

# Red Roots of Corporate Irresponsibilities (Corporate Social Responsibility with a Historical Twist)



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*Slogans were empty suits draped on the corpse of an idea  
(Viet Thanh Nguyen 2015, 267)*

## 1 Introduction to the Academic Landscape of the Post-communist Research

The fall of communism breeds analogies with the fall of feudalism. English gentry fenced off the commons at the beginning of the capitalist revolution. “Tragedy of the commons” is a contemporary ideological echo of an attempt to justify this post-feudal fencing. In the late twentieth century fencing Russian, Chinese or Polish communist gentry fenced off state property at the beginning of the communist devolution. Tracking and removing the post-communist networks from public life should have been both a political and an academic, cognitive, scientific challenge. This challenge has not been met. The tracking of the communist injuries and their reconstruction (or compensation) is hampered by a historical neglect. Organized academic programs and schools need time and funding and are vulnerable to sponsoring pressures. Post-communist establishments have a formidable network of ideological constraints on social research. Chinese communist elites are not exposed to a reliable research, nor are the Russian ones. To a certain extent, the Polish, Czech, Romanian, Bulgarian or Hungarian ones are—but the process is hampered, not in the least by the “useful idiots” among the western, primarily

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German, media professionals. German media conglomerates owe 80% of the Polish local press, TV and social media and they clearly prefer a deal with the post-communist networks to their exposure to judgement. This unwillingness to face the post-communist problems is defended with many alibis.

Let us consider a simple case in point. Why would the mainstream media in the European Union (say, *The Guardian*, *Die Welt*, *Le Monde*) care for Muslim immigrants, low percentage of women in executive suites and Lesbian single mothers and not about the entire populations of their fellow-citizens recovering from the colonial (Africa, Asia, South America) and neocolonial (all of the above plus central and eastern Europe, which had been colonized first by Soviet Russians and then by core EU economies) oppression, discrimination and terror (the communist one in central and eastern Europe, Asia, Cuba)? Well, because the former communists managed to network for maintenance of privilege in central Europe and China and offer a ready-made virtual monopoly of the media to the relative newcomers to the elite recruited from the anti-communist opposition. Well, because a choice of political allies in post-Gaddafi Libya or Syria torn by a civil war is difficult and it is even more difficult to explain to large audiences. In the Polish case the former communist elites managed to strike deals with parts of emergent the “Solidarity” elites and with the European Commission and the European Parliament. When the Polish “Law and Justice” party seriously advanced the de-communization of the Polish state institutions, when Poland and Hungary started questioning the Europe of two velocities, liberal and left parliamentarians in the European Parliament started opposing it as an attack at democracy (as if democracy was a divine property of ex-communists promising continuity of power in colonized central and eastern Europe with some usefully co-opted liberals and neo-liberals).

This offensive of ideological correctness enabled the EU ideologues working through the mainstream media in the EU member states to not to notice 1.5 million Ukrainian migrants working in Poland (who make Poland one of the most hospitable countries in the EU with the most diverse and successfully integrated workforce) and focus on principled resistance of the democratically chosen government to a compulsory allocation of new migrants. The new migrants, invited single-handedly by the German government, rapidly emerged as a burden on the rich countries of the EU. The decision to dump this burden on the new members states of the European union from central and eastern Europe demanded a systematic and media-managed process of organized forgetting (a process supported by the evolution of preferences of citizens under democracy, cf. Achen and Bartels 2016).

## **2 CSR in New Public Management of the EU**

Tacit and systematically overlooked causal link of the colonial and neocolonial inequalities surfaced in spite of the mainstream media conspiracy of silence. The core capitalist states of western Europe became rich because they had profited (and still profit) from colonial and neocolonial exploitation and from the recent historical

