Addiction and Lifestyles in Contemporary Europe: Reframing Addictions Project (ALICE RAP)

Corporate Social Responsibility
Deliverable 2, Work Package 11

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1. Abstract

This report looks at Corporate Social Responsibility (CSR) across the tobacco, alcohol, and gambling industries in Europe, and also at CSR around decriminalised drugs (coffeeshops) and illicit drugs – which we refer to as the 'addictive industries'. We also look at CSR in the high fat, salt or sugar (HFSS) food industry , given that some have argued that this too is addictive, and because its CSR discourses and practices share many features with the addictive industry.

The report defines CSR as "voluntary activities by private businesses that claim to promote societal welfare, beyond any benefits of economic activity per se," and looks at three interconnected questions: corporate actors' motivations to do CSR; the activities that take place; and the impacts they have on health and addiction-related harms. The analysis is based on new documentary and interview-based evidence including 83 direct interviews and 8 recorded speeches by CSR professionals; 31 documentary reports from published corporate CSR documents; searches of the academic and grey literature, including a systematic analysis of all final CSR reports from the EU Alcohol & Health Forum; and 72 interviews with drug dealers in Italian prisons.

The report's headline findings are that (i) the most common stated motivation for CSR activities was a long-term 'licence to operate', deflecting the possibility of restrictive legislation, although some industries also reported consumer desires for healthier products; but (ii) there remains a debate about whether these motivations to claim social benefits translate into actual social benefits. This requires us to directly examine the nature and impacts of CSR. We find (iii) a variety of CSR activities that predominantly fit into a discourse of 'encouraging the responsible consumer'. However, (iv) many CSR activities are not evaluated; those evaluations that do exist are not very convincing in terms of key outcomes; and the very small number of relatively convincing evaluations show negative impacts.

Despite this, (v) most industry respondents nevertheless argued that CSR was 'the right thing to do', partly because it was seen as right to respond to societal pressure, even if it was not felt that this was likely to reduce addiction-related harm in itself. More importantly for our focus on health/addiction-related harm, (vi) CSR activities were also claimed to be 'the right thing to do' as they were seen as likely to have an impact (even without any evidence to demonstrate this) – but the views about what is likely to work among CSR professionals was at odds with the weight of evidence (particularly for alcohol and tobacco). We conclude with a recommendation for policymakers based on the evidence within this report, and by linking to the indirect impacts of CSR activities being studied in ALICE RAP Work Package 12.

2. Introduction

Corporate Social Responsibility (CSR) can be found across the tobacco, alcohol, and gambling industries (the 'addictive industries') in Europe, and also in the high fat, salt or sugar (HFSS) food industry (which some have also argued is addictive[1]), and even for the sale of marijuana in Dutch coffeeshops. This ALICE RAP report explores this phenomenon, asking three fundamental questions:
- What are the motivations of these industries to do CSR?
- What CSR actually takes place?
- What impacts do these CSR activities have?

As noted in the Description of Work, the aim is to build a theoretical understanding of CSR based on the interconnected answers to these questions, in order to provide a full picture of CSR around addictions in Europe. By first looking at the *motivations* for CSR, we seek to understand why CSR takes place – which already alerts us to the possibilities and limitations that are inherent in CSR. By secondly looking at *CSR activities*, we see how these motives translate into actions for particular addictive industries. Finally, by looking at the *impacts* that these actions have, we see the extent to which these possible motivations translate into real reductions in addiction-related harm (or other public health and social benefits). This then feeds into ALICE RAP Work Package 12, which examines the way that CSR is used within the policy process. In combination, this allows us to see the practice and possibilities of addictions CSR in Europe.

Defining CSR

It is first necessary to define CSR – bearing in mind the 'definitional bickering' (Ward and Smith 2006:28) that tends to take place, which itself reflects the essentially contested nature of CSR (Okoye In Press). Indeed, there are a number of simultaneous debates competing to define CSR in ways that lead in different directions (Brejning) – for example, some debates consider empirically whether CSR improves corporate performance, while other debates are about how businesses should be *compelled* by legislation to act 'responsibly'. Rather than seeking to impose a normative viewpoint about what the responsibilities of business *should* be, we instead are interested in understanding the phenomenon of CSR as it actually exists (it is worth noting, in passing, that the phenomenon of CSR as it actually exists is itself not a value-neutral construction). We therefore define CSR as *"voluntary activities by private businesses that claim to promote societal welfare, beyond any benefits of economic activity* per se.*"*

There are four aspects of this definition that are worthy of note. Firstly, we focus on voluntary activities; our focus here is neither attempts to *force* businesses to be more responsible, nor different levels of compliance with regulation. Secondly, even those opposed to CSR (such as in Friedman 1970's classic critique that 'the business of business is business') argue that private economic activity is beneficial to society as it generates employment, tax revenue, useful goods and services etc. These benefits are clear, but we exclude these from our definition of CSR as our focus here is on activities that go *beyond* this. Third, our definition of CSR can still incorporate self-interested activities, as long as these have an explicit claim to promote societal welfare. This is partly pragmatic; if we define CSR as excluding self-interested activities, then CSR simply does not exist on a significant scale, and this report would be

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[1] Other parts of the wider ALICE RAP project deal with the issue of whether HFSS food can be considered addictive; given their inclusion in the ALICE RAP project, for this report we hereafter refer to 'the addictive industries' to denote all of these industries in this report they are separated out.

substantially shorter and less informative. Instead, and as we will argue below, the claims made by industry participants for their CSR activities can generally be categorised in one form or another as referring to 'enlightened self-interest' in the pursuit of social goals. Finally, while CSR is defined in terms of *claimed* impact on societal welfare, the issue of the *actual* impact of these CSR activities on societal welfare is clearly of paramount importance. We return to these issues at various points within this report, and summarise the results in our Conclusions/Recommendations in section 9.2.

The structure of the report

The structure of this report reflects both theoretical and practical issues. Theoretically, our argument follows a path from motivations ➔ practices ➔ impacts, with chapters 4-1 dealing with each of these in turn. These chapters focus on the main case studies available to the University of Kent team by the summer of 2013, which includes tobacco, gambling and alcohol in the UK, Netherlands, Italy, and at EU-level (see below for details). Small parts of this material are adapted from a scientific paper within this part of WP11 (Baumberg & Cuzzocrea, Under Review).

This is then followed by three chapters that apply the same theoretical framework to three further case studies: (i) HFSS food in the UK; (ii) Cannabis coffeeshops in the Netherlands; and (iii) illicit drugs. These were either originally scheduled to be completed at a later date (for illicit drugs), were delayed from their planned dates (HFSS food), or were unplanned case studies due to unexpected opportunities (coffeeshops). More detailed explanations for these delays are given in the separate administrative documentation, but, despite this, in combination, this report meets all of the aims that were set out in the Description of Work.

Within-industry differences

In this report, we tend to use terms like 'the addictive industries', 'the gambling industry' etc. While these are a useful shorthand in a broad-ranging report like the present one, we should note from the outset that there are substantial differences both between these different industries (e.g. between tobacco and gambling) and within them (e.g. between bars and vodka producers, or between bookmakers and slot machine operators, or even just between similar companies following different corporate strategies). We do not focus on these differences in this report in order to make our scope manageable, but it is nevertheless important to emphasise these differences rather than treating each industry as a homogeneous entity.

3. Methods (main case studies)

To understand CSR across different addictions in different national contexts in Europe, we use a multiple case study approach across four settings (the Netherlands, England, Italy, and EU-level governance), studying most addictions in at least two settings. New data collected 2012-14 within ALICE RAP are combined with data from a single previously unpublished 2007 case study analysis by one of the present authors, focusing on alcohol CSR in the UK. (These new interviews are not intended to substitute for any of the data collection as agreed in the Description of Work; see the separate administrative reports for details).

These case studies were chosen to both capture variation in the tradition of CSR (which e.g. Brejning 2013 shows to influence CSR discourses considerably), with the EU-level much more heavily reliant on soft law than any of the national contexts. They were also chosen to capture variation in the cultural context around the addictive goods/services (Heath 2000). In total, the main part of the analysis in chapters 4-5 covers eight case studies[2], allowing comparisons both across countries (within any given addiction) and across addictions (within any given country). A further case study is covered in chapter 6 (HFSS Food in the UK).

Within each case we used two sources of data, where possible (as in Holden, et al. 2012): interviews with CSR professionals (transcribed and translated into English; the interview guide is available in Appendix 1, below) , and publicly available documents/websites (summarised in English via a standardised template, available in Appendix 2, below). While elite interviews – that is, interviews with highly-educated individuals with a greater degree of power than is typical – have certain challenges (Goldstein 2002; Fooks et al. 2011), they are necessary in order to probe for richer explanations. At the same time, documents have the advantages of capturing the public image that actors choose to present, and are easy to obtain even with limited further cooperation of members of a given industry. Systematic analysis of documents was generally not possible due to the limited and diverging information available, but where a systematic framework existed – for commitments made within the EU Alcohol and Health Forum – systematic analysis was undertaken.

Greater use of documents was made where interviews were more difficult (such as in the Netherlands; see below). These interview and documentary sources were supplemented by unexpected sources of data that was quoted or supplied by interview participants (e.g. presentations, evaluations). It should be noted that in a small number of cases in Italy, interviewees only took part if they were allowed to amend the transcript by email, making them more similar to official written statements rather than a dialogic exchange; this process is itself a source of informal evidence[3] and is the subject of further discussion elsewhere (Cuzzocrea & Baumberg, In Preparation).

It is important to be aware of the strengths and limitations of each source of evidence in answering the questions that we posed in the Introduction. The analysis of motives is primarily obtained from the interviews, given that motivations are primarily implicit rather

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[2] This includes tobacco in the Netherlands and Italy; alcohol in the Netherlands, UK and EU; and (the less-studied field of) gambling in the UK, Italy and the EU.

[3] For these cases, the initial version of the transcript (before agreement) cannot be used, e.g. in quotes. However, while we cannot provide examples, the differences between versions provided insights into how different actors wanted to be seen, which generated ideas for analysis using the materials that we can present in the written reports.

than explicit in the documents. However, expressed motivations are not necessarily *actual* motivations, either because the interviewee is not being truthful, or (more likely) because the motivations of corporate actors are not necessarily discernible by the individuals within them. As a result, the analysis of what CSR activities actually take place (and what impacts they have) provides further clues as to the actual motivations of the industries involved. We return to these issues in the concluding section of each chapter below.

Data collection and sample

Data collection was undertaken by the following partners:

Country	Organization	People involved
UK/EU	University of Kent	Valentina Cuzzocrea Ben Baumberg
Italy (tobacco)	Eclectica	Enrico Petrilli Franca Beccaria
Italy (gambling)	University of Turin	Sara Morini Peppino Ortoleva
Netherlands	The Dutch Institute for Alcohol Policy (STAP)	Jurriaan Witteman Wim van Dalen

All interviewees were told that the research was funded by the EU Framework 7 project 'ALICE RAP' and that the research was subject to ethical approval by the University of Kent. 1Interviewees were primarily conducted in person but some were conducted by telephone; our experience fits previous research that suggests that while face-to-face interviewing is generally ideal, elite interviews can be suited to telephone interviews as a second-best alternative (Stephens 2007).

The sample for both the interviews and the documents was focused on chief executives and communications/CSR managers within large producers and their collective organisations (e.g. trade bodies or CSR bodies), but also including interviews with key non-industry actors (NGOs, civil servants) and with a smaller representation of major retailers. While we adopt the language of the 'addictive industries', we recognise the heterogeneity of each industry and do not suggest that the same discourses would be found among smaller, non-publicly-listed companies in any sector, nor that the precise interests of each actor and each organisation are identical (Holden, et al. 2012). Nevertheless, the *broader* CSR discourses did not systematically vary across actors within this group of large corporations and corporate bodies.

Challenges

Interviews were easier to obtain for some actors in some contexts, with the biggest challenges being for tobacco. The EU, Italy and the Netherlands – where we collected our data – have all ratified/confirmed the Framework Convention on Tobacco Control (FCTC) that states that *"there is a fundamental and irreconcilable conflict between the tobacco industry's interests and public health policy interests"* (see below), and these principles are also generally adopted by tobacco NGOs. As a result, we found it almost impossible to speak to people in the tobacco industry; despite repeated efforts (for an account of these, see accompanying administrative report), we obtained only one industry interview, although we did obtain a number of non-industry interviews, which tended to be highly critical of the industry.

While not to the same extent, there were also difficulties in the Italian gambling case and the Dutch alcohol case. For gambling in Italy, the CSR discourse appeared to be in flux at the time of the interviews in the context of the exponential expansion of the industry from a low base.

CSR professionals were reluctant to make comments at a sensitive time when they have not yet formulated their own positions, when sharing responsibility is still being debated (Bertagni, et al. 2007), and where the media's focus is on individual instances of responsibility (e.g., praise for bar owners refusing to have slot machines) rather than corporate policies. This is not helped by the historic position of gambling in Italy as connected to illegal organisations, which makes these issues even more politically difficult and opaque, and resulted in several interviewees only participating on condition of control over the transcripts, which they then edited heavily into a written statement.[4] In the Dutch alcohol case, our research partner is a well-known critic of the alcohol industry and every single alcohol industry company/organization refused to take part. However, the partner instead used their expertise to obtain a considerable amount of documentary data, which is used in the analysis below.

In total, our corpus for analysis included 80 interviews (46 interviews from 2012-13 [9 UK, 15 EU, 7 Netherlands, 15 Italy] and 34 UK interviews from 2000), of which 50 were among corporate actors, and alongside 23 completed document-based reports (with most reports relating to multiple sources). This is considerably greater than the 25-35 interviews, for example, in recent single-country alcohol studies (Baggott 2006; Hawkins and Holden 2013). The corpus was then analysed with NVivo 10, using a mixture of thematic coding and memos based on analysis of full transcripts in context, to avoid the fracturing tendency inherent in purely thematic analyses.

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[4] The distinctiveness of the Italian case may well be short-lived; there have been rapid developments in gambling governance in Italy in recent months, especially with regard to the entrance into force of the Balduzzi decree in 2012 that, *inter alia,* recognises pathological gambling as a disease for the first time. Furthermore, we may expect that the EU's emphasis on developing common governance standards via the Open Method of Coordination will further push national governance towards an institutionalization of CSR.

4. Motivations for CSR (main case studies)

The idea that 'responsibility pays' has become widespread in some circles, and there is a large literature showing that responsibility does pay – at least in certain circumstances. While various reviews have found mixed results (Smith 2003; Bramnner, et al. 2006; Jenkins and Hines 2003; Margolis and Walsh 2001), a ten-year-old meta-analysis across all studies concludes that *"financially successful operators spend more [on CSR] because they can afford it, but [CSR] also helps them become a bit more successful"* (Orlitzky, et al. 2003:424). Moreover, some research suggests that 'controversial industries' – including the addictive industries – reap particularly high rewards from CSR (Jo and Na 2012). This does not show that *any* 'responsible' activity will pay off; business decisions generally do not pay off in every case and every context; there are times when they work and times they do not (Vogel 2005:33).[5] Nevertheless, it draws attention to the possibility that responsibility *can* pay.

However, some people claim that the actions of various addictive industries *cannot* be beneficial for society, on the grounds that their motivations are in conflict with public health – as a parliamentary select committee in the UK put it, commenting on a UK CSR initiative around alcohol/obesity, *"those with a financial interest must not be allowed to set the agenda for health improvement"* (House of Commons Health Committee 2011:6). Similarly, a number of alcohol experts claim that the alcohol industry has no incentives to behave responsibly, so that – taken from *a priori* reasoning – alcohol CSR activities will not and cannot have positive impacts on public health (Anderson 2006:11; Wallack 1993:174; Jahiel and Babor 2007); as Yoon & Lam put it (2013), *"there is a fundamental and irreconcilable conflict of interest here."* This is particularly the case for tobacco, where the conflict of interest is often seen as sufficiently high to argue that *'tobacco companies are not in the CSR business'* (Palazzo and Richter 2005:398). The WHO 2008 Guidelines on interpreting the FCTC[6] state explicitly that *'there is a fundamental and irreconcilable conflict between the tobacco industry's interests and public health policy interests',* and furthermore that *'[governments should,] to the extent possible, regulate activities described as 'socially responsible' by the tobacco industry'.*

In this chapter we consider the motivations for the various addictive industries to behave responsibly. We begin by looking at whether there is a conflict of interest inherent in producing or retailing addictive goods/services, before looking at whether there are countervailing motives to behave responsibly.

4.1 Motives to behave *ir*responsibly?

While there are a variety of arguments that some experts use in challenging the motives of the addictive industries, the main argument is simple: that these industries gain a substantial proportion of their sales from addicted consumers (or from otherwise harmful consumption). Even where addicts[7] account for a *minority of consumers* of some goods/services, a small

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[5] Indeed, it is worth noting that these analyses only show that overall, operators who behaved responsibly performed slightly better than those who did not. They do not say anything about whether *other* operators would have done better if *they* had done more CSR. In a perfect market we would expect CSR to be done to the level that it pays off *and no further* (McWilliams and Siegel 2001; Vitaliano and Stella 2006).

[6] Article 5.3 of the WHO Framework Convention on Tobacco Control (FCTC) states that governments should *'…protect [tobacco] policies from commercial and other vested interests of the tobacco industry…'.*

[7] We wish to stress that 'addiction' is a complex and contested term, and we do not aim to prioritise a particular conception of addiction here.

number of very heavy consumers can account for a *considerable proportion of consumption*. The evidence that underlies these claims (implicitly, if not explicitly) is as follows:

Tobacco: there are few direct estimates of the share of tobacco sales that are accounted for by people who are addicted to nicotine, but of those that exist, the share of tobacco sales accounted for by addicts depends considerably on the definition of 'addiction' used.
- *Perceptions*: In the US, less than 15% of smokers think they are *not* physically addicted (Weimer, et al. 2009). One non-industry interviewee claimed that *"85% of those who smoke are absolutely addicted"* (Tobacco Netherlands), although we were unable to find an English-language source for this.
- (Grant, et al. 2004)*Harmful to health:* more generally, there is a consensus that all cigarette smoking is harmful to health, even among non-addicted consumers (Kozlowski and Edwards 2005), so on this definition 100% of cigarette consumption is accounted for by 'undesirable' consumption.
- *Nicotine dependence*: under a narrower definition of nicotine dependence, 57.5% of all cigarettes in the US were smoked by people who were addicted (Grant et al. 2004). In work conducted by one of this report's authors (Baumberg) in the ALICE RAP Work Package 10 report, it is estimated that roughly 40% of EU cigarette consumption is accounted for by addicted smokers on one definition (DSM-IV), and 53-64% if addiction is defined using the Fagerström Test for Nicotine Dependence.   These are equivalent to addicts' spending of some €49-54bn (DSM-IV) or €69-88bn (FTND) on cigarettes across the EU.

While there is therefore considerable uncertainty over the exact extent to which tobacco consumption is accounted for by addicts, there is little question that this accounts for a considerable share of all tobacco sold.

Alcohol: recent studies have consistently found that 40-60% of all alcohol consumption is accounted for by 'unhealthy drinking' (either heavy drinking or binge-drinking), according to official guidelines. Baumberg (2009:527) summarises the small number of existing studies as follows:
- *Average drinking: "46% of alcohol consumption in the United States (Foster, et al. 2003) and 61% in Canada was above 3.4 UK units/day (Stockwell, et al. 2005), compared to 82% of consumption by 18- to 64-year olds being above 4 (men)/3 (women) units/day in the UK (Baumberg 2009)."*
- *Single-occasion drinking: "42% of Canadian consumption was above 6.8 (men)/5.1 (women) UK units/day (Stockwell et al., 2005), and 60% above 7.5 (men)/5 (women) UK units/day in Australia (Stockwell et al., 2008), compared to 55% of consumption being above the slightly higher UK binge-drinking guidelines (8 (men)/6 (women) units)."*

It should be noted however that the proportional decline in alcohol consumption is lower if consumption was reduced to the maximum level of the official guidelines, rather than to zero.[8] Also, given that heavier drinkers tend to spend less per drink than less heavy drinkers, it is likely the proportion of *spending* by unhealthy drinkers will be slightly lower than the proportion of *sales* to them (as accepted by Foster, et al. 2003:992).

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[8] This is clearer with a hypothetical example of a British man who drinks 10 units on a single occasion. Under the first definition above, all of these units are 'unhealthy' (because they are above the UK (informal) binge-drinking definition of 8 units). Under the second definition, only 20% of consumption (2 of 10 units) is 'unhealthy', in the counterfactual scenario that the drinker reduces their drinking to the maximum level considered to have an acceptable risk. See Baumberg 208 for further details and estimates under various definitions.

The only study that looks at the proportion of consumption that is drunk by people with alcohol dependence or abuse is by one of the present study's authors (Baumberg) in ALICE RAP Deliverable D10.1 ('Addiction revenues'), and required a number of assumptions and should therefore be treated with caution. With this caveat in mind, Baumberg estimates that the 3.9% of Europeans who are alcohol addicts account for about 20% of all alcohol consumed in Europe (equivalent to €44-63bn across the EU).

Gambling: several papers suggest that problem gamblers account for 30-50% of gambling revenue (e.g. Adams 2013; Yani-de-Soriano, et al. 2012). When traced back, however, this is primarily based on a thorough report by the Australian Productivity Commission (section P.4 in 1999). A small number of other estimates also exist in the literature, and although they are less commonly cited, these produce similar results (Williams and Wood 2004; Williams and Wood 2007; Volberg, et al. 1998), albeit ones that vary considerably across different types of gambling.

HFSS Food: to our knowledge, no studies have tried to estimate the proportion of the HFSS market that involved addicted consumers (probably because the idea of 'addiction' in this field is both novel and contentious).

From sales to motives

In our interviews, however, the extent to which this constituted a motive to be irresponsible was challenged. Alcohol and gambling industry CSR professionals consistently confine problems to very small numbers of people. For instance, UK gambling interviewees admit that 'people have an instinctive nervousness' about gambling (Gambling UK interview), but repeatedly quote the result of the official Gambling Prevalence Survey that pathological gamblers are 'a small minority' that do not even amount to 1 per cent of the population, and those working at EU level likewise note that *"an overwhelming majority of people actually play in a rational, sensitive, responsible manner"* (Gambling EU). Similarly, alcohol industry CSR professionals felt that problem drinkers were not a major part of their market. As one put it, summarising a widely-held view, *'the number of high risk drinkers as a percentage of the total UK population is very small'*. Even in the tobacco industry, it was argued that eliminating addiction would not affect their sales figures whatsoever:

> *Interviewer: "Some people say that tobacco producers are actually motivated to be irresponsible, because addicts are important customers. What would your comments be on this argument?"*
>
> *Respondent: "(…) (…) Everyone who (…) wants to, can stop smoking. Everyone. There are all sorts of aids, etc […]*
>
> *Interviewer: "But isn't there an internal contradiction, that if people are addicted to a substance, which is the case, nicotine is an addictive substance, that you can't really make a choice? You are a slave to the substance. […]*
>
> *Respondent: […] "There just is a category [of addicts], and it sounds harsh, but you've basically lost them. As a society. … But it's a very small proportion. A very small proportion. And of course tobacco is addictive, but everyone, well not everyone, but with the exception of a small proportion, [they] can just quit."* (Tobacco Netherlands)

One respondent explicitly drew together a number of different industries (not including tobacco) as being in similar situations:

"So whether it's gambling, whether it's drink, whether it is drug taking, whether it's gym, whether it's exercising, to whatever, there's always going to be a small number of people.[…] I mean it does happen, but there isn't a lot out there […]. Now, so if you, if you take those, it's containable, and that's why we're here" (Gambling UK)

How can this be reconciled with the figures presented above, on the extent to which addicted or unhealthy consumption accounts for a substantial amount of alcohol, gambling and tobacco spending? To probe this further, we explicitly presented the 2007 alcohol interviewees with the figures on the degree of alcohol consumption that is unhealthy, and challenged them to respond to it.

