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# Reporting on Labour

## The Case of Systembolaget



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## Abstract

In a globalised world dominated by market-led growth, a rolled back state and a powerful business sector, production networks have become increasingly complex. Corporate social responsibility (CSR) evolved as a mainly business-driven response to civil society actors' call for more ethical business practices that care for people and environment. As such, the business sector has successfully come to be a key actor within the very discourse that criticised it. However, this business-led approach to development has received fierce criticism. It is claimed that the optimism with which CSR is promoted is reinforcing itself rather than being built upon evidence of its working. Through a critical discourse analysis of the involvement of labour and workers in Systembolaget's annual reports, this thesis finds substance for such critique. Successful rhetoric and reference to international codes are advanced as CSR accomplishments per se and despite showing awareness of human rights violations and tough labour conditions, the reports fail to problematize the power relations between different actors of the supply chain. Harvest workers, who should arguably be the main beneficiary of CSR, are not consulted when creating CSR policies. Without active participation of the beneficiary of developmental efforts, the legitimacy of CSR as a developmental actor of prominence falls short. The thesis concludes by confirming existing literature within the field, claiming that assessment of the actual developmental advantages of CSR is needed.

*Key words:* CSR, reporting, Systembolaget, supply chain, labour, worker, inclusion, power, development

Word count: 10 232

## **Abbreviations**

BSCI	Business Social Compliance Initiative
CDA	Critical Discourse Analysis
CSR	Corporate Social Responsibility
GRI	Global Reporting Initiative
ILO	International Labour Organisation
NGO	Non-Governmental Organisation

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# 1. Introduction

## 1.1 Background

Since the end of the Second World War, the pace of political and economic transformation has accelerated, and during the last two decades' technological revolution, it has spun faster than ever before. Despite the two opposed global fractions, the US-led neoliberal free market growth strategy came to dominate the global setting, leading the business sector to become a significant global actor. With increased globalisation, production networks have become more complex and outsourcing of production to low-wage countries has arisen since the 1980s (Barrientos et al 2011: 301-302; Gereffi 2014: 2-3; Hughes 2005: 1145). Prominent scholars such as Barrientos (e.g. Barrientos et al 2011: 306-308) have emphasised how the fact that firms have become increasingly powerful in relation to states has led to a global governance deficit. The ways in which people and environment are treated have gained growing attention and it is within this debate that corporate social responsibility (CSR) can be situated (Potter et al 2008: 94, 128-129, 166; Crane & Matten 2007: iii; Broomhill 2007: 9 and Auld et al 2008: 2). It is not a new idea that companies should contribute to society, but globalization has changed both the scope and the characteristics of how it is done and what importance it holds. It has been put forward as the new development nexus, but the critics of this claim are many (e.g. Blowfield 2005). Dolan (2005: 427) suggests that "as the limitations of the CSR model are exposed, there is increasing debate on who should assume responsibility for ensuring the rights and needs of citizens, with growing calls for the reassertion of state regulation". Blowfield (2007) and Prieto-Carrón et al (2006) claim that the developmental possibility put forward by many lacks substance and that CSR fails to include more critical discussions on power relations. It is within this global social context that the case study of this thesis is situated.

## 1.2 Aim and significance

My interest in CSR stems from a general concern about the changing relations between different societal sectors, described in the previous section, and their respective social and developmental responsibilities. The choice of Systembolaget AB

(hereafter Systembolaget) as my case was inspired by a report presented by the research organization Swedwatch in 2013 (Edoff 2013). The report scrutinized Systembolaget's CSR goals in practice and found that despite an ambitious CSR agenda, the most vulnerable – the workers at the vineyards – are not included in setting CSR policies, nor reached by its actions. Moreover, in 2007 the Swedish state decided that all state-owned companies have to carry out sustainability reporting (Edoff 2013: 15), making Systembolaget an interesting case when investigating transformation in reporting practices. As will be explored in chapter three, a text both reflects and influences its surrounding social context (Jørgensen & Phillips 2008: 70). Therefore, CSR reporting possibly reveals how approaches to and the general view of CSR have evolved not only within Systembolaget itself, but also within the Swedish society in general. The emphasis on labour issues derives from an interest in power relations in society and how publicly available reports may reflect these. Through continuous media reports on poor labour conditions in outsourced production, companies' relation to their producers has gained popular attention (e.g. Lawrence 2011 and TT 2014). Media and academic scholars have amongst other things pointed to the lack of secure workplaces, low wages, and poor housing (e.g. Barrientos 2013). As Blowfield (2007: 683) explains, the current positive outlook on CSR is not founded in real evidence of its effect for the intended beneficiaries. Prieto-Carrón et al (2006) similarly mean there is a need for more critical approaches to CSR that “investigate existing power structures within the firm and within the society in which the firm operates” (ibid 2006: 985). This thesis as such aims to explore how enterprises problematize their relation to their intended beneficiaries, which has been empirically realised through a case study analysis of Systembolaget's annual reports.

### 1.2.1 Research questions

- ❖ How is labour within the first stage of the global wine supply chain<sup>1</sup> treated in Systembolaget's annual reports?
- ❖ How has the way labour is treated changed over time? How are these changes explained within the reports?

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<sup>1</sup> When writing the first stage of the global wine supply chain, I refer to the wine cultivations, i.e. the vineyards, which is in some cases also the production site.

### 1.3 Delimitations

CSR has grown to be an extensively studied field of research and the amount of material available is huge. Therefore, it has been crucial to define a very specific topic that delimits the scope. The concept of CSR is highly ambiguous and different definitions and perspectives will be discussed in the next chapter. As a first delimitation, I chose to emphasise the S in CSR – my focus is placed on the social aspects, rather than environmental ones. A second delimitation is the focus on labour and workers within the *first stage* of the global wine supply chain, with which I refer to the workers at the vineyards, rather than employees in other parts of the supply stage or Swedish employees.

### 1.4 Outline of the study

The thesis has been divided into six chapters. The first chapter aimed at placing the concern of the thesis within a broader global context. The following chapter will present research on the concept of CSR, labour conditions within global agricultural production, and CSR reporting. This academic material has together with the theoretical approach presented in chapter three formed the analytical framework, within which my empirical findings are analysed in chapter five. The final chapter intends to conclude the main findings, as well as discuss possibilities of future research on the topic.

## 2. Perspectives on CSR and Labour Conditions in the Global Supply Chain

The two first parts of this chapter aim to create a background by discussing different definitions and categorisations of CSR and the emergence of CSR in Sweden. The third and fourth sections present scholarly work on labour conditions within agricultural production and critical approaches to CSR reporting, against which empirical findings will be triangulated in the analysis of this thesis.

### 2.1 Perspectives on CSR

Literature concerning CSR is abundant (Carroll & Shabana 2010: 85) and there are as many concepts of CSR as there are scholars discussing the theme. Despite having existed as a basic idea for hundreds of years and as a more frequently used notion for at least 50 years (Carroll in Crane & Matten 2007: iv), “there is a distinct lack of consensus or even broad agreement about how to define the concept of CSR” (Brejning 2012: 30; see also Broomhill 2007: 5-6; De Geer et al 2009: 270; Shaw 2012: 2). Or as Matten and Moon (in Crane & Matten 2007: vi) suggest, “CSR is a cluster concept which overlaps with such concepts as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility. It is a dynamic and contestable concept that is embedded in each social, political, economic and institutional context.” On a general level, however, a majority of scholars agree that CSR concerns the responsibility of business in society (e.g. Brejning 2012: 29-30; De Geer et al 2009: 270), ranging from discussions on *how* business should be responsible, to whether CSR should exist at all. Crane and Matten (2007: vii) also suggest, “CSR is best understood not as a concept, a construct, or a theory but as a *field of scholarship*.”

