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How Sin Industry Firms Use Corporate Social Responsibility to Build Legitimacy in Disadvantaged Communities: A Case Study from Africa

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Abstract:
In recent years, corporate social responsibility (CSR) has been challenged by several contradictions. One of these contradictions includes CSR activities in vulnerable and disadvantaged communities by firms operating in so-called sin industries (e.g., alcohol, tobacco, gambling, and weapons). Although a vulnerable community may seem to be an ideal place to engage in corporate social responsibility (CSR) activities, these activities can be used strategically by sin industry firms to legitimize their business and create political influence in vulnerable communities. Our study explores how sin industry firms use CSR activities to build legitimacy (both pragmatic and moral) by manipulating the organization's image and reputation amongst societal stakeholders building relationships with key constituents.

Keywords: *Corporate social responsibility, sin industries, disadvantaged communities*

1. Introduction

A Ghanaian schoolboy rushes to a drinking spot near his school, drops some coins on the counter and asks for a cigarette. He studies the ad poster on the wall—it says he could win a big prize from the multinational cigarette company if he purchased a certain amount that week. Next to this poster was another one of his sports hero, drinking a premium beer. He lights the cigarette, smiles to himself, as he is convinced that drinking and smoking are desirable behaviors. He juggles the remaining coins in his pocket and realizes that he has enough to buy himself a beer. It did not matter to him that getting drunk could mean missing part of the school day. He and the companies selling these 'sin' products have one thing in common: customer satisfaction. However, the dark side of the story is that the schoolboy is unwittingly abetting the sin industry's relentless search for profit.

(Adapted from a Los Angeles Times article in/about South Africa)

The use, and potential misuse, of Corporate Social Responsibility (CSR) activities by sin industry firms is a relevant discussion when such activities are engaged in for strategic, rather than altruistic, reasons. Questioning how the CSR label is used and which entities may use it is an important discussion for the future of this field. If CSR activities are used as strategic tools to build legitimacy in order to facilitate access into vulnerable communities and garner influence with local governments, then this contradiction is sufficient enough to shift the dialogue of how we create policy to assess "CSR", as these positive CSR activities may be used to disguise corporate misbehavior and weaken civil society.

The CSR behaviors of sin industry firms differ from traditional conceptions of CSR by non-sin industry firms due to the core business they engage in and the vulnerable communities they sometimes target to operate within. These sin industry firms focus attention on their CSR investments and the ultimate advantages of their presence in the community, despite the potentially net negative impact to disadvantaged communities—that the frequent use of their products can contribute to the undermining of community wellbeing, chronic poverty (Elaydi and McLaughlin, 2012), and antisocial behavior (Turok, 2006). This focus on their CSR activities and resulting positive outcomes is done strategically in an attempt to build legitimacy with external constituencies in disadvantaged communities, which is crucial for the success of any firm (Singh, Tucker, & House, 1986) that wishes to remain competitive in a specific community market.

We thus explore the fundamental tension between the positive outcomes stemming from the CSR activities of sin industry firms and the potentially negative effects on overall community wellbeing from the operating presence of such firms. The question arises whether the CSR activities of sin industry firms operating in disadvantaged communities can truly be considered "socially responsible" and truly compatible with CSR principles, or whether they should be considered something fundamentally different than CSR? It is our contention that these CSR activities do not embody true acts of corporate social responsibility that are consistent with the original aims of the CSR philosophy, but rather are strategic actions taken to gain social legitimacy and ultimately achieve the firm's long-term economic goals.

The current study also focuses on how these dynamics play out when multinational corporations in the alcohol industry engage in CSR activities in West Africa. Our study seeks to investigate *how* sin industry firms use CSR activities to build legitimacy in disadvantaged communities, which may contradict their stated social responsibility goals. We employ a case example and discourse analysis of secondary textual data to explore the discourses of a sin industry firm operating in disadvantaged communities in West Africa. This involves an examination of the main CSR commitments and achievements reported by one of the leading multinational organizations alcohol producers in Ghana[1]. Our central finding is that CSR activities support entry into and provide legitimacy for the controversial activities of sin industry firms, thus allowing them to operate with community support (or at least passive acceptance) despite the potentially negative effects on community wellbeing. We discuss, in light of this fact, whether these activities can be considered "socially responsible". We conclude with policy recommendations, suggesting that firms in sin industry be limited (e.g., unable to use name or logo), restricted (all activities are anonymously done through an intermediary nonprofit) or prohibited from CSR activities in vulnerable communities.

