

# A logical response to corporate social responsibility

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**Abstract:** Corporate social responsibility (CSR) is argued to be a flawed concept in the same way as sustainable development in that it seeks to combine two aspects which are incommensurable. Nevertheless CSR contains an expanding space for social and environmental concerns under the guise of stakeholder management which undoubtedly influences the commercial bottom line. It is proposed that the concept of corporate citizenship is separated from what is now termed corporate social responsiveness to encompass truly ethical and normative considerations which in business should be manifested by a wholehearted acceptance of the need for regulation, lobbying for the universality of that regulation and an avoidance of undue influence on government. Proper roles for the three partners in society, namely government, commerce and civil society are explored together with the nature of citizenship.

**Keywords:** corporate citizenship, environmental sustainability, ethics, oxymoron, stakeholder management

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## 1. Introduction

I have argued elsewhere (Kowalski, 2013) that many of the problems surrounding Sustainable Development stem from the ambiguity of the term, which was in part a result of trying to please all sides (Meppem and Gill, 1998). This ambiguity is also substantially due to the conflation of the concepts of sustainability and development, which belong to essentially incommensurable worlds, thereby creating an oxymoron (Visvanathan, 1991). In addition, the purpose of adding ‘sustainable’ to ‘development’, it is argued (Latouche, 2003), is not to bring ‘development’ again for discussion but only to add to it a superficial ecological component. Indeed, some maintain that ‘sustainable development’ has become the motto of the day primarily to sustain development itself, rather than to sustain nature or culture (Esteve and Prakash, 1998). This has also been responsible for sustaining the current emphasis upon technology to provide the solutions to the anthropogenic impacts upon nature and ecosystems, since technocentrism maintains that

no unsustainability has become sufficiently serious to require an immediate remedy as there almost certainly is a marvellous innovation waiting in the wings that will provide a cheap solution overnight (Douthwaite, 1999).

In my view (Kowalski, 2014) this has created an approach which tends to equate sustainability simply with good management and that, since no one could complain about a campaign to establish good management practice, there is little more that is required to tackle our problems. If anything epitomises the Western mind and culture then it is likely to be the conceit that everything is open to being managed. Therefore, to argue that sustainable development is simply a matter of improving our ability to manage resources more efficiently and effectively is, at the very least, disingenuous. As a solution ‘sustainability’ merely suspends the crisis and defers the real terms of conflict between the environment and economic development for another day (Meppem and Bourke, 1999). Inescapably, once one accepts that resources are in-

deed limited, one has to have a means of sharing the right to use those resources not only among the present population but also with future generations, who can make no claim to use them through today's free-market mechanisms (Douthwaite, 1999). Thus true sustainability must entail us foregoing something today so that it may be enjoyed in the future. Regrettably, although most people agree that the situation was serious, few seem willing to forego anything in order to solve this problem (Orr, 2004). Žižek (2002) has confessed that: "I know very well (that things are deadly serious, that what is at stake is our very survival), but just the same I don't really believe, ... and that is why I continue to act as if ecology is of no lasting consequence for my everyday life" (p.35), thereby raising the necessity of establishing the person that is going to bear the brunt of the abstinence, which currently in so many ways and largely by default were the marginalised.

In an almost identical manner, the appropriate response to many of our societies' problems, including the environment, is being touted as Corporate Social Responsibility (CSR), which is supposed to set out how commerceable to use its power and influence to establish an environment that was conducive to human well-being and the fulfillment of human creative potential in both the short and long term. However, upon closer inspection this concept seemed to contain similar oxymoronic qualities and ambiguity (Dahlsrud, 2008) that have in turn led to its conflation with a managerialist approach to the use of business resources in addressing ills that are, at least in part, due to the commercial activities of business. The field of discourse is then conceded to this form of CSR and, by default, a passive reliance upon enlightened self-interest has become all that is believed necessary, or considered possible, under the all-conquering theory of the '*invisible hand*' of the market.