fact, namely that they had also happened to be on the western side of the iron curtain during the Cold War. Older stories also re-surface (in case of the Dutch colonial history the “Robber State” stands out, cf. Vanvugt 2017). Likewise, the acknowledgment of Belgian genocide in Kongo should result in removal of the statues of king Leopold directly responsible for this crime from public spaces (as it did in removal of the monuments of heroes of the Confederates in civil war in the USA and in removal of the monuments of Red Army soldiers from public spaces in Central and Eastern Europe). Acknowledgment of the moral right of the Poles to demand German compensation for genocide and destruction of property in World War II should result in a reversal of the policy of calling German concentration camps—the Polish ones, and avoiding reparations after 1945. Calling upon central European states to become the buffer zones for the immigrants invited by Germany and heading primarily to Germany and the United Kingdom exposed the double asymmetry. First, neither Poles, nor Hungarians ever had colonies, so they should not be included in the post-colonial compensation package. Second, it was definitely Germans, and not mythical Nazis who evaporated into historical vacuum, who started WWII, killed six million of the Polish citizens, and destroyed property on a mass scale, so they should stop avoiding the Cold War power games and alibis—and face their responsibilities as far as compensating victims goes. These asymmetries have not been studied and they have been downplayed in the mainstream media. Hence the revenge of historical neglect—inability to comprehend contemporary problems and a refusal of the political elite of the European Union to see the crisis.

For the sake of the present paper let us focus not on African colonies or German guilt, but on the post-communist contribution to the crisis. The crisis is closely related to the post-communist takeover of the Russian state (Putin is not formally a communist but he emerged from the communist secret services and undermined both state administration and the democratic representation) and the post-communist alliances with the emergent political elites and media professionals in central and eastern Europe. Former communists and their neoliberal allies tacitly agreed on colonizing the post-communist countries of central and eastern Europe and offering this new colony to the power brokers in Brussels. When the Hungarians and the Poles started questioning this neocolonial policy—their leaders became the scapegoats of the EU media. Media may obscure the real sources of the crisis by scapegoating politicians who pioneered its recognition, but academic researchers should not be as blind as targeted media audiences.

Can this inability of the academic and political elites in the EU and of the media professionals to reject the left illusions—the inability to analyze contemporary problems of the EU—be overcome? If we apply the principles of CSR to the working of the European Commission and the European Parliament—yes, we do stand a chance. Grasping this chance should begin with the radical democratization of the European Union. Such democratization of the EU is as necessary as the systematic de-communization (including the neutralization of the post-communist power networks) in Central and Eastern Europe. Both are the keys to further successful development of the European community experiment. This time with CSR as part and parcel of managerial package.

### 3 Corporate Social Responsibility and Historical Memories

One of the necessary steps in dealing with historical memory of the Europeans is the creation of the international tribunal of justice for the public review and legal processing of the communist genocide. Communism has never been tried by a court of law established by a global civil society interested in allocation of responsibility and the punishment of the perpetrators of the communist genocide (repetition of genocidal projects in Rwanda and Miramar demonstrates that the deterring effect is worth creating). We should learn from our failures to come to terms with genocide perpetrated in and by Russia, which never de-stalinized and is currently re-stalinizing. Similar cases in Cambodia and Rwanda have also demonstrated failure of moral imagination on the part of the civilized world.

Communist crimes—including Russian genocide—had not yet been morally and legally processed by International Tribunal of Justice nor by the international public opinion and this is the prime evidence for a red corporate irresponsibility even in face of clearly criminal record. What I mean by red corporate irresponsibility is the organized campaign of cover-up of Stalinist and later crimes by the state bureaucracies commanded by the communist parties. German war crimes and genocide under Hitler were at least exposed to a legal scrutiny in Nuremberg—but only due to a military defeat in World War II, not due to a routine working of international law, nor due to the effectiveness of the League of Nations, not due to the ability of the world public opinion to bring those guilty of genocide to justice. Nor was the de-nazification deep enough (or mostly avoided—like in Austria, whose citizen, Kurt Waldheim, who committed war crimes as a German officer, even served as the highest functionary of the United Nations). Nor were Germans required to compensate the country they damaged most—namely Poland.