2. Literature Review

2.1. Corporate Social Responsibility

The concept of CSR is a dynamic concept that has evolved over the years, in response to the specific needs of a particular era and particular communities[2]. CSR has been defined by Carroll (1979, p. 500) thusly: "the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time". Harold Johnson (1971) defined a corporate socially responsible firm as one "whose managerial staff balances a multiplicity of interests and strives not only for larger profits for its stakeholders but also takes into account employees, suppliers, dealers, local communities and the nation" (p. 50) —i.e. alluding to some degree of altruism.

According to Carroll's (1991) "pyramid of CSR", there are four kinds of social responsibilities that encompass CSR: economic, legal, ethical/moral, and philanthropic. *Economic* responsibilities include producing goods and services that consumers desire and doing so in an efficient manner in order to operate profitably and be competitive. *Legal* responsibilities include pursuing the profit motive but doing so within the legal framework set by society. *Ethical* responsibilities go beyond fulfilling a firm's *economic* and *legal* obligations to its moral responsibilities to avoid doing harm/wrong and to pursue fairness, even if there is no legal requirement to do so. *Philanthropic* responsibilities involve contributing to the good of various societal stakeholders, *even if this sacrifices part of the business' profitability*. It is exceedingly difficult to precisely specify the activities that might be considered socially responsible. This was noted by Carroll (1979, p. 501) who stated that: "no effort will be made here to exhaustively identify the social issues that business must address. The major problem is that *issues change* and they *differ* for different industries" (italics original).

The theoretical rationale for CSR rests on a foundation provided by stakeholder theory as described by Freeman (1984). In contrast to shareholder-centric theories that describe the sole function of business as profit maximization, stakeholder theory argues that firms have responsibilities to a broader set of stakeholder groups, which include shareholders but also employees, customers, local communities, and society-at-large. Thus stakeholder theory suggest that companies have a broader range of obligations than solely financial ones (e.g., Carroll, 1974), reflected in the interests of the broader set of stakeholders, which motivates CSR behaviors in order to satisfy the varying interests of these stakeholder constituencies. The implication of stakeholder theory is that firms are acting in a socially *irresponsible* manner when they narrowly consider only the firm's economic interests without taking into account other stakeholder interests (Armstrong, 1977).

The CSR literature suggests the general values implicit in socially responsible corporate practices. And while stakeholder theory answers the question "*to whom are corporations responsible to*?" it fails to address another rather critical issue: *for what exactly is a corporation responsible—doing well, or avoiding doing bad, or both*? This issue can be illuminated by an examination of the CSR activities of sin industries firms, and whether their CSR activities can result in them justifiably being labeled "socially responsible" despite the potentially deleterious effects of their products. There is thus a gap in the literature exploring the CSR activities of sin industry firms and the use of legitimization provided by CSR to provide cover for their business activities, which this study seeks to explore.

1This case study provides a detailed illustration of how one sin industry firm operates in Ghana, and while the case and company are illustrative, the case is meant to regard the CSR behaviors of sin industry firms in general and not one specific entity

2See Carroll (1999) for an excellent review of the definitional evolution of CSR

2.2. Organizational Legitimacy

Given that one of the main purposes of this article is to illuminate how sin industry firms strategically use CSR activities to garner legitimacy, it is necessary to review in-depth the concept of legitimacy, forms of legitimacy, and how organizations can gain legitimacy.

2.2.1. Concept of Legitimacy

In his seminal article on organizational legitimacy, Suchman (1995, pg. 574) defines legitimacy as a "generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions." Organizations seek to build this legitimacy so that they can gain and sustain credibility to operate in a societal context. This credibility comes in two forms: either "active support" for the organization's activities or merely "passive acquiescence" to its activities (Suchman, 1995, pg. 575; also Aldrich & Fiol, 1994). Regardless, without this acquired credibility, organizations are vulnerable and face threats to their existence, as societal members may question their purpose and utility. Thus, gaining and sustaining legitimacy is a key goal for any organization that wishes to enter and operate in a market (Singh, 1986).

