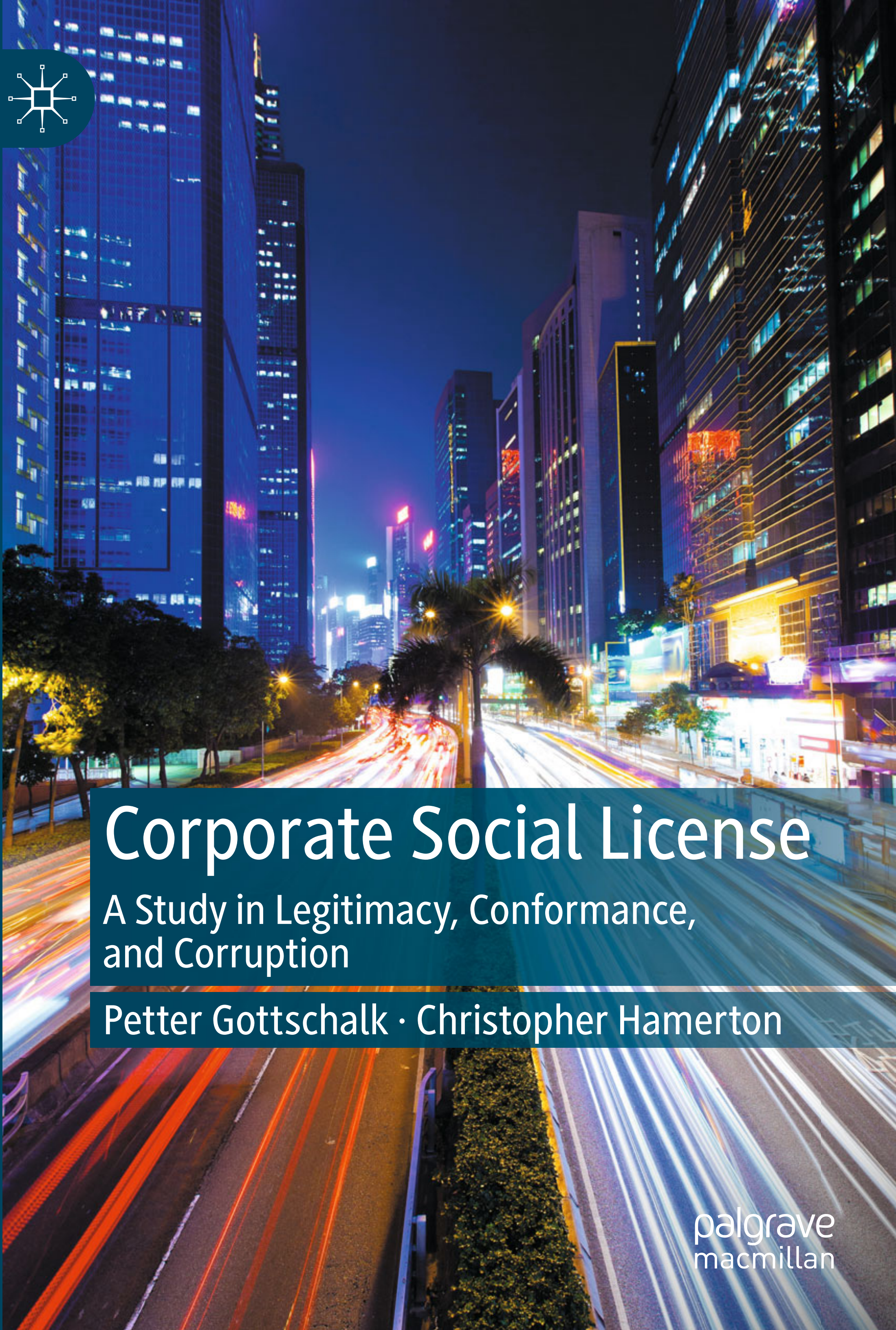

Corporate Social License

A Study in Legitimacy, Conformance, and Corruption

Petter Gottschalk · Christopher Hamerton

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Petter Gottschalk
Department of Leadership
and Organizational Behaviour
BI Norwegian Business School
Oslo, Norway