One only has to type ‘corporate social responsibility’ in Google Scholar or the Lund University library search platform to see that an overwhelming majority of scholarly work analyses CSR from a business- or management perspective (see also e.g. Brejning 2012: 1). Many scholars categorise CSR literature into what has been called “the business case”, where CSR is driven by an “enlightened self-interest”, and “the normative case”, nurturing a “desire to do good” or give back to society (Morsing et



al 2007: 87-88). The latter converges with the view of CSR as a tool for development (Blowfield & Frynas 2005: 500). Another way to categorize CSR literature is merely by ascribing it to fields of study (see e.g. Crane & Matten 2007: vii). Finally, Crane and Matten (2007: vi) conclude that “defining CSR is not just a technical exercise in describing what corporations *do*, but is also as much a normative exercise in describing what corporations *should* be responsible for in society, or even an ideological exercise in describing how the political economy of society should be organized more broadly”.

## 2.2 Globalization and CSR in Sweden

This subchapter presents how globalization contributed to the emergence of CSR in Sweden, since this is likely to have affected the general CSR discourse within which Systembolaget’s annual reports are situated.

According to Brejning (2012), CSR has emerged from three different backgrounds: philanthropic traditions, government initiative, or through globalization. The former type, she claims, occurred in Scandinavia already during the end of the 19<sup>th</sup> century, when some companies provided housing and health care services to their employees. Morsing et al (2007) agrees with this, meaning that industry owners “saw it as their duty to build welfare for wider society” (2007: 96) during the shift from agrarian to industrial society. However, this private sector provision of welfare disappeared when state-led welfare policies emerged during the 1930s (Brejning 2012: 63; De Geer et al 2009: 270). Rooted in a social-democratic ideology, employment and labour issues were the main post-war concerns and these were managed through cooperation between the government and trade unions. This ‘Scandinavian model’ remains known for its strong commitment to welfare and social security and values of collectiveness, power sharing and participation (Morsing et al 2007: 88-89, 97). According to Gjølberg (2011: 8), “Nordic governments are known to be advocates of sustainable development, human rights and environmental protection in both national and international politics”. Philanthropic CSR was subsequently perceived as an Anglo-American phenomenon incoherent with Scandinavian values of justice and a hierarchically flat society. Business provision of welfare was simply not culturally accepted (Brejning 2012: 62-66; De Geer et al 2009: 275). However, through

globalization, CSR has eventually gained public support even within the Scandinavian countries (Brejning 2012: 95-97), which according to De Geer et al (2009: 72) has been much driven by non-governmental organisations (NGOs). The first signs of globalization's implication for the Swedish society were seen during the 1980s' struggle for environmental protection, when the legitimacy of Sweden's heavy industries was questioned. The 1990s followed with a global concern for human rights and governance, as businesses increasingly produced and operated in several countries. Morsing et al (2007) suggest globalization has deeply affected the Swedish state-market relations, "first as a driver of the dismantling of the Swedish version of the Scandinavian model (during the 1970s and 1980s), and second, as a generator of new frictions between Swedish corporations and surrounding society" (2007: 96).

### **2.3 Labour within global agricultural production**

This part intends to present literature on labour conditions and issues within globalized agricultural production by referring to some of the most prominent scholars within the field: Barrientos (2013), Dolan (2005), Hughes (2004), Gereffi (2014) and Barrientos et al (2011). Moreover, it draws on Greenberg (2013), who has specifically studied wine export value chains from South Africa to Sweden, including the implications of Systembolaget's Code of Conduct.

CSR is for Dolan (2005) underpinned by "the neoliberal tradition of private self-interest and free enterprise as the primary means of realizing the public good" (2005: 416). Yet, it has managed to obtain the support of development institutions, which has legitimized the private sector as a developmental actor. As such, CSR is "embedded in the form, the logic, and the explicit postulations of precisely what it seeks to contest" (Manzo in Dolan 2005: 426). Dolan shows how modern developmental approaches still rely on an historical imperialistic notion of trusteeship, which implies the imposing and surveillance of the development of an 'other' who hasn't requested to be developed or that is even unaware of being the object of development (Dolan 2005: 412, 416-417, 426). She means that CSR follows the pattern of earlier development approaches in its focus on wanting to develop and modernise African labour.

Horticultural products constitute a major sector in global agricultural trade (Dolan 2005: 411). Wine has in recent years become South Africa's largest agricultural export and Sweden is one of its largest importers (Greenberg 2013: 38, 40). The production chain is a complex one, but simplified consists of supply farms selling grapes to producers (wine cellars), who in turn sell to suppliers, who finally provide Systembolaget or other global buyers with the wines (Greenberg 2013: 38-39). Implicit in horticultural production is a season-based demand, which combined with complex production- and trade networks and commercial dynamics of global outsourcing have led to an increasingly large 'flexible' labour sector (Barrientos 2013: 1058, 1061, 1065; Dolan 2005: 418; Gereffi 2014; Barrientos et al 2011). This sector includes temporary, seasonal and contract workers, who are sometimes local, but often internal or international migrants, depending on each national labour context. While enhancing the amplified employment opportunities, Barrientos (2013) sheds light on how (formal or ad hoc) third party contract labour in its worst forms represents a modern form of slavery and transnational trafficking. She presents evidence from the International Labour Organisation (ILO) confirming that two thirds of unfree labour consists of economic exploitation (2013: 1058-1059).

Problems include systematic (mainly economic) abuse such as debt bondage, low or no wages, and outrageous placement fees (Barrientos 2013: 1058, 1061). Female and migrant workers are among the most vulnerable to this abuse. Undocumented migrants are highly dependent on their employers and have "few channels for claiming their rights, and fear loss of work and deportation if they complain" (Barrientos 2013: 1061). Female workers are often temporarily or seasonally employed, typically in grape picking rather than processing, and earn less than men for the same or similar job. Moreover, they "are and largely remain tied to men for access to housing" (Greenberg 2013: 52, 54) and use both more time and money to care for children, showing that "when combined with poorer working conditions, more precarious work and lower wages, women's lives are far more constrained than those of men" (Greenberg 2013: 56). Also within trade unions, there is a male bias through the focus on permanent processing workers (Greenberg 2013: 57-58).

Barrientos (2013) describes labour supply as a "complex 'cascade' system" (2013: 1062) in which "the producer might well be (or choose to be) unaware of the multiple sources of the workers arriving on site" (2013: 1063), which creates an entry-point for

dishonest contractors. As to ensure minimal workplace standards within outsourcing production processes, codes of conduct have emerged as part of ‘ethical trade’ initiatives. They are, like CSR, rooted in neoliberal values enhancing capitalist free markets and individualism (Hughes 2005: 1145, 1153; Dolan 2005: 415). Codes often refer to a number of global declarations and agreements, however “although ILO conventions form the basis of most labour codes of conduct [...] there is no global institution set up to regulate or monitor the *implementation* of these standards” (Hughes 2005: 1149).

Codes are put forward as a tool for solving social injustices and can have positive effects on labour standards, especially if combined with national legislations (Hughes 2005: 1149, 1159). However, they don’t include the increasing share of flexible workers and it is argued that the audits fail to uncover the most important and delicate problems, above all those connected to gender dynamics (Dolan 2005: 424; Greenberg 2013: 41). They also involve high monitoring costs, favouring “capitalist wage employment” (Dolan 2005: 426) and the already more affluent and powerful big farms and producers, while marginalising more informally organized smallholders. Barrientos et al (2011: 300) stress that some firms might adapt codes of conduct merely because they are “concerned about reputational risk”. Christian Aid (in Dolan 2005:425) means that considering business dedication to sustainability and fair labour conditions in rhetoric, one might wonder why calls for regulation are being dismissed.

As for solutions to the problems with contract labour, Barrientos (2013: 1067-1068) suggests that national labour legislations are not enough, since they assume a direct relation between employer and worker. Neither does it work when buyers are global, since they aren’t required to follow these regulations. She means that currently, the main accountability mechanism is civil society campaigns that pressure global buyers to take responsibility in order not to risk their reputation. It is through this resistance that codes of conduct and on site social monitoring have become routine for many companies. However the problem is that during audit, contract workers are frequently not present and the issue thus remains invisible. Barrientos recognizes that strategies involving governments and companies’ buying practices have developed, but that “only if all commercial actors across [global value chains] are held jointly accountable for addressing worker abuses by unscrupulous labour contractors can labour unfreedoms be more effectively addressed” (Barrientos 2013: 1068).

