

“A Moan for the Misbegotten”
(Apologies to Eugene O’Neill)

Subhabrata Bobby Banerjee, *Corporate Social Responsibility: The Good, the Bad and the Ugly*

Cheltenham, UK: Edward Elgar, 2007

A Review by William C. Frederick, August 2008

As I read through this book’s chapters the first time, I jotted down my impressions of its general character and approach. Here is the list: cranky; dense; honest; derivative; sceptical; yes-but; a negative on every page; hates corporations and profits; negatively reflexive; favors a social agenda promoting government regulation, NGOs, and civil society; quasi-radical but no radical-action vehicle; settles for vague political economy reforms but no program to achieve them. Reaching the end of the book, I decided a closer look might be worthwhile, so here is what I found out. BTW, if you read the book, start with the last chapter where the author summarizes his main arguments and sets forth what is only implied in the first 8 chapters. Saves time, believe me.

Dissing CSR has become a small growth industry in recent years, not that such negative views are entirely new, given CSR’s long struggle to identify itself both conceptually and operationally. This book’s author joins the CSR doubters. Subhabrata Bobby Banerjee is Professor of Strategic Management at the University of South Australia, with a PhD from the University of Massachusetts that followed earlier studies in India. Author of numerous journal articles, book chapters, and conference papers, he draws heavily on his own field research (he is an expert on indigenous peoples and their mistreatment) as well as the views of others who identify themselves as critical observers of management behavior and corporate practices.

Here is his case against CSR:

- The corporation cannot promote social change because its actions are dominated by profit seeking in behalf of shareholders.
- Corporate citizenship is only another form of CSR and exhibits normative flaws, as well as doubtful conceptual parallels with individual and political citizenship.
- The evidence for a link between CSR and financial performance is dubious.
- Neoliberal views subordinate social needs to economic imperatives.
- Stakeholder approaches are compromised by unequal power relations, lack of enforcement, hypocritical corporate involvement in dialogues, and cooptation of NGOs.
- Human rights are an ethnocentric invention of the West, imposed arbitrarily on cultures with varying commitments to this ideal, matched by a long history of human rights abuses by transnational corporations, and aided by neoliberal institutions such as the World Bank and IMF. The world’s poor are especially vulnerable.

- The business case for CSR can go only as far as profits permit.
- Planetary sustainability has been corrupted and reduced to mere corporate survivability and expansion.
- Codes of conduct produce little social good without monitoring and enforcement, which are absent.
- Neither socially responsible investments nor consumer boycotts seriously dent corporate profits or policies.
- CSR engagement by corporations benefits their reputations, while deferring needed government regulation.
- Green consumption is a joke because consumers buy on price, convenience, and quality.
- CSR consolidates corporate power worldwide, opening less developed areas to exploitation of their markets and resources.
- Neoliberal ideology is built into the policies and practices of the World Bank, International Monetary Fund, and World Trade Organization, thus strengthening the grip of transnational corporations and weakening the prospects of CSR.

As an antidote to this woebegone view of CSR, the author considers other possibilities such as the Millennium Development Goals, David Korten’s “truly responsible corporation”, various social movements organized by activists, green-world advocacy, and the mislabeled “liberal communists” that include George Soros—and Ross Perot (!). But with his unremitting negative reflexivity, Banerjee expresses doubt that any of these approaches has a chance of going very far or producing the needed reforms.

The solution is—hold your breath!—thinking our way towards a better world. That’s not quite fair but captures much of the author’s preferred approach. The idea is to re-envision the corporation, defining it in social, not economic, ways—moving away from a nexus-of-contracts model (which, in true post-structuralist fashion, tells only part of the story) to one embracing a “discursively imagined” and more socially inclusive institution. One should look at the corporation for what it does or can be made to do (its “processes”), not what it is lawfully declared to be (a mere legal entity or “essence”). It’s all a matter of uncovering and redefining Foucaultian discursive tricks that have bound the social to the economic—hoping, of course, to reverse this formula.

Just exactly how this state of affairs is to be brought off is not made entirely clear, although there are hints. [My italics in the following.] There is a need “to *overcome the opposition of the various hegemonic blocs* [read corporations] whose power is threatened by . . . reforms.” “What is needed is some kind of *supranational agency* with enforcement powers working in partnership with . . . *local advocacy groups and NGOs* . . .” “A *complete refocusing of the mandate* of supranational organizations like the United Nations, World Bank and World Trade Organization is required . . .” “The *emancipatory possibilities of international and national legal systems* could provide the basis of a normative shift in decision making . . .” “Unless we change *the way current political economies are organized* it is very difficult to see how an ontological shift in the nature of a corporation will occur.” “Any meaningful and sustainable corporate involvement in addressing global social problems requires *a radical rethinking* of the purpose and legal

personality of the corporation accompanied by *structural changes* in the larger political economy.”

Sounds radical or maybe even revolutionary? Not really. Nor are the views, or sinister-sounding book titles, of the several quasi-radical authors cited in support of Banerjee’s rejection of the value and usefulness of CSR: George Monbiot (*Manifesto for a New World Order*), David Harvey (*The New Imperialism*), Noreena Hertz (a Wharton MBA!) (*The Silent Takeover: Global Capitalism and the Death of Democracy*), Joel Bakan (*The Corporation: The Pathological Pursuit of Profit and Power*), and several other anti-globalist critics, all of whom stop way short of revolutionary action.

Having said that “in some instances the corporation is a useful vehicle for social change but in other circumstances there will be a need for more regulation and community involvement,” Banerjee then settles for a quite conventional approach: “. . . a stronger regulatory environment may be required to address social ills in a more meaningful manner. Broader social goals such as democracy, social justice, citizens’ health and welfare, environmental integrity and cultural identity are sometimes incompatible with the narrower corporate goals of self-interest and shareholder value and require a regulatory system with authority and democratic legitimacy that go beyond those provided by a market-based system.” It’s funny, but when I put these two ideas together, they sound just like what CSR is all about—and has been for over a half century.