The response was universally to reject the implied motive to be irresponsible. Some would accept that there might be conflict of interest in parts of the alcohol industry, but that this did not affect their company/sector; *'we don't make any money from binge drinking, it doesn't do anything for our premium spirits portfolio'* (Alcohol UK41). Yet it was more common to argue that any definition that could reach such conclusions was cast too broadly, and to instead restrict undesirable consumption to a narrower definition with very severe harms (see also Hawkins and Holden 2013). Those with less extreme consumption were not part of the definition of the problem (the official definitions underpinning the figures above were described by one as 'slightly farcical').

The importance of definitions for these views of conflict of interest were captured well by one Dutch non-industry respondent:

> *"The majority of problem drinkers aren't addicted, they just drink too much for their health […] "Abuse" is of course defined differently [to addiction], this group is a lot bigger. There are also incidental drinkers who can drink 20 beers in a night, but they are in principle not addicted. The vast majority of consumption is in the 18-24 age group. These are students who go out and binge endlessly. They provide good turnover figures for the industry. The development of an addict is a completely different dynamic. At a certain moment they switch from brand beer to Euro shoppers and they buy half a litre of beer for a few cents or a bottle of cheap wine, so if I'm talking about this type of addict, I don't think the industry notices anything about it."* (Alcohol Netherlands <u>Non-industry</u>)

As a result, the common view was that *'I would have thought just instinctively that it seems to me that drinks industries are not going to lose huge amounts of profit by encouraging the problematic drinkers not to drink so much.'* The motive to be irresponsible is further reduced by highlighting 'the other side of the coin', the pleasure that the good/service provides for the vast majority of consumers.

> *'When it comes to something like alcohol, there are two sides to the coin, that drinking in moderation is enjoyable for consumers who choose to drink, and if you drink irresponsibly you can harm yourself and you can harm others'* (Alcohol EU)

So staff in one alcohol company *'think they make nice products that people enjoy and they don't see anything wrong with that'*, while a gambling company's mission *'is to bring entertainment and happiness to the lives of our customers through thrilling gaming experiences'*.

While not the focus here, it is nevertheless important to note how industry CSR professionals in both alcohol and gambling more broadly weaved this into a narrative of personal responsibility and normality. In the face of the good/service bringing widespread happiness

together with demarcated harm, the responsibility for ensuring that a given consumer had a normal and pleasurable experience is placed squarely on the consumer themselves (see Hawkins and Holden 2013 among others). As one put it, *'I know that [gambling] can cause addiction, I know that it can cause damage, but they are personal choices in the first place'* (EU adverting 1). This is placed in a historic perspective where the use of addictive goods/services is seen as an unexceptional part of life, rather than a recent and artificial development to be fought against. The role of the responsible corporate actor is therefore to help people in this process of self-management – crystallised in the idea of self-exclusion agreements in the gambling industry (*'the gambler who wants to exclude himself already has the means to do so'*), but also visible in the more typical information-based campaigns – where failure (addiction) is a failure of the self rather than of the addictive good/service (see also Yoon and Lam 2013).

This construction of the 'problem' minimises the socially undesirable aspects of these goods/services – yet it does not deny that they exist, nor that the industries in question gain at least a certain level of sales from them. There is therefore a need for an additional motivation if the addictive industries are to behave responsibly, and it is to these motives that we now turn.

4.2 Motives to behave responsibly?

CSR professionals in the addictive industries identify a range of reasons why companies would behave responsibly. In this section we first look at the motive that was by some distance presented as the strongest factor – reputation/legislation – before moving on to consider other suggested motivations (and their limits) more briefly.

4.2.1 Reputation/Legislation

When asked why companies in the addictive industries behave responsibly, the most common answer is 'brand value' and particularly 'reputation':

> *"For a brand producer their brand is everything. I think where brand producers have got to ensure that they don't damage their brands by their behaviour, that's the key thing there. So any irresponsible behaviour from brand producers will at the end of the day, or could in the end of the day, damage the brand."* (Alcohol UK)

Indeed, when asked to explain the motives for CSR, one non-industry respondent answered *'that would actually be three: image, image, and image'* (Alcohol Netherlands <u>Non-industry</u>). This is perhaps unsurprising in a brand-based world (Klein 1999; Jenkins and Hines 2003); a meta-analysis of CSR in general found that the main reason that operators that were measured as being 'more responsible' did better was because their reputation was better (Orlitzky, et al. 2003). However, it seems to be particularly important for 'controversial industries' that tend to gain greater benefits from CSR activities (Brammer and Pavelin 2005).

Looking more closely, there are various ways in which reputation can serve as a motivation for CSR (some of which we return to below), but foremost amongst these is the wider, long-term reputation of the whole industry – the idea that pathological gamblers are 'an image problem (Gambling Italy <u>Non-industry</u>). This is often referred to as a 'licence to operate', the need for tacit societal consent for the continued and unrestricted operation of the industry, such as the following typical view:

> *"So for the gambling industry in the 21st century, having a social licence to operate as well a physical licence is quite important, and that really goes down to the perceived ethics of the industry by the public"* (Gambling UK)

Another respondent explained this by saying, *'The value that we will be able to extract from any society is a direct reflection of the value that we offer to society'* (Gambling UK 6). Likewise, the CEO of British American Tobacco has stated, *"Naturally, I want us to be able to help to reduce the impact of tobacco use on public health. This is something that should be of benefit to society as well as our shareholders since it will contribute to long-term business sustainability."[9]*

When we probed this further, worries about 'reputation' and a 'licence to operate' are often an indirect way of expressing a fear of restrictive legislation (see also Baggott 2006:5; Leverton, et al. 2000; Drinkwise Australia 2006:22-3; Hockerts and Moir 2004; Smith 2003; Ambler n.d.:6; Bek, et al. 2005:41). The following respondent connected them particularly explicitly:

> *''[There are] long-term concerns about the industry's image and reputation, the way the industry is portrayed in the media, the way its perceived by customers and so on. Though to a certain extent, they probably all feed into legislation anyway, in that basically, if the media is going on saying 'this is a disgrace and something needs to be done about it' then that translates in the end into government action. So the ultimate fear or the ultimate driver [of CSR] is probably going to be legislation"* (Alcohol UK)

Our tobacco industry interviewee similarly noted that *"You can't deal with tobacco products in a reckless manner, because it leads to even stricter regulations"* (Tobacco Netherlands), going on to argue:

> *"Regulations in principle ensure that turnover becomes less. To delay or change these regulations or to ensure they are not introduced, in this regard, CSR is an important instrument… It's also easier for politicians to talk to them. If they would have a very negative image then it's also less attractive for politicians to, for instance, be the advisor of such a company or to be in the board of supervisors or even sit with people at the table. Otherwise it's too tainted. This is a good reason why it's strategically important for a company to have a good image when it comes to politicians"* (Tobacco Netherlands)

For individual companies this can also feed into narrower worries about legislation, particularly on the local level:

> *"It's one of those areas where nobody wants to be seen to be doing less than the other big companies, because you look exposed. So you go for licensing, say, and they have ten licence applicants and nine of them do it this way, and you don't do anything or you do less, nobody wants to be in that embarrassing position where it looks like you're less responsible"* (Gambling UK)

It is worth noting here that documentary analyses on alcohol and tobacco have likewise found CSR to be motivated by the threat of regulation (Fooks, et al. 2013; Bond, et al. 2009:7), but have presented this as if it is a hidden motive, only revealed in usually private internal documents. Here, on the contrary, we find the overwhelming majority of our industry respondents are perfectly happy to reveal this to interviewers, albeit with a careful distinction between 'good' and 'bad' motivations for CSR (see below).

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[9] From the Dutch documentary analysis; original quote is from the BAT 2011 sustainability report at http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO52AK34/$FILE/medMD8SSECK.pdf, accessed 11/10/2012.

It should also be noted that legislation is consistently portrayed as ineffective, which – along with an emphasis on personal responsibility and happiness – allows anti-legislative feeling to coexist with a discourse of meeting social goals (both this discourse and the impact of CSR on future legislation are discussed further in section 5.4.3).

4.2.2   Other motives

Two other motivations for CSR were commonly mentioned in the interviews: (i) the moral sense of people working in the addictive industries, and (ii) brand perceptions. We here deal with each of these in turn.

Firstly, many respondents talked about their personal **moral sense** as an influence on their organisation's CSR activities – that they 'are genuinely trying to do the right thing', 'want to make a difference to society', or want to 'do good'. As the Dutch tobacco industry respondent put it, *"we are also made of flesh and blood, people in the tobacco industry"*. This was also mentioned by some non-industry respondents ('you want to work for a company that makes you feel good'; Tobacco Netherlands Non-industry), but it was not usually the first motivation mentioned by respondents, possibly because they felt it was not a persuasive argument, as one pointed out:

> *"It's kind of a trite thing to say, people in the alcohol industry are parents and have kids, you hear that in speeches and I always want to throw up, because I don't think that has a lot of credibility from a communications strategy. But I actually believe it's true."* (Alcohol EU)

While the existence of this moral sense was widely commented on, it seemed to be a weaker motive for CSR than legislation. Partly this was because it was accepted that there are people working in the addictive industries who do *not* care on a personal level:

> *"I know that a lot of people would be concerned, but at the same time there's a lot of people who are just driven by the sales figures and think that the corporate responsibility stuff is a lot of frippery around the edges"* (Alcohol UK)

More importantly though, the extent to which an employee can carve out a space in which to act against their employer's financial interest is much-debated in the wider literature, both because of the persistent threat of a hostile takeover (among publicly listed companies), and more broadly due to the disciplining effect of a competitive marketplace (Lee 2005; Martin 2002; Vogel 2005; Sundaram and Inkpen 2004:356; Bakan 2004:51, 126). This is not to say that there is no space whatsoever for such concerns, given the extent of managerial discretion in driving CSR (Bowen 2007) and because companies find it easier to attract high-quality staff if they fit their moral sense (Collins and Porras 1994; Pratten 2005; Maitland 2006; Greening and Turban 2000; Vogel 2005):

> *"I think that every generation of worker [in the alcohol industry], but I would say in particular younger people coming to work, are asking the question 'is this like working for a tobacco company? Is this a good thing to do? Am I doing the right thing?'"* (Alcohol EU)

(As an aside, it is worth noting that the interviewees here – who as described above, are nearly entirely from outside the tobacco industry – differentiate themselves from the perceived cynicism of tobacco industry staff. This fits arguments elsewhere that the tobacco industry has many immoral employees, who (at least in the past) seemed to be entirely aware that what they were doing was unethical (Friedman, et al. 2005). While this argument was advanced by

our non-tobacco interviewees, this is not something that our evidence enables us to evaluate directly).

When probed, however, few CSR professionals felt that the individual's moral sense was the critical motivation for substantial CSR activities (much as it has a key role in making these meaningful; see below), given the countervailing forces – *"I think its more than an individual level and a whim"* as one put it. It is worth adding that many interviewees' sense of behaving morally was linked to the perceived impact of CSR, which is discussed at greater length below.

Secondly, responsibility could be linked to the other dimension of reputation, **brand perceptions**; as a result, advertising-intensive and consumer-focused industries tend to do more CSR (Hawks 1993; McWilliams and Siegel 2001). As an alcohol industry respondent put it:

> *"The majority of national retailers have very very close relationships with their consumers and they don't ever want those relationships damaged. As far as they're concerned, whether it's alcohol or something completely different, they always want to be in tune with the consumer and they always want to be seen as being responsible by the consumer"* (Alcohol UK)

CSR activities could therefore sometimes enhance the perception of a given brand. In general, one in five Europeans say they would be willing to pay more for a responsible product (Logan and O'Connor 2005), and there were occasional suggestions that this would apply within the addictive industries (see also Tim Rycroft of Diageo in Rycroft 2006:31):

> *"I know our senior management team does actually feel that is a driver, so responsible drinking is one of the growth drivers… Consumers remember sometimes the responsibility ads that they've seen for our brand more than they remember some of the main brand ads"* (Alcohol UK)

Perhaps the strongest claim for this as a motive for CSR was in the tobacco industry. There is evidence that tobacco company smoking prevention adverts create more favourable attitudes to tobacco companies (Henriksen, et al. 2006), and our interviewees talked specifically about the drive to produce less harmful cigarettes:

> *"Making products less harmful is the future […] If we would succeed in making a harmless cigarette, then I'm afraid that we might remain in business for the next 1000 years. Whereas, in the long term, the combustible smoke is under heavy pressure. Not just from society. People also want to stop using them. For only one reason - not because it isn't enjoyable, but because it's harmful."* (Tobacco Netherlands)

However, more widely it was rarely suggested that this was a major motivation for CSR. This is partly because consumers are not aware of the responsibility of different brands (Joseph 2002) – as one UK alcohol industry interviewee noted, *"I bet the majority of…people who drink Smirnoff etcetera have no idea that it's a Diageo product".* Primarily, though, it's because they do not value responsibility in their consumer choices, even compared to other products;[10] *"it's*

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[10] In general, consumers do not want to purchase ethically as much as they say they do (Vogel 2005:48). People like thinking of themselves as ethical in surveys; one poll even suggested that over a quarter of people in Britain were likely to install a wind turbine (Kleanthous and Peck 2006)! But in practice, most customers are not prepared to pay even slightly more for ethical goods like wood (Diamond 2005:475-6) or tuna (Vogel 2005:135), or to accept a reduction in quality for ethical goods (Sen and Bhattacharya 2001).

not like fair trade… nobody's going to go into a pub and say or a supermarket and say 'I will buy these socially responsible Diageo drinks'" (Alcohol UK).

The more important dimension of brand reputation was that brands associated with negative consequences are seen as less desirable by consumers. Hence safety could be important for on-trade alcohol retailers ("good order is good business"; Flaherty 2005:26; see also Roberts and Eldridge 2005), while drinking to get drunk was seen as taking consumers away from the 'reverence for the product' that would lead them to pay more for it ('drinking less but better'). More generally, this was seen as part of a wider aim of linking that brand to consumers' enjoyment of their purchase:

> *"If people associate our brands with bad things, they won't buy them"* (Alcohol UK)

> *"No company can survive in the long term if their reputation becomes more linked with the downside of alcohol misuse than with the upside of alcohol enjoyment"* (Alcohol EU)

> [Explaining why irresponsible practices are bad business]: *"[Customers] will leave [casinos] and they won't say they've had a good time."* (Gambling UK)

> *"Once the lemon is squeezed nothing comes out of it anymore… if a customer plays healthy, he will play for many years"* (Gambling Italy)

Some CSR professionals explicitly talked about the life-course, and how a consumer that avoids addiction or harms is likely to be the 'ideal customer':

> *"The ideal customer, for us, is someone who gambles with fairly modest amounts regularly, because you've got a customer for life… What you don't want is someone who gambles a bit too often, gets into a bit of a problem, they say actually, I don't like something about this site, and you never see them again"* (Gambling UK)

> [Companies] *"prefer to have one Euro from each customer rather than a hundred Euro from a few customers […] The more players they have, the less they are affected, thus the ideal gambler is the one that spends little but many times […] There is no interest to squeeze the gambler and then to throw him away"* (Gambling Italy <u>Non-industry</u>)

> *"The serious alcohol industry has far more to benefit with a lifelong satisfied drinker than with a youngster, than drinks far too much between his 12 and 20 years... and goes to the cheap stuff or has to stop drinking. They want people who drink their whole lives from let's say 16 or 18 or 20, until they're 90; if people drink their whole life, they get a lot more money from these people that are moderate drinkers than people who die young and (…) drink too much when they are young and aren't able to pay for the good brands. They have an interest in the moderate drinker"* (Alcohol EU) [11]

For tobacco, an increasing amount of CSR is in creating and marketing new nicotine-based products other than smoking – which may therefore be able to remove some of the health risks, other than those associated with nicotine itself. Indeed, our one tobacco interviewee

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[11] While it should be clear within the context of the report, it is nonetheless worth stressing again that we quote these views without endorsing the arguments contained with them. As section 4.1 made clear, the proportion of sales from addicts seems to be noticeably higher than suggested in these quotes.

noted that, *"we do expect that by 2050, around 30 to 40% of our sales will be in the new product categories."* There is therefore a strong bottom-line motivation for such activities, as documents from British American Tobacco explicitly state:

> *"If it is successful this will also meet the objectives of some leading public health professionals and make commercial sense to us and to our shareholders. It forms part of our long-term business sustainability agenda."* (2011 BAT sustainability report p50, http://www.bat.com/groupfs/sites/BAT_8NXDKN.nsf/vwPagesWebLive/DO8FAG29/ $file/Full_sustainability_report_2011.pdf accessed 12/10/2012, from the Dutch documentary analysis)

However, it was recognised in the interviews that the power of these motives could be limited. Tobacco industry documents noted the difficulties in producing products that were both proved to be less health-damaging and which also found favour with consumers. Indeed, sometimes people suggested that consumers actively preferred *ir*responsible behaviours, particularly among the few UK alcoholic drinks on-trade retailers that we spoke to (see also Measham 2006:265):

> *"You can't utterly sanitise the night out, particularly if you're talking about the young persons' late nightclub sector. It would be commercial suicide to say come here for this ultra-safe night that your parents will be actually happy for you to attend"*

> *Interviewer: "Is there any pressure from customers for you to behave responsibly?" Respondent: "No and that's the strange thing, it's almost the other way around. One pub chain banned happy hours and their sales went down. Customers, they want that kind of thing, there's huge demand out there"*

Similarly, regarding the idea of making alcoholic drinks less alcoholic, one EU pan-industry respondent noted *"it's very difficult to reformulate alcohol to make it less alcoholic, because [if] you make whiskey, if it's half the strength nobody wants to drink it."*

In summary: the moral sense of employees and the preferences of consumers both help motivate the addictive industries to be more responsible, but it is the long-term 'licence to operate' that industry CSR professionals reported to be the strongest motivation.

4.2.3   Motives to be responsible vs. motives to **seem** responsible

However, such 'reputation' is unfortunately not a simple reflection of activities that genuinely helped social welfare. We have already noted. the public and policymakers may not be able (or willing) to recognize the myriad of efforts made in line with CSR in a given territory, and may be swayed by easy headlines in the media:

> 'When we did some work on putting messages on labels, we got applauded…it's just insane incentives on the companies, you really get rewarded more for something you probably couldn't evaluate and show an effect… We tried to add some substance to it, but had we not done that people wouldn't have cared, they would have still given us credit… I think the incentives are kind of screwed up' (Alcohol Global)

There are several similar examples in the interviews (see also section 5.3.3 and 5.4.2). One respondent described the alcohol industry's motivations to be responsible by saying that it *"is not in [the industry's] interests <u>to be associated with</u> any of the downsides of its products"*

[stress added], with the incentives lying in the association rather than the reality, and one alcohol industry respondent (UK) was unusually explicit about the implications of this: [12]

> *'If I was being perfectly honest, I suppose that the industry might be more likely to act to address a perceived problem, if you know what I mean, than to address a real problem, if addressing that real problem did not actually tackle perception'*

This raises the question as to whether CSR professionals describe these as reasons to *be* responsible, or simply to *seem* responsible (Christmann and Taylor 2006; Hess and Warren 2008; Reich 2007) – that is, whether or not these motives push CSR towards being a 'PR exercise' (Christian Aid 2004) that manages external perceptions without a genuine commitment to social outcomes, and may even justify greater levels of irresponsibility in other areas (Strike, et al. 2006).[13] This is how some sceptics outside of the addictive industries see the motives for CSR, including some of the non-industry interviewees we spoke to:

> *"You see the purpose of CSR is not to achieve the objective that it appears to want to achieve. Its objective is to prevent other measures, its objective is to create a prominent position in the field of stakeholders. These are its objectives"* (Netherlands Alcohol <u>Non industry</u>)

The same was also suggested for the CSR in the tobacco industry:

> *"They realized that, having been exposed, condemned, sentenced to pay some refund… They realized that they had to improve their image by the public opinion. So, those who wanted to do it have followed this line, but it is also an aggressive line, it is not a collaborative line"* (Tobacco Italy <u>Non-industry</u>)

Yet this is not how CSR professionals in the addictive industries described their own motives to be responsible. People understandably prefer not to take courses of action that they themselves see as ethically problematic, and may find ways of 'neutralising' such difficulties in order to sustain their view of themselves as an ethical person (Heath 2008, and see also the discussion on the limited role of personal motives above). Moreover, such an instrumental CSR discourse is likely to alienate non-industry actors, and the power of the CSR discourse might be lost (as shown in Yoon, et al. 2006). As one non-industry actor said, '*if I were to engage with anybody who fell into the cynical [profit-oriented] category, I would walk away because I don't see the point*'. Or in another's words:

> *"It's much easier […] to have a meeting with someone they think they're going to agree on at least part of things, than one meeting that's going to be very hostile and difficult. So that again goes to why [this company] wants to be seen as a responsible business, because it opens doors, it just makes conversations easier, with not just politicians, but our own customers, the media, regulators."* (Gambling UK)

Perhaps the most interesting aspect of the interviews is the striking lengths that many respondents make to distinguish themselves from symbolic CSR – often explicitly contrasting their own approach to a more cynical one:

> *'I think all the big players…are genuinely trying to do the right thing. I don't think its PR. I think it's real.'* (Alcohol UK)

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[12] See also the alcohol industry-associated group Alcohol in Moderation, who have accepted that *"the accuracy of figures, in a sense, is irrelevant...the industry must be seen to be pro-active in tackling the issues involved, or government legislation will be inevitable"* (AIM 2005).

[13] In the environmental field, this is described as 'greenwashing' (Hess and Warren 2008; Eisner 2004).