## 2.4 CSR reporting

By drawing upon the work of Burchell and Cook (2006), Blowfield (2007) and Dingwerth and Eichinger (2010), this final part of the chapter discusses and problematizes CSR reporting practices.

CSR is by a majority of scholars viewed as a mainly business-driven approach, a response to civil society actors' call for more ethical business practices. Thus “a challenge that initially rested upon questioning the very foundations of the role of the multinational has been transformed into a discourse in which business has a predominant role in producing the long-term solutions” (Burchell & Cook 2006: 125). Business has rather successfully claimed developmental legitimacy, however Blowfield questions whether “developmental expectations of CSR [are grounded] in cheerfulness rather than wisdom” (Blowfield 2007: 694). In fact, we know rather little about “CSR's consequences for the intended beneficiaries in whose name it is being conducted” (Blowfield 2007: 683) and most of the time these are not included in discussions and less so in decision-making processes (Blowfield 2007: 692-693).

Ironically, one of the main sources of information about businesses CSR comes from the companies themselves through annual reports. It is a problem, since “data which profit-oriented corporations provide voluntarily is unlikely to represent the true social and environmental costs of corporate activities” (Dingwerth & Eichinger 2010: 90). Similarly, Burchell and Cook mean “the reporting of CSR has indeed been a controversial issue, not in relation to whether or not business should report, but how they do this, what they reveal and to whom [and] who evaluates its validity” (Burchell & Cook 2006: 129). According to Mitnick (in Blowfield 2007: 688), the main objectives of these reports are showing what the company wants to achieve, why that is important and why we should believe what they say. The reports often refer to a number of international declarations, codes, agreements and guidelines in order to legitimize their performance in major areas such as human rights, climate change and labour conditions (Blowfield 2007: 684-686, 689). Yet more detailed accounts for how these are tackled are seldom to be found. We often know more about CSR's benefits for the company than about the actual effects within the areas they target (Blowfield 2007: 683). The Global Reporting Initiative (GRI) is not an exception, despite being “commonly regarded as the world's leading voluntary scheme for corporate non-financial reporting” (Dingwerth & Eichinger 2010: 76). Dingwerth and

Eichinger (2010) describe how approaches to transparency within GRI predominantly emphasise instrumental values, since it is enhanced that “being transparent about their supply chains helps demonstrate commitment to sustainable development” (GRI in Dingwerth & Eichinger 2010: 80). Margolis and Walsh are critical to this, meaning that “if corporate responses to social misery are evaluated only in terms of their instrumental benefits for the firm and its shareholders, we never learn about their impact on society, most notably on the intended beneficiaries of [CSR] initiatives” (Margolis & Walsh in Blowfield 2007: 687).

A problem connected to this is the fact that the companies themselves choose the stakeholders they want to work with – which are not necessarily the ones that are most affected by their actions – and define how the relation should be. Additionally, it is not always clear whether ‘stakeholder dialogue’ has any actual effect on priorities, or whether its primary outcome is a strengthened company image (Burchell & Cook 2006: 126, 129). Another concern is the dominance of environmental reporting, which might overshadow pressing social and economic issues. Environmental goals are often easier to reach and measure and thus contribute to a more positive company image of actually obtaining the intended objectives (Blowfield 2007: 686, 690). Not managing to target the most pressing issues or the most important actors is a problem that according to Blowfield (2007: 684, 686) rather shows a lack of interest in actually understanding what impact the company has, than a lack of ability or knowledge. Here he refers to the extensive knowledge within the field of international development and how CSR practitioners haven’t profited from that knowledge. However, Burchell and Cook (2006: 130-132) believe that as an effect of lowered trust caused by corporate scandals and unethical business practices, and with increased public awareness, companies will be increasingly pressured to ensure their reporting is more than mere rhetoric.

### 3. Theoretical framework

#### 3.1 Critical discourse analysis

Critical discourse analysis (CDA) has been chosen as the method and theoretical framework of this thesis. This means that it has both been guiding my information retrieval and served as the lens through which the findings have been interpreted. CDA “provides theories and methods for the empirical study of the relations between discourse and social and cultural developments in different social domains” (Jørgensen & Phillips 2008: 60). CDA is one of many subdivisions within discourse analysis, and also *within* CDA there are a number of approaches. I have selected Fairclough’s theory and methodological tools, since he is the most cited CDA scholar and referred to as its main theorist.

Discourse analysis as a field “is not just a method for data analysis, but a theoretical and methodological whole – a complete package” (Jørgensen & Phillips 2008: 3). It is based on the belief that reality and language are interlinked and affects one another (Jørgensen & Phillips 2008: 1, 8-10; Bergström & Boréus 2005: 306). I will not go into detail on all aspects separating the different types of discourse analysis, however one feature that distinguishes CDA and has implications for the analysis is the belief that society can be divided into discursive and non-discursive dimensions. Examples of the latter are for instance economical, biological and physical mechanisms and institutionalised forms of social action. Because of this, discourse analysis has to be combined with other theories if the researcher is to say something about the broader context (Jørgensen & Phillips 2008: 7, 18-19, 69, 71). In this thesis, the literature in chapter two has been serving this purpose.

CDA has also been chosen because it uses text as its primary material of analysis, and for its strong focus on power relations, which both suit this thesis well. According to Jørgensen & Phillips (2008), “discursive practices contribute to the creation and reproduction of unequal power relations between social groups – for example, between social classes, women and men, ethnic minorities and the majority” (2008: 63), creating “patterns of dominance, whereby one social group is subordinated to another” (2008: 18). Fairclough also recognizes people’s ability to transform power relations, as opposed to some scholars. He sees hegemony as consensus on meaning, yet both consensus and hegemony are unstable and fluctuating, since also challenging

stands are present (Jørgensen & Phillips 2008: 75-76). CDA has “a particular focus on discourse, and on relations between discourse and other social elements” (Fairclough 2013: 178). It departs from a social constructionist<sup>2</sup> perspective, viewing social structures and discourse as reciprocally related (Bergström & Boréus 2005: 321-322). Discourses thus both reflect and shape social structures by reproducing or challenging them.

The social context around discourse is made up by social structures, practices (ways of interacting) and events (Fairclough 2013: 179-180; Chouliaraki & Fairclough 1999: 38). A CDA analysis concerns the relation between social structures and events, where social practices “constitute a point of connection” (Chouliaraki & Fairclough 1999: 21). Discourse can be grasped on three different levels:

- ❖ *Texts* represent the discursive dimension of social events and the creation of social identities, or “meaning making as an element of the social process” (Fairclough 2013: 179).
- ❖ *Discursive practice* is concerned with social relations and “the language associated with a particular social field or practice” (Fairclough 2013: 179). It “focuses on how authors of text draw on already existing discourses and genres to create a text, and on how receivers of texts also apply available discourses and genres in the consumption and interpretation of texts” (Jørgensen & Phillips 2008: 69). The discursive level of social networks is referred to as orders of discourse, which are made up of different genres; “semiotic ways of acting and interacting”, discourses, and styles; “identities, or ‘ways of being’, in their semiotic aspect” (Fairclough 2013: 179-180).
- ❖ Social practice is the ideational systems of knowledge and meaning, “a way of construing aspects of the world associated with a particular social perspective” (Fairclough 2013: 179). It highlights how a certain discourse is related to ideology and power and thus how one and the same thing can be discussed in different ways.

The idea with this theoretical framework is that since a text is not isolated, it needs to be analysed in relation to the surrounding context (Jørgensen & Phillips 2008: 70).

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<sup>2</sup> Social constructionism is usually referred to as social constructivism, but I have chosen to remain consistent with the language of the authors of the book that I am referring to (Jørgensen & Phillips 2008). The concept is presented more in detail in the methodology chapter.



