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# **Bound to shop: corporate social responsibility and the market**

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degree of PhD

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## Abstract

The social and environmental responsibility of corporations is a subject that continues to ignite public passions. No wonder, given the regular reminders of the kinds of trouble that irresponsible business practice can get society in! The persistence of corporate social responsibility in this context has proved controversial. A strategy for managing the social and environmental responsibility of business that relies on self-regulation, CSR is a concept that strikes an uncomfortable chord with the already high levels of corporate autonomy. Yet, there seems to be no shifting from CSR. The activist shopping, of which it boasts, has ingratiated itself with democratic politics and, as such, seems set to remain. Everyone today agrees on the need for business to be more responsible. CSR is an important part of how this responsibility is managed and organised today.

This thesis analyses this entrenchment of CSR in terms of what it describes as ‘the double play.’ Markets first make demands on people, time and resources, in order to secure productivity and profitability. They then make a second play to service the social and environmental fall-out of this first drive for marketisation. CSR takes place on this second play, deploying market incentives and techniques to the remedy of market generated problems. Corporations participate, drawn to the security accorded their autonomy. They see in CSR a chance to right wrongs created in earlier cycles of exchange, without the risks created by external interference. The public engage where, as the ultimate source of economic demand, they feel the responsibility for everything that goes on in the market. They try to ‘shop better’ on the second wave, to instil recovery and prevent the rematerialisation of harm.

This thesis problematises CSR and the double play. It does so in a series of critical provocations directed at CSR informed by the philosophy of Jean Baudrillard. It discusses CSR’s capacity to politically disempower public participants, by drawing their energies into a perpetual cycle of economic imperialism and exchange. It discusses the difficulty CSR creates, in terms of raising conflict with business actors, and the tendency for the system to leave inert, or exposed and abandoned, those that try. Finally, the thesis pushes up against an ultimatum in CSR – ‘buy, or people perish!’ – through which the market is able to indefinitely extend and regenerate itself. The thesis argues for the disengagement of this ultimatum. For only when social and environmental concern is not held hostage to the market can the political ambition, which is somewhere present in all of this, be realised.

I declare that, except where explicit reference is made to the contribution of others, that this dissertation is the result of my own work and has not been submitted for any other degree at the University of Glasgow or any other institution.

Signature \_\_\_\_\_

Printed name \_\_\_\_\_

Bound to shop: corporate social responsibility and the market

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‘Show some interest in her goodness.  
For no one can be good for long if goodness is not demanded of him.’

*Bertolt Brecht*

## Preface

It is reassuring to know that in speed dating, if you don't meet the partner of your dreams in the first sixty minutes, the £25 fee includes a second opportunity – i.e. another sixty minutes. Or, another hour in the most competitive of markets: chairs are split into two rows, three-minute negotiations take place with occupants of the opposite chair; participants score each other's performances; the competition is in full view. The stakes for ensuring value for money are high. Forty people arrive looking for love, or at least 'good times'. Tired after a day of emailing, they arrive looking for some sense of deeper consolation. Of course, on one level, there is nothing particularly new in the phenomenon. Commercial dating agencies and lonely heart columns have provided a similar service in the Western world since the late 1940s. Yet, at the same time, the highly formalised features of 21st century speed dating underscore a new

intensity to the productivity demanded of contemporary social life. Members of the public pay for the chance to make more encounters in less time. They pay to enhance the productivity, the value, of another experience in the pub. The service also betrays a growing audacity on the part of corporations regarding their role in the production of the very insecurities to which they later respond. Watching the till roll as participants hand over cash in exchange for simulations of the chance encounter, there is nothing remarkable anymore in the market 'colonising' non-economic areas of life (such as love). There is, rather, growing resignation to the view that if the demands of marketisation are to be so intense, leaving people lacking in time to meet lovers by chance, the very least the great titans of the 21<sup>st</sup> century marketplace can do is provide a more accessible alternative.

This PhD is not about speed dating. It is, however, about what might be described as a 'double play' on the part of markets and market actors. Markets first make demands on people, their time and resources, in order to secure productivity and profitability. They then make a second a play, to service the social and environmental fall-out of this first drive for marketisation. This double play is what the example of speed dating highlights. It captures a situation where demands on the worker lead to the generation of new opportunities in the market, *vis-à-vis* time-poor workers looking to find relief from burdens placed on them by employment. New business opportunities emerge where the earlier cycle of market exchange generates in its wake discontent and dissatisfaction. Undesirable social and environmental consequences require remedy (the lack of time, through work, for members of the public to experience love). Needs and desires seek satisfaction (a way to find life partners or to engage in meaningful experiences outside of work). In speed dating, it is the market actor that returns to make the second play, to provide the remedy and resolution. They return confident that the situation can be improved upon by the delivery of new products and services, which respond to the extant state of discontent and dissatisfaction. This return to the market confirms the adaptability and sophisticated responsiveness of the system – of price, of supply and demand. It bears no enduring relation to the possibility that the market forces due to be employed towards remedy might have already failed the discontent at an earlier stage.

Two waves, two plays and two encounters with the drive for marketisation. This thesis interrogates the second play. It sets off one cycle of exchange against the background of other earlier cycles. It observes what happens when business actors take up a second wave of opportunity, responding to dissatisfaction generated in previous cycles. It observes what happens when members of the public return to the market for a second time, ready to express their discontent in the market as consumers. Both actors – corporations and the public – return on the second wave in the expectation of improving upon earlier outcomes, of remedying harm

and of guarding against its future materialisation. The thesis discusses whether encouraging business and members of the public to come together in this way, in the market and on the second wave, is able to deliver upon this promise of a better result – defined in contemporary parlance as a ‘more responsible’ or ‘more democratic’ marketplace. The thesis also broaches the question of corporate power and its wider democratic accountability. It investigates whether addressing the social responsibility of corporations in the market is effective in ensuring that the power of corporations is deployed for public good, by bringing its exercise in line with public (consumer) preferences. Or, it asks, does this subsequent return to the market only exacerbate the underlying problem of corporate accountability? Exacerbation occurs where the double play extends indefinitely the number of chances markets have to pacify the public and to protect economic interests, by guarding against the possibility of external intervention.

Recent economic trends such as the growth and concentration of corporate power, the colonisation of social life by market logic and the commoditisation of public goods, form an important backdrop to the thesis. They are important, that is, where they constitute the first part of the double play – the drive for market expansion and capital accumulation. A great deal, however, has already been said about this drive and extending logic – in philosophy and theory, in law and politics, in the social sciences and beyond. As such, the origin and development of trends to this effect are not discussed in the thesis in any great detail. The thesis, rather, is deliberately and conspicuously focused on the second part of the double play – the move in which market actors seek to respond to the fall-out of earlier cycles of marketisation. This move has generated as much in the way of discussion and scholarly interest as the first drive for capital expansion. This is evident, for example, in the current level of interest in the ‘post-regulatory state’. Yet, the subject is still more live for the purposes of this thesis where, unlike most accounts of how capital extends, there is less in the way of agreement regarding what market actors are doing when they transact on the second wave. Assessments are often sporadic and inconsistent, split between praise (when the outcome is ‘better’ than before) and condemnation (when the outcome is ‘worse’), even if the justification for both interventions is exactly the same. This PhD interrogates this split. It seeks to rectify this inconsistency. It investigates behaviour – of corporations, of consumers, of political participants and governments – that suggests the market as a force for governance, democratisation and the delivery of public policy objectives. It does so with a view to exploring the unique fusion of controversy (on account of the displacement of legal and political actors proposed) and popular excitement (the promise to deliver on social change), which engaging with this second wave inspires.

The substantive discussion of the thesis concerns the practice of corporate social responsibility ('CSR'). CSR is the context in which the double play – and that critical second wave of marketisation – is observed to take place. CSR is a market-led initiative, which brings the public together with corporations in the market with a view to securing, and critically improving upon, the protection of social and environmental value. It works by encouraging members of the public to express concern about how economic activity affects society in the market. They do this by buying or boycotting in line with their concern, creating a range of economic incentives that pertain to the protection of social and environmental value. Corporate actors read or listen to this concern in the market. They respond by limiting their participation in controversial business practices and by adjusting the provision of products and services. The whole endeavour is supported by low-level regulatory intervention. Members of the public are promised a direct communication with business. Corporations are promised the chance to respond on their own initiative, or to exert their dynamism towards the resolution of social problems, without the risks created by external intervention. CSR proposes a system of self-regulation, which maximises the self-interest of business actors in defending social and environmental value. It asks the public to appeal to the economic interests of business and for business actors to limit their activities for economic reasons. Yet, importantly, CSR ties this limitation together with the delivery of public policy objectives. This tie or this fusion with social and environmental goals is what distinguishes CSR from regular business.

The thesis investigates CSR as a phenomenon that materialises definitively on the second wave. It takes place against the backdrop of earlier cycles of marketisation and the materialisation of social and environmental harm alongside these specific cycles. It is, as such, a practice that embodies the second part of the double play. CSR suggests to members of the public that by returning to the market, and this time being more explicit about social and environmental preferences, market outcomes can be improved. It suggests to business actors, burdened with popular dissatisfaction, that by returning to the market, and this time responding to social and environmental concerns, new economic opportunities accrue. Rather than allow dissatisfaction with market actors and market outcomes to descend into a cycle of antagonism that inhibits the productivity of the market, businesses are encouraged to take control of the situation themselves. CSR provides business with a second chance to read and respond to its public. It allows the corporation a second chance to fix mismatches in the delivery of products and services. It allows them to reduce negative impacts and distance themselves from controversy, which might have detracted consumers from buying into earlier releases of products and services. In addition to the range of economic incentives, CSR offers to the corporation a subtler enhancement of power and legitimacy. The second wave of economic activity is differentiated from the first, where the transactions that CSR supports are about

something more than making money. They are also underwritten by social and environmental, or moral, justifications. This changes the functional understanding of corporations in CSR. The corporation in CSR makes a claim to higher consciousness: reflexivity and the ability to govern itself. It presents itself as a public and political figure, protecting the public interest as well as its own.

