When Business and Community Meet: A Case Study of Coca-Cola

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Abstract
Community involvement programs occupy centre-stage in the portfolio of many corporations who display and report upon their socially responsible performance. Focusing mainly on issues such as charity and employee volunteering, corporations remain fairly vague in reporting on the way they translate community involvement policies into concrete actions and on the social impact of their community programs. Based on first-hand observations and on-site ethnographic accounts, this study seeks to enrich extant understandings of the character and consequences of corporate involvement in communities. The study follows the diffusion of Coca-Cola’s global branding strategy and the community involvement program it recommended to the Israeli franchisee and analyzes its design and execution on the ground. The study finds a considerable gap between rhetoric of community involvement and practices of mobilizing the community to further the company’s ends. On a theoretical level, the study shows that community programs function as material performances of present-day capitalist ideology.

Keywords
capitalism, Coca-Cola, corporate community involvement, corporate social responsibility, governance, sociology

Introduction
This article offers a case study of the way a national subsidiary of a global corporation designs and executes community programs. While substantial literatures in both sociology and management studies consider the interface of corporations and communities, only a handful of studies to date offer an in-depth analysis of the way community programs are deployed on the ground (cf. Bond, 2008; Idemudia, 2009; Kapelus, 2002; Muthuri et al., 2009; Welker, 2009).

In recent years, corporate community programs have been treated as an element of a broader movement, namely ‘corporate social responsibility’ (hereinafter CSR) (Waddock and Boyle, 1995). Within this framework, community programs are often considered, alongside other philanthropic
endeavours, as the softer side of CSR (the hard-core consisting of self-regulation in the form of codes of conduct and management programs) (Husted, 2003).

At the same time, the evolving literature on CSR is premised on the view (critical or otherwise) that the key factor in assessing current corporate behaviour relates to its effect upon relevant stakeholders (Jamali, 2008). In fact, a stakeholder approach underlies the very normative turn that steered scholarship away from the legal-managerial analysis of corporations in terms of shareholders’ interests towards a consideration of employees, suppliers, and relevant communities (Jonker and Foster, 2002). Looked at with this conceptual framework in mind, the way corporations identify, target, and act upon what they consider to be relevant communities remains a fundamental issue: a focus on community programs may yield important insights concerning not only the impact of corporations on ‘real people’ but also the very means by which present-day capitalism actively participates in and shapes the nature of local governance (Matten et al., 2003).

However, empirical knowledge about the impacts of corporate involvement on communities and the way corporations translate their policies into concrete actions is still rather limited. While corporate involvement in communities often relies on the emancipatory rhetoric of community empowerment, giving back to the community, and fulfilling community needs, some critical accounts point at a considerable gap between publicly declared corporate policies and actual performance (Banerjee, 2008; Hamann and Kapelus, 2004; Shamir, 2004, 2005; see also Christian Aid, 2004).

One study of corporate reporting on community involvement found that corporations mainly report on issues such as charity and employee volunteering (Global Reporting Initiative et al., 2008).¹ The study also found that such social reports focused only on the more readily available measurable indicators of community performance (e.g. the number of employees that participated in community programs and the number of volunteering hours allocated to projects) and avoided substantive evaluations of the actual impacts of projects. Referring to corporate reporting on these issues as vague, this study and others conclude that corporations tend to count inputs rather than assess outcomes (also see Veleva, 2010).

Accordingly – and in order to somewhat fill the gap concerning our knowledge of the way community programs are designed and deployed on the ground – this study analyzes the ‘community involvement program’ of the Israeli franchise of the Coca-Cola Company.² Specifically, it analyzes the corporation’s worldwide Active and Healthy Lifestyle (AHL) branding strategy whose core output has been to encourage a variety of community involvement projects. The study traces the diffusion of this strategy to the local Israeli franchise and the subsequent execution of the project at various locations. The findings, detailed in the following sub-sections of the article, show that communities are subjected to two forces: the firm’s drive to enhance sales by means of sophisticated branding strategies and the firm’s response to public demands for greater stakeholder-oriented social responsibility. The outcome consists of community programs that have become captives of the imperative to combine ‘value’ with ‘values’: corporate practices that harness employees, local governments, and communities to the cause of enhanced profits. In other words, the emergent thesis of this article is that community programs function as material performances of present-day capitalist ideology.

Theoretical Framework

The broad theoretical framework of this article builds upon critical sociological analyses that show the remarkable capacity of corporations to resolve reputational crises and to adjust to new public demands without compromising their drive for profits (Shamir, 2008; Sklair, 1997; Strange, 1996). A key theoretical guideline is provided by the analysis of Boltanski and Chiapello, according to which ‘it is probably capitalism’s amazing ability to survive by endogenising some of the criticisms
it faces that has helped in recent times to disarm the forces of anticapitalism, giving way to a triumphant version of capitalism’ (2005: 163). Grounded in a tradition of study that focuses on processes of capitalist reproduction yet without reducing them to simple mechanical moves, the theoretical framework of this article directs our sociological gaze to real changes in corporate behaviour, albeit such that successfully retain their level of profitability.

In the present study, this overall theoretical approach is applied to the consideration of the trajectory and impact of some concrete corporate community-involvement programs. Relations between corporations and communities are as old as capitalism itself. Typically framed as ‘community involvement’ or ‘community relations’, corporations had been experimenting with the creation of company towns and charitable displays of good corporate citizenship as early as the late 19th century (Jacoby, 1997; Seitanidi and Ryan, 2007). Traditionally, corporate community involvement was perceived as part of the charitable role that firms have voluntarily undertaken within the communities in which they operated as an add-on to their core business activities (Carroll, 1979; Crane et al., 2008).

