

# READING GUIDE

## WOKE CAPITALISM: HOW CORPORATE MORALITY IS SABOTAGING DEMOCRACY

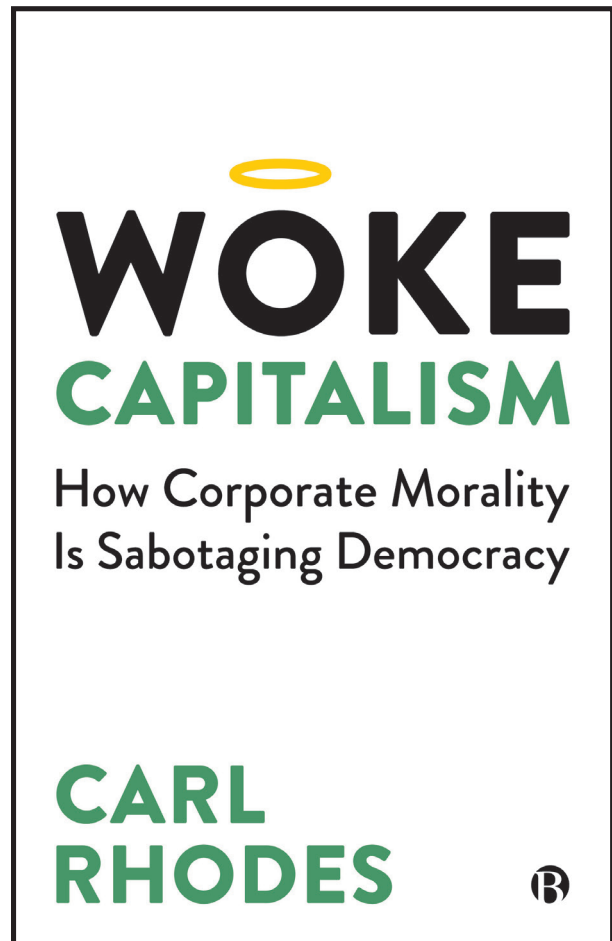
Welcome to the reading guide for *Woke Capitalism: How Corporate Morality is Sabotaging Democracy*. The guide is designed be a resource for individuals and reading groups who want to read and think through the issues and topics raised in the book.

From Nike's support for Colin Kaepernick, to Gillette's engagement with the toxic masculinity debate, the 21st century has seen a sharp increase in corporations taking political positions on matters of public morality, a phenomenon which has come to be known as 'woke'.

A lot has been written about the phenomenon of woke capitalism over the past few years, and this book offers a critical discussion of what it means for democracy. The book explores the history of 'woke' both in general and as it has become associated with corporations, CEOs and billionaires. It also reviews many case studies and examples of corporations and business people who have embraced a woke agenda.

Woke Capitalism offers a lively and fascinating history of woke capitalism – from 1950s corporate social responsibility, through 1980s neoliberalism, tracing it alongside the adoption and mutation of the term 'woke' from Black American culture – and brings us right up to current-day debates.

While many critics decry the idea of woke capitalism because they disagree with its progressive politics, this book is different.



In fact it is written from a progressive point of view – one that supports and values political causes such as marriage equality, addressing domestic violence, combatting sexual harassment, fighting racism, ensuring rights for LGBTQI+ people, promoting equality for people with disabilities, raising awareness about mental illness and taking action against climate change.

Find out more on the Bristol University Press website: [bristoluniversitypress.co.uk/woke-capitalism](http://bristoluniversitypress.co.uk/woke-capitalism)

The book is not a reactionary criticism about progressive politics – quite the contrary. What it does consider, however, is the effect of corporations taking on such political positions with such enthusiasm. The book explores how woke capitalism is a growing and troubling dimension of contemporary economic and political life, especially among the mammoth multinational corporations that dominate so many aspects of our lives.

The book shows how questioning the dangerous trend of woke capitalism does not mean having to align with the reactionary conservative pundits who decry wokeness as an affront to the self-interested profit-seeking heart of capitalism. The real danger of woke capitalism that the book exposes is not that it will weaken the capitalist system, but rather that it will further cement the concentration of political power among a corporate elite.

Rhodes asks you to think about how woke capitalism might in fact be a threat to democracy and a threat to a progressive politics that has the courage to retain hope in the possibility of equality, liberty and social solidarity.

To follow is a description of each chapter, and some relevant questions that might inform your thinking and discussion about the ideas in the book.



