



Artful Dodging: A View of Corporate Social Responsibility through a Victorian Lens

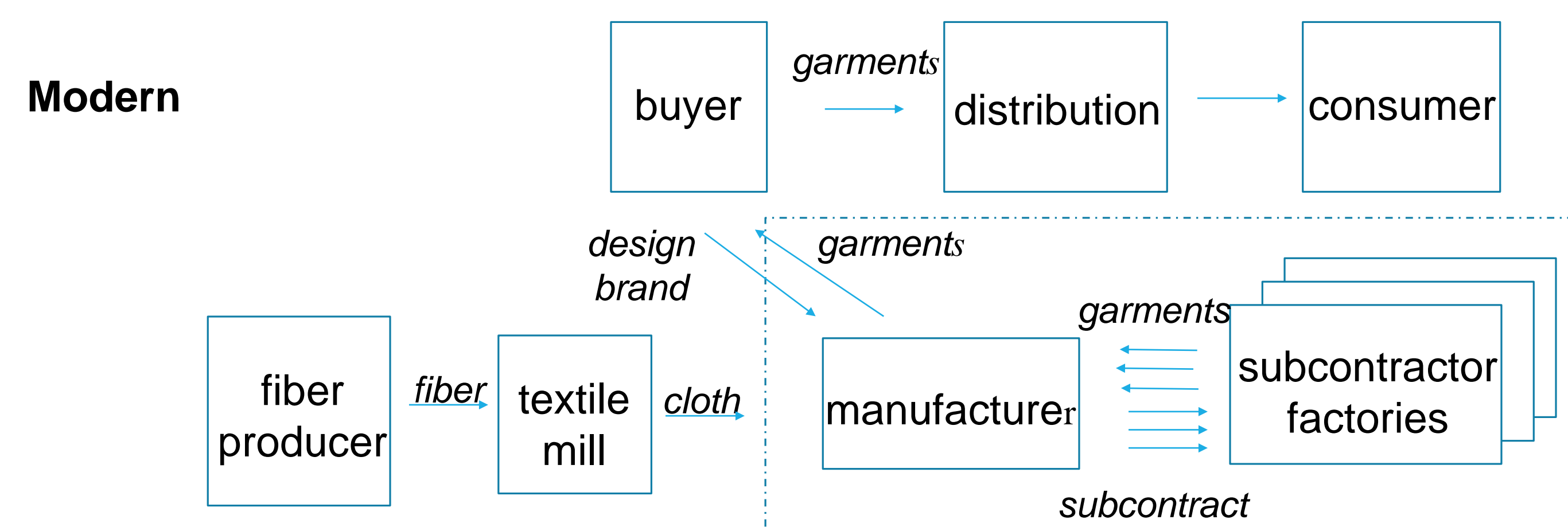
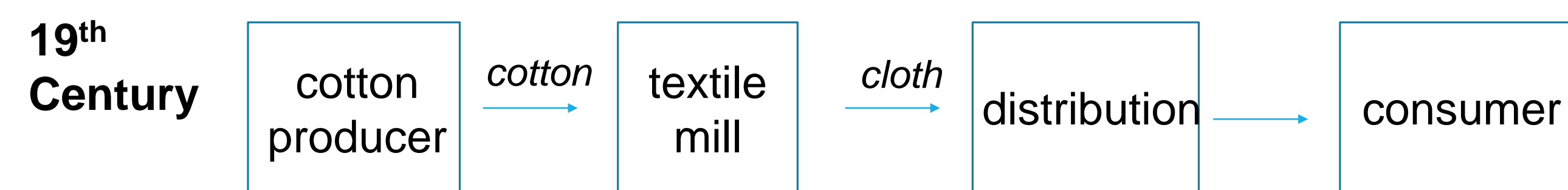
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Abstract

Concerns about labor conditions in the apparel industry are as old as the industry. To better understand CSR in the modern apparel supply chains, compare the industry to 19th century textile mills.