This genuineness was justified in one of two ways. One was to emphasise the genuine moral commitment of CSR professionals to reducing harm (as above). Yet beyond this, corporate actors made a subtle distinction between *sustainable* bottom-line motivations vs. *short-term* bottom-line motivations.[14] For example, several respondents were uncomfortable with any suggestion that they only acted responsibly because of their self-interest. Yet after further probing they were not suggesting that businesses act responsibly in ways that harmed their profitability; rather, they wanted to be very clear they were talking about genuine, sustainable self-interest rather than symbolic, cynical, short-term self-interest (the *'fly-by-night organisations'* who wanted to make a *'quick profit')*. Likewise, in the following quote it is striking how two different bottom-line motivations are explicitly contrasted:

> *"If you're in this just for a quick win in the media then you're in it for the wrong reason; you have to be in it because it makes business sense''* (Alcohol EU)

Another alcohol industry respondent likewise contrasted these long- and short-term motivations, but comparing short-term sales vs. the long-term licence to operate:

> *"You have to recognise that [if you are responsible] you will lose some business in that hazardous consumption group, but I think responsible businesses genuinely recognise that for the long term that is a sacrifice that is worth making on the bottom line"* [authors' emphasis] (Alcohol EU)

Likewise, our tobacco industry interviewee simultaneously felt that it is in the tobacco industry's interest to be responsible, while stressing they CSR is not simply aiming to change policymakers' perceptions. Again, it was the long-term focus that was felt to be critically important:

> *Interviewer (I): If you are able to instruct salespeople to do the age check, you can also instruct salespeople to not sell tobacco to children under 18, right?*
> *Respondent (R): Yes but nobody will do that.*
> *I: Why not?*
> *R: Well, because a tobacco salesman is also dependent on his turnover. And he knows that, by law [the customer] must be 16. […]. We have discussed that [the minimum age] should move to 18, and also promoted it in all sorts of meetings with retail organisations. […] By nature they aren't going to be happy about it. Because these people sell tobacco, so the more the better. In principle.*
> *I: Yes, yes but that also applies to you, doesn't it?*
> *R: Eh, well we are on a slightly different wavelength. Look we have a longer-term policy [...]"* (Tobacco Netherlands)

At times, respondents were at pains to emphasise how they fell on the right side of a very fine line. For example, in the following quote there is only a subtle difference between 'doing something good to make up for something bad' and what they see as the *right* motive to be responsible:

> *"[On why CSR takes place] People disapprove of us, therefore we should do lots of good things to help change people's perceptions…I think in some organisations the CSR will be a fig leaf, you know, it's PR, if you like. I think with us, it's definitely a sense that this is actually just part of how we do things. So it's not about trying to do*

> *something good to make up for doing something bad, it's actually about saying, 'we fervently believe that our contribution to society is positive, and it has to be positive because if it's not then, then we haven't got a business"* (Gambling UK)

This is not to suggest that respondents claimed to be free of pressures to act symbolically – but rather, that they saw these symbolic and substantive elements as intertwined. So for example, one of the interviewees quoted Marcus Grant of the industry CSR body the International Center for Alcohol Policies:

> *"'Marketing responsibility' is a good thing to do, and we do a lot of that, but it's fairly irrelevant unless we're 'marketing responsibly'. You've got to start with that"* (Alcohol EU)

Another noted:

> *"If one of those things is missing – either there's not a real problem, or there is not a real perception of the problem even if there were a real problem – then it is less likely that the industry would be prompted into acting"* (Alcohol UK)

Clearly the balance between the symbolic and the substantive matters – the tobacco company Phillip Morris have been repeatedly criticised for spending $75m on CSR in 1999, but then spent $100m marketing it (Porter and Kramer 2002), and indeed this was mentioned by one interviewee as a marker of symbolic CSR:

> *"I saw an analysis once that the money they in fact spend on CSR, which is for instance given to charity, is a fraction of the money they spend on the surrounding promotion. This thus proves that it concerns an image rather than actually doing good."* (Tobacco Netherlands <u>Non-industry</u>)

In this project we have no way of adjudicating this balance between the symbolic and the substantive. Nevertheless, the interviews do shed some light on the motivations that the addictive industries have to be responsible, and in the next sub-section we consider both the limitations of this type of evidence, and what they reveal.

4.3 Conclusions from Chapter 4: The uncertain solidity of motives

In investigating the motivation of the addictive industries to be responsible, this chapter has presented two different types of evidence. Firstly, it reviewed survey data on the share of consumption for each addictive good/service that is accounted for by addicted and/or unhealthy consumption, which suggested that these industries get a high (but variable) level of sales from these forms of 'undesirable consumption' – which can be considered as a potential motive to be *ir*responsible. Secondly, it presented analyses from the interviews with CSR professionals, who felt that there were real motives to behave responsibly – and not only to seem responsible, but to be genuinely responsible. These motives partly came from the moral sense of individual employees, partly from the need to preserve brand value, but primarily from the need to maintain a long-term 'licence to operate' to avoid severely restrictive legislation.

Both of these forms of evidence are limited – if nevertheless valuable – in investigating motivations for CSR. Aside from technical issues (around the share of sales that are captured in surveys), the survey evidence cannot be claimed to provide *direct* evidence on industry motivations. Instead, it can simply suggest that there is a potential motive for the addictive industries not to be responsible, in terms of the sales revenue from addicted/unhealthy

consumption. As expressed in the interviews with industry CSR professionals, there are several reasons why this might not ultimately translate into a conflict of interest.

At the same time, we must also accept the limitations of the interviews with CSR professionals in three main respects:

1. For practical reasons we were only able to gain evidence from CSR professionals who were willing to speak to us, who may not be representative of CSR actors within the addictive industries as a whole. (In later sections this is compensated by the use of publicly available documentary evidence, but such evidence does not help us answer our questions on motivations in this chapter as the documents simply do not refer to motivations in this way). Nevertheless, in our main case studies where we were able to obtain a reasonable level of cooperation (see above), we were able to speak to representatives from most of the key organisations we contacted.

2. As in all interview-based studies, we cannot be certain that the respondents tell us the truth (as they see it) – these results may be 'public' rather than 'private' accounts (Cornwell 1984), provided to benefit the employers they were representing rather than expressing what individuals really think. However, participants were assured of confidentiality, and the very existence of the project seemed to help build up rapport. There are also occasions where participants gave private accounts that did not benefit their employers. Nevertheless, given the interview situation, we would expect some public accounts within the data.

3. Perhaps most importantly, though, it is necessarily the case that individuals are aware of the motivations of the organisations that employ them. For example, private documents from the drinks company Miller plc show no sign that moral concerns actually influenced high-level corporate decision-making (Bond, et al. 2009), even though moral concerns are clearly an important factor for the individual staff working on CSR issues. Even without any deliberate intent to conceal information, the motivations as reported in the interviews may be only a partial picture.

For all these reasons, it is necessary to complement the analysis of motivations with an analysis of the actual practice and impacts of CSR. From the basis of the arguments in this chapter, it is possible that there are merely motivations for the addictive industries to do symbolic CSR that does not genuinely help achieve social goals – yet equally, it is possible that there are real motivations for substantive CSR. Moreover, these motives could plausibly lead some businesses – but not others – to act responsibly (Vogel 2005:2-3). We therefore return to the issue of motivations after reviewing the evidence in the following chapters, in the synthesis in Chapter 1. As a non-industry respondent put it:

> *"The logics behind companies' activities have to be evaluated in relation to the results more than in relation to the, quote, 'declared intents' "* (Tobacco Italy, <u>Non-industry</u>)

5. The nature and impact of CSR (main case studies)

In this chapter, we look at the nature and impact of CSR activities across the addictive industries in our case studies. As we set out in the Description of Work, this includes several inter-related questions: (i) the nature and extent of CSR activities; (ii) the perceived effects of these activities, both on use/consumption and addiction-related harm itself; and (iii) actual evidence for the impact of these CSR activities.

5.1 Methods

To answer these questions we used three methods: documentary analysis, interviews, and a wider literature review (see Chapter 2). We began with the documentary analyses, which initially aimed to create a complete database of CSR activities in the case studies listed in Chapter 1, asking each case study partner to complete a documentary analysis template (see Appendix 2). However, for various reasons it was not possible to create a database in the form we originally envisaged. In some countries the issue was that there was too much information in different forms from a plethora of different sources, but in other countries the opposite was true; not only was the information we desired often unavailable (e.g. evaluations of effects), but in countries where CSR is less institutionalised (e.g. Italy), there was little transparency about the activities that were taking place, to the extent they existed at all.

Nevertheless, we were able to analyse the completed documentary templates for each case study to answer the questions below, focusing these on the issues set out in the Description of Work: the name and details of each activity, the claimed effects of this activity, and a systematic assessment of the methodological quality of any evaluation. For the case of alcohol, we were also able to more systematically analyse the commitments database of the Alcohol and Health Forum (http://ec.europa.eu/eahf/index.jsp). We here focus on the 2009-2012 period (for which we have formal monitoring reports) among what the European Commission categorise as 'Production and sales organisations' (who form 26-28 of the 64-68 Forum members over this period; many of the remaining organisations are outside of the alcohol and related industries), restricting the analysis to those commitments for which a final report exists. This includes 41 initiatives, where both the original commitment and the final report were reviewed.

This was supplemented by two further sources of information. Firstly, in the interviews we were able to investigate the impact of CSR activities as perceived by our respondents, as well as probing for the evidence that justified their perceptions. This sometimes also enabled access to information (e.g. evaluations) that is not otherwise publicly available. Secondly, as will become clear below, the evidence base on the impacts of CSR actions is very weak (partly because such evaluations are challenging in this area). It is therefore valuable to look at the *types* of CSR activity that take place, and combine this with the wider evidence on how likely these *types* of activity are to be effective, as the best available evidence as to their impacts. In coming to our conclusions about the nature and impact of CSR in the addictive industries, we use all of these sources of evidence as appropriate.

5.2 The nature of and extent of CSR activities

The precise nature of CSR activities differs across the different addictions (see also Chapter 1 and 7), and we therefore consider each of these in turn. It is worth stressing here (as in

Chapter 2) that the focus here is restricted to CSR that relates to the nature of the addiction; many organisations will also do broader forms of CSR (e.g. around worker rights or environmental initiatives or (in the case of gambling) around signs of irregularities/match-fixing/money-laundering).

For tobacco, examples of CSR activities (as described by the tobacco industry) include:
- Funding research on individual risk factors for smoking and harm;
- Advising smokers via websites on how to smoke in a way that does not affect others (e.g., not smoking around children);
- Working with others to implement youth prevention programmes and to prevent underage sales of tobacco products;
- Creating and marketing new nicotine-based products that do not have the same health risks associated with smoking.

For gambling, examples of CSR activities (as described by the gambling industry) include:
- Self-regulation of advertising;
- Educational materials via websites that tell people how to 'gamble responsibly';
- Providing monitoring and commitment devices that help people control their own gambling (e.g. setting a maximum value of gambling per week, or self-exclusion agreements);
- Monitoring gamblers for signs of problem gambling, and/or providing educational materials via websites that screen people for risky gambling, direct them to treatment, and/or provide guidance to family members of problem gamblers;
- Providing funding for others to do research, prevention and treatment (which in the UK, is institutionalised via the Responsible Gambling Trust).

For alcohol, examples of CSR activities (as described by the alcohol industry) include:
- Training bartenders to 'retail responsibly' (including *inter alia* enforcing age restrictions);
- Initiatives to ensure the 'responsible marketing' of alcohol, including internal codes, industry-wide codes, and training advertising agencies appropriately;
- Providing information to consumers via packaging on 'responsible consumption';
- Launching specific campaigns to encourage 'responsible drinking' and discourage drink-driving;
- Internal training within the organisation to encourage 'responsible consumption';
- Signposting excessive consumers to treatment/support;
- Funding other prevention & research activities.

For alcohol we can also look at the types of activities in more detail. The commitments in European Alcohol and Health Forum (EAHF) divide up as follows (based on the 'Priority Areas' defined in the EAHF reporting process, and noting that commitments could be allocated to more than one priority area):

EAHF 'Priority Area'	# commitments
1. Better cooperation/ actions on responsible commercial communication and sales	6
2. Develop efficient common approaches to provide adequate consumer information	7
3. Develop information and education programmes on the effect of harmful drinking	14
4. Develop information & education programmes on responsible patterns of alcohol consumption	19
5. Enforce age limits for selling and serving of alcoholic beverages	8
6. Develop a strategy aimed at curbing under-age drinking	0
7. Promote effective behavioural change among children and adolescents	1

However, from inspecting the details of the initiatives, a more helpful classification is as follows:

- *Self-regulation of marketing* – 3 commitments;
- *Training* – 6 commitments, primarily training retailers (4) but also training marketers (1) and GPs (1).
- *Consumer-focused campaigns* – 23 commitments, of which 12 are primarily on responsible drinking, 8 on drink-driving, 1 on pregnancy, and 2 integrated campaigns. Related to this, 3 further commitments are about putting messages on drinks labels, and 1 further commitment is focused on improving the drinking behaviour of their own employees;
- *Facilitation* – 5 commitments do not directly try and do a useful activity, but instead try and facilitate CSR commitments among their members.

This is perhaps slightly misleading as to the extent that self-regulation of marketing is a substantial area of alcohol CSR activity. (The reason that this is not reflected in the commitments is partly that self-regulation was already in existence and the commitments were meant to be additional activity, and partly because the self-regulation commitments tend to be on a larger scale than other commitments, across more actors and more countries). Indeed, 'training' is often related to self-regulation (or indeed to regulation, in the case of age limits), in that it is focused on training employees or other partners to understand the context, aims and requirements of (self-)regulatory structures. In this sense, the activities are primarily about preventing industry actions that are seen to contribute to addiction/harm (particularly irresponsible retailing and marketing), or encouraging consumers to act more 'responsibly' on an individual level. Similar types of CSR activities were also mentioned in the separate documentary analyses and in the interviews; indeed, one felt they could summarise all of their activities as 'responsible marketing and responsible consumption'.

In all of our case studies, it is noteworthy that most of these activities fit into a particular 'framing' about the nature of undesirable consumption. Not only are these activities often similar across addictions, but respondents would sometimes explicitly draw connections between them, e.g.:

> [CSR activities include providing] *"sufficient information…available to players in order that they can do what is termed 'gamble responsibly', which is a similar discourse to that used by the drinks industry with the rhetoric around 'drinking responsibly' "* [Gambling UK]

The main activity that exists outside of this framing is the 'reformulation' of addictive goods – that is, changing the nature of the goods/services to make them less addictive or less harmful. This is most prevalent for the food industry (see Chapter 6), but it was also found to a lesser extent for tobacco. For gambling, there have been calls to change the nature of gambling products to make them less addictive (see the Gambling Review in ALICE RAP WA3), but there were no examples of gambling CSR that followed this. For alcohol, there have been attempts to produce lower-alcohol versions of alcoholic drinks (e.g. Carling's 2% abv 'C2'; see ICAP 2007:3), but it was generally felt that there was currently only a small market for such drinks:

> *"What a producer of alcohol can do is, for instance, innovate drinks with low alcohol content. Part of this can include this aspect. But they'll only do this if it's going to sell. We don't have to harbour illusions about this: there is only innovation in aspects of the industry that are profitable."* (Netherlands Alcohol <u>Non-industry</u>)

"If there were a strong demand now for low alcohol lager I'm sure that you would find everyone falling over themselves to produce it.. Really you're not going to produce it unless there is a demand for it and people want to buy it." (Alcohol UK)

It is difficult to find any systematic picture as to the **extent** of these CSR activities. Indeed, when our Netherlands tobacco industry respondent was asked how much they spent on CSR, they flatly refused to comment on it – and they further refused to comment on why they would not comment on it. However, for the Alcohol & Health Forum commitments, the alcohol industry participants were asked in the Commission's reporting template to estimate the value of their commitments in financial terms. 27 of the 41 commitments by drinks producers gave an estimate in Euros, and these averaged €87k (thus totalling €2.3m) – most of which was contributing the time of existing staff, rather than purchases from other organisations. This average is heavily skewed by a small number of commitments that were estimated to be expensive, e.g. Heineken's *'Build Self Awareness'* consumer education campaign[15] was estimated to cost €500k in staff time, more than double the estimated cost of any other commitment. In contrast, more than half of the commitments (among those that provided an estimate) were valued at less than €50k.

Yet generalising from this to understand the extent of CSR is challenging, even for alcohol, let alone for the other addictions. Further clues can nevertheless be gleaned when considering the contribution of CSR towards reduced the total amount of addiction-related harm, to which we now turn.

5.3 The impacts of CSR

5.3.1 Evidence of impacts

We defined CSR at the outset as "voluntary activities by private businesses that claim to promote societal welfare, beyond any benefits of economic activity per se." However, from a public health perspective, we are less interested in the *claim* that these activities promote social welfare than actual *evidence* that they have achieved this. As part of our review, we therefore searched for robust evidence on the impact of CSR activities on the key outcomes of risky/harmful behaviour, addiction or harm. However, we found relatively little evidence in our case studies (in which we searched for evaluations of the particular activities we focused on in the documentary analyses),[16] nor were many evaluations identified in our interviews (see below).

The same conclusion is reached when we focus on the European Alcohol & Health Forum, despite the founding Charter in 2007 stating that *"Ideally the effects on the reduction of alcohol-related harm – as the ultimate goal of all commitments – could be evaluated, preferably on the longer term,"* and where the final reports of the commitments are assembled

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[15]   Submission   1259855581632-946;   the   original   commitment   is   available   from http://ec.europa.eu/eahf/detailsForm.html?submissionNumber=1259855581632-946, the final commitment report is   available   from http://ec.europa.eu/eahf/printableReportForm.html?show=1&submissionNumber=1259855581632-946 (accessed 1/8/2013).

[16] See for example the absence of references to evaluation in Euromat (2009), *Responsible Gambling: a statement of principles and a showcase of best practice from the European Gaming and Amusement Industry*, http://www.euromat.org/uploads/documents/EUROMAT_brochure_1_web.pdf?PHPSESSID=0337cc3fa5afaecceca60316176ff33e and http://www.euromat.org/uploads/documents/EUROMAT_brochure_2_web.pdf?PHPSESSID=0337cc3fa5afaecceca60316176ff33e [accessed 22/12/2013]

in a publicly available database. Indeed, one of our interviewees described this as a double commitment: to both do the action and to report on it. Yet the majority (21 of 41) of commitments' final reports contained no outcome or impact measures, which was only sometimes because the commitment was too vague to be evaluated (e.g. where commitments involved a list of small-scale activities).[17]

Still, a small number of evaluations do exist – primarily but not exclusively for alcohol CSR activities rather than for tobacco/gambling – and these tend to show one of three outcomes.

Firstly, there are those CSR activities that have failed in practical terms, in that they did not achieve even the first step of what they set out to do. In particular, it has been argued that self-regulation is weak and poorly enforced (STAP 2007); the findings of the influential book '*Alcohol: No Ordinary Commodity*' summarise this evidence by saying, *"Overall there is no evidence to support the effectiveness of industry self-regulatory codes…as a means of limiting advertisements deemed unacceptable"* (Babor, et al. 2010:191); we return to the issue of the *likely* impacts of self-regulation in general in section 5.4 below. There are also examples of specific non-academic independent assessments that have shown certain CSR attempts to struggle at this first hurdle. So for example, Government-commissioned reviews in the UK found that alcohol industry labelling agreements (Campden & Chorleywood Food Research Association Group 2008) and on-premise promotional activity self-regulation (KPMG 2008:56) were only inconsistently applied, with many violations.[18] A KPMG consultant has elsewhere castigated the on-trade for 'just paying lip service' to CSR (Flaherty 2005:48), while in our interviews there were occasional times that one part of an industry criticised the claims of another part, such as *"the rubbish that is talked by parts of the pub trade that we've got an agreement on happy hours"* (see also Baggott 2006:9).

On the other side, there is a possibility for an evaluation to establish that a certain level of activity has taken place – even if the evaluation does not show any outcomes beyond this. In the European Alcohol and Health Forum, for example, there were a number of compliance studies that check commitments around self-regulatory commitments and one labelling commitment. There are also parallels in the gambling industry and tobacco industry:

> *Interviewer: "how do you think that a responsible company is different from a irresponsible one?*
> *Respondent: "(…) (laughs) Right. Well I think there are a number of ways in which this could be tangibly measured, if you're looking for something more pragmatic in my answer. So there are things that you can monitor in terms of the information that companies have to return to their regulators, so breaches of licence conditions, the extent to which people are excluded from gambling websites because of their decision to stop gambling and look after themselves, these are all indicators that the companies are doing things that help customers."* (Gambling UK)

> *"What we call a tangible effect is if we do a test, which we've done, with retailers, we check - a youthful person comes into the shop – does the man ask the question [How old are you?], yes or no? Does he use the training material, yes or no? And the result for us, for the campaign is, that the retailer asked the question. Because that was the goal. Whether or not those children, who shouldn't have access, smoke- that I don't*

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[17] Similarly, a review of Brazilian responsible drinking campaigns in the journal *Addiction* notes that *"If anyone tells you there are methods to measure this kind of [CSR] effort in Brazil it must be a lie"* (Pantani, et al. 2012:1390).

[18] This may be slightly unfair to the labelling agreement, where the alcohol industry only committed to compliance by the end of 2008, after the compliance study had taken place.

know. But the goal was to sharpen the checks, and to make it normal that such a question is asked. And that we tested, and the answer is yes." (Netherlands Tobacco)

(It is worth noting in passing that higher levels of compliance with requirements enshrined in law is sometimes described as a 'CSR activity', as it is here, although some would disagreed that it counts as a voluntary activity and therefore is not 'CSR' in a strict sense).

Wider discussions of CSR *reporting* (as opposed to evaluation) generally focus on publicly available reports and independent verification of actions, and many CSR professionals felt that reporting had improved in recent years. As one put it, *"everything in there needs to be backed up by something, there has to be a trail, it can't be just something that's words on paper"* (Alcohol UK). Some non-industry respondents had themselves tried to provide independent CSR reporting:

> *"The attempt we made was to evaluate in objective manner, impersonal but uniform, all online operators with respect to social responsibility. We have created four assessment areas: transparency, accessibility, information and prevention. We evaluated 29 operators and tried to measure these four pillars through the presence or absence of certain characteristics that we thought described them […] The average value of the indicator of responsibility for the 29 operators is 30 out of 100, which means that on average there was a serious deficiency. Just a couple of operators had an index above satisfactory"* (Gambling Italy <u>Non-industry</u>)

Such process measures are clearly valuable in establishing that the initiative has the *potential* to have had an impact – i.e. they establish that something has actually taken place. However, they do not in themselves provide a full answer to the question of the *effectiveness* of the CSR initiative in reducing addiction or addiction-related harm – they simply show that the first step within a long process was successful, and remain silent about the other links in the chain before a meaningful outcome is reached. This was recognised by several CSR professionals themselves:

> *"We can see, for instance, who self-excludes, we can see who's taken a referral to a problem gambling charity for expert advice. But that doesn't tell us whether there's a growing problem, or that our promotions have just been more effective"* (Gambling UK)

> *"It's a big problem with a lot of the prevention programmes that we fund that they're not really well evidence-based, that they're not really evaluated enough. To me, when you get down to it, it's a matter of measuring outcomes rather than processes, evaluation 101."* (Alcohol EU)

This was echoed loudly by some non-industry respondents:

> *"Well, the data I have seen are: teachers appreciation, the number of children who have participated. But these are more indicators of process, they do not have an efficacy in terms of reduction [in harm]."* (Tobacco Italy <u>Non-industry</u>)

Secondly, there are CSR activities that succeeded in practical terms, but where the methodology of the evaluation is too weak to enable any conclusions – with weaknesses either in the study design, or in the outcomes measured. The evaluations for the European Alcohol & Health Forum enable us to quantify the extent of different types of evaluations, and these are shown below:

Type of evaluation	# commitments
No evaluation	**21**
Compliance monitoring	4
Any outcome-focused evaluation	**16**
- *Satisfaction*	*9*
- *Awareness of campaign*	*6*
- *Self-ascribed impacts*	*6*
- *Pre-Post intervention comparisons*	*3*
- *Other*	*2* [19]

Note that one commitment may contain multiple forms of evaluation.

As can be seen in the table, the most common form of evaluation was to monitor *users' satisfaction* with the commitment (generally either when training participants or for people using a website). However, like with monitoring *awareness of the campaign*, this tells us nothing about whether there will be any impact on outcomes that we care about.

> Respondent: *"we do have net promoter scores from our customer surveys, which say how satisfied they are with our product, so to a certain degree that offers some evidence insomuch as how well or not we are doing… At the end of the day, offering responsible gambling is a customer service as well.*
> Interviewer: *"And this is publicly available?*
> Respondent: *"No we don't, no."* (Gambling UK)

The second-most common form of evaluation was what can be termed *'self-ascribed impacts –* in other words, where people say that the intervention has made them (or will make them) change their behaviour.[20] While these are an improvement over satisfaction measures there is nonetheless a considerable gap between intentions and behaviours, and to a lesser extent from behaviours to meaningful outcomes, For example, there is very strong evidence that people (on average) tend to drink less when the price of alcohol rises (Wagenaar, et al. 2009), but most Europeans *believe* they would not change their behaviour (TNS Opinion & Social 2010). Moreover, the transparency of the evaluations is very low, making it impossible to judge the quality of the surveys whose results are reported.