### About the Author

Carl Rhodes is a Professor of Organization Studies at the University of Technology Sydney in Australia. He researches the ethical and democratic dimensions of business and work. Carl's central focus is on how corporations can and should be held to account for their actions by citizens and by civil society. This work endeavours to critically question and reformulate the role of business in society such that prosperity can be shared by all.

Carl regularly writes for the mainstream and independent press on ethics, politics and the economy. His work can be found in publications such as *Fast Company*, *Business Insider*, *The Guardian*, *Common Dreams* and *The Conversation*. Carl's most recent books are *CEO Society: The Corporate Takeover of Everyday Life* (Zed, 2018 with Peter Bloom) and *Disturbing Business Ethics* (Routledge, 2020). International in scope, Carl's work has been translated into Chinese, Dutch, Hungarian, Italian, Korean, Polish, Spanish and Turkish.

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# CHAPTER 1

## THE PROBLEM WITH WOKE CAPITALISM

### Introduction

The first chapter explains how 'woke' has been used pejoratively to describe the behaviour of contemporary corporations that publicly adopt traditionally progressive political causes ranging from same-sex marriage to environmental sustainability. This leads to a consideration of the effects on democracy when the distinction between the private interests of business and the public interests of the democratic state is rapidly and deliberately being eroded.

#### Examples and Case Studies

- Prince Harry and his wife Meghan Markle being accused of being woke
- Barack Obama's criticism of woke politics
- Milton Friedman and the idea that corporation should just pursue profit

#### Questions for discussion

- What does it mean today if a person or a corporation is accused of being 'woke'?
- Is it fair that Meghan Markle has been harassed by the press because journalists think she is woke? What exactly has she been accused of?
- Barack Obama criticised woke politics for its tendency to make oneself feel superior by calling out other people, rather than making any real change. Is wokeness really just superficial and selfish?
- Many people who condemn woke capitalism do so because they believe that it is an affront to capitalism's true virtues. Do you agree?
- Is it necessarily a good thing when business corporations start playing politics and putting their money behind particular political causes, even if we agree with those causes?

#### Key Words

- Democracy
- De-democratisation
- Virtue signalling
- Wokeness
- Woke capitalism

## CHAPTER 2

# CORPORATE POPULISTS

### Introduction

This chapter unpacks the meaning of woke capitalism by exploring corporate responses to the COVID-19 pandemic and to the Australian bush fire crisis of 2020 – responses that were both inadequate and self-interested. Corporations might like to talk up their social credibility and political righteousness, but when times get tough they are nowhere to be found. Like other populists they might be effective at appealing to public sentiment, but the real beneficiary of their actions is themselves.

#### Examples and Case Studies

- Billionaires profiting from COVID-19
- The World Economic Forum in Davos
- The effect of the 2020 Australian fires on business

#### Key Words

- Australian bushfires
- Climate change
- COVID-19
- Inequality
- Pandemic profiteers

#### Questions for discussion

- In 2020 the east coast of Australia suffered devastating bush fires, with many lives lost. Climate change was named as a contributing factor. Who, if anyone, should be responsible for addressing climate change – businesses or the government?
- Oxfam called companies that benefited from COVID-19 ‘pandemic profiteers’ for exploiting the situation for their own financial gain. Do you think this is fair, or where corporations just going about their normal business?
- When corporations support progressive or ‘woke’ political causes, do you think they really mean it, or are they just appealing to public sentiment to win over more customers? Could there be any other reasons?
- On 15 March 2019, 1.4 million children around the world went on strike from school to support action against climate change. Some people thought this was wrong and that activists were just provoking unnecessary anxiety in children. Do you agree?

## CHAPTER 3

# THE WOKE REVERSAL

### Introduction

This chapter explores the history of the concept of 'woke'. In the 1960s, 'woke' signified political awareness in African American culture. Gaining widespread usage in the Black Lives Matter movement in 2013, 'woke' was soon appropriated by the mainstream. By 2016, 'woke' was used to criticise people, especially White people, who bragged about self-righteous positions on political issues. It didn't take long for woke to be used as a derogatory term used by right-wing pundits to criticise a rising tide of corporate political activism.