This early history notwithstanding, the significance and merit of corporate community programs assumed new meaning in the 1990s, with the (re)-ascendance of the notion of ‘corporate social responsibility’ as an overall conceptual umbrella for normatively assessing the impact of corporations on society (DeWinter, 2001; Winston, 2002). Accordingly, some scholars have begun to evaluate community involvement as early forms of corporate social responsibility (Muthuri et al., 2009) and to consider the extent to which the design and framing of corporate community involvement have undergone changes in recent years (Muthuri, 2007; Seitanidi and Ryan, 2007). For example, Chapple and Moon (2005) have noted that community programs often serve corporations as a major venue for implementing and displaying their social responsibilities, and Moon and Muthuri (in Charities Aid Foundation, 2006) have noted how community programs have been conveniently tied up with charitable corporate contributions and employee-volunteering initiatives.

Nevertheless, the place of community programs in this overall matrix has been somewhat pushed to the side in light of the theoretical focus on two broader aspects of CSR: first, the transformation of CSR from an activist agenda of public shaming to a business-led set of programs that are based on ‘the business-case for social responsibility’ (Carroll and Shabana, 2010); and second, the transformation of CSR from being a political signal for curbing corporate hegemony by means of formal national and transnational regulation into a field of private and self-regulation (Utting, 2005). In both cases, recent years have also witnessed the emergence of critical sociological scholarship which points out the link between said transformations and market-oriented neo-liberal policies in general (e.g. Bartley, 2007; Vogel, 2008; and especially Shamir, 2004, 2010).

As we shall shortly see, both directions of inquiry concerning the nature and trajectory of CSR have significant bearing for making sense of the way Coca-Cola designs and implements community programs. However the empirical analysis below warrants a short elaboration on each of the above-mentioned theoretical features of CSR.

**CSR as Business**

As previously mentioned, quite a few scholars – positively responding to and affirming the overall ‘capitalist reproduction’ framework with which I began – have noted that CSR crossed a crucial threshold of normative embeddedness once it moved from the realm of altruistic values to the economic sphere of utility and risk (Power, 2004). Nurtured, articulated, and globally diffused by business management academics and consultants, the new approach to CSR stipulates that the pursuit and adoption of socially responsible practices are not simply the morally right thing to do but also a profitable business strategy (Chapple and Moon, 2005; Margolis and Walsh, 2001; Rochlin and
Christoffer, 2000; Vogel, 2005). Thus, in spite of the continuing vibrant academic debate on the relationship between CSR and profits and of the uncertainty of empirical evidence (Margolis and Walsh, 2003; Perrini, 2006; Salzman et al., 2005), the business-case approach has become a pervasive belief among practitioners, consultants, MBA programs, and business executives.

At first, the business-case approach tended to emphasize the potential commercial value of a good reputation, investors’ confidence, and the loyalty of employees which may be enhanced by sound social and environmental corporate practices (Schnietz and Epstein, 2005). At a more advanced level of sophistication, CSR has been bundled up with other corporate risk-management strategies, premised on the notion that social responsibility may serve as an effective mechanism for avoiding costly public relations scandals, legal claims, and other catastrophes which may result in sliding share value (Godfrey et al., 2009; Kytle and Ruggie, 2005; Shamir, 2010).

For present purposes, it is noteworthy that at least some scholars have critically commented upon the implications involved in the transformation of CSR into a full-blown ‘business-case’. In particular, some attention has been given to the increasing tendency of corporations to shape socially responsible practices in ways that prioritize shareholders (and other immediate commercial concerns) as the ultimate ‘stakeholders’ of the firm, thereby at least potentially compromising the original underlying logic of CSR (Crane and Livesey, 2003; Seitanidi and Ryan, 2007). Directly relevant to the case below is the terminology that corporations and relevant consultancies have recently adopted, invoking terms such as ‘sustainable community development’, ‘corporate community impact’, and ‘community investment’ when designing community programs (Campbell, 2007; Fombrun et al., 2000; Muthuri, 2007; Tsang et al., 2009).

**CSR as New Governance**

Another prominent scholarly view of CSR had tied it to the academic literature about ‘new governance’: the notion that present-day assemblages of political authority are premised on the increased participation of non-state actors in shaping public policy, on private–public dialogue, partnerships, and collaboration and, more broadly, on novel forms of regulation (Bingham et al., 2005; Lobel, 2004). The majority of new governance scholarship regards new governance as an effective political framework for bridging socioeconomic cleavages and for potentially allowing a greater degree of democratic participation (e.g. Braithwaite, 2008; Pierre, 2000; Scharpf, 1997). Furthermore, quite a few scholars noted that as the underlying logic of ‘new governance’ schemes rests on a market-like model of authority, public policy is best shaped and pursued by means of diverse and even competitive sources of authority such as local government, non-profit organizations, and commercial enterprises (Cutler et al., 1999). In turn, government itself assumes the form of a commercial enterprise, expected to achieve financial viability, to generate funds for public expenditures, and to enter into sustainable partnerships with other sources of authority (Lemke, 2001). New Governance is therefore also marked by the proliferation of regulatory instruments above and beyond legal directives such as private regulation, codes of conducts, and best practices principles (Vogel, 2008).