So for example, the best sign of impact of the Pernod Ricard's 'Responsible Student Parties' initiatives comes from 79% of students saying they will party responsibly in future, and 52% saying the program influenced their behaviour. Given that these are very indirect measures of harm, and that we have no idea who filled in the questionnaires – quite possibly a very small number, and a self-selecting group who were particularly influenced by the initiative – these numbers may actually reflect only a very small (or no) impact. As the original evaluator's report commissioned by Pernod Ricard notes, *"The complete evaluation of the report was limited by a number of key variables, which influenced the quantitative and qualitative data analysis, such as the number of staff and participants at each party, the number of promotional*

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[19] 'Other' in one case means Mystery Shoppers (to check responsible service) and in another case through qualitative research with bar owners.

[20] For example, SABMiller's Dreher Responsible Consumption commitment notes, *"According to Sonda Ipsos survey 42% of visitors declared probability of changing alcohol-related behaviour, 6% firmly promised."* Likewise, Pernod Ricard's Responsible Student Parties commitment found that 52% of those surveyed at parties said that the program had influenced their behaviour.

tools distributed/the level of promotion and the varying time at which the surveys were conducted (at the start or end of the party)."

Finally, there are CSR activities that have been evaluated reasonably robustly. The strongest evaluation designs tend to be a small number of *pre-post intervention comparisons* – that is, to measure something of interest both before and after a campaign/intervention, and to see how people's reported behaviour changed. Of the three campaigns that were measured in this way in the European Alcohol and Health Forum,[21] however, only one showed any impact (which was on self-reported use of a designated driver).

Pre-vs-post designs also rely on the assumption that nothing else is changing between the two moments of measurement except for the CSR activity, which is a difficult assumption to make. The problems of this can be seen in the UK Wine and Spirit Trade Association's evaluation of 'Community Alcohol Partnerships' (WSTA 2008) to reduce underage drinking. This reported a 42% decrease in anti-social behaviour incidents in the partnership area from August 2007 (pre-project) to February 2008 (post-project), yet we would obviously expect outdoors underage drinking to reduce from the summer to the winter. Moreover, these studies can similarly lack transparency, and can suffer from a substantial gap between the things that they measure (often awareness and attitudes) and the ultimate aims of the intervention (to change behaviour and reduce harm).

(It is important to be clear that while these evaluations have methodological weaknesses, they are nonetheless examples of best practice – most CSR activities have substantially weaker evaluations, if they have any evaluations at all. The detail we have gone into here is precisely *because* they are best practice, rather than attempting to single out the companies involved for criticism)

Aside from evaluations sponsored by the CSR actors themselves, there are also a very small number of independent academic assessments – and notably, these have found *negative* effects of CSR actions on key outcomes (as have been found for certain other interventions in the wider literature; see Werch and Owen 2002):

- For tobacco, one of the more rigorous evaluations is an academic study of Philip Morris' US smoking prevention advertising, which merged industry data on prevention advertising exposure into youth surveys – not a pre-vs-post design, but nonetheless a reasonable attempt to robustly link CSR actions to key outcomes. Not only did they find that the youth-focused advertising had no impact on attitudes or behaviour, but they found that the parent-focused advertising was associated with *reduced* anti-smoking attitudes and *increased* odds of having smoked in the past month (Wakefield, et al. 2006).
- Randomised controlled trials ('RCTs') often seen as the 'gold standard' of evaluation (despite their own oft-ignored limitations; see Cartwright 2011), but very few CSR

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[21] The three campaigns evaluated in this way were:
1. Divertiti Responsabilmente campaign (Italy) – this was a drink-driving campaign, which was evaluated against changes in how much people reported using a designated driver (one measure was just before and just after the campaign, one measure was between 2007 and 2012 as the initiative was created). Self-reported use of a designated driver increased after the campaign and from 2007 to 2012.
2. Diageo A Safer Nightlife (Denmark) – this was an integrated campaign in Copenhagen, which (among other things) was evaluated against residents' feeling of being safe and secure in 2009 (pre-campaign) vs. 2010 (post-campaign). No change was found.
3. SABMiller Dreher Csendkirály (Hungary) – this was a campaign to reduce noise in Budapest, which (among other things) was evaluated against residents' perceptions of noise in the summer (pre-campaign) vs. the winter (post-campaign). No change was found.

initiatives have been evaluated using RCTs. The only RCT evaluation of CSR activities in the addictive industries in Europe that we found was academic research by Moss et al that has still not been published in full, as described in the recent report evaluating the activities of the UK alcohol CSR body *Drinkaware* (23red 2013:Appendices p5). In this study, undergraduate students were randomly allocated to a bar/laboratory with a Drinkaware poster, or to a bar/laboratory without such a poster. While the posters were *prima facie* designed to reduce harmful consumption, in practice there were striking *increases* in consumption for students who were in an environment with the Drinkaware poster, equivalent to around 25% greater consumption in the simulated bar environment.[22,23]

It should be noted here that there are actions that the addictive industries have taken part in – but are instigated and run by other actors, such as the police – that have been more robustly evaluated, with some evidence that they are somewhat effective (Jones, et al. 2011; Brennan, et al. 2011; Graham, et al. 2004), although it has been suggested that there is *"little effect unless [industry actions are] backed up by police enforcement and licence inspectors"* (Anderson, et al. 2009).[24] But insofar as we have concentrated on CSR actions *led* by these industries, the picture is primarily of a lack of evaluation, some weak evaluation designs, and rare strong designs that suggest *negative* (rather than) positive impacts.

5.3.2   *The challenges of evaluating impacts*

When asked directly, most respondents would support the idea in principle of 'evidence-based policy', and that evaluation is important – *"that measurement and evaluation thing is critical"* (Alcohol UK) as one put it. Those outside of the industries would suggest that a lack of evaluation was itself a sign of symbolic CSR:

> *"The burden of proof in relation to self-regulation should be placed on the industry […] This seems to me to be a really good measure, for then they would not just be empty slogans."* (Alcohol Netherlands Non-industry)

These views were particularly strong for the tobacco industry, e.g. *"if these initiatives of Philip Morris were effective they should prove it"* (Tobacco Italy Non-industry).

Yet as we have seen, many CSR activities are not evaluated, those evaluations that do exist are not very convincing, and the very small number of relatively convincing evaluations show negative impacts. Moreover, this was recognised by some CSR professionals. When asked

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[22] The effect was nullified if students were also presented with some brief information from the Drinkaware Trust website. While the study is only on a small sample (n=115) and is yet to be published in a peer review journal, the Drinkaware evaluation report notes that *"We understand that Drinkaware has already suspended WLGTGB activity and is reviewing the approach in the light of this study"* (23red 2013:62).

[23] Another project was part-funded by Drinkaware (23red 2013:66), and involved a social norms initiative at a university, where half of the 50 participating residence halls were randomised to receive a social norms initiative and half to a control group. No impact of the initiative was found, either on perceived norms or reported alcohol consumption (Moore, et al. 2013). *"Drinkaware accepted the findings of the pilot and did not roll out the programme nationally"* (23red 2013:67).

[24] The wide-ranging review by Anderson et al in the Lancet bases these particular conclusions upon a Cochrane systematic review, which concluded that *"There is no reliable evidence that interventions in the alcohol server setting are effective in reducing injury. Compliance with interventions appears to be a problem; hence mandated interventions may be more likely to show an effect"* (Ker and Chinnock 2008). (Anderson, et al. 2009)

directly about the contribution that CSR had made, others working in the addictive industries felt that there was insufficient evidence to claim an impact:[25]

> Interviewer*: "How much do you think CSR activities of all sorts in the alcohol sector reduce alcohol-related harm in the UK at the present time, as a kind of general feeling?"*
> Respondent*: "I don't know if I've got any evidence that measures =I don't like giving answers without having something to back it up. I don't think we know really, is the straight answer."* (Alcohol UK)

> Interviewer: *"…we couldn't find anything which found, 'we've done this, and this has had this impact'…"*
> Respondent: *"I think that's our experience generally, I think that's probably a fair assessment… At the moment what we tend to have, to be honest, is a scattergun approach, people tend to try these things, and we say well, is it going to make much difference? … If someone said 'look, here's five things you do, which is the most effective?', I couldn't tell you, I really couldn't"* (Gambling UK)

A similar answer was given by some non-industry interviewees: when asked if CSR had made a difference to addiction/harm, they simply said 'I just don't know'. This included some interviewees the Dutch and Italian tobacco case studies, where several respondents stressed that there was little direct evidence on their impact, even if nearly all respondents were highly sceptical about these CSR activities *per se* (see section 5.4.2 below).

This raises the question: why do so few robust evaluations exist? In the view of some respondents both within and outside of the addictive industries, it is partly because evaluating these activities is *intrinsically* difficult. For example, for alcohol, industry comments like *'it is impossible to quantify'* (Alcohol UK) were matched by non-industry comments like *"It seems to me that it would be very difficult to study the effect of a campaign"* (Alcohol Netherlands Non-industry). A considerable diversity of reasons were put forward to explain these challenges. One was the general challenges of isolating causation in social scientific research:

> *"If you take any company and you took away their responsible gambling practices, would there be more gambling addiction and the harm that causes? It's an impossible equation to come to. Obviously our tools, our education helps customers, but to put a tangible number on that, in terms of how many people it might prevent getting problem gambling, is too difficult, because again we have limited knowledge of the precise cause and effect."* (Gambling UK)

This was particularly the case for long-term outcomes (e.g. around encouraging a culture change towards responsible gambling/drinking), and where there was a large number of different initiatives taking place simultaneously including some from the addictive industries (e.g. around the acceptability of drink-driving). In this situation, isolating the role of CSR was often felt to be impossible.

While evaluating effects was felt to be intrinsically difficult, another set of problems were about evaluation practices within the CSR field. Sometimes it was mentioned that there was simply an insufficient investment in evaluation, with the addictive industries preferring to do something concrete than to focus on producing knowledge; and the possibility to do expensive

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[25] The same was recently found in the independent evaluation report of the UK *Drinkaware* initiative. The evaluators concluded, *"The general consensus from the depth interviews is that Drinkaware has not been able either to generate or disseminate robust evidence to show that its activities have been effective"* (23red 2013:8.20).

evaluations for small-scale initiatives by small businesses is limited. Yet sometimes there were limits even to the best practice. These seemed to be to treat CSR evaluation similarly to analysing the effectiveness of more traditional marketing campaigns.[26] However, such marketing evaluation tools were generally seen to be weaker than best practices among dedicated research organisations:

> *"We can only measure those particular factors, there are other factors which we can't measure directly. And this is an area we like to work with research institutions and NGOs because they have the ability to make other measurements."* (Alcohol EU)

Indeed, the European Alcohol and Health Forum's Founding Charter notes that *"In some cases it will not be possible for the Forum members to perform this type of effect evaluation. Reasons for this might be that actions are spread over a large area (for instance marketing activities) or that resources are insufficient to perform an effective evaluation in accordance with 'scientific gold standards' (which, for example, would require a control condition or a control region)."* Nevertheless, despite these practical limitations, there have been moves in recent Forum meetings to improve the level of evaluation of commitments.[27] Likewise, the reviewers of the UK *Drinkaware* initiative accept the difficulties of evaluation but nevertheless recommend improvements on existing practice (23red 2013:17).

Finally, it should be stressed that not all CSR professionals in the addictive industries felt that evaluation efforts had either been insufficient or unsuccessful. Some respondents – particularly in the alcohol industry – felt that there were significant levels of good practice, and that the evaluations that do exist were unfairly dismissed:

> *"Quite often the finger is pointed at the industry saying 'well you only do this stuff because its wallpaper and actually you don't really care and you don't bother to spend money on evaluating.' Well hello, we are actually quite insistent about how it will be evaluated"* (Alcohol UK)

> *"Any industry that you see, umbrella organisations, industry, any programme that they develop and that they roll out, is evaluated… [but] the alcohol industry evaluation is always immediately put in doubt by the opponents of the industry, by saying that you pay for this evaluation of your programmes, so of course it's a good programme. So the industry can never be proved."* (Alcohol EU)

> *"[We need to] break free from the prejudice that if a project is funded by a tobacco producing company it will be ineffective […] There is a tendency to criminalise the tobacco chain. We believe that one can agree more or less on the fact that tobacco producing companies finance the projects, but this does not impede the making of a proper scientific evaluation of the project."* (Tobacco Italy <u>Non-industry</u>)

Similarly, some non-industry respondents picked out particular examples of activities where they felt that an impact had been demonstrated:

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[26] That said, some have argued that marketing campaigns are evaluated more substantively. For example, Solitaire Townsend is quoted as criticising a 2008 Diageo evaluation report by saying, "[any attempt to have] this level of advertising spend on product promotion would need to prove sales increases, not just positive feelings." http://www.ethicalcorp.com/communications-reporting/diageo-%E2%80%93-marketing-remember accessed 14/12/2013

[27] See ev_20121122_co09_en from the 2012-2 meeting; the Flash meeting report following the meeting notes, *"it will be also compulsory for new commitments to introduce references to outcomes and impact indicators".*

"What we found was that there is less trouble in places where staff are trained. It doesn't mean there's not trouble, but there's less trouble and that's been researched now and proven to be the case" (Alcohol UK <u>Non-industry</u>)

"I think that there are some specific examples where organisations behaving more responsibly has had an impact so, for example, underage sales, where the industry has really tightened up its act and is starting to trumpet figures showing a reduction in sales to minors or purchases by minors. And I think that that is something where they have achieved an impact." (Alcohol UK <u>Non-industry</u>)(As in section 5.3.1, it is worth noting in passing that higher levels of compliance with requirements enshrined in law is sometimes described as a 'CSR activity', as it is here, although some would disagreed that it counts as a voluntary activity and therefore is not 'CSR' in a strict sense).

5.3.3   Claims of impact

While there was a widespread (but not universal) perception that there is little robust evidence of the impact of CSR initiatives, there was nevertheless a strong feeling that CSR was the 'right thing to do', and that their industries should be 'proud' of their 'impressive' activities which are among 'the best in the world'. By this, CSR professionals seemed to mean two things. Firstly, a CSR action could be responsible only to the extent that it was the 'right thing to do' – that is, a morally necessary action that demonstrated responsibility – even if it did not have any actual impacts. This was often described as a way of expressing their moral commitment in a context in which their motives were doubted (see also sections 4.2.3 and 5.4.2).

"It's not necessarily going to change consumer behaviour but I still say it's the right thing to do." (Alcohol UK)

"Our brands guys say, 'why do we want to take logos off kids' shirts because it won't have any effect?'. And then we say, 'well yeah we know its not going to have any effect on reducing harm, we don't think, but we think it's the right thing to do'... I think we always say we should be based on evidence base but sometimes there are perceptual things. So the logos on kids' shirts I think is more about perception than it is about an evidence base, but we thought "well we don't want even the perception that we're doing that" so it's the right decision to do." (Alcohol UK)

"I think what it has definitely done is make our policy and our way of doing business clearer. More transparent. And I think that the number of questions about how tobacco is produced, and what the effect of tobacco is on society and public health, have reduced. The substantive improvements – that's a very difficult topic." (Tobacco Netherlands)

The same view was sometimes also expressed by non-industry actors, sometimes in the course of describing CSR as symbolic rather than substantive (see section 5.4.2). This raises the question about whether such actions are 'CSR' at all in the terms we defined it as in section 2, as there is no longer a claim that these activities *'promote societal welfare'*. One interpretation is that these activities still fall under CSR to the extent that meeting societal expectations *in itself* promotes societal welfare even in the absence of any other impacts. As we conclude in section 9.2 below, though, any conception of CSR that is restricted to this has extremely limited value.

Secondly, the more important meaning of 'the right thing to do' was that CSR could be *expected* to have an impact, even if this could not be easily *demonstrated.* It was striking that

a number of documents/respondents explicitly differentiated expected effects from demonstrated effects:

> *"Look, I think the incidence of problem gambling would probably be higher if we didn't do what we did, but actually trying to track that is, is pretty difficult. You know, I don't think anyone's really been able to track what the cause and effects are behind problem gambling programmes. I think we just know that the things we do are the right things to do, there are, there is always more we can do, but actually really trying to understand, 'we've put this plan in place and therefore problem gambling is diminished by X or Y' is pretty much impossible."* (UK Gambling)

> *"It's very rare that we would have a clear piece of science or a clear piece of evidence that says 'look, bloody hell, we need to crack on and do this'. Labelling is a good example. Two or three years ago it absolutely felt like it was the right thing to do for us to move from just simply putting units on to putting the daily allowances on, because awareness of daily allowances was starting to come through from consumers and things. I had no science, I had no piece of research that said it you do this the number of people who consume to excess will go down by 10% or 5% or something. And if you asked me today to measure the effect of that, I couldn't tell you, absolutely couldn't tell you."* (Alcohol UK)

> *"We have no insights in the medium and long term awareness impact, although this impact can be expected."* (Heineken Netherlands Know the Signs, from European Alcohol & Health Forum commitment report)

At times there was a tendency to describe an effect that was merely expected as if it were 'evidence' itself – none more so than when a respondent assumed that research existed, without being aware of it: *"I'm sure that there's been enough research done to show that a lot of the things which are in place in the industry in this country actually do help people who might become at risk"* (Gambling UK). Similarly, the independent report on *Drinkaware* noted that *"While some stakeholders believe there must be an evidence base, when challenged they were unable to cite it and generally referred to campaign metrics such as webstats"* (23red 2013:8.20). There were also occasional examples of specific claims being made for evaluations that did not appear to be backed up by the underlying reports,[28] or where claims were made based on weak evidence that were later revised in the face of better evidence.[29]

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[28] There were two examples of this in the European Alcohol & Health Forum commitments:
- *SABMiller Dreher Csendkirály*: the final report says, *"26,8% of the research respondents said that the noise problem was reduced and significant change was noticed."* However, we could not find where this came from in the evaluation report. Instead, the report states that "*local people now consider the noisy youth to be a problem of a bit higher severity* [in winter] *than in summer, and this is true for the inhabitants of all the districts*" (p5) – the opposite of the claim in the commitment report.
- *Diageo A Safer Nightlife* (1288193797187-1186): the evaluation itself notes "*The campaigns have not been able to create enough awareness around the project in 2009 or 2010. It is thus the assessment that very few of Copenhagen's nightlife guests have heard of and know about Tryg Den Af (documented by the evaluator's young people panel, the campaign bureau, and others interviewed)"* (p44). This is not mentioned in the final commitment report. This is however only one aspect of the commitment.

[29] See the *Drinkaware report* on the Why Let Goods Times Go Bad? Campaign (23red 2013:60-61) – at first, it was claimed that *"the campaign's full evaluation shows that drinking behaviour since the start of the campaign in 2009 has become more responsible".* Later evaluations suggested that the campaign had had no effect – *"While we have achieved some successes with the campaign, to date, we have not seen a significant shift in young adults' behaviour and many of the original problems are still evident."*

Other claims of impact were also made based on indirect evidence. Sometimes claims were based on measures that were on a causal pathway between actions and harms, and in particular on the nature of the product (see also Chapter 1 on reformulation in HFSS food):

> *"Look, just after the war, one cigarette contained about the same amount of tar and nicotine as a whole pack does today… Not that it can therefore now be considered healthy, that's nonsense of course. It is still harmful, but I can safely say that the harmfulness has been reduced… and also thanks to legislation that has been applied to tobacco"* (Tobacco Netherlands)

Another reasonably common form of direct evidence was to observe improvements in addiction or harm, and to attribute this change to CSR activities based on a presumption of an effect, but in the absence of any evidence directly connecting the two:

> *"I think [CSR has] had a large impact. I think it's a shame that it doesn't receive more publicity, but for the first time in living memory we are looking at levels of alcohol consumption in this country dropping. Now what caused that? Responsible drinking messages."* (Alcohol UK)

Whatever the role of evidence in these claims, we must be clear about the level of impact that was usually expected from a single CSR activity. While the quote above suggested a direct link between CSR and consumption, other CSR professionals generally felt that the impact of most CSR activities was only at the first stage of a long chain of factors that ultimately led to addiction and harm:

> *"I think that we will have contributed positively to awareness of alcohol and the awareness of alcohol misuse. I think we as an industry will have barely scratched the surface in terms of modifying consumer behaviour."* (Alcohol UK)

Indeed, respondents were quite often explicit that they did not expect a particular activity to have an impact in its own right – but rather that they are a part of a wider set of activities:

> *"It's such a complex issue and it's become such a key part of society as well, so unpicking all of that and finding a solution, well. CSR can play a little part in that and we can do the bit about trying to encourage responsibility and we can put more labels on and we can work with charities to refer people but it's going to be a drop in the ocean really."* (Alcohol UK)

> *"We do not think that messages on labels resolve alcohol abuse… We believe that concerted actions of all parties who can have an impact are required to change drinking cultures that are detrimental or risky."* (SABMiller Consumer Comms EAHF report)

This raises the question of *why* CSR activities were seen as likely to have an impact in the absence of any direct evidence, to which we now turn.

5.4 Likely (but non-evaluated) impacts

In the previous section, we saw that there was little direct evidence on the impact of CSR activities – but that many of those in the addictive industries nevertheless believed that their actions were *likely* to make an impact on *a priori* grounds. In this section, we go into these claims of likely impact in more detail, and set these against the wider research literature on 'what works'.

5.4.1   Critiques of legislation

Among CSR professionals, the view that CSR is likely to be effective is built on the perceived *in*effectiveness of legislative approaches (see also Hawkins and Holden 2013 among others). Virtually every conceivable policy option was seen by at least some industry interviewees as likely to be ineffective. For example, one employee talking about a proposed pre-watershed ban on alcohol advertising said that there was *"no evidence whatsoever that it would have the desired impact, in fact quite a lot of evidence to suggest it will have exactly the opposite effect"*, and the same was argued for taxation (see section 5.4.2 for references to policy reviews on the actual evidence underlying these policy options).

This was not simply a matter of different views as to 'what works', but rather reflected something intrinsic about the political process. Rather than seeing legislation as enlightened, expert-laden and concerned with the public good, they saw it primarily as totemic actions to appease public opinion rather than meaningful policies:

> *"I think a lot of politicians don't really care… unfortunately a lot of them will do anything, say anything, as long as it guarantees them another five years in employment"*   (Gambling UK)

> [When discussing the potential for symbolic CSR]: *"Legislation may have unintended consequences which are quite clearly detrimental to public health. Legislation can also be symbolic, instead of meaningful."* (Alcohol UK)

Given that prohibition is barely mentioned in policy debates, it was surprising that several respondents in the alcohol and gambling industries also dwelt on prohibition as the extreme end of legislation, which was seen to be entirely counterproductive. This was also seen for the single tobacco industry interview, when the interviewee had already admitted that 'basically you shouldn't smoke', but provided what they called a 'negative justification' for the existence of the industry:

> *"If we were not to [produce cigarettes], you should ask the question whether the demand would disappear, and the answer is no. That demand will stay. And then what happens is that people resort to using products that are produced in an unregulated way, but also sold in an unregulated way. And the public health risk involved with that is much higher than when tobacco products are produced and sold in a responsible way."* (Tobacco Netherlands)

A similar view was also expressed in a non-industry interview about the tobacco industry in Italy, where organised crime was expected to meet demand for any prohibited products.