### Examples and Case Studies

- Black Lives Matter and the origin of 'woke' in African American culture
- The mainstreaming of the term 'woke' in American culture
- The appropriation of 'woke' by conservative politics to mock progressives

### Key Words

- Anti-wokeness
- Black Lives Matter
- Cultural appropriation
- #StayWoke
- Woke celebrities

### Questions for discussion

- Originally, 'woke' was a word used in African American culture to refer to being aware of the social and political context in which one lives, especially racial inequality, discrimination and prejudice. When people use the word 'woke' today, is that still what they mean?
- How important was #StayWoke to the political struggle of the Black Lives Matter movement starting in 2013?
- When the word woke started to be used in mainstream culture globally from the mid-2010s, how did its meaning change? What did this mean for the political power of the call to stay woke?
- In 2020 Ricky Gervais attracted huge criticism for making fun of woke celebrities when he hosted the Golden Globe Awards. Do you think they deserved it?

## CHAPTER 4

# CAPITALISM GOES WOKE

### Introduction

This chapter traces the history of woke capitalism back to debates about corporate responsibility in the United States in the 1950s. From the outset, social responsibility by business was always a project designed to strengthen the capitalist economic system, no matter how dressed up it was in progressive-sounding good causes. Today's 'woke capitalism' is an exaggerated form of the same phenomenon, with contemporary corporations playing hardball by working to seize political power from the institutions of democracy.

#### Examples and Case Studies

- The history of woke capitalism from the 1950s
- Inequality and the 'age of indecency'
- Corporate tax evasion and globalisation

#### Questions for discussion

- In what ways did Donald Trump's presidency in the United States pave the way for woke capitalism?
- The idea of businesses taking on social responsibilities was widely debated in the 1950s and 1960s. What is the difference between socially responsible business and woke capitalism?
- Is woke capitalism a left-wing movement, as some argue, or is it a way of maintaining the status quo of neoliberal market capitalism?
- What is the relationship between woke capitalism and economic inequality? Can we expect the new breed of woke corporation to solve the problem of widening inequality?

#### Key Words

- Free market system
- Globalisation
- Inequality
- Regulation
- Social Responsibility

## CHAPTER 5

# SHAREHOLDER PRIMACY

### Introduction

This chapter tracks the shift in corporate rhetoric from the shareholder primacy model beginning in the 1980s to the woke capitalist stakeholder model of the 2020s. The neoliberal ideas championed by Thatcher and Reagan spread around the world and created a newly globalised corporate economy. Woke capitalism marks the next chapter in the expansion of corporate power. Today's corporations are muscling in to control the public sphere that, at least in the democratic tradition, has always been the realm of the state and civil society.

### Examples and Case Studies

- Margaret Thatcher, Ronald Reagan and 1980s 'popular capitalism'
- The 'business case for social responsibility'
- The transformation from shareholder capitalism to today's stakeholder capitalism

### Questions for discussion

- What were the global social and political changes promoted by Margaret Thatcher and Ronald Reagan in the 1980s? What did this mean for business?
- What is shareholder primacy? How did it affect the way that corporations were managed and how they behaved?
- What does it mean to talk about a business case for corporate social responsibility? Who benefits from it?
- In what ways are 'shareholder capitalism' and 'stakeholder capitalism' different? In what ways are they the same?

### Key Words

- Corporate Social Responsibility (CSR)
- Neoliberalism
- Shared value
- Shareholder primacy
- Stakeholder capitalism



## CHAPTER 6

# A WOLF IN WOKE CLOTHING

### Introduction

Reactionary critics have positioned woke corporations as weak-willed and puny, unable to resist left-wing con artists peddling the likes of climate activism, political correctness or identity politics. The chapter shows how this view is woefully misinformed. Illustrating its argument with the case of investment management company BlackRock and its billionaire CEO Larry Fink, the chapter shows how woke capitalism is a form of corporate raiding, only this time the hostile takeover is of democracy.

### Examples and Case Studies

- BlackRock CEO Larry Fink's 'social purpose of business'
- The Business Roundtable's 2019 'Statement on the purpose of a corporation'
- Woke capitalism and political populism

### Questions for discussion

- Do you agree with BlackRock's CEO Larry Fink when he said that 'society is demanding that companies, both public and private, serve a social purpose'? Why?
- Is woke capitalism a form of socialism, or just a way that capitalism is adapting to current social and political conditions?
- What is the relationship between the emergence of woke capitalism, often promoted by billionaire business people, and the widening gap between the rich and the poor around the world?
- What is the Business Roundtable's 2019 'Statement on the purpose of a corporation'? To what extent does it reflect a fundamental change in how businesses operate today?