Grounded in a critical perspective on governance, this article considers the proliferation of practical and discursive forms of governing in recent decades within the context of the perceived triumph of the neoliberal project and the transformative capacities of capitalism (Jessop, 1998; Lipschutz and Rowe, 2005; Mouffe, 2005; Shamir, 2008, 2010; Swyngedouw, 2005). Accordingly, the increased participation of non-state actors in shaping policies and in the provision of social goods is understood in terms of processes of economization and marketization of authority. This understanding allows the exploration of ways in which frameworks of governance obscure the asymmetry of power relations prevailing between social groups and networks.
As mentioned above, some scholarly observers have noted that present-day practices which are framed as displays of corporate social responsibility (e.g. emphasis on voluntarism, partnerships with local government, assuming governmental-like functions in targeting or addressing the needs of communities) are premised on the scheme of new governance (Lipschutz and Rowe, 2005; Matten and Crane, 2005; Parker, 2002; Scherer and Palazzo, 2011). Such observations may have significant bearing on the analysis of corporate community programs. In light of the literature, we should expect that the design and execution of community programs would involve relations with other sources of local authority, would be explicitly based on issues of cost and utility, and would emphasize voluntary and non-coercive means for achieving social goals.

This study shows how the two trajectories of CSR described above converge in the design and implementation of community involvement programs, and provides us with a sound theoretical framework for understanding their meaning and long-term implications.

**Methodology and Design**

The study is based on two years of participant observations, in-depth interviews, and the compilation and analyses of textual intra- and inter-organizational materials (for details on data sources see Tables 1–3 in the appendix). Twenty-eight on-site observations included full-day trips to locations where the company deployed its programs, participation in managerial meetings at company headquarters and regional offices, and observations at events and informal gatherings organized by the company. These observations included numerous on-site informal talks with mid- and high-level executives, town officials, and local residents.

Interviews with corporate executives included a series of meetings with the company’s CEO, executives of the marketing and sales department, the human-resources department, and the chief technology officer. In-depth interviews were also held with blue-collar employees such as drivers, service technicians, and company-union leaders. All in all, apart from numerous anecdotal exchanges and observations, the findings below are based on 29 in-depth interviews. Interviews were divided between a close-session set of preconceived questions (average 70 minutes) and open-ended conversations on a variety of related topics, both conceptual and practical. By and large, interviewees and informants consisted of three groups: high and mid-level executives of Coca-Cola, mid- and low-ranked employees of Coca-Cola, and officials and residents of towns where Coca-Cola deployed its program.

A primary informant in the research had been the company’s Community Relations Coordinator with whom exchanges, joint field-trips, and formal interviews were conducted on a regular basis. These included interviews held while joining her on various field missions and 11 formal recorded interviews at company offices.

Additional primary data was gathered from a variety of textual materials published or distributed by Coca-Cola for internal and external purposes. These included emails, printed correspondence, PowerPoint presentations, management circulars, workflows, press releases, and the official web pages of both Coca-Cola Israel and the Global Coca-Cola Company.

Finally, a note on access to the field is in order. The initial request to conduct close observations at Coca-Cola was met with reluctance. Mid-level executives doubted the value of the study or otherwise expressed discomfort at speaking without authorization. In a last effort of persuasion, I scheduled a meeting with the CEO. In this meeting, invoking the idea that transparency was part of the social responsibilities of the company, and finding common ground around the notion that community programs were important to the company, consent was granted. With high-level permission, later encounters were, by and large, open and forthcoming. All in all, Coca-Cola allowed me fair and open access to the meetings and events which are reported upon in this study.
The findings below are divided into three sub-sections. In the first section I show how corporate authority is deployed so as to define community needs in ways that fit organizational strategic considerations. In the second section I move to show how the corporation assumes a governing role, negotiating its community programs with local governments. In the third section I discuss how the overall result amounts to a material and ideological colonization of the community. I end with some theoretical conclusions and suggestions for future research.

**Whose Needs? CSR between Value and Values**

In 2004 the community programs of Coca-Cola Israel changed focus and direction in response to directives from Coca-Cola’s world headquarters in Atlanta. Overseas, the marketing department of Coca-Cola developed a comprehensive strategic plan whose purpose was to address a global sales crisis. At the root of this crisis, at least according to prevailing beliefs at Coca-Cola, lay growing public awareness of soft-drinks-related health and nutritional harms and the increasing prevalence of obesity to which sugar-sweet soft drinks contributed (Herrick, 2009). In response Coca-Cola designed a ‘sustainability scheme’ which was aimed at improving its image as a brand committed to promoting solutions to the worldwide health-related negative side-effects of ‘modern lifestyles’ (Coca-Cola, 2011).

The newly designed strategic plan had come to be known as the Active and Healthy Lifestyle (AHL). It consisted of several elements: enhancement of Coca-Cola’s line of products to a wider selection of diet beverages, juices, energy drinks, and water; a new policy of transparency concerning nutritional information on product labels; and a massive launch of community involvement projects that would directly and visibly promote nutritional education and physical activity.

The AHL program sought to unite two organizational goals under the same roof: developing community programs which would enhance the nutritional value of the brand and thereby also display the investment of the firm in socially responsible practices. Thus, from the outset CSR was perceived by the firm as bearing a commercial value and therefore as a suitable platform for advancing marketing issues such as re-branding, reputation, consumer trust, and investors’ confidence. In this regard, the newly envisioned community programs have signaled a transition from ‘old philanthropy’ to ‘strategic community engagement’ (Austin, 2000).

