

CHAPTER 7

RETHINKING
CORPORATE
SOCIAL
RESPONSIBILITY
AND THE ROLE OF
THE FIRM—ON
THE DENIAL OF
POLITICS

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CORPORATE Social Responsibility (CSR) is an increasingly important area of study, comment, and strategy in the ‘new economy’ of the early twenty-first century. It is growing in the university, corporations are spending more time and resources

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on it, *The Economist* recently ran a special section on CSR (22 January 2005), and ever more scholarly manuscripts are written about it. All of this activity could lead one to assume that CSR is expanding both as an area of interest and perhaps as a challenge to ‘traditional’ business practice—that in some sense CSR is of the left. Eminent thinkers such as Milton Friedman (1962) have argued as much. However, we should be cautious about rushing to such an assessment because concepts often hold contradictory meanings to those that appear on the surface. For example, the seeming nineteenth century emancipation of the French peasant from the feudal ties of the land often impoverished people and locked them further into a wage society and another form of servitude (Marx, 1973: 240–4). In sympathy with such readings, this chapter will argue that CSR does not represent a challenge to business. On the contrary, the chapter suggests that CSR represents a further embedding of capitalist social relations and a deeper opening up of social life to the dictates of the marketplace. Furthermore, it protests that CSR is not a driving force of change but rather an outcome of changes brought on by other forces. Most particularly, it is the result of a shift from a fordist to a post-fordist regime of accumulation at the heart of which is both an expansion and a deepening of wage relations.

IN THE (SECOND) BEGINNING

It is arguable that in the Anglo-American world CSR has come into sharp focus since the mid-1990s. In contrast to the seemingly more abrasive capitalism of the Thatcherite and Reaganite 1980s, the 1990s were characterized by a series of events that appeared to herald the transition to a softer capitalism (Blowfield and Frynas, 2005). For example, Royal Dutch Shell entered into a long period of self-analysis after Greenpeace attacked it over its disposal plans for the oil rig, the ‘Brent Spar’ and after the negative publicity it received in the wake of Ken Saro-Wiwa’s execution at the hands of the then Nigerian dictatorship. The execution of the Nobel Prize winner was prompted by his involvement in the Ogoni people’s hostility to the oil industry. These reputational attacks led Shell to undergo a global review of its activities with the intention of (1), analysing society’s expectations of it and (2), attempting to become the ‘world’s most admired company’ via a process of transparency (Fombrun and Rindova, 2000: 82). This chapter will somewhat conveniently trace the (re) emergence of CSR as an issue beyond the academy from the 1990s whilst acknowledging the academic work on CSR carried out earlier (Carroll, 1979 or Owen, 2003 on the democratic push in CSR during the 1970s). CSR in the 1990s became an area of increasing strategic importance as global corporations, the World Bank, the IMF, governments, and the globalization project more generally

were subject to attack from an increasingly large and diverse set of protestors involved in anti-corporate and anti-globalization protests (see Lloyd, 2001; Crossley, 2003; Townsend *et al.*, 2004; North and Huber, 2004; Holzer and Sørensen, 2003). How then should we understand this recent (re) emergence of CSR?

WAYS OF SEEING

CSR is normally understood from one of two conflicting views (see Blowfield and Frynas, 2005, who highlight four positions but emphasize the importance of these two)—the ethico-political case and the business case (for the sake of simplicity let us pretend the business case does not entail an ‘ethical’ perspective although many would argue the opposite—see Kurucz *et al.*, Chapter 4 this volume). The ethico-political way of seeing CSR is to view it from an ethical standpoint. Jones *et al.* (2005) examine the case for CSR and business ethics in some detail. They suggest that the bulk of current scholarship on these things comes from three perspectives—consequentialism (and utilitarianism in particular), deontology, and virtue ethics. They argue that each has its own problems and highlight the further limitation that these works tend to foreclose a politics and a wider societal view. They also stress that as it stands today this work ignores much of the thinking of modern European philosophers such as Derrida or Levinas. Indeed, they argue that what should be celebrated here is not a solution but rather ongoing problems. In particular, they highlight the problems of accommodating difference and ‘the other’—a problem which can never be definitively resolved. They suggest that oftentimes what happens in the ethics literature is an analysis of case studies to prove the ethical/unethical basis of action from a particular viewpoint. Assessing the vast literature outlining the different ethical positions corporations do and should take is not the remit of this chapter nor indeed the expertise of the author. Rather, what is suggested is that although ethics is one way of examining CSR, on its own it is insufficient because it usually closes down the social and political nature of organizations which are embedded in practice (Althusser, 2005: 219–47)—i.e. practice shapes the ethical not vice versa (for a further elaboration of this point regarding CSR see Tinker and Gray, 2003). By not linking the ethical to practice and the material in this way, business ethics decouples the ethical from issues of power, interest, etc. (see Owen, 2005 for an example). In light of this foreclosure, I wish to argue for examining CSR from a production regime perspective.