The overarching objective of CDA is to create social change that reverses unequal power relations (Bergström & Boréus 2005: 322; Jørgensen & Phillips 2008: 63-64). Therefore, change is a central concern to Fairclough. Through recontextualization, discourses (as well as genres and styles) from one social field or institution (order of discourse) can be brought into another (Fairclough 2013: 180). Another tool that can be used to observe change is intertextuality, referring to “the influence of history on text and to a text’s influence of history” or put differently, “the condition whereby all communicative events draw on earlier events” (Jørgensen & Phillips 2008: 73). Through examining the intertextuality of a text, “one can investigate both the reproduction of discourses whereby no new elements are introduced and discursive change through new combinations of discourse” (Jørgensen & Phillips 2008: 7).

## 4. Method

### 4.1 Research design and strategy

This thesis is a qualitative case study (Bryman 2012: 35) of how CSR and labour issues are treated within Systembolaget's annual reports. The findings have been analysed through the lens of CDA and triangulated with previous academic findings presented in chapter two. The case is an exemplifying case (Bryman 2012: 70), since the aim has been to place the empirical findings within its broader social context and discuss it in connection to previous research in the field.

#### 4.1.1 Social constructionism

All types of discourse analysis depart from a social constructionist epistemology, “in their view of language stemming from structuralist and poststructuralist linguistics, and in their understanding of the individual based on a version of structuralist Marxism” (Jørgensen & Phillips 2008: 3). Social constructionism implies certain philosophical beliefs about the world. First of all, there is no objective truth, but discourses that define how we categorize the world, which in turn reproduces certain discourses. Secondly, what people and society are like is not fixed, because the world as we view it is historically and culturally constructed. Accordingly, social processes are closely linked to both knowledge and actions, as they are expressed through what we see as accepted or not, good or bad, and true or false. Physical objects are still existent and real, but it is when we describe them or talk about them; creating a discourse, that they acquire meaning (Jørgensen & Phillips 2008: 5-6, 8-9, 62).

In line with social constructionism, I as a researcher am part of the culture and society that I study and it is therefore impossible to be completely objective during analysis (Jørgensen & Phillips 2008: 21). However, the aim during the thesis has been to try to distance myself from the discursive object and being as objective as possible by questioning commonplace assumptions.

## 4.2 Material

The centre of analysis is the annual reports 2001-2013<sup>3</sup> of the Swedish state-owned liquor monopoly Systembolaget AB. The fact that “the basis of Systembolaget’s operations can be found in its social mandate” (Systembolaget 2007: 104) makes Systembolaget a special and interesting case when analysing CSR and labour conditions. I have chosen to focus on the annual reports for a number of reasons. First of all, these are publicly available texts, which has implications for the language and how things are expressed. Secondly, since each report has been created a certain year and not modified over time (as information on a web page would be), it reflects the surrounding context of that time. It makes up an interesting material when studying change and how the inclusion and portrayal of different issues have been affected by surrounding events. Since my choice of method involves textual analysis, the main focus has been limited to six reports: 2001, 2006, 2007, 2008, 2012 and 2013. The selection was made after having read all reports in detail and identified the reports where most change in terms of CSR and labour issues occurred. As such, a purposive sampling of the most interesting objects of analysis has been realised (Bryman 2012: 418). Being a desk study, the thesis is further based on secondary sources such as academic literature, reports and journalistic articles.

Systembolaget’s sustainability reporting is integrated with the financial reporting. I have chosen to delimit the scope by not including the purely financial part, such as balance sheets and financial audit. It does not contain any information of relevance; instead it would rather disturb the key word search. Exactly which pages it concerns varies across reports, since Systembolaget continuously introduces new sections in the reports. I have thus made a selection that I believe appropriate, without neglecting the impossibility of remaining objective when doing so. Moreover, the reports have been read in Swedish, since I considered it better to read the original version in the language of the company in case something would be different in the translated English version. Therefore, most of the keywords are Swedish (except some words that Systembolaget use in English), but for the understanding of this thesis, I have translated the words and concepts according to the language Systembolaget itself uses in its English reports.

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<sup>3</sup> The 2001 report is the earliest that can be found on Systembolaget’s webpage, the 2013 the latest one.

### 4.3 Research methods

As method of textual analysis, a combination of content analysis and critical discourse analysis (CDA) has been used. As expressed by Bergström and Boréus (2005: 45), it can be fruitful to mix content analysis with other methods of textual analysis. CDA's main theorist Fairclough does exactly this (Bergström & Boréus 2005: 341; Jørgensen & Phillips 2008: 4). These two methods have been chosen because they complement each other. First, key words within the main topics CSR, labour and workers have been systematically teased out through a content analysis. Then, tools deriving from CDA have been used to map certain discourses and power structures through looking at how and when these words are used and within which context they appear.

#### 4.3.1 Content analysis

Content analysis has been used to map the inclusion and evolution of different words across the reports. It concentrates on what is actually said or written and on finding patterns and creating categories and classifications. (Bergström & Boréus 2005: 44-45, 341). After reading through the reports, a number of purposively selected key words were identified and counted through a computer search. The second step was to go more into detail, as to study “the occurrence of the words in relation to each other and [...] in which context they appear”<sup>4</sup> (Bergström & Boréus 2005: 341). To do this, I looked for what was written, as well as when, how and connected to which actors and contexts.

#### 4.3.2 Critical discourse analysis

Like content analysis, discourse analysis focuses on what is written, as well as certain patterns and the “social consequences of different discursive representations of reality” (Jørgensen & Phillips 2008: 21). The interest of the thesis as such lies in analysing what is said, how it is said and how changes within the reports are explained. Studying discourse is a strong tool when investigating changes in perceptions over time (Bergström & Boréus 2005: 357).

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<sup>4</sup> All quotes by Bergström and Boréus have been translated from Swedish to English as accurately as possible by the author of this thesis.

As mentioned in chapter three, CDA suits my selected material and purpose since it often focuses on written texts and the findings' connection to the 'social practices', i.e. a social analysis of the context (Bergström & Boréus 2005: 339; Jørgensen & Phillips 2008: 62-63, 66). There are no exact rules for how to carry out a CDA in practice, but I have been inspired by Fairclough's own techniques, presented in Bergström and Boréus (2005: 339-348) and Jørgensen and Phillips (2008: 77-89). In accordance with these, the analysis has looked for textual features to map general patterns, ideas and discourses. The researcher can look for certain ideas expressed in the document, what processes are present, and the relation between actors: who gets to participate in these processes, who are the agents and who are affected (Jørgensen & Phillips 2008: 83). Moreover, CDA lets the researcher include or exclude what seem to be of most importance.

Another interesting aspect put forward by Fairclough (in Bergström & Boréus 2005: 345) is the general impression of the document – is everything clear and coherent, or is it vague, using a changing/instable language and/or providing contradictory information? An example of this from my thesis is the sudden change of a core concept, whereby 'CSR' is replaced by 'sustainability' without further explanation. A CDA analysis can also look for detailed textual features such as choice of words, form and grammatical aspects such as the degree of certainty with which a statement is made and how actors are given passive or active roles (Jørgensen & Phillips 2008: 81-88). When having defined the discourse, it needs to be related to the external discourse, however the empirical material here can be rather brief (Bergström & Boréus 2005: 345-346).

My overarching aim has been to investigate one and the same specific theme within one and the same document, but over time, in order to perceive changes in reporting practices and how these are justified. A specific focus has been placed on expressions of power relations and whether the reporting "reproduces or, instead, restructures the existing order of discourse and [...] what consequences this has for the broader social practice" (Jørgensen & Phillips 2008: 69). The tools of CDA have been used in the way suggested by CDA itself: as guidance for research and analysis, rather than a clear step-by-step method where all aspects have to be included.