However, I wish to take this opportunity to explore the flaws in the logic of such a reliance and to argue for a partition of CSR into **good management**, including stakeholder management, on the one hand, that demands to refuse signing up to ethical or moral considerations, and **corporate citizenship**, on the other, that can only be found upon ethics and an acute awareness of the proper role of the corporate sector in our society.

## 2. Corporate Social Responsibility Explored

The concept of CSR came into being in response to

the need to: "address important concerns of the public regarding business and society relationships" (Carroll, 1999, p.292). In this regard Donaldson (1982) had asked: "If General Motors holds society responsible for providing the condition of its existence, then for what does society hold General Motors responsible? What are the terms of the social contract?" (p.42)

However, it is clear that for business, as for any organisation, its most substantial responsibility towards the society that hosts it is to conform to the laws which that society has established to govern the behavior of those acting within each enterprise. In the case of Western capitalist societies the law requires the firm to pay its way; to make the best profit that it can for its shareholders; and to conform to the regulations of contract, of health and safety (both for workers and for customers), of proper accounting and reporting, and of environmental protection — all of which **should** constrain the irresponsible behavior of the individual workers, agents, administrators and managers on a daily basis.

Yet for many this seemed insufficient, since legislation inevitably lags behind the emergence and expansion of issues that rightly concern individuals and groups as their understanding and needs develop, resulting in a more general call for commerce to take the lead and initiate actions ahead of any legislative requirement. This has led to the coining of the term Corporate Social Responsibility (CSR), yet for which no single definition remains available, notwithstanding that Dahlsrud (2008) has reviewed 37 definitions and sorted them on 5 dimensions to conclude that: "the definitions are predominantly congruent, making the lack of one universally accepted definition less problematic than it might seem at first glance" (p.7). However, a working definition has been supplied by the European Commission (2006) as: "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (p.6) and which McWilliams, Siegel and Wright (2006) extended to cover: "situations where the firm goes beyond compliance and engages in 'actions that appear to further some social good, beyond the interests of the firm and that which is required by law'" (p.1). This latter aspect has been captured variously as 'corporate citizenship', a 'discretionary domain', 'business ethic', or a 'voluntariness dimension' and which has led to the blossoming of debate around what society can expect from a firm, how this can be

measured and reported upon, and how a firm can utilise this domain to generate opportunities for enhanced corporate performance (Drucker, 1984). But this has also provided an oxymoronic quality to the combination of corporate actions whose motivations seem either to provide short-term economic performance to the detriment of society or environment. As Christopher North, Managing Director of Amazon UK commented in regard to how little corporation tax the company pays: “in the UK, as everywhere in the world, we pay all of the taxes that we are required to by law” whilst ensuring that sum is as small as it can be — i.e., obeying the letter but not the spirit of the rules of the game, or ignoring social projects that impact negatively on the bottom-line.

Archie Carroll (1991) sought to explain the issues in a now famous pyramid (Figure 1) which depicts four dimensions of motivation which are neither mutually exclusive nor hierarchically related (Nalband and Al Kelabi, 2014), but which challenge the corporate executive to embrace as they direct the operation of the firm, both strategically and tactically.



**Figure 1.** Carroll's Pyramid — a graphical depiction of CSR (Carroll, 1991).

Nevertheless, such normative aspects as ‘do what is right’ and ‘go beyond self-interest’ sit uneasily with the business imperative of ‘make a profit’. Certainly, Milton Friedman (1962) upheld that:

there is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud. (pp.60–61)

which embodies the dimensions of ‘make a profit’ and ‘conform’, but which rejects as improper any incursion into ethical or philanthropic domains. Moreover, as a consequence of the extension into this normative dimension (Dahlsrud's ‘voluntariness dimen-

sion’), the entire enterprise that is CSR has been called into question as an inappropriate concern for commerce and resulted in a lukewarm take-up.