Christopher Hamerton
Sociology, Social Policy and Criminology
University of Southampton
Southampton, UK

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Introduction

This book aims to make a distinctive and innovative contribution to the study of white-collar and corporate crime through detailed examination of the use, affect, and violation of the corporate social license, a term frequently extended to the social license to operate. The social license—a public perception that can be earned, lost, and regained—fits within the wider remit of corporate social responsibility as a form of private business self-regulation through normative pressure. This links social license to established models of business legitimacy, ethical practice, and conformance, and conversely episodes of business illegitimacy, malpractice, and corruption. While, discrete aspects of corporate social responsibility have found their way into the discourse on business deviance and crime, no book to date has provided a detailed exploration of the corporate social license through a criminological lens. Here, the intention and aim is to redress this omission by initiating a project which foregrounds the concept as a key area for critical analysis and systematic inquiry. Using an interdisciplinary focus which includes illustrative case studies and large-scale original fieldwork, the book explores European, North American, Asian, and global perspectives and paradigms to identify, position, and

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reveal the impact of the social license on contemporary conceptions of white-collar and corporate deviance and crime.

Any project attempting to navigate such a wide and developing field must be bounded by practical limitations in terms of theory and context. Thus, it should be noted at the outset that this examination primarily focuses on breaches of the social license founded on economically motivated deviance and crime, with interpretation from a systems and convenience theory perspective—an approach covered in detail in Chapter 7. The research and case studies chosen are contemporary, with the book offered as an analysis of selected current developments—a critical monograph. Thus, while we acknowledge a sincere debt of gratitude to the underpinning scholarship into globalized crimes of the powerful from luminary peers such as Sutherland (1949, 1983), Braithwaite (1984, 1989), Kauzlarich and Kramer (1998), Green and Ward (2004), Franko-Aas (2007), Rothe (2014), Rothe and Kauzlarich (2022) systematic coverage of these key works is not within the ambitions or scope of this study.

Adopting an international view, the authors argue that a distinction is often made between the legal license to operate and the social license to operate. The latter referring to compliance with laws, regulations, and rules that apply within the jurisdiction, while the former refers to conformance with norms, values, and guidelines that apply within the society—the wider concept of legitimacy. Consequently, in many jurisdictions there are blurred lines between the legal and the social license to operate, a clear example being crimes of the powerful. Within this sphere, corporate crime and corporate criminal liability are not directly based on "a singular, statutorily defined offense but rather a broad and unforgiving attribution rule" (Baer, 2022: 891). Thus, while there are laws punishing corruption, fraud, and other forms of crime that can be attributed to white-collar individuals in organizations, there is indeed often difficult to assign legal liability. Without a chance or little chance to assign legal liability, assigning social liability is an alternative. Such blurred lines need bridging between social expectations and public regulations.

Regulatory calls for assumed compliance and normative conformance to avoid crime convenience is not just a matter of individual and organizational wrongdoing that harms other individuals and organizations. It is also a matter of global sustainability as described by the United Nations (UN). The UN Sustainable Development Goal 16 concerns 12 targets for promoting peace, justice, and strong institutions (Windsor, 2022). Moreover, Haines et al. (2022) examined how social control in the form of community pressure might be used to control corporate harm and shape business conduct in a more socially responsible direction. The suggestion here is for an extended view of social license to civilize, control, or repel corporate activity. In this model, social license can be established as acceptance of a business or business activity within a particular community, a key addition to the legal license to operate business activities. The social license forms part of a bottom-up and outside-in strategy where wrongdoing becomes social property independent of the criminal justice system.

