
Gustavson School of Business

Faculty Publications

Book Review: Woke Capitalism: How Corporate Morality is Sabotaging Democracy
by Carl Rhodes

Simon Pek

2022

© 2022 Pek. This is an open access article distributed under the terms of the Creative Commons Attribution License. <https://creativecommons.org/licenses/by/4.0/>

This article was originally published at:


<https://doi.org/10.1177/13505084221096812>

Citation for this paper:

Pek, S. (2023). Book Review: Woke Capitalism: How Corporate Morality is Sabotaging Democracy by Carl Rhodes. *Organization*, 30(2), 432–435. <https://doi.org/10.1177/13505084221096812>

And so, we must ask ourselves—as I was during a talk on philanthrocapitalism’s malaise—on the “transformative” potential of philanthropy and if it really has any potential to address poverty and inequality, meaningfully? Throughout her book, Sklair is attentive to the fragmented nature of civil society organizations in Brazil, where elites’ foundations (mostly operating foundations as against grant-making ones) work on selective causes and in quite restrictive ways that are not only not representative but also a relatively minor part of the wider constellation of such organizations. And so, while foundations have engaged in formalized entrepreneurialism, institutional and technological innovations, other civil society organizations have carried on with the challenging task of tackling racial and economic inequalities, workers’ rights, social housing, education and health-care, and other human rights. Toward the end of her book, Sklair notices an emergent trend, albeit “timid” in her words, where elite foundations are engaging more in grant-making toward such civil society organizations. But even this, as one of Sklair’s respondents notes toward the end of the book, requires a change from the civil society organizations. The latter, they remark, “need to change their discourse too, it can’t just come from one side . . . but we do have the potential to work towards less conflict” (p. 157). In short, accessing the elites’ millions requires a change in the more confrontational, radical approach adopted by Brazil’s civil society organizations—a Gramscian “buy-in” of sorts.

ORCID iD

Arun Kumar  <https://orcid.org/0000-0003-0064-794X>

References

- Brooks, S. and Kumar, A. (2021) ‘Why the Super-Rich Will Not Be Saving the World: Philanthropy and “Privatization Creep” in Global Development’, *Business and Society*. Published online before print December 3, doi: 10.1177/00076503211053608.
- Khan, S. (2012) ‘The Sociology of Elites’, *Annual Review of Sociology* 38: 361–77.
- Linde, C. (2009) *Working the Past: Narrative and Institutional Memory*. Oxford: Oxford University Press.
- McGoey, L. (2015) *No Such Thing as a Free Gift: The Gates Foundation and the Price of Philanthropy*. London: Verso.

Arun Kumar 

University of Essex, UK

Woke Capitalism: How Corporate Morality is Sabotaging Democracy. Carl Rhodes. Bristol: Bristol University Press, 2022. 240 pp. ISBN 9781529211672. \$27.95 (hbk).



Carl Rhodes’s *Woke Capitalism: How Corporate Morality is Sabotaging Democracy* seeks to synthesize and advance a novel and more nuanced understanding of woke capitalism. Throughout the book, Rhodes argues that there are two dominant perspectives on woke capitalism. On the one hand, critics of woke capitalism claim that it is a dangerous threat to capitalism as it diverts attention from core business functions. On the other hand, those with more sympathetic views argue that corporations can and should make important contributions to pressing societal issues. When this

latter group detects hypocrisy or insufficient efforts, they implore corporations to do more and walk the walk instead of just talking the talk. In contrast, Rhodes offers a third perspective, one in which woke capitalism actually serves to legitimize capitalism and, with chilling consequences, expand its power.

To develop this perspective, Rhodes carefully traces the evolving use of the term “woke” since its origins in the U.S. civil rights movement. While the term retained its overarching emphasis on being attuned to current affairs and social justice issues through to the early years of the Black Lives Matter movement, it soon began to be used in a pejorative manner to criticize individuals and organizations deemed to be insincere and sanctimonious about these issues. Rhodes then conceptualizes woke capitalism and distinguishes it from analogous concepts like corporate social responsibility. He does so by canvassing key debates about the role of business in society and philanthropy since the Gilded Age and analyzing a rich set of examples, including Gillette’s “the best a man can be” and Nike’s “dream crazy” ads. The readers progressively get a picture of woke capitalism as an extension of corporate social responsibility as practiced in the era of neoliberalism and shareholder primacy. Corporations shift their attention from “win-win” opportunities connected to their core operations to becoming activists for societal issues that are more peripheral to them. Yet, the underlying “win-win” logic remains, as corporations selectively advocate for issues that are publicly defensible and popular (often made so through tremendous efforts on the part of social movement actors) and, thus, have a strong business case with the potential to neutralize concerns about contemporary capitalism and its attendant consequences.