As a consequence management theory has sought to rehabilitate CSR by creating a link between corporate actions on social issues and the ‘bottom line’ through emphasising the need to manage more actively the wider interests of stakeholders (largely customers and employees). As Drucker (1984) maintained: “The proper ‘social responsibility’ of business is to tame the dragon, that is, to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth” (p.62). Indeed, Hamman and Acutt (2003) summarised the ‘business case’ for CSR as: “a more responsible, strategic approach to environmental management, labour relations and community development should lead to better relationships and improved reputation, and hence greater profits” (p.256). Furthermore, Warhurst (2005) justified the participation of business in development as a legitimising means to yield a: “social licence to operate” (p.153), particularly in the mining and forestry sectors. More generally Brinkerhoff (2002) emphasised that: “The most obvious motivation for establishing a partnership is the desire to enhance the effectiveness and efficiency of development efforts” (p.7) and Warhurst (2005) noted that: “opportunities can also be identified — opportunities to enhance value, create new markets and attract new customers and become the preferred business partner and employer of choice” (p.166).

Importantly, Craig Smith, in making the case for persuading companies to take CSR seriously, differentiated: “between the business case for CSR and the normative case and conclude[d] that often there may be a compelling business case for making a substantial commitment to CSR, but an individual firm must assess the extent to which the general business case for CSR applies to its specific circumstances” (abstract) and Shultz and Smith (2001) stated that, from their own perspective: “Consumers are demanding more than ‘product’ from their favourite brands. Employees are choosing to work for companies with strong values. Shareholders are more inclined to invest in businesses with outstanding corporate reputations. Quite simply, being socially responsible is not only the right thing to do; it can distinguish a company from its industry peers” (p.3). This echoes an observation made by Warhurst (2005) that CSR actions are: “not

about philanthropy or social impact per se. They are more about how a business behaves in society as part of its core business function — about being a responsible citizen” (p.162). Indeed Warhurst (2015) noted that: “Companies are also being legally obliged to review their risks strategically — such that they encompass wider areas of ethical, social and political risk that might affect future business strategy, performance, licence to operate and liabilities, as well as shareholder value” (p.153).

Amongst the commercially desirable outcomes for CSR, Warhurst (2015) recognised:

to facilitate greater stability and economic opportunities to employees, business partners, host governments, community neighbours and shareholders. It is suggested that these latter benefits are likely to be generated as a result of making profit, paying taxes, engaging in productive business-to-business relationships and following strategies of expansion and growth combined with business values that emphasise social responsibility, good governance and sound and fair employer-employee relations. (p.165)

All of which led Vogel (2005) to conclude that if Milton Friedman were to reconsider CSR in today’s context he would be much more sanguine than he had been.

Nevertheless, the impact of commercial enterprises upon society and environment was so extensive, as well as potentially damaging (as an example, see the recent incident of the mining-dam failure in Brazil) or augmenting, that it is hard to envisage any progress in tackling the world’s maladies without commerce playing a substantial part. Indeed, Sullivan and Warner (2004) recorded that: “The recent World Summit on Sustainable Development (Rio+10) held in Johannesburg clearly placed the corporate sector at the centre of international efforts to reduce poverty. ... the overwhelming sense was of a concept that had been wholeheartedly embraced but where little consideration had been given to what that concept could mean in practice, or how it could be taken up to scale” (p.12). Moreover, Warhurst (2005) observed that: “Society is increasingly expecting global business to work in partnership with others to solve the numerous humanitarian crises and endemic problems facing the world” (p.152) and Contu and Girei (2013) noted that: “the term ‘partnership’ has indeed become a central

tenet for addressing the world’s complex problems, such as hunger, poverty and inequality” (p.2).