A desired objective is the expansion of this existing hypothesis, contending that the current manifestation of the social license can be evaluated as predominantly centered on normative social permission for business activity where the media, social movements, and citizen watchdogs exert pressure, demand change, and bring enterprises to account. This view—often overlooked in systematic criminological analyses of corporate malpractice—frames the social license, when present, as a visible manifestation of a commitment to corporate social responsibility regarding agreement between company and community in business operations. From the perspective of social license, bottom-up as well as outside-in concerns should occupy board members' and top executives' attention. Here, bottom-up control refers to the manner in which organizational members can use different types of control mechanisms—such as whistleblowing, transparency, resource constraints, and organizational culture—to monitor, measure, and evaluate executives' avoidance of deviant behaviors and influence them toward achieving the organizations' goals in efficient, effective, and socially acceptable ways (Haines et al., 2022; Sale, 2021; Zhong & Robinson, 2021). Indeed, negative statements by politicians, activists, employees, journalists, and others can indeed cause damage to the business as well as harm the careers of people in trusted elite positions. While some companies initially attempt to respond by secrecy, the eventual publicness of wrongdoing, although not illegal, will cause damage. Consequently, with reference to comparative analysis and fieldwork, the book argues that the bottom-up approach of securing social license contributes to corporate avoidance of wrongdoing and the reinforcement of normative social expectations, while highlighting corporate deviance in corruption and violation in omission or breach.

Considering recent analyses across interdisciplinary fields, Haines et al. (2022: 184) examined "how social control in the form of community pressure might be used to control corporate harm and shape business conduct in a more socially responsible direction". They suggested a social license to civilize, control, or repel corporate activity. They defined a social license as acceptance of a business or business activity within a particular community. The social license adds to the legal license to operate business activities. The social license forms part of a bottom-up and outside-in strategy where wrongdoing becomes social property independent of the criminal justice system. Within this view, the social license is predominantly centered on social permission for business activity where the media, social movements, and citizen watchdogs exert pressure, demand change, and bring enterprises to account. The social license if present is a visible manifestation of a commitment to corporate social responsibility regarding agreement between company and community in business operations.

Sale (2021) defined social license as the acceptance of a business or organization by the relevant communities and stakeholders, and Cui et al. (2016: 775) referred to the social license to operate as "a community's acceptance or approval of a specific company project or of the entire company's ongoing operations in the community". Melé and Armengou (2016) referred to social license as the acceptance of the expansion of profit-seeking business that can affect community life. More scholarly definitions and a wider analysis of the expression "corporate social license to operate" are presented in Chapter 2.

Haines et al. (2022) studied community pressure against unconventional gas exploration by a large resources company in New South Wales (NSW) in Australia. While the bottom-up and outside-in approaches by various stakeholders were successful in reducing corporate harm, a number of issues emerged related to authority, meaning, and value. For example, an issue was to identify who were entitled to represent the community. Those chosen and accepted to represent the community might be those considered mature enough for the role, while critical and eccentric voices can be deemed unsuitable. In their case study, the social license went far beyond the legal license:

> Company representatives felt that an a priori assertion of their legal right to access land would be met by anger and defiance. Relying on their legal rights would be seen as arrogant and likely to lead to lengthy court disputes, one argued 'we never tested it' (their legal rights). Unlike coal mines where land to be mined is acquired by coal companies, gas companies did not need to acquire land (as subsurface resources in NSW are owned by the state), but they did need access to land in order to access those resources. (Haines et al., 2022: 191)