	19 th	Modern
Product:	Textiles	Garments (ready made)
Industry disruption:	Industrialization	Offshoring production; disaggregation
Geographic focus:	England / New England (US) (parallel development)	Global South/ Global North (producers / buyers)

Compare Supply Chains: 19th Cent / Modern



CSR in Modern Apparel Industry

- Buyers claim inability to control labor conditions
- Rely on *transparency*; Buyers publicly identify suppliers
- Supplier accreditation by third party, e.g.
 - Worldwide Responsible Accredited Production (WRAP)
 - Fair Labor Association (FLA)
- Assurance reporting
 - Based on audits by accounting firms and others (consultants, non-profits, accreditation groups)
 - Big 4 accounting firms increasing their share of assurance reporting in supply chains

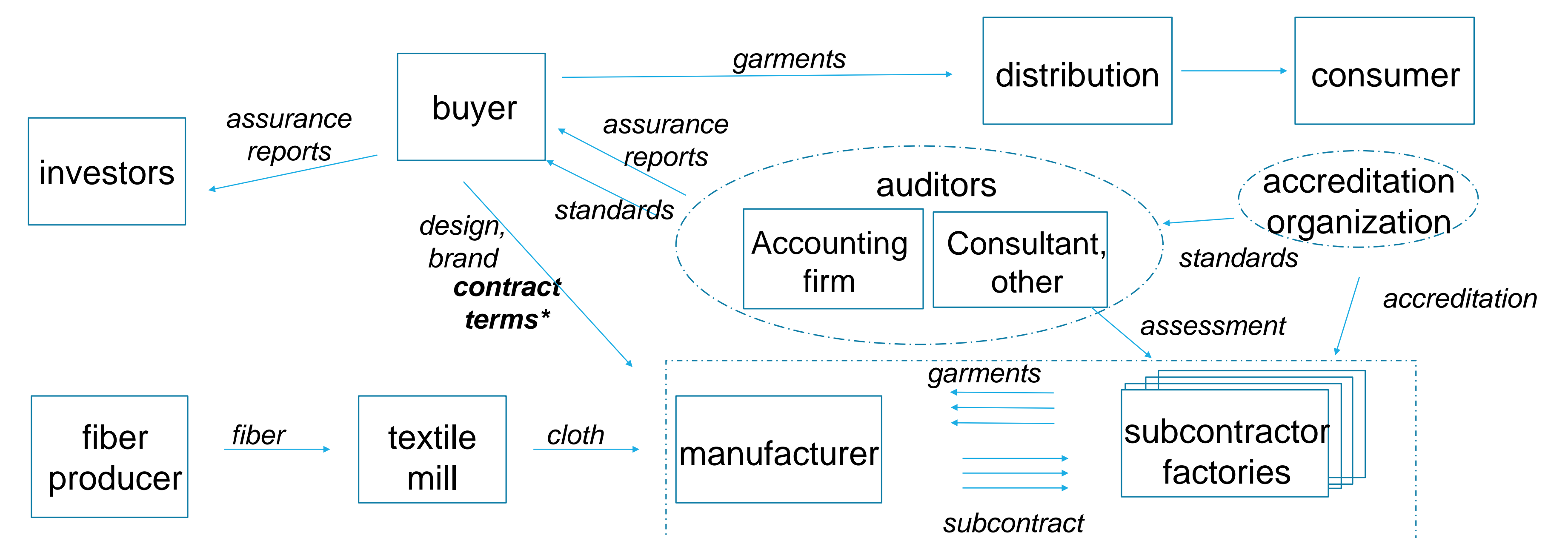
Impact on Teaching

Led to development of Topics in Business course to be offered Spring 2021

Common Themes

19 th Century	Now
PhilanthroCapitalism as alternative to legal protection / regulation	
Industrialists as “Captains of Industry”	Corporate Social Responsibility
Assume natural progress towards good	Assume consumers and investors, demand / reward ethical behavior
Role of Women; Paternalism – most of workforce are women	
Protect moral virtue and reputation	Lack of support for pregnancy, childbirth, child care
Pregnancy = dismissal from mill	Nike withdrew sponsorship for pregnant athlete (Montano)
Social Activism	
Serialized novels appeal to public	Social media; investor activities
Distance in Supply Chain	
Didn't address use of slavery in cotton production	Doesn't address oppressive conditions (e.g., Uzbekistan) in cotton production

Auditors and CSR



*Contract terms include standards from accreditation organizations

Outcomes / Failures

- 19th Cent
- Labor unrest led to legislation and regulation
- Modern
- Auditors have no fiduciary duty to investors or consumers
 - Buyers demand labor conditions incompatible with price requirements, reducing compliance
 - Buyers offer financial compensation as philanthropy, not as damages, avoiding legal liability
 - Dangerous and oppressive labor conditions exist despite audits
 - Audits shield buyers from legal liability