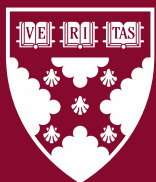


Working Paper 23-058

Deep Responsibility and Irresponsibility in the Beauty Industry

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Deep Responsibility and Irresponsibility in the Beauty Industry

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This working paper employs the concept of deep responsibility to assess the social responsibility of the beauty industry over time. It shows that many of today's problems with the industry have deep historical roots. Products have carried too many health hazards. Consumers have been subject to exaggerated claims and restricted beauty ideals that have damaged self-esteem. The environmental impact of the industry has been highly negative. The industry has more often worked against communities than strengthened them. Alternative and more responsible behavior has existed in the past in the industry, and needs to become the norm.

Deep Responsibility and Irresponsibility in the Beauty Industry

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Deep Responsibility: An Introduction

This working paper considers whether historically the beauty industry has been a socially responsible or a socially irresponsible industry. Leaving aside a number of powerful feminist critiques from the 1960s, the question whether the industry is socially responsible has received scarce attention. This is unfortunate because of the industry's relentless growth since the nineteenth century, and its impact on human lives and self-esteem. The world beauty industry has reached \$529,302 billion in sales by 2022, of which the United States and Western Europe represented around 20 per cent each and China a further 16 per cent. It is quite concentrated – the leading three companies (L'Oréal, Procter & Gamble and Unilever) collectively control around 30 per cent of these huge sales.¹ It is also an industry with a physical presence in most people's homes. The industry's products, extending from soaps and shampoos to color cosmetics, skin care and fragrance, are used by a high percentage of the world's population.

Unfortunately it is easier to ask the question whether the beauty industry has been responsible than to deliver an objective answer. The major reason is that the responsibility of for-profit business to society, if any, has long been a contested subject in which achieving a consensus within and between societies has proved elusive. Debates about the responsibility of business predate the era of modern industrialization.² The greed and usury of merchants and financiers have been moral concern across all societies for millennia. Bad business behavior was proscribed by taboos in many religions.

As the Industrial Revolution took hold, influential thinkers weighed in on the role of business in the economy, although no consensus emerged. Among them was the Scottish philosopher Adam Smith. His book, *The Wealth of Nations*, published in 1776, has often been—erroneously—interpreted as casting aside worries that making money should occur regardless of ethical considerations and ushering in a new age of capitalism when religious taboos against bad commercial behavior could be dismissed. The individual's pursuit of self-interest would, in the famous phrase of Smith's book, work through the «invisible hand» of the market “to promote an

end which was no part of his intention.”³ However, Smith also thought the market needed boundaries. He excluded from having a beneficial impact a category he called “projectors” who sought “extraordinary profits.” He supported legal restrictions on interest rates, known as usury laws.⁴ Meanwhile Smith’s earlier book, *The Theory of Moral Sentiments*, published in 1759, featured the Impartial Spectator. This was an imaginary figure within each person that encouraged an interest in the fortunes and happiness of others. The Impartial Spectator provided an ethical context within which capitalist markets could best function.⁵

As modern industry transformed the world in the century after Smith, and the modern beauty industry emerged, there were many different understandings of the responsibility of business. A small number of larger firms in nineteenth-century Europe and the United States responded to the plight of the new urban factory workers by providing welfare benefits and sometimes housing. Meanwhile, in some countries that missed the first wave of industrialization, including India and Japan, business leaders such as J.N. Tata and Shibusawa Eiichi emerged who redesigned traditional religions and philosophies such as Zoroastrianism and Confucianism for the industrial age.⁶

The growing income inequality across the span of the nineteenth century was the backdrop for the emergence of a new form of philanthropy that became a hallmark of the American business system in particular. Andrew Carnegie, who became wealthy, building a huge steel business in the United States, argued in *The Gospel of Wealth*, published in 1889, that business leaders had a responsibility to use their wealth to promote social good. He supported not leaving money to one’s heirs but, instead, funding public institutions, such as schools and libraries, which would further opportunities for others. Carnegie gave away almost all of his personal fortune of \$145 million to establish the Carnegie Foundation in 1911.⁷

