Chapter 16
Liberal CSR and New Marxist Criticism

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Abstract The term 'corporate social responsibility' (CSR) is considered by the new Marxist left to be a self-defeating oxymoron. In this chapter, the new Marxist challenge to CSR as a meaningful, coherent concept and practice is discussed. In the wake of the financial crisis the critique from the Marxist-inspired left tends to replace the scepticism of the libertarian right (Friedman 1970). The legitimacy of business in society is at stake, and the critical left is well placed to debunk the integrity of business's claim to social responsibility.

To provide an overview of current Marxist inspired CSR thinking, this chapter introduces the Hegelian inspired critique of a New Spirit of Capitalism (Chiapello 2013) as well as the critique of ideology targeted at the neo-liberal project of corporate responsibility (Žižek 2008; Fleming and Jones 2013).

Subsequently, two possible liberal 'revisions' to the Marxist inspired scepticism of CSR are presented and discussed: first, the theory of a social connection model (Young 2006), and then the theory of deliberative democracy and political CSR (Scherer and Palazzo 2011).

Finally, the chapter concludes with a plea to reconsider the classical Marxist concept of exploitation.

16.1 New Marxist Thinking on CSR

A defining trait in recent Marxist thinking and critique of corporate social responsibility (CSR) is that the concept is a complete non-starter. Such profound scepticism about CSR is seen in Fleming & Jones' self-reflective comment on the title of their recent book *The End of Corporate Social Responsibility: Crisis and Critique*: 'we feel that corporate social responsibility never really began' (2013, p. 1). They continue 'We know that the CSR discourse is untrue, *but we act as if it is true*' (ibid. p. 88 emphasis in original). CSR is thereby described as the 'opium of the masses' that covers up the true misery of capitalist exploitation (ibid. p. 67). The perceived

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inherent oxymoronic and self-defeating nature of CSR that is the new Marxist inspired critique has gathered more adherents in the wake of the financial crisis. It might seem as if business ethics designed for legitimating the role of business in society is not well equipped for engaging a public suffering from the devastating effects of the crisis. Trusting big corporations to act socially responsible and serve the public good is certainly difficult for people to believe, now that they are paying for the *financialization* of the economy and the resuscitation of the financial sector (Marazzi 2011, p. 26; Chiapello 2013, p. 76). However, ordinary people as consumers become sceptical about CSR due to events beyond the financial crisis, in the spectacular media coverage of scandals such as Shell's controversial operations in the Niger Delta and Nike's use of sweatshop labour in their supply chain. Business corporations' public legitimacy – their licence to operate – is called into question by such media exposure, and it feeds the Marxist suspicion of capitalist exploitation and ruthlessness. Surprisingly, recent Marxist thinking on CSR is not primarily concerned with the victims of exploitation (they are implicit to the approach). Rather, the theoretical focus is directed towards how capitalism works, how business corporations and business people take advantage of the tendency towards *responsibilization* (Shamir 2008) in society at large. Obtaining an overview of the on-going and proliferating academic, and also more interventionist politically-oriented, writings on Marxism and CSR is difficult. Most of the academic work is done from within the continental tradition of European philosophy, owing its legacy to Hegel, Nietzsche, Heidegger and Foucault. Hence, this writing reflects a distance towards both liberal and the analytic philosophical inspired approaches. Since much business ethics thinking has a background in the rise of American business culture from the 1950s and onwards, the relationship between CSR and liberalism is rather close (Richter 2010). One could say that the very *raison d'etre* of CSR is to help the private business sector gain a solid footing in society in order enhance profits. The early libertarian criticism of CSR, as articulated by Milton Friedman (1970) and the subsequent libertarian defence of CSR found in the work of Porter and Kramer (2006) call for 'creating shared value' in scenarios of public-private win-win cooperation. In this view, CSR is a means toward an end: profit-making, despite Friedman's scepticism of the CSR project. In fact, the current Marxist criticism of CSR is the true heir to Friedman's scepticism. Today it is the Marxists who attack the pretence of the 'role of business in society' that defenders of CSR must address. However, this diagnosis of the academic agenda is not backed up by a multitude of eager defenders of CSR who address Marxist inspired criticism. The liberal, and in some cases conservative (Solomon 1992), outlook that characterizes the CSR agenda might explain the absence of any CSR defence against allegations of capitalist exploitation. Dealing with Marxist concerns of exploitation and alienation is simply beyond the pale of what CSR researchers should consider. Hence, the predominant work on Marxism and CSR is done from within the Marxist camp and is therefore filled with strong anti-capitalist sentiments. The Marxist critique of CSR is a continuation of an anti-capitalist critique.