2010 presents an interesting time to carry out a critical assessment of CSR, and of the market's ability to improve upon its record for generating crises and the widespread infliction of social and environmental harm. The period since late 2007 has proved challenging for markets and market actors at the most fundamental of levels. A period, that is, which started in the UK with the nationalisation of one seemingly isolated and over-extended bank, before progressing rapidly to a full-blown 'credit crunch' and systemic crisis of the global economy. These recent events bear significantly on the thesis. They are significant where they highlight the potentially serious social consequences of the unchecked drive for marketisation. Giant corporations 'too big to fail' were precisely that because of the havoc that their business activities created when they took place without consideration for wider social and economic impacts. The credit crisis unleashed a global recession, a wave of bankruptcy, unemployment and housing crises. It also led to the biggest public spending deficits to burden developed economies since World War Two. Beyond this, however, the credit crunch is also important where it has contributed significantly to a state of heightened economic awareness on the part of social actors – corporations, governments, civil society actors and members of the public. This awareness allows the questions and dilemmas presented by CSR, and the market techniques upon which it relies, to be discussed with particular illuminosity. The general squeeze on profits and incomes that followed the crisis raised questions in the minds of many corporations and individuals, as regards the capacity of markets to take on extended social and political functions. The abrupt presence of so much irresponsibility in and around the market also undermined public and institutional faith in the disciplinary and self-regulatory capacity of corporations. The events cast doubt over what CSR had claimed as its achievements to date, the long list of CSR initiatives on the websites of banks overshadowed by material evidence of the irresponsibility that it obscured.

Yet, it is against this background, in particular, that the celebrated survival of CSR into 2010 is striking and, thus, so deserving of analytical attention. It is testament to the concept's rigour and spirit that rather than falter at the hurdle that was the credit crisis, commitment to the practice of CSR has been rigorously sustained. Governments in the EU remain committed to CSR as a public policy approach to the social and environmental responsibility of corporations. CSR initiatives continue to command a high uptake among business actors, including some of

those who suffered the biggest (economic and reputational) blows in the crisis. Members of the public remain committed to certification schemes such as Fair Trade, organic produce and the European-eco label. Sales of CSR products have continued to grow, even in the period since the crisis. Günter Verheugen, Vice-President of the European Commission responsible for Enterprise and Industry, summed up the sentiment behind this continued rigour at the EU Multi-stakeholder Forum on CSR in 2009.<sup>1</sup> ‘The current economic and financial crisis puts everything into a different perspective,’ Verheugen said delivering the principal address, ‘far from signalling the end of CSR, this crisis is the moment for CSR to prove its worth once and for all.’<sup>2</sup> Describing CSR as part of a long-term EU governance strategy, which ‘should not be put to one side’ in the event of an economic downturn, the Vice-President spoke of a secure future for the practice of CSR. ‘CSR is more relevant than ever in the context of economic crisis,’ he said; ‘it can help to build (and rebuild) trust in business, which is vital for the health of Europe’s social market economy.’<sup>3</sup>

The strength of this commitment, and the logic that supports it in Verheugen’s argument, is peculiar when viewed through the lens of the double play. The commitment to CSR is affirmed specifically against a backdrop of an earlier aggressive marketisation. Banks in the credit crisis inflicted widespread social and economic chaos as a result of their unbridled financial speculations. Yet, the same actors are encouraged to return in the aftermath of the crisis, to assist in the task of clearing up, remedying harm and innovating the country back to economic recovery. In this, the speculative acts that led to the crisis are not so much repudiated as shifted in position. They are shifted to become the backdrop for the second part of the double play: the switch to prudence and responsibility, or the remedial cycle of economic exchange. This does not mean that the first part – that aggressive drive – is forgotten or suddenly irrelevant. On the contrary, the spectre of crisis plays an important role in the second part, where it serves as source of facilitation and extended legitimation. Earlier cycles underwrite subsequent cycles; the deeper the fall-out is, the more emphasis falls on the necessity of a second play. So says the logic of Verheugen. The double play, as such, is suggestive of conflicts of interest on the part of market actors straddling both the first and second waves. Beyond this, it is suggestive of an impenetrable and self-referential formula for conferring legitimacy. Entrenched between two plays, the tenure of the market stretches into the distance, secure and infinite. Any attempt to dispute this tenure is rendered inert and non-explosive, where each articulation against the market is drafted in, or internalised, as a basis for justifying future cycles of exchange.

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<sup>1</sup> G. Verheugen. ‘CSR essential for public trust in business’. Speech/09/53: transcript available at: <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/09/53&format=HTML&aged=0&language=en&guiLanguage=en> [accessed 19/06/10].

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

Of course, CSR does not present itself as ‘always on the second wave:’ after the fact of an earlier crisis or pattern of aggressive marketisation. Self-limitation at the conceptual level is about mitigating risk and preventing harm before it materialises. From this perspective, if the corporation were to read its public ‘right,’ and if business actors were to be fully responsive, the first wave of economic activity would no longer exist. The prospect of harm would be preempted by an overriding commitment on the part of all social actors in the market – business actors, consumers, employees and investors – to the practice of CSR. However, it is precisely at this juncture that the biggest questions for CSR (and for the thesis) materialise. It is not clear that the market, or the principle of supply and demand, function as neatly as this. Doubt is present, in this respect, where the public might be difficult to read, or where the public is vulnerable to manipulation by more powerful social actors. But, more than this, uncertainty is present with respect to how social and environmental concern acquires ‘value’ in the market, a relational, or ‘dialectical’ system of exchange, where the value of alternatives (‘going green’) is predicated on pre-existing products (or earlier cycles of marketisation). The risk from this perspective is that the so-called first wave might never be eradicated, and that CSR is not preemptive, but always one step behind: clearing up after earlier cycles of marketisation, its moment of liberation permanently deferred. This then, is what is at stake in CSR and the double play. Together, they ask whether the market can eradicate its more vicious shadow in a system of market incentivised (ex)change.

### *Outline*

The thesis is divided into three parts. The first describes the entrenchment of CSR, as a way of managing the social and environmental impact of economic activity. Chapter 1 sets out a definition of CSR and describes how its entrenchment is facilitated in the UK (and EU) by law and public policy. Chapter 2 follows this assessment of legally explicit ‘trust’ in the corporation with an exposition of the deeper draw of the market ideology behind a public commitment to CSR. It does this by building a bridge between the theory of Friedrich von Hayek and the current literature on CSR. The chapter demonstrates how, via CSR, the ideals of the market have come to ingratiate themselves with politics and how, consequently, members of the public relate to and understand their participation in the practice of CSR. Chapter 3 brings together this mix of the market and law to demonstrate a deeper entrenchment of CSR, which commits members of the public above and beyond law. Using Karl Polanyi’s *The Great Transformation*, the chapter describes the double play enacted in CSR. It shows how CSR employs market incentives to the remedy and resolution of market-generated problems, by neutralising its techniques, and disconnecting business actors from responsibility for social and environmental harm generated in the market. Responsibility for harm is, instead,



displaced onto members of the public, a transference that CSR effects in the normative emphasis on economic demand. Part One comes to an end at a series of tipping points. CSR tips over from organising the responsibility of business to organising the responsibility of the public: members of the public have no alternative but to participate in ‘activist shopping.’ CSR tips over from being an isolated or niche consumer trend to be a phenomenon of general political significance: CSR testifies to the radical failure of the market to be inclusive on its first wave.

Part Two extends the critique. It interrogates how the availability of CSR interacts with politics and political economy. It does this in a series of critical provocations directed against CSR informed by the philosophy of Jean Baudrillard. This series begins in Chapter 4 with a discussion of Baudrillard’s *The Mirror of Production*. The Chapter excavates, with help from the book, a certain economy of representation that installs itself in CSR, according to which social and environmental concern stands before the corporation as just another piece of market information. The Chapter assesses the transformation as ‘disempowering’ for public participants, where their energies are ingratiated with the bigger cycle of economic exchange. Chapters 5 and 6 deepen the critique. They bring Baudrillard together with theory from Slavoj Žižek, Zygmunt Bauman and Giorgio Agamben, to discuss the political consequences of markets, which perpetuate themselves through the double play. Chapter 5 discusses the difficulty CSR creates in terms of raising conflict with business actors, and the tendency for the system to leave inert, or exposed and abandoned, those that try. Chapter 6 discusses the concept of ‘space’ and ‘political space,’ in particular, as a way to dismantle and disrupt this seemingly omnivorous and all absorbing economic cycle. A paradigmatic way of thinking about politics and making political interventions, space is examined for its capacity to separate members of the public – bodies and energies – from the market that they seek to check and control. Yet, the collapse in language, or function, proves too much to bear for even this way of thinking about politics. Baudrillard’s ‘society of simulation’ intrudes brutally on the possibility of recovering space to construct a ready alternative to the practice of CSR. Market actors hold on to the chance to self-regulate as the capacity for law and politics folds and stagnates.

Part 3 is the concluding part of the thesis. It brings together the proposed entrenchment of CSR (assessed in Part One) and the lack of viable alternative for politics and political aspiration (emergent in Part Two) to reveal a potent ultimatum that projects from CSR: ‘buy, or people perish.’ There is no alternative space into which participants concerned about society and environment might withdraw. Everything that they want to say reiterates in economic terms, regardless of personal resolve and intent. The market system constantly

demands attention to all the dilemmas that it internally creates. It draws on and exploits an attentive, or even captive, audience to push through another wave of its own applications and rationalities. In Chapter 7, the terms of this ultimatum are spelled out. The Chapter discusses the possibility of pushing or getting past the hostage situation CSR has come to represent. It contemplates accessing a zone for politics and political participation in which the power of the market's gestures are deflated and undermined. The Chapter discusses this possibility first, by taking stock of the critical distance that the thesis has covered in relation to CSR. It then links and compares the thesis's critical outcomes to the dramatic techniques of Bertolt Brecht, finding in the playwright an 'art to revelation' that catalyses and advances the possibility of 'winding down' market resolve. Chapter 8 is the last chapter in this part and, indeed, in the thesis as a whole. It proposes a concluding comment and final provocation on the double play and CSR. The Chapter makes this comment through a consideration of the story – or 'fable' – of the 'bound beggars,' from Takeshi Kitano's film, *Dolls*. It ends the thesis with renewed certainty that deflating the ultimatum, or the bind, at the base of CSR, is essential to dismantling the perpetuity of markets, and their domination over social and political life. Disengagement stands before participants as the first step towards securing a more meaningful mode of public interaction about business responsibility than the medium of shopping permits.