Time to do the historical homework in the European Union and time to see what influence could CSR policies have in preventing the corporate giants from opportunistic and immoral exploitation of such windows of opportunity as tax haven in Luxembourg or elsewhere, as secret nuclear armaments program in North Korea or elsewhere, as construction of energy infrastructure in the Crimean Peninsula occupied by the Russian military under Putin. Siemens, a German-based multinational corporation should not have been allowed to sell power generating turbines for the Russian occupied Crimea, and German government should not have allowed it. It could be prevented, if Siemens did have working CSR policies and if German government had also acted according to the ethical principles. But is CSR policy a sufficient instrument for safeguarding moral conduct and refusal to cooperate with moral suspects?

OECD Guidelines for Multinational Enterprises and United Nations Guiding Principles on Business and Human Rights should be complemented with ethical guidelines for dealing with the past injustices, of which the colonial exploitation before WWII and the neocolonial exploitation after WWII stand out as problems we should not avoid tackling any more. Neglected moral homework of mankind should be acknowledged and completed. Genocide conducted by former communist elites

(especially in Russia, China, North Korea and Cambodia) should be processed and remembered in all history handbooks, as is the German genocide committed mostly in German concentration camps. History handbooks of all member states of the EU should devote more attention to the historical tragedy of Yalta agreements. From the point of the EU project, the Central and Eastern European states had been betrayed in Yalta by the western allies, missing both the post-war reconstruction within the Marshall plan and the emergent common market initiatives which resulted in the creation of the European Union. The Yalta tragedy should be significantly more exposed in handbooks of history of all world's schools. Hitler and Stalin started WWII together by jointly invading Poland (on September 1st and September the 17th, 1939, respectively). They both planned attacking one another, but Germans attacked first. Stalin joined the western allies demanding colonies for his communist experiment—and got them. After the fall of communism his political children, former political successors (“round table” negotiators in case of Poland) managed to secure a dominant position in post-communist political orders. These post-communist networkers made skillful use of the ebb and flow of political activism and survived early attempts at de-communization (cf. Kaminski 2014; Nauka.gov. 2017). Is CRS enough to purge them?

#### **4 Is CRS Enough?**

Corporate Social Responsibility, according to the most democratic definitions provided by Wikipedia, is a recent form of an organizational self-regulation exercised inside business organizations and frequently transferred to organizations managed by public authorities. Even Google tries not to be evil, even Enron did strategic charities, so why shouldn't a national government ministry or a public university follow the suit? As of the present writing—they have just done so. New Public management is not only about streamlining efficiencies but also about transparent displaying of responsibilities. Success is mixed. If CSR can be called a success—it means that corporate social responsibility can be exercised not only in business companies but also in professional bureaucracies, especially if they had been subjected to the reforms often labelled as “new public management”. Synonyms of CSR include corporate conscience, corporate citizenship and responsible business—since we associate a democratic manifestation of civic responsibilities with an appeal to higher values and a contribution to the goals of broader stakeholders of business corporations and public bureaucracies—citizens, employees, consumers, investors, special interest groups, religious and national communities, protected minorities, etc. Theoretically, corporate social responsibility should provide a missing link between a routine daily scrutiny of managerial decision making and a more thorough but less frequent moral audit of the broader and more lasting consequences of collective activities influenced by the very same managerial decision-making—considered both from the point of legality and moral worth.

CSR is often discussed in the context of globalization (which enables networks of states and markets to influence their members through, say, the European Union or a North Atlantic Treaty Organization) and neoliberalism (which weakens local regulations and professional controls, encouraging migrations and the rise of the “precariat”). Both globalization and neoliberalism frequently result in a clash of concerned corporate citizens with the neoliberal professionals and mainstream media. Concerned corporate citizens would like to prevent collective agencies from committing crimes of neocolonial defense of status quo and neglecting to respond to dubious practices of unfair exchange. The neoliberals usually claim that the business of business is business, and business requires putting profits above any other possible goals of a business corporation or a state. Does CSR offer a chance of taming the corporate greed and of turning this conflict between ethical values and quasi-military priorities of market competitors into creative channels of desirable social transformations? And does it stand a chance if the usual neoliberal interpretation of the logic of capitalist markets is coupled with the co-optation of the post-communist neo-capitalists and quasi-democrats? We are asking this question in multi-mediated Plato’s cave, in which the ideological sugar-coating is made of the leftist hopes of the 1968 generation, but infrastructure is a solid market capitalism embraced by increasing affluence of evolving societies.