### 3. The Illogic at the Heart of CSR

Despite our best endeavours to find a business case for CSR the oxymoronic tension between the interests of the firm and society will not go away. As Hillman and Keim (2001) maintained: “The use of a firm’s resources always has an opportunity cost. Implementing a social issue participation strategy appears to come at the cost of forgone opportunities to increase shareholder value” and that: “Evidence here suggests the two dimensions of corporate social performance — stakeholder management and social issue participation — have opposing relationships to financial performance” (p.136). Which implies that, from a commercial perspective, no firm can afford to ignore the ‘*bottom line*’ consequences of the range of CSR options open to them. Realistically, the imperative of capitalism to compete precludes any voluntary restraint or indeed any incentive to comply with non-statutory guidelines, As Hardin (1973) put it: “rational men are helpless to behave otherwise” (p.121). As Friedman (1970) noted: “What does it mean to say that the corporate executive has a ‘social responsibility’ in his capacity as businessman? If this statement is not pure rhetoric, it must mean that he is to act in some way that is not in the interest of his employers” (p.2). The leopard cannot change its spots nor act contrary to its nature. Indeed, we must argue that, if truth be told, it is unethical to ask anyone to act against their own interests and agree with Hardin (1973) that: “a system that depends only on conscience rewards the conscienceless” (pp.129–130).

Furthermore, there is an inescapable divergence in the approach to community issues, as O’Connor (1998) had noted: “For reformist Greens, then, the problem is how to remake capital in ways consistent with the sustainability of nature.... But at a deeper level, corporations construct the problem of the environment in a way that is the polar opposite..., namely, the problem of how to remake nature in ways that are consistent with sustainable profitability and capital accumulation” (p.238). Moreover, Bendell (2000a) had observed that: “advocates of corporate social responsibility (CSR) and corporate citizenship, ... assume a win-win world and do not recognise intractable conflict between corporate interests and those of civil society. At most, conflict is seen as a process issue, an outcome

of paradoxes which should be managed carefully” (p.250).

Thus and inevitably, commercial motivations provide perverse incentives that seduce managers and executives away from the ethical and philanthropic. For example, Lee (2008) noted that: “as more corporations become socially responsible, the marginal value of social responsibility will decrease. If the marginal value of CSR becomes smaller than the cost of implementing CSR, the business case for CSR disappears, and malfeasance becomes more attractive based upon the business case logic” (p.64). In addition, Hamman and Acutt (2003) drew attention to the corporate citizenship paradox whereby: “large corporations are responsible for much of the social and environmental disruption in the modern world, but at the same time considered key allies in the fight against these negative impacts (by advocates of corporate citizenship)” (p.257).

Others have challenged the case upon other lines. Sklair and Miller (2010) argued that: “The contemporary practice of CSR, rather than signifying a progressive shift in business culture and ethos, actually lays bare the weaknesses of capitalist globalisation as a socio-economic system faced with the increasing demands of global social movements and democratic politics more generally” (p.472). Moreover, Hamman and Acutt (2003) maintained that: “A more critical use of the term [accommodation] implies that business may be making only partial, superficial or image-related changes to give the impression that it is accommodating social interests”, if not actually spilling over into practices that are referred to as ‘greenwashing’ (Newell, 2000; Ramus and Montiel, 2005) (p.258). Hamann and Acutt (2003) noted that: “companies will garner great public relations value from ‘best practice’ examples” (p.260), that examples suggest to the general public that the private sector is taking its responsibilities to society seriously. However, daily practice across all activities for the majority of firms would seem to continue to be otherwise. For example, Korten (2016) drew attention to: “a wave of exposés in 2002 and 2003 of pervasive corruption at the highest levels of corporate and governmental power that suggest that many of our most powerful institutions are in the hands of ethically challenged human beings” (p.51). Indeed, Sklair and Miller (2010) observed that: “Disney-branded items are produced in massive quantities by subcontractors in southern China and SACOM soon discovered that many if not all of

these production sites violated not only China’s domestic labour laws but also Disney’s much trumpeted codes of conduct” (see also the short lived opprobrium surrounding the clothing factory disaster in Dhaka, Bangladesh) (pp.481–482).