This spirit of fusing social responsibility with marketing and branding concerns directly affected the newly shaped community involvement programs of Coca-Cola in Israel. The Atlanta headquarters planned AHL as a global strategy and provided guidelines for the implementation of the AHL plan to national and regional bottling companies across the world. These guidelines were explicit on the absolute need to deploy the AHL plan through the active nourishment of relations between the company and local communities (interview with strategy and Research Manager). However it was left to the local branches to decide upon concrete details and to identify the most appropriate ways to achieve the stated goals (interview with Marketing Director). In Israel, these directives led to a further conceptual link, not only between marketing and social responsibility but also between suitably adapted community programs and the employee volunteering programs of the firm. A new hybrid was born, carrying the somewhat complex title of ‘Employee Involvement Project for an Active Lifestyle for Social Change’.

Until the arrival of the AHL plan and the revisions that it ushered in, Coca-Cola Israel supported a community project which ran under the title of ‘A Child’s Smile’. The program consisted of regular financial contributions to children of battered women in 14 refuges across Israel. All these refuges were entitled to public funding yet depended heavily on the support of community centers, non-profit organizations, philanthropists, and commercial firms (Yanay, 2005). In addition to its financial...
contributions to the refuges, the firm also secured a budget for charitable contributions on a sporadic basis. Expected to implement the AHL plan, the firm incrementally reduced its investments in its previous programs and embarked on an overall reform of its community-oriented policies.

A preliminary organizational move had been to create a new mid-level executive position of ‘Community Relations Coordinator’. The mandate of the Community Relations Coordinator (hereinafter CRC), directly conveyed to her upon recruitment, was to integrate the business interests of Coca-Cola with its community-related programs and, moreover, to base such programs on schemes for employee volunteering (interviews with Marketing Manager and CRC). The CRC perceived her role in terms of a business approach to CSR: designing a new ‘community package’ that would reflect a serious business-like approach to socially responsible programs in general and to the ‘active lifestyle’ plan in particular (interview with CRC).

However, the CRC soon realized that the company had neither a guiding policy concerning charity giving nor a record-keeping mechanism that would have allowed it to report and publicize its social contributions. Concretely, the new guidelines which came from Atlanta required firm links between the ‘community package’ and the AHL strategy. The CRC therefore concluded that the ‘Child’s Smile’ program was ill-fitted for the task: it lacked a direct association with an active lifestyle and it could not be publicly displayed for marketing purposes (interview with CRC). Moreover, the ‘Child’s Smile’ program lacked the vital element of employee volunteering of which the new coordinator was in charge. A new community program had to be developed, one which would abide by the new guidelines and spirit.

Yet the CRC was not the only executive in charge of the new plans. A broader team had been assembled, consisting of representatives from the firm’s Human Resources, Marketing, and Sales departments, to be coordinated and advised by the CRC (interview with VP Human Resources; conversation with VP Marketing; observation of planning team meeting). The idea was to bring together various organizational perspectives and to therefore realize, at the level of planning and design, the new understandings about the business value of community programs. Jointly, and after considering a number of options, the team ultimately came up with the ‘Active Playgrounds’ project. The idea was to identify suitable recreational public playgrounds which were in need of repair throughout the country and to deploy volunteering employees who would actively renovate the selected spaces.

It is noteworthy that no effort had been made to perform any type of community need assessment prior to the decision to embark on the program. Similarly, none of the members of the planning team had ever raised the question of how to assess or measure the actual impact of the program on the recipient communities. The unchallenged assumption that ran throughout the deliberations of the planning team had been that the envisioned future availability of renovated playgrounds would not only be a useful display of an active lifestyle (i.e. physical work) by the employees but would also necessarily facilitate an active lifestyle (i.e. positive social change) for the community.

Having decided upon the needs of the community, the team moved to consider the corresponding needs of the company. The ‘business model’ of the renovation project assumed the budgetary constraints of Coca-Cola as a prime factor. The task was therefore to successfully link the Active Playgrounds project to employee volunteering rather than to monetary contributions. However, the problematic interface between community needs and company needs resurfaced during preparatory meetings between the representatives of Coca-Cola, local officials, and community activists.

Such meetings often began with a joint tour of the relevant locality in order to identify suitable playgrounds. From the point of view of the firm’s executives, such scouting tours were vital in order to choose the playgrounds that ‘best fit our needs’, namely playgrounds that may be renovated by employees over a short period of time without exceeding the limited budget (interview with CRC).
The meetings between the representatives of Coca-Cola and town officials in various places thus typically led to a process of commercial-like ‘negotiations’ over competing needs.

In one such meeting, a senior town official explained that his office identified two nursery playgrounds in need of renovation. These playgrounds did not seem suitable to the representatives of Coca-Cola because they lacked the needed visibility which had been essential to the project. They explained that they were looking for poorly maintained playgrounds which were open to the public at large, preferably in poor neighborhoods. A Coca-Cola representative also clarified that they needed to find playgrounds which only required gardening and painting jobs that could be traded for employee working hours, rather than playgrounds that required major construction work or considerable investment in new equipment.

The parties then proceeded to tour the town and to visit the two playgrounds which had been suggested by the town official. While driving, the representatives of Coca-Cola identified a playground that seemed suitable to their needs. In spite of the objection of the town’s official, the Coca-Cola people insisted on renovating the playground of their choosing. Pressing the issue with the mayor, the latter consented to their plan without attaching any further conditions (observation of a visit to a small town in the north of the country by the planning team).