## 5 CRS in World’s Former “Red” Zones

CSR is very rarely discussed in the context of the long red shadows thrown on the post-communist societies by the former communist power elites. Viet Thanh Nguyen wrote about both sides of the Vietnamese war while embedded in the US society and professionally successful in creative cultural institutions (University of Southern California, US literary prizes establishment). No comparable quality literature emerged in the communist-ruled Vietnam (and if it did, it was not directly available in the multi-mediated cultural communications in the West, a fact which Nguyen himself regrets, cf. Viet Thanh Nguyen 2017). Former top functionaries of the communist mono-party, of the party-controlled government, of the police and of the military secret services managed to transfer their elitist privileges (organized impunity and irresponsibility guaranteed by the communist society’s organizational matrix and secrecy) into the post-communist ownership and command of democratic institutions and market companies. This phenomenon led to the creation of the post-communist oligarchs in Russia and to the similar, although less extreme, developments in other post-communist countries. Parts of the former communist elites managed to transform former state property into their private assets, the process still relatively unknown and gradually detected, publicly described and legally uncovered. A sequel to Viet Thanh Nguyen’s “The Sympathizer” could very well be written among the new business tycoons of the post-communist Vietnam fighting Kenyan and Brazilian coffee producers, and competing successfully against the Chinese and Indian tea exporters.

Here is the pro-communist irony of fate: the Polish success in undoing this corruption after the elections of 2015, which broke the post-communist oligarchy (of which Donald Tusk was a prominent member) is criticized by the EU power elite prompted by Tusk and networked with the post-communist politicians. Red roots of this systematic undermining of the institutions of the reconstructed civil society by former communist power elites are relatively easy to detect, but much more difficult to remove. The removal of the post-communist corruption is hampered by the fact that communist top henchmen have never been brought to a court of international law. Neither Stalin, nor Pol Pot, nor Mao Dze Dong, nor their collaborators, had their Nuremberg trial.

We are quite aware that the communist take-overs and their rule of terror were as bloody as fascism/Nazism and could compete on the dead body count in the past century. And yet, they had not been brought to justice. Stalin and Beria were killed by their close collaborators, but Mao died in bed, as did Honecker or Jaruzelski. Gulag archipelago, the long history of Russian, Chinese, Cambodian or North Korean genocide and crimes against mankind had not yet been morally and legally processed by International Tribunal of Justice and by the international public opinion. In a sense, only victims of a German regime of Hitler have been granted a status of victims of genocide, of a crime against mankind (but not a status of a victim that a German state should compensate). A victim of a Russian Soviet (or Cambodian, or Chinese) genocide is still unmentioned in mainstream left-liberal media and tacitly counted as an indispensable social cost of political experiments, unfortunate by-product of large-scale historical processes, not an unhappy human victim, wronged, tortured and murdered (for a reconstruction of the communist ride on the waves of popular unrest, cf. Kolakowski 2008).

Corporations and states learn from the totalitarian experiences of the past. Corporations know today that IBM should not have sold its office equipment to Germans, who used it to manage genocide more efficiently and effectively. Socially responsible corporations know that they should not have avoided paying taxes to the EU member states by misusing a Luxembourgian tax heaven run by a certain Jean Claude Juncker. Corporate Social Responsibility is an applied ethical initiative and when it emerges in a given context, it should be analyzed from the point of shadows of this context's past. Colonial and neocolonial past in the case of the core EU countries. In the Central and Eastern European member countries of the EU one should also acknowledge and process the hidden injuries of unpunished neo-colonization of the post-communist countries (in which the former communists were eager complices). We cannot—CSR says we should not—ignore the moral context of CSR's implementation, the shadow of crimes without punishments. Only if we face them, can we go on discovering, inventing, designing the evolving democratic institutions and patterns of collective action (cf. Smith 2016).