Before proceeding to the main text of the thesis, it is worth pausing to make a few methodological points. First, having broadly outlined the significance of CSR as a topic of enquiry, it is helpful to explain the thesis's general approach, which is distinctly theoretical. The use of theory is motivated, most simply, because theory has been so little applied to the study of CSR. In the literature, there is a mass of empirical analysis – statistics regarding the level of public support for labels like Fair Trade, the degree of business engagement, the proliferation of non-binding business codes. Practices are discretely analysed, their effectiveness measured according to a variety of criteria and indices – stock markets, ethical indices, third sector reports and criteria. Yet, despite all the noise and confabulation over CSR, there is much less in the way of a higher level assessment as to what market actors are actually doing when they engage on a second wave. There is little, too, on the general limitations of markets and how these limitations apply to a practice like CSR. This lack of theory in relation to the market-led technique of CSR is particularly striking, where it would seem to be out of step with the rigour of analysis to which markets are ordinarily subjected, at least in critical thinking circles. Recent events put a question mark over deregulation, and the excessive reliance on market incentives for the production of social order. Yet, little or none of the discourse has reached the market application of CSR. A body of philosophy centuries long in gestation, tormented by the potential for viciousness in the market, finds due outlet in critiques of economic globalisation. Yet, few today dare to question Fair Trade. It is with this body of

research in mind that the thesis endeavours to bring critical theory to CSR. It seeks to correct a theoretical blind spot, according to which CSR is able to neutralise its own innovation and techniques. The thesis delivers to the concept of CSR a reconnection service, between the market method at its base and the critical rigour to which market applications ought to be subject.

In addition to the choice of topic and the theoretical approach, the thesis draws significantly on one theorist and story from theory – hyperreality, as it is developed in the philosophy of Jean Baudrillard. The work is appropriate to the investigation at hand on several counts. First, because Baudrillard's hyperreal world – a world where previously important distinctions have lost their power – captures something important about the collapse in social, economic and political function that is so omnipresent in CSR. Second, because the society of simulation that flows in place of this fold provides a valuable – theoretical and practical – insight into what politics consequently comes to feel like: Baudrillard speaks adroitly to what is frustrating and impossible about making claims against the corporation and market institutions in late capitalist society. Third, the thesis deploys the philosophy of Baudrillard for the unique mix of social, political and cultural analysis – or provocation – in which he engages. Although CSR and activist shopping are practices legally and politically entrenched in developed economies, they are also, to a significant extent, practices socially and culturally driven: celebrated for their capacity to reflect the 'spontaneous' desires of the general public. This cultural aspect is played out in the thesis in a series of examples and social situations, which it uses to build and further the analysis. These range from t-shirts to the Glastonbury music festival, from public enquiries to films and commercial advertisements. The intention here is to capture something of the mass or popular appeal of CSR, a popularity that continues to play a significant part in how the practices that CSR recommends are entrenched.

The final methodological point is informed by the author's experience of discussing and presenting work from the thesis. It concerns the position that public participants assume in the critique levelled at CSR, where the thesis's deconstruction of the vessel for public concern (CSR) comes to bear upon the perception of its underlying potential or value. Interrogating the theoretical foundations and integrity of seemingly benevolent intentioned practices, such as Fair Trade, charity and philanthropy, or the market component of aid campaigns, it is easy for even conscientious participants to land on the wrong side of the thesis's critical interventions. Public concern, or whatever participants want to say as regards the protection of society and environment, risks becoming manipulative or banal, or complicit in a bigger organisation of viciousness in the market. Yet, among these activist shoppers and conscientious corporations, there is a politically essential energy – a belief in potentiality and higher values, beyond those

secured contemporaneously in the market. This energy and this belief is the very last thing that the thesis wishes to destroy or irremediably alienate. It is important before setting off on its journey or interrogation, therefore, that the thesis is clear about its critical intentions, and what, in particular, the critical target is. This is particularly important given the flurry of awkward moments, which are forced in a Baudrillardian study of activist shopping, and on account of which anything near or proximate to CSR seems to come under virile attack. These moments are awkward where they risk closing down, or humiliating, all public resistance to the market, rendering even the most compassionate attempts at intervention naïve, before they fall flat.

Yet, the thesis stands by these awkward moments. It stands by them and uses them to (re)install a distinction between what CSR does to social and environmental concern, from what participants think they are doing when they bring an essentially political agenda to the market. The thesis demonstrates the extent to which conducting politics in the market leads to the dilution, banalisation and deradicalisation of political goals. It argues that it leads to the perpetuity of market domination, as well as the abandonment of vulnerable populations caught up in market applications. In opposition to these outcomes, the thesis distinguishes the underlying potentiality and the vessel in which its expression is carried. The thesis does not do this to hang onto agency at all costs: there is no guarantee in all of this that agency survives intact. The distinction is, rather, nothing short of the thesis itself. It is the essence of the argument. For, according to the argument outlined in the thesis, the inability to make this distinction is to get drawn into what the thesis assesses as the market's (and CSR's) ultimatum: that unless society allow market actors to take over the remedy and resolution of market generated problems, greater harm will occur. 'Buy, or people perish' – the ultimatum is this serious. The stakes of practising CSR are this high. This thesis argues for the disengagement and deflation of this ultimatum. It does so not to disregard the vulnerable, or offend and humiliate genuine public concern. The aim of the thesis is, rather, *entirely the opposite*. The thesis deflates to guard the vulnerable against the potential viciousness of market rationalities. It disengages to reveal and release political potential. Only when social and environmental concern is not held hostage in the way that the thesis describes can the political ambition, which is somewhere present in all of this, be realised.

## **Part 1**

### **The entrenchment of CSR**

# Chapter One

## Roots

‘We would stress in this context that we interpret our terms of reference as requiring us to propose reforms which promote a competitive economy by facilitating the operations of companies so as to maximise wealth and welfare as a whole. We have not regarded it as our function to make proposals as to how such benefits should be shared or allocated between different participants in the economy, on grounds of fairness, social justice or any similar criteria. Such questions are, of course, extremely important but we do not consider that they fall within the scope of this Review. It may well be the case (and indeed we believe it is likely to be) that our proposals will have the effect of creating fairer outcomes. But if that is so it will be because that is the result of our adopting the objective of achieving wealth and welfare creation overall, and not because fairness in itself is an objective for us.’

*UK Company Law Review Steering Group*

It was just a vest about Hackney. It was green, with a racer back and a black logo more usually imprinted upon public buildings, vans and street signs in Hackney. The logo showed a rounded ‘H’ with the words ‘THE LONDON BOROUGH OF HACKNEY’ printed in capital letters around it – the logo of local authority, Hackney Borough Council. A second logo, however, was also to be found printed on the garment. This logo was smaller and sleeker, more recognisable to the general and even global public. It was the ‘tick’ of Nike, transnational sportswear corporation and powerful business conglomerate.<sup>1</sup> This tick was to significantly distinguish the garment. It revealed the vest not to be part of the local authority’s

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<sup>1</sup> BBC News, ‘Hackney threatens Nike over logo’. BBC News Online, 2006, available at <http://news.bbc.co.uk/1/hi/england/london/4998956.stm> [accessed 02/08/2010]; BBC News, ‘Hackney wins logo row with Nike’. BBC News online, 2006, available at: <http://news.bbc.co.uk/1/hi/england/london/5334644.stm> [accessed 02/08/2010].

own clothing apparatus, or even merchandise, but part of a range of football kits produced by the corporation in the lead up to the World Cup 2006. 'Nike has produced a small range of products that celebrate Hackney Marshes as a symbol of all that is great about amateur football,' the company said in response to complaints about Nike's wholly unauthorised use of the local authority logo.<sup>2</sup> Hackney Marshes in the East End of London houses seventy-eight football pitches. It is widely considered to be the home of the local and amateur football organisation, the 'English Sunday League.'<sup>3</sup> It is also a residential area in London popular in the 1990s and noughties with the young, artistic, trendy and creative community. Nike appropriated the logo of Hackney Borough Council as an application of their business aptitude and acumen. They appropriated the logo because it represented something with which members of the public identify and value (community and local living). Nike applied the logo to the vest as part of their business strategy to make t-shirts sell.

Commonplace and entirely consistent with what is expected of business today, the garment is indeed just a Nike vest about Hackney. However, Nike's commoditisation of the local authority logo is also more significant than this, where it references a bigger conversation about the role of powerful transnational corporations in everyday life. This conversation is evidenced in a body of literature on corporate power, which has grown significantly over the course of the last two decades. Naomi Klein's *No Logo*, for instance, famously underscores the connection between the power of international corporate brands and intrusive effects on public, political and cultural life (assessed by Klein in terms of 'no space, no choice, no jobs').<sup>4</sup> Sarah Anderson and John Cavanagh describe an eclipse of government by the corporate actor, a development that is hinted at in the synthesis of the two logos on the vest. They reveal the extent to which the economies of large transnational corporations have come to supersede not only the economies of local authorities, but also those of the smaller nation states.<sup>5</sup> A wealth of scholarship from around the same period (the turn of the 21st century) extends the conversation, elaborating on the trend for a 'big business take-over' of public life, or of democracy 'under the rule of big business.'<sup>6</sup> Nike's lack of respect for – or even subjugation of – the institutions of local democracy, in the case of the vest, signals something more than a new 'sell strategy' or apt awareness of the noughties most desirables. It signals the ability of powerful corporations and market forces, more generally, to 'colonise' and

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<sup>2</sup> BBC News. 'Hackney threatens Nike over logo'.