The business case generally suggests that CSR is good provided it does not damage profitability and that the corporation’s primary obligation remains its shareholders (see Chapter 4 for a fuller elaboration). Thus, at a minimum, the

corporation must adhere to the law whilst beyond that socially responsible behaviour is to be wished for provided it does not harm profitability. Friedman (1962) is the most obvious example; however, he is not alone. One could also suggest that stakeholder models of the corporation which stress that increased profits will result from CSR are also of this view (see Donaldson and Preston, 1995). Although real differences exist between many of these groups, ultimately an appeal to the bottom line unites them. Protagonists argue that CSR is or is not good for profitability and it is this profitability that will ultimately decide the issue. To summarize Matten and Crane (2005), these corporate citizens engage for self-interested reasons and hence their ethical contribution is perhaps somewhat tarnished.¹

There are difficulties with the business case approach. The most obvious issue is that it treats CSR as a commodity and a factor of production and hence like all commodities it is developed for its exchange not its use value. Exchange value means that the object is not generated for the qualities it has in and of itself, rather it is manufactured only if its exchange value is higher than the cost of its production. But this is true for all commodities—in such a world CSR could be pornography or some other product produced as the market dictates (Marx, 1976: 125–77). For example, when a phone company introduces a new mobile phone service for blind people it subjects the new service to a full market evaluation process and decides that the introduction of this service is or is not financially viable. Hence this phone service is intended to be a profit maker. Is this responsibility via the business case or simply business as usual?

In this instance business is delivering what we can reasonably claim to be a 'positive'. However, the key here is not the positive but the market. The market does not discriminate where profit is concerned; hence the phone is produced but the flip side of this lack of discrimination is that unless a profit is generated no product services for the blind would be endorsed in the long term. Again what is key here is not the product but its exchange value, not its intrinsic benefits and characteristics but how much it can be sold for. Such an analysis takes us close to the perils of the commodity fetishism described in Marx wherein human responsibilities to one another are mediated through commodities and profit (Marx, 1976: 125–77). Services for the blind and, say, pornography down the phone, undergo the same financial analysis—the product itself is irrelevant. In reality, the business case denies the social relations actually involved in such a process because these relations are determined by the profitability filter of those with the power to control resources and to consume. The problems of social relations are denied via the business case and the politics of the business case are put aside through this fetishism. This elision means business case-driven CSR can never get to the heart of social relations (Christian Aid, 2004; Jones, 2003; Roberts, 2003; Jones *et al.*, 2005).

¹ Equating self-interest with the unethical downplays the perspective of Adam Smith for example, who argued that self-interested acts could be ethical and that by not accepting this possibility social cohesion was oftentimes hampered (Muller, 1993).

This is not to say, however, that CSR is a sham or that business is not interested in CSR—it is. It is interested for two reasons. First, as Nichols (1969) highlighted so admirably, tales of profitability are often genuinely and deeply entrenched in business people's accounts of social responsibility. Ideologically, managers see the drive to profit as the socially responsible thing to do. Capitalism's search for profit is hailed as the deliverer of social progress. Individual managers may be mendacious about particular acts but it seems plausible that collectively managers and owners believe that from profit good things flow—firms stay open, workers are paid, government derives taxes for welfare provision, shareholders are rewarded, etc. Profit is the orthodoxy that cannot be questioned (see e.g. Carroll, 1998 but elements of this are also found in the work of more critical thinkers such as David Owen, 2003). Because of these entrenched views, CSR is always neutralized and pulled back from imaginary possibilities to the actually possible. If CSR ever had any potential radicalism within this managerial context it is always stillborn (see Banerjee 2003 for the impact of this view of society on the developing world).

