

ECO-IMPERIALISM: Green Power - Black Death

Excerpts from Chapters

(Note: All endnotes and citations in original text have been deleted; asterisks denote missing text.)

1. Corporate Social Irresponsibility

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Meanwhile, at the international level, a lengthy series of conferences and reports ... resulted in the formulation of far-reaching policy pronouncements, on what today are inextricably linked doctrines of corporate social responsibility, sustainable development and the precautionary principle. The process continues today, with United Nations Secretary General Kofi Annan taking a keen personal interest in the doctrines and actively promoting their widespread implementation, thereby expanding the power and influence of the UN.

To confront the growing dilemma, regain a measure of control over their core mission, and reach out more effectively to the growing array of stakeholders, a number of multinational companies from 30 countries organized the World Business Council for Sustainable Development. The Council's membership includes AT&T, BP, Ford, General Motors, Mitsubishi, Monsanto, Nestle, Procter and Gamble, Rio Tinto, Shell, Sony and Toyota. By developing mission statements and articulating corporate goals and a commitment to various CSR benchmarks, the companies say, they will be able to meet societal expectations more consistently.

Of course, most modern companies now accept these principles as basic components of their corporate philosophy, whether or not they are members of the WBCSD. They understand that, today, everyone expects to be treated fairly, and enjoy a better world for themselves, their children and their communities. Employees, executives, shareholders, customers and other stakeholders expect companies to safeguard environmental values and human health, root out corruption, conserve energy and mineral resources, minimize pollution, provide jobs, and aid the world's poor. And they expect companies to do all this while simultaneously advancing science, developing new products and technologies, bolstering their competitive positions and profit margins, and meeting the unique needs of the customers, cultures and communities they serve.

But despite the companies' best efforts, the corporate dilemma has only worsened. Activists frequently allege that many companies sign CSR pledges only to garner favorable press, enhance their reputations, deflect criticism or appease their critics. Other businesses, they say, merely hope to delay or forestall new regulatory initiatives, get accolades from "socially responsible investor" groups, gain an advantage over competitors, or generate material for slick advertising campaigns. They give lip service to social responsibility, sustainable development and precautionary principles, activists say, "but otherwise it's just business as usual."

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However, the real root of the problem is far different from what activists allege. The awkward truth is that corporate social responsibility doctrines – as currently defined, interpreted and applied by activist stakeholders, regulators, courts, foundations and international bodies – create significant problems. And not just for corporations. Families, communities and nations, especially in the Third World, are particularly hard-hit.

In too many instances, it is the activists who insist on defining “society’s expectations,” the “well-being of society,” and what it is that must be “given back” to society. Year after year, the demands ratchet upward. And year after year, instead of challenging the activists and their doctrines, many companies attempt to “go along to get along,” assuming they can simply pass on to consumers and taxpayers the costs of kowtowing to radicals.

As *The Economist* has put it, they neglect to take issue even with the “nonsensical claims” made against them. They “fall all over themselves to compete for an ethical Oscar.” They lumber into the trap of implicitly agreeing with their critics “that companies are inherently immoral unless they demonstrate that they are the opposite – in effect, guilty until proven innocent.”

In short they attempt to play the CSR game so as to placate their implacable foes, forgetting Winston Churchill’s famous admonition: “An appeaser is one who feeds a crocodile, hoping it will eat him last.”

Competing for top honors on various social responsibility honor rolls, continues *The Economist*, “may keep activists off a company’s back,” at least for a time. “But although sucking up to politically correct lobbyists might seem a small price to pay to keep them quiet, in reality it can reinforce the conviction that companies have a case to answer – escalating criticism, and perhaps helping to create a climate in which heavy regulation becomes politically acceptable.”

Other corporations, and many developing countries, take a different tack. They try to redefine the term to fit their own particular circumstances or promote elements of the public interest that they believe are especially important. While some of these efforts have succeeded, many have failed. CSR proponents bristle at such dissent, while continuing their pursuit of increasingly complex and inflexible rules and standards.

In some instances, corporate CEOs and executives cave in to pressure for a totally different reason: to shield themselves and their families from repeated intimidation, and even physical assaults. The militants’ repertoire of “persuasive” methods now includes fire-bombings, beatings with pick-axe handles and other methods that a mafia don would certainly appreciate.

Some companies, however, seek less salutary ends, succumbing to the Dark Side of the CSR Force. Indeed, BP’s actions may be merely among the more highly visible examples of a propensity increasingly shared by for- and not-for-profit corporations alike:

to stretch the truth ... reinvent reality ... substitute hype, spin and clever advertising for honesty ... and play fast and loose with ethics, the law and the numbers – in order to promote products and programs, attract investors (or donors), and convince journalists, politicians, judges and regulators to turn corporate and activist agendas into coercive public policies.

Certain activist groups in particular have become amazingly ingenious in promoting their agendas, by cloaking them in the mantle of “the public interest” or “social responsibility.” In doing so, many take advantage of the fact that they are not held to the same ethical standards, or covered by the same laws and regulations, that apply to for-profit companies. They behave as though they should not be held accountable for breaches of trust or for the consequences of their actions, because they are “guardians of the public interest,” or are too vital to their local (or even the world) community to be “restricted” by rules that govern for-profit organizations.

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What all this reveals is a profound and disturbing convergence of ideology, activism, marketing, politics and financial gain, to further radical political agendas. Indeed, a strong case can be made that this is now the *modus operandi* for the huge multinational “ethical” investment groups, foundations and NGOs (Non-Governmental Organizations) that increasingly dominate the global

political scene. Many of these pressure groups frequently work hand-in-glove with companies – condemning and shaking them down one day, then accepting secretive contributions or devising joint legislative, regulatory and public relations strategies with them the next.

Charles Schwab argues that trust in business will be restored only when companies accept three fundamental principles: transparency, disclosure and accountability. There is no reason that these same expectations should not be applied to unelected activist power brokers, like The Nature Conservancy, NRDC, Greenpeace, Friends of the Earth, Amnesty International, or even US, EU and UN bureaucrats, whose taxpayer-funded grants further support the activist organizations.

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However, it is now becoming clear that the demand for integrity must also be extended to radical pressure groups, socially responsible investor firms and other activists that seek to use public resources and regulatory regimes to impose their worldview and agendas. They too need to be scrutinized much more closely – and compelled to operate in accord with the same rules that govern the rest of our society.

The time is long overdue for NGOs, activist “stakeholders” and government bureaucrats to do what they demand of business: Adopt internal ethical standards and penalties, and support legislation and regulations that would apply the same ethical rules and standards to them, as now apply to Wall Street, business and professional associations, and for-profit corporations.

In short, the activist groups need to do what the WBCSD suggests all corporations must do: demonstrate that they can “behave ethically and responsibly, in return for the freedoms and opportunities that society bestows” upon them.

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