#### **4.4 Methodological strengths and limitations**

The main criticism that case studies receive is that findings cannot be generalised (Bryman 2012: 70). However, that has not been the objective of this thesis; instead the case study approach has enabled a deeper study of one company that could suggest a tendency, which may or may not apply to other cases studied in the future. The exemplifying case study design brings the possibility to “capture the circumstances and conditions of an everyday or commonplace situation” (Bryman 2012: 70). Moreover, the chosen analytical tools have provided the freedom to analyse the material in a way that suits the thesis’ purpose. However, because of time and space constraints, the textual analysis could not be too detailed and I was not able to discuss all aspects of the content analysis’ findings. Finally, I have not had the possibility to investigate the situation of supply chain labour conditions in practice, but that was not the intention of the thesis and will instead remain a suggestion for future research.

## 5. Analysis

The aim of this chapter is to analyse the empirical material. Findings have been obtained through the methods of content analysis, involving a key word search, and CDA, serving as the lens through which I view my findings and the main tool of analysis. The chapter also intends to connect the findings to the literature presented in chapter two, in order to map how they are situated within a wider social context. My reading has been focused on the treatment of labour conditions and vineyard workers within the changing CSR discourse.

### 5.1 Key words

The first step of my analysis was to carry out the content analysis. Here, I looked for key words connected to CSR, labour and workers. Table 1 presents the most relevant words and the frequency with which they have been used in each report. The following parts of this chapter then discuss these findings, how they are interrelated and what they reveal about the CSR and labour discourses with Systembolaget's annual reports.

<i>Swedish</i>	<i>English translation</i>	2001	2006	2007	2008	2008 GRI	2008 TOTAL	2012	2012 GRI	2012 TOTAL	2013	2013 GRI	2013 TOTAL
		<b>32 pages</b>	<b>110 pages</b>	<b>118 pages</b>	136 pages	8 pages	<b>144 pages</b>	68 pages	76 pages	<b>144 pages</b>	74 pages	90 pages	<b>164 pages</b>
samhällsansvar/ socialt ansvar	<i>social responsibility</i>	8	7	13	24	2	26	7	2	9	8	10	18
CSR/ corporate social responsibility	<i>CSR</i>	0	0	3	34	12	46	17	25	42	0	0	0
hållbar/hållbarhet	<i>sustainable/ sustainability</i>	0	7	15	23	16	39	6	20	26	56	87	143
Global Compact	<i>Global Compact</i>	0	0	4	8	5	13	2	1	3	6	0	6
GRI/Global Reporting Initiative	<i>GRI</i>	0	0	0	15	6	21	15	25	40	8	24	32
BSCI/Business Social Compliance Initiative	<i>BSCI</i>	0	0	0	0	0	0	11	7	18	18	10	28
uppförandekod	<i>Code of Conduct</i>	0	0	0	5	6	11	8	5	13	11	13	24
uppföljning	<i>monitoring</i>	0	7	5	7	2	9	6	12	18	7	21	28
leverantörskedja	<i>supply chain</i>	0	0	0	12	5	17	10	11	21	18	23	41
arbetsvillkor	<i>labour conditions</i>	0	1	1	11	4	15	8	6	14	19	10	29
arbetare	<i>worker</i>	7	32	56	63	0	63	27	8	35	32	19	51
medarbetare	<i>co-worker</i>	7	32	56	63	0	63	26	4	30	32	15	47
lantarbetare/ skördarbetare	<i>farm worker</i>	0	0	0	0	0	0	1	3	4	0	3	3
säsongsarbetare	<i>seasonal worker</i>	0	0	0	0	0	0	0	1	1	0	0	0
migrant	<i>migrant</i>		0	0	0	0	0	1	0	1	0	0	0
genus, kvinnlig	<i>gender, female</i>	3	2	1	4	0	4	0	0	0	0	0	0
producent	<i>producer</i>	0	13	12	12	0	12	8	7	15	30	11	41
intressent	<i>stakeholder</i>	1	1	1	18	0	18	8	11	19	7	29	36
intressentdialog	<i>stakeholder dialogue</i>	0	0	0	2	0	2	0	1	1	2	8	10
odling/ vinodling/ vingård	<i>cultivation/ vineyard</i>	2	4	7	10	0	10	3	8	11	5	6	11
miljö	<i>environment</i>	18	57	70	116	12	128	41	42	83	52	54	106
arbetsmiljö	<i>working environment</i>	0	23	18	6	0	6	5	10	15	5	10	15
miljö (i betydelsen natur/ekologi)	<i>environment (nature/ecology context)</i>	17	28	48	108	12	120	33	29	62	46	38	84
riskland/länder	<i>(high)risk country</i>	0	0	0	0	0	0	2	1	3	5	5	10
mänskliga rättigheter	<i>human rights</i>	0	0	5	22	7	29	6	9	15	14	15	29

**Table 1: Main findings from the content analysis, showing the evolution of how many times selected key words have been included across the annual reports.**



## 5.2 Production and consumption of the annual reports

As discussed in relation to the theoretical CDA framework in chapter three, a text is not an isolated piece of writing, but is situated within a broader societal context. As such, it both reflects and is affected by surrounding social structures, events and actors, which in the case of Systembolaget's annual reports include:

- The Swedish state, i.e. the owner of Systembolaget and the demands it makes
- The inclusion of codes of conduct and other guidelines
- Increased civil society awareness and pressure
- Media attention

As expressed in chapter two, it is rather contradictory that one of the main sources of information on CSR comes from the companies themselves. It was suggested that CSR reporting often serves the company more than the intended beneficiaries. As the producer and sole voice of the annual reports, Systembolaget has the possibility to present its CSR work in a way that strengthens the image of the company, as “being transparent about their supply chains helps demonstrate commitment to sustainable development” (GRI in Dingwerth & Eichinger 2010: 80). The language used in the reports often turns risks and external critique into ‘possibilities’ (Systembolaget<sup>5</sup> 2013b: 61). Systembolaget recognises its position as a significant buyer and its “unique opportunity to influence the drinks industry in a positive direction”<sup>6</sup> (ibid 2008a: 17) and sees the critical report by Swedwatch as “contributing to strengthening Systembolaget’s work and engagement” (ibid 2013a: 7). Instead of recognising the most critical aspects of the report, it is put forward as a ‘receipt’ of Systembolaget’s good and transparent work (ibid 2013a: 4, 47; Edoff 2013: 72).

The annual reports are openly directed towards Systembolaget’s stakeholders, who are expected to read the report (Systembolaget 2011b: 3). A key risk identified by Systembolaget is that deficient CSR work could create negative public opinion against Systembolaget (ibid 2012b: 6). Systembolaget thus realizes that civil society awareness concerning social issues within the supply chain has increased. Responding to civil society and media critique has become an increasingly important part of the annual reports, however from the reports it cannot be discerned to having spurred

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<sup>5</sup> Sources are from Systembolaget’s (Swedish) annual reports if not stated otherwise.

<sup>6</sup> Translations of quotes are done according to Systembolaget’s English reports wherever possible and otherwise by the author of this thesis.

much *actual* change. Nevertheless, it has on a few occasions led to additional audits of producers (ibid 2012b: 68). Although the big international companies probably receive a lot more pressure and scrutiny than does Systembolaget, it is a significant company in Sweden and as a state-owned monopoly with an identity that rests upon social responsibility, people might also be more demanding.

The CSR platform, based on the UN Global Compact principles and the UN Declaration on Human Rights, ILO conventions and the Rio Declaration (ibid 2008a: 14, 16) “formulates why Systembolaget should work with CSR, what the goals of our CSR work are, and how we shall carry out the work.” (ibid 2008a: 74). These ‘why, what and how’ seem to represent the common way to report on CSR put forward by Mitnick (see chapter two), which is in many ways instrumental. Furthermore, what the ‘why, what and how’ actually *are*, is not explained. It seems like, in line with Blowfield’s arguments presented in chapter two, references to international agreements, declarations and guidelines are put forward as successes per se.

### 5.3 CSR and labour within the annual reports

*You should always be able to rely on us to sell responsibly.*

– Systembolaget 2012a: IV

#### 5.3.1 CSR – a changed discourse

As shown in the introduction as well as in chapter two, CSR is an ambiguous concept with many meanings, however it broadly concerns the business’ voluntary global social responsibility (see e.g. Prieto-Carrón et al 2006; Blowfield & Frynas 2005).