This chapter provides an overview and introduction to recent Marxist-inspired criticisms of CSR, focusing on the contributions of Eve Chiapello and Slavoj Žižek.

The former exemplifies a distinct Hegelian dialectical reading of CSR as critique, whereas the latter, though also profoundly Hegelian in his approach, reads CSR as a further naturalization of capitalism as the only foreseeable 'game in town'. Žižek sets the stage with a satire over the benevolent and politically correct liberal – the *liberal communist* – who hypocritically says that he wants business to be socially responsible, while at the same time engages in heavy capitalist exploitation of the global poor.

Following this introduction to Marxist thinking on CSR, I suggest an alternative 'Marxist'-inspired though still liberal approach to CSR. My alternative approach is more sympathetic to the possible beneficial outcomes of engaging with CSR, but it directly addresses the issue of exploitation and justice related to global interdependency (social connection, Young 2006) and situations of a global regulatory governance vacuums (Scherer and Palazzo 2011).

16.2 The New Spirit of Capitalism: Chiapello's Hegelian Critique of CSR

According to Eve Chiapello, a key feature of capitalism is its ability to assimilate criticism. This ability is considered as a management decision to assimilate resistance by 'investing' in criticism. As long as criticism of capitalism can be aligned with continuing profit-seeking activity, the longevity of the system is secured. This view, echoing Marcuse's repressive tolerance, stands in opposition to Karl Marx's belief that capitalism as a system is headed towards collapse due to its internal contradictions (Chiapello 2013, p. 63).

Chiapello's contribution to interpreting CSR in the vein of a critique of capitalism relies on a Hegelian systems logic of *Aufhebung* (Eng.: sublation) both negating and preserving opposition. As a criticism of capitalism, CSR is negated in the sense that capitalism can embrace the social and environmental concerns raised by the CSR agenda, thus making CSR superfluous. Simultaneously, capitalism preserves CSR in that it can deal with the issues raised by the CSR project. Chiapello has not explicitly subscribed to Hegelian dialectics as such, since her theory is primarily meant to be sociological. Yet it is 'beyond the merely descriptive' in that it is proposed as a 'general theoretical model' (ibid. p. 61). Nonetheless, the Hegelian heritage is clear, since the 'interaction between capitalism on the one side and criticisms of capitalism on the other gives rise to the spirit of capitalism of a given period' (ibid. p. 62). Spirit in Boltanski's and Chiapello's (2005) version operates as a unifying concept very similar to Hegel's usage (see Taylor 1995).

Chiapello's argument that CSR represents a reconciling 'third way' between capitalism and critique is indicated in four dimensions of critique: the social, the conservative, the artistic and the ecological. CSR is most easily seen in the workings of social and ecological critiques, according to Chiapello (2013, p. 77):

> It is therefore possible to see the CSR movement as a form of response to the new social and ecological criticisms, which does not seek to abolish wage labour or withdraw from capitalism, in a world in which states are considered powerless and perceived as illegitimate, leaving the obligation of constructing new regulations up to the companies themselves.

However, CSR as a movement is also consistent with the conservative critique (ibid. p. 76). To see how CSR might reconcile various criticisms, let us examine Chiapello's theory more closely.

The four criticisms are seen as ideal types related to particular historical periods (ibid. p. 80).

