

## The politics of CSR. A post-democratic advance

In management studies, *Corporate Social Responsibility* is usually being dealt with as a neutral instrument that – such as a *Corporate Identity* – belongs to the corporation and is contingent basically on its individual values and strategies. Therefore, there's usually no debate on the actual meaning of this responsibility. This distinguishes the management discourse from earlier *ethical* debates that focused on the actual premises and implications of a responsibility of corporations – something that's reflected in legal debates and singular legislation on corporate manslaughter and corporate homicide. It also distinguishes and shields the management debate from the political debate that has been going on for years – and which reveals that *CSR* is not simply an acronym (which management discourse and corporate lobbying suggest), but rather a *paronym* of (lower-case) corporate social responsibility – similar, but not the same.

Our contribution will consist of two parts: We will first try to identify the conceptual core of *CSR* as a management fashion. We will then sketch its evolution and assertion in the context of European and Austrian political debates.

*CSR* has its origins in corporate reactions to a profound "moral crisis" of neo-liberal capitalism in the wake of globalization, financial scandals and a general societal retreat of businesses. Conceived this way, *CSR* reveals itself as a post-neoliberal concept that does not – as in Milton Friedman's well-known epitome „The social responsibility of business is to increase its profits“ – outright *deny* responsibility for collective ends, but does actually *redefine* it as a potential business opportunity. At the same time, *CSR* constitutes a post-democratic conception asserting that corporations and markets would solve social problems in a more efficient and effective way than governments or civil society (Crouch 2012). This is the very issue at stake in the political discourse on *CSR* between business and civil society interest groups.

In this context, the new, dominant notion of *CSR* can be described as what's been called a „new capitalist spirit“ (Boltanski & Chiapello 1999): an effort to reconcile neoliberal doxa with its critique – and at the same time to *exploit* it for profits. The central *paradigm* of *CSR* along this line has become the strategic „business case“ (Porter & Kramer 2011): It is explicitly void of any ethical (if not strictly utilitarian) presumption and has recently even been stripped of its original reference to corporations' responsibility to society, by renaming it *Creating Shared Value (CSV)* – a concept that's recently been adopted by global players such as notably Nestlé.

This re-definition of *CSR* (and even its renaming) in economic terms has to be seen in the context of a power-laden political discourse. Specifically, in our analysis, we will reconstruct the diversions in European policy-making on *CSR*, and – more recently – show the institutional ambiguities of business interest groups regarding the recent draft *Austrian CSR Action Plan*. This analysis will be based on written documents issued by the *European Commission*, the *European Parliament*, the *European Council*, and business and civil society interest groups; on interviews that were made with high-ranking representatives of these institutions; and on historical (Kindermann 2013) and political accounts (Crouch 2012) on the subject.

The contribution aims to show that, if *CSR* is to become an effective instrument of global governance, it also has to become the subject of true democratic political debate – and not be left to an often hoped for “moralization of markets”.

### References:

- Boltanski, Luc and Chiapello, Ève (1999): *Le nouvel esprit du capitalisme*, Paris.
- Crouch, Colin (2011): *The Strange Non-Death of Neo-Liberalism*, Cambridge.
- Kindermann (2013): *Corporate Social Responsibility in the EU, 1993-2013: Institutional Ambiguity, Economic Crises, Business Legitimacy, and Bureaucratic Politics*, in: *Journal of Common Market Studies*, Vol. 51 No. 3, July [forthcoming]
- Porter, Michael E. and Kramer, Mark R. (2011): *Creating Shared Value*, *Harvard Business Review*, Vol. 89, Issue 1/2, pp. 62-77.

## Authors:

a.o. Univ. Prof. Dr. Bernhard Ungericht  
Forschungsstelle Wirtschaftsethik und Corporate Social Responsibility  
am Institut für Unternehmensrechnung und Reporting  
Karl-Franzens-Universität Graz  
Universitätsstraße 15/G/E  
8010 Graz

+43(0)316/380-3642  
[bernhard.ungericht@domino.uni-graz.at](mailto:bernhard.ungericht@domino.uni-graz.at)  
<http://uni-graz.at/fswecsr>

Dirk Raith  
Forschungsstelle Wirtschaftsethik und Corporate Social Responsibility  
am Institut für Unternehmensrechnung und Reporting  
Karl-Franzens-Universität Graz  
Universitätsstraße 15/G/E  
8010 Graz  
+43(0)316/380-3649  
[dirk.raith@uni-graz.at](mailto:dirk.raith@uni-graz.at)  
<http://uni-graz.at/fswecsr/raith>

---

Bernhard Ungericht is an associate professor at the Institute for Accounting and Reporting at Graz University, where he heads the Research Department for Business Ethics and Corporate Social Responsibility.

Dirk Raith is a lecturer and researcher at the same department. He also teaches business ethics at the local FH Campus02 (with B. Ungericht) and FH Joanneum.