Moreover, Hamman and Acutt (2003) drew attention to a crucial, related corporate strategy of ‘*legitimation*’ whereby: “the CSR discourse is characterised by considering private companies as given and immutable economic agents, on whose enlightened self-interest the well-being of, say, the mine’s neighbouring communities depends. The possibility of alternative economic structures, such as cooperatives, is seldom considered, much less significant structural elements of the economy, such as free trade” (p.259). Moreover, Sklair and Miller (2010) maintained that:

The practice of CSR is, in other words, intertwined with the overall strategies of the corporations to resist regulation and to ensure ‘voluntary’ outcomes. This can be seen at every level of governance from local to national, international and global. One of the key functions of CSR is to enable further deregulation by pointing to the involvement of business in ethical and sustainable activities and indicating that ‘multi-stakeholder dialogue’ with civil society obviates the need for binding regulation and opens up opportunities for corporate involvement in the public sector and thus increasing in social policy. (p.491)

Similarly, Hamman and Acutt (2003) saw: “partnerships or voluntary initiatives as an attempt to pre-empt and preclude ‘corporate accountability’ or compliance with state-sponsored regulations and standards” (p.257), and Harvey (2011) noted that: “The WTO agreements, for example, codify ‘good behaviour’ for the states that have signed up ... in such a way as to favour the freedoms of corporations to do business without excessive state regulation or interference” (p.69). Furthermore, Newell (2000, p.32) warned that: “Deregulation and liberalisation are said to heighten pressures to lower environmental standards. The freedom of mobile transnational capital to locate where environmental regulations are weakest is one of the more vocal of a spectrum of concerns about the negative impacts of globalisation.” Which chimes all too closely with the observation made by Korten (2006) that for business at large: “The high stakes [of competition] creates a powerful incentive to win by any means and

exert a strong downward pressure on ethical standards,” (p.35) and for Harvey (2011) that the: “individual capitalists, working in their own short-term interests and impelled by the coercive laws of competition, are perpetually tempted to take the position of *après moi le deluge* with respect to both the labourer and the soil.” (p.71) (note the behaviours leading to the BP oil spill in the Gulf of Mexico, the Deepwater Horizon Disaster).

Certainly, Barque (1993) maintained that the: “free market is not an effective instrument for raising up a civilisation founded on and governed by ethical values” (p.164). Moreover, Murphy and Coleman (2000) emphasised that: “Partnership between business and NGOs appears to be at odds with their respective societal goals and roles. The paradox of business-civil society partnership is inevitable given that it brings together the apparently competing agendas of business and NGOs” (p.212). Notwithstanding, Corporate Social Responsibility (CSR) has been portrayed as the coming of age of the private sector where firms are able to work with Civil Society rather than in spite of it, to mutual advantage. The new word has become ‘*partnership*’, as Mayers and Vermeulen (2002), in the context of the forestry industry, noted:

Partnerships refer to the range of relationships and agreements that are actively entered into, in the expectation of benefit, by two or more parties. ... the term partnership describe[s] a very wide spectrum of deals, contracts and informal arrangements between companies and communities, which are mainly a means to share risk between the two parties, with third parties playing important supportive roles. (p.24)

However, the end result is often seen to be partnerships that don’t live up to their promise. Indeed, Crewe and Harrison (1998) recognised that the: “Ambitious aims of partnership ... often appear disappointingly empty” (p.188) and Contu and Girei (2013) recorded that: “partnerships on the ground do not translate into the official social benefits they are supposed to deliver” (p.24). Nevertheless, Eriksson (2005) cautioned: “That the partnership policy is poorly reflected in practice cannot be taken as the pretext for a conspiracy — that partnership was never intended” (p.8). As Bendell (2000a) warned: “The reality we need to remind ourselves of is one where not everything that is right to do pays, and not everything that pays is right to do” (p.97). Indeed, all things con-

sidered, it seems fairly obvious that the very nature of the commercial world dictates that responses to the inherent dilemma of partnership must always come down on the side of business interests. My own experience of working on a conservation project with forest communities in Crewe and Harrison (1998) was of a commercial partner that, rather than taking a lead to protect the supplies of its raw material in the long term, was only drawn into partnership reluctantly.