Social, conservative and artistic critiques have their origin in the nineteenth century philosophical reactions to capitalism, i.e. as Marxism, Conservatism and Romanticism. However, they reappear in the twentieth century in new forms. The social critique is a response to lack of social justice and the exploitation of the labour force. The welfare state can be seen as the capitalist assimilation to social criticism. The conservative critique addresses social misery, and the capitalist response is philanthropy to protect people's dignity. The artistic critique is seen as the heritage from 1968, in its focus on alienation and the lack of authenticity in 'disenchanted' capitalist working life. The capitalist response is witnessed in the business world's appropriation of the creativity and innovation agenda. Working life is now to be a life of freedom that will emancipate the inner potential of the individual employee. The ecological critique is rather new, since it corresponds to the recent (at least since the 1970s rising) awareness of environmental disaster caused by e.g. climate change (ibid. p. 75). CSR and green capitalism are seen as the current 'reforming nebula' (ibid. p. 76) that facilitates reconciliation with critical concerns. Concretely, multinational corporations in fact favour the scenario where soft law regimes can create a global level playing field that will provide protection from adverse competition scenarios and a race to the bottom (cf., the tendency of the rate of profit to fall). In this critique, corporations should embark on CSR and green capitalism to serve their own profit-making interests. The CSR agenda cannot be taken seriously, reflecting only the ingenuity of the capitalist system to capitalize on criticism. The possible future adaptation and assimilation of the capitalist system provides the possibility for a resurfacing of small-scale production units in local networks (ibid. p. 80), allegedly being more sustainable. However, Chiapello does not conclude in the positive normative, even though she admits (and admires, like Marx also did) the comprehensive ability of capitalism to reform itself. In this sense, she remains sceptical about the motives behind present-day CSR rhetoric, since 'As long as [capitalism's] profit-based dynamic can continue to operate, it can integrate various constraints and try out a range of systems' (ibid. p. 63). Indeed, CSR is too good to be true.

I now turn to Žižek's Marxist view on CSR, and hence stay within the family of continental critical thinking about CSR.

16.3 The Liberal Communist and Žižek's Critique of CSR

Where Chiapello remains at the structural level of explaining the functioning of the capitalist system in regard to CSR, Žižek targets the hidden motives of capitalists engaged in being socially responsible. Žižek employs the critique of ideology by revealing the hidden class interests of liberals who adhere to corporate social responsibility. Žižek's approach works at two levels in the critique of CSR: at one level, he reveals the personal hypocrisy of 'nice' liberals. At the second level he reveals naturalized ideological capitalism. The ideological level here concerns the taken for granted truths about the inevitability of the capitalist political-economic system. The very idea of a humanized sort of capitalism resembles ideology at its most successful. Žižek combines a satirical-ironic style in his writings with German Idealism, Hegelianism, Marxism and Lacanian psycho-analysis. His approach is therefore far from the mainstream in the academic literature on CSR. In *On Violence* (2008), one finds his most elaborate criticism of liberal CSR personified in the character of the 'liberal communist'. Cederström and Marinetto (2013) have discussed Žižek's recent writings on what he calls 'cultural capitalism' as being synonymous with CSR. In Cederström and Marinetto's reading of Žižek, there are three distinct beliefs held by the liberal communist:

> (1) that there is no opposition between capitalism and the social good; (2) that all problems are of a practical nature, and hence best solved by corporate engagement and (3) that hierarchies, authority and centralized bureaucracies should be replaced by dynamic structures, a nomadic lifestyle and a flexible spirit (ibid. p. 416).

These three 'positions' or beliefs encapsulate Žižek's somewhat scattered comments on CSR and therefore provide a good starting point for a more systematic overview.

16.3.1 Frictionless Capitalism

Bill Gates, founder of Microsoft, calls the first point 'that there is no opposition between capitalism and the social good' *frictionless capitalism* (Žižek 2008, p. 14). According to Žižek, Gates is an example of a liberal communist, since he combines the hypocritical view that one can be engaged in philanthropy in his battle against malaria using wealth created by exploiting working people (ibid. p. 17). The double standards employed by liberal communists like Gates are embedded in capitalist ideology, according to Žižek. Hence, the idea that corporate interests go hand in hand with the public good in a frictionless way is ideological. The mainstream thinking found in current strands of 'strategic CSR' (Porter and Kramer 2006) reveals how CSR is viewed as a panacea to dehumanized capitalism. However, this optimistic view is found also within the leftist postmodern camp, where Antonio Negri subscribes to so-called 'digital capitalism', praising open source as a new

alternative to the private property regimes belonging to the old capitalism (Žižek 2008, p. 14).

According to Cederström and Marinetto, the new corporate environmentalism is another example of 'frictionless capitalism'. When multinational corporations pro-actively engage in drafting environmental regulation, they primarily do so because they want to safeguard their business interests and less because of a genuine interest in the environment, regardless of how positive the impression might be (2013, p. 421). Looking at the process of engaging stakeholders, there might also be reasons for some caution about ideas of a frictionless capitalism'. Bobby Banerjee, a critic of the CSR agenda, observes that:

> In my work with two indigenous communities in Australia, I sought 'stakeholder input' about the presence of a mine on indigenous land. The response was unanimous: both communities wanted the mining company (a very, very, very large multinational company) to 'clean up, pack up, leave and never come back', to quote the words of one traditional owner. The company's response was to hire an anthropologist to 'consult' with communities on how best to expand its operations. The fact that these 'consultations' take place under drastically unequal power relations remains unaddressed (2008, p. 64).