As Suchman and other managerial scholars (e.g. Ashforth & Gibbs, 1990; Dowling & Pfeffer, 1975) have argued, legitimacy may be pursued in a strategic manner by organizations who behave in ways that create societal support for their activities. This *strategic legitimacy* view "depicts legitimacy as an *operational resource* that organizations extract—often competitively—from their cultural environments and that they employ in pursuit of their goals" (Suchman, 1995, pg. 576). This strategic use of legitimacy-building activities often sets up conflict between the organization's management and other organizational stakeholders, as the firm's management prefers more cost-effective symbolic displays of legitimation behaviors, whereas outside stakeholders (e.g. employees, local communities, etc.) prefer more "substantive" efforts.

2.2.2. Types of Legitimacy

Separate from what organizational legitimacy is and the fact that it can be pursued strategically as a resource, the literature notes that there are multiple types of legitimacy: *pragmatic*, *moral*, and *cognitive* (Suchman, 1995). *Pragmatic legitimacy* is the credibility that accrues from a pragmatic exchange of something of value between the organization and societal constituents. Here, the societal constituents confer legitimacy for the organization (either passive or active) in exchange for something valuable to the society (e.g. jobs, infrastructure investment, philanthropy, etc.). A related concept here is *dispositional* legitimacy, which means that societal constituents grant legitimacy to those organizations whom they believe adopt the proper disposition towards them—i.e. act in their best interest, have similar values, are honest/trustworthy/responsible, etc.

Moral legitimacy is credibility that relies on the evaluation by societal constituents that the organization and its activities are morally beneficial to the society—essentially that the organization's presence is a net positive to the community's wellbeing. Accordingly, Suchman notes that there are three different forms of moral legitimacy:

1. Consequential legitimacy—legitimacy gained when the organization's outcomes (products) are seen as being socially acceptable and consistent with norms/values.
2. Procedural legitimacy—legitimacy gained when the organization's processes & techniques are viewed as being socially acceptable.
3. Structural legitimacy—legitimacy gained when the organization's structure, design, and operation are seen as being socially acceptable and consistent with norms/values.

While this moral legitimacy view is grounded in altruistic ideals, the reality often has an element of organizational self-interest to it (i.e. strategic legitimacy), as Suchman (1995, pg. 579) notes: "Organizations often put forth cynically self-serving claims of moral propriety and buttress these claims with hollow symbolic gestures."

Finally, *cognitive legitimacy* is credibility that relies on perceptions from societal constituents that the organization's existence is understandable, justifiable, and "taken-for-granted". Here, legitimacy is conferred based on the fact that the organization is a known entity, similar to others that exist elsewhere, and not some new or strange thing that people struggle to comprehend— a kind of "credibility via familiarity".

2.2.3. Strategies for Building Legitimacy

Whenever an organization begins a new endeavor in a new market, building legitimacy is a crucial task. From a strategic legitimacy view, this means that an organization must engage in planned actions in order to acquire this legitimacy from the societal context it operates in. This involves proving two things 1) that the organization's activities (including products) are appropriate and consistent with societal norms/values, and 2) that they are "valid practitioners" of those activities—that they are competent in engaging in those activities.

Accordingly, Suchman (1995) notes that that there are three main strategies that an organization can use to gain legitimacy: *conform* to environments, *select among* environments, and *manipulate* environments. Conforming to the environment is when an organization gains legitimacy by behaving in a way (or at least portraying themselves to behave) that is consistent with societal norms. Organizations can do this co-opting constituents (*pragmatic* legitimacy) or by portraying themselves as conforming to norms via highly-publicized symbolic actions (*moral* legitimacy).

Selecting among environments involves organizations facilitating legitimacy by choosing environments that are likely to be more receptive to their activities without criticizing them or pressuring them to change their activities. This can be done by selecting environments that are readily willing to exchange legitimacy for other things of value (*pragmatic*) or by selecting environments whose values & norms are already accepting of the organization's activities (*moral*).

Finally, manipulating environments means that organizations can facilitate legitimacy by attempting to actively manipulate the environment (via "selling" societal constituents on their value) to make it more friendly to their activities. This can be done by convincing societal constituents that the organization's contributions are valuable (*pragmatic*), engaging in public relations (touting positive activities and downplaying negative ones) to convince constituents that their actions are consistent with societal norms/values (*moral*), and simply by being a well-known/familiar entity (*cognitive*).