By the interwar years, some businesses in the Western world had become huge corporations that spanned the globe and dominated the new industries of the era such as automobiles and oil, although the beauty industry remained quite small and fragmented. The emergence of big business occasioned calls from many of the Deans of America’s recently founded business schools for the managers of large corporations to step up to address perceived societal ills. It also occasioned wider-ranging debates about the societal responsibilities, if any, of what had become very large organizations.⁸

During the 1950s, the formal concept of corporate social responsibility (CSR), a form of what would now be called stakeholder capitalism, emerged in the United States. Elsewhere the argument that the responsibility of corporations was to serve multiple interests in addition to shareholders was widely shared. Most Western European countries developed corporate governance systems that adopted a broadly stakeholder-based approach, especially for the rights of employees. In postwar Japan, a system of lifetime employment developed in large companies that emerged from the breakup of the family-owned groups known as *zaibatsu* after the end of World War II. A system emerged in Japan whereby the responsibility of such large firms was to serve their shareholders, primarily the banks that provided most of their finance, and their employees.⁹

Meanwhile, as the postwar decades wore on there was a reaction against the very idea that business should exercise social responsibility. In 1958, the economist Theodore Levitt published “The Dangers of Business Responsibility” in the *Harvard Business Review* in which he described the talk of the social responsibility of business a “fad.” He argued that managers were not equipped to become socially engaged, and therefore should leave societal welfare to governments.¹⁰ A second major critique of social responsibility came from Milton Friedman, an economist at the University of Chicago, who insisted in a widely cited article in the *New York Times Magazine* in 1970 that “The Social Responsibility of Business Is to Increase Its Profits.” The responsibility of corporate executives, he argued, was to the owners of the business, and it was to “make as much money as possible while conforming to the basic rules of the society.”¹¹

Friedman laid the intellectual foundations for a major paradigm shift about the responsibility of corporations associated with the so-called Chicago school of free market economists. In 1976, Michael Jensen and William Meckling published an article that described the shareholders in corporations as principals who hired executives as their agents. The purpose of the executives was to maximize financial returns to the principals—an idea that came to be called agency theory. The new philosophy achieved popularity first in English-speaking countries, but diffused rapidly, facilitated by global capital markets and U.S. business schools, especially Harvard Business School that recruited Jensen to the faculty.¹²

Eventually, and especially in response to the 2008 global financial crisis and mounting environmental degradation, there was a slow return to beliefs about the societal responsibility of business. By the 2020s, almost every large corporation boasts CSR programs and issues annual

Sustainability Reports. There was a rapid growth of funds flowing to firms that scored well in metrics of environmental, social and governance (ESG) performance. By 2020 total assets under management involving ESG review stood at \$11 trillion in the United States and \$17 trillion in Europe. In 2019, 181 chief executives signed a statement from the Business Roundtable, an association of leaders of the largest U.S. corporations, pledging to run their companies «for the benefit of all stakeholders—customers, employees, suppliers, communities, and shareholders.¹³

History reveals, then, a range of alternative views of about the responsibility of firms. The high financial margins of successful beauty firms would no doubt be regarded by a follower of Milton Friedman as highly responsible. Others might judge firms by their CSR programs, or ESG ratings. In this regard, responsibility is in the eye of the beholder. In absence of an agreed definition, the remainder of this working paper assesses the industry using the concept of deep responsibility developed by the present author.¹⁴ This makes a distinction between CSR— that all too often has been little more than a public relations strategy – and the kind of responsibility that seeks to make society and the natural environment a truly better place. Driven by virtue and spirituality, deeply responsible business leaders have followed three practices. First, they chose industries whose products and services contributed to human flourishing rather than otherwise. Second, they never interact with other stakeholders, including employees, suppliers, customers, and government in exploitative and harmful ways but, rather, interacted with purpose and humility. Thirdly, deeply responsible business leaders support communities, which are profoundly important component of human society. This working paper assess the beauty industry, historically, against these three criterion.