So, according to Marxist critics, frictionless capitalism is not as smooth as the CSR discourse suggests.

16.3.2 Pragmatism

The second belief held by the liberal communist is 'that all problems are of a practical nature, and hence best solved by corporate engagement' (Cederström and Marinetto 2013, p. 416). This is the sort of pragmatism that overlooks the political-economic context in which social problems like poverty are embedded (Hanlon 2008). Žižek is sceptical about the way liberals suppress worries about the backdrop of deep structural economic causes of poverty – he calls this 'objective violence', as opposed to the more visible cases of 'subjective violence' that stimulate the liberal urge to help (Žižek 2008). Liberal pragmatism tends to focus on the misery that is most visible and presents an urgency we need to react to, but not reflect upon:

> Just this kind of pseudo-urgency was exploited by Starbucks a couple of years ago when, at store entrances, posters greeting customers pointed out that almost half of the chain's profit went into health-care for the children of Guatemala, the source of their coffee, the inference being that with every cup you drink you save a child's life (ibid. p. 5).

Such urgency presents ideology at work, according to Žižek, since it precludes reflective thinking by covering up the deeper causes of the misery. Moreover, it translates urgency into an 'action-guiding' moral principle of helping the ones most in need. Thus, there is a clear practical way of solving the problem of poverty and child mortality in this particular case and Starbucks is conveniently situated to design a practical solution for the politically and ethically concerned consumer to

'buy into'. In fact, liberal communists believe that unconventional innovative thinking in regard to alleviating poverty and social problems is what is needed.

> They [the liberal communists] hate a doctrinaire approach. For them there is no single exploited working class today. There are only concrete problems to be solved: starvation in Africa, the plight of Muslim women, religious fundamentalist violence. When there is a humanitarian crisis in Africa – and liberal communists really love humanitarian crises, which bring out the best in them! – there is no point in engaging in old-style anti-imperialist rhetoric. Instead, all of us should just concentrate on what really does the work of solving the problem: engage people, governments, and business in a common enterprise; start moving things, instead of relying on centralised state help; approach the crisis in a creative and unconventional way (ibid. pp. 18–19).

The real problem with this sort of pragmatism, according to Žižek, is that it naturalizes capitalism as the only imaginable political-economic system in all foreseeable future. He has made the joke that it is today easier to imagine a cosmic catastrophe and doom of the planet by, e.g. the collision with an asteroid from outer space, than it is to conceive of an alternative to capitalism. The outcome of naturalizing capitalism is seen in the debate over child labour and sweatshops. Jeffrey Sachs, a former critic of sweatshops, has now changed his position to become a defender, based on the argument that 'realistically', they represent a platform for lifting poor people out of poverty (Cederström and Marinetto 2013, p. 422). In the case of child labour, a common defensive reply is that the alternative is even worse, implicitly referring to the fact that children labouring in third world countries often do so because they would otherwise be forced into even worse situations such as prostitution or street begging. Even though this is most likely a 'realistic' and consequentialist assumption, it also reiterates the 'no foreseeable alternative to capitalism'-view; thus, we need to be pragmatic. The point is not that pragmatism is not required in situations like these; rather, it is that pragmatism may provide the kind of complacency that sustains ideological thinking.

16.3.3 Cool Capitalism

The third and last belief commonly held by liberal communists is the view that capitalism can be cool and human. Cederström & Marinetto talk about 'hipster capitalism' (2013, p. 424). A cool capitalist believes that 'that hierarchies, authority and centralized bureaucracies should be replaced by dynamic structures, a nomadic lifestyle and a flexible spirit' (ibid. p. 416). This feature of liberal communism corresponds well with Chiapello's diagnosis of critique being incorporated into capitalism through adaptation and assimilation. Hence, according to Žižek it is no coincidence that top executives such as Bill Gates are perceived as 'ex-hackers' who subversively represent an anti-establishment attitude (Žižek 2008). The catch-word is *smart* thinking (ibid. p. 16).