This is not to suggest that all CSR professionals across the addictive industries saw legislation as completely unnecessary. There were times that respondents stressed the importance of e.g. enforcing drink-driving legislation, or the need for some licensing of casinos. Indeed, in the previous section, we have already seen that many respondents talked about the need for CSR combined with Government initiatives in order to have an impact on addiction and harm. This was particularly explicit in the tobacco industry:

> *"One of our principal goals is to be a socially responsible company, at both a local and global level. Because of this…we support the enactment and strict enforcement of laws that set a minimum age to purchase tobacco products."* (http://www.pmi.com/eng/ 1/10/2012, from the Dutch documentary analysis)

"You see I think that tobacco in the Netherlands is regulated in a good way, and it should be, because it's a product that has risks… Of course [smoking] also causes harm to others…. so workplace and restaurant and café bans are all excellent. As long as the opportunity remains for people to be able to smoke if they choose to, without bothering others" (Tobacco Netherlands)

Even here, though, it is notable that support for legislation is confined to existing regulations, but any increase in legislation was opposed on the grounds that it would be ineffective – the extract above continued:

"All those horror pictures we see floating around in Europe, they miss their effectiveness completely. And it has been proven that they don't make a difference…The academic support for many of the measures that are currently on the table is hard to find. But again, regulations for the product are excellent." (Tobacco Netherlands)

Overall, the emphasis across these accounts was placed on the limits of legislation, and the reasons that CSR activities are a necessary part of any public policy strategy for that addiction. This is borne out in a previous survey of EU alcohol stakeholders, in which alcohol industry respondents felt that regulations would not impact harm while education would be very effective, in stark contrast to the views of both health officials and NGOs who felt that binding regulations would be more effective (Anderson and Baumberg 2006b). The views of health officials are more closely aligned with the scientific evidence, as discussed just below}.

In contrast, a number of reasons were advanced as to why CSR was likely to be effective. Self-regulation was argued to be more responsive and better-enforced than legislation, with the industry following "*the spirit as well as the letter of the codes*". Beyond this, some other health promotion activities could also be better done by the industry rather than Government, partly because of their credibility with the consumer (*'more like a mate'* than Government who *'talk[s] like a policeman'),* partly because of their understanding of the *'the emotional unconscious of the consumer'*, and also because of the ease with which this could be integrated with existing activities:

"You'd have to spend millions and millions of pounds on advertising in order to raise awareness of the site to the extent that we got awareness of the Drinkaware.co.uk site" (Alcohol UK)

It should not be assumed that all respondents agreed with all of these motives. Rather, there was a widespread feeling that CSR would be more effective than legislation, but a plethora of different reasons suggested as to why this is the case.

5.4.2   Critiques of CSR

This view, however, was not shared by the non-industry respondents we spoke to across any of the addictive industries. Sometimes there was a view that the activities were more about demonstrating responsibility than achieving noticeable reductions in addiction/harm (see also sections 4.2.3 and 5.3.3):

"At times, it seemed to us that most of the operators had some activities that were more of a "showcase" to prove that they did something in respect to addiction rather than truly having in mind a structured and complete path of prevention and recovery." (Gambling Italy Non-industry)

Sometimes this was because non-industry respondents were entirely sceptical about the impact of CSR:

> "Being frank with you, I don't think there have been any really significant and long-lasting initiatives." (Alcohol UK Non-industry)

Such scepticism was particularly evident in the tobacco sector, where respondents commonly highlighted the lack of scientific evaluations, and argued that the CSR activities they had seen were unlikely to produce a positive impact:

> "All what tobacco companies do from the point of view of their alleged social responsibility is a sham which has to be revealed and against which one has to fight" (Tobacco Italy Non-industry)

> "In order to assert [that some companies are more responsible than others] as usual one needs to evaluate the results […] [But] the interventions you mentioned earlier are so small and sporadic that can only be defined as symbolic interventions" (Tobacco Italy Non-industry)

> "I cannot think of anything responsible about the tobacco industry […] The CSR activities are that empty that you can't expect the damage of cigarettes to become less. […] [The authorities] should realise that CSR is not a sincere way of improving society. It should always be seen as an attempt to preserve turnover as much as possible." (Tobacco Netherlands Non-industry)

This scepticism could even reach a suspicion that industry CSR activities were deliberately counterproductive, serving to increase levels of use of the good/service under the guise of encouraging responsibility. So for example, alcohol industry social responsibility campaigns have sometimes been accused of promoting their parent brands directly to young people (EUCAM 2009), with some small-scale research finding that the messages in such adverts could be ambiguous and contain many pro-drinking messages (Smith, et al. 2006) – and respondents from all industries were aware of evidence that some tobacco industry 'CSR' campaigns had *increased* youth smoking (see section 5.3.1). One industry respondent here mentioned that *"consumers remember sometimes the responsibility ads that they've seen for our brand more than they remember some of the main brand ads"* (as previously quoted in section 4.2.2), although remembering a brand association does not necessarily make these adverts have negative impacts. Nevertheless, counterproductive impacts are clearly possible, given that they have been previously found for the only few CSR actions for which strong evaluations exist (see section 5.3.1).

For others, CSR was seen to have the potential to achieve reductions in harm – but this was often qualified, in terms of uncertainty, or the potential to go further than at the present, or in terms of embedding this in state-led addictions policy:

> "There are gains to be made but much wider forces at work, and I think CSR is just one part of a massive jigsaw" (Alcohol UK Non-industry)

> "You can say positive and negative things about the Bob campaign, but it eventually – in combination with better surveillance – can lead to fewer car accidents. But it does lead to more drinking of the other people in the car. So, in general, it should lead to less damage, but I'm not sure whether this is actually true […] I don't have any indications that [CSR that impacts on harm] will happen in the short term. But I don't exclude that it's possible hypothetically." (Alcohol Netherlands Non-industry)

"The concept of "gamble responsibly" does not make any difference, it does not mean anything. The crucial point is to make now small concrete actions to expose the problem of compulsive gambling" (Gambling Italy <u>Non-industry</u>)

This latter view overlaps somewhat with some of the industries' views summarised in section 5.3.3, about the need to complement CSR with other actions – but in no cases was there a rejection of the value of legislative approaches among non-industry experts to an extent that matched those working in the addictive industries.

In the wider literature on alcohol (and to a lesser extent, in some of the interviews in this project), it has been common to compare CSR activities in the addictive industries to the evidence on the *types* of activities that are effective (as found in reviews such as Babor, et al. 2010; Anderson and Baumberg 2006a; Foxcroft, et al. 2003). For example, Babor & Robaina's (2013:209) comparison of alcohol industry CSR programmes with the research literature on programme effectiveness finds that *"most of these programs…have not been evaluated or have not been found to be effective in preventing or reducing harmful drinking."* Likewise, de Bruijn's (2008) early review of the European Alcohol & Health Forum concludes that CSR activities *"commit principally to educational programmes which have been found to be mainly ineffective. This, and the neglect of existing legislation, do not give reason for optimism on the impact of the proposed commitments."* Indeed, even some of the alcohol industry respondents accepted the limited evidence for certain types of intervention (see also the Drinkaware evaluation report by 23red 2013:3.8), although this was by no means typical:

"The evidence for, particularly for looking at alcohol education, is very patchy." (Alcohol UK)

Such assessments have not been as common in the tobacco industry, perhaps because there is more evidence that e.g. school-based interventions or mass-media campaigns can *potentially* be effective (Thomas, et al. 2013; Carson, et al. 2011; Lantz, et al. 2000). Nevertheless, most of those in the tobacco field argue that tobacco industry CSR is unlikely have any impact on tobacco-related harm (see the quotes above), because (i) tobacco industry campaigns have been demonstrated to have had the reverse effects to the stated aims – while there is only one main study showing this (see section 5.3.1), it was striking how often this general finding was referred to – and (ii) the actions undertaken by the industry have primarily been attempts to gain undue influence on the policy process, in the context of a history of aggressive tactics and deception (WHO-EURO 2012; WHO 2004; WHO 2009; Palazzo and Richter 2005; Fooks, et al. 2013:284)(see also section 5.4.3).

There has been less discussion of the likely impact of gambling CSR, although one industry report does claim that *"education is the basis for the prevention of gambling problems"*,[30] and a smaller-scale study argued that the likely impact of UK gambling CSR commitments is small at best – even if there exists some potential for going beyond this (McDermott 2011).

It is also worth drawing attention to a body of evidence that suggests that self-regulation in general tends to have a limited potential to reduce harmful outcomes. Extending the quote from section 5.3.1 above, the book '*Alcohol: No Ordinary Commodity'* summarise this evidence by saying, *"Overall there is no evidence to support the effectiveness of industry self-regulatory*

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[30] p10 of Euromat (2009), Responsible Gambling: a statement of principles and a showcase of best practice from the European Gaming and Amusement Industry, http://www.euromat.org/uploads/documents/EUROMAT_brochure_1_web.pdf?PHPSESSID=0337cc3fa5afaecceca60316176ff33e [accessed 22/12/2013]

codes, either as a means of limiting advertisements deemed unacceptable or as a way of limiting alcohol consumption" (Babor, et al. 2010:191).

In summary: we do not seek to review ourselves the entire research literature on effective interventions (this is covered elsewhere in the ALICE RAP project; see WA3 on determinants of addiction/harm and WA6 on governance). Nor is it possible for us to come to a definitive conclusion about the effectiveness of specific CSR activities, given their varied nature (see section 5.2) and a general lack of specific evaluations (see section 5.3) Nevertheless, we have sufficient evidence to conclude that CSR professionals' near-unanimous rejection of legislative approaches and an emphasis on education seems to be at odds with the weight of evidence of 'what works' across the addictions, at least for alcohol and tobacco where evidence exists. While there are reasons to doubt that these CSR activities have noticeable effects on harm, they do however fit the motivations for CSR that we considered in Chapter 4, where the foremost desire was to avoid legislation.

5.4.3   Beyond direct impacts: lobbying, discourse, and the policy process

In this chapter, we have deliberately adopted a narrow definition of the 'impact' of CSR, focusing primarily on harm-related outcomes (and their precursors on a causal pathway) among the narrow group receiving a given intervention. However, one of the most prominent critiques of CSR goes beyond this, arguing that even where CSR is effective in a narrow sense, it is still harmful overall because of its impact on the policy process – CSR is 'purchasing respectability and credibility', as Wallack (1992:1109) put it. For the tobacco industry, the World Health Organization have argued that *"tactically, these [CSR] programmes serve the purpose of creating the appearance that tobacco companies are proposing solutions for the problems they create. In reality, they detract attention from proven, effective solutions—including price and tax increases—to which young people are particularly sensitive"* (WHO 2004:3). Similar claims can also be seen about the alcohol industry (Room 2006:390; Yoast, et al. 2002:9; Ulstein 2006; Anderson 2003):

> *"[CSR is] creating good-will for non-effective interventions, because it creates the appearance that these interventions are actually working"* (Netherlands Alcohol <u>Non-industry</u>)

That CSR has some form of an impact on future legislation is undeniable. In a recent paper using private documents made available via legal settlements, Fooks et al (2011) argue that there is strong evidence that *"BAT and Philip Morris use CSR politically to prevent the introduction of legally enforceable tobacco control measures which have a proven record of effectiveness in reducing tobacco consumption."* Similar evidence is available from the same source concerning the alcohol industry (Bond, et al. 2009:7), while the gambling industry is known to have worked with the tobacco industry in presenting ventilation as an alternative to smoke-free legislation (Mandel and Glantz 2004). Such views are not however just restricted to private industry documents; in the interviews for this project (reported in section 4.2.1), we found many open statements from the alcohol, tobacco and gambling industries that the core aim of CSR was to deflect legislation. Rather than presenting this as problematic, however, industry respondents saw legislation as generally flawed and ineffective (see section 5.4.1).

As planned from the outset in the Description of Work, these wider impacts are the focus of WP12 – the Work Package that complements WP11 within Area 4 of ALICE RAP. A full understanding of the impacts of CSR therefore needs to consider both Work Packages alongside one another, looking at the narrower and broader impacts simultaneously.

5.5 Conclusions on Chapter 5: Where Evidence is Weak, Prior Beliefs are Strong

In this chapter we have investigated the impact of CSR activities on addiction and addiction-related harm. We must note that it has proved difficult to come to definitive conclusions here; the evidence that exists is fragmented and difficult to assemble within any given country (let alone across countries), and there are simply very few strong evaluations of CSR activities across any of our three addictions. While some respondents blamed the industries themselves for this, we should also be aware of the difficulties of doing good evaluations in this area – although various actors who are sympathetic to CSR nevertheless are pushing for stronger evaluations, which they feel are a realistic (and necessary) objective.

Bearing this in mind, our conclusion is that many CSR activities are not evaluated; those evaluations that do exist may show that an initiative was implemented, but are not very convincing in terms of key outcomes; and the very small number of relatively convincing evaluations show negative impacts. While some industry respondents nevertheless made strong claims that there CSR has been demonstrated to have a positive effect, the lack of reliable evidence was noted by other respondents (both from outside and within the industries). Instead, most industry respondents argued that doing CSR activities was 'the right thing to do', partly because CSR activities were seen as *likely* to have an impact (even if this had not been demonstrated by rigorous research). It was rarely claimed that this impact on its own would be enough to bring down levels of addiction-related harm significantly, instead seeing CSR as having a role in an integrated strategy across multiple actors.

Another key sense of CSR being 'the right thing to do' is where it was seen as responding to societal pressure, even if it was not felt (even by those undertaking the activity) that it was likely to reduce addiction-related harm in itself. One interpretation of this is that 'being responsible' intrinsically means 'responding to society's views' (see also section 8.1 on coffeeshops), both on an ethical basis and in terms of the pressures that motivate CSR (see Chapter 4). Another interpretation is that much CSR is symbolic, responding to social pressures in ways that do not lead to real reductions in addiction-related harm, and fitting the fears about the motivations of the addictive industries expressed in section 4.2.3. These are not disagreements that can be resolved by evidence, but rather represent different ways of framing addictions CSR.

The prior belief that CSR is likely to be effective fitted into a worldview among nearly all industry respondents that legislative approaches are ineffective, short-term and symbolic. We do not seek to review ourselves the entire research literature on effective interventions (this is covered elsewhere in the ALICE RAP project; see WA3 on determinants of addiction/harm and WA6 on governance). But we have sufficient evidence to conclude that CSR professionals' near-unanimous rejection of legislative approaches and an emphasis on CSR-based education seems to be at odds with the weight of evidence of 'what works' across the addictions, at least for alcohol and tobacco where evidence exists – much as it fits the motivations for CSR that we considered in Chapter 4, where the foremost desire was to avoid legislation. To fully understand the 'impact' of CSR on addiction-related harm, we must accept that this impact includes both a direct impact on harm reviewed here + an indirect impact on policy and discourse reviewed in Work Package 12 of ALICE RAP. Only when these are put together can we understand whether addictions CSR is likely to have a net positive or net negative impact on addiction-related harm in the long run.

6.   CSR in High Fat, Salt or Sugar (HFSS) food in the UK

This chapter was written by Claire Harkins, David Miller and Matthias Schlögl

6.1   Introduction

This chapter considers the CSR activity of large operators within the UK food industry. Corporations were selected based on their dominance in terms of market share in a range of food industry subsectors.   Once corporations had been identified their CSR outputs were considered in terms of their stated motivations for engaging in CSR, how they practice CSR and the impact or claimed impact of their CSR engagement.

We chose to include the food industry in the project since it shares many similarities with the issues raised by alcohol and tobacco and to an extent newer issues such as gambling. The food industry is an increasingly active stakeholder in corporate social responsibility. The CSR portfolios of many large food industry producers and retailers is remarkably similar to the CSR outputs of many sectors traditionally understood to be addictive.   On the other hand, food products differ in that food is a biological necessity and thus any measures to enhance the responsibility or accountability of the food industry must be taken with this in mind. Brownell and Warner (2009:259) argue that:

> *"The food industry differs from tobacco companies in important ways, but there also are significant similarities in the actions that these industries have taken in response to concern that their products cause harm. Because obesity is now a major global problem the world cannot afford a repeat of the tobacco history, in which industry talks about the moral high ground but does not occupy it."*

CSR in relation to the food industry should thus be analysed in the context of questions of harm to public health. It is also important to examine CSR in the context of the wider business strategies of the industry.

6.2   Methods

This chapter offers a case study of CSR activity amongst UK food industry operators. In order to proceed with the analysis the first step in this process was to identify food industry corporations or operators who engage in CSR. This was done by firstly identifying the most economically significant actors within the sector in the UK. Market data including financial information, market research reports, information from trade associations, trade publications and other relevant sources. The Food and Drink Federation (FDF) is the main cross-sectoral trade association with members that are producers and retailers. Since the FDF plays a number of coordinating roles for the industry including in relation to CSR, it was decided to include them in the documentary analysis, though they are not actually a corporation. The other companies that were selected as case studies were Tesco (supermarket), MacDonald's (eating out), Coca-Cola (home drinking), Pepsi (drinking out) and Nestle (food and drink manufacturer). Once these were identified we moved on to consider the CSR outputs, motivations and impact of selected stakeholders. This was done by reviewing company websites and publications giving details of CSR outputs related to health. CSR outputs relating to environmental and sustainably targets were omitted. We subjected this material to a

content analysis in order to establish any explicitly stated motivations for engaging in CSR, to survey CSR activity and examine accounts of the impact of CSR.

The initial intention was to supplement the case studies with interviews. This proved not to be possible as there was a lack of response from food industry executives when approached and asked to participate in interviews. Six corporations were approached using contact details for senior figures with responsibility for CSR or policy. Two politely refused to participate and four did not reply, despite reminders being sent. Current debates over food and addiction are difficult for the industry and can be seen as a serious threat, so it is perhaps not surprising that we were not able to secure interviews. In order to gather appropriate data without cooperation in the form of interviews we decided to gather data at a conference hosted by the Ethical Corporation on CSR.

The Responsible Business summit was held in central London on the 19th and 20th May 2014. It is an annual event that the organisers claim is the 'number one conference and annual meeting-place for business and sustainability executives the past 13 years'. The Summit is designed to give businesses the opportunity to network and share knowledge with some of the leading CSR executives in the UK. The conference offers attendees the opportunity to hear from CSR executives from leading corporations and to hear practical experiences of CSR activity and strategies through corporate case studies. The two day event included, speeches, interview style panel sessions, streaming sessions and interactive workshops.

One of the research team attended the conference, took contemporaneous notes of the sessions and made observations of the milieu and setting of the conference. Sessions where food industry executives were speaking were prioritised and attended accordingly. Later the team gained access to all the transcripts of the talks as well as MP3 recordings of the sessions.

Overall the conference featured twenty-six sessions including fifty-one speakers. Of these we systematically examined eight, which were interventions by food related businesses as follows:

-   Justin King, CEO Sainsbury's: *CEO One on one Interviews* (in front of conference audience);
-   Marco Goncalves, Senior Vice President and Global Head of Procurement Nestle: *How to Integrate Sustainability into your Business: Lessons from Nestle;*
-   Hilary Parsons, Director of Public Affairs: *Stakeholder Engagement 2.0: Practical Tips by Nestle;*
-   Joe Franses, Director, CSR and Sustainability Coca-Cola: *How and Why to keep your Sustainability Strategy relevant and up to date;*
-   Mark Smith, CEO The Southern Cooperative: *How much Sustainability measurement should leadership demand?;*
-   Bishop James Jones, Chair of CSR Advisory Board Waitrose: *The Power of Brands to Engage Customers on Sustainability;*
-   Louise Nicholls, Head of Responsible Sourcing & Plan A, Marks and Spencer, and
-   Ian Hope-Johnstone Director Sustainability & Agriculture, PepsiCo: *Measuring Impact on Resilience and Responsibility in the Supply Chain.*

The data gathered was used to enhance the picture built up via the documentary analysis. We begin by exploring the motivations for CSR outputs of dominant food industry actors, identified from market data, before moving on to discuss types of activity. The impact of these CSR activities is also considered, although this is difficult as few adequate independent

evaluations on the impact of CSR exist. The subsequent section considers the data gathered from first-hand accounts of food industry executives given at the Responsible Business Summit.

6.3 UK Food Industry: Documentary analysis

6.3.1   Motivations for food industry CSR

Most of the CSR outputs from UK food industry operators were found to emphasise individual consumer responsibility. The food industry appear to see their role as encouraging consumers to act in a responsible way rather than focusing on what industry could do. They are clear and consistent on the view that there are no 'bad foods'. All food and drink products can be consumed as part of a healthy diet. As from industry CSR publications, put it:

> *"Tackling key health issues, such as obesity, is not something companies or even governments can do on their own. Ultimately it's up to individuals to make the right food, drink, and activity choices for themselves every day. However our broad range of options in a variety of sizes, together with the nutritional information, means that customers can make more informed choices."* (McDonalds, n.d.)

> *"All our beverages have their place in a balanced diet, but we recognise there are concerns with the role of sugar... Health and nutrition is a complex area and a person's choice of drink is only a small part of the equation."* (Coca-Cola, n.d.)

> *"As one of the biggest providers of food and drink globally, we have a responsibility to help customers and their families to bridge the gap between knowing and doing, and achieve the behaviour change they desire."* (Tesco, 2013, p. 18)

> *"Our core aim is to enhance the quality of consumers' lives every day, everywhere by offering tastier and healthier food and beverage choices and encouraging a healthy lifestyle."* (Nestlé, 2010)

From this we can deduce that food corporations are keen to disassociate their products from the impression that they are unhealthy or bad products and rather that the threat lies in the behaviour and consumption habits of the consumer, not the product.   This also demonstrates that they do not discuss food in relation to the concept of addiction.

Incentives for corporations to be seen to act in a responsible manner are not confined to communicating corporate messages to consumers. An important part of the motivation for action is to appeal to governments and regulators as an alternative to formal legislative regulatory frameworks. Corporate actors prefer voluntary commitments and self-regulation. This is expressed both explicitly and implicitly and identified in the documents consulted.

The Food and Drink Federation (FDF) state that 'We help our members operate in an appropriately regulated marketplace to maximise their competitiveness.' (Food and Drink Federation , n.d.). The FDF works to shape industry guidelines and to lobby decision makers in the UK and Europe in attempts to influence policy. This is one area where links can be made between CSR strategies and corporate lobbying (Sklair and Miller 2010).

Pepsi-Co promote the idea that corporations (as, implicitly, opposed to governments) are best placed to promote healthy lifestyles in relation to product choice:

> *"At PepsiCo UK & Ireland we believe… addressing consumers' growing interest in health and wellness represents a critical business opportunity. With a portfolio of*

trusted brands and high quality products, we believe we are in a unique position to provide wider choices and promote healthier lifestyles." (Pepsi-Co, n.d.)

This view is widely held amongst corporate stakeholders and perhaps the strongest identifiable motivation for corporate CSR. Other claimed motivations for CSR are that customer feedback and market research has identified a desire from customers to be more 'nutrition minded'. (Food and Drink Federation , n.d.) This is the basis for much of their work in product labelling.

> *"We're always working to evolve Happy Meals in line with what parents tell us they want, so that we're providing treats that are exciting and fun, and have broader social and educational benefits too."* (McDonalds)

> *"65% of UK customers say their lifestyles are not as healthy as they would like them to be and that 54% would like their supermarket to take an active role in helping them to lead a healthier lifestyle."* (Tesco, 2013)

> *"We understand that consumers are looking for healthier foods that do not compromise on taste. That's why we constantly review our product range to improve taste while enhancing nutritional value using a test called 60:40+. This measures whether at least 60% of consumers prefer our products over the leading competitor based on taste."* (Nestlé, n.d.)

Motivations for action are difficult to evaluate and measure. Corporate motivations are rooted in maximising profits (directly or indirectly) and CSR is part of this endeavour. It is important to distinguish in principle between the motivations of a specific corporation and those of individual actors within a corporation developing CSR strategies. This enables us to distinguish in principle between the varying complex levels of CSR activities, enabling us to disentangle individual motivation and commitment from wider questions of corporate strategy.