Sale studied Wells Fargo and Uber as cases of how the failure to account for the public nature of corporate actions, regardless of whether a "legal" license exists, can result in the loss of "social" license. This loss occurs through publicness, which is the interplay between inside corporate governance players and outside actors who report on, recapitulate, reframe, and, in some cases, control the company's information and public perception (Sale, 2021: 785). In this examination it was discovered that most of Wells Fargo's profits and growth were coming from the Community Bank. Executives as well as other employees in the community banking division at Wells Fargo had their motives for financial wrongdoing. Both pressures and possibilities were their motives. Sanger et al. (2017: 2) found that there was an explicit and strong "pressure on employees to sell unwanted or unneeded products to customers". The banking division was a sales-driven organization. Hired people got instructions in these sales practices and would lose their jobs otherwise. While risking their social license, the threat of job loss seemed more serious. The threat of job loss became a reality after disclosure of the account fraud scandal: "Approximately 5300 employees had been terminated for sales practices violations through the September 2016 settlements with the Los Angeles City Attorney" (Sanger et al., 2017: 2). Before the termination of all those employees "poor performance in many instances led to shaming or worse" (Sanger et al., 2017: 30). Investigators found that employees below the branch manager level—lower level in-branch managers and non-managers—frequently cited branch managers as actively directing misconduct or offering inappropriate guidance to subordinates on what constituted acceptable conduct. "Everyone was aware of what was implied when the manager would state 'it's late in the day and we need a certain number of accounts by the end of the day'" (Sanger et al., 2017: 37). An important possibility was compensation, as ambitious sales goals linked directly to incentive compensation:

> Employees were measured on how they performed relative to these goals. They were ranked against one another on their performance relative to these goals, and their incentive compensation and promotional opportunities were determined relative to those goals. The system created intense pressure to perform, and, in certain areas, local and regional managers imposed excessive pressure on their subordinates. (Sanger et al., 2017: 20)

Because of such deviant practices, the Community Bank at Wells Fargo lost its social license as the process of publicness exposed additional frauds:

> Take for example, the car loan repossession scandal. Between 20,000 and 570,000 customers of the bank were enrolled in and charged for car insurance without their knowledge, and when some of them failed to make payments on the unknown insurance, they had their cars repossessed. Even though Wells Fargo said it was "extremely sorry" and promised to refund customers and work with credit bureaus, its response lacked credibility. (Sale, 2021: 833)

The idea here is that the legal license was not necessarily violated, while the social license was certainly violated. Therefore, board members and executives could probably not be prosecuted in court, while the business suffered from social disapproval (Sale, 2021: 837):

> Although it is unclear what information the Wells Fargo board received, ex post investigations reveal that the company's decentralized nature and,

> perhaps, management evasion resulted in fragmented reporting, which in turn contributed to the sustained nature of the fraud. Yet, if the board had pressed with questions about management strategy and its downside risks, the board would have ensured dialogue about the types of underlying facts necessary to develop legitimacy, credibility, and trust and thus helped to protect the company's social license.

The typical outcome of social license violations seems to be the dismissal of executives at various levels in an attempt to regain trust, for example:

- CEO Carrie Tolstedt at Community Bank in the United States had to leave her position despite her attempts to blame individual employees (Sanger et al., 2017: 103): "Tolstedt emphasized that a large organization could not be perfect, and that the sales practice problem was a result of improper action on the part of individual employees".
- CEO Birgitte Bonnesen at Swedbank in Sweden had to leave her position after the money laundering scandal investigated by Clifford Chance (2020). The new Swedbank board decided to withdraw her final compensation (Johannessen & Christensen, 2020).
- CEO Thomas Borgen at Danske Bank in Denmark had to leave his position after a similar money laundering scandal investigated by Bruun Hjejle (2018).
- CEO Martin Winterkorn at Volkswagen in Germany had to resign because of the emission manipulation scandal (Jung & Sharon, 2019).
- CEO Thorsteinn Mar Baldvinsson had to step aside until the pending internal investigation into the Icelandic company's subsidiaries' alleged wrongdoing in Namibia was to be completed (Samherji, 2019a, 2019b, 2020a, 2020b, 2021).