3. Methods & Data

In order to analyze how sin industry firms operating in disadvantaged communities use CSR investments to gain social legitimacy, we can use the tool of discourse analysis. Discourse analysis is an established qualitative research method used by many social sciences that involves the analysis of discourse (written or spoken language) to explain the function and effects of the discourse on the parties involved (Wood & Kroger, 2000). These discourses embody semiotic themes and patterns that can be analyzed and interpreted for insights.

In this case, we use discourse analysis to analyze and interpret the CSR statements of Company D, one of the world's largest producers and distributors of alcoholic beverages. To conduct the discourse analysis, we use as our source data the CSR statements found in the annual reports (2007-2011) of Company D. Our analyses focus on the written marketing and promotional materials of "Company D Africa" (the African subsidiary of Company D), which operates in as many as twenty African countries. Company D Africa is comprised of 13 breweries and brews beer with third party operators in 16 other African countries. Beyond beer, Company D is the number one premium spirits company in Africa with leading brands in several categories.

To limit the scope of our data and subsequent analysis, we focused on the CSR statements specifically concerning the African country of Ghana. Ghana was selected as the context of this study because it is a sub-Saharan African country with a large population of disadvantaged communities and also growing levels of alcohol consumption. Additionally, Ghana is among the countries in which "Company D Africa" has large operations.

Company D's operation in Ghana was selected for the discourse analyses because of its extensive and highly-visible focus on CSR in its corporate communications. To communicate its CSR activities the company uses magazines, newspapers, point of sale, poster and billboard advertising, as well as radio, cinema, television and Internet advertising where appropriate and permitted by law. In addition, Company D also engages in significant event sponsorship activities to market its brands and is a sponsor of several prestigious African sports championships.

In examining the discourse of Company Dwith respect to their CSR activities, three primary themes emerged through a thematic and semantic discourse analysis of the excerpts from the selected company reports. These themes are discussed below and concepts of legitimization, institutionalization and politicization are applied as analytical tools to examine Company D through the CSR lens.

4. Analyses

When analyzing the discourses of Company D, it was apparent that Company D was employing the "manipulating environments" approach to build both pragmatic and moral legitimacy[3]. The remainder of this section provides more detailed analytical evidence in support this conclusion.

4.1. Building Pragmatic Legitimacy

Pragmatic legitimacy was earlier defined as credibility accruing from the pragmatic exchange of something of value between the organization and societal constituents—essentially a *quid pro quo* legitimacy. In analyzing the discourse of a few of Company D's Annual Reports, there is clear evidence that they are using their CSR activities to build the pragmatic form of legitimacy. A few illustrative quotes:

- "Company D is also proud of the positive impact it has on the communities in which it operates. For example, from its start in 2007, the 'Water of Life' program has brought clean and safe drinking water to millions of people in Africa." (Annual report, 2011)
- "Community investment, which in the year ended 30 June 2010 amounted to about 1% of Company D's operating profit before exceptional items, is primarily focused on providing safe water access to local communities, supporting skills training to help disadvantaged people find employment and contributing to organizations that drive local economic development."(Annual report, 2011)
- "In difficult economic circumstances, Company D employees chose World Water Day to show their commitment to the company's community program through coordinated activities in support of Company D's Africa Water of Life program. There were 30 'Make a Splash' events in 20 countries for employees and their families to enjoy, including half marathons, fun days, writing contests and water conservation games. More than £1.7 million was raised and donated to the Water of Life 1 Million Challenge and other community water projects." (Annual report, 2011)

[3] It is our contention that Company D does not need to engage in building cognitive legitimacy. Given that they are a well-known multinational company who operates in a long-established industry that is familiar to societies around the world, we posit there is an assumed cognitive legitimacy automatically conferred.

Britwum, Enu-Kwesi, & Akorsu (2006, p. 36) also provide another example of Company D using CSR activities to build pragmatic legitimacy, specifically with a politically influential Ghanaian community leader:

- "The GSCD group makes periodic contributions to an education fund set up by the chief of the largest ethnic group in one of the regions of Ghana to support educational development, and continues to support the senior national soccer team. It also sponsors festivals of several ethnic groups in Ghana."