Whereas the post-political pragmatism held by the liberal communist concerned issues of how to alleviate the misery related to 'exploitation', the cool capitalist is

more concerned with 'authenticity' and thus gravitates to the Marxist concerns about 'alienation'. Capitalism is creative, and this is seen in the way it can solve problems in new and innovative ways, not least in ways that are aesthetic as well. When, for instance, Mercedes-Benz launched a campaign for car sharing, 'CarTogether', they used the famous and iconic photo of Che Guevara, and proclaimed: 'Some colleagues still think that car-sharing borders on communism. But if that's the case, viva la revolucion!' (Cederström and Marinetto 2013, p. 426). In a similar vein, in 2012, the ice cream producer Ben & Jerry's raised $300,000 to support the Occupy Wall Street movement (ibid. p. 424).

16.4 The End of CSR?

These are the three beliefs held by the liberal communist: frictionless capitalism, pragmatism and cool capitalism. Together, they provide a critique of some internal inconsistencies found in current CSR thinking. What can we conclude from this?

The Marxist-inspired criticisms offered by Chiapello and Žižek are examples of critique of ideology applied to CSR. It gives the impression that the entire agenda of CSR is corrupt and it can be defeated. The criticism is aimed at both the structural level of the economy as well as the micro-level of personal intentions. Hence, CSR exemplifies what Adorno called a 'sticking plaster' on the wound of capitalist exploitation (cited in Jones et al. 2005, p. 110), as well as being a cover up for personal hypocrisy and greed. However, even though much of this sort of criticism is to the point in some cases, and perhaps even symptomatically overlooked by mainstream CSR thinking, it lacks positive suggestions for the role that the private sector could play. Among the Marxist inspired critics of CSR, Fleming and Jones (2013) endorse the liberal deliberative democracy model suggested by Scherer and Palazzo (2007). Hence, even though the CSR discourse is corrupt and unhelpful in overcoming capitalism, there might be tendencies within CSR that could be initial stepping-stones for needed reforms of capitalism.

In the following, I will suggest some possible counter critiques and revisions to the current Marxist critique of CSR.

The replies are meant to argue that the primarily 'liberal' CSR agenda is not as far away from the concerns of Marxism as one might think. My remarks could function as positive supplementary amendments to the mainly negative Marxist theory on CSR. In my positive critique, I am particularly inspired by the 'social connection model' for global justice suggested by Iris Marion Young (2006) and by Scherer and Palazzo's (2011) deliberative democracy model for global corporate-state co-governance. I will now briefly present these two approaches, and then conclude by proposing that the concern for justice – generally rejected by Marxists but embraced by so-called 'analytic Marxism' (Cohen 1995; Kymlicka 2002), could be relevant for future CSR thinking.

16.5 Liberal Revision 1: The Social Connection Model

If Marxists are concerned about capitalist exploitation in upstream supply chains, Iris Marion Young's social connection model is a welcome contribution. Young operates within current liberal political theory, particularly the Rawlsian theory of justice (Rawls 1971, 1999). In particular, she is inspired by how Thomas Pogge has argued for transposing the issue of justice beyond the nation-state to the global level of society (2002). According to Rawls, the site of justice is the nation-state, because here citizens find themselves reciprocally related (Rawls 1971) – whereas this is not the case beyond the nation-state. Well-off citizens might owe a certain level of humanitarian assistance to poor people in far-off countries, but they do not owe any sort of justice to them (Rawls 1999). Thomas Pogge has argued that the basic structure of global trade, international law and institutions together qualify for the sort of reciprocity between people that Rawls would admit qualifies for raising claims of justice (Pogge 2002). Young takes Pogge's point of global interdependency and concludes that:

> Claims that obligations of justice extend globally for some issues, then, are grounded in the fact that some structural social processes connect people across the world without regard to political boundaries (Young 2006, p. 102).

The distinction between institutions and mere social connections refers to the somewhat vague definition of 'institution' at work in the work of both Rawls and Pogge. By admitting that spurious ties like mere 'social connections' provides sufficient reason for claims to justice is far beyond what standard liberal political theory would accept. Young willingly admits this, but when examining the case of sweatshops in the global garment industry, things look different:

> Not a few institutions and individuals find absurd the idea that consumers and retailers bear responsibility for working conditions in faraway factories, often in other countries. Not unreasonably, they say that even if the workers producing the items they buy suffer wrongful exploitation and injustice, we have here nothing to do with it. It is, rather, the owners and managers of the factories who are to blame. Despite the apparent reasonableness of this dissociation, the claims of the anti-sweatshop movement seem to have struck a chord with many individuals and institutions. I think that to understand why this is so, we need a conception of responsibility different from the standard notion of blame or liability (Young 2006, p. 107).