Second, CSR is important to businesses because it is one of the keys to opening up the future. Cogman and Oppenheim (2002) and Davis (2005) have both suggested that commoditization and CSR are not enemies but bedfellows. Writing for the *McKinsey Quarterly* they believe that the big future markets are in areas where the two meet and intertwine. Companies will increasingly need to develop and invest in their CSR as they would in any other area of strategic importance—'this spending may well be a source of growth, since many of today's most exciting opportunities lie in controversial areas such as gene therapy, the private provision of pensions, and products and services targeted at low income consumers in poor countries. These opportunities are large and mostly untapped, and many companies want to open them up' (Cogman and Oppenheim, 2002: 1). Those firms in the best position to open these opportunities up will be the ones perceived as socially responsible, thereby making CSR important (Blowfield and Frynas, 2005). This then begs the question why CSR is a key to the future but not the recent past? What follows attempts to map the answer to this question via a historical materialist analysis.

REGIMES OF ACCUMULATION—FROM FORDISM TO POST-FORDISM

The contention of this chapter is that CSR emerges strongly in the 1990s because of the shift from a fordist to a post-fordist regime of accumulation. A regime of accumulation centers around three interrelated features: (1) the allocation of net production, by which is meant the distribution between accumulation and

consumption, (2) the type of production process based upon this allocation, for example an allocation based on mass consumption requires mass production techniques, and (3) the nature of the social reproduction of labour via consumption, working conditions, career paths, occupational structures, and so on (Aglietta, 2000; Lipietz, 1987: 16–41). When synchronized these three features lend a regime a sustained period of stability before the internal contradictions emerge to undermine it.

At the center of these contradictions is capital's reactivity not its proactivity. For example, the demand from skilled workers to manage the production process during the late nineteenth and early twentieth centuries (the era of liberal capitalism) encouraged capital to react via new technology, new production techniques, deskilling, etc. and hence it created a massified semiskilled labor force. This both generated huge productivity gains which led to an over-supply of goods and also created the labor movement as an autonomous force. This labor movement simultaneously became the key to the future via demand and a subversive threat which needed to be controlled (Hardt and Negri, 1994: 26.7) so that annulling of this threat placed an emphasis on productivity increases from labor, state intervention and rising living standards for the working class, which stimulated demand in return for granting management the 'right' to manage. To simplify, these struggles led to the New Deal, similar compromises in Europe, and to the long boom that ended in the mid-1970s. Central to all of this was the state as economic planner *par excellence*. However, although fordism led to increased welfare and living standards for the working class, it should not simply be viewed as a victory for the left. On the contrary, it further embedded the working class into wage society and led to a large rise in the profitability of capital; it represented a radical shift in the allocation of net production away from labor as the rise in capital investment outstripped wages; it also re-organized the production process and the social reproduction of labor (Aglietta, 2000: 151–208, Lipietz, 1987; Hardt and Negri, 1994) so that for example, 1960s Britain looks radically different to Britain of the 1930s.

How, if at all, do these changes impact on CSR? Debates about CSR are largely noticeable by their absence during fordism's heyday. CSR-related debates about the organization and role of the corporation are prevalent during the time of crisis in the 1920s and 1930s. For example, Keynes (1926) and Berle and Means (1932) pose serious questions about the responsibility of managers and businesses, Roosevelt specifically questions the behaviour of business,² European states enter a period of crisis and social strife in the 1920s and 1930s culminating in the Second World War, etc. All of these things suggest a crisis of capitalism and hence raise questions about the role of business and, importantly, the state (Hardt and Negri, 1994). The fordist solution is to incorporate a (hopefully) de-radicalized labor movement into

² In 1936 he commented 'We had to struggle with the old enemies of peace—business and financial monopoly, speculations, reckless banking, class antagonism, sectionalism, war profiteering'.

governance alongside corporations and the state. Part of the payoff is that the state and corporations guarantee increasing living standards and the social reproduction of labor in return for productivity increases and support for capitalism. In such a world CSR beyond this tripartite structure is not needed—there is only room for a small ‘civil society’ because the state is increasingly the key organizing institution (Hardt and Negri, 1994).