The single most distinctive finding from the content analysis was the evolution of the ‘CSR’ concept (see Table 1). In both 2001 and in 2013, CSR was mentioned zero times. Yet, this does not mean that nothing has happened in the area of CSR, because it was extensively included during the years in between<sup>7</sup> (see Figure 2). It is thus probable that the exclusion of CSR had different reasons in 2001 and in 2013.

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<sup>7</sup> CSR first appeared in the reports in 2007, when new state policies made sustainability reporting in accordance with the GRI guidelines mandatory for state-owned companies (Edoff 2013: 15). This demand is however only recognised in 2008 (Systembolaget 2008a: 8), when Systembolaget’s real CSR ‘breakthrough’ occurs (see Figure 1 and 2).

Already in 2001, ‘social responsibility’ was a theme in the report, but then represented Systembolaget’s socio-political mandate to “minimize the private profit interest and competition, which drives up alcohol consumption and the damaging effects of alcohol” (Systembolaget 2001: 13). As such, it doesn’t have much to do with the current social responsibility discourse, which asserts that the “responsibility for a sustainable supply chain goes further since Systembolaget has monopoly on the sale of alcoholic beverages” (ibid 2013b: 56). This indicates how the inclusion of CSR changed the discourse of ‘social responsibility’ to include more global concerns – a discourse that prevails despite the exclusion of CSR as a concept. What can also be seen in Figures 1 and 2 is a drastic increase of the ‘sustainability’ concept. It is thus highly likely that sustainability has replaced CSR as the “collective term for our wider social responsibility” (ibid 2008a: 1, see also images in 2012a: 8 and 2013a: 9). However, the exclusion of CSR is not at any moment explained by Systembolaget. Blowfield and Frynas (2005: 501) mean “the vocabulary on business-society debates is being expanded to include new terms such as [...] sustainable development, aimed variously at replacing, redefining or complementing the CSR concept”. It is thus not clear whether ‘sustainability’ is a direct replacement of ‘CSR’, or whether it includes new emphases and a transformed discourse.

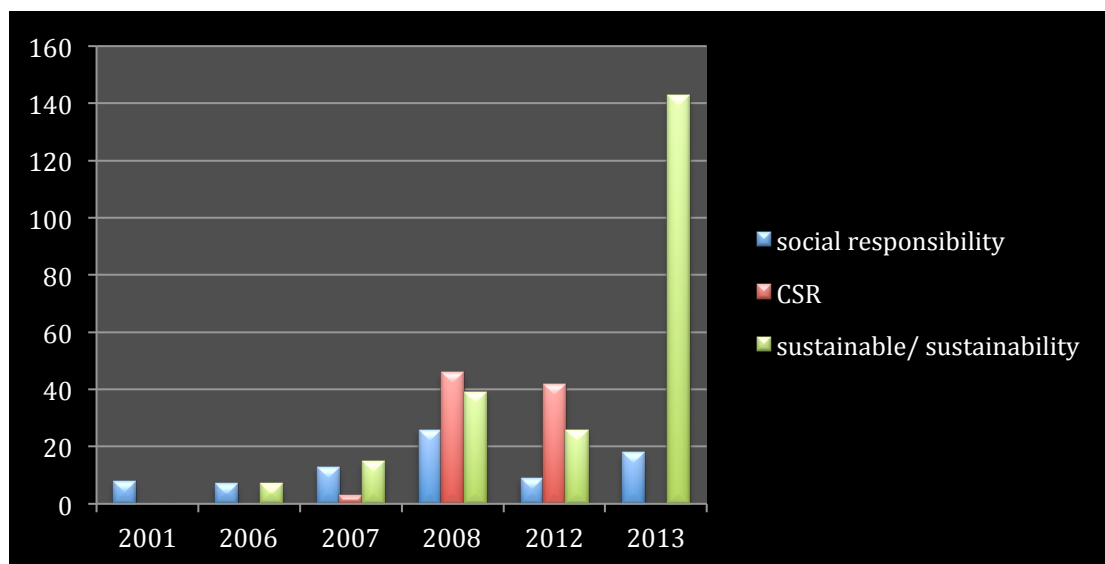


Figure 1. Discursive changes of CSR in actual numbers.

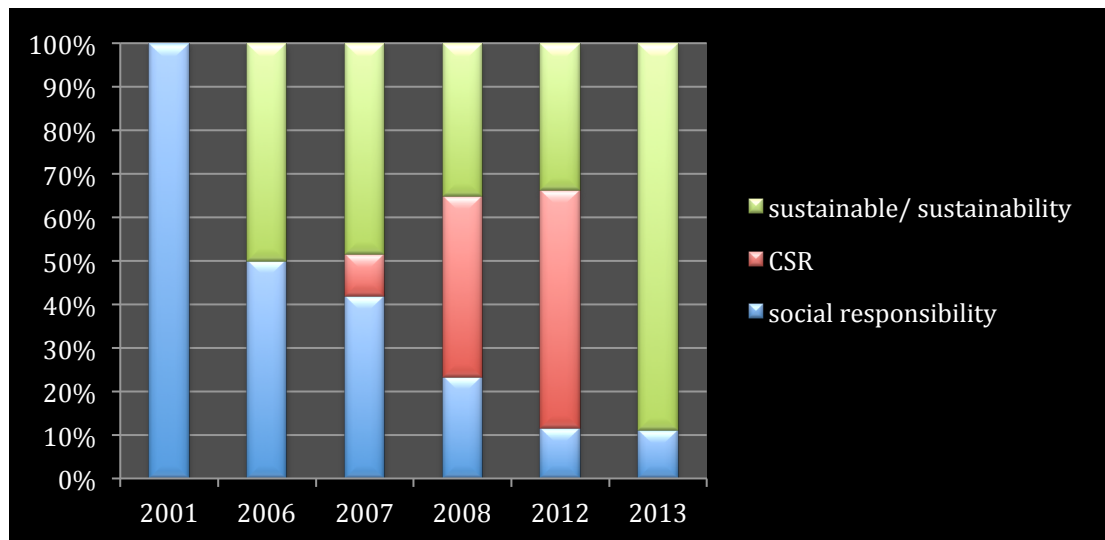


Figure 2. Discursive changes of CSR in percentage share.

The increased inclusion of environmental concerns could be indications of a slightly changed sustainability discourse<sup>8</sup>. First, new demands from the Swedish state request “more ambitious objectives in the sustainability sphere for the State-owned companies” including “relevant sustainability goals for their operations in 2013 and strategies for releasing them” (Systembolaget 2012a: 48). Within the new state demands, Systembolaget has identified the socio-political public health mandate and the environmental impact as the two core areas, leaving the global social focus aside (ibid 2013b: 63). Second, Systembolaget’s participation in ‘Swedish Leadership for Sustainable Development’<sup>9</sup> enhances that “the next step for a Swedish model is to integrate sustainability into business models and operations of companies regardless of size and structure” (SIDA 2013: II, see also Systembolaget 2013a: 9). Third, the Nordic monopolies have started to develop a new platform for the sustainability work 2014 until 2018, also with an increased environmental focus (Systembolaget 2013a: 8). It is not explained why environmental issues are given priority over social issues and it is an unexpected change that doesn’t seem in line with the CSR discourse along the reports, which has gradually focused more on labour conditions and human rights

<sup>8</sup> The use of the sustainability concepts fluctuates over the years. When it was first introduced in the 2006 report, it referred to the Brundtland Commission’s definition of sustainable development, and covered Systembolaget’s socio-political mandate, environmental concerns and business ethics. In 2012 it is said, “Systembolaget has always worked with what are nowadays known as sustainability issues [however] as time has gone by, the scope has expanded to include [...] the drinks supplier chain” (2012b: 42). In 2012, CSR and sustainability are interchangeably used (2012a: 2).