Hence, Young introduces the sort of responsibility associated with the 'social connection model' relevant for the case of sweatshops (and for that matter any similar social relation mediated by global markets and production). The two views on responsibility are: the traditional juridical 'liability' view, and the '(moral) responsibility for social connections' view. Five features distinguish the two sorts of responsibility from each other. First, the social connection responsibility view cannot isolate who is responsible for inhumane working conditions in sweatshops. There is no single perpetrator, even though in the sweatshop case, the local management is legally liable and blameworthy:

> Finding them guilty, however, does not absolve the multinational corporations from responsibility for the widespread nature of poor working conditions in the factories producing goods they market. Nor does it absolve those of us who purchase the goods from some kind of responsibility to the workers who make them (ibid. p. 120).

The second feature is about 'fair background conditions'. Judging someone to be liable presupposes that the normal background condition is stable and fair, similar to Rawls' assumption about the rule of law in the nation-state. However, this assumption does not hold according to the social-connectionist view, e.g. the social and political background conditions are typically disputable in the case of sweatshops.

The third difference concerns the fact that liability is usually backward looking, whereas the social-connectionist view is forward-looking (ibid. p. 121). This has the implication that responsibility related to sweatshops falls on those who are to benefit from them in the future. This corresponds well with John Ruggie's UN guiding principles for responsible business, according to which corporations have a responsibility to 'respect' and 'remedy' violations of human rights within their 'sphere of influence'. This sort of responsibility is precautionary and forward-looking (Ruggie 2008).

The fourth and fifth distinctions regard responsibility in the social connectionist model as shared and to be discharged through collective action (Young 2006, p. 123).

Young does not say much about the content of what justice requires; her work is focused on requirements for justice per se.

We should consider Young's work on structural injustice and the social connection model as a liberal supplement to the Marxist theories of CSR. Young provides the positive model that allows justice to be the standard for normative judgment of the case of responsibility through the supply chain, as demonstrated by the case of sweatshops. She also singles out exploitation and structure as core features of the 'system', on a par with Marxist views. The social connection model is thus a relevant supplement to the negative critique of ideology manifest in leftist CSR criticism.

16.6 Liberal Revision 2: Political CSR and the Vacuum of Global Governance

Andreas Scherer and Guido Palazzo (2007, 2011) have suggested 'political CSR' as an umbrella concept for understanding how business corporations are embedded in and cooperate with political institutions, in particular at the global level. Due to the forces of globalization, nation-states are less powerful and hence, a regulatory governance vacuum appears. To compensate for the absence of regulation in the governance of global society, civil society actors (mainly NGOs), international organizations and the general public push for solutions on issues and in

geographical areas where they expect someone to take responsibility. Multinational corporations are often well situated to discharge such duties and contribute to solutions. Scherer & Palazzo here refer to Young's social connection model as paradigmatic for understanding how political CSR should be conceived (Scherer and Palazzo 2011, pp. 912–913). However, where Young points to global interdependency of social connections and social structures, Scherer and Palazzo make the opposite point: that globalization elicits two effects: increased interdependency of global social connections in combination with an increase in a global regulatory vacuum. Hence, considering sweatshops, they exemplify global connectedness between the workers in primarily poor countries and consumers in affluent countries; on the other hand, the sweatshops often operate in geographical areas where regulation is absent or cannot be enforced. In this sense, Scherer and Palazzo's contribution works as a supplement to Young's theory. However, it is not entirely clear to what degree the Habermasian normative framework of deliberative democracy employed by Scherer and Palazzo provides any guarantee that multinational corporations will participate deliberatively and democratically. Even though they are under public pressure from stakeholders, the theory cannot predict whether multinationals could take advantage of the power position they have *vis á vis* their stakeholders. The procedural democratic normative model for deliberation and cooperation is quite minimalistic in regard to substantive norms (human rights basically), and it is not enforceable beyond what stakeholders can push through. Fleming and Jones (2013), while acknowledging the democratic potential in the theory of political CSR, remain sceptical:

> But one cannot have capitalism and deliberative democracy simultaneously since they cancel each other out given the mutually exclusive institutional logics that, in essence, constitute them (ibid. p. 87).