6.3.2   Food industry CSR Activity

The UK food industry undertakes a wide range of CSR activities. Many focus on the reformulation of products to reduce salt, sugar or fat contents in a bid to offer consumers healthier choices. Examples of these activities which were gleaned from company websites and other publications are listed below:

- Reformulation to remove fats, salts and sugars;
- Increased availability of low-calorie and zero-calorie products, and/or other 'healthy options';
- Increased availability of reduced serving sizes;
- Working to improve school lunches; and other educational initiatives;
- Marketing codes of practice, particularly around marketing to younger children;
- Nutritional labelling to enable consumer choice;
- Encouraging consumers to have a healthy, balanced diet, including supporting relevant education in schools;
- Encouraging exercise, be it through providing information, encouraging sports participation among young people, supporting youth clubs, increasing physical activity in the workplace, or encouraging their own employees to have a more active commute.

Few of the cases examined provide details of CSR budgets and none offered information on the overall spending on CSR. A few details on CSR spending were gleaned from the documents consulted:

- FDF (Food and Drink Federation, n.d.)
  - Guideline Daily Amount Labelling
  - 50 companies have set aside their competitive differences and united to put visually consistent labels on the front of 20,000 products and invested over £4 million to educate consumers.
- Coca-Cola (Coca-Cola , n.d.)
  - Product Reformation in 2014 of key brands - £15 Million
- Nestle (Nestle , n.d)
  - Make Space for Heath (Youth CLub Project) - £150,000
  - PhunkyFoods (School educational initiative) - £75,000 in 2011
- McDonalds (McDonalds, n.d.)
  - Kick Starts (Grants scheme for grassroots football clubs) - £75,000

6.3.3   Impact of food industry CSR

It is difficult to determine the effectiveness or impacts of the vast majority of CSR activities because there is no coherent or independent evaluation process. There seemed to be no evidence based evaluations of the impact of CSR directly on any health outcomes. Even the reformulation of products was apparently not evaluated for tangible health impacts.

Marketing

Food industry stakeholders are keen to demonstrate their responsibility credentials on marketing. Perhaps this is in response to health campaigners calls for restrictions on marketing HFSS foods, particularly to children.   There is certainly significant action on voluntary commitments and self-regulation. PepsiCo, for example say:

> *"Furthermore, we quantify our commitments. When we say that we won't advertise particular products to the under-12s or any products to the under-8s, we define what that means by specifying that the audience mustn't be greater than 35% of the specified age group."* (PepsiCo, n.d.)

There are various other commitments, but the link to outcomes is unclear, and there were no reports of external verification. PepsiCo also claim to 'only advertise sugar free Pepsi Cola drinks which account for 68% of cola sales.' (PepsiCo, n.d.)

In the UK Tesco have stopped selling confectionary at checkouts in large stores and are working towards offering more 'balanced choices" in all of their UK checkouts' (Tesco, n.d.) Again there was no evidence that this initiative had been evaluated for effectiveness.

Nutritional labelling Evaluation

In 2007 the FDF did make an attempt at evaluating their approach to nutritional product labelling, the Guideline Daily Amounts (GDA) scheme. The FDF actively encouraged their members to adopt this labelling approach and this was strongly supported by producers. The FDF commissioned Milward Brown to evaluate their progress. According to the FDF 'They [Milward Brown] found the number of companies using GDA labels more than doubled to 50 and the number of consumers who recognised them rose from 70% to 80%' (Food and Drink Federation, 2009). This rather narrow approach to evaluation tells us little about the effectiveness of the labelling approach. The FDF also state that their GDA approach is supported by evaluation:

> *"Peer-reviewed research by influential organisations such as European Food Information Council (EUFIC), as well as our own research, confirms our belief that*

Though the FDF claims that 'organisations' (plural) have conducted research, the FDF only gives information on a study by the European Food Information Council (EUFIC). We can note that EUFIC is a food and drink industry funded and controlled organisation that shares many members with the FDF.   It states that it *'communicate[s] science-based information on nutrition and health, food safety and quality, to help consumers to be better informed when choosing a well-balanced, safe and healthful diet'* (European Food Information Council , n.d.) The EUFIC study conducted in France, Germany, Hungary, Sweden, Poland and the UK included 17,300 subjects interviewed in supermarkets and in their homes, and was undertaken by EUFIC with Professor Klaus Grunert of Aarhus University, Denmark. The research found differences in the attention paid to nutritional labels on food products between countries, for example, more UK consumers looked for nutritional information on packaging than French consumers. The UK data was published in a paper in a peer-reviewed journal, Appetite, in 2010 (Grunert, et al. 2010b). The article claimed that UK consumers looked at, and were exposed to, basic nutritional information, but this did not mean that they were motivated to use the information to improve their nutritional health. The full Europe-wide results were published in the Journal of Public Health, which also has a peer review system in force (Grunert, et al. 2010a).

A review of the merits of the GDA labelling system was commissioned by a non-government organisation, the British Heart Foundation (Lobstein 2007). It found 6 important problems with GDA labelling:

1. The GDA values do not distinguish maximum, minimum and average recommended amounts.
2. GDA values for adults and for children are used inconsistently, and adult GDAs are sometimes used on child-targeted products.
3. The GDAs used for labelling are based on values which are not the most suitable either for public health policy or for individuals.
4. The GDA displays are based on arbitrary portion sizes.
5. GDA signals for different nutrients are sometimes included or left out in an arbitrary and confusing manner.
6. The standard GDA signals lack colour coding for quick consumer appraisal and interpretation.

In 2012 the FDF's GDA campaign was strongly supported by producers. Some food retailers, however, did not comply and favoured using 'traffic light' or front of pack approach, also favoured by the UK regulatory agency, the Food Standards Agency. The FDF was, therefore, unsuccessful in organising the UK food industry into a coherent and unified position on labelling. The dispute undermined efforts to encourage consistency in UK food labelling. The FDF's decision to promote the GDA approach amongst its members cast doubt on their claims to be fostering the industry standard. Tesco initially supported the GDA approach but changed their position and announced that they would be incorporating a front of pack (FOP) colour coding or traffic lights system into their food labelling, using both FOP and GDA by 2013. This left Morrisons as the only UK retailer supporting a GDA only labelling system and undermined the strong stance taken on GDA versus other labelling systems by the FDF and food producers.[31] Tesco's announcement came during a Department of Health consultation on food

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[31] Cooper, B., 2012. Consuming Issues, Tesco Leaves FDF at Lights. Just Food, 24 08. Ethical Corporation, 2014. Responsible Business Summit. [Online] Available at: http://events.ethicalcorp.com/rbs/ [Accessed 23 03 2014].

labelling amidst attempts to encourage a uniform and consistent approach across the industry. The Food Standards Agency were keen to introduce a hybrid labelling system that would incorporate information from GDA, colour coding and "high, medium or low" wording would be used to show how much fat, salt and sugar and how many calories are in each product. The approach is voluntary but the FDF were not in favour, claiming they remained 'open minded' on the issue (Food and Drink Federation, 2012).

Following the UK government and Food Standards Agency consultation on food labelling a hybrid labelling system was introduced on a voluntary basis in 2013. The FDF remain opposed, instead citing research from the pan-European FLABEL food industry research centre claiming that 'although consumers can understand all types of nutrition labels currently available to them, the majority are not motivated to use them' (Food and Drink Federation, 2012).

Product Reformulation

The reformulation of products to reduce levels of fats, salts and sugars is an important strand in the CSR portfolios of UK food corporations. The following are the positions taken by key firms in our sample:

- *Coca-Cola*: Since 2007 reduced the calorie content of some brands: Fanta by 30%, Oasis by 35% and Lilt by 56%. In March 2012 Coca-Cola in the UK announced a target reduction in the calorific content of some brands by at least 30%. The goal is to achieve a target reduction of the average calorific content of products by 5% a litre by the end of 2014. The initiative is being used as one of the firm's pledges or commitments to the Department of Health's voluntary Public Health Responsibility Deal" (Coca-Cola , n.d.).
- *McDonalds* have made several product adjustments including a number of fat, salt and sugar reductions across products. This activity is also used as part of the firm's commitments to the Public Health Responsibility Deal.
- *Pepsi-Co:* Similar action has been taken by Pepsi-Co, they have made reductions in fat levles in their Walkers Crisp brand and sugar reducitons in some drinks. They claim that 54% of products are defined as 54% healthier with a goal of 60% by 2015.
- *Tesco:* Have removed transfats and artificial colouring and flavouring from UK and USA own brand products and achieved a 4% reduction in sugar content across drinks products.

The effectiveness of these measures is, however, open to question. The National Heart Foundation of Australia conducted a review of evidence of the effectiveness of these initiatives. They found that a limited number of studies have attempted to evaluate the impact on public health of product reformulation:

> *"This is likely due to the complexity of evaluating initiatives embedded in a broader public health strategy, as reformulation often is. Adding to this is the complex interplay between the environment, individual behaviours and chronic disease. Regardless, the identification of a small number of studies demonstrating impact on population dietary intake and health outcomes indicates that evaluation is possible with consistent, comprehensive and long-term monitoring strategies."* (National Heart Foundation of Australia 2012)

However, the Foundation also points out that 'Much of the evidence draws on the potential benefits of population level interventions through modelling and these studies have demonstrated the considerable health gains possible.'

6.3.4 Conclusions from documentary analysis

The documentary analysis demonstrates that the motivations for CSR activity given explicitly by food corporations are tied to corporate concern for consumers. However, it is evident that CSR efforts are motivated by a desire to distance products from associated harm and negative health consequences. The food industry work hard to emphasise that there is no such thing as a 'bad' food product and that a healthy balanced diet can include any product in moderation. Food industry action on this issue emphasise that the problem does not lie with unhealthy products, but in the way individual consumers use them.

Another motivation is to avoid statutory regulation. The industry prefer self-regulation with voluntary commitments. CSR is used by the food industry to lobby for this and to develop industry friendly standards and guidelines. CSR can also be seen to cross over into marketing activity. Some firms were found to act to meet consumer expectations identified by corporate market research. Consumers were found by Tesco and others, to want more information on healthy choices, and food industry actors believe they are perfectly placed to provide this information. In this regard the corporations claim that part of their motivations to behave responsibly is driven by consumer demands.

CSR activity is fairly narrow in terms of health and focuses on product reformulation to reduce high levels of salt, fat and sugar and labelling products to provide comprehensive consumer information. Engagement in educational activities and encouraging exercise also feature.

There is little information on CSR budgets, although some details are available for spending on individual products. There is little evaluation of the impacts of CSR and what there is lacks independent or rigorous evaluation.

6.4 The view from CSR professionals

Hearing first-hand accounts of corporate responsibility enhanced the findings of the documentary analysis.

6.4.1 Motivations for action

All of the speakers claimed to have responsibility and sustainability at the heart of their business, unsurprisingly as this was the conference theme. Equally, they all expressed the view that responsibility made commercial sense.

Hilary Parsons, Director, Public Affairs, Nestlé set out their motivation for undertaking CSR related activities:

> *"Our watchword is transparency. We create a shared value report, which assesses value for our business and for wider society, with reference to nutrition, water and rural development. It is built on areas such as human rights and the environment, and we've been reporting it for several years."*

Bishop James Jones, Chair of Corporate Social Responsibility Advisory Board, Waitrose said:

> *"We discovered that 39% of our customers choose [our firm] because it is socially responsible. A further survey showed corporate social responsibility was the sixth most important aspect for people shopping at [our stores]."*

A speaker not from the food industry, Chris Grigg, CEO of British Land, used an example from the food industry to highlight motivation to act responsibly as a corporation:

> *"McDonald's too was convinced of its own inside-out long-term strategy: of targeting children. They ignored parents and food experts and ploughed on, and it lost 50% of its value within six months. It has since recovered spectacularly, led by a management listening far better to stakeholders, and long may it continue."*

Consumer expectations were identified as a key motivation by Marco Goncalves Senior Vice President, Global Head of Procurement, Nestlé:

> *"Consumers are increasingly asking: where does my food come from and how is it made? We have to provide very clear answers. By creating shareholder value in a sustainable way, we are also creating it in society. Competition and cooperation within our sector both play a part. It's about what individual entities can do along the value chain. What we are doing in many areas now will become mainstream in 10 years because so much momentum is building behind it."*

6.4.2   CSR Practice & Activity

CSR activity mostly utilises stakeholder dialogue. As Hilary Parsons, Director, Public Affairs, Nestlé, put it:

> *"We identify leading organisations that relate to those areas and invite them. We look for people who are globally involved – they might be academics, NGOs, UN bodies. We don't rule anyone out if there appears to be link with [our] the agenda. We get their views on our approach through fairly big global convening events. The last one was in Colombia, with 200 to 300 people attending. In 2012 we became the first food company to join the Fair Labour Association, overseeing the cocoa supply chain and hazelnut supply chain. We have made 35 commitments in nutrition, water and rural development, with quite concrete objectives. We also encourage our markets to do likewise and we develop toolkits for them to do so."*

Nestlé also use an unidentified company, to gather intelligence on issues that stakeholders raise and on topical issues of significance. This is done primarily through media analyses that give Nestlé the opportunity to assess what is important to stakeholders and consumers and to plan their response and positions on topical issues. This suggests a strategic orientation to dialogue.

6.4.3   Impact of CSR Activity

One of the most important observations is this case study is the lack of evaluation that CSR activity seems to attract. Activity and motivations were much more easily observable than impacts. There is a lack of evaluation and a shortage of evidence of effectiveness. Where impacts were discussed they tended to focus on environmental issues rather than on health related impacts. For example carbon reductions, recycling and the use of sustainable materials were discussed.

Mark Smith, Chief Executive Officer, the Southern Cooperative noted: 'There is a tension between short-term and long-term targets, and that needs to be ironed out.'

Louise Nicholls, Head of Responsible Sourcing & Plan A, Marks & Spencer gave details of the commitments made and progress on these, but details of evaluation were notable for their absence:

> *"We made 100 commitments – we had to get our own house in order. In 2013 we made a further 80 commitments. We've made some really good progress on 136 out of those 180: zero waste to landfill, 100% sustainable fishing and so on. But we think*

we are about 10% on our journey. The world is changing ever faster, not just in terms of much more extreme weather patterns but it's difficult to attract labour in certain regions, for instance."

Justin King CEO of Sainsbury's noted that difficulties can arise because others within the food sector engage in irresponsible practice. This CEO asked the floor for ideas on how to mitigate this, as it was damaging to the whole sector. The value of partnerships was a major concern if others were engaging in irresponsible corporate action.

There was no discussion at any of the sessions of the evidence of impact or of evaluation of any health related CSR. CSR commitments are made within the framework of achieving corporate aims. The growing use of CSR as a marketing strategy was evident from delegates who said they were increasingly working to link issues of responsibility and sustainability to innovation. Without thorough evaluation any claims that can be made about CSR are open to question. Both at the Summit and in the documentary analysis there was little evidence of impacts. Where evidence was cited it came from industry reports or anecdotal evidence from industry linked experts. None of the evaluations appeared to contain robust or independent analysis.

6.4.4   Conclusion

The UK food industry is a diverse sector that includes producers, retailers and restaurants. Soft drinks manufactures have relationships with on and off-trade alcohol businesses and wholesalers.

Motivations: The stated motivations for acting on CSR are strongly correlated with overall corporate objectives. Food corporations use CSR to communicate with the general public and as a demonstration to stakeholders. As Hilary Parsons of Nestle noted it is important for corporations when building brand loyalty that you tell 'consumers what you care about'. Increasingly corporations work to share the values of consumers and CSR plays an important role in this. Furthermore, CSR is increasingly linked to adding value and is incorporated with innovation and product development. This works to both increase brand reputation and to increase the perceived value of products, in turn persuading consumers to pay more for them. Corporations hope to demonstrate that they care about the same things that customers do. This is a key stated motivation for CSR. Brand development and defending against poor reputation in the eyes of consumers are also seen as important.

Activities: The fragmented nature and huge scale of the food sector makes considering CSR outputs across the sector difficult. However, the largest operators exhibit little variation in their approach to building relationships with customers. There is remarkable homogeneity in the CSR activities and motivations across the sector, as the documentary analysis demonstrated. A lack of sophisticated evaluation of activities linked to health is also evident across the UK food industry. Many of the CSR strategies involve working in partnership with other organisations, particularly NGOs and governmental bodies. Partnership working and using other organisations on projects has been identified as a core tactic in food industry CSR strategies.

Impact and evaluation: Evaluations of CSR initiatives are poorly constructed, if they exist at all. Further exploration and evaluation is required before there is any definitive evidence on impact. Evaluating impacts on health is the area with the least assessment. Commitments made to reduce carbon emissions or to boost sustainability in the supply chain are more thoroughly assessed. This may well be because this is a quantitative process set against targets.

Evaluations on health measures in CSR are overlooked and more difficult to appraise in terms of effectiveness.

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7. CSR for decriminalised drugs – does it exist? Cannabis coffeeshops[32] in the Netherlands

During the project, an unexpected opportunity[33] arose for us to look at whether CSR exists in an unusual but related area – coffeeshops in the Netherlands, where the sale of marijuana is tolerated under certain conditions.[34] The material used to investigate the Dutch coffeeshop case is similar to that for the other case studies; a mixture of documentary material obtained online, together with three interviews with people from the industry (all of whom own coffee shops but are also involved in collective associations). Like the other interviews, these interviews were recorded and then transcribed and translated for analysis.

7.1 Results

The primary result from this case is affirmative – that is, CSR activities can be found, and indeed, they are recognisably similar to the activities done by other industries (particularly the alcohol industry), even if they are more limited in scale given the smaller size of the industry. These activities include:

1. Giving information on the nature and effects of cannabis (by the organisation of coffeeshops in Maastricht). The two leaflets advise against becoming dependent on cannabis or driving under the influence of cannabis, and provide tips on minimising harm while using cannabis (e.g. tip #6 states, *'Don't smoke cannabis if you are pregnant or if you have psychological problems. Only smoke if you are in a positive frame of mind'*).

2. A campaign against driving under the influence of cannabis called 'De groene BOB' - 'The Green BOB' (by the organisation of coffeeshops in Eindhoven). Like the drink-driving BOB campaigns on which it is based, the campaign is focused on encouraging designated drivers.

3. A 2005-2008 campaign on reducing health risks among coffeeshop visitors (by the organisation of coffeeshops in Rotterdam). This involved dissemination of educational materials in coffeeshops, and training of coffeeshop staff (a two-day course covering knowledge about cannabis, about local law concerning cannabis, professional ethics and first aid with cannabis use). Unlike the other campaigns this was done in partnership with community health services and addiction centres.

4. There are also other activities mentioned in the interviews, including:
   - Strict enforcement of (statutory) minimum purchase age regulations, including a mandatory ID check for all customers;
   - Imposing limits on the amount of marijuana that can be sold in a single transaction, beyond the limits imposed by Government;
   - Directing users showing signs of problematic users to sources of help, such as social workers (and/or refusing to serve them), or giving customers informal advice to cut down;

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[32] In Dutch, these establishments are referred to as 'coffeeshops' (one word) rather than 'coffee shops'.

[33] This occurred because of the difficulties in speaking to the alcohol and tobacco industries in the Netherlands (see section 1). When it was realised that no amount of effort could increase the number of alcohol/tobacco interviews, we agreed that the Dutch partner should instead collect documents and conduct two interviews in the area of coffeeshops.

[34] Marijuana sales are not formally 'legal', but rather are not punishable under the law. Coffeeshops are required to meet certain conditions including over the quantity and strength of marijuana sold, a minimum purchase age of 18, and no advertising. See also ALICE RAP Policy Brief Number 5, *Cannabis – From Prohibition to Regulation*, p20.

-   Not selling cannabis mixed with foodstuffs, where it is difficult for the user to know and control the strength of the marijuana, increasing the likelihood of dangerous situations.

7.2 Motivations

From two the interviews with coffeeshop owners involved in such CSR activities, it is clear that the motivations of these CSR activities is similar to CSR in alcohol, gambling and tobacco, as discussed above. Firstly, one person began by accepting that 'there are of course people who use too much'. However, when asked about the conflict of interest from having addicted customers, they replied:

> *"People who say this are obviously not familiar with the fact that cannabis almost has no addictive effect… Cannabis isn't physically addictive. You are mentally dependent."* (Coffeeshop Netherlands #1)

Another similarly said:

> *"Cannabis is not addictive. If you look up the meaning of addiction in the dictionary, you will find that an addictive substance is something that people start using more and more. Well, that is not the case with cannabis; therefore, cannabis is not addictive."* (Coffeeshop Netherlands #3)

Non-addicted problems were further confined to a very small number of users – respondent #1 said that 'less than one per cent experience problems with use', accounting for 'perhaps a half per cent of turnover'. The activities of coffeeshops were also favourably contrasted both with a fully criminalised cannabis trade (which was seen to lead to more consumers using hard drugs) and the legal alcohol trade (with alcohol seen as more addictive and with more negative social consequences). Indeed, respondent #1 argued that *'You can barely have any physical damage from cannabis… THC cures cancer cells instead of affecting them.'*

In this context, the motivation to be responsible was primarily about the licence to operate and the pressure of society's expectations – indeed, the comparison to the alcohol and tobacco industries was made quite explicitly, where the interviewee argued that CSR was *"[not] because they believe they are doing good on a social level. They do this because they have been forced to do this by society."* In the case of coffeeshops:

> *"If you behave responsibly, you have less trouble with your local community and you can thus function more easily and you can earn your money in peace. Of course: money. Money is the motive, at all times."* (Coffeeshop Netherlands #1)

> *"I think we do that in part to counter the negative publicity… in the nearly 40 years that the tolerance policy has existed in The Netherlands, we have been the subject of extensive criticism, and so we try to put up a little bit of a fight…* [Much later in the interview, explaining the reason for CSR activities:] *At the end of the day, I am still an entrepreneur, I have to keep the pot boiling"* (Coffeeshop Netherlands #3)

Indeed, the fact that marketing by other means was prohibited was suggested by one interviewee to make the motivation for CSR even stronger:

> *"Look, one must not forget that we, as coffee shops managers, cannot in any way advertise. This [CSR] may be the only chance I have at being in the newspaper."* (Coffeeshop Netherlands #3)

The benefits of this were seen as intangible and unpredictable (*'it doesn't give you any guarantees'*), but nonetheless important – even if the treatment of the industry by politicians could lead to occasional moments of cynicism *('The government doesn't even reward socially responsible entrepreneurship… You come with your head above ground level and the scythe can reach it more easily')*. Still, this was the primary goal of CSR activities, trying to make inroads into the 'normalisation' of marijuana use:

> *"We tried to normalise the product. We try to make it less scary. The vagueness and lies that exist about it – 'Watch out. Your son starts with a joint and ends with a needle in his arm', the stepping stone theory – we try to take the edge off that argument. That's your profit [of behaving responsibly]."* (Coffeeshop Netherlands #1)

> *"[We do CSR] to improve the image, to ensure that people who do not frequent coffee shops also get some idea of a coffee shop… and are given a FAIR representation, because I think many people have a distorted view of coffee shops"* (Coffeeshop Netherlands #3)

7.3 Impacts

The instrumental nature of these motives introduces the possibility that these are motives to *seem* responsible rather than to actually *be* responsible – as we discussed for the other addictive industries in Chapter 4.2.3 above. Again, this was quite explicitly noted by one interviewee:

> *"I did this [minimum purchase ages] to meet – here we go again – the expectations society has of me. I personally find it naïve… Now they buy from the illegal street dealer who has cocaine and XTC in his other pocket. I find this completely idiotic. So I do it, I show my responsibility, but sometimes you have to show responsibility to meet the image that is expected of you while you don't agree deep inside"* (Coffeeshop Netherlands #3)

The interviewee also repeatedly stressed their personal motivation to behave genuinely responsibly (*'for me the major advantage…is that I can look myself in the face in the morning'*), but they felt that this was rare among coffeeshop owners, for whom legislative bottom-line motivations were the overwhelming force. Yet rather than seeing CSR as a sham, the interviewee's view was that CSR was *intrinsically* about meeting society's expectations. Beyond this, the main expected impact of the CSR activities on harm itself was to minimise social nuisance (in terms of being loud when leaving).