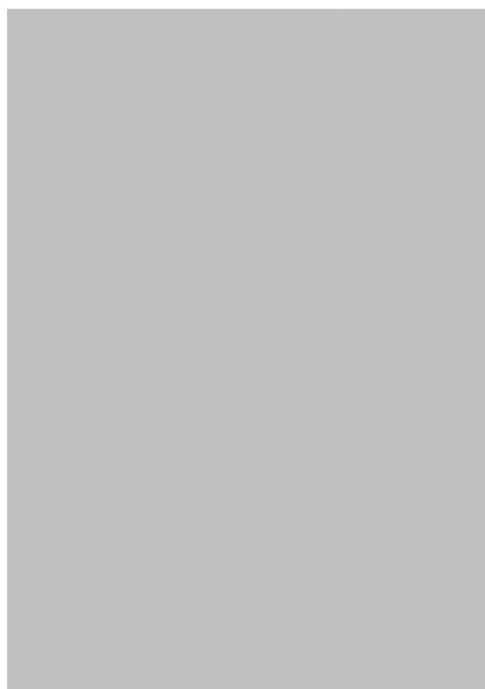
<sup>3</sup> Ibid.

<sup>4</sup> N. Klein, *No logo : No space, no choice, no jobs*. (London: Flamingo, 2000).

<sup>5</sup> S. Anderson and J. Cavanagh, 'The top 200: The rise of global corporate power.' (Washington: Institute for Policy Studies, 2000).

<sup>6</sup> D.C. Korten, *When corporations rule the world*. (London: Earthscan, 1995), G. Ritzer, *The McDonaldization of society*, New Century edition. (Thousand Oaks, California; London: Pine Forge Press, 2000), H.I. Schiller, *Culture, Inc. : The corporate takeover of public expression*. (New York, Oxford: Oxford University Press, 1989). G. Monbiot, *Captive state : The corporate takeover of Britain*. (Basingstoke: Macmillan, 2000).

‘impoverish’ what Jurgen Habermas in the 1980s referred to as the ‘lifeworld’ – to take what they wish from it and make it part of a strategy to sell.<sup>7</sup>



*Figure 1; Sleeveless vest by Nike.*

If scholarship around the turn of the century was particularly animated by the need to register the power and influence of transnational corporations in global society, the period since then is reflective of a change in the analytical terrain. There is nothing remarkable anymore in the tendency of profit-incentivised corporations to intrude upon and permeate everyday life. Klein might have captured the world’s attention with *No Logo* in 2000, describing the power of giant corporations and their ability to corrupt public life. Yet, the revelation that the same author makes in 2007, regarding the tendency of market actors to exploit crisis and human tragedy to maximise profits, does not reverberate so deeply. Nor does it feel so terribly ‘shocking’ (even though it is rightly condemned in Klein’s book).<sup>8</sup> Colonisation of the lifeworld would seem to have passed a critical stage, in this respect, where there is no longer the same persistence of belief in the existence of a lifeworld in the first place. There is no longer the same vigour in assertions of an ‘inalienable’ terrain, in relation to which corporate actors might be observed to intrude upon and dismember.<sup>9</sup> So befits the response of Hackney Council to the appropriation of their name and their logo by Nike. Rather than resurrecting the distinction between

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<sup>7</sup> J. Habermas, *The theory of communicative action*. (Cambridge: Polity, 1984).

<sup>8</sup> N. Klein, *The shock doctrine : Rise of disaster capitalism*. (London: Allen Lane, 2007).

<sup>9</sup> Bauman aptly identifies this stage, after the ‘invasion, conquest and colonisation’ of market forces, when he talks about production and consumption ‘forgetting or rendering irrelevant its human, all too human origins, together with the string of human actions that led to its appearance and was the *sine qua non* condition of that appearance.’ Z. Bauman, *Consuming life*. (London: Polity Press, 2007). 14.



‘system’ and ‘lifeworld,’ or insisting on the inalienable and ‘public’ quality of what the logo represents, the councillors merely insisted upon receiving their fair share of the profits.<sup>10</sup>

Not being remarkable, however, is not the same thing as being acceptable or being perceived as ‘legitimate.’ If members of the public are used to the spectre of corporate power, a significant amount of unsettlement remains regarding how that power ought to be managed or addressed. The question is one often put in constitutional terms, where a striking feature of the phenomenon is the absence of democratic mechanisms to make corporate decision-makers accountable to the general public. ‘Today’s constitutional questions are different, but no less important than those of the 18th and 19th century,’ Gunther Teubner observes, ‘then the concern was to release the energies of political power in nation states and at the same to limit that power effectively according to the rule of law. In the new constitutional question, the concern is to release quite different social energies and to limit these effectively.’<sup>11</sup> Stephen Gill, similarly, stakes the future of constitutionalism on the ability of citizens to relate more effectively to a world in which there are large concentrations of corporate power and legitimacy.<sup>12</sup> Gill observes how the subordination of state to civil society in liberal democracies has overseen a situation in which the decentralisation of power away from the state has led to its augmentation in the market. This generates new constitutional questions, regarding how members of the public might relate to the presence of powerful corporate actors beyond present constitutional arrangements, and how they might limit their negative effect.<sup>13</sup> Questions to this effect are of some significance, precisely because of what the vest and the literature on corporate power together indicate: that market forces infiltrate far and wide into the life of global populations and global environment. For Saskia Sassen, ‘the question as to how citizens should handle these new concentrations of power and “legitimacy” that attach to global firms and markets, is a key to the future of democracy.’<sup>14</sup>

The central question – what should be done about the presence of corporate power – has been variously put and (if tentatively) answered in scholarship and in a series of distinct political struggles. Civil society actors, such as NGOs, political activists, think tanks, and political parties play an important role in defending social and environmental value against marketisation, privatisation and commoditisation. These defences include directing political

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<sup>10</sup> BBC News. ‘Hackney wins logo row with Nike’. Hackney Mayor is quoted as saying, ‘one way of putting this right could be giving us a fair percentage of the retail price and some sportswear for every school child in the Borough.’

<sup>11</sup> G. Teubner, ‘Constitutionalising polycontextuality.’ (2010) *Social and Legal Studies* 19.

<sup>12</sup> S. Gill, ‘The constitution of global capitalism.’ (2000) *The Global Site*, available at: <http://www.theglobalsite.ac.uk/press/> [accessed 20/6/2010].

<sup>13</sup> Ibid.

<sup>14</sup> S. Sassen, ‘The repositioning of citizenship and alienage: Emergent subjects and spaces for politics.’ (2005) *Globalizations* 2(1): 79 - 94. 89.

campaigns against particular corporations and industries, naming and shaming controversial business practices, to make it hard for businesses to operate where the risk of harm is great.<sup>15</sup> They include efforts to carve out workable alternatives to the mainstream economy and efforts to make viable departures from the global market place. Campaigns speak of ‘rolling back’ the reach of corporate-led economic globalisation, or of replacing globalisation with ‘localism’ as the predominant pattern for global economic exchange.<sup>16</sup> Campaigns contest the rules and institutions, which support controversial market practices. They work to reveal gaps and loopholes in the current regulatory system, condemning the latter’s tolerance of irresponsibility and harm in the market. Campaigners call for stricter systems of regulation and control, at the local, national and international level.<sup>17</sup> They call for a regulatory means of ensuring businesses live up to the expectations of populations in every country that their economic activities affect: from the developed economies of corporate headquarters to the less developed regions of global economy, where production takes place.<sup>18</sup> ‘If we, as a society, are serious about sustainable development, social and environmental justice,’ said Friends of the Earth (‘FOE’) in 2005, ‘the time has surely come to mainstream common standards on social and environmental performance.’<sup>19</sup>

Formulated in this way, the question of how members of the public might reconcile themselves to the presence of powerful corporations is answered with recommendations for the development of legal and political limitations external to the corporation. This recommendation is typically referred to as the call for more ‘corporate accountability.’<sup>20</sup> Campaign advocates at the 2002 World Summit on Sustainable Development, for instance, proposed the implementation of an ‘International Convention on Corporate Accountability.’ In this, NGOs sought binding agreements on social and environmental standards and legal rights against business actors for communities affected by economic activity, including the direct liability of ‘foreign’ corporations.<sup>21</sup> A platform of NGOs organised at the European level in 2004 (‘the Social Platform’) proclaimed the need for European institutions to develop

<sup>15</sup> Klein, *No Logo*, catalogues a variety of examples. See also D. Vogel, *The market for virtue : The potential and limits of corporate social responsibility*. (Washington: Brookings Institution Press, 2005). 52-54, on naming and shaming and creating a ‘demand for virtue.’

<sup>16</sup> R. Broad, *Global backlash: Citizen initiatives for a just world economy*. (Oxford: Rowman & Littlefield Pub Inc, 2002), Part V; C. Hines, *Localization: A global manifesto*. (US: Earthscan/James & James, 2000).

<sup>17</sup> G. Monbiot, *The age of consent*. (London: Flamingo 2003). Monbiot calls for the development of global political and legal institutions, capable of holding transnational corporations to account.

<sup>18</sup> J. Zerk, ‘Filling the gap: A new body to investigate, sanction and provide remedies for abuses committed by UK companies abroad’ (London: CORE Publications, 2008).

<sup>19</sup> Friends of the Earth, ‘Corporate accountability briefing.’ (London: FOE Publications, 2005); See also, European Coalition for Corporate Justice, ‘Corporate social responsibility at the EU level: Advocacy briefing.’ (Brussels: ECCJ Publications, 2006).

<sup>20</sup> J. Bendell, ‘Barricades and boardrooms: A contemporary history of the corporate accountability movement’ *Programme on Technology, Business and Society*, Paper No. 13. (Geneva: UNRISD, 2004).

<sup>21</sup> R. Hamann, *et al.*, ‘Turning point: Responsibility versus accountability? Interpreting the World Summit on Sustainable Development for a synthesis model of corporate citizenship.’ (2003) *Journal of Corporate Citizenship* Spring (9): 32-48. 35-37.

‘proactive and consistent public policies to create the right enabling environment and, ultimately, to ensure accountability by all companies.’<sup>22</sup> Government institutions, the Platform argued, had a responsibility to ‘shift gears,’ from ‘merely moderating dialogue,’ to developing effective frameworks for business responsibility and enforcing them.<sup>23</sup> A call to extend the application of human rights instruments to corporate actors, similarly, looks to the intervention of state and multilateral actors in the resolution of disputes between companies and third parties.<sup>24</sup> Human rights instruments are called upon as an available source of norms and standardisation in relation to which the corporation might be called to account.<sup>25</sup> Corporate accountability campaigners profess the necessity of common standards to overcome disparities in regulation between jurisdictions. They seek to limit the negative effects of business by legally enforcing a minimum level of protection for social and environmental assets in the market. More broadly, campaigners seek to ensure that the presence of powerful corporations is made more ‘acceptable’ to the public, by ensuring that economic activities are rigorously contained within institutions directed by, and democratically accountable to, the general public.