In the Swedbank case, there was later determined that a violation of the legal license had also occurred. The former chief executive at Swedbank resigned from the position while Clifford Chance was still conducting the internal investigation. Another executive resigned from the position of chief compliance officer when the bank publicized the report of investigation. Two years later, in 2022, the former chief executive at Swedbank, Birgitte Bonnesen, was charged with fraud and market manipulation by the Swedish prosecutor (Ismail, 2022: 7):

> The revelations at that time led to a number of people in senior positions having to leave. The bank also received a record fine of four billion Swedish kroner, according to Swedish public broadcasting. One of those who were fired was Swedbank's top executive Birgitte Bonnesen. In January this year, the Swedish economic crime authority brought charges against Bonnesen for gross fraud and market manipulation.

In addition, the entire former management of Swedbank in Estonia was suspected of money laundering. The Estonian public prosecutor suspected that the management of Swedbank's Estonian bank contributed to laundering of 100 million Euros in the years 2014–2016. Some of the suspected money laundering was linked to Mikhail Abyzov, a former minister in the Russian government (Ismail, 2022).

Many more examples of dismissed chief executives come to mind. However, more interesting to mention are situations where blame is attributed downward in a corporate hierarchy to regain the social license to operate. An example is General Motors after the Cobalt ignition switch failure. Rather than blaming CEO Mary Barra, several others had to leave. Bill Kemp, a senior lawyer in the automobile company, was one out of several who received blame for the lack of reaction to the ignition switch failure (Shepardson & Burden, 2014).

The social license to operate seems dependent on how the company is able to negotiate and achieve acceptance of the various impacts its operations might have on the local community. When the term was coined, it was especially concerned with environmental harm from mining companies and other physical business activities (Buhmann, 2016). Later, the use of the term expanded to human rights and conditions for workers within the companies. Consequently, the term of social license to operate is related to several other constructs such as corporate social responsibility, stakeholder engagement, governance structure, and democratic processes (Cui et al., 2016).

From the perspective of social license, bottom-up as well as outside-in concerns should occupy board members' and top executives' attention. Negative statements by politicians, activists, employees, journalists, and others can indeed cause damage to the business as well as harm the career of people in trusted elite positions. While some companies initially attempt to respond by secrecy, the eventual publicness of wrongdoing, although not illegal, will cause damage. Therefore, as argued by Sale (2021) and Haines et al. (2022), the bottom-up approach of securing corporate social license contributes to corporate avoidance of wrongdoing. The bottom-up approach to executive compliance and conformance focuses on organizational measures to make white-collar wrongdoing less convenient for potential offenders. Bottom-up control refers to the manner in which organizational members can use different types of control mechanisms—such as whistleblowing, transparency, resource constraints, and organizational culture—to monitor, measure, and evaluate executives' avoidance of deviant behaviors and influence them toward achieving the organizations' goals in efficient, effective, and socially acceptable ways (Zhong & Robinson, 2021).

In terms of introducing chapter synopsis and coverage, Chapter 2 expands scholarly definitions regarding the concept of corporate social license to operate, such as the social license being "a social construction to which various stakeholders contribute" (Baba et al., 2021: 248), before moving into the danger of violating the license. Violations are exemplified by cases derived from corporate investigation reports. The investigation reports indicate that wrongdoing might have occurred that do not represent crime, but the deviance has threatened to social license. The cases covered include Danish clothing firm Bestseller that produced its garments in Myanmar that could benefit the military junta, the Norwegian housing firm Obos that was supposed to build ordinary homes for ordinary people, and the Icelandic fishing firm that obtained fishing rights outside the coast of Namibia in Africa where bribes were involved.

An interesting perspective on the corporate social license is institutional theory that can explain how businesses respond to pressures as discussed in Chapter 3. Institutional theory assumes that the social context has an important impact on human behavior, while at the same time downplaying the role of strategic responses often found in the management literature. Institutional theory emphasizes conformance that refers to meeting and potentially exceeding societal and other informal norms and obligations (Durand et al., 2019).

Another interesting perspective on the corporate social license is stakeholder theory that can explain how businesses repond to various interest groups as discussed in Chapter 4. Then the social license is "the set of demands and expectations held by local stakeholders and broader society about how a business should operate", and "a license is then said to be granted if the business is deemed to have met these demands and expectations – and thus is viewed as being socially acceptable" (Hurst et al., 2020: 1).