Related to this, the second interviewee (see below) was sceptical about the impact of some of the CSR activities of others:

> *"[One coffeeshop owner] installed a 'chill room' during the recent renovations… [You should ask them], 'how many times has that room been used over the past few years?' And the answer would be: zero. But it serves its purpose: for the eyes of policy makers and the political buffoons who believe in that kind of thing. A "chill room" in a coffee shop? I mean, really."* (Coffeeshop Netherlands #2)

And as found for other forms of CSR, it was seen as challenging to demonstrate positive effects:

"We try our best…I just hope it has some positive effect, I can't measure it of course…We conducted [user] surveys, [but] we are unable to do scientific research, we simply do not have the financial resources" (Coffeeshop Netherlands #3)

That said, for one case of coffeeshop CSR (the education/training initiative in Rotterdam) there has been an evaluation written by an independent organisation.[35] The report states that the project was a success in the sense that evidence was found that both staff and visitors of coffeeshops had increased their knowledge. No direct evidence is presented that behaviour of coffeeshop holders or visitors of coffeeshops had changed (as is typical for even the better CSR evaluations; see section 5.3).

However, it is worth noting that not all coffeeshop owners did these CSR activities or believed in CSR (as is the case in the other addictive industries, particularly among smaller producers/retailers). The first interviewee mentioned owners who *'couldn't care less about ethics and simply want as much cash in their till as possible'*, while our second interviewee terminated the interview after a short time in exasperation at being repeatedly asked about 'responsibility'. Their view was that cannabis was not addictive (*'I challenge you to find a cannabis addict'*), and that there was simply no difference between coffeeshops and any other retailer:

Interviewer: "Are there any negative influences of your company to society?
Respondent: "No, I don't think so. I think only positive.
Interviewer: "Could you name a positive influence?
Respondent: "Well, I am meeting, in a respectable way, the requirements and wishes of many customers. I simply have the function that I have, in society. Just as the greengrocer meets the demand for vegetables and fruit." (Coffeeshop Netherlands #2)

As a result, they did nothing that they would label as CSR – although they did say that they would refuse service to problem users, as a simple point of sensible practice.

7.4 Conclusions

Overall, there are obvious differences between cannabis and the licit addictions in terms of the nature of the product (which some have argued is less harmful than either tobacco or particularly alcohol, although still more harmful than some other psychoactive substances (see Nutt, et al. 2010 and elsewhere in the ALICE RAP project)), its legal status (even in the Netherlands its sale is decriminalised rather than legal, and the production of cannabis remains illegal), and the structure of the industry (dominated by small businesses rather than large multinationals). Yet with the caveat that the coffeeshop case study is smaller than the other case studies (where larger numbers were interviewed, and where each addiction is studied in multiple), it is nevertheless striking that the activities and motivations for CSR are similar for cannabis to alcohol, gambling and tobacco.

For a discussion of what further steps could be taken to reduce the harm of legal/decriminalised cannabis markets, see the ALICE RAP Policy Brief Number 5, *Cannabis – From Prohibition to Regulation*, p14-15.

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[35] The report is in Dutch so we have not been able to assess its methodological quality (the description above is a summary from the Dutch case study partner), but the report is publicly available. See http://www.bpeno.nl/data/10mei2008_eindrapport%20coffeeshopproject_def.pdf

8. CSR for illicit drugs – does it exist? Drug dealers in Italian prisons

This chapter was written by Marina Tzvetkova, Emma Disley and Mafalda Pardal

It is perhaps unusual to explore whether drug dealers act responsibly. The very nature of drug dealing can be seen as largely incompatible with the promotion of societal welfare and social responsibility may not be a feature to consider first when we think about dealers and drug dealing enterprises. Also, because of the clandestine and dangerous nature of this business, it might be hypothesised that the majority of individual drug dealers would not be motivated or would not have the resources to behave in a socially responsible manner. This applies even more so to those among them who are also users and addicts themselves.

However, if we see the market for drugs as having similar pressures and structures as other markets, we can develop and explore hypotheses about why drug dealers might act, in some instances according to 'enlightened self-interest'. The definition of corporate social responsibility (CSR) used in this chapter is the same as for the wider report: *'voluntary activities by businesses that have an explicit or implicit aim of promoting societal welfare beyond any benefits of economic activity per se'*. This can still incorporate self-interested activities, as long as these have an aim of promoting societal welfare.

Following the structure used in the previous chapters of this report, we will look at the possible motivations of drug dealers to act responsibly, what socially responsible actions actually take place in the business of dealing with hard (class A) drugs and what impacts these activities might have.

8.1 Hypotheses and previous literature

8.1.1 The motivations of the drug dealing industry to behave responsibly: hypotheses

There are several motivations to highlight and which have also been explored in relation to other addictive industries. The first motivation is the threat of regulation and enforcement, that is, if dealers act irresponsibly, they would be regulated against. Unlike other industries discussed in this report, the sale of hard drugs (in particular cocaine and heroin which are the focus of this section) is illegal, in part because of the harm these drugs can do to the health of the user and also because of the knock-on costs for families, communities and society as a whole. Of course, the goods sold in the other addictive industries covered in this report also do harm (arguably as much harm as hard (class A) drugs (see Nutt et.al 2010) and this is not necessarily a barrier to those industries undertaking CSR. However, since dealing in cocaine and heroin is already illegal, even if dealers behave responsibly, they would still be the target of police operations (because of the illegal status of their business) and risk long sentences. It is possible to speculate that if all dealers acted responsibly, enforcement against dealing would be reduced, but we cannot verify this directly. Moreover, dealers of cocaine are unlikely to advertise that excessive consumption is bad and generally, dealers' responsible actions cannot be observed or advertised widely and therefore their influence on regulations and enforcement is arguably limited. Nevertheless, the threat of tightened enforcement might motivate dealers to maintain a low profile and try to limit their activities such as selling around schools and to minors. Another possible course of action in response to threat could be to self-limit career progress, i.e. dealers choosing not to expand their business in order to avoid police

attention. While not selling to minors is positive outcome, it would be difficult to assess whether self-imposed restrictions on career progress would have any wider effect.

The second motivation for CSR could relate to the moral sense of those involved. In this industry moral sense as a motivation can even be more acute because drugs are perceived as more harmful compared to other addictive substances (even if this may not be the case). On the other hand the moral sense of drug dealers can be questioned. For other addictive industries it was found that moral sense was a weaker motive compared to threat of regulation. Possibly this holds true for drug dealing too, especially given the fact that threat of regulation and enforcement in relation to drug dealing is higher.

Motivation for reputation (similarly to brand perception in legal industries) is something relevant to drug dealing too. Since drug dealing is illegal, dealers cannot advertise openly but they may have the motivation to maintain quality/purity of the drugs they are selling in order to attract customers.

Another issue relevant to motivations for CSR, which is worth mentioning and which was also discussed in relation to other addictive industries is to what extent dealers are motivated to *be* responsible versus to *seem* responsible. Again, since dealing in cocaine and heroin is illegal, dealers' activities cannot be observed widely. Therefore, it is possible to suggest that whenever dealers show motivation to act responsibly, there are good chances that this is genuine motivation.

Finally, when we discussed other addictive businesses we looked at short-term versus long-term motivations. Drug dealers don't have very long horizons in this business—they can be arrested, murdered, injured, and removed from the market anytime. Accordingly, their prospects are somewhat limited. We could suggest that dealers' best long-term perspective would be to make sufficient amount of money to stop dealing instead of trying to make the business more socially responsible. Whether such course of action (stop dealing) is beneficial for society is questionable – as old dealers will likely be replaced by new dealers, this might not reduce the overall level of dealing.

8.1.2   *What CSR actually takes place in the business of cocaine and heroin dealing: the literature*

Research on the subject of drug dealing has unveiled a number of issues that might be directly or indirectly associated with some degree of 'enlightened self-interest' or CSR.

While the lack of legal protection in this market might result in the use of violence, previous research has shown that drug-related violence is infrequent, especially in developed countries (Soudijn and Reuter 2013; Zaitch 2005; Taylor and Potter 2013; Paoli, et al. 2013; Desroches 2007). For example, conflicts arising from fraud, theft or incompetence of other dealers or subordinates are often resolved in a nonviolent manner. Drug dealers might indeed be motivated to develop their (illegal) business in such a way as to avoid drawing the attention of the police as well as not to discourage possible business partners (Zaitch 2005). What is more, the involvement of close relatives and friends in drug dealing may also be a motivation to avoid conflict and might help explaining the low level of violence in these markets (Zaitch 2005). In fact, the realization of the need to protect their wives and children, for instance, may be a strong motivation leading drug dealers to stop trafficking. Exiting trafficking - which might be understood as a positive change in terms of behaving responsibly – may also happen as a result of witnessing injustice towards friends or other traumatic experiences involving other relatives (Cambpell and Hansen 2012).

Another interesting element relates to the investments made with drug dealing profits. These tend to flow to the countries of origin of the traffickers (or outside of the country where these have been generated, to avoid detection) and often involve an investment in the legal economy, for instance in support of close family members (Zaitch 2002; Van Dun 2013; Paoli, et al. 2013). Some of these activities directly or indirectly promote societal welfare and appear to be relevant to drug dealers we interviewed for ALICE-RAP project, as we discuss in further in this section.

Drug dealers' relationship with customers may often go beyond 'doing business'. In this sense, building up trust and reputation for reliability and fairness may help developing a somewhat stable network of clients, especially from a long-term perspective (Zaitch 2002; Grundetjern 2012; Coomber 2003). Dealers may provide credit, 'freebies' or 'extras' to regular customers (Coomber 2003). They are also aware of the risks associated with 'cutting' drugs, which is avoided to the extent possible (Grundetjern 2012; Coomber 2003). What is more, drug dealers may not always aim to expand their client base to the maximum possible, as some drug users are perceived as a 'risk factor' – for instance, crack cocaine and heroin users have been described as 'losers', 'junkies' and are seen as less reliable than other types of users.

8.2 Methods

As part of work under a different work package of the ALICE-RAP project, a total of 72 interviews were conducted with individuals serving sentences in five Italian prisons having been convicted of drug dealing or drug trafficking. The interviews were conducted between September 2012 and January 2013. Table 1 indicates the nationality and number of interviewees per prison. The interviews were conducted to answer a broader set of research questions looking at the business strategies of convicted drug dealers. The interviews were conducted by researchers at UNICRI. They were semi-structured, guided by an interview schedule, but allowing scope for interviewers to raise issues not covered in the schedule and for the interview to pursue and further explore issues arising (see the ALICE RAP report for Work Package 10 for further details). While there were no questions explicitly asking about their sense of responsibility in relation to their customers or society more broadly, the interviews did cover how interviewees marketed their products. Answers to these, and comments and points raised in the interview discussion provide some insight into CSR among cocaine and heroin dealers.

Table 1: Distribution of interviews per prison[36]

Prisons	Interviews	Italian nationals	Other nationalities
Prison 1 (Rome)	15	12	3
Prison 2 (Florence)	14	10	4
Prison 3 (Milan)	11	8	3
Prison 4 (Naples)	14	11	3
Prison 5 (Turin)	18	11	7
Total	72	52	20

The final sample included 45 (62.5%) cocaine dealers and 21 (29.2%) dealers who sold mainly heroin. The remaining five dealers sold hashish, marijuana and amphetamines. According to their present drug sentence, 59.7% were imprisoned in relation to the sale of cocaine, 15.3% for cocaine and 12.5% for both. For 51.4% of all interviewees, cocaine was also the first drug they sold and 23.6% and 13.9% started with heroin or cannabis respectively.

50% of all Italian drug dealers included in the sample were imprisoned between 2008 and 2010, 25% in 2011 and 2012 and 21% between 2003 and 2007. At the time of the interview (late 2012) the average age of respondents (when known) was 42 (62.5% are between 25 and 45). The youngest respondent for whom the exact age is known was 22 and the oldest prisoner – 76 years old. The average age of first involvement with drug dealing was 25.

8.3 Results

Dealers in our sample were not directly asked questions around social responsibility and related attitudes and practices. However, from their responses, several possible indicators of socially responsible behaviour can be identified. The first possible indicator could be the self-imposed limit on their operations, such as, for example, not selling to children and around schools. We do not have much direct evidence of dealers limiting their operations in this way. Only one dealer expressed disapproval of addicts using syringes in front of children. However, some dealers disapproved of drug dealing in general despite their involvement in it. Attitudes towards drug dealing and possible changes in behaviour or in their operations as a result of this are discussed below.

8.3.1 Moral sense and attitudes towards drug dealing

As already mentioned, CSR was not the focus of our interviews. However, some dealers were very sensitive towards the problems of people (like them) who get involved in using and

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[36] The identification of representative prisons for the implementation of the interviews was based on an in depth-analysis of relevant data on the Italian drug market, presented by the Italian Home Office in the "2011 Anti Narcotics Report". The analysis include data on the number of anti-narcotics police operations and drug seizures within the Italian territory; the amount of seized drug; the regional distribution of subjects reported to the judicial authorities for drug related offences and all the above data in relation to the number of inhabitants per region. Given the peculiar characteristics of the drug market in Italy, which includes strong connections with the local organized crime and is influenced by the country's geography and territorial infrastructure, two main criteria were applied in the selection of the prisons: 1) their geographical position within metropolitan areas, characterized by high rates of drug-related crime; and 2) having a large enough representative sample of prisoners convicted for drug related offences.

dealing in drugs. They understood dealing in drugs as part of a wider social context. One dealer told us:

> "I disagree with drugs, but you can't ignore the fact that they are everywhere. I am in favour of legalizing soft drugs because it would have a huge impact. Many people wouldn't turn into addicts. People are attracted to forbidden things. Now if an addict can't find drugs he will commit a crime, whereas he could buy drugs in a pharmacy. Then consider trafficking and large-scale dealing (art. 74): it's absurd to charge someone under art. 74 just because he is found with 100 grams of stuff. You can get a 20-22 year prison sentence. If people are not willing to change things, nothing will never change. Politicians should do more, they should give people more employment opportunities. They should spend money on job creation and not on anti-drug operations. If a kid has a job, then he won't need to deal."(I39)

Other dealers expressed disapproval of drug dealing on moral grounds:

> "These other people from my country were dealing, I was there and I saw the money… so I started…Eight months later I was caught and received a suspended sentence. Then I started going in and out, in and out of prison. Here (in Turin) I evolved and woke up. No one forces you to deal, it's my fault… I also learned to face problems differently. I've been dealing for 20 years but it's dirty money. The drugs market is ugly." (I70)

Whether and how such disapproval is linked to a more responsible behaviour (occasional or systematic) is something worth exploring further. Even though we do not have sufficient evidence from the interviews to discuss this in depth, some insight is given by the way dealers described interruption and change in their careers in response to life events, such as the birth of children in dealers' families (own children, but also children of close family members). It is possible to suggest that with birth of children, views and behaviour of dealers could change. Being involved in something they were not proud of or disapproved of could certainly be in conflict with raising kids in addition to the risks, which their involvement in dealing posed to them and potentially to their families. Also, the realisation that time in prison will deprive them of time spent with their families is something they considered.[37] Such considerations are illustrated below:

> "I stopped using and selling. I decided to stop after my son's birth."(I11)

> "I stopped when my baby girl was born and then, when I broke up with my partner, I started again".(I62)

> "When I got married I stopped for a year and a half" (I35)

> "I stopped for various reasons. Mainly because if you do something they take it out on the people you care about …Let me explain. Say I arrange a handover. I buy and sell large amounts and everything goes smoothly. If law enforcement finds out but can't touch you, they start harassing your wife, your child, the people you work with."(I39)

> "I stopped for 2 years when I got married and moved to Como."(I60)

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[37] In this section we have only included findings from interviews with Italian drug dealers, but among Slovenian drug dealers there were also dealers who would rather not deal if they could: "I have never had a chance to find a job – because I am a foreigner in Slovenia. I think that everything will change now. I got a son, soon I will start school and hope I would never have to sell drugs again (S19)." Another Slovenian dealer told us that," I went to live in Germany with my aunt and young cousins and I decided I no longer wanted to have anything to do with this stuff.".

One drug dealer explained how new and different life experiences changed his attitudes to dealing. A medical doctor who took care of him while in prison tried to show him that life out of prison can be different from what he had experienced. During his part-time detention, he worked as a volunteer with this doctor and took children from an orphanage on outings in Naples (11-12 year-olds living in an orphanage run by nuns). The prisoner described this experience with great emotion, stressing the impact that this experience has had on his life and on his decision to stop dealing. (I20)

Disapproval of dealing (and also dislike of dealing as a stressful and dangerous business) could be observed in patterns of dealing as well. Some dealers only sold occasionally. Other dealers admitted that this work was very stressful and hard and they would take regular breaks from it. One dealer only worked when he needed money: *"I'd accept when I needed the money. When I didn't need any and someone asked, I would say no". (I72)* Most foreigners would not sell when they went back to their home countries for holidays and to visit family members (sometimes for a few months).

8.3.2   *Moral sense and treatment of customers*

Another possible indicator of social responsibility could be the general concern some dealers expressed about the wellbeing of others – addicts, users and dealers alike. However, despite that a few of them admitted feeling sorry for addicts in general and for addicts among their fellow drug dealers, overall they would not treat addicts more favourably compared with other customers. One dealer even admitted that one could give addicts worse quality stuff since they were always stoned.

At the same time dealers expressed awareness that their trade was very much dependent on customers, including the addicts among them. In general addicts were considered important customers. However, most dealers suggested that addicts often struggled with money (especially heroin addicts) and that addicts were also very difficult and dangerous customers: *"They are difficult because they are involved with crime, they have nothing to lose and they aren't careful. They betray and lie." (I1)* Addicts were also considered risky in that they attracted police attention and in that they were ready "for a fix" to talk to the police. Only street level and lower level dealers in the sample met addicts on a daily basis. Higher level dealers expressed content not to having to deal with them.

Some distinction was made by dealers between cocaine and heroin users. Cocaine users were generally preferred to heroin users and would fit a somewhat different profile. Dealers also suggested that sale of cocaine involved dealing with wealthier customers: *"Cocaine addicts are the easiest in the world, because they only have a psychological addiction. They are different" (I23)*; similar views were shared by other dealers: I6 and I38); *"Cocaine users are not difficult because they are middle-class people and cocaine is not really addictive" (I10).* One dealer described his customers in the following way:

> *"My customers were high-level criminals. Then I had some women who worked at home, transsexuals…lawyers and they are great customers. There was a lawyer in Rome who was amazing. He would call me the minute his plane landed and I would wait for him in a hotel in Turin. At times I would bring him [stuff] to the courtroom (I63).*

With such customers dealing is also often done off street, at locations previously agreed upon with the particular customer. Heroin users are considered more troublesome (including with regard to their ability to pay) and are also generally treated worse.

Of all dealers in our sample, 50% would give discounts, 25% would give some free/extra amount to new or regular customers and to friends, although no regular discount. For big quantities occasionally there would be discounts but normally bigger quantities would retail at different prices and no discount would be given on top of this. Discounts are mostly offered to friends and sometimes friends are given drugs at the prices at which dealers bought them *("I would give it to my friends for the same price I paid" (I9)*. Free stuff and 'tasters' is given to new customers occasionally. Some suggested that discount could be a deceptive category: "*It never really happens. I could say "here's some for free" but I'm actually tricking you: I might give you more but it's actually more cut" (I39).*

Only two dealers mentioned treating addicts differently by offering addicts discounted drugs or small amount for free and one dealer would occasionally give free stuff to addicts, because he felt sorry for them. Two dealers mentioned discounts for women (including addicts), one – in exchange for sex (I46). As one dealer concluded, *"You do not do favours in the drugs world". (I61)* Again, on the basis of this evidence, it can't be concluded that social responsibility motivates such actions and behaviours. The occasional free amount was to keep addicts going, not to discourage consumption, but it helped addicts.

8.3.3   Motivation for reputation

Another indicator of CSR could be the concerns for quality dealers expressed: maintaining supply of drugs, which were of good quality. Maintaining consistency over quality (even if it was not done with the motivation to reduce harm for users) could reduce harm to drug addicts, such as for example the risk to overdose. There are two major issues linking quality (purity) to safety. One is knowledge about the purity of the product. Regular users know how much of the drug they need and having regular suppliers reduces unpredictability and uncertainty regarding product quality. Another issue is the additional substances used when drugs are cut. We do not have consistent information on the latter, but we could suggest that repeated transactions would contribute to the maintenance of overall good quality of drugs. To what extent concerns for quality were motivated by concerns for customers' wellbeing is discussed below.

Concern for quality appears to be very important to the drug dealers in the sample. About 70% of all respondents reported serious commitment to quality, 33% of all dealers would return the drug to their supplier if it was of bad quality, and 25% would not buy it. Around 8% of the interviewees reported that they would mix the drugs (if of bad quality) with better product or tell the customer about the quality and lower the price; and 3% would not sell it at all and would keep it for "bad times" (i.e. when supply is low).

What exactly constituted bad quality is something that remains to be defined. Dealers in our sample would consider 80% purity to be very good quality cocaine (I47; I67); 70% purity is still acceptable as good quality. Bad quality would be 40% purity and below. In terms of cutting, one dealer suggested that from one kilogram of 94% pure cocaine he would make 1.5kg with 70% purity and would sell it that way (I43). Another one would make 3kg from 1kg, which would decrease the purity to 30% and below depending on the initial quality (I4). According to dealers in our sample, usually good quality that comes to Italy would be around 85% purity (I12; I25). Dealers suggested that if you buy less than one kilogram, quality would always be lower (I39). Street level dealers would sell generally worse quality compared to wholesalers and medium level suppliers.

What motivates dealers to act responsibly? In fact very few dealers (two) linked quality to safety and expressed concerns regarding the safety of the products they sold. One mentioned

that nowadays drugs were being cut with stock cubes, strychnine, shoe polish and synthetic drugs and some of these would be harmful and another one discussed how many would not have scruples about how drugs were mixed or whether people could get hurt (I18 and I62). We can presume that dealers expressing such concerns may choose to avoid dangerous substances when mixing drugs. However, for the majority of dealers concerns and commitment to quality were related to their standing and future in the drug market and did not include special considerations of customers' wellbeing. As with other businesses, where goods are sold to customers, commitment to quality comes as a response to the demand for better quality and can be motivated by expectations of higher profit. Generally, dealers suggested that nowadays people who cut drugs would make less money. One of the main reasons why customers would return to the same dealer was the quality of the product they supplied. They risked losing customers if they failed to maintain quality:

> "Some sell it for less and cut it. But addicts aren't dumb and because they try drugs sold by different suppliers they know who has the best."(I65) It [bad quality] means losing credibility and consequently losing customers" (I29).

Another motivation to keep customers happy and have regular customers was dealers' concerns for their own safety. Given the clandestine nature of this trade and the risks involved, the more careful and trustworthy the supplier or the client, the better. Caulkins and Reuter (2004) suggested that despite the high rates of turnover, drug markets are markets in which repeat business is the norm and is highly valued. Accordingly, trust is important. As one dealer explained:

> "At times they [customers] are like us (dealers) and they have several suppliers. So they go to someone else. But my customers would never get pissed off at me because I was reliable…I wasn't likely to get arrested" (I65).

This logic goes the other way around too: Dealers liked regulars and were worried that a new customer might be an informer or not reliable.