Alongside the call for externally imposed constraint, however, the desire to manage problems generated by corporate actors has also come to focus on the potential application of ‘disciplinary’ mechanisms internal to the corporation. This interest in internal – or extra-legal – mechanisms has grown in line with the scale and capacity of private power, which has amassed outwith the institutions of government and state. A turn inwards to this effect, towards the corporation’s own internal disciplinary mechanisms, is a turn towards securing some of the corporation’s dynamism and capacity for the achievement of public policy objectives.<sup>26</sup> At the same time, it is a turn more negatively informed by concern that more traditional mechanisms of governance have failed (and continue to fail) to control the corporation thus far. Command and control regulatory techniques, in particular, have been criticised in this context, for an apparent lack of flexibility and effectiveness when applied to

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<sup>22</sup> Social Platform, ‘NGOs call on Commission and council to shift gears after multi-stakeholder forum: European CSR must move from dialogue to action.’ (2004) Letter to E.uuropean Commissioners and European Parliament: at, [www.corporatejustice.org/IMG/pdf/NGOCSRopenletterFINAL290604.pdf](http://www.corporatejustice.org/IMG/pdf/NGOCSRopenletterFINAL290604.pdf) [accessed 02/08/2010]

<sup>23</sup> Ibid.

<sup>24</sup> Peter Muchlinski, ‘Corporate social responsibility and international law: the case of human rights and multinational enterprises,’ in D.J. McBarnet, et al., *The new corporate accountability : Corporate social responsibility and the law*. (Cambridge ; New York: Cambridge University Press, 2007).

<sup>25</sup> See literature surrounding the appointment of a UN Special Representative on business and human rights in 2005 (John Ruggie): J. Ruggie, ‘Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises.’ OCHR Report A/HRC/4/35, 2007; summary analysis, S. Jerbi, ‘Business and human rights at the UN: What might happen next?’ (2009) *Human Rights Quarterly* 31(2): 299-320.

<sup>26</sup> John Ruggie, ‘the corporate sector which has done more than any other to create the gaps between global economy and national community is being pushed into playing a critical role bridging them.’ J.G. Ruggie, ‘Taking embedded liberalism global: The corporate connection,’ in J. Ruggie. *Embedding global markets: An enduring challenge*, (Hampshire: Ashgate, 2008). 231-254. 232.

the hyper entrepreneurial environment of the market. ‘Legal regulation is not always as effective as might be hoped in controlling business,’ says Doreen McBarnet.<sup>27</sup> Her work on corporate responsibility underlines problems caused by the business actor’s routine attitude to law and compliance. She identifies a culture of ‘creative compliance’ as contrary to the reliable security of regulatory objectives through law – her conceptualisation of a clash between the culture of entrepreneurship and the legal culture of standards and rules.<sup>28</sup> ‘The design and enforcement of regulation to govern every potential social dilemma facing business is simply not achievable,’ Christine Parker echoes, ‘and even if it were, it would not make businesses better citizens, since citizenship implies an internal capacity to respond with integrity to external values.’<sup>29</sup> For Parker, intervention through law engenders its own limitations – failure to cover the right things or failure to engage subjects with the spirit of the law, failure to be enforced effectively, and so, to deter further breaches of law. Values enshrined in the rules are not always internalised effectively by corporate actors. Commonly, they simply ‘bounce off the corporate veil.’<sup>30</sup>

It is against this background – of the perceived limitations of law – that the application of extra-legal mechanisms is emergent as a ‘governance’ response to concerns about how business affects society and environment. Extra-legal mechanisms are called upon as a way to make demands beyond law, in relation to corporate social responsibility and, as McBarnet is at pains to add, to make any existing law ‘more effective.’<sup>31</sup> They emerge out of a wider appreciation of the governance landscape and, in particular, an awareness of the extent to which this landscape is marked by the fragmentation of regulatory capacities and powers. Fragmentation means that the capacity to regulate social actors is ‘not restricted to formal state authority,’ as Colin Scott says.<sup>32</sup> The decision-making structure of corporate actors might be employed for purposes beyond the pursuit of profit, such as governance or self-limitation for public policy purposes. ‘The corporate entity is much more than the formal incidents of legal personality and limited liabilities, or even a sum of individual contractual or property relations,’ says Parker; ‘it exercises power and purposes that extend significantly beyond the agency relations between shareholders, corporate officers and managers and has the potential

<sup>27</sup> McBarnet, *et al.*, *The new corporate accountability*. 44, 45.

<sup>28</sup> Defining creative compliance as the frustration of legal objectives where legal gamesmanship creatively structures, or restructures, the legal form of business practices in such a way that it can be claimed they fall outside the ambit of disadvantageous law and beyond the reach of legal control.’ *Ibid.* 37. See also, D.J. McBarnet and C.J. Whelan, *Creative accounting and the crossed-eyed javelin thrower*. (Chichester: J. Wiley, 1999).

<sup>29</sup> C. Parker, *The open corporation : Effective self-regulation and democracy*. (Cambridge, New York: Cambridge University Press, 2002). 29.

<sup>30</sup> *Ibid.* 28. See also C. Parker, *et al.*, *Regulating law*. (Oxford: Oxford University Press, 2004).

<sup>31</sup> McBarnet, *et al.*, *The new corporate accountability*. 55.

<sup>32</sup> C. Scott, ‘Analysing regulatory space: Fragmented resources and institutional design.’ (2001) *Public law* (Summer): 329-353. 329. Regarding CSR specifically, C. Scott, ‘Reflexive governance, meta-regulation and corporate social responsibility: the ‘Heineken effect,’ in N. Boeger, *et al.*, *Perspectives on corporate social responsibility*. (Cheltenham: Edward Elgar, 2008).

to develop its own integrity of action and purpose.’<sup>33</sup> ‘Modern institutions, including corporations, have the capacity to reflect critically on their role and performance, engage in “organisational” or “social learning” and reform themselves,’ says Peter Utting.<sup>34</sup> They do so in response to market and societal signals, drawing on what Utting calls the corporation’s ‘innate capacity to innovate.’<sup>35</sup> In carrying out economic and entrepreneurial functions, business organisations *already* engage with the establishment and enforcement of standards. They *already* interact with external pressures, and through these engagements, deliver adjustments to business practice, products and services. Corporations evidence components of regulatory behaviour thus – standard setting, processes for monitoring compliance, mechanisms for implementing or enforcing improved outcomes.<sup>36</sup> In the internal structure of the corporation, there resides a capacity for social action and governance – for self-regulation – in relation to a wide range of issues and areas. Governance already takes place in the course of the ordinary business day, every day, without the need for external instruction or interference.

This thesis is concerned with a particular kind of self-regulation in relation to market actors. It discusses the phenomenon of self-regulation in relation to corporate social and environmental responsibility. It addresses situations where frustration with the level of public intervention, standardisation or enforcement in relation to business responsibility, is relieved by focusing on regulatory capacities internal to the corporation. Corporate self-regulation presents members of the public with a different way to reconcile themselves to the presence of corporations and to guard against social and environmental harm from the market. Rhys Jenkins captures the change in strategy. ‘Instead of the social and environmental impacts of big business being seen as issues primarily for governments to deal with,’ he says, ‘they are now regarded as matters of corporate responsibility for which companies themselves, or their trade associations, should set standards.’<sup>37</sup> Utting, similarly, underlines the engagement of corporate actors in the regulation of business responsibility. ‘Development agencies and actors concerned with promoting sustainable development have been joined in recent years by another player - big business,’ he says.<sup>38</sup> ‘Increasing adherence on the part of senior managers to concepts like corporate citizenship or corporate social responsibility (‘CSR’) suggests that this sector is

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<sup>33</sup> Parker, *The open corporation*. 4.

<sup>34</sup> P. Utting, ‘Corporate responsibility and the movement of business’. (2005) *Development in Practice* 15(3): 375-388. 381.

<sup>35</sup> Ibid. 380.

<sup>36</sup> G. Teubner, ‘The corporate codes of multinationals: Company constitutions beyond corporate governance and co-determination,’ in R. Nickel. *Conflict of laws and laws of conflict in Europe and beyond: Patterns of supranational and transnational juridification*, (Oxford: Hart, 2009).

<sup>37</sup> R. Jenkins, *Corporate codes of conduct: Self-regulation in a global economy*. (Geneva: United Nations Research Institute for Social Development, 2001). Introduction.

<sup>38</sup> P. Utting, ‘Business responsibility for sustainable development.’ Occasional Paper No. 2 (Geneva: United Nations Research Institute for Social Development, 2000); viii.

beginning to recast its relationship with both the environment and its multiple stakeholders.<sup>39</sup> Opening up governance to the corporation presents members of the public with a ready alternative to command and control techniques, for ensuring that global trade and investment does not take place at an unacceptable cost to society and environment. Corporate actors are presented with an alternative in terms of how they interact with the general public. In self-regulation, the corporation is able to deliberate without incurring the risks or disadvantages of external accountability mechanisms.

Business self-regulation in this area is, typically, referred to as ‘corporate social responsibility,’ or ‘CSR.’ The term denotes a practice that encourages business, as the EU Commission says of CSR, ‘to explore creative solutions to maximise their positive impact, as well as introducing measures to minimise their negative impacts.’<sup>40</sup> Directing corporate actors to ‘do good’ and ‘refrain from doing harm’ in this way, at first, seems so general a maxim as to offer little in the way of restraint in relation to business activity. Nevertheless, an instruction precisely to this effect – i.e. precisely this general – has peculiarly come to imply a series of highly particular meanings and practices over the last thirty years. In this period, the practice of CSR has been institutionalised in all of the major economies: from the US and Asia, to the UK and across the EU. The aim of Chapter 1 is to discuss the particular features of CSR, as it is institutionalised and operationalised in the UK. The Chapter does this by providing a descriptive account of ‘what counts as CSR.’ It discusses what companies, governments, academics and civil society actors that relate to the practice of CSR (as advocates or dissenters) recognise or understand by the corporate self-regulation of social and environmental responsibility.<sup>41</sup> It explores what distinguishes CSR from regular business activity to give it that crucial ‘disciplinary air,’ so critically required of regulation. Chapter 1 produces a working definition of CSR. This definition describes CSR in terms of three general features: ‘voluntarism,’ ‘the business case’ and ‘a public role for corporations.’ Each feature is now considered in turn.