Fulfilling Basic Needs?

The first criteria is whether the products of the beauty industry have contributed to human flourishing. It is well known that the modern beauty industry that emerged in the nineteenth century did not invent most beauty products. Rather, they industrialized crafts that were performed previously in people’s homes. The fact that almost all past societies used beauty products of one sort or another suggests they had some socially productive purpose, broadly resting on human desires to attract and reproduce. The natural ingredients employed in making craft beauty products were often hazardous, and the new beauty industry’s employment of basic chemistry often resulted in considerable improvements in safety. Traditional hair dyes, for

example, were widely used by people anxious to cover greying hair, and often dangerous. Eugene Schueller's invention of a safer chemical based dye, which formed the creation of L'Oréal, was a major step forward in consumer safety, and should be judged as deeply responsible as a result.¹⁵

Clearly the beauty industry as it developed cannot be compared with, say, the tobacco industry in terms of the toxicity of its products, yet not all chemical products were or are safe, and the industry has been notably reluctant to welcome external regulation. In the United States, the industry successfully lobbied to be excluded from the first Food and Drugs Act of 1906. It was finally included in a new Food, Drug and Cosmetic Act in 1938, after many cases of cosmetic poisoning, many more cases of deceptive and misleading advertising and campaigns by consumer activists.¹⁶ Successful lobbying kept the regulatory labelling to a minimum. There remained, for example, no requirement to print the ingredients of hair dyes on labels, nor warn of health risks beyond possible irritation. Even this regulation was more than in most other countries.¹⁷ The postwar decades saw growing regulations against deceptive advertising, but there were also major health scares in products like talcum powder, vaginal deodorants and hair dyes.¹⁸ American-based companies proved more adept than their European counterparts did in lobbying against regulation of potentially harmful ingredients. A report in 2019 noted that the EU has banned or restricted more than 1,300 chemicals used as ingredients for cosmetics while the United States had outlawed or curbed 11. For example, formaldehyde, a known carcinogen banned in cosmetics in the EU, was employed in American hair-straightening products and nail polish. Parabens, which have been associated with reproductive problems, are banned in the EU but used in American skin and hair products.¹⁹

There are many uncertainties about the long-term impact of the chemicals used in chemical products. These were of concern to Vicky Tsai, who founded the US-based skin care brand Tatcha inspired by the beauty practices of Japanese geisha in 2009, which she sold to Unilever for an estimated \$500 million in 2017. "Studies show that up to 60 per cent of what you put on your skin can pass through the barrier of your skin and get absorbed into the body," she observed. "While men expel most of these chemicals through sweat and urine, women retain some of these chemicals in their fat. One study estimates that women absorb up to five pounds of chemicals from personal care products –lotions, shampoos, soaps – every year." Tsai's solution was both to rely on the edible ingredients of seaweed, green tea and rice, and to do all product

development in-house rather than white labelling. This resulted in much safer products but was far more expensive. Although Tsai built a successful luxury brand with safer products, her costs were much higher than many of her competitors. She struggled to attract outside investors and the business took seven years to earn a profit.²⁰