The above quotes provide several examples of CSR activities as investments in the communities in which Company D operates—investments in clean water initiatives (a serious issue in Africa), employee skills development, community infrastructure, and community events. While there is nothing wrong (in fact quite the opposite) with sin industry firms engaging in CSR activities to positively contribute to the communities they operate in, the question that arises is why are these organizations doing this? If these organizations were engaging in these activities for altruistic reasons, then there would seemingly be no need to aggressively publicize these activities. If, on the other hand, these organizations are engaging in these activities in order to build pragmatic legitimacy, then there is a need to publicize these activities, which Company D clearly does.

4.2. Building Moral Legitimacy

Recall earlier that moral legitimacy was defined as credibility accruing from the evaluation by societal constituents that the organization and its activities are morally beneficial to the society and that its activities are congruent with societal values & norms. Again, the discourse of Company D provides several illustrative examples of attempts to build moral legitimacy within Ghana:

- "We believe that brand advertising that depicts responsible drinking as a relaxed, sociable and enjoyable part of life, has a role to play in promoting a responsible approach to alcohol consumption... We will not depict people drinking heavily or very rapidly, or imply that such behavior is attractive or appropriate... We will ensure that our marketing communications do not suggest any associations with violent or with anti-social behavior." (Marketing Code, 2009)
- "GSCD continues to invest in the key areas of clean water provision, health, environment, education and agriculture. GSCD's commitment to alcohol education and responsible drinking is a key priority. Over 2,000 bartenders were trained in the last year... The company continues to lead the industry in the area of responsible drinking education in Ghana…" (Annual report, 2009)
- "Alcohol has been a common source of pleasure for centuries and plays a traditional role in ceremonies and family celebrations in many societies. We are proud that so many people choose Company D brands for simple enjoyment or to accompany great times in their lives. We all know that most consumers drink responsibly, but a minority misuse alcohol and cause harm to themselves and to society." (Annual report, 2010)
- "The way in which Company D promotes a positive role for alcohol in society; respects the natural resources, communities and people it relies on; and champions a culture of good governance and ethics are all important drivers of growth. The company and its employees are proud of the responsible manner in which its brands are marketed and the positive role that moderate consumption of its brands plays in the lives of many people (Annual Report, 2011).

In these discourses, Company D is clearly trying to portray both its products (*consequential* moral legitimacy) and its activities (*procedural* moral legitimacy) as being within accepted societal norms. With regard to its products, note the third quote above with mentions alcohol as a "source of pleasure" that "plays a traditional role in ceremonies and celebrations", and the other quotes that mention "responsible drinking" and "moderate consumption" of alcohol. These statements are clearly intended to portray alcohol as a positive product which contributes to societal well-being, despite evidence that alcohol can clearly have a negative impact on individual health and social well-being (Room, Babor, & Rehm, 2005).

With regard to its activities about producing and selling its products, the above quotes also portray Company D as a responsible producer and marketer of its products. The first and fourth quotes above specifically mentions responsible marketing efforts that only depict moderate alcohol consumption and moral behavior, while the second quote notes community investments in clean water initiatives and "a culture of good governance and ethics" (responsible production) as well as a responsible use educational campaign (responsible selling).

4.3. Legitimacy Building Strategy: Manipulating Environments

From the above discourses, we conclude that Company D has primarily adopted the "manipulating environments" approach to building organizational legitimacy. As previously mentioned, the "manipulating environments" strategy involves organizations taking proactive steps to influence their chosen environment in order to make it friendlier to their activities, which can build pragmatic legitimacy (by convincing societal constituents that the organization's contributions are valuable), moral legitimacy (publicizing positive organizational activities to convince constituents that their actions are consistent with societal norms/values), and/or cognitive legitimacy (by being a well-known/familiar entity).

What is clear from the above passages taken from company documents is that Company D is engaging in a comprehensive publicity campaign regarding its CSR activities. This publicity campaign and underlying CSR activities are strategically designed to positively influence the organizational image of Company D in the Ghanaian community and build both pragmatic and moral legitimacy (with cognitive legitimacy being somewhat inherent as mentioned earlier). Pragmatically, Company D provides CSR activities as investments in the local community in exchange for societal support (or least passive acceptance) for their operations and products.

Morally, Company D utilizes and coordinated and sophisticated corporate communication campaign to convince societal stakeholders that Company D's operations and products are socially responsible and contribute to societal well-being.