### *The Voluntary Aspect*

The notion that the adoption of social and environmental obligations by corporations under the rubric of CSR is ‘voluntary’ is a popular starting point in literature that seeks to define the

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<sup>39</sup> Ibid. viii.

<sup>40</sup> European Commission, *European Competitiveness Report*, SEC (2008) 2853, at section 5: ‘Overview of the links between corporate social responsibility and competitiveness.’ 118.

<sup>41</sup> The effort is to define CSR in practical terms, or to solicit a basic agreement as to the contours of the concept from practice and implementation. On definition, see M. Van Marrewijk, ‘Concepts and definitions of CSR and corporate sustainability: Between agency and communion.’ (2003) *Journal of Business Ethics* 44(2): 95-105. A.B. Carroll, ‘Corporate social responsibility: Evolution of a definitional construct.’ (1999) *Business & Society* 38(3): 268. J. Cramer, *et al.*, ‘Making sense of corporate social responsibility.’ (2004) *Journal of Business Ethics* 55(2): 215-222.

concept. The definition of CSR that is currently employed by the institutions of the European Union ('EU') has proved a significant driver in this respect. The EU defines CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.'<sup>42</sup> This emphasis on a voluntary aspect is echoed in the UK definition of CSR. The UK Department of Business, Enterprise and Regulatory Reform ('BERR') identifies CSR as 'the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society.'<sup>43</sup> The UK Confederation of Business and Industry ('CBI'), similarly, describe CSR as the 'activity over and above the legal requirements,' emphasising that 'it is essential not to confuse [CSR] with the notion of responsible business behaviour.'<sup>44</sup> The motivation of business to mitigate negative social effects is distinguished from legally mandated or enforceable standards of behaviour. CSR is 'voluntary' where it pertains to situations in which the corporation applies its own capacity for governance, deliberation or social action, towards the achievement of public policy objectives. How corporate actors participate in the practice of CSR is an issue for the company board of directors, not one of manifest obligations in law.

The context for CSR is described in the most general of terms, as associated with the domains of 'society' and 'environment.' More specific elaborations of where the practice of CSR may be invoked concern areas such as (according to the EU) 'workplace, marketplace, environment and community.'<sup>45</sup> CSR operates in these areas by engaging corporate actors in innovating benefits to society, improving or developing new skills and enhancing sustainability in the use of resources. It employs the energies of corporate decision-makers to matters such as diversity challenges, improving working conditions, transparency and enhancing dialogue with stakeholders.<sup>46</sup> Where the engagement of business actors with causes to this effect is decreed to be 'voluntary' in CSR, the amount of responsibility that accrues to the actor is, in the words of the CBI, 'what individual companies determine it to be, according to their own set of circumstances and their own understanding of who their key stakeholders are.'<sup>47</sup> Government actors justify allowing the corporation to self-determine how they take up the challenge of CSR by evoking a series of recognised advantages. The UK Better Regulation Commission ('BRC') describes these advantages, in a 1999 report on self-regulation, as comprising the

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<sup>42</sup> European Commission, 'Implementing the partnership for growth and jobs: Making Europe a pole of excellence on corporate social responsibility.' (2006) *COM* 136 final. 2. Definition of CSR was first developed in European Commission, 'Promoting a European framework for CSR.' (2001) *COM* 366.

<sup>43</sup> BERR, 'Corporate responsibility report.' (London: BERR Publications, 2009); 5..

<sup>44</sup> CBI, 'Business summary: November.' (London: CBI documents, 2006).

<sup>45</sup> European Commission, 'Competitiveness report.' 107.

<sup>46</sup> *Ibid.* 107, 111.

<sup>47</sup> CBI, 'Response to the European commission green paper: 'Promoting a European framework for corporate social responsibility'.' (London: CBI, 2001); 1.

ability to ‘best reflect the issues and needs of the particular sector,’ to ‘generate a sense of ownership amongst the profession or industry,’ and to ‘harness a common interest in maintaining the reputation of those involved in the activity.’<sup>48</sup> Voluntarism, say the EU institutions in accord, ‘inspires more enterprises to engage in CSR,’ which is important ‘since they are the primary actors in this field.’<sup>49</sup>

If CSR is distinguished from legal obligation, on one side, it is also differentiated from pure voluntarism or ‘free will’ on the part of corporate actors, on another. Restraints on the corporation are typically assessed in the literature to be three-fold. First, the practice of CSR is distinguished from corporate philanthropy and charity. The latter proposes a release from the corporations profit-seeking personality – an interval in which the corporation sacrifices profit for the pursuit of social and environmental objectives. CSR, by contrast, proposes a voluntary application of the corporation’s internal mechanisms to public policy objectives, which includes (rather than excludes) the overlying profit incentive. Second, for corporate initiatives to qualify as an instance of CSR, the adjustment of economic activities ought to be ‘good for society’ and ‘good for business’ at the same time. Economically restrained, the practice of CSR is informed by the need for business to anticipate the presence of profitable markets and competitive advantages. In CSR, this means reading, and being responsive to, shifts in the market as regards public demand for the protection of social and environmental value. This shift is evident in new pressures – or restraints – on corporations that come from customers, employees and local communities, concerned about the impact of economic activity on society and environment. ‘These groups expect businesses to consider the environment, [...] they are also increasingly demanding ethical trading policies, fair employment practices and the safeguarding of human rights,’ as BERR said in 2009.<sup>50</sup> Social pressures are then linked to the general duty of company directors to ensure that the company is profitable and able to protect shareholder interest. McBarnet captures the balance of restraints perfectly when she says, ‘if CSR is self-governance by business, it is nonetheless self-governance that has received a very firm push from external social and market forces. From the start, “voluntary” CSR has been socially and economically driven.’<sup>51</sup> In this statement, there are two restraints on economic activity: social (from stakeholders) and economic (from the shareholder).

The third restraint on voluntarism concerns the wider regulatory environment in which the practice of CSR takes place. The emphasis on corporate self-regulation does not entirely displace or eradicate a role for government in CSR. Corporation and government, rather, are

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<sup>48</sup> Better Regulation Task Force, ‘Self-regulation: Interim report.’ (London: Cabinet Office, 1999); 4.

<sup>49</sup> European Commission, ‘Implementing the partnership.’

<sup>50</sup> BERR, ‘Corporate responsibility report.’ 10.

<sup>51</sup> McBarnet, *et al.*, *The new corporate accountability*. 12.



imagined to be in a relationship of interaction and exchange – or ‘partnership,’ as the EU refers to it – on the basis of which they together protect social and environmental value in the market.<sup>52</sup> Government retains the responsibility to set and enforce minimum legal standards. These standards are set in ‘the field of health and safety, environmental impact and employment practices.’<sup>53</sup> This minimum level is important, where it provides a base level in relation to which voluntary CSR ‘beyond the law’ takes place.<sup>54</sup> ‘CSR should continue to take compliance with the legal standard as the base and go beyond that in the interests of business and the rest of society,’ BERR’s predecessor, the Department of Trade and Industry (‘DTI’) said in 2004.<sup>55</sup> As well as set minimum standards, government actors also work in and around the practice of CSR to ‘encourage and incentivise’ the voluntary adoption of social and environmental initiatives. They do this ‘through best practice guidance and, where appropriate, intelligent regulation and fiscal incentives.’<sup>56</sup> Guidance typically takes the form of ‘soft-law’ standards and non-binding instruments – codes of conduct, pilots, policy initiatives and normative declarations or statements of principle on human rights.<sup>57</sup> Campaigners seeking to catalyse the corporation into action draw upon this soft-law, using it to make demands on the corporation and drive up the standard of business behaviour. Corporate actors draw upon the elaboration of best practice, principles and standards, as a way to anticipate popular expectations in relation to social and environmental responsibility. The result is that extra-legal standards come to bear upon the decision making process of corporations. They permeate, or infiltrate, market decisions by providing a standard against which economic activities might be assessed by other market actors (investors, consumers and employees), as well as by public and political actors.

These restraints – economic incentives, social pressures on the corporation or non-binding instruments that bear on corporate reputation – are sometimes referred to in the literature as ‘drivers for CSR.’<sup>58</sup> The term captures CSR’s promotion of voluntarism at its most positive, implying that all business needs is a push in the right direction to achieve public policy goals. CSR, from this perspective, is about securing the right enabling environment, and then letting

<sup>52</sup> European Commission, ‘Implementing the partnership.’

<sup>53</sup> BERR, ‘Corporate responsibility report.’ 5. See also DTI, ‘Corporate social responsibility: A government update.’ (London: DTI Publications, 2004); 2 - 4.

<sup>54</sup> McBarnet, *et al*, *The new corporate accountability*. 13-31, ‘beyond the law.’

<sup>55</sup> DTI, ‘A government update.’ 4.

<sup>56</sup> BERR, ‘Corporate responsibility report.’ 5. The development of CSR incentives see also, 10, 14-28.

<sup>57</sup> EU Guidance, see EU Commission, ‘Promoting CSR in European industrial sectors,’ available at [http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/industrial-sectors/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/industrial-sectors/index_en.htm) [accessed 02/08/2010]. Particular prominence is accorded the development of soft-law and statements of principle in the context of human rights. See literature on UN Global Compact, including, A. Kuper, ‘Redistributing responsibilities: the UN Global Compact with corporations,’ in A. Follesdal and T. Pogge, *Real world justice: grounds, principles, human rights and social institutions*, Studies in Global Justice Series (Dordrecht: Springer, 2005). 359-380.