### Key Words

- BlackRock
- Corporate purpose
- Corporate socialism
- Democracy
- Government



## CHAPTER 7

# ALL THAT GLITTERS IS NOT GREEN

### Introduction

This chapter explores woke capitalism through Amazon founder Jeff Bezos's commitment of US\$10 billion to the Bezos Earth Fund. Bezos's generosity regarding climate action contrasts with Amazon's aggressive tax avoidance strategies and the inhumane working conditions in its warehouses. Bezos is a case in point of a more general trend in capitalism. The ultra-rich present themselves as the saviours of a broken system that they have been central to creating and that garnered them their billions.

#### Examples and Case Studies

- Jeff Bezos's US\$10 billion Bezos Earth Fund
- Amazon: Worker exploitation and corporate tax avoidance
- The growth of billionaire philanthropy

#### Questions for discussion

- What did Greta Thunberg mean when she told the United Nations Climate Change Conference that change 'does not come from governments or corporations; [...] every great change throughout history has come from the people'?
- Can a corporation claim to be socially responsible if it goes to extraordinary lengths to avoid paying tax in the countries where it operates?
- What are the working conditions like in Amazon's warehouses? What does this say about the company's values?
- Why is Jeff Bezos pledging billions of dollars to fight climate change? Is it just that he cares about the environment, or could there be other reasons?

#### Key Words

- Amazon
- Climate change
- Philanthropy
- Tax avoidance
- Working conditions

## CHAPTER 8

# THE CEO ACTIVIST

### Introduction

Qantas CEO Alan Joyce's support of marriage equality is an illustrative case of a new breed of CEO political activism. It is also a case study of how woke activism, no matter how progressive, is about corporations aligning their brands with safe causes that boost their public image. Issues not friendly to the corporate bottom line – like progressive taxation, income inequality and insecure work – are kept firmly off the woke capitalist political agenda.

### Examples and Case Studies

- The marriage equality plebiscite held in Australia in 2017
- CEO LGBTQI+ activism
- The 'market for virtue'

### Questions for discussion

- There was a time where CEOs would keep quiet about their political views, but today many are acting like political activists. Why do you think this has changed?
- Did Qantas CEO Alan Joyce's public support of same-sex marriage make any difference to public opinion on this matter leading up to the marriage equality plebiscite held in Australia in 2017?
- How much risk do CEOs take on behalf of their corporations when they weigh in on political debates?
- CEOs have a lot of resources at their disposal to promote political causes that they believe in. What are the implications of this for the functioning of democracy?

### Key Words

- CEO activism
- Corporate activism
- Corporate branding
- Marriage equality
- Qantas

## CHAPTER 9

# THE RACE TO WOKENESS

### Introduction

Football star Colin Kaepernick became the centre of Nike's advertising strategy in 2018 after he had been excluded from the National Football League (NFL) for protesting against police violence towards African Americans. The chapter discusses what happens when genuine resistance and activism, such as Kaepernick's, is supported and capitalised on by a multi-billion-dollar corporation riding the trend created by others for their own benefit.

### Examples and Case Studies

- Nike's 'Dream Crazy' campaign
- Colin Kaepernick's protest against racial violence
- Working conditions in Nike factories

### Questions for discussion

- Why did the National Football League (NFL) oppose Colin Kaepernick getting down on one knee when the US national anthem played at the beginning of football games?
- Donald Trump called for the NFL to fire Kaepernick because he was being unpatriotic. Should corporations sack people who express political opinions with which they disagree?
- Given all of the controversy, why did Nike hire Colin Kaepernick to headline their 'Dream Crazy' advertising campaign?
- Colin Kaepernick is one of many athletes who have successfully used the platform of their star status to bring the harsh realities of racism in America to public attention. Does it make any difference when a corporation like Nike joins them in doing so?

### Key Words

- Colin Kaepernick
- Donald Trump
- National Football League (NFL)
- Nike
- Racism

## CHAPTER 10

# RACIAL CAPITALISM/WOKE CAPITALISM

### Introduction

The murder of George Floyd at the hands of police officer Derek Chauvin in 2020 led to an international outcry of support. This chapter considers how the success of these protests led the National Football League (NFL) to a political U-turn from its virulent condemnation of racial protests just a few years earlier. When woke capitalism meets racial capitalism, genuine protest is stripped of the radical politics needed if capitalist inequality and exploitation are going to change.

