

In Partial Fulfillment of the Requirements for the Degree of

Master of Science
Manjyot Bhan

Will defend her thesis

**Emerging Corporate Environmentalism of Multinational
Corporations in India: Case of the Consumer Goods Sector**

Abstract

Enmeshed in global supply chains, multinational corporations (MNCs) offer a vast array of products that cater to billions of consumers worldwide, with diverse tastes, cultures, and income levels. Given the scale and scope of their operations, these companies also impact social systems across the globe and pose a significant stress on natural resources. There has been a growing interest in examining how MNCs are reorienting themselves as key players in the new corporate environmental landscape. Scholars have characterized these changes, broadly, as a movement towards corporate environmentalism. However, in the specific context of MNCs - where parent and subsidiary units often operate under very different conditions - the drivers for this movement are not clear. Using case-studies of two of the largest consumer goods companies -- PepsiCo and Unilever, this thesis examines how the drivers for corporate environmentalism vary between the parent company and its Indian subsidiary. A conceptual framework is first presented to lay out the links between key drivers, environmental programs, and strategies that characterize the movement towards corporate environmentalism. Information on drivers is drawn from interviews with key informants as well as surveys of media articles and scholarly literature. The analysis shows that drivers for corporate environmentalism at the parent company are mainly derived from risk mitigation and market considerations. For the Indian subsidiaries, on the other hand, the key driving forces emerge from the socio-political context of the country. In particular, the results show that in order to secure a "social license" to operate, Indian subsidiaries are often driven by the need to forge strategic alliances with the national and state governments as well as local community groups. Interestingly, these socio-political drivers are leveraged differently by the two Indian subsidiaries studied here, which is ultimately a reflection of their different business models-- further helping in understanding how internal and external drivers of change

interact. Building on the seminal work done in the field of corporate environmentalism, this study enriches the discussion on drivers that come into play when studying developing country, and particularly, the Indian context. The study elucidates why and how the socio-political context assumes a critical role when examining the case of MNC subsidiaries in India. These results have important implications for global business managers as well as regulators and community groups, interested in understanding the transition to sustainability.

April 20, 2010
9:00 AM
GIOS 481

Faculty, students, and the general public are invited.

Supervisory Committee:
Dr. Rimjhim Aggarwal (Chair)
Dr. George Basile (Member)
Dr. Braden Allenby (Member)