OECD Guidelines for Multinational Enterprises and United Nations Guiding Principles on Business and Human Rights should be complemented with ethical guidelines for dealing with the former communist elites and their successors (very frequently their offspring). Determining their responsibility for the past genocide and present corruption will require a screening of the perpetrators of the daily banality of

the communist evil. This initiative is necessary if global threats posed by those who deny the communist holocausts are to be successfully faced and removed in order to further sustainability.

## 6 CSR and Oligarchic Risks

The fall of ENRON is a case in point: irresponsible practices had been exposed thanks to the morally brave whistle blower and those guilty of crimes and misdemeanors, even if from the very top of the corporate executive hierarchy, have been duly punished. In spite of some conspiracy theories about the same being presently done by the Googles, the Facebooks, the Amazons and the Microsofts or Apples (cf. Peretti 2017), we are not completely “rebooted” yet. Can the same defense against secret “rebooting” be raised in the case of the institutions of market democracies subtly undermined by the elites of the communist system trying to prolong their influence beyond the breakdown of the communist administrations?

Corporate Social Responsibility of a public institution assumes and requires transparency. Transparency requires uncovering the continuity of privilege of the former communist professional power brokers (who had been distributed through an array of different networks and institutions prior to the formal dissolving of the communist state) in Central and Eastern Europe. Interestingly enough, not many political scientists ventured a difficult reconstruction of the policies of the European Union impacted by the Polish “Solidarity”—as it broke the communist hold on the post-Yalta Europe in 1980 and led to the “round table” peaceful dismantling of the communist state. This happened around 1988. A year later East Germans removed the Berlin Wall (this happened in 1989), consigning the German Democratic Republic (1989) and Soviet Union (1991) to the dustbin of contemporary European history. Multicultural policies of Brussels and Berlin, of the German and EU political elites, culminating in the Maastricht treaty, were not particularly transparent at least as far as the consulting activities with the large multinational corporations (Dutch-British Royal Dutch Shell is the case in point) went. The same could be said about the EU policies generated in the years 2015–2017; they lacked transparency, were partisan in supporting leftist-liberal ideological “cocktail” and sought no democratic foundation in popular, genuinely negotiated support. This is why they ultimately failed, not because the progressive elites in Brussels or Berlin were sabotaged by Syrian human traffickers, Islamic radicals or conservative European constituencies. They failed, because in September 2017, when the allocation principles expired, no member state met its obligations (except for Malta, which accepted 137 refugees against 131 planned). In this sense, exposing institutions and corporations working for multicultural allocation of illegal migrants smuggled through the Mediterranean Sea might be aided by CSR. The legitimacy of the EU decisions would be well served by the Corporate Social Responsibility policies applied to the EU bodies, which are perceived as a decaying project of bureaucratic elites cutting all ties with their constituencies and with their historical roots (cf. Nguyen 2015 for a complex



network of historical compromises between citizens, states and secret services). CSR policies should also be applied to the NGO's, which frequently collaborated with smugglers of immigrants, providing—for instance—rubber boats. In a sense, fear of patriotism made the elites fear national pride and go for emotionally flavorless cosmopolitan blandness of civic participation.

Reading the European “constitution” (rejected by the French or the Dutch but applied by Timmermans—illegitimately—against Poland) one cannot fail to notice that the ruling bureaucracies of the EU are afraid of mentioning the role of either Greek philosophy, or Christian religion or the Roman law in shaping the European project for over 2000 years. However, the very negotiation of the future of the European Union requires facing the real challenges (Brexit, Catalonia, French subversion of financial rules of the EU) and not salvaging of the neocolonial inequalities within the Europe of two velocities. This neocolonial stabilization of the new, enlarged EU, has already been undermined by the Russian military invasion of Ukraine and Russian corruption of German industrial establishment (Nordstream 2 is the case in point. German politicians are rewarded, as former chancellor Schroeder, with lucrative positions in Russian oil and gas exporting corporations, where no attempts to introduce CSR are ever made). The European project has to be re-negotiated among all member states, old and new, not re-allocated by the old among the new. This is the revenge of the democratic deficit on the EU project. This is the deficit, which introduction of CSR policies inside the institutions of the European Union can help Europe, Inc. survive in contemporary world.

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