Rhodes argues, compellingly, that the rise of woke capitalism can have devastating consequences. Under woke capitalism, corporations and their leaders—often deliberately—undermine governments and non-profit organizations. In turn, they assume the role of public representatives and “start directly taking on the provision of public goods and taking on responsibility for solving public problems” (p. 96). The trouble is that they were never authorized to take on this role and cannot be held accountable for their performance. As such, we risk not only the gradual subversion of democracy by a plutocracy, but also the likelihood that the social and the environmental issues we care dearly about will not receive the attention they deserve. The issues these representatives will choose to focus on, and the solutions they advance, will inevitably be distorted by the lenses of the profit motive and their individual preferences. We are, therefore, unlikely to witness major advocacy for efforts to tackle issues like inequality, corporate and individual tax evasion, and corporate influence in public policy-making. Nor are we likely to see any meaningful challenge of the business models and practices that contributed to these issues in the first place.

The book concludes with a call to action for readers to become “woke to woke capitalism” (p. 176) in a manner aligned with how the term was used in the Black Lives Matter movement. This starts with looking beyond the advertised contributions of woke capitalism to gain a deeper and more holistic understanding of its dynamics, limitations, and deleterious effects. Yet, it does not stop there. This critique needs to be coupled with efforts to put the knowledge into use by challenging the ascent of woke capitalism and by reinvigorating democracy in order to collectively tackle the issues we care deeply about.

I enjoyed reading this book. I came at it as somebody who regularly teaches and conducts research at the nexus of business and sustainability, but who often feels lost trying to make sense of the rapidly evolving debates on wokeness and brand activism. I finished reading with a much greater understanding of these issues and how they layer onto traditional debates on the role of business in society. The book’s central message is clear, consistent, and provocative. By clearly articulating the fundamental limitations and consequences of woke capitalism, I believe that it will succeed in providing readers with yet more motivation to double down on efforts to revitalize and reinvigorate democracy rather than to laugh the phenomenon off or challenge it through the frame of its more right-leaning detractors.

I see two particularly important aspects of Rhodes's arguments that warrant additional research and reflection in order to advance the third perspective being offered in the book. First, what form of democracy should we pursue? I agree with the need to prioritize the revitalization of democracy, both as an end in and of itself as well as a means of corralling the power of corporations and the wealthy. Here, though, it is important to leverage insights about the changing context within which business operates from the burgeoning field of political corporate social responsibility (e.g. Scherer et al., 2016). This body of work highlights, among other things, how increasingly globalized business activities and production networks span a large number of different jurisdictions, many of which can be characterized as weak, fragile, or even oppressive. In this environment, even well functioning states can find it challenging to effectively govern corporations—particularly multinational corporations—and address issues that span national boundaries. Accordingly, it is important to consider what kind of democracy and relationship between states and corporations will best do the trick. For instance, should we advocate for particular types of regulated market economies, like market socialism or welfare state capitalism (Mäkinen and Kasanen, 2016)? Alternatively, should we prioritize unpacking how states can support corporations' contributions to private regulation through, for instance, developing novel incentive schemes (Schneider and Scherer, 2019)? While I understand how these types of thorny questions would be beyond the scope of this book, I think readers should keep them in mind when responding to its call to action.

Second, what should the role of corporations be both in terms of contributing to social and environmental issues and our broader efforts to revitalize democracy? Rhodes points out how a major—perhaps, *the* major—way corporations can contribute to society is to pay their fair share of taxes. He also notes how, in some cases, corporate advocacy for social causes can help advance important debates in the public sphere (e.g. Gillette's advertisement contributing to public debates about toxic masculinity). Yet, in making his core arguments, Rhodes largely downplays the positive contributions corporations can make to tackling societal issues. When viewed through the lens of Vredenburg et al.'s (2020) typology of brand activism, Rhodes's arguments focus primarily on inauthentic brand activism, whereby corporations fuse significant activist marketing messaging with limited or nonexistent corresponding practices. Yet, we should bear in mind that many corporations often make significant practical contributions to addressing social and environmental issues. Some might couple these efforts with activist marketing messaging that is muted (silent brand activism) or vocal (authentic brand activism). While the profit motive will undoubtedly limit the scope and the depth of these corporations' contributions, I think it is prudent to carefully reflect on how they can be leveraged to tackle societal issues and, potentially, the woke washing of their peers.