8.4 Conclusion

Drug dealers limit their operations to respond to enforcement threats. This can include not selling to minors and around schools. Drug dealers (at least some among them) are also sensitive to the moral issues involved in drug dealing. Some of them would and others did stop dealing in order to protect their families and because they disapproved of drug dealing. Such choices and behaviours are limited by opportunities. Drug dealers have concerns about the quality of drugs they sell. The quality of illegal substances is much harder to sustain and to control, compared to that of legal products (alcohol, for example). It is possible to suggest that in areas controlled by organised crime, for example in the South of Italy, some coordination is possible, but for drugs sold off street and by independent dealers, this would be difficult. At the same time, repeated transactions would act as a mechanism of control and dealers admitted returning drugs back to their supplier if the quality was bad, which inevitably would have some beneficial effect on users and especially addicts. This effect is largely unintentional and not driven by concerns for customers' wellbeing and hence, social responsibility, even if a few dealers would feel sorry for addicts and would disapprove of drugs being mixed with harmful additives.

9. Conclusions and recommendations

9.1 The study

This report has investigated the motivations, nature and impact of addictions CSR across the different addictive industries, understanding these as part of an interconnected chain from motivations ➔ practices ➔ impacts. It has defined CSR as "voluntary activities by private businesses that claim to promote societal welfare, beyond any benefits of economic activity per se"; the phenomenon of study is defined by the *claim*, and the extent to which CSR activities *actually* achieve this is an empirical question to be answered. We should stress that we are not considering whether an industry can be considered 'responsible' in a general sense; several scholars have argued that an industry cannot be considered fully responsible if the products/services it supplies are associated with high levels of harm, irrespective of its CSR activities (Palazzo and Richter 2005; Yani-de-Soriano, et al. 2012). While recognising the importance of these questions, our focus here is empirical rather than philosophical.

The report has used both searches of the academic and grey literatures, and new documentary and interview-based evidence:

- The main case studies in Chapters 3-5 focused on alcohol, tobacco, and gambling CSR, looking at 8 case studies across 4 settings (UK, Italy, Netherlands, EU-level). The analysis used data from 80 interviews and 23 documentary reports, as well as a systematic analysis of final reports from the EU Alcohol & Health Forum.
- Chapter 6 presented a further case study of the food industry in the UK, based on 7 completed documentary reports and systematic analysis of 8 recorded speeches at an industry-focused CSR event.
- Chapters 7 and 8 then extended the scope yet further by focusing on decriminalised drugs (coffeeshops in the Netherlands) and illicit drugs (in Italy). The former was based on a documentary analysis and three interviews with coffeeshop owners; the latter was based on 72 interviews with drug dealers in Italian prisons.

As with all social scientific research, the conclusions that follow need to be interpreted in the light of the limitations of the research. Firstly, some partners found that industry CSR staff simply refused to speak to them: this was particularly the case for tobacco (given the FCTC recommendation against public health bodies working with the tobacco industry) and situations where the partner in question had already publicly criticised the industry (the alcohol industry in the Netherlands, the food industry in the UK). In these cases, additional information was obtained from further documentary analyses (all), interviews with non-industry experts (for tobacco and alcohol) and/or attending public events targeted at CSR professionals (UK food).

Secondly, our original plan was to conduct two case studies in Estonia. However, this was prevented by the withdrawal of the partner involved at a late stage of the work, which means that we have no case studies from within the newer EU member states. We therefore recommend this as a particular focus for future research. Third, as in all interview-based studies, we can never be sure that respondents are telling us the truth as they see it. However, the impact of this will be minimised by assurances of confidentiality on the one hand (and, in practice, some respondents did give answers that did not benefit their employer), and by triangulating this against documentary reports and other evidence on the other hand. Finally,

and as we return to in summarising the conclusions of the report, there are particular difficulties in getting robust evidence on corporate motivations (motivations not being directly observable) and on the impacts of CSR (where few robust studies have been conducted).

Nevertheless, this document reports a theoretically-grounded analysis of CSR across a range of different industries in different settings across the EU, based on a wealth of source material – offering a uniquely wide-ranging perspective on the phenomenon of addictions CSR.

9.2 Conclusions

9.2.1 The motives for addictions CSR

Across the addictive industries, by far the most common stated motivation for addictions CSR by corporate actors was to secure popular and political support for the operations of the industry – a 'licence to operate' – and thereby deflect restrictive, profits-damaging legislation in the long-term. While other research has used rare public access to private documents to suggest that this might be the case, it was in fact openly admitted in the interviews here. It was seen as 'enlightened self-interest' – that is, by responding to societal concerns rather than pursuing their short-term bottom-line, the industries involved were also securing their own long-term position, a decision from which all stakeholders benefitted. This was strongly reported within each of the alcohol, gambling, tobacco, and HFSS food industries where CSR was strongly institutionalised, and also for Dutch coffeeshops, despite the considerable differences between the addictions and industries involved.

This was not the only motivation for CSR that was reported by those involved, even if it was the most dominant. A direct consumer demand for healthier products was reported by the tobacco and HFSS food industries, linked to the possibilities of reformulating products (see below), although much more rarely for the other industries, including illicit drugs. Indeed, CSR effectively does not exist for illicit drugs; some drug dealers did behave in certain ways that perhaps benefitted society (at least compared to a hypothetical situation of greater harms), but the *claim* that these actions benefitted society was never made; they were simply inadvertent side-effects of short-term self-interested decisions. This seems most likely to reflect *inter alia* the lack of long-term horizons among drug dealers and the implausibility of reducing the chances of restrictive legislation via CSR activities, thereby providing some further suggestive support for the importance of these motives in the other industries.

However, one possibility is that these are motivations for companies to *claim* to be responsible (which is our definition of CSR), but not motivations for companies to *actually* positively impact on societal welfare. From other studies (including in ALICE RAP WP10), we know that considerable shares of sales in the alcohol/tobacco/gambling industries are accounted for by addicted and/or unhealthy consumption – which can be considered as a potential motive to be *ir*responsible. This is one of the most common reasons why public health advocates across the addictions are sceptical *a priori* about the genuineness of such CSR activities. When we pressed industry respondents on this, the common responses were partly to contest the size of the motive to irresponsible (often by defining 'undesirable' consumption so as to restrict it to very small groups), partly to say that the motives above are motives to be genuinely responsible, and partly to emphasise the personal morality and commitment of the staff involved (although the extent to which personal motivations can be transformed into corporate motivations is unclear).

In summary: the addictive industries say that their CSR – that is, their activities that *claim* to benefit society, beyond their core operations – are motivated primarily by the desire to avoid legislation in the long-term, and to a lesser extent, by consumer preferences. However, the extent to which these are motives to actually reduce harm in practice is contested, and difficult to resolve by a study of motivations directly (which are by their nature not easily visible). For this reason, it is crucial to examine the CSR activities that the addictive industries undertake, and the impact that these have on public health outcomes.

9.2.2   *The nature and impact of addictions CSR*

A variety of different CSR activities were reported by different industry actors across different addictions. However, nearly all of these fit into a particular way of understanding the problems of addictive goods/substances, in which the solution is to encourage 'responsible behaviour' by the individual adult consumer. So for example: CSR activities included labelling to allow informed choice, the provision of healthy alternatives for consumers to choose, nudges to encourage 'better' choices (e.g. education, commitment devices), self-regulation of marketing to try and avoid encouraging consumers to make 'bad' choices, and discouraging consumption in 'irresponsible' situations (e.g. drink-driving). The main activities that did not fit into this framing were oriented around youth (who were encouraged to make 'responsible' choices through youth prevention activities, but accompanied by some CSR activities around better compliance with legal purchase age legislation), and product reformulation (primarily in the food and tobacco industries). In general, though, the same sorts of individual-focused CSR activities were seen for alcohol, tobacco, gambling, food, and indeed also for Dutch coffeeshops (partly influenced by the CSR activities that they had seen from other industries).

Perhaps the most crucial question, however, is the impact that these initiatives have on health and addiction-related harm. Based on extensive searches for published evaluations in the academic or grey literatures and interviews with CSR professionals, across the alcohol, tobacco, gambling, and HFSS food industries as well as Dutch coffeeshops, **our conclusions are that:**

- **many CSR activities are not evaluated;**
- **those evaluations that do exist may show that an initiative was implemented, but are not very convincing in terms of key outcomes;**
- **the very small number of relatively convincing evaluations show *negative* impacts.**

Most industry respondents nevertheless argued that CSR was 'the right thing to do', partly because it was seen as right to respond to societal pressure, even if it was not felt that this was likely to reduce addiction-related harm in itself. This is problematic given the debate above about whether the addictive industries are motivated to genuinely improve societal welfare, or merely to *seem* that they are doing so: responding to societal pressure seems more closely aligned with the latter than the former.

The other reason that CSR activities were claimed to be 'the right thing to do' was that they were seen as *likely* to have an impact, even if this had not been demonstrated by rigorous research. We do not seek to review ourselves the entire research literature on effective interventions (see ALICE RAP WA3 on determinants of addiction/harm and WA6 on governance for more information on this topic). Nevertheless, we have sufficient evidence to conclude that CSR professionals' near-unanimous rejection of legislative approaches and an emphasis on CSR-based education seems to be at odds with the weight of evidence of 'what works' across the addictions, at least for alcohol and tobacco where evidence exists – in other words, that the claim that they are likely to have an impact seems inconsistent with the best available evidence. However, this presumption by CSR professionals does fit the motivations for CSR that we considered in Chapter 4, where the foremost desire was to avoid legislation.

Some CSR activities may have noticeable public health impacts (particularly product reformulation), but there are simply no studies that have demonstrated positive impacts on health or harm, and most CSR activities seem *a priori* unlikely to have noticeable impacts.

9.3 Recommendations

To fully understand the impact of CSR on addiction-related harm, we must differentiate two different sorts of impacts:

- *'Direct impacts'*: the effect of a given CSR activity on its target population. While as we have seen there are few robust evaluations, such impacts can in principle be evaluated using social scientific tools.
- *'Indirect impacts'*: the long-term effect of CSR activities on the governance of addictions, through both access to policymakers and more intangible impacts on the way that people public conceptualise the addiction in question. We have found here that this is the main reported motivation for CSR activities across the addictive industries, and nearly all CSR activities fit within a framing where responsibility for harm is placed on the consumer rather than the industry itself – so these indirect impacts may be considerable.

This report has provided a considerable amount of information on the motivations for CSR, the types of activities that exist, and the direct impacts of such activities – and the limited existing evaluations suggest that the direct impacts of CSR on health and addictions-related harm are likely to be either negligible or negative. However, we do *not* present evidence on indirect impacts, and as a result, our understanding of addictions CSR remains incomplete. These indirect impacts are instead considered in ALICE RAP Work Package 12 (WP12 – addictions web of influence), which complements the present report. As a result, it will only be at the end of the WP12 report that definitive conclusions and recommendations about CSR and the addictive industries can be made.

Nevertheless, from the evidence in this report, it is striking that there is little robust evidence on the direct impact of CSR activities on valued outcomes, and that the few robust studies that exist primarily show *negative* impacts – that is, that the CSR activity is *worse* than doing nothing.

From the current research, an interim recommendation can be made: **We recommend that policymakers pay attention *only* to CSR activities that are <u>both</u> based on the best evidence as to the types of activities that are *likely* to work, <u>and</u> then robustly evaluated against *valued outcomes*.**

Professed 'good intentions' should not carry any weight in the absence of further evidence. Similarly, evaluations that simply show that an activity was done (but do not link measures on the path to addiction or harm) are insufficient, as even a successfully-delivered initiative may still be either ineffective or actively harmful.

This raises the question about whether it is possible for addictions CSR activities to be evaluated against outcomes. One possibility is for non-industry actors to evaluate the effectiveness of CSR activities. Naming-and-shaming of companies that break self-regulatory codes is often seen as a way of encouraging compliance in the absence of any other enforcement mechanisms (Amalric and Hauser 2005; Sen 2007:1). For example, for alcohol, the UK Government has previously named-and-shamed companies that sold to underage drinkers (Home Office 2007; Ford and Tendler 2006), a US NGO has evaluated compliance with

an alcohol industry self-regulatory code,[38] and the alcohol industry themselves have used name-and-shame tactics in this way (Baggott 2006:32). However, such naming-and-shaming tends to be focused on compliance rather than valued outcomes. While there are occasional examples of external actors conducting rigorous evaluations of CSR activities against valued outcomes (see Section 5.3.1), NGOs lack resources to do this effectively (Christian Aid 2004:14), and even better-resourced external actors face practical challenges in testing if CSR activities actually reduced health and addiction-related harms.

A perhaps more viable approach would be for policymakers to apply pressure to the addictive industries to evaluate CSR activities more robustly (Public Health Commission 2009:21; Alcohol Concern 2005:4; Baggott 2006) – with unevaluated CSR activities based on unevaluated/ineffective strategies being effectively treated as worthless by policymakers, as we recommend above. This is not to underestimate the challenges in conducting robust evaluations, and many respondents pointed out the difficulties of doing good evaluations in this area (see Section 5.3.2). Still, various actors who are sympathetic to CSR nevertheless are pushing for stronger evaluations, which they feel are a realistic (and necessary) objective. Other areas of CSR activity also seem to have better levels of evaluation; as Harkins et al put it in Chapter 6, *"Commitments made to reduce carbon emissions or to boost sustainability in the supply chain are more thoroughly assessed [than the addictive industries]."* This could be accompanied by practical advice to the addictive industries in how to evaluate impact robustly and cost-effectively, based on the 'Inspiring Impact' initiative for charities in the UK (http://inspiringimpact.org/, accessed 23/8/2014).

In conclusion, our recommendations are:

1. **The long-term indirect impacts of addiction CSR are considered in ALICE RAP Work Package 12 (WP12), which complements the present report. As a result, it will only be at the end of the WP12 report that definitive conclusions and recommendations about CSR and the addictive industries can be made.**

2. **As an interim recommendation pending the final WP12 report, we recommend that policymakers pay attention only to CSR activities that are both based on the best evidence as to the types of activities that are *likely* to work, and then robustly evaluated against *valued outcomes*. Professed 'good intentions' should not carry any weight in the absence of further evidence. Similarly, evaluations that simply show that an activity was done (but do not link measures on the path to addiction or harm) are insufficient, as even a successfully-delivered initiative may still be either ineffective or actively harmful.**

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[38] One possible model comes from the US, where the Center for Alcohol Marketing & Youth (CAMY) have issued 22 reports monitoring youth exposure to particular alcohol adverts 2002-2007, based on expensive, systematic tracking of advertising. Not only did the industry introduce a voluntary code that strongly reduced (but did not eliminate) advertising where under-21s were more than 30% of the audience, there was also a strong decline in youth 'overexposure' to alcohol advertising in magazines However, there was no change in overexposure for TV advertising, and – given an overall growth in TV advertising – overall under-21 exposure to alcohol advertising across TV and magazines combined was roughly unchanged (CAMY 2007a; CAMY 2007b).

Appendices

Appendix 1 – Interview Topic Guide

Informed consent form, Confidentiality

Warm up

What is the role of [addiction] in [country]'s society?

Do you think that people use [addiction] too much, too little, or about right? If you could change something about [this country's] relationship with [addiction], what would it be?

Can you talk to me about the role you cover in here and your responsibilities?

Can you illustrate me briefly the characteristics of the body for which you work and its main activities?

Core

How much have you personally been involved with 'corporate social responsibility' activities? [Probe around how became involved]

What does 'CSR' mean / How is a 'responsible' company different from an 'irresponsible' one?

Do you consider [their organisation] to be a 'responsible' [body/company]? If so, what CSR activities do they do? (allow time for an answer to be given then pick up on documentary analysis here and discuss each dimension of CSR emerged)

Can you tell me about eventual changes of direction in the history of your body in relation to csr activity (probe on any turning point).   How were changes determined? (see whether the narrative focuses on actors/changes in policies/consumer behaviour…)

Is there a particular person who is responsible for CSR issues within your firm? How are CSR issues communicated to the rest of the workforce in their day-to-day work?

Do you think some parts of the [addiction] industry are more responsible than others?

Motivation

What do you think are the motivations for [addiction] companies to behave responsibly? (If gives answer in terms of 'reducing harm' etc, probe about bottom-line impacts; also link to documentary analysis)

How much does CSR help the credibility of [your organisation] and the [addiction] industry more widely? Does this help you communicate

How far does CSR affect how politicians and policymakers think about [your organisation] and the [addiction] industry? Does it help you get your messages about [addction] across to them more effectively? [Probe in detail]

How much more highly-regulated would [addiction] be if the industry had not behaved responsibly?

And how far does CSR affect how the public think about [your organisation] and the [addiction] industry? Does it help you get your messages about [addiction] across to them more effectively?

Some people say that the [addiction] industry actually has a motivation to be *ir*responsible, because addicts are important customers. How much do you agree with this argument?

How do you evaluate the costs of a particular CSR activity? And how do you evaluate the size of the potential benefits from it? [refer to doc analysis]
    If we could eliminate addiction completely, how much do you think your sales would go down?

When you are considering doing something differently for CSR reasons – either a change in business practice or a stand-alone scheme – who takes the ultimate decisions about whether or not to go ahead with it? Do senior managers ever become involved in CSR issues?

Impact

What impact do you think that these CSR activities have on [addiction]-related harm?

What advantages does CSR have over other public health or social welfare policies that do not include the [addiction] industry?

Were the CSR activities you were involved with evaluated at all? Are these publicly available? Can you explain to me the process of evaluation you adopted? [Probe around evidence for belief on impacts]
    Ask for any internal reports to be circulated after the interview.

Overall, how do you think CSR has affected [addiction]-related harm in [country] at the present time, compared to if CSR didn't happen?
    How much has it harmed or improved the profits of the industry?

Finally, how much further can we reasonably expect CSR to achieve in reducing [addiction]-related harm – and how can Governments, researchers and others help companies achieve this?

INSTRUCTIONS
Please read these in detail before starting!

THE AIM AND SCOPE OF THE DOCUMENTARY ANALYSIS
Each of you has 1-2 case studies out of alcohol, HFSS food, tobacco, and gambling. We refer to your case study as your 'addictive industry' below. We are aiming to find out (i) what Corporate Social Responsibility (CSR) activities take place; and (ii) what claims are made for them.

REMEMBER – the case study work starts with the data collection for the documentary analysis and social network analysis, but involves more that just these. You have agreed to conduct and transcribe (but not translate) eight interviews over the period Sep-Dec 2012. And you have agreed to collect a series of marketing examples in mid-2013 (You may also want to spend time on the analysis and write-up of these tasks, although this is voluntary). Please plan your time accordingly to ensure you complete all of these tasks!

DOCUMENTS TO CONSULT
Your first step is to find out which are the biggest companies for your case study in your country. Aim to cover the companies that account for 80-90% of the market share for your case study, for both production and retail (if this proves impossible, see below). NOTE that the companies may have different names to the top brands, and that these companies may have separate investor/corporate websites to their customer-facing websites. We are ONLY interested in the actions of private companies, and NOT actions undertaken solely by official state agencies.

The documents we would like you to consult are:
1. *The last five annual reports by your case study's biggest companies. For example, for alcohol this may be Diageo's annual reports for 2007-2011.*
2. *Any specific CSR reports or website CSR descriptions by your case study's biggest companies. For example, for alcohol this may be Diageo's special CSR report, plus the CSR parts of their website.*
3. *Reports/website of relevant trade bodies. There may be multiple trade bodies covering different parts of the industry – for example, for alcohol there may be bodies for beer, wine, cider, whisky, on-trade retailers, off-trade retailers etc.*
4. *Reports/website of industry CSR bodies, if they exist. For example, in the UK there is 'The Portman Group' for alcohol, the 'Responsible Gambling Trust' for gambling etc.*
5. *Public statements (news reports, press releases) by any of the organisations above or their employees. (You will also be using these sources for the social network analysis).*
6. *Comments on these CSR activities by others – including Government (e.g. in general strategy documents, CSR strategies, or public statements), charities and NGOs.*

Some of you will find relatively little information on CSR from this – but some of you will have too much! In this case, please limit your analysis to (i) the last five years, and (ii) to trade bodies, CSR bodies, and the six biggest producers. If you still find this unmanageable, please contact Valentina ASAP.

INSTRUCTIONS (continued)

HOW TO DECIDE WHAT GOES ON EACH FORM

By 'CSR activities', we mean BOTH self-regulatory activities (e.g. an internal marketing code), AND wider activities (e.g. funding education in schools, funding research).

Please fill out a separate form for each CSR activity (rather than for each document). For example, if you are reading an annual report of a company that talks about (i) marketing self-regulation, (ii) some 'responsible consumption' messages on their adverts, and (iii) funding a treatment centre, then please fill out three entirely different forms, even though they come from a single report. (You can copy and paste any parts that overlap!).

Please only describe activities that relate to alcohol/tobacco/gambling/food (unlike in the social network analysis). Companies and trade bodies may do a wide variety of other CSR activities about e.g. the conditions for their workers, water supply in the supply chain etc. We are NOT interested in these other activities.

HOW TO FILL OUT THIS FORM

For document that are not in English, please provide BOTH the original untranslated text, AND your translation of it. Please indicate pages when quoting, dividing between exact quotes (in inverted commas) and your own summaries (in italics) – but please provide exact quotes where possible. In all cases, please say which document the information comes from, together with a page number.

Some parts of the social network analysis overlap with the information here. Because we ask you for more detail here, please include the information in this document. (But make sure you note in the social network analysis where they can find the relevant information).

FURTHER QUESTIONS

We have included an example form (about the Responsible Gambling Trust), which you will find in the main email we sent out – this will help you understand the sorts of answers we are looking for.

If you have any further questions, please get in touch with Valentina Cuzzocrea at v.cuzzocrea@kent.ac.uk - we would prefer you to ask questions than to make a wrong guess about what the questions mean!

Finally, many thanks for working with us on this project – we hope you're as excited as we are about what we'll find!

Ben Baumberg & Valentina Cuzzocrea, 8/8/2012

ABOUT YOU
Name of people responsible completing document

Date that this template was completed

SOURCES
(You are likely to find multiple sources on some activities. Please include all sources here, and make clear which source you are referring to in each section below)

Source document 1
>   **Document language:**
>   **Source**
>   **Date accessed:**

Source document 2
>   **Document language:**
>   **Source**
>   **Date accessed:**

Source document 3
>   **Document language:**
>   **Source**
>   **Date accessed:**

Source document 4
>   **Document language:**
>   **Source**
>   **Date accessed:**

ACTIVITY
Name of company / body responsible
Please also note the part of the social network analysis that provides details about this company/body. If it is not included in the social network analysis for any reason, **please include here a description of the company/body.**

Other industry partners in activity [please provide descriptions]

Other <u>non</u>-industry partners in activity [please provide descriptions]

Type of activity

Detailed description of activity
Include all the following, if available:
-   A detailed description of what the CSR activity is
-   Scale of activity (e.g. within 10 schools vs. 100 schools)
-   Location of activity (e.g. Brussels, national, within EU)

Claimed aim of the CSR activity itself
Include a description of what 'responsible' behaviour they are trying to encourage (compared to the 'irresponsible' behaviour they want to discourage), if given.

Claimed motivation for the company/body to do the CSR (when stated, and if diverging from claimed aims)

Add here any other info you would highlight in giving an interpretation to the document, if any

IMPACT

Cost to each of the organisations involved (if stated, and including any contributions from charities / state agencies)

Claimed effect of CSR activity on consumer attitudes, behaviour, harm or industry practice
You may have to repeat some of the material above here (e.g. from 'Claimed aim of the activity').

Evaluation or audit of CSR activity to demonstrate an effect on consumer attitudes, behaviour, harm or industry practice

GENERAL CLAIMS

General claims for effects of CSR on consumer attitudes, behaviour, harm, or industry practice

General statements about extent of addiction/harm relating to this product

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