Even though Marxist-inspired critics such as Fleming and Jones do not share the optimism of Scherer and Palazzo in 'reading' the current situation of multinationals and stakeholder involvement at the global level, it is possible to see the very notion of 'political CSR' as promising. Political CSR might be conceived within the (critical Habermasian) liberal camp, and its strength lies in its diagnostic credibility to describe the transition from mere strategic and re-active CSR towards normative and ethical CSR. The validity of political CSR in accounting for this move can be tested at the empirical level. In regard to amending Marxist-inspired criticism of CSR, the very term 'political CSR' has opened up a venue for viewing CSR as a politically contested term, and thereby decoupling the term from its deadlock position between strategic-economic and purely (idealistic) ethical CSR. In this sense, political CSR is a 'bridging' concept that opens up for a wider dialogue between the harsh Marxist critics and the more hopeful critical liberals as to what CSR is and whether pursuing CSR could be worth the effort.

16.7 Concluding Remarks: CSR and Exploitation Revisited

From a Marxist standpoint, the issue of exploitation is central. The current Marxist criticism of CSR presupposes that CSR is a veneer that masks capitalist exploitation. However, it is not obvious how the presupposition about corporate exploitation should be understood, aside from the most clear-cut cases. Part of the reason for this is probably that the concept of 'exploitation' is mainly understood by Marxists as a political-economic and thus scientific concept. It is not a normative and ethical one. Hence, claims to violations of justice through exploitation are not in accordance with the classical Marxist view. Justice is ideology, and a mirror image of the power inequalities of class society. Liberals like Young, Scherer and Palazzo accept that exploitation is part of the problem that businesses must deal with. However, if the concept of exploitation cannot be defined clearly, it will be difficult for businesses to ensure that they do not engage in it. From the Marxist viewpoint, the very labour-wage relation itself is an expression of exploitation; from an orthodox Marxist view, it is unavoidable for businesses to be exploiters of the workforce. However, further qualification of what counts as exploitation might be needed. Part of the reason why Marx thought of exploitation as 'wrong' was that he presupposed: (1) that workers, through self-ownership of their labour, provide surplus-value (profit) to the capital owner, (2) that the worker has no alternative to work, since the alternative is unemployment and poverty, and (3) that the worker does not own the means of production himself (Kymlicka 2002, pp. 176–195). It can be disputed if these three conditions are still valid today in an unqualified sense. Within welfare states, for instance, condition (2) and sometimes (3) are not satisfied. However, moving to third world countries and observing cases like the sweatshop, the Marxist definition of exploitation becomes relevant. Now, conceding the relevance of exploitation to CSR, further qualification is needed for the concept to be operative. It can further be discussed what are the properties that make exploitation wrong. Following the lead from current 'analytical Marxist' thinking, it is not so clear if all three Marxist conditions of exploitation need to be satisfied (cf. Cohen 1995, pp. 195–196). Maybe condition (1), the worker supplying surplus value to the capital owner, is a sufficient condition for being exploited. What does it mean to exploit someone? Does it qualify to simply take advantage of someone's bad situation? Or are further conditions relevant to have necessary and sufficient conditions fulfilled for defining exploitation? Such issues are disputed in the academic philosophical literature. Moreover, taking the issue of justice into account, Marxists are challenged to move from the negative critique of ideology that rejects justice as irrelevant to understanding exploitation (Kymlicka 2002) to explaining why, by the standard of justice, exploitation is wrong. According to analytical Marxists like G. A. Cohen, exploitation is wrong because it is unjust: exploitation violates ideals of equality and rights (Cohen 1995). Hints of an understanding of Marxist justice are found in the saying 'from each according to his ability to each according to his needs' (Kymlicka 2002, p. 187). A needs-based

conception of justice could be placed in the wider context of theories of justice, e.g. theories that refer to David Hume's circumstances of justice: moderate scarcity of goods and moderate conflict between citizens' conception of the good (moderate egoism).

To conclude: current Marxist theory and criticism of CSR is a highly relevant contribution to understanding political and ethical aspects of the CSR agenda and where it might be heading. However, since the current Marxist-inspired criticism of CSR subscribes to a mainly negative theory about CSR – CSR is a smokescreen and should be abolished, so to speak – it is worth investigating whether current liberal theory of CSR and recent analytical Marxist thinking could provide a positive contribution to understanding exploitation. Succeeding in this would be helpful to both ensuring central Marxist concerns about capitalism and helping corporations to avoid exploitative behaviour.

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