A more philosophical perspective is whether the world is well served by the size and expense of the modern industry. In 2022 a survey by the trade association Cosmetics Europe found that 72 per cent of European consumers considered cosmetics as important or very important in their lives. Among 25-54 year-olds, the figure was 74 per cent, and it reached 80 per cent for women.²¹ Yet why was it considered so important? Parts of the industry serve functional purposes – for example, soap, shampoos and sunscreen. A case can be made for the value of other categories such as make-up that might serve emotional and physical needs to attract, and which make their wearers happy. Insofar as the signs of ageing cause emotional distress, hair dyes might be seen as bringing happiness into people’s lives. Yet the industry has always been a huge spender on advertising, much of it entailing over-claiming, and encouraging women in particular to buy multiple products. In 2022, cosmetics and toiletries were one of the leading advertising categories worldwide, amounting to \$7.7 billion, or six percent of the total global advertising spend.²² The large luxury sector in fragrances, skin care and color cosmetics, which typically featured elaborate packaging, could hardly be justified in terms of functionality, and was better described in terms of Veblen’s “conspicuous consumption” or Galbraith’s concept of “unreal needs” created by manipulative advertising.²³

It is hard not to believe that the particularly high levels of spending on beauty in certain emerging markets would not be more productively spent on healthcare, education or nutritious food. After World War II, Western multinationals such as Avon used their well-honed advertising and selling tactics to drive a large growth of the Latin American beauty market. Brazilian per capita spending on beauty, the highest in Latin America, reached \$148 by the end of the 2010s. That of Argentina and China was just a little less. Brazil and other countries in the region also regularly feature in the top ten countries for cosmetic plastic surgery.²⁴

Between Empowerment and Stereotypes

The second characteristic of a deeply responsible business is to interact with other stakeholders with purpose and humility rather than in exploitative and harmful ways. The beauty

industry as a whole evidently fails to qualify, at least as regards its interaction with consumers. From the nineteenth century onwards, the industry's extensive advertising was characterized by excessive over-claiming about the miraculous impact of its products, the special qualities of exotic ingredients, and virtually everything else. Adam Smith's Impartial Spectator would have been uncomfortable to say the least about such behavior.

Helena Rubinstein, who built a luxury American cosmetics brand after World War 1 and is perhaps the single most impressive female entrepreneur in the industry in the twentieth century, manifested the propensity to embellish reality throughout her career. After emigrating from Poland as a young woman, she started selling a skin cream in Australia around 1900. Although there is no evidence that she did or could import ingredients, she claimed her cream included secret ingredients found in "the essence of almonds and the bark of a certain evergreen tree in the Carpathian forests outside Krakow." As she built her career in Europe and later in the United States, she made repeated claims about her medical training and was regularly photographed wearing a white laboratory coat. In 1937, her company received a Federal Trade Commission order to cease and desist from unfair competition. The Commission ordered the company to "cease advertising that its cosmetics, facial creams and toilet preparations will serve as food for, or nourish, the skin, muscles or tissues; will prevent crow's feet and wrinkles, strengthen eye nerves, rebuild worn-out cells and dissolve fatty tissues or act as effective weight reducers."²⁵ Helena Rubinstein was in no respect an outlier in an industry where exaggerated and fanciful claims were the norm rather than the exception. The industry used story-telling to sell, in the oft-quoted words of the younger brother of Charles Revson, the founder of the Revlon cosmetics company established in the 1930s, "hope."²⁶

While exaggerated claims might be regarded as more fun than malicious, the messages contained in the mainstream industry's marketing were more clearly irresponsible in at least two respects. First, beauty came to mean white. Although before the nineteenth century, Western people, with their long-established hostility to bathing were probably the dirtiest societies on earth, by the end of that century Western soap brands confidently associated cleanliness with "whiteness." Crude racial stereotypes were used to advertise soap and other toiletries, which were presented as components of the Western contribution to «civilizing» colonized peoples. The underlying assumptions of the beauty industry concerning ethnicity were most strikingly seen in the United States, where African-Americans represented over one-tenth

of the population before World War I, but where the commercial beauty industry made no provision for their distinctive hair texture or skin tones. The mainstream beauty industry did not cater to this market because it was impossible to imagine non-whites as beautiful. This provided an entrepreneurial opportunity for African-American entrepreneurs, such as Annie Turnbo Malone and Madam C. J. Walker, who built large businesses concerned with the treatment of African-American hair, which is often tightly coiled. Beauty companies were interpreters, rather than creators, of the ethnic and cultural assumptions in their societies. It was not surprising that at the high point of Western imperialism, white skin was considered superior, along with everything else in Western civilization. However, adroit marketing and branding strategies reinforced and diffused such values. As Western beauty standards were globalized, in non-Western countries, local ideals and practices retreated.²⁷