However, because of the necessary antagonism between labor and capital inherent within capitalism, this regime of accumulation eventually succumbed to its own contradictions. When this happens CSR re-enters the fray. The breakdown of fordism emerges in the 1960s and becomes a crisis in the 1970s—at the time that Owen (2003) links the emergence of CSR in accounting with demands for greater accountability and democracy. The undermining of fordism emerges for a variety of reasons. First, international competition begins to weaken the dominance of the USA, markets for the consumer durables and white goods associated with fordism’s mass production begin to saturate, labor becomes expensive, and the subsequent rise in capital goods resulting from this is also increasingly expensive. Furthermore, significant elements of wage society are challenged as non-work via education, retirement, opting out, etc. becomes more prevalent and the welfare state makes the necessity of work recede somewhat (see Butler, 1998; Tronti, 1972; Lipietz, 1987; Aglietta, 2000 for a perspective from the left and Bacon and Eltis, 1976 from the right) and global capitalism is challenged in the developing world.

FORDISM: BREEDING CULTURAL CHALLENGES TO HEGEMONY?

Fordism’s success allowed people to demand new ways of being and new subjectivities and freedoms within which the centrality of work was increasingly challenged (Butler, 1998). Thus the rise of the feminist movement (with, for example, demands for payment for housework), the civil rights movement in the USA (with, for example, demands for an end to discrimination in the labor market), the gay movement, the rise of challenges in the 1950s and 1960s to colonialism and the exploitation of the developing world’s resources by Western capitalism and the desire to break from dependency and neo-colonialism whilst refusing Western take-off models of development (Fanon, 1963; Young, 2001: 200–5), the Vietnam War, etc. all challenged the way in which people saw themselves, the societies they lived in, and how they themselves should live. In the West, one of the key challenges concerned the role of work, the role of the state, and the right of the citizen to a guaranteed level of consumption, that is, the questioning of property rights and the market. For example, from a conservative position, Bell (1974, 1976) argued that

society was shifting in a technocratic direction wherein expertise rather than profit would dominate and that individuals were increasingly losing their work ethic and demanding a guaranteed optimizing lifestyle. In the developing world, many leaders began to openly challenge the international status quo, the role of Western capital and Western governments. These difficulties have given rise to a new crisis of profitability as the stability between labor, capital, and the state begins to unravel nationally and the global order is more unstable internationally (Young, 2001). For example, between 1965 and 1973 wages in the USA grew whilst profits fell (Harrison and Bluestone, 1988) and in the European Union (EU) profitability fell by 40 % between 1967 and 1975 (Commission of the European Communities, 1989, table 42). All of this led to O'Connor's (1973) fiscal crisis as governments continued to spend on welfare in response to the demands of their populations and labor continued to demand wage increases and to resist linking them to productivity rises. These processes undermine profitability.

In response to this crisis capital made a number of moves. First, it shifted overseas in search of new markets and new supplies of labor in order to weaken the power of labor in its heartlands. Second, it undermined the social consensus of fordism via an attack on the bureaucratic rights built up by labor in the previous 40 years (for an analysis of these rights see Edwards, 1979). Third, capital began to experiment with the re-organization of the production process (Elam, 1994). Fourth, and perhaps most importantly, the state, especially in the Anglo-American world, has shifted to the right, begun to reform welfare (Jordan, 1998) and is a key player in dismantling fordism's tripartite arrangements (Gamble, 1994). Finally, at the international level, Western governments and organizations have become deeply involved in defending the economic and political status quo in Latin America, Africa, Asia, and the Middle East using economic, political, and military means (Young, 2001). A combination of these features leads to a new regime because combined they alter net production or the allocation between accumulation and consumption; they change the production process from a mass production system to a globalized system of flexible specialization, and lastly, they significantly alter the ways in which labor is socially reproduced in terms of working and consumption patterns. None of this was inevitable (Lipietz, 1987: 19) nor is it fully worked out today (Aglietta, 2000: 388–445).