Indeed, Murphy and Coleman (2000) lamented that: “Despite a seemingly endless array of conference documents, commission reports and legally binding conventions — from Stockholm to Brandt and from Brundtland to Rio and beyond — we still seem far from finding solutions to many global-local problems in the economic, social and environmental arenas. Poverty, inequality, human rights abuses and ecological destruction continue to plague the planet” (pp.209–210). Moreover, Warhurst (2005) recognised that: “national laws, codes of conduct and voluntary initiatives are increasingly being developed that interpret the international framework of human rights for business as ‘norms’ for responsible practice” (p.156). So, whilst there are clear arguments and standards being articulated by governments and civil society the private sector is not only resisting them but is lobbying strongly to keep them at arm’s length. Furthermore, Murphy and Coleman (2000) noted that an Ethical Trading Initiative has been established which: “has two aims: to encourage companies to implement codes of conduct that embody internationally agreed labour standards and human rights in the workplace; and to encourage the use of best practice monitoring and independent verification methods” (p.211). But the question we need to ask ourselves has to be: if the private sector is in any significant way wedded to the concept of CSR why would such an initiative be necessary when enlightened self-interest and ethics should already have propelled these firms into the forefront of compliance with these regulations?

Furthermore, as UNRISD (1995) recognised: “international business cannot be expected to author their own regulation: this is the job of good governance” (p. 19) and Bendell (2000a) argued that: “current emphases on voluntarism and corporate social responsibility are misguided, as they side-step the need to create new mechanisms for the democratic control of markets and the accountability of its institutions” (p.241). Indeed, contrary to the premise outlined by Rodrik (2011) that CSR: “would allow the private

sector to shoulder some of the functions that states are finding increasingly difficult to finance and carry out, as in public health and environmental protection” (p. 211) (note that lack of finance can be attributed, at least in part, to companies pursuing ethically questionable policies of tax avoidance). Bendell (2000a) noted that: “A subject of a resolution who is also the agent making that choice between norms is neither a subject nor an agent, and the system is not a regulatory framework. Consequently the concept of industry self-regulation is a contradiction” (p.247).

#### 4. Proper Roles Based upon a Partition of CSR

At this point I feel that it is interesting to note that, in the development of Management Theory associated with effective team working (UNRISD, 1995), a number of group resources have been identified that are considered necessary to enable the most effective performance. These are Energy, Control, Influence and Expertise respectively, and it is instructive to relate these to the wider organisation of human affairs where the concept of Holism seeks to place the commonwealth of the people between the supporting natural environment, which is becoming increasingly fragile and requiring the utmost good husbandry, and the three partners of a functioning society (Rodrik, 2011) – namely Community, Government and Corporate Enterprise.:

Now, Community (or Civil Society) contributes largely Influence, Government contributes largely Control, Enterprise contributes largely Energy and all to some extent can contribute Expertise. Indeed, Bendell (2000b) observed that:

Governments’ primary concern is with a political system focusing on the creation of rules that can be enforced through coercive means such as the police and courts. Businesses’ primary concern is with economic systems where owners are in control and people are induced to do what the organisation desires through monetary rewards. In contrast NGOs focus on social systems and networks based on values and beliefs; they derive their power from their ability to speak to tradition, community benefit and values. (p.17)

If we could get a reasonable adherence by each sector to the provision of their respective resource, and if each partner supports the others in the perfor-

mance of their respective roles then we could bring about a high performing system. Clearly each is mutually dependent upon the others and should respect their complementary contributions. Members of the government and administration are also private citizens, as are the owners, managers and workers in business and industry, and should be encouraged to channel their legitimate influence democratically through civil society. The people, on whom each depends as voters or clients and customers, are also dependent upon the stability and wealth that are generated by government and enterprise respectively. All are entirely dependent upon the natural environment to support life.