The momentum towards homogenization continued after 1914. The international spread and appeal of Hollywood created a powerful new driver. Beauty companies formed part of the eco-system of Hollywood and celebrity. The firm of Max Factor, based in Los Angeles, innovated in cosmetics for the needs of actors and actresses, and then commercialized those innovations, first in the United States, and then elsewhere.²⁸ It has not been until the last two decades, and especially in response to the growth of the Chinese market for beauty companies, that American and European beauty companies have shown much interest in highlighting and serving ethnicities other than white.²⁹ In Latin American countries such as Mexico the cosmetics industry remains an active agent promoting the superiority of “whiteness”, both through the models it employs and through selling skin-lightening products.³⁰

Gender stereotyping was also a major problem with the major negative impact on women, the major users of beauty products until very recently. There was little sign of either humility or even honesty in relation to customers. From the start, the industry was pre-occupied with age, and insistent that anyone beyond their twenties (or even earlier) had a problem which needed addressing. Helena Rubinstein is again illustrative of an industry-wide issue. She fixated on age as a monstrous challenge for a woman. From when she entered Australia as an emigrant, she lied about her own age. In 1915, she called the “problem” of wrinkles “the most important in the whole field of beauty work» and «the hobgoblin of womanhood.”³¹ In her marketing, she made women afraid of aging, while suggesting that it was their own fault if they did not address the issue, combining guilt and fear. In her book *My Life for Beauty*, published in 1966, a year

before her death, she noted that her favorite copy line was “There are no ugly women, only lazy ones.”³² For Rubinstein and many others in the industry, covering up the signs of ageing was doing women a huge favor. In a booklet entitled *The Secrets of Beauty* in 1923, Rubenstein wrote, “If you are pretty, you may twist the world ’round your fingers—but if you are not, you are one of the twisted!”³³

Yet it seems more plausible to argue that making generations of women afraid of the natural process of ageing was deeply irresponsible, and it was noteworthy that few within the industry were prepared to challenge it. One of the first was the British entrepreneur Anita Roddick who established the successful beauty retailer The Body Shop in 1977. “I hate the beauty business,” she wrote in her autobiography *Body and Soul* published in 1994. “It is a monster industry selling unattainable dreams. It lies. It cheats. It exploits women. By preying on women’s fears – of lost youth, diminishing appeal and fading beauty – the false hopes offered by the cosmetics industry can only result in misery, demoralization and a deep-rooted sense of inadequacy.”³⁴ At issue was marketing that played on women’s fear of aging, fear of not being beautiful, fear of the types of things both Arden and Rubinstein promoted with their «beauty is power» ethos. The feminist writer Naomi Wolf argued that the industry got progressively worse in this regard. In her *The Beauty Myth: How Images of Beauty Are Used against Women*, published in 1990, Wolf argued that as the social power of women had increased, the pressure they felt to adhere to unrealistic physical standards of beauty had grown stronger due to commercial influences on the mass media. Wolf lumped the cosmetics, diet, cosmetic surgery, and pornography industries together and argued that they were financed “from the capital made out of unconscious anxieties.”³⁵ “It is immoral to trade on fear,” Roddick observed. “It is immoral constantly to make women feel dissatisfied with their bodies. It is immoral to deceive a customer by making miracle claims for a product.”³⁶ Roddick did not advertise, never showed attractive young models in posters in shops, and embraced wrinkles and gray hair.³⁷