5. Discussion

The preceding analysis provided an illustrative example of the ways in which a sin industry firm builds social legitimacy in disadvantaged communities. This study joins the body of prior research on CSR activities by sin industry firms (c.f. Palazzo & Richter, 2005; Tesler & Malone, 2008; Yoon & Lam, 2013) which has shown that such activities are strategic attempts to build community legitimacy by publicly touting their CSR activities while minimizing the potentially negative effects of their products.

What prior research had yet to clearly demonstrate is how the process of legitimacy-building unfolds, which is the contribution of this study. Here, using Suchman's (1995) theoretical model of legitimacy building, we clearly illustrate how sin industry firms use CSR activities to build both pragmatic and moral legitimacy, specifically by manipulating the societal environments they choose to operate in. This conclusion echoes the conclusion of others (Jernigan, 2009; Yoon & Lam, 2013), who conclude that CSR activities are essentially a form of marketing, designed to improve the organization's image and reputation amongst societal stakeholders, thus increasing acceptance for their operations and products.

These legitimacy building efforts via CSR activities are especially effective in disadvantaged communities, who frequently have a greater need for community investment as well as weaker civil society structures (Caetano & Laranjeira, 2006). Prior research has found evidence that sin industry companies have attempted to strategically use their considerable resources to leverage influence in underdeveloped and vulnerable communities (Bakke & Endal, 2010; Bond, Daube, & Chikritzhs, 2009).Morgan (1988) shows that the salient features of integrated effort to increase alcohol sales include the ability to control the legislative process, the neglect by or powerlessness of state and federal agencies, and the development of industry associations for protection and the support afforded by financial capital. Morgan further states that it has been in the interest of the alcoholic beverage industry to place the blame on the individual for irresponsible drinking as this position increases the industry's freedom to operate and produce profits. As Waddock (2008) notes, CSR initiatives such as these often have the effect of building trust with stakeholders, forestalling legislation, and guiding the kinds and levels of expectations stakeholders can reasonably dictate.

One important issue raised is whether the CSR activities of such firms are truly "socially responsible" and align with the goals of the CSR philosophy, or whether these activities, despite their positive effects, represent something different than true CSR. We assert here that these activities are not examples of "true" CSR but rather are collateral effects of a goal-oriented business strategy that leverages CSR activities to help such firm compete in the marketplace.

First, the CSR activities of sin industry firms are examples of a form of "strategic CSR" as defined by Baron (2001). Here, Baron differentiates between two types of CSR: strategic and altruistic. Strategic CSR occurs when a firm engages in CSR activities for the purposes of long-term profit maximization in a competitive market. Thus the predominant motivation for CSR activities is economic in nature, as the firm believes that by engaging in CSR activities and publicizing them that there are economic benefits that outweigh the costs of the CSR activities. Thus there is a strategic business case for engaging in CSR behaviors (see Carroll & Shabana, 2010, for a review of the business case), and such CSR behaviors are really viewed as "investments" by the firm. In contrast, Altruistic CSR occurs when a firm engages in CSR activities for the purpose of being a good corporate citizen and contributing to societal well-being. Here, the predominant motivation is ethical and/or philanthropic in nature, and the firm engages in CSR activities despite A) not receiving any economic returns from those activities or B) the cost of the CSR activities being greater than their associated economic returns.

The CSR activities of sin industry firms are exemplar of strategic CSR as they seem designed to help them achieve their long-term economic goals by building legitimacy and enhancing their corporate reputation amongst the public. Evidence of this motivation comes from the very aggressive way such firms publicize their CSR activities through such means as producing specialized "corporate social reports" or websites that specifically focus on such activities, specifically discussing such activities in their annual corporate reports, and heavily advertising their involvement with CSR initiatives by issuing press releases or associating their logos or corporate brand with such activities (Jernigan, 2009; Yoon & Lam, 2013). Aggressively publicizing such information would be unnecessary if the motivation underlying the CSR activities was altruistic in nature, but makes perfect sense if the firm is hoping to garner positive attention, and thus legitimacy and reputational returns.

Second, we argue that the activities of these firms cannot be considered truly socially responsible given the fundamental nature of their products and services. By their nature, sin industry goods and services have, at the very least, the potential to do societal harm, and in reality often do so to varying degrees. One of the fundamental tenets of CSR as outlined by Carroll (1991) in his statement of the *Ethical* responsibilities encompassing CSR, is not only to do what is fair and just, but also to avoid doing harm. This call is echoed by Drucker (1973), who speaks of the minimum criterion for CSR as being "*primum non nocere*." If the fundamental nature of the goods and products of these firms are harmful, then it is our assertion that they cannot be truly considered socially responsible, despite the positive impact their CSR efforts may have. This conclusion has other support as well, with the World Health Organization labelling CSR activities by sin industry firms (specifically tobacco industry firms) as "an inherent contradiction" (WHO, 1993).