In addition, it is important to consider how corporations can contribute to efforts to revitalize democracy. In recent years, we have seen some efforts on the part of corporations to support democracy, notably in response to events surrounding the 2020 U.S. presidential election. These efforts include publicly legitimizing the results of elections and speaking out against laws that restrict voting (Galston and Kamarck, 2022). Will these actions, in and of themselves, revitalize democracy in the U.S.? Certainty not. However, if corporations combine these actions with a cessation of their overt and covert efforts to discredit democracy, they might be able to help legitimate and bolster the democratic process as citizens reflect on necessary reforms.

In sum, I believe this book will be relevant to a broad academic and non-academic audience and will help to advance the ongoing and often polarized debates about brand activism, democracy, and the role of business in society.

Simon Pek 

Gustavson School of Business, University of Victoria, Canada

ORCID iD

Simon Pek  <https://orcid.org/0000-0001-8166-6071>

References

- Galston, W. A. and Kamarck, E. (2022) 'Is Democracy Failing and Putting Our Economic System at Risk?' Report, The Brookings Institution, United States.
- Mäkinen, J. and Kasanen, E. (2016) 'Boundaries Between Business and Politics: A Study on the Division of Moral Labor', *Journal of Business Ethics* 134(1): 103–16.
- Scherer, A. G., Rasche, A., Palazzo, G., et al. (2016) 'Managing for Political Corporate Social Responsibility: New Challenges and Directions for PCSR 2.0', *Journal of Management Studies* 53(3): 273–98.
- Schneider, A. and Scherer, A. G. (2019) 'State Governance Beyond the "Shadow of Hierarchy": A Social Mechanisms Perspective on Governmental CSR Policies', *Organization Studies* 40(8): 1147–68.
- Vredenburg, J., Kapitan, S., Spry, A., et al. (2020) 'Brands Taking a Stand: Authentic Brand Activism or Woke Washing?' *Journal of Public Policy & Marketing* 39(4): 444–60.

The future of work

Automation and Utopia: Human Flourishing in a World Without Work, J. Danaher. Cambridge: Harvard University Press, 2019.

A World Beyond Work?: Labour, Money and the Capitalist State Between Crisis and Utopia.

A. C. Dinerstein and F. H. Pitts. Bingley, UK: Emerald Publishing House, 2021.

Just Work For All the American Dream in the 21st Century. J. Preiss. New York: Routledge, 2021.

Three provocative volumes explore the future of work and social justice from dizzyingly different perspectives. John Danaher, law professor at NUI-Galway and the author of *Automation and Utopia*, is a techno-optimist, happy to abandon the world of work and live instead in virtual games. In his *Just Work*, Joshua Preiss, a philosopher at Minnesota State University, enlists Adam Smith to support a robust progressive agenda to enhance the dignity of work. In *World beyond Work*, Ana Cecilia Dinerstein (University at Bath) and Frederick Harry Pitts (University of Bristol) seek to employ a renovated Marxism to guide social movements in a moment of heightened capitalist exploitation and peril for workers.

All three books are engaging reading and frame important debates. Mixing insights from Preiss, Dinerstein, and Pitts, one can derive a critique and agenda for social change, but no one book is sufficient. Virtual technologies, Smith, or Marx alone will only get us so far. Considering the three books, Preiss, Dinerstein, and Pitts agree on several issues despite their distinct ideological orientations. They all agree that work is an important source of human fulfillment, that technological change is not automatically positive, and that social movements must intervene in the interest of work humanization.

Danaher strikes a different chord. He predicts that technological development will render most forms of work unnecessary. He is pleased by this prospect. He provocatively applies Elizabeth Anderson's critique of domination and exploitation in employment, as laid out in *Private Government* (Anderson, 2019). However, Danaher questions the role of purposeful work in sustaining identity, happiness, and health. Having surveyed multiple alternative futures of unrestrained market-led technological development, Danaher reassures us that games and virtual reality will engage us as a fitting substitute for traditional work. He borrows philosopher