Chapter 5 discusses important issues regarding the social license to operate. Important issues include the relevance of various sources of license authority, relevant substance of the social license, and the value of gaining the social license. Furthermore, the perspectives of social license contract and moral legitimacy are covered in this chapter. Moral legitimacy refers to acting in accordance with common interests. Melé and Armengou (2016: 729) argued that "moral legitimacy entails intrinsic value and helps executives convince firm's stakeholders and the general public of the ethical acceptability of an institution or its activities or projects".

Corporate responses to normative pressures are discussed in Chapter 6. Normative pressures refer to socially derived expectations where a plurality of institutional demands tends to be combined. Durand et al. (2019) made a distinction between willingness and ability of organizations to respond to normative pressures. The willingness derives from issue salience that refers to the extent to which a stakeholder issue resonates with and is prioritized by management. The ability refers to available resources and capabilities that lead to an assessment of taking or not taking action on the issue. There is also a more general pressure from conflicts in society that call for a new form of capitalism.

The theory of convenience is explained in Chapter 7. Avoidance of misconduct and crime to gain and keep the social license is a matter of reducing motives for illegitimate gain, reducing organizational opportunities to commit and conceal wrongdoing, and reducing individual willingness for deviant behavior (Gottschalk, 2022). Traditionally, the perspective of corporate social responsibility has dominated regarding executive attention to stakeholders and normative pressures. However, as discussed in Chapter 8, corporate social responsibility has tended to be taken by symbolic rather than substantive actions.

Chapter 9 presents a series of interrelated case studies where the social license to operate has been challenged. The cases are from different parts of the world: South Africa for the rooibos industry, Australia for the seam gas industry, Peru for the mining industry, the Netherlands for a gas company, Germany for a technology company, and Denmark for a garments firm.

Obos was a construction company that was building ordinary homes for ordinary people in Norway for several decades after World War II. The company was organized as a cooperative where people who had Obos housing as well as people who searched for Obos housing were members of the cooperative. Suddenly, the new chief executive seemed to change the business model of the cooperative company that caused a member revolt that threatened the social license to operate (Larsen, 2021). The case of Obos is presented in Chapter 10.

Chapter 11 reviews the various perspectives on conformity, compliance, and convenience. Corporate compliance and conformity are both a matter of issue salience and profitability in terms of benefits exceeding cost. This might seem strange since lack of compliance represents violations of laws and regulations, while lack of conformity represents violations of norms and expectations. It seems more serious to violate laws than norms for corporations. However, if issue salience reflects the seriousness of non-compliance versus non-conformity, then the difference between the two might in some cases in fact be in the opposite direction.

Traditionally, men in executive positions have been responsible for deviant acts that have threatened and potentially violated the social license to operate. The participation of women is less clear. Based on limited empirical evidence of stable women involvement in white-collar crime independent of the extent of gender inequality in Iran, Portugal, Norway, India, and the United States, Chapter 12 suggests relative convenience as a potential explanation of the stability. We argue that increased opportunity convenience of committing and concealing financial crime in an organizational setting from greater gender equality is associated with reduced motive and willingness to commit and conceal financial crime for potential female offenders. The chapter attempts to move beyond the traditional perspectives of emancipation versus focal concern, which argue that less inequality will increase women involvement in white-collar crime versus women socializing into accepting responsibilities for social concerns by caring for others.

While business conformance is the main issue in this book, it does not help to argue for and claim business conformance if lack of conformance is not understood. It is important to understand a negative phenomenon to be able to avoid it. Simply stated, "it takes a criminal to catch a criminal", or "it takes a thief to catch a thief". Therefore, the final substantive chapter, Chapter 13, explores empirically how deviance in the form of white-collar crime can be understood. This is followed by a brief and reflective conclusion.