### Examples and Case Studies

- The National Football League (NFL) and racial protest
- The killing of George Floyd and the 2020 Black Lives Matter protests
- McDonald's and racial capitalism

### Questions for discussion

- Why did the National Football League (NFL) do a political U-turn in 2020 and start supporting its players who protested against racial violence?
- What is 'brand activism'? In what ways it is similar and different from traditional political activism?
- What factors do corporations consider when deciding whether to align their advertising with potentially political movements like Black Lives Matter?
- What is 'racial capitalism'? What is its relationship with 'woke capitalism'?

### Key Words

- Black radicalism
- Brand activism
- National Football League (NFL)
- Political protest
- Racial capitalism

## CHAPTER 11

# THE BEST A WOKE CORPORATION CAN BE

### Introduction

This chapter examines the controversy following the launch of Gillette's 'The best men can be' advertising campaign in 2020 and its condemnation of toxic masculinity. Reactionary conservatives who threatened to boycott Gillette completely missed the point. #MeToo was already achieving its political goals without the help of corporate advertising. Gillette was only attaching itself to #MeToo to increase the popularity of its products among a new generation of consumers.

### Examples and Case Studies

- Gillette's 2018 'The best men can be' advertising campaign
- The Harvey Weinstein sexual assault and harassment scandal
- The #MeToo movement

### Questions for discussion

- Why did Gillette's 2019 'The best men can be' advertising campaign cause so much controversy? Why did they decide to align themselves with such a divisive issue?
- By the time Gillette released its campaign, the #MeToo movement was already highly successful. Did Gillette make any real difference to social attitudes towards women's experience of sexual harassment, abuse and assault at the hands of men?
- What did the market research say about the effects of the Gillette advertisements on consumers? What does this tell us about work capitalism?
- Some people believe that woke advertising is a smart business strategy that can see brands retain relevance in a changing world. Others believe that politically progressive causes are socially divisive and pose a risk to business success. What does Gillette's case tell us about this?

### Key Words

- Advertising
- #MeToo
- Gillette
- Toxic masculinity
- Woke branding

## CHAPTER 12

# THE RIGHT HAND GIVES

### Introduction

This chapter describes the new golden age of philanthropy where billionaire business people commit an increasing share of their fortunes to charitable causes, as exemplified in The Giving Pledge founded by Warren Buffet and Bill Gates. The woke capitalist view is that the gifts of billionaires are exchanged for ensuring that there is no fundamental modification of the system that made them billionaires in the first place.

### Examples and Case Studies

- The 19th-century robber barons and the birth of large-scale philanthropy
- The Occupy Wall Street movement
- The Giving Pledge and the new gilded age

### Questions for discussion

- What are the similarities and differences between the philanthropy of the robber barons in the early 20th century and that of today's woke capitalists?
- What difference will billionaires pledging to give their fortunes away to charity make to the economic system that allowed them to amass such substantial personal wealth in the first place?
- What was the Occupy Wall Street Movement? In what way was it a precursor to woke capitalism?
- According to Behrooz Morvaridi, 'rich philanthropists are content to be concerned with poverty so long as it diverts attention away from their own assets and income'. Can philanthropy lead to lasting structural changes to inequality?

### Key Words

- Billionaires
- The Giving Pledge
- Inequality
- Philanthropy
- Robber barons

## CHAPTER 13

# GETTING WOKE TO WOKE CAPITALISM

### Introduction

This chapter concludes the book by asserting that if democracy is to be preserved both as a political system and a way of life, we need to be woke to woke capitalism. Real progressive change will not come from woke capitalism. It will come from fundamental reform of the dominant neoliberal world order that not only spawned woke capitalism but also exacerbated inequality, fuelled fascist populism and stood by as the climate crisis escalated.

#### Examples and Case Studies

- US Senator Elizabeth Warren and The Business Roundtable's broken promises
- The National Basketball Association (NBA) and the 2019 Hong Kong pro-democracy protests

#### Questions for discussion

- In 2020, US Senator Elizabeth Warren slammed the Business Roundtable's commitment to stakeholder capitalism as a 'public relations stunt'. What led her to this conclusion? Do you agree?
- Why did the National Basketball Association (NBA) distance itself from the Hong Kong pro-democracy movement in 2020? What does this say about the NBA's politics?
- Is it possible to be progressive in one's own political views, but be critical of corporations who publicly support similar views?
- What does it mean to be woke to woke capitalism?

#### Key Words

- Big business
- Democracy
- Inequality
- Neoliberalism
- Progressive change