There were other attempts to counter the industry’s preoccupation with youth as beauty. In response to a survey of 3,000 women that found only 2 per cent of respondents described themselves as beautiful, Unilever launched the Campaign for Real Beauty in 2005. Advertisements for the Dove soap brands featured pictures of seniors, larger women and other unconventional beauty models. Although hailed as revolutionary, critics complained that the images were heavily re-touched. A more genuine approach came from the Brazilian direct seller

Natura. Luiz Seabra, who founded the company in 1969, described the use of manipulative advertising in the industry as a “cultural crime.” Natura launched the concept of the Truly Beautiful Woman in 1992 with the declaration that beauty was a matter of self-esteem rather than age.³⁸ These experiments remain exceptions, but although the emphasis on youth remains, the language of marketers has certainly evolved over time. During the interwar years, a major emphasis was on the romantic disappointments faced by women unless they used products to stop the appearance of ageing. By the 1970s, there were more tales of inspiration and the use of militarized language describing how women could “combat,” “fight against,” or “defy” age. More recently, the term “youthful” has been replaced by words like “renewing” and “radiant,” and products coded as wellness promoting and eco-friendly.³⁹ In practice, the industry’s promise to women remains to stop them appearing old.

Business Opportunities for Women

There was more claim to deep responsibility in the industry’s employment of women. Indeed, the creation of jobs and empowerment for women has been widely cited as the social justification for the industry as a whole, although it is hard to find examples of entrepreneurs who entered the industry with this goal in mind rather than the pursuit of profits. It was a favorite topic for David H. McConnell, the creator of the Avon direct-selling company (known as California Perfume Company before 1939). Avon employed vast numbers of female sales associates, but recent research has shown that McConnell stumbled onto hiring women as salespeople, and then discovered both that they were good at selling to other women and that employing independent women working on commission was a low-cost way to expand the business.⁴⁰ In Latin America, and elsewhere, the beauty industry was a means out of poverty for many women who could earn extra income as direct sales representatives working for Avon, Natura and others, or else by manicuring nails in tiny salons. Women who won beauty contests or succeeded in television reality shows could secure careers as models and television presenters, and even sometimes as politicians.⁴¹

In a world where female success in business leadership was highly constrained, the beauty industry also offered a domain where women were accepted as entrepreneurs and could build large and successful firms. The American industry in particular saw a succession of highly influential female founders of companies extending from Helena Rubinstein and her competitor

Elizabeth Arden in the interwar years, to Estée Lauder and contemporary figures, such as Cristina Carlino, the founder of the skin care brand Philosophy, and Vicky Tsai. However, there was a problem that as companies scaled or were acquired by larger firms women rarely led them. In 2021, only three of the top twenty global beauty companies had female chief executives.⁴² The three top firms in the industry – L’Oréal, Unilever and Procter & Gamble – have never had a female chief executive. There were some signs of greater diversity – although Tsai was replaced as chief executive as Tatcha was being acquired by Unilever, she returned to the post and the position is now held by another Asian American women. Carlino’s Philosophy brand is now owned by the American beauty company Coty, which since 2020 has been led the transgender Sue Nabi. Nevertheless there remain far more male faces in the senior ranks of the large beauty companies than female faces, let alone transgender faces. In Anita Roddick’s critique of the industry, the male dominance of leadership positions was at the root of many problems. “Part of the problem,” she wrote in 1991, “is that the industry is now controlled by men, even though, ironically, it was founded by a handful of women....The businessmen who run them betray little grasp of the fact that the notions they are trading in – age, beauty, self-esteem – are more often than not an emotional power keg for their customers.”⁴³