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2

Violations of the Social License

This chapter expands scholarly definitions regarding the concept of corporate social license to operate, such as the social license being "a social construction to which various stakeholders contribute" (Baba et al., 2021: 248), before moving into the danger of violating the license. Violations are exemplified by cases derived from corporate investigation reports. The investigation reports indicate that wrongdoing might have occurred that does not represent crime, but the deviance that has threatened the social license. To define the concept and highlight the scholarly potential of the theme of social license violation, a number of focused illustrative case studies are introduced. These include the Danish clothing firm Bestseller, which withdrew from longstanding production of its garments in Myanmar following socio-political pressure, Norway's largest housing developer OBOS, that operated under the value banner of ordinary homes for ordinary people, and the Icelandic seafood giant, Samherji, that was revealed to have obtained fishing rights outside the coast of Namibia in Africa through bribery.

Traditionally, white-collar and corporate crime research has focused on the role of the criminal justice system in prosecuting and punishing offenders and offenses. The frequent lack of prosecution and punishment

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has been explained by various theoretical perspectives that reflect the legal license to operate. However, the emerging perspective of the social license to operate illustrates punishment for violations that can cause termination of executives, market loss, and other serious harm to individuals and firms. This chapter presents three case studies where fraud examiners reviewed the legal license when the social license was ignored. There is an interesting avenue here for future white-collar and corporate crime research in distinguishing between punishment from violations of the legal license and punishment from violations of the social license to operate.

Surprisingly often, fraud examiners conclude with misconduct but no crime in their internal investigations of suspected white-collar and corporate offenses (Gottschalk, 2016, 2020, 2021). Fraud examiners are in the business of reconstructing past events and sequences of events when there are allegations and suspicions of financial crime such as corruption and embezzlement (King, 2012, 2020, 2021; Meerts, 2020, 2021). Investigation conclusions of misconduct but no crime implies that the client organizations did not violate the legal license to operate. The legal license refers to laws that describe wrongdoing and punishment (Haines et al., 2022; Sale, 2021).

However, fraud examiners often identify misconduct and wrongdoing that represents violations of the social license to operate. Rather than punishment by the criminal justice systems, violations of the social license from wrongdoing lead to punishment by the local community and relevant stakeholders, where such punishment seems to grow in importance for accused enterprises (Baba et al., 2021; Haines et al., 2022; Hurst et al., 2020; Sale, 2021). Therefore—even when fraud examiners find that the legal license was obviously not violated—accused enterprises tend to change their business practices as a response to organized criticism to avoid harm to the business.

This chapter reviews fraud investigation reports and their consequences to provide insights into violations of the social license to operate.

The current research is important, as the emerging stream of social license literature can illustrate that although white-collar and corporate crime suspicions tend to avoid the attention of the criminal justice system (Gottschalk & Gunnesdal, 2018; Gottschalk & Tcherni-Buzzeo, 2017) as emphasized a long time ago by Sutherland (1939, 1983) when discussing the murky boundary between illegal and legal corporate practices, there are nevertheless consequences for offenders from external reactions that can harm and potentially threaten enterprise existence. In fact, the threat of sanctions from powerful stakeholders might in the future become more frightening than the threat of traditional criminal prosecution.

The Social License to Operate

The social license refers to "the acceptance or approval by the local – if not indigenous – communities and stakeholders of a business enterprise's operations or projects in a certain area" (Saenz, 2019: 297). The social license is "the set of demands and expectations held by local stakeholders and broader society about how a business should operate", and "a license is then said to be granted if the business is deemed to have met these demands and expectations – and thus is viewed as being socially acceptable" (Hurst et al., 2020: 1). The social license can be defined as "a social construction to which various stakeholders contribute" (Baba et al., 2021: 248). The social license is an expression "often used in the context of a possible disapproval of their activities, when such disapproval may result in resistance that could harm business interests", and the term "refers to mainly tacit consent on the part of society toward the activities of the business" (Demuijnck & Fasterling, 2016: 675). According to Rooney et al. (2014: 209), a social license refers to "an informal agreement that is granted by communities and relevant stakeholders to an organization or industry working in the local area":

> Organizations holding a social license may not even recognize they have one. However, when a social license is removed it becomes obvious to all, incurring both human and economic costs that sometimes can be irreparable.