<sup>58</sup> A. Crane, *The Oxford handbook of corporate social responsibility*. (Oxford: Oxford University Press, 2008). ‘Actors and Drivers’ at 227-327. See also, M. Haigh and M.T. Jones, ‘The drivers of corporate social responsibility: A critical review.’ (2006) *The Business Review* 5(2): 245-251.

the market in social and environmental responsibility take its own course. Stakeholders encourage business, but rely on the system to deliver adjustments and better outcomes. More recently, however, the language used to describe pressures on the corporation has changed in both tenor and aspiration. Debates reflect a growing desire on the part of participants to label external and internal factors, which bear on the practice of CSR, in stronger terms: as restraints or limitations. The notion of restraint is employed, in this context, where it seems to respond to a primary criticism of CSR: that self-regulation sits awkwardly with the presence of already powerful actors.<sup>59</sup> Emphasis on the extent to which factors with a close relation to the accumulation process are able to restrain markets gives CSR a more rigorous air. It counteracts the impression that CSR is too flighty, or too easily manipulated by the corporation, for the security of economic interests. The emphasis on inner restraint also presents supporters with a way to readily distinguish the mechanics of CSR from the cloud that has come to hang over 'self-regulation' or 'light-touch regulation' today.<sup>60</sup> The capacity of a public to 'drive' the market in subordinated debt in the 'right direction' proved to be compromised, when all social actors took to driving towards the maximisation of economic outcomes. Bolstering the emphasis on restraint, which is spread across a variety of sources, all with an interest in driving business away from narrow self-interest, CSR proposes a more disciplined or rigorous intervention. Through restraint, CSR recovers for itself the aura of regulation.

This conceptualisation of restraints internal to CSR has taken several forms and at the hand of several authors. Parker, for example, talks about 'meta-regulation: the 'regulation of corporate self-regulation.' The concept employs legal and non-legal sources of standardisation to hold corporate organisations accountable for putting in place processes, which are aimed at the protection of substantive social values.<sup>61</sup> Utting develops a similar depiction of restraints, when he talks about 'co-regulation,' and 'social control' in relation to CSR. Co-regulation is about 'emerging forms of NGO-Business collaboration [...] consolidated and institutionalised since the turn of the millennium.' Utting projects the outcome of this consolidation to be the 'ratcheting-up of standards, strengthening their implementation, as well as enhancing the credibility of voluntary initiatives.'<sup>62</sup> McBarnet, in an editorial to a 2007 collection of papers all about the possibility of restraint within CSR, goes so far as to label the phenomenon 'the new corporate accountability.' She defines this new form as the product of 'multiple sources

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<sup>59</sup> R. Shamir, 'Corporate social responsibility: A case of hegemony and counter-hegemony,' in Boaventura de Sousa Santos and Cesar A. Rodriguez Garavito. *Law and globalization from below : Towards a cosmopolitan legality*, (Cambridge: Cambridge University Press, 2005). 92-117. 104.

<sup>60</sup> Critical (now) of 'light-touch': H. Sants. 'Delivering intensive supervision and effective deterrence'. 12 March 2009, transcript: [http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0312\\_hs.shtml](http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0312_hs.shtml). [accessed 02/08/2010]

<sup>61</sup> Parker, *The open corporation*. 245-291.

<sup>62</sup> Utting, 'Corporate responsibility and the movement of business.' 281, 282.

and interweaving forms of corporate governance – legal and extra-legal – coalescing under the banner of corporate social responsibility.<sup>63</sup> McBarnet *et al* employ the term ‘accountability’ to describe CSR where the restraint that she and her colleagues identify is not just ‘extra-legal’ – non-binding declarations, practice guides and codes – but is also strengthened by the applicability of legal rights and instruments. The book discusses creative uses of private law, public procurement, company law and human rights, all of which McBarnet *et al* employ for the security of social and environmental objectives. All three accounts – ‘meta-regulation,’ ‘co-regulation,’ ‘the new corporate accountability’ – share an emphasis on the extent to which the autonomy of business is not total, or unbounded, in CSR. ‘[Corporate codes] are no longer mere public relations strategies; rather, they have matured into genuine civil constitutions,’ generalises Teubner.<sup>64</sup> The three accounts of CSR’s capacity for ‘restraint’ elaborate specifically on this maturity, providing an indication of how constitutional pluralism is effected in CSR, how it disciplines the corporation and why.

There is something important in this revelation of restraint as a critical component to the practice of CSR. But, what this is is not necessarily as easy to catalogue as these accounts suggest. In the first instance, the focus on the *quantity* of restraint produces a misguided impression of CSR. It sidelines a more general, or persistent, reality in terms of how CSR is engaged with by corporations and government actors. Even where they are numerous, the adoption of social and environmental standards in CSR is usually difficult, if not impossible, to verify and enforce. There is a constant struggle by public participants to get beyond websites or statements, to access the inner sanctum of the corporate model and the processes responsible for business decisions.<sup>65</sup> Shamir captures this general reality when he sets all the noise about CSR – from government, activists or market actors – against the overall or end outcome. ‘It seems,’ he says, in an effort to gauge the meaning and effect of CSR, ‘that the attempts to tame MNCs, whether at the principled level or through direct legal action have, so far, yielded limited results.’<sup>66</sup> These limited results come about, on one hand, where a more interventionist approach is persistently rejected by government, eager to retain enthusiasm for CSR by preventing incursions on business autonomy.<sup>67</sup> On the other, limitations present themselves in relation to the extra-legal instruments, which seek to inform the practice of CSR, on account of ‘the way that MNC’s have learnt to respond to mounting pressures.’<sup>68</sup> Shamir draws attention, in this context, to something beyond the growing ‘number’ of extra-legal pressures on the

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<sup>63</sup> McBarnet, *et al.*, *The new corporate accountability*. 1.

<sup>64</sup> Teubner, ‘The corporate codes of multinationals: Company constitutions beyond corporate governance and co-determination.’ Abstract.

<sup>65</sup> On the problem of broad and misleading claims, Advertising Standards Authority, ‘Environmental claims in advertising: Is green a grey area?’ (London: ASA. Publishing, 2008).

<sup>66</sup> Shamir, ‘A case of hegemony.’ 99.

<sup>67</sup> Ibid. 98.

<sup>68</sup> Ibid. 97-99.

corporation. Noting an increase in the quantity, he argues, does not necessarily mean a more instructive presence, on the part of public actors, in the market. Rather, the *quality* of voluntarism assumed by corporations in CSR complicates accountability from the outset. Shamir defines CSR not in terms of ‘drivers’ or ‘restraints,’ but in terms of the capacity for business to *lead the response* to antagonism and social pressure. ‘The field of corporate social responsibility is not a mere derivative of these new pressures,’ he observes, ‘rather, it is corporate responses to such pressures that eventually allows for the emergence of a field.’<sup>69</sup>

This quality to voluntarism is essential to understanding CSR. Voluntarism, or corporate autonomy, in CSR comes with two particular features. First, even if the presence of social drivers restrict, infiltrate or influence corporate decision-making, a zone of autonomy on the part of the corporation remains. It is business actors who are empowered in CSR to design and implement ‘the fitting response.’ CSR – or the concept’s alter egos in ‘meta-regulation,’ ‘co-regulation’ and the ‘new corporate accountability’ – is about latching onto the corporation’s internal capacity to govern itself. As such, it leaves decisions in the last instance to the will or initiative of the corporation itself. Second, where the possibility of restraint in CSR – legal or extra-legal – encourages business actors to adjust economic instincts whilst remaining in control of a wider economic agenda, restraint simultaneously becomes *productive* to the corporation. It allows business actors to expand into new areas and to validate new products and services. It allows them to take control of antagonism towards economic activity and to turn it into a new commercial opportunity. Social drivers or restraints, from this perspective, are not indicative of a drastic incursion into the corporation’s autonomy. They do not challenge the quality of corporate power, or the corporation’s ability to wilfully select from public requests. Critical components of a corporation’s social and environmental policy – what terms like fairness mean to the corporation, how they will implement social claims, what more business could do or how they select between priorities – remain coveted in a sphere of voluntarism: difficult for members of the public to infiltrate or question. The thesis will return again to the power of voluntarism throughout the course of this study of CSR. It is enough, for now, to identify its weighty relevance to the production of a working definition and understanding of CSR.

### *The Business Case*

The definition of CSR employed by the European Union – ‘a concept whereby companies integrate social and environmental concerns in their business operations’ – references a further defining aspect of CSR. The proposition, in particular, that CSR proposes *an integration* of

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<sup>69</sup> Ibid. 94.

social and environmental concerns with business considerations distinguishes the practice of CSR from behaviour purely social and environmental in its orientation. ‘CSR is not just philanthropy,’ said the EU Institutions, as already noted in relation to the voluntary aspect above.<sup>70</sup> It is worth returning to further elaborate on this distinction, where the need for the corporation to produce and rely on economic justifications goes right to heart of how the self-regulatory approach is operationalised in CSR. If CSR is defined, on the one hand, as the ‘voluntary action that business can take over and above compliance with minimum legal requirements,’ it is defined, on the other, by the insistence that the corporation does so ‘to address both its own competitive interests and the interests of wider society’.<sup>71</sup> Corporate actors involved in the practice of CSR are not asked to adopt social and environmental policies for their own sake, or at cost to their economic operations, but to do so in a way compatible with or, to adopt the language of the EU, ‘integrated with’ market competitiveness. Participation in the practice of CSR ought to contribute to the creation of economic value and wealth generation on the whole.

The idea is typically referred to as the ‘business case for CSR.’ The ‘case’ is one made by highlighting the economic benefits, or ‘competitive advantages’ (as the EU say), of corporations practising CSR. It argues that by voluntarily adopting measures to respond to a wave of public concern regarding the protection of society and environment, economic advantages are accrued by corporate actors. These advantages could be direct. They might include the development of in-house measures to improve efficiency, the identification of new revenue streams, or the implementation of better risk management practices. Or, benefits to the corporation might be indirect, consisting of a variety of ‘reputational’ effects, which flow from enhanced public trust and confidence in an organisation. CSR ‘differentiates a firm and its products from competitors.’<sup>72</sup> With these economic benefits in hand, the need for governmental actors to intervene, and to compel social and environmental protection in the market, is significantly reduced. There is no need for public actors to intervene because corporations are catalysed into action and response on their own initiative. Corporations adjust the delivery of services and products where they see the chance to ‘promote the success of the company,’ or where decision makers in the corporation can justify the act in terms of its potential to generate economic reward. ‘The key point,’ as Zadek puts it, ‘is that at no time does the individual business move outside of its own ‘logic’ and basis of accountability. At each step, the business sees the sense within its logic of accountability to its owners (shareholders) in extending the boundaries of what it takes into account.’<sup>73</sup>

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<sup>70</sup> European Commission, ‘Competitiveness report.’ 107.