In another instance, the mayor of a selected town asked a community activist to escort the representatives of Coca-Cola in their search for a suitable playground. The question of whose needs the playground best served quickly emerged. The activist took the Coca-Cola people to a badly neglected playground and outlined his own future vision of the place. A representative of Coca-Cola observed that the playground seemed in need of an investment that exceeded the company’s budget. This observation prompted the community activist to ask who was going to make the decision upon a suitable playground: ‘Are we going to decide together or is it a matter for your people alone?’ The reply was that he should propose as many options as possible so as to allow Coca-Cola to reach the best decision ‘both for you and for us’ (observation at a small town at the centre of the country).

A single exception to this general lack of consideration for actual community needs occurred at a place where the municipality had neither the financial resources nor the organizational capacity to assume a partnership with Coca-Cola for the purpose of renovation. Instead Coca-Cola joined forces with a residents’ volunteering organization that had already been involved in addressing community needs without the assistance of local government. In this case it was the community organization that chose a playground prior to Coca-Cola’s arrival on the scene, mobilized residents to donate funds and to purchase equipment, and involved residents in active work on site. Unlike the situation elsewhere, here Coca-Cola was merely welcome to join the process, committing itself to some financial assistance and its standard contribution of employee working hours. While the division of labor and resources between the parties was eventually similar to that which had materialized in other places, this case seemed to more directly address the expectations of residents (community communication).

All in all, the findings indicate that Coca-Cola Israel, following the general guidelines of its global parent company, assumed the responsibility of defining the needs of the community: the need to lead an active lifestyle, realized through better availability of public playgrounds. This framing of community needs had then been activated through a business approach to social responsibility: assembling a variety of organizational logics and commercial interests in order to maximize reputational value through employee working hours. Thus the design of the Active Playground project reflects Coca-Cola’s adoption of the widespread conviction that socially-responsible corporate behavior yields benefits such as reputation and consumer trust and is a valuable risk-management strategy. The end result, as we shall also see in some more detail below, seems to indicate that company ‘needs’ had been prioritized over community ‘needs’ (in themselves defined by the company) in the design of the community program.
Community Programs and New Governance

Negotiating ‘community needs’ and negotiating the division of tasks between the company and local government were inherently intertwined. Yet it is possible to make an analytical distinction between the two. The previous section of the article demonstrated the asymmetrical meeting of needs between company and community and the way it surfaced in the course of the dialogue between Coca-Cola and its community counterparts (in most cases, local government officials). This section focuses on negotiating the division of tasks between the two, guided by the view that Coca-Cola’s Active Playground project is a modest example of what is accounted for in the literature as ‘new governance’: a configuration whereby state and non-state stakeholders share authority and divide social tasks between them through dialogue, learning, and cooperation (Bingham et al., 2005; Lobel, 2004). Specifically, it aims to show that the increasing dependence of local government on non-state support on the one hand and the emergent business model of CSR on the other hand shaped the contours and substance of the emergent community-oriented ‘partnership’.

The Coca-Cola team were quick to realize that the full cooperation of local government was essential for the project to succeed. Both Coca-Cola and local government officials were acutely aware of the financial restructuring that trimmed municipal budgets and social services in the last two decades. In one instance, a local official explained that he did not have a budget for badly needed renovations at five different playgrounds around town: ‘The financial resources of municipalities are extremely scarce these days,’ he said. ‘Each year I actually do less than I did the year before and this explains our need to lean on donations and support from external sources’ (interview with a town official). On her part, the Community Relations Coordinator complained that recipients thought ‘we are the Rothschild family’ and expected the firm to perform as old philanthropists used to: donate money and keep out of the practice (interview with the CRC).

The representatives of Coca-Cola were thus adamant in conveying to town officials that the project was about active involvement: volunteered employee working-hours for the benefit of the community. Yet negotiations on this basis were not always fruitful. Some municipalities vied for monetary contributions alone and were not interested in the division of labor that Coca-Cola advocated. This had been the case in a city where Coca-Cola planned to renovate a playground which was located in an Arab neighbourhood (interview with the CRC). In another instance, the officials of the town lost interest in facilitating the community program once they learned about the limited size of the budget (conversation with the General Manager of a small town in the south-west of the country). The CRC of Coca-Cola later explained that this particular town had come under rocket attacks from the Gaza Strip. Consequently, she said, town officials were able to attract considerable monetary donations from a host of civic charities and foundations: ‘the people of the municipality became euphoric’, she complained, having obtained a quarter of a million US Dollars to build a community centre at the exact location where the planned playground renovation had been planned (interview with the CRC). Yet in at least one case, Coca-Cola encountered the opposite situation when a town’s public services had been so dramatically outsourced that the municipality could not afford even basic support for the company’s plans (interview with the CRC).

The division of labor between Coca-Cola and local government rested on the expectation that most work needed for renovation would be done beforehand either by municipality workers or, as was sometimes the case, by private sub-contractors. In two cases, local residents voluntarily worked at the playground for several weeks before corporate employees stepped in. This model of task sharing was needed because Coca-Cola’s community involvement project was designed to last for two days only in each playground. The plan to which Coca-Cola remained faithful throughout the project was based on the allocation of two groups of workers with each working at the site for one full day.