Haines et al. (2022: 184) examined "how social control in the form of community pressure might be used to control corporate harm and shape business conduct in a more socially responsible direction". They suggested a social license to civilize, control, or repel corporate activity. They defined a social license as acceptance of a business or business activity within a particular community. The social license adds to the legal license to operate business activities. The social license is predominantly centered on social permission for business activity where the media, social movements, and citizen watchdogs exert pressure, demand change, and bring enterprises to account. The social license is a visible manifestation of a commitment to corporate social responsibility regarding agreement between company and community in business operations. Similarly, Sale (2021) defined social license as the acceptance of a business or organization by the relevant communities and stakeholders, and Cui et al. (2016: 775) referred to the social license to operate as "a community's acceptance or approval of a specific company project or of the entire company's ongoing operations in the community". Melé and Armengou (2016) referred to social license as the acceptance of the expansion of profit-seeking business that can affect community life.

The rise of social media, non-government organizations, as well as the knowledge level among citizens has led to the strengthening of stakeholder demands (Panda & Sangle, 2019: 1085):

> As a result, firms often find themselves in conflicts. The cost of these conflicts for the firm is the opportunity cost of future projects due to loss of reputation, and for the stakeholders, it is the loss of opportunities, both social and economic, that could be brought by the projects. The tension between firms and stakeholders creates a dynamic environment where following compliance is not enough, and social acceptance is equally important as government licenses. Such an acceptance is termed as 'social license to operate' (SLO). SLO exists when a project is seen as having the broad, ongoing approval and acceptance of society to conduct its activities.

The value of a social license lies both in the defensive as well as the offensive dimensions. The defensive dimension is concerned with avoiding criticism and obstacles in business activities from skeptical representatives of the community. Executives do not like bad press and activist campaigns, and they want to avoid consumer reactions. Companies do not want critical attention from various supervisory authorities, and they avoid becoming negative topics in municipal committees and government agencies. Companies want a social license that can "prevent demonstrations, boycotts, shutdowns, negative publicity, and the increases in regulation that are a hallmark of publicness" (Sale, 2021: 820). The defensive dimension is a matter of violation of the license or even loss of the license. Such circumstances "can lead to serious delays and costs for organizations, reduced market access, boycotts or protests, community anger, increased regulations, loss of reputation, and, in extreme instances, the failure of a project, organization and/or industry" (Hurst et al., 2020: 1). For example, in the Netherlands, the loss of the social license to operate caused Groningen gas to stop its operations making substantial volumes of gas being left in the ground (Beukel & Geuns, 2019).

The offensive dimension of social license value is concerned with benefits and advantages in business activities from supportive and enthusiastic representatives of the community. Executives do like favorable press, and they enjoy consumers' expression of satisfaction. Companies want positive attention—or no attention—from various supervisory authorities, and they avoid becoming topics in municipal committees and government agencies, unless they are called upon as resources to solve state problems. As a resource, an enterprise can be an enabler of solutions preferred by politicians that they cannot accomplish without the help of the enterprise. Ideally as a resource, the enterprise has unique expertise in the field that can be applied to solve problems perceived as challenging in the community. The value of social dimension in the offensive dimension includes "the generation of legitimacy, trust, and credibility among stakeholders; improved corporate reputation; long-term business success; ongoing access to resources; improved market competitiveness; strengthened stakeholder relationships; and positive effects on employees" (Hurst et al., 2020: 1).

The social license to operate can be understood from the perspective of social control theory linked to business ethics (Chamlin, 2009; Hoffmann, 2002; Kane, 2003; Onna & Denkers, 2019). Social control