6. Policy Implications and Future Research

Understanding the strategic aim of sin industry to gain legitimacy, power and influence in vulnerable communities through CSR initiatives is reason to create regulation and policy. Our case study suggests that CSR activities provide an entry point and access to community acceptance and product introduction- thus potentially weakening the wellbeing of the community. Policy is used to prevent harm and regulate the activities of those who endanger or weaken society—especially in vulnerable communities. CSR practices by sin industry are a potential threat and some form of regulation may be well-suited for CSR activities in vulnerable communities to ensure public health is not adversely affected.

Creating a forum for future research on the regulation of CSR activities and vulnerable communities inviting all stakeholders is a good first step. Future research may wish to understand the most effective policy around CSR activities that may potentially do harm, create legitimacy were none is needed, and gain political influence when less is deserved. A study on policy and regulation of sin industry firm may be of use in terms of protecting the weak and vulnerable in the United States from the institutional effects of sin industry legitimization and political influence. Further, research on the effects of restricting CSR activities to industry level anonymous donations to local nonprofits with no strings attached (i.e., similar to the US tobacco industry's funding of the "truth" campaign.

Second, we echo the recommendation of others (Yoon & Lam, 2013) to call for policies limiting sin industry promotion of CSR activities in terms of logo use, branding and sponsorships of community activities. Limiting or restricting the public touting of CSR activities would seem to align such activities more with the altruistic form of CSR rather than the strategic. If sin industry firms would still like to publicize their CSR efforts and reap the reputational benefits, then we advocate at the very least disclosing the conflict of interest inherent in these activities so that the public is explicitly aware it.

7. Conclusion

Our case study suggests that CSR activities by sin industry firms operating in disadvantaged communities provide legitimacy to their business activities, despite the potentially deleterious effects of their products on community wellbeing. This legitimacy is achieved by the CSR activities functioning as goodwill "investments" in the community, which serve to build support amongst the local community members. This in turn facilitates relatively low-cost access to powerful community decision-makers who can be lobbied to accept the industry, and consequently create a more favorable business climate for firm activities where potential community or legal interventions are mitigated. It is, in essence, a sort of tradeoff in which these disadvantaged communities engage.

The legitimizing action of CSR provides the cover for sin industries companies to continue to operate in disadvantaged communities with little interference from community leaders. CSR activities by sin industry firms may thus be viewed as an oxymoron; however, from the sin industry firm's perspective it appears to be an essential investment, crucial for firm survival and long-term profitability due to the need to attain and maintain legitimacy within the communities where the sin industry operates. However, success of CSR in gaining and maintaining legitimacy in a community is based on community values and norms as well as its civil society. This suggests that the weaker a civil society the more that sin industry can flourish if they make judicious investments in CSR, and even more in promoting their CSR investment activities.

Disadvantaged communities are resource poor and eager for engagement from businesses to invest into the community. Therefore, many civic organizations are willing to accept funding from sin industry in spite of the potentially negative social consequences by use of their products. For sin industry firms who engage in CSR activities in these communities, this CSR becomes a way to make themselves indispensable to the communities and so they can maintain their operations with little disturbance. Though the products of sin industry firms may have a negative net social impact on these disadvantaged communities, CSR practices maintain the legitimacy of the operations and allows the firms to exist and be profitable in such areas.

For most firms in non-sin industries, CSR is not absolutely necessary for their core business and survival. But for sin industry firms, CSR is crucial for the survival of their core business and long-term profitability. Though sin industry firms gain legitimacy from their CSR investments, the amount and impact of CSR varies. Significant investment and impact through CSR can improve the overall community wellbeing (e.g. Duke University was created by big tobacco, and Native American tribes have improved living conditions through casinos). However, such worthwhile investments may require leadership and employees to be more embedded within the community where they want to create positive results. Detachment from disadvantaged communities may easily result in opportunism and malfeasance. In communities where the sin industry operates and houses executives and employees, CSR becomes more honest, responsive and positive for the firm and the people.

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