How to organize a mass demonstration, ca. 2008

- Put out a call on e-mail listservs with defining principles and directions to a website; hope for massive forwarding
- Build coalition of sponsors
- Educate participants in tactics, consensus-based decision making
- Set up a convergence center
- Enable flexible tactics on the ground via cell phones, text messaging, Blackberry
- Provide alternative channels for independent media coverage (e.g., streaming video)

How to win the American presidency, ca. 2008

The characteristic forms of collective action for corporations and movements now are temporary coalitions—networks of collaboration for particular performances
Shift 3: Post-industrial states emulate post-industrial corporations

What would states that emulated postindustrial corporations look like?

- Financially driven
- Attentive to their brand
- Focused on their core competence
- Skilled at outsourcing
- Ties to place are provisional

Tuvalu receives $2.2M per year (about 15% of GDP) from VeriSign for the use of its Internet domain name “.tv”

Placebrands helps create “brand equity” for state clients including Botswana, Croatia, and Malaysia

[Note: “brand equity” formerly known as “imagined community”]
Delaware allows anonymous incorporation over the Internet for Russian money launderers, making it the Amazon.com of financial crime.

How is the US government like Nike?

- The Federal Activities Inventory Reform Act of 1998 ("FAIR Act") encourages all Federal agencies to hire private contractors for tasks not inherently governmental.
- The number of Federal employees declined by 350K under Clinton.
- The definition of "inherently governmental" has proved flexible...

But what about "brand America"?

- US foreign policy turns out to have spillover effects on foreign sales.
- Consumers in the Group of 8 nations are avoiding Marlboro, Barbie, and McDonald's (among others) because of their association with "brand America".

Government tasks that can be (and have been) outsourced

- Operating prisons
- Collecting taxes
- Hiring other contractors and investigating charges of contractor fraud
- Interrogating prisoners at Abu Ghraib
- "Aggressively" protecting diplomats:
  "We cannot operate without private security firms in Iraq. If the contractors were removed, we would have to leave Iraq."
  -Patrick F. Kennedy, Under-Secretary of State for Management

Laundering Queries Focus on Delaware

By GLENN R. SIMPSON
Staff Reporter of THE WALL STREET JOURNAL
September 10, 2004

WILMINGTON, Del. -- Delaware's corporate-secrecy laws may be making it a haven for foreign criminal groups, prompting prosecutors in Eastern Europe and Russia to flood the Justice Department with requests for help in probes of Delaware shell companies.

In the past four years, law-enforcement agencies in Russia, Hungary and a dozen other nations have made more than 100 formal requests to the Justice Department to go before the U.S. District Court in Delaware to obtain subpoenas to learn more about the companies. In many cases, foreign prosecutors say in their requests that they believe the companies are controlled by or connected to Eastern European criminals who use them to move money into and out of the U.S.

The cases also have connections to U.S. and foreign banks, and are generating concern among top U.S. regulators and law-enforcement officials that crime groups were able to penetrate the U.S. economy despite warning signs such as a $7-billion money-laundering probe at the Bank of New York in 1999.

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MICHIGAN ROSS SCHOOL OF BUSINESS

September 30, 2004

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Shift 4: Corporations may be called on to participate in social movements—to take the place of states in solving social problems.

Kofi Annan’s call at the US Chamber of Commerce

“HIV/AIDS is a global problem of catastrophic proportions. ... And so today I come to you, the leaders of American business: representatives of one of the greatest forces in the world, but one which has yet to be fully utilized in the campaign against HIV/AIDS. It is high time we tapped your strengths to the full... Business is used to acting decisively and quickly. The same cannot always be said of the community of sovereign States. We need your help -- right now.”

-Kofi Annan, June 1, 2001

Milton Friedman’s response

One may argue that “the problems are too urgent to wait on the slow course of political processes, that the exercise of social responsibility by businessmen is a quicker and surer way to solve pressing current problems... What [this] amounts to is an assertion that those who favor the taxes and expenditures in question have failed to persuade a majority of their fellow citizens to be of like mind and that they are seeking to attain by undemocratic procedures what they cannot attain by democratic procedures.”

-Friedman, “The social responsibility of business…”, 1970

Why should corporations care?

- AIDS is a “predictable surprise” for business (“a problem that, if left unattended, will get worse, eventually creating a far bigger problem, yet the organization ignores the problem”--Bazerman)
- A simple cost and benefit calculation:
  - Treating TB can greatly extend the lives of those with AIDS
  - Administering TB treatment is best done by someone who has daily contact with the sufferer (e.g., one’s employer)
  - Effective treatment for TB costs ~$11 in total
  - On average, live employees are more productive than non-live employees
Business cares about AIDS, but…

World Economic Forum 2003 Executive Opinion Survey found:
- 47% of firm leaders feel HIV/AIDS is having/will have an impact on their business
- 16% provide employees with HIV info; 5% provide anti-retrovirals to staff; 6% have formal policies
- “…firms are not particularly active in combating HIV/AIDS, even when they expect the epidemic to cause serious problems for their business”

Why would companies join?

- Because their size and profitability give them visibility and/or slack (sales, employees, market/book ratio, from Compact Disclosure)
- Because their global presence increases their exposure to the problem (% sales outside the US calculated from geographic segment data, from Compustat)
- Because they are a pharmaceutical company, and this is their business (industry, from Disclosure)
- Because they are in the vanguard of HR policies around diversity (KLD rating for diversity)
- Because all their friends are doing it (board interlocks with GBC members, from GBC and corporate proxy statements)

Among the Fortune 500, what distinguishes the 23 GBC member companies from the other 477?

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<td># employees</td>
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<td>Board tie to GBC member</td>
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What does this all mean for research and theory?

- Times of upheaval and transition are opportunities for theory building
- How to study social structures that look like polymer goo: the field approach to organizational and movement analysis
- The centrality of mechanisms of explanation