<sup>9</sup> ‘Swedish Leadership for Sustainable Development’ is a joint initiative between the Swedish International Development Agency (SIDA) and a number of Swedish companies.

and also described these as the greatest problems within the global wine supply chain (ibid 2013a: 4). In conclusion, tendencies point to an increased environmental attention, but whether this will be prioritized over social issues or strengthened along these, remains to be seen. This subchapter has intended to map the current responsibility discourse of Systembolaget's annual reports, within which labour concerns are expressed. How the treatment of labour and vineyard workers has changed across the years, is the focus of the following section.

### **5.3.2 The early years: labour within a national context**

As illustrated in the previous subchapter, the social responsibility discourse was of national character during the early years of Systembolaget's annual reporting. Consequently, labour concerns reflected this context. As can be seen in the content analysis, environment has been included, despite not being the focus of this thesis. The intention with this is twofold. First, it serves as a point of comparison against which the inclusion of social issues can be contrasted. It is a fact that environmental issues were included earlier and more extensively than social ones. They have also been more concrete than social aims, which confirms academic findings. (Blowfield 2007: 686, 690). Second, the environment refers to 'work environment'. This concept has throughout the reports been used when referring to the labour situation of Swedish employees, whereas 'labour conditions' primarily has referred to workers within the global supply chain. In the 2001 report, Systembolaget seems unaware of the existence of workers beyond the Swedish employees. Neither cultivation workers nor production workers are mentioned and gender discussions concern employee gender equality (Systembolaget 2001: 8, 13). The few references made to the cultivation or production of wine primarily relate to the environment.

### **5.3.3 CSR 'breakthrough' and supply chain concerns**

The explosion of the CSR concept in 2008 (see Figure 1 and 2) brought a whole discourse of new concepts to the annual reports. The concern here is whether this also involved an increased recognition of labour conditions within the global wine supply chain, in particular regarding the vineyard workers.

An interesting finding from the content analysis is how ‘stakeholder’ seems to refer to the same actors (owners, employees, customers, society and suppliers) across the years (see Systembolaget 2001: 11; 2013b: 52), despite the fact that both what’s done and what’s reported on have changed notably along with the appearance of the CSR discourse and increased supply chain labour concerns. Yet, its connection to the CSR discourse is apparent, since the mention of ‘stakeholder’ increases significantly in 2008. According to Response (in Burchell & Cook 2006: 129), “the primary beneficiary of CSR practices should be the stakeholders who are impacted by a company’s operations”. Burchell and Cook (2006: 129) further describe how companies are given the sole right both to define their stakeholders and how the relations with these are to be managed. However, the identified stakeholders are not necessarily the ones who are most affected by the company’s operations (Prieto-Carrón et al 2006: 984). In Systembolaget’s reports, vineyard workers are not communicated as stakeholders, nor explicitly considered the main CSR beneficiaries. This confirms academic research, stating that “communities, casual employees and NGOs are rarely consulted in a formalised way” (Burchell & Cook 2006: 129). Systembolaget (2008a: 16) claims to “endeavour at all times to develop our social, ethical and environmental responsibility, primarily through dialogue and cooperation with the outside world”. The relation to stakeholders are managed through this ‘dialogue’ (ibid 2012a: 42) and the entire CSR platform as well as priority areas in the reports are said to build upon issues that stakeholders consider important (ibid 2008a: 14, 16, 117-118). Yet, it is not always explicit how stakeholder dialogue has led to specific changes, and “merely invoking the vocabulary of inclusion and participation does not in itself constitute a democratic or equitable partnership” (Dolan 2005: 426). Systembolaget (2008a: 117) does claim that “indirect stakeholders include voluntary organisations and governmental organisations with specific interests in Systembolaget”, however who these are, is not described. Moreover, audits have included ‘dialogue’ with a range of actors such as industry organisations, research institutes, CSR auditors and wine producers (ibid 2012a: 43), embassies (ibid 2011a: 35), manpower companies, certification bodies, organic organisations, authorities (ibid 2010a: 37), voluntary organisations, universities, trade union representatives, ambassadors and fair trade organisations (ibid 2009a: 43). But amongst this variety of societal actors, the first link of the supply chain is missing – the cultivation workers.

As suggested in chapter two, women, migrants and contract workers are particularly exposed, and should CSR be considered a development tool, the most vulnerable must be included in policy and practice (Blowfield 2007; Prieto-Carrón et al 2006: 984).

Systembolaget is good at describing the labour situation, but falls short in meeting these concerns with actual involvement of the people in the contexts CSR aims to improve. The inclusion of ‘human rights’ increased from zero in 2001 to 29 in 2013, though mainly as part of the four UN Global Compact focus areas. Nevertheless, it is acknowledged already in 2008 that “agriculture suffers, in many parts of the world, from problems in connection with the violation of human rights and unacceptable labour conditions [, but] the cultivation of grapes, cane sugar and hops specifically intended for use in drinks production has not been reviewed to the same extent as the rest of the agricultural sector when it comes to labour law and human rights” (Systembolaget 2008a: 118). Barrientos (2013: 1069) would argue that these labour issues exist also in developed countries, where migrant workers often suffer severe conditions, something that also Systembolaget (2012a: 43) identified during a trip to California. However, that the yearly trips are still carried out to ‘learn more’ about the “actual labour situation” (ibid 2013a: 4) questions the urgency with which Systembolaget carries out its CSR work in practice.

Again in 2012, it is recognised that “farmworkers’ labour conditions are one of the areas in which progress may seem to have stood still” and that a major part of the wine we drink is “made by grapes picked by hand by seasonal workers – a group which, in many countries, is not covered by the same agreements as permanent employees” (ibid 2012b: 54). Among major problems, Systembolaget mentions low pay, poor housing and sanitation, extensive working hours, risky health environments, and the lack of the right to form and be a part of trade unions. Systembolaget moreover recognises how social structures in many countries are an obstacle (ibid 2012b: 54; 2013b: 59).

Despite being clearly aware of the situation at the vineyards, Systembolaget’s action is focused on the supply stage, since this is where the greatest impact is said to be possible (ibid 2012a: 9). Systembolaget means it lacks possibility to affect producers, since the “monitoring of the supply chain is complicated by the fact that Systembolaget doesn’t buy directly from the producers, but through suppliers” (ibid 2013a: 46). Vineyards are not mentioned at all here and also haven’t yet been reached

by audits, despite having proven to be the context where most problems occur. The audit process itself is described in a very transparent manner and Systembolaget shows a degree of sensitivity to the seasonality issue by scheduling follow-up audits during peak season (ibid 2013a: 45). What is not accounted for is whether the audit is planned beforehand or unannounced, which does matter, since in particular an announced audit may not give an accurate image of workers' situation. According to Barrientos (2013: 1060), "factories and farms rarely keep records of [the use of contract workers]; and they are often 'absent' when labour inspectors or social auditors visit a site". Blowfield (2007: 686) also shows how impact assessment of CSR can be undermined by falsification of records or training of workers. None of these aspects are risks that Systembolaget accounts for in the reports, nor do they describe the gendered structures or the situation of migrant workers.