REGIMES OF ACCUMULATION: FROM THE STATE-LED TRIPARTITE TO CSR

As suggested, this transition reintroduces the need for CSR because this new economy requires new forms of regulation. If the old consensus of labor, capital, and the state could no longer regulate a profitable regime of accumulation, new techniques

needed to be found. But this new regulatory form would also proceed on a new scale. One of the impacts of the shift to post-fordism has been the huge global increase in wage society as capitalism grows through the extensive commoditization of swathes of social life in China, India, etc. and second, this new regime is reaching newly intensive levels of commoditization in the historic powerhouses of capitalism—namely the EU, USA, and Japan. These two factors mean that post-fordism represents a growth of capitalism, not an undermining of it, despite the supposed challenges of CSR.

A number of traits shape this new regime. The most important again reflect an alteration in the allocation of net production as accumulation levels and the nature of consumption shift, a change in the nature of the production process as it is newly globalized and made more flexible and finally, the changed way in which labour is reproduced, i.e. the lifestyles of people have altered. Certain characteristics of this emerging regime are perhaps obvious today—globalization, the increased dominance of finance, the rise of the institutional investor, the decline of collective bargaining, the increasing growth of the non-standard working ‘career’, the retrenchment and commoditization of large parts of the welfare state, increased polarization of income inequality, etc. (Aglietta, 2000: 412–45). Many of these changes have empowered corporations, enabled a return to profitability, and placed the burden of social reproduction onto the individual via calls for individuals to be responsible for their own health, education, old age, employability, etc. (Sennett, 1998: 32–64; Beck, 2000; Stiglitz, 2002).

In the West, the outlook of this new economy is perhaps best seen in global cities, such as New York, London, Tokyo, Paris, etc. Sassen (1991, 1994) has demonstrated how these cities are being radically transformed by globalization. A number of features pertain—the decline of traditional manufacturing, the rise of services, and the re-emergence of sweatshop labor (on sweatshop labor, see Ross, 1997). A combination of these three features has led Sassen to suggest that globalization leads to a peripheralization of the core as immigrants enter these cities to take up work in illegal sweatshops and in the low skilled service areas of growth entailed in gentrification.³ Gentrification is umbilically linked to these processes because it is fuelled by the increased need for high skilled labor necessary for controlling the new economy and hence capable of consuming large supplies of personal services, etc. The new service employment is highly polarized between those with low skills engaged in cleaning, serving, etc. and high skilled work such as management consultancy, legal work, financial services, etc. who help organize the global system (Sklair, 2001). This polarization is reflected in emerging consumption patterns; witness—housing booms, increased commuting times for the poor, a newly emerging super-rich, the

³ Although coming from a different theoretical perspective to Sassen, Ulrich Beck (2000) echoes these sentiments with his view that we may see the increasing ‘Brazilianization’ of the West.

decline of living standards for many,⁴ the growth of eating out, the growth of travel, the intensification of educational apartheid between the classes, the massive rise in the employment of domestic labor based on gender and racial lines, the slowdown or reversal of social mobility rates, etc. (see Sassen, 1994; Beck, 2000; Ehrenreich, 2001; Bott, 2005). All of this reflects a regime change.