What becomes clear is that any action or programme that a commercial organisation pursues that has a positive impact upon the ‘*bottom line*’ cannot legitimately be ascribed to CSR as currently formulated under the EC definition. Even when its objective is to establish a ‘*Reservoir of Trust*’ (Pieterse, 1999), it is still simply a manifestation of good stakeholder management, whether it delivers enhanced reputation, social approval, improved employee relations, competitive advantage or more generally a ‘*social licence to operate*’, and does not require any particular ethical or altruistic stance nor place managers in a double bind of conflicting motivations. Under such circumstances it would be more appropriate to refer to it as Corporate Social Responsiveness, which downplays the expectation that businesses would in some way take a leadership role that is inimical to their corporate interests, à la Milton Friedman.

In contrast, it may be argued that a proper, non-utopian manifestation of responsible business behaviour should be based upon a corporate and individual determination to act within the regulatory framework set down by government and to eschew corruption in all its manifestations, including the exertion of undue influence upon the regulatory process. Furthermore, Bendell (2000a) argued that: “there is good reason for companies to lobby for heightened regulation at the intergovernmental level in order to raise the common standard of practice and ensure greater benefit for all” (p.251). Since, as Bichler and Nitzan (2012) recognised that: “capitalists are driven not to maximise profit, but to ‘beat the average’ and ‘exceed the normal rate of return’. Their entire existence is conditioned by the need to outperform, by the imperative to achieve not absolute accumulation, but differential accumulation” (p.79).

It follows that a firm operating such Corporate Ci-

tizenship (CC) should be advocating for the establishment of a global milieu, to extend such regulation into new social and environmental arenas and the enforcement of a level playing field that would drive an ethical race-to-top. The current practice of lobbying for deregulation on the grounds that regulations impair commercial operations is unconscionable since such regulations actually represent a new field for seeking competitive advantage and the resources devoted to such lobbying could be better directed to the goal of universal corporate compliance.

Governments should concentrate their efforts upon regulating for the protection of the environment, the establishment of reasonable working conditions, health and education, infrastructure and, most importantly, providing a regulatory and fiscal framework that constitutes a level playing field for all players in a given market segment. It is not for them to set prices but to ensure the proper working of the market under regulatory control. Civil Society's role then becomes one of monitoring the private sector's compliance with the regulations, government's even-handed enforcement of the rules and lobbying for the interests of the various constituents of a pluralistic society, whether through trades unions, chambers of commerce, professional bodies, consumer groups, single issue NGOs, etc. Again, Bendell (2000a) argued that: "legal regulation is in decline and self-regulation is illogical, civil regulation is a valid depiction of modern business-NGO relations" (p.248). CC cannot get mixed up in 'bottom-line' performance, but in the ethical behaviour that upholds the rule of law and its extension into arenas that should limit the harm that enterprises can do, whether that involves harm to individuals, communities or the environment.

Finally, we need to acknowledge that all social institutions are the results of the interactions of individual

human beings, however, as Espejo (2004) argued:

the ethical/political discourse of collectivists was that of a "just society", and of individualists was that of individual "human rights" ... , we need at present a participatory discourse focused more precisely on the constitution of fair societies that recognise individuals with rights and responsibilities, that is of societies and organisations that recognise the difference between individuals and citizens. (p.676)

Indeed, Bauman (2000) argued that: "The 'citizen' is a person inclined to seek her or his own welfare through the well-being of the city — while the individual tends to be lukewarm, skeptical or wary about 'common cause', 'common good', 'good society' or 'just society'" (p.36). Thus the three partners, outlined above, are made up of people that ethical values and behaviour are incarnated in the social, economic and environmental outcomes of businesses and organisations. Despite the contention that you can have capitalism without democracy but you cannot have democracy without capitalism (Espejo, 2004), the real deal is to get the individual capitalists to behave responsibly as good citizens and to see their personal interests as coincident with those of society and not *vice versa* (Kowalski, 2014). Therefore, it is imperative that the place of ethics is advanced in our discourse on the preparation and education of all citizens. Indeed Korten (2006) observed that: "if the wise state is a product of a wise citizenry, and a wise citizenry is the product of a wise state, which comes first?" (p.152)

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