In one case the official informed the Coca-Cola people that his workers had already completed all the preparations for the project: ‘I have realized that if we didn’t take care of all of this, you would
find it very difficult to proceed with the project, for it has required a lot of work and it was quite costly’ (observation at a small town in the north of the country). He then suggested that his own workers would complete the work on their own, freeing Coca-Cola to send only ten volunteers who would work at the site for one day alone. Fully understanding that the project did not require the full attendance of their employees, the planners from Coca-Cola nonetheless insisted on, and successfully negotiated, the active involvement of fifty employees who would volunteer their full working-day hours at the site. Thus the interest of the company in measuring community inputs as opposed to assessing outputs or outcomes prevailed. From the perspective of the business-case approach, this emphasis on inputs makes perfect sense as investors and consumers rely on readily-measured scores and indicators of CSR when seeking to assess firms’ social performance (Tsang et al., 2009). Moreover, the emergent division of labor between the company and its constituents also shows – in line with critical scholarship (Shamir, 2008; see also Barkay, 2009) – that a neo-liberal ideology of voluntarism and responsibilization underlies schemes of new governance.

The tendency to define and shape tasks in terms that prioritized the business model of the company over the goals and imperatives of local government had also become apparent in disputes over the scope and type of playground renovation. In one episode, financial considerations led the Coca-Cola planners to suggest that rather than buying new playground equipment for the selected site ‘we should renovate existing equipment which is located in another playground and then move it to the one we have chosen for the project’ (interview with the CRC). On more than one occasion, town officials pointed out health and safety regulations which required the building of a fence around the playground. The Coca-Cola planners only grudgingly consented to such unexpected constraints and negotiated acceptable ‘settlements’: Coca-Cola covered the costs involved in paving a pathway while the municipality paid for the fence, or in another case, Coca-Cola financed the buying of plants and the municipality planted them in the form of a protective fence (observation at two small towns in the north and south of the country; interviews with the CRC and a town official).

In sum, some accounts of ‘new governance’ suggest that there is a strong belief among participants that public/private partnerships are effective in the implementation of socially responsible programs (King, 2007; Seitanidi and Crane, 2008; Van Huijstee and Glasbergen, 2010). Also closely related is the belief that employee involvement contributes to the success and positive impact of community programs. However, when they are assessed on the ground, there is evidence to suggest that the asymmetry between corporations and local governments, and the primacy of a business-case approach to social responsibility, may bias the design and character of community programs in ways that do not benefit local people and public authorities. In the next and final section, I show the accumulated effects of such biases in the actual sites of renovation.

On the Ground: Corporate Invasion

It was only after playgrounds had been well prepared that Coca-Cola’s volunteering employees arrived for two days of final works. Employees joked that during these two days the playground was turned into a ‘Coca-Cola Zone’ (observation at a small town at the center of the country). On the first morning at one such site, 15 municipality workers were already there when the employees of Coca-Cola arrived. Having prepared most of the infrastructure in the preceding days, these workers were busy finalizing the stage for the volunteers. When the Coca-Cola volunteers arrived they were first preoccupied with putting up Coke branded parasols and hanging company flags all around the playground. This early bird activity was carried out under the imperative of ‘painting the area with Coca-Cola’s colors’. The volunteers were also provided with t-shirts, towels, and hats carrying the AHL slogan: ‘Coca-Cola Active – there is sense in active living’.
Perhaps this display of corporate force was more common in small towns and at places where local government was in dire need of support. In a larger city where Coca-Cola wanted to renovate a playground, it failed to conclude negotiations with the municipality after being told that it would not be allowed to put up a permanent plaque indicating the company’s contribution.

A company’s mobile canteen also arrived at the site, equipped with refrigerators and freezers. Coke drinks and a range of snacks and refreshments were freely available to the volunteers throughout the hot day. At lunch-time, Coca-Cola’s employees were grouped together in a shaded area of the playground. The municipality’s workers sat on the curb of a nearby pavement. It was only after a senior official of the municipality pointed out that his people also worked on the site that they were invited to share lunch.

In more than one way, the community ‘disappeared’ in the course of the employee volunteering workdays. A few children of the neighborhood – on summer vacation and temporarily prevented from playing in the playground – also offered to help. They would have also liked to enjoy some refreshments. Having planned the renovation process as a matter of employee volunteering, the Coca-Cola people on site were unsure how to handle this unexpected encounter. A day later, upon the invitation of the Gardening Department of the municipality, the children were allowed to partake in some painting tasks.

During these two days the playground was off limits for play and leisure. However the Community Relations Coordinator asked the children who watched the works to distribute Coca-Cola fliers inviting ‘the community’ to a ceremony at the end of the second day. Having been transformed into a company-occupied space, the invitation aptly ran under the slogan of ‘Handing the Playground Back to the Community’.

By the end of the second day, a town official took the podium, thanked the company, and congratulated the volunteering employees for their hard work. The CEO of Coca-Cola Israel, accompanied by other company executives, had also been on site. The local media were present. Also present were family members of two brothers who were killed while in the army and in whose name the playground had been commemorated. They also expressed gratitude. The unexpected attention on the family somewhat altered the original intention, as the community was symbolically reduced to a single family. The ceremony ended with the unfolding of a plaque bearing Coca-Cola’s brand colors, the AHL logo, and an inscription indicating that the garden was ‘renovated with love by Coca-Cola employees’.

The town official in charge of the project voiced his opinion that it would have been appropriate to mention the municipality’s workers as well. Executives of Coca-Cola who stood nearby did not respond. On several counts, the ‘community’ was neither seen nor heard. Yet the community eventually reappeared, and when it did, it appeared in the form of Coca-Cola’s consumers. After the formal ceremony, a garden party offered the local residents unlimited access to pre-installed fountain dispensers which provided a variety of the company’s drinks free of charge.