In what is called the South the outlook of this new economy is also emerging. It is an economy of increasing disparity and tension as non-state regulatory institutions such as the International Monetary Fund (IMF) and the World Bank and certain state bodies such as the US Treasury enforce the neo-liberal 'Washington Consensus'. This consensus emerged in the 1980s and stressed liberalization, privatization, and fiscal austerity to a point where a non-radical ex-Chief Economist of the World Bank and Nobel Prize winner suggests it 'is unnecessarily corroding the very fabric of society' (Stiglitz, 2002: 76). Here we have a new regime wherein the market takes precedence over the state and trickle-down economics will supposedly bring improvement for all. However, this world is one dominated by multinationals such as Exxon, Shell, Nike, Cargill, Nestlé, etc. and finance capital against which much of the South has little leverage (Stiglitz, 2002). Thus the assertion by Western corporations for property rights in bio-technology, tribal land rights, mineral use, and so on are increasingly to the fore in what has been called the 'new enclosures' (Shiva, 2000; O'Neill, 1998). Furthermore, policies forced on developing nation states often encouraged them to open up their natural resources, manufacturing, and banking sectors to Western companies whilst leaving agricultural products in the West protected (Stiglitz, 2002: 53–88). Capital has also moved manufacturing overseas, raising questions of job losses and corporate responsibility at home (e.g. Pat Buchanan's various campaigns to win the Republican nomination and Presidency in the USA) and raising issues of sweatshops and the searching out of cheap, vulnerable labor overseas (Klein, 2000), which again raised issues of corporate responsibility. Within all of this, corporate profitability and human inequality grew (Stiglitz, 2002: 18).

Combined, these developments in the South and in the North represent a major shift in social organization. Yet social systems need legitimacy to reproduce themselves and provide stability and this is found in the idea that they promote social progress (Aglietta, 2000: 403). In light of this, how is progress defined in this emerging regime? One way is through claims that corporations are socially responsible, trustworthy, and indeed better than the state at delivering progress and the social good. In the new regime the state is portrayed as inefficient, partisan, based on producer interests, etc., whereas the market and corporations are portrayed as efficient, neutral, meritocratic, and consumer led. Indeed, such a view is the credo of the New Right, which came to dominate Anglo-American societies

⁴ In the USA, per capita GNP rose by 75% between 1974 and 2004 while in constant dollars the wages per hour of the average male rose from \$15.24 to \$15.26 (Supiot, 2006).

from the late 1970s onwards (Gamble, 1994; Gray, 1986; Hayek, 1944; Stiglitz, 2002). This is a dramatic role reversal in comparison with fordism where the state (not the market or the corporation) was 'no longer merely a source of economic support and incentive, of stabilization and innovation. It has become the prime mover of economic activity' (Hardt and Negri, 1994: 42.3).⁵

To be sure, today civil society needs to be involved in governing this new regime, but because it was so unimportant to fordism, this civil society is being created presently; it is not extant. Hence civil society too is subject to these forces and is a result of rather than a creator of this emerging form—civil society is the end point not the beginning of this process. Indeed, it is part of the problem because it is subject to shaping by multinational corporations, often highly sympathetic Western states, and international civil society bodies such as the World Trade Organization (WTO) who are a part of the shift to the right (Martin, 1993; Sklair, 2001; Stiglitz, 2002).⁶ CSR is seen as 'a bridge connecting arenas of business and development, and increasingly [policy-makers] discuss CSR programmes in terms of their contribution to development' (Blowfield and Frynas, 2005: 499). Implicitly Cogman and Oppenheim (2002), for example, realize that through CSR and engagement with civil society, corporations can claim legitimacy for the newly emerging regime and hence open up markets that were previously denied to them, such as the welfare state, the developing world, new bio-technologies, etc. In short, through CSR the world can be further commoditized, wage society expanded, and legitimacy for corporate dominance solidified. CSR engagement with seeming opposites like Oxfam or Greenpeace is actually a victory in this process not a defeat. It further lends credibility to the marketization of social life by acknowledging corporations as legitimate actors in new technologies, welfare state reform, environmental issues, globalization of governance, etc.

CREATING CIVIL SOCIETY: DIALOGUE, PLURALISM, AND LEGITIMACY

At the tactical heart of the corporate embracing of CSR in the pursuit of legitimacy is a sense of dialogue (Davis, 2005; Bennett, 2004; Roberts, 2003). Thus the assumption is that compromise and pluralism rather than conflict are the building blocks of legitimacy and the new civil society (see also Kuhn and Deetz, Chapter 8).