The Beauty Industry’s Environmental Impact

If the impact on women consumers was somewhat nuanced – women (and men) were offered more choices how to appear, but the choices were restricted and made many people unhappy with their appearance – the impact on another stakeholder was more clearly irresponsible. The environmental impact of the beauty industry, like its fashion counterpart, has been overwhelmingly negative. Leaving aside the use of toxic chemicals on human health, extensive and wasteful packaging is a traditional feature of the industry. As the modern perfume industry emerged in the late nineteenth century, packaging and especially the design of bottles became central to marketing strategies. The marketing genius François Coty was central in the transition from selling perfume in pharmaceutical-style bottles to elegant new bottle featuring artistic designs.⁴⁴ Across beauty categories, packaging became as important, or more than important, than the ingredients. This has generated a huge amount of waste over the following century. By 2020, beauty packaging amounted to 120 billion units every year, and much of it ended up waste, especially as consumers regularly bought multiple products and threw away

those that passed their sell-by dates. An estimated 70% of the beauty industry's waste comes from packaging.⁴⁵

The impact of this waste on land and marine pollution was highly negative. Some of the materials used, such as glass, paper and paperboard, and wood, could be recycled or re-used, but few were until very recently. From the 1950s, the preferred packaging for many beauty products, from shampoo and conditioner to shaving cream and suntan lotion, became plastic, which replaced glass and ceramic containers. Plastic was preferred because of its flexibility and light weight, yet for the most part this plastic waste cannot be recycled. Plastic is not biodegradable, and instead goes through photo-degradation that breaks it down into microscopic sizes over a period extending from one hundred to five hundred years to complete. Plastic in oceans had devastating impacts on marine life. Even some products such as body scrubs contain plastic in the form of microbeads. These are washed down drains into sources of water, eventually ending up inside marine life and humans.⁴⁶ The most sustainable form of packaging was no packaging at all, but very few companies were prepared to take that route. Lush, the British handmade cosmetics retailer created by Mark Constantine in 1995, was a rare exception. It sold over a third of its products with no packaging in the mid-2010s.⁴⁷ Nor was plastic the sole source of environmental damage. Widely used chemical ingredients used as preservatives such as butylated hydroxytoluene, butylated hydroxyanisole, and sodium laureth sulfate, cause changes to the biochemistry of aquatic life, including on the plankton population, and have toxic effects on humans.⁴⁸

The industry has been remarkably slow to address environmental issues. Among the pioneers was Swiss-based Weleda, founded in the 1920s under the influence of Rudolf Steiner's Anthroposophical philosophy and using organic ingredients made using what became known as biodynamic agriculture. It was for decades a very small company selling creams and other cosmetic products, although it remains in existence today with revenues of over \$450 million.⁴⁹ Meanwhile the following decades saw a succession of small start-ups seeking to use natural rather than chemical ingredients, which never achieved more than a small market share. Among the more durable examples were Dr. Bronner, who began selling a soap made on a craft basis using natural ingredients in Los Angeles in 1948; Yves Rocher who began selling plant based cosmetics produced in the Brittany village of La Gacilly in France in 1959; and Tom Chappell, who launched pant-based toothpastes, baby shampoos, and shaving creams from the US state of

Maine in the mid-1970s.⁵⁰ Anita Roddick's Body Shop took the idea of natural cosmetics to a wider market, as well as promoting the avoidance of wasteful packaging, although she wildly exaggerated their use in Body Shop products.⁵¹

By 2022, after several decades of rapid growth driven by consumer interest in natural and clean products, the revenues of the natural and organic sector of the beauty industry had reached \$12 billion.⁵² This growth did not automatically transfer into greater environmental responsibility. The sector was still a relatively small part of the industry. Many firms used wasteful packaging, even if they employed natural ingredients. The very term "natural" lacks a definition in the United States.⁵³ Finally, beauty products with natural ingredients are not necessarily better for the environment than chemical-based products if the raw material production was unsustainable. Palm oil was one of the most used beauty product ingredients. It is currently found in 70 per cent of cosmetic products sold in the United States, and much valued in the industry for its high vitamin E content, texture-boosting fatty acids, and natural alcohols, which give it desirable emollient properties. The industry has been characterized by unsustainable extensive cultivation involving deforestation and the destruction of animal habitats. Over the last decade almost all of the leading Western beauty companies, including L'Oréal, Procter & Gamble and Estée Lauder have announced sustainable palm oil strategies, but they all remain works in progress.⁵⁴

Building Communities?