Yet the community reappeared as a body of consumers in still a stronger sense. Threatened by the prospect of a consumer boycott, one particular Active Playgrounds project assumed a distinctly different character than the others. The context was the concerns of Coca-Cola about widespread allegations that it discriminated against (minority) Arab retailers who served Arab localities by selling them products for prices higher than charged in the (majority) Jewish sector. Threats of boycott had been made and even already implemented in several localities. The allegations were vigorously denied by the company. One executive suggested that the boycott against Coca-Cola in Israel merely exploited the vulnerability of the company’s highly visible global brand and served as a means for highlighting discrimination against Arabs in general (on site interview with an executive from the sales department).

When an Arab employee of Coca-Cola approached senior management with the idea of renovating a playground in his hometown, the response had thus been enthusiastic. A sales executive expressed the opinion that the project was ‘perfectly timed’ because it would have ‘a direct effect on our sales to the Arab sector’ (conversation with an executive). Budgetary constraints were removed, with Coca-Cola committing to a budget roughly five times larger than those designated
for other places. Unlike other renovation projects, this one involved the construction of a whole new playground. The Coca-Cola employee who initiated the project also mobilized his neighbors. Local residents contributed money and volunteered for several weeks of infrastructural work in anticipation of Coca-Cola’s two employee volunteering days (observation; interview with the employee who initiated the project).

This had been a project undertaken under the threat of consumer boycott. The importance of the community resided precisely in the fact that, at least from the point of view of Coca-Cola, it represented the consumer power of an ethnic minority with grudges against the company. It was the identity of the community as a group of socially designated consumers that activated and fuelled this ‘irregular’ project of community involvement. The CEO of Coca-Cola spoke at the concluding ceremony that took place at that locality. He stressed the importance of maintaining good relations with the Arab minority and self-congratulated Coca-Cola in Israel for its fair proportion of Arab employees. Weeks later – while preparing employees at the company’s headquarters for a day of volunteering – the Community Relations Coordinator portrayed the Arab project as ‘a most genuine model of cooperation and community involvement’ (observation at an Arab town).

Discussion

The main finding of the article is that regardless of rhetoric, Coca-Cola’s community involvement in Israel is shaped by the corporation’s strategic objectives to an extent that overwhelms stakeholders’ needs (i.e. ‘the community’). The voice of the ‘community’, typically represented by local government officials with whom Coca-Cola negotiates, is hardly heard. The company also does not assess the potential impact of its projects on the client community. The company’s focus is on its input, by and large in the form of employee volunteering. Framed as a strategic element in the corporation’s overall business practices, ‘community involvement’ becomes a means for serving the firm’s commercial interests.

The first section of the article described the evolution of a particular community program and showed how corporate reputational interests overruled a consideration of community needs. This finding is consistent with critical theoretical approaches to CSR that note how the ascendance of ‘a business case for social responsibility’ marks a shift of focus away from actual community needs towards concerns with the added value of community programs to the reputation of the firm (Banerjee, 2008; Hamann and Kapelus, 2004; Shamir, 2004). In fact, the findings illustrate that the planning and execution of community programs do not only follow the dictates of a business-case approach but also construct it from bottom up. Thus, such community programs may later be picked up by scholars as ‘evidence’ of the viability and merit of the business-case approach to social responsibility.

However the findings go beyond extant critical approaches that focus on the connection between the business-case approach to CSR and capitalist reproduction. The second section of the article found that community programs relied on contemporary notions about the merit of ‘governance’, namely, the active participation of multiple actors in the provision of social goods to citizens. Indeed, many scholars theorize ‘new-governance’ as a model form of greater transparency and enhanced democratic participation in the execution of public policies (Braithwaite, 2008; Lobel, 2004). Still, the findings of this article indicate substantive asymmetries among the various participants in the project. Specifically, the findings indicate that Coca-Cola had been the decisive participant while the ‘community’, typically represented by local authorities, played a minor and secondary role. The theoretical importance of such findings is that they indicate a potential link between the discourse of governance and the transformative capacities of capitalism. To wit, frameworks of governance obscure the asymmetry of power relations between corporations and local authorities, community groups, and non-governmental organizations. Moreover, the framework of governance may in fact allow commercial actors to use their financial leverage in ways that allow them to expand their
authority beyond the economy and to become major players in the shaping of public policies (Jessop, 1998; Lipschutz and Rowe, 2005; Shamir, 2010; Swyngedouw, 2005).

**Conclusion**

Community involvement programs occupy centre-stage in the portfolio of many corporations who display and report upon their socially responsible performance. Typically, such programs tend to be portrayed as an element of companies’ schemes of self-regulation and risk management. Accordingly, many companies – aided by relevant consultancies and largely guided by the ‘business-case’ approach – have developed standard indicators that measure the scope and impact of corporate community involvement performance. Among such indicators, employee volunteering in general and the number of working hours invested in community programs in particular (i.e. company input) have become particularly important. Yet only a handful of studies to date have been concerned with the logic of design and practical deployment of corporate community involvement programs and, specifically, with the ‘output’ of such programs.

Responding to critical theoretical approaches, which hold that such indicators may not adequately capture realities on the ground, this article offered an in-depth ethnographic account of a specific community program. The overall conclusion of the study is that community programs are shaped in ways that retain an unequal balance of authority between corporations and stakeholders and that they tend to reflect commercial concerns rather than substantive attention to community needs. Ultimately, community involvement programs should be perceived as an element in an overall matrix of CSR that tends to reproduce corporate power rather than attenuate it and bring it close to social and public concerns. However, more case studies and comparative analyses are needed in order to further sustain the empirical findings of this article and their theoretical implications.