⁵ This is not to say that the state has withered away with post-fordism. Far from it, one could argue that the state is more powerful and disciplining than before (Hardt and Negri, 2000).

⁶ Indeed, today international civil society and non-state-led institutions such as the IMF are deeply involved in the micro-regulating of states and the setting of their policy priorities (Stiglitz, 2002).

This is different to fordism which emerged from a history of workplace and social conflict based on opposing visions of possible social orders (Hardt and Negri, 1994; Polanyi, 1957; Hayek, 1944). Hence today the leading firms on the FTSE or the Dow Jones write CSR reports, tobacco companies attempt to engage with public health officials and campaigners, all organizations claim to be environmentally friendly, and so on. Crucial to dialogue is the concept of compromise, a willingness to see the other point of view. In this world, dialogue is everything. Depending on the organization, it can be simply putting your CSR Report on the web, posting it to a set of 'stakeholders', engaging in roundtable discussions with NGOs, it can be about exchanging knowledge and experience with other corporations, etc.

However, there are limitations to dialogue. Essentially, dialogue is agreeing there are inter-subjective understandings about what responsibility is (on the creation of inter-subjective meaning see Apel, 1977). In short, a pluralist viewpoint is seen as a positive. Yet Žižek (1997: 27–9) suggests one of the difficulties with pluralism is that the other viewpoint or the 'other' that we acknowledge is a tamed other, a folklorist other. Hence we appear to be open but when the other is really herself we reject it as being too different, as fundamentalist, extreme, traditional, behind the times, etc. For example when the German SDP Chairman, Franz Müntefering, accused private equity firms of being socially irresponsible companies and the 'locusts' of the emerging economic structure, *The Economist* (7 May 2005) dismissed him as being something of a dinosaur,⁷ as unreasonable. For post-fordism, the tenets of the Washington Consensus, the privileging of market, commoditization of more and more areas of social life are the basis of this reasonableness. The property rights of capital and profitability as social responsibility are key. CSR here ensures that subversive alternatives suffer the fate of utopias—they are dismissed as impossible however attractive we find them (see Osborne, 2006). Furthermore, this process is based on a form of knowledge that is inherently 'limited'. Nietzsche (1994) argues that knowledge or thought loses its critiquing edge when it is subject to reason. It becomes a pale imitation of critique. Thought then begins to dissuade and set limits to possibility because things are beyond a boundary. In a setting where 'real' thinking was carried out it would, to quote Deleuze (1983: 101), 'then mean *discovering, inventing new possibilities of life*' (emphasis in the original). This type of thinking would give 'responsibility' its positive sense (Deleuze 1983: 21). But pluralism cuts off this thinking and hence it is better to think of CSR as the limiting of possibility.

Such a view of CSR is held by Žižek's (2006) 'liberal communists'—the owners and managers of large-scale capitalist enterprises and state officials. This elite believes capitalism, unbounded by the state and seemingly devoid of the ideological vestiges of the past, will deliver social progress. For liberal communists there is

⁷ It is also worth noting that although a leading member of government in the third largest economy on the planet, Müntefering felt the need to call on consumers not the state to intervene and halt the buying up of German assets by these firms.

no dichotomy in post-industrial capitalism between owner-worker, profit-social responsibility, etc. He comments (2006):

Liberal communists are top executives reviving the spirit of contest or, to put it the other way round, countercultural geeks who have taken over big corporations. Their dogma is a new, postmodernised version of Adam Smith's invisible hand: the market and social responsibility are not opposites, but can be reunited for mutual benefit. As Friedman (Thomas) puts it, nobody has to be vile in order to do business these days; collaboration with employees, dialogue with customers, respect for the environment, transparency of deals—these are the keys to success.

These capitalists believe they are at the forefront of a new capitalism—they are smart and

Being smart means being dynamic and nomadic, and against centralised bureaucracy; believing in dialogue and co-operation as against central authority; in flexibility as against routine; culture and knowledge as against industrial production; in spontaneous interaction and autopoiesis as against fixed hierarchy.