A third characteristic of deeply responsible business leaders was that they supported communities. In the cases studied for the *Deeply Responsible Business* book, this took many forms. Business leaders created or invested in particular cities, creating jobs, but also invested in educational and cultural facilities that made these communities better places to live. Great attention was often given to green spaces and the physical designs of sites. In many cases, like the model village of Bournville built by the British chocolate manufacturer George Cadbury in the early twentieth century, the communities remained flourishing until the present day.⁵⁵ There are no major parallels in the beauty industry, although Yves Rocher's impact on the village of Gacilly was certainly considerable, in terms of employment and the creation of infrastructure, such as the large botanical garden opened in 1977, a museum, restaurants and recently an eco-hotel.⁵⁶ However the most successful companies were largely based in major fashionable cities,

primarily New York or Paris, which were important elements of their brands, and which had no need or even space for beauty companies to engage in community-building. Moreover, the central characteristic of the industry was the celebration of the global relevance of New York or Paris, not of the beauty ideals of local communities. The industry was a driver of global beauty ideals, not of local communities.

However, there were more limited examples of community building in the industry. These were often related to enhancing the welfare of specific communities. The pioneering African American entrepreneur Annie Turbo Malone saw the beauty industry as a way for Black women to better themselves financially. In 1918, she opened Poro College, the first school dedicated to Black cosmetology, at the heart of Saint Louis's historic Black district of the Ville. The college's stated "aims and purposes» were «to contribute to the economic betterment of Race Women.”⁵⁷ The name Poro, which Malone used for her business as a whole, was taken from a secret (and exclusively male) African society “dedicated to disciplining and enhancing the body spiritually and physically.”⁵⁸ A number of the most prominent Jewish entrepreneurs in the American industry, including the family of Max Factor, Ronald S. Lauder, the son of Estée Lauder, and Charles Revson, established foundations specifically devoted (although not exclusively) to the needs of the Jewish community.⁵⁹ In contrast, Helena Rubinstein, who was also Jewish, created a foundation to help young women as a whole undertake higher education and to pursue nontraditional careers, which later broadened its giving to the arts, community service and health.⁶⁰

While by the late twentieth century all the major beauty companies had CSR programs of one kind or another, far fewer made radical investments in building communities. Brazil's Natura was an early pioneer. The firm forged partnerships with schools near its Sao Paulo factory, and with NGOs, and with indigenous communities supplying ingredients from the country's biodiversity.⁶¹ Entrepreneurial start-ups from the 2000s more frequently incorporated social missions. Three years after Tatcha was formed, Tsai created Room to Read. A share of every sale made by the company went to support girls going to school in Southeast Asia and South Africa.⁶²

Conclusion

This working paper has taken a broad historical lens to asking the question whether the beauty industry has been deeply responsible or irresponsible. A picture has emerged of an industry that has always been more prone to irresponsibility. Although its products were often safer than pre-industrial antecedents, they still carried health hazards that the industry has been reluctant to acknowledge, and eager to block regulators from checking. Consumers have been treated to a diet of hyperbole from the start of the modern industry. While the industry had the potential to be liberating by enabling people to change and enhance their appearances, it has too often presented an image of beauty that was restrictive by age and ethnicity. It has too often made female consumers anxious about problems they do not possess. Meanwhile the environmental impact of the industry has been overwhelmingly negative, and become more negative as it scaled. The extensive use of palm oil has had devastating consequences of deforestation and loss of animal habitats, while excessive packaging has created a mountain of waste, much of it plastic that cannot be recycled. The industry has more often worked against communities than strengthened them. The good news is that historically there have existed role models who have managed their businesses in deeply responsible ways, whether by avoiding stereotypes or prioritizing consumer safety and ingredient sustainability.

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