**Acknowledgements**

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**Appendix**

**Table 1. On-site observations**

<table>
<thead>
<tr>
<th>Data source</th>
<th>Type of situation</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day trips to locations where</td>
<td>Two company-sponsored refuges for battered women</td>
<td>21.04.05</td>
</tr>
<tr>
<td>community programs were deployed</td>
<td>Small town in the north of the country</td>
<td>18.05.05; 26.06.05; 15–16.08.05; 11.1.06</td>
</tr>
<tr>
<td></td>
<td>Small town</td>
<td>17.07.05; 22.06.06</td>
</tr>
<tr>
<td></td>
<td>Arab town</td>
<td>19–20.09.05</td>
</tr>
<tr>
<td></td>
<td>Suburb near Tel Aviv–Jaffa</td>
<td>24.05.06</td>
</tr>
<tr>
<td>Managerial meetings</td>
<td>Regional Managers’ meetings</td>
<td>10.5.05; 9.06.05</td>
</tr>
<tr>
<td>Events and informal gatherings</td>
<td>Human Resources departmental meeting</td>
<td>31.05.05</td>
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<td></td>
<td>Involvement team meeting</td>
<td>2.08.05</td>
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<tr>
<td></td>
<td>Sales division annual gathering</td>
<td>16.06.05</td>
</tr>
<tr>
<td></td>
<td>Regional launch parties of AHL strategy</td>
<td>3.07.05; 17.07.05</td>
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<tr>
<td></td>
<td>Employee trainings</td>
<td>24.05.05; 30.05.05; 11.08.05; 15.02.06</td>
</tr>
<tr>
<td></td>
<td>Human Resources events for employees’ families</td>
<td>26.07.05; 4.08.05</td>
</tr>
</tbody>
</table>
Notes

1. The study was conducted by the Global Reporting Initiative, the University of Hong Kong, and CSR Asia. The purpose of the Global Reporting Initiative (GRI) is to create a level playing field for corporate reporting on social performance.

2. Coca-Cola Israel, legally registered as The Central Bottling Company, received the exclusive franchise in 1968 (Pendergrast, 1993: 291–2). Unlike other Coke bottlers around the world, the Israeli bottler is autonomous in respect of the production and distribution of Coca-Cola products in Israel. Nevertheless, the world headquarters of the Coca-Cola Company retains primary responsibility for consumer marketing, brand promotion, and quality control in the Israeli plant.

3. Considerations included a suggestion to prompt the firm’s regional units to develop partnerships with elementary schools around themes of active lifestyles. However, executives from the Sales Division objected on the grounds that delivery-truck drivers and forklift operators could not be expected to give lectures to school children and thus suggested the Active Playground project instead (conversation with a team member from the sales department).

4. The program did not require employees to volunteer unpaid working hours but only to volunteer for ‘community involvement’ work instead of performing their ordinary jobs. In addition, Coca-Cola estimated that it would also allocate a modest monetary sum to the playgrounds (roughly $8000 to each).

5. The Community Relations Coordinator employed an NGO specializing in developing community projects to assist in tailoring the employee volunteering program and at a later stage in creating partnerships with local governments.

6. The Coca-Cola people also reasoned that the global policy of Coca-Cola was to avoid marketing practices of targeting toddlers (observation at a small town in the north of the country).

7. On the intimate connection between corporate social responsibility and national causes and issues, see Barkay, 2008.

Table 2. On-site informal talks

<table>
<thead>
<tr>
<th>Type of respondents</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production employees</td>
<td>Employee trainings</td>
<td>24.05.05; 30.05.05</td>
</tr>
<tr>
<td>Sales representatives</td>
<td>Sales division annual gatherings</td>
<td>16.06.05</td>
</tr>
<tr>
<td>Volunteering employees &amp; residents</td>
<td>Volunteering days</td>
<td>15–16.08.05; 19–20.09.05</td>
</tr>
</tbody>
</table>

Table 3. Interviews

<table>
<thead>
<tr>
<th>Type of interviewee</th>
<th>Location/situation</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Headquarters offices</td>
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<tr>
<td>Marketing and Sales executives</td>
<td>Company offices</td>
<td>10.05.04; 12.04.05; 17.07.05; 10.05.06</td>
</tr>
<tr>
<td>Human Resources VP, directors &amp; managers</td>
<td>Company offices</td>
<td>22.11.04; 5.05.05; 4.07.05; 26.07.05; 29.06.05; 28.07.05</td>
</tr>
<tr>
<td>CTO</td>
<td>Company offices</td>
<td>5.05.05</td>
</tr>
<tr>
<td>Distribution drivers</td>
<td>Joining a full working day</td>
<td>7.08.05</td>
</tr>
<tr>
<td>Union leaders</td>
<td>Company’s plant</td>
<td>9.08.05</td>
</tr>
<tr>
<td>Service technician</td>
<td>Employee’s home-town</td>
<td>9.01.06</td>
</tr>
<tr>
<td>Community Relations Coordinator (CRC)</td>
<td>During field missions</td>
<td>21.04.05; 10.05.05; 18.05.05; 26.06.05; 17.07.05; 20.09.05</td>
</tr>
<tr>
<td></td>
<td>Company Offices</td>
<td>10.11.04; 5.05.05; 20.04.05; 21.04.05; 4.05.05; 17.05.05; 23.06.05; 27.07.05; 6.09.05; 29.11.05; 14.02.06</td>
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References