Their way of being will deliver progress and they engage in dialogue and CSR to be inclusive and legitimate. They use CSR to represent their 'interests as the common interest of all the members of society, that is, expressed in ideal form; it has to give its ideas the form of universality, and represent them as the only rational universally valid ones' (Marx and Engels, 1970: 65). In short, although they deny it or are unaware of it, their CSR and their new capitalism are inevitably ideological.

CONCLUSION—THE OLD CAPITALISM

The new economy is not so novel. Just as Nichols's (1969) managers were locked into a world where profitability was the base upon which all good things were built, so too are the liberal communists. They are also not new in another sense. As Žižek (2006) notes, they deny the contradictions of their position. Hence at the same time as they have embraced collaboration with employees, are against bureaucracy, believe in dialogue and cooperation, etc., they are also at the forefront of the push towards a new regime of accumulation. At the center of this push is the desire to weaken labor's attachment to the gains it made in the postwar boom, and a desire to globalize and intensify wage society. As such, they appear to share much in common with the likes of Henry Ford and Andrew Carnegie, who donated massive amounts to charity whilst also violently attacking organized labor. Thus we return to Marx and the limits within which capitalists find themselves. No matter how

much they try, these capitalists are locked within the contradictions of capitalism and the search for profit is paramount over and above all else, thereby eradicating the possibility for a 'caring capitalism'.

There is also a very real material point to this embracing of CSR. The new regime needs legitimacy because it has systematically been criticized by labor unions, environmentalists, anti-globalization protestors, etc. In order to counteract these critiques businesses must be aware of social issues. Davis (2005) in the *McKinsey Quarterly* expresses it in the following manner: 'From a defensive point of view, companies that ignore public sentiment make themselves vulnerable to attack.' But Davis goes further, he sees this unease with capitalism not as a threat but a market opportunity. He comments 'Social pressures often indicate the existence of unmet social needs or consumer preferences. Businesses can gain advantage by spotting and supplying these before their competitors do.' We are thus back to the beginning—CSR is a commodity that can advantage corporations by allowing them to be perceived as legitimate and hence open up new markets. Furthermore, this view of threat as opportunity is redolent of fordism. Fordism was a response to labor's new-found power. This created a situation wherein 'Capitalism now faced a working class that had been socially levelled by the repression brought against it, that had become massified to the point where its autonomy had to be recognized, and that simultaneously had to be both recognized in its subversive potential and grasped as the decisive element and motive power behind any future model of development' (Hardt and Negri, 1994: 26.7). Today the subversion of the environmentalists, labor unions, anti-globalization protestors, etc. is also simultaneously a threat to be recognized and a market opportunity upon which to build post-fordism.⁸ These dissenting subjectivities and the alternatives they raise provide capital its key to the future (Negri, 2005).

Thus for Davis (2005), the Milton Friedman argument is flawed because it allows corporations to be portrayed as illegitimate and thereby allow other actors take up the social activity that businesses could pull into a marketized space. He goes on to recommend that firms study state activity, consumer groups, the media, etc. to see and head off the next big problem areas for businesses. However, CSR is more than this. Although it seems Davis is unaware of it, CSR is not simply a rough guide to unmet social needs which the corporation can then provide for us. It is actually a glimpse at how our sociality—our humanness—is developing. This 'thing' is beyond the corporation, beyond its control, and yet without it the corporation has no function and no innovative potential—after all, how else does it know of need? In short, CSR will help to make money from the problems businesses have helped create, thereby improving shareholder value. And, as with the other *McKinsey Quarterly* writers, the big markets that will follow are based around

⁸ Ford has just launched £1 bn in investment in R&D in the UK alone to develop green technologies (Milne, 2006)—something that is hard to imagine without the environmental movement.

the developing world, marketization of welfare services, and so on. CSR here is acting as a legitimating ideology for a 'new capitalism' and in this sense it shares a common heritage with the debates about the role of the organization that heralded the birth of 'the old capitalism'. But it is also a way into our material future and, for corporations, the innovative road map they need for production, yet it is always outside the corporation.

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