As mentioned in chapter 5.2, Systembolaget follows a number of international guidelines and codes. How these have been chosen and how they help Systembolaget to reach the beneficiaries in practice is not entirely transparent within the reports. Initially, it was said that the Nordic monopolies would try out different codes of conduct and decide for the one that worked the best, however the outcome of the trial was never accounted for and Systembolaget still applies the BSCI code<sup>10</sup> without having justified why it was chosen over other codes. Such an evaluation has again been planned to take place in 2014 (Systembolaget 2013a: 45), but right after, Systembolaget describes how the implementation of an updated version of the BSCI code has already been initiated (ibid 2013a: 46), thus communicating contradictory messages. BSCI has received extensive critique from a number of actors. The NGO campaign Rättvis Vinhandel put forward problems of exclusion of farm workers' organisations and trade unions as well as weak aims in areas such as wages (Eriksson et al 2012; Greenberg 2013: 43; Edoff 2013: 17; Systembolaget 2013b: 56-57). Systembolaget (2013a: 45) met the critique with imprecise accounts of 'fruitful discussions' and claims to having received feedback from producers who mean BSCI set higher standards than other codes. Systembolaget has also confirmed the need to complement the code and is to this end vaguely "investigating the possibility to cooperate more with trade unions in risk countries" (ibid 2013a: 46-47). The issue

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<sup>10</sup> Systembolaget adopts the Business Social Compliance Initiative (BSCI) Code of Conduct since 2011.



with high monitoring costs expressed in chapter two (Dolan 2005: 426; Greenberg 2013: 38-39), are met with thoughts on how Systembolaget itself is affected, rather than suppliers, producers or vineyards (Systembolaget 2012b: 54). Finally, the BSCI code transfers a major part of the responsibility to the suppliers, who “when they enter into an agreement with us [...] undertake to pass our requirements on to their subcontractors at every stage of the chain” (Systembolaget 2012a: 9, see also Edoff 2013: 23). Yet, it is not ensured whether this information reaches vineyard workers.

Also Systembolaget’s reporting framework GRI have been criticised for its “little impact in shifting the balance of power in corporate governance toward civil society” (Levy et al in Dingwerth & Eichinger 2010: 91). In brief, the annual reports have not shown how using GRI has improved transparency or participation in practice, but only how it has structured the reporting practices as such. In conclusion, the use of codes and guidelines is extensive, but it would be fruitful to obtain a more detailed description of how these intend to benefit vulnerable supply chain workers in practice.

The last area that will be mentioned here is the product selection process. Firstly, the selection process involves set price ranges, which can be a problem as “if supplier farms actually get more money for their grapes, others lose by the same amount, since the final prices are fixed” (Greenberg 2013: 60). This eliminates suppliers’ and producers’ interest to raise payment to the vineyards. Secondly, the wines are, in accordance with EU rules, selected through blind testing in order to secure quality and avoid corruption (e.g. Systembolaget 2001: 21; 2012a: 44), however this excludes the possibility of selecting wines that have been produced in a socially and environmentally responsible manner<sup>11</sup> (Edoff 2013: 12). It is thus contradictory claiming that “ultimately, it is taste and quality that decide [but] the drinks must also be produced under conditions of responsibility for both people and the environment” (Systembolaget 2012a: 41). In 2013, suppliers made calls for financial incentives to ethically labelled wines<sup>12</sup>, but the outcome is not yet official. Systembolaget also means it is not clear how inclusion and rejection of products steered by customer demand might affect producer countries economically, yet this issue is not further problematized (ibid 2012a: 41; 2013b: 56, 61).

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<sup>11</sup> Within the Finnish alcohol monopoly Alko it is possible to take this into account.

<sup>12</sup> Also the ethical labels Fairtrade and Fair For Life have received criticism, see e.g. Barrientos in Greenberg 2013: 41-43.

#### 5.3.4 Today: Labour inclusion in space, voice and agency

As revealed by the different aspects already described, workers in the first stage of the global wine supply chain are nowadays receiving more space within the reports than when the reporting started. This should be understood as part of the inclusion of CSR, which transformed the social responsibility discourse to include global concerns. However, as can be seen in Table 1, the mention of farm workers (and similar) is still meagre. The reports have not clearly illustrated the supply chain, which would have been conducive since the aim is to communicate on issues concerning precisely this. Because of the complexity, concepts therefore easily become confusing. Despite having described the situation of harvest workers, most discussions focus on producers and at times it therefore becomes unclear whom the report talks about. Moreover, in no instance are these workers given an active voice or participation, neither within the reports, nor as it seems in reality. Workers are not considered stakeholders despite constituting an obvious part of the supply chain and they are not given the possibility to express their needs and wishes to affect priority areas.

Compliance with codes and guidelines is often put forward as proof enough for CSR engagement, yet as shown, these have been extensively criticised on many different levels. The most vulnerable actors; women, migrants, seasonal and contract workers, are only briefly mentioned on a few occasions and it is thus not obvious to the reader how the codes actually improve the situation of these people. As such, codes may create a false image of change. Greenberg (2013: 60) argues that “codes of conduct can be a step forward if they are implemented properly and become the baseline for entry into the market [but] do not, in themselves, lead to vastly improved conditions for workers, or change the underlying power relations between owners, managers and workers”.

In conclusion, CDA analysis has indicated that power relations between the different actors along the chain are not enough problematized by Systembolaget. The language of the reports is very positive, expresses possibilities and has a personal tone, yet many of the achievements remain on a communicative and sometimes vague level. The few times vineyard workers are mentioned, they remain passive whereas the roles of Systembolaget and the suppliers is more active. As such, the inclusion of CSR and labour concerns doesn't seem to restructure existing power relations within the global wine supply chain to any larger extent.

## 6. Conclusions & discussion

The aim of this thesis has been to investigate how labour within the first stage of the global wine supply chain is treated in Systembolaget's annual reports, how this has changed over time and how changes are explained within the reports. The analysis of the reports to a large extent confirms academic evidence of how workers in the first stage of the supply chain, in this case vineyards, are excluded in rhetoric and practice.

With the advance of CSR in 2008 (see Figures 1 and 2), a whole discourse of words were brought into the reports, including 'supply chain', 'code of conduct', 'labour conditions', 'producer', 'human rights' and 'stakeholder'. The advance of labour concerns within the global supply chain was therefore dependent on the CSR discourse as such. Systembolaget presents high goals of obtaining a sustainable global drinks supply chain that "makes a difference" (Systembolaget 2008b: 3) within major fields such as labour conditions, human rights and the environment, as previous academic findings have shown as commonplace in reporting (Blowfield 2007). The mere reference to guidelines and codes often seems enough to legitimize success within the field of CSR (Blowfield 2007: 684-686, 689). Whether the exchange of CSR in favour of 'sustainability' will have any effects on the discourse and what focus areas will be prioritised, remains to be seen. While a larger environmental focus can be perceived, the discourse as such is steadily growing, as is Systembolaget's awareness and urgency as media focus prevails. The reports gradually gain awareness and provide insightful descriptions of the labour situation in wine cultivating countries, including human rights violations and poor labour conditions. Yet, the inclusion of the actors within this stage of the supply chain, who should arguably be the beneficiary of CSR, is absent and thus confirms how we know rather little about "CSR's consequences for the intended beneficiaries in whose name it is being conducted" (Blowfield 2007: 683).

Ultimately, the findings of this thesis much confirms what academic research on CSR reporting and labour conditions has suggested. There is a risk in relying on firms' own CSR reporting as evidence of what is achieved, since the production of these texts is not impartial. Systembolaget's CSR reports have shown successful in managing critical voices in an open and professional manner, but what the critique has led to in practice often remains veiled. It could also be questioned whether this critique

shouldn't already have been identified within the CSR initiative. I don't have the answer to how far companies can actually go within the CSR framework, or what role political dynamics in supplier countries play. However, if the business sector claims legitimacy as *the* new developmental actor, this must entail actual inclusion of the most vulnerable groups in society. Blowfield (2007) means that CSR practitioners to this end could draw upon the extensive knowledge within the field of international development and that if they fail to do so, it derives more from a lack of interest than a lack of possibility. As was suggested by Dolan (2005: 427) in the introduction of this thesis, calls for a return to increased state regulations have been expressed. However, the complex production systems of today's globalised world and the fact that many states do not take responsibility for their own citizens seem to contradict the possibilities of such a reversal. As Barrientos (2013) suggested, joint action across supply chains seems to be necessary if efforts are to be fruitful. The evidence from this thesis agrees with Blowfield (2007) and Prieto-Carrón et al (2006) in that there is a pressing need for more research on the actual effects of CSR. This thesis serves as an insight into how seemingly successful CSR work fails to involve the most vulnerable groups in society. As for future research, the natural next step would be to carry out case studies of what impact Systembolaget's or other companies' CSR work actually has for workers at the first stage of the supply chain. Moreover, this approach would show sensitivity to the need of the inclusion of this group also in academic research.

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