<sup>71</sup> BERR, ‘Corporate responsibility report.’ 5.

<sup>72</sup> Ibid. 6.

<sup>73</sup> S. Zadek, ‘Responsible competitiveness: Reshaping global markets through responsible business practices.’

Business actors act in CSR for economic reasons. They make modifications to their behaviour on the basis of economic information, which they draw from the market. CSR, accordingly, proposes a mode of interaction with members of the public that is broadly familiar. Businesses read the market for news of new economic demands and expanding markets. They act with a view to securing profit and competitive advantages. As such, the contemporary practice of CSR would seem to be closely aligned with what Tom Campbell refers to as ‘instrumental CSR,’ a practice in which social and environmental goals are pursued by business actors for instrumental reasons. The responsibility of business is to maximise profits and, in so doing, to promote the interests of shareholders. Social and environmental objectives are pursued only to the extent that their pursuit is consistent with, or required by, this overlying economic objective.<sup>74</sup> Campbell contrasts this (for him) ‘limited’ appreciation of social and environmental obligation with what he refers to as ‘intrinsic CSR.’ Intrinsic CSR denotes a practice in which businesses promote social and environmental value as a ‘worthwhile’ objective or end in and of itself. The corporation participates in the practice of CSR not because it is profitable, but because it is the ‘right thing to do.’<sup>75</sup> Corporate actors engage with CSR fully cognisant of the potential conflicts with profitability, the distinctive quality of intrinsic CSR being that competitiveness and profitability are by no means guaranteed for the corporation. ‘The real crunch questions in CSR,’ says Campbell, ‘concern what to do when the business case does not hold because it is not economically wise for a particular economic unit or business sector to ‘do the right thing.’<sup>76</sup> This is when commitment to the protection of social and environmental value is really required. This is when the meaning or extent of reflexivity on the part of business is really revealed. It is also, Campbell argues, when business contributions to the protection of social and environmental value is really maximised.

It is precisely this contrast between intrinsic and instrumental CSR that has come to be a focal point of debate about CSR after the incorporation of the UK Companies Act 2006 (‘the 2006 Act’).<sup>77</sup> Introducing a non-exhaustive list of social and environmental factors for directors to ‘have regard to’ when attending to general duties ‘to promote the success of the company,’ the Act, on the face of it, would seem to promote the protection of social and environmental value in markets.<sup>78</sup> Optimistic observers celebrate the new imposition on directors and the enhanced status accorded in the Act to the ‘interests of employees, relationships with customers,

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(2006) *Corporate Governance: International Journal of Business in Society* 6: 334-348. 340. See also S. Zadek, *The civil corporation*, Revised Edition. (London: Earthscan, 2007). Chapter 6. See too D. Vogel, *The market for virtue*.

<sup>74</sup> T. Campbell, ‘The normative grounding of corporate social responsibility: a human rights approach,’ in McBarnet, *et al.*, *The new corporate accountability*. 529-563, 513.

<sup>75</sup> Ibid. 533

<sup>76</sup> Ibid. 531

<sup>77</sup> Companies Act 2006 (c.46)

<sup>78</sup> s172(1) ‘have regard to’ (social and environmental factors); s172(2) ‘promoting the success of the company.’

suppliers and others, the wider impact of business on communities and the environment.<sup>79</sup> By directing attention to *prima facie* non-economic considerations, the 2006 Act appears to modify the role of directors, implying that the ‘success of the company’ is dependent on factors beyond the maximisation of profit. It introduces a new list of normative, social and environmental grounds, in relation to which the success or performance of corporations might be publicly assessed. The 2006 Act detailed a range of considerations and factors in relation to which corporate actors might legitimately be expected ‘to act’ and to demonstrate a level of commitment that is consistent with terms of the statute. ‘Companies are already under pressure to assert their social responsibility credentials,’ Bill Davies said after incorporation. ‘The fact that these pressures are now underpinned by statute means that there is now an added incentive [for corporations] to consider more than just their bottom line.’<sup>80</sup> So, observers welcomed the enshrinement of ‘enlightened shareholder value’ (‘ESV’) in s172 of the 2006 Act.<sup>81</sup>

Despite the pluralist *aesthetic* achieved, however, in a section that lists non-economic factors for directors’ consideration, the enhancement of social responsibility proposed in the 2006 Act has proved relatively limited. It was designed to be so from the outset. In the course of designing and promoting the relevant section (s172), the Company Law Review Steering Group (‘CLRSG’) in the UK specifically rejected a ‘stakeholder’ conception of social and environmental responsibility. They rejected the reformulation of UK company law to confer rights of redress and participation in corporate decision-making on a wider range of parties, that is, where CLRSG believed that ‘this would impose a distributive economic role on directors in allocating the benefits and burdens of management of the company’s resources.’<sup>82</sup> CLRSG decided instead to ‘embed in statute the concept of Enlightened Shareholder Value, by making clear that directors must promote the success of a company for the benefit of its shareholders [...] taking due account of both the long-term and short-term, and wider factors such as employees, effects on the environment, suppliers and customers.’<sup>83</sup> s172 of the 2006 Act proposes not a significant departure from Milton Friedman’s classic articulation of corporate social responsibility – ‘the social responsibility of business is to increase its

<sup>79</sup> McBarnet, *et al.*, *The new corporate accountability*. 37.

<sup>80</sup> B. Davies, ‘More than the bottom line.’ (2008) *New Law Journal* 58(7331), B. Davies, ‘The bank directors duties: Time for the new enlightenment.’ (2009) *International Journal of Private Law* 3: 171-178.

<sup>81</sup> There is plentiful discussion of ESV. See, A. Keay, ‘Enlightened shareholder value, the reform of the duties of company directors and the corporate objective.’ (2006) *Lloyd’s Maritime and Commercial Law Quarterly*: 335-361, C. Nakajima, ‘Whither ‘enlightened shareholder value’?’ (2007) *Company Lawyer* 28(12): 353-354. J. Jap, ‘Considering the enlightened shareholder value principle.’ (2010) *Company Lawyer* 35.

<sup>82</sup> CLRSG, *Modern company law for a competitive economy : Developing the framework : A consultation document*. (London: DTI, 2000). at para 2.12; for more on the stakeholder debate in the context of s172, see S. Kiarie, ‘At crossroads : Shareholder value, stakeholder value and enlightened shareholder value : Which road should the United Kingdom take?’ (2006) *International Company and Commercial Law Review*, 17.

<sup>83</sup> DTI, *Company law reform*. (London: Stationery Office, 2005). 5.

profits.’<sup>84</sup> It proposes, rather, a contemporary elaboration of *what making profit involves in the current business climate*. Lord Goldsmith, commenting on the UK Review, clarified the aims of the 2006 Act, in this respect when he said of s172 that it ‘resolves any confusion in the mind of directors as to what the interests of the company are.’<sup>85</sup> The director’s primary consideration remains protecting the interest of the shareholder. Andrew Keay comes to a similar conclusion, clarifying the meaning of s172 for non-members seeking to rely on the provision: ‘they will not be entitled to initiate any legal proceedings against directors,’ Keay says, ‘where directors fail to have regard for the interests set out in the subsection, it is unlikely that they will be called to book.’<sup>86</sup> In practice, s172 of the 2006 Act has done little to redirect UK company law in general, or the law on director duties in particular, away from the usual priority accorded the economic interests of shareholders.<sup>87</sup>

‘Ideally, CSR is a win-win scenario, whereby companies increase profitability and society benefits at the same time.’<sup>88</sup> If there is little doubt that business decisions in the UK are still expected to be about economic judgement after s172 of the Act, this would seem to be the best that can be said about the extent of social and environmental obligation implicit in CSR. If anything, the entrenchment of ‘the business case’ in s172 of the 2006 Act, would seem to propel the question of intrinsic CSR onto the other foot, inciting rumination on the extent to which it would be legal to engage in intrinsic CSR, if the results are to reduce profitability.<sup>89</sup> This does not mean, in practice, that social and environmental demands on the corporation never conflict with profit incentives, or that a pressure to engage in intrinsic CSR is not felt by the corporation in CSR contexts. It means, rather, that it is precisely at this juncture that the business case intervenes, to guide corporations in terms of what is expected of them in CSR. The business case interjects and limits the extent of responsibility accrued by corporate actors in UK company law and CSR. In this respect, CSR is very much about putting ‘trust’ in the

<sup>84</sup> M. Friedman, ‘The social responsibility of business is to increase its profits’. *The New York Times*. 13. September 1970 (New York: Arthur Ochs Sulzberger, Jr., 1970).

<sup>85</sup> Lord Goldsmith in DTI, ‘Ministerial statements on the Companies Act 2006.’ (London: DTI. Publications, 2006).

<sup>86</sup> A. Keay, ‘Section 172(1) of the Companies Act 2006: An interpretation and assessment.’ (2007) *Company Lawyer* 28. For Keay, there is no possibility of third parties enforcing rights under the act where (1) the Act grants unfettered discretion to directors (2) court unlikely to disturb so long as in good faith, (3) only shareholders have a right against the company for breach of s172.

<sup>87</sup> Concurring, C.Villiers, in Boeger, *et al.*, *Perspectives on corporate social responsibility*. 94-95. Comparing s172 to a pre-existing directors duty to consider the interests of employees in s380 of the 1980 Employment Act, a provision that has never effectively been enforced. Note also how the view is consolidated in s170: the duties in s172 ‘shall be interpreted and applied in the same way as common law rules and equitable principles,’ confirming the low gravity of the change proposed in s172.

<sup>88</sup> EU Business. ‘Corporate social responsibility briefing’. Industry briefing, reported on an online forum for business in the EU; available at: <http://www.eubusiness.com/topics/social/csr-guide>. [accessed 02/08/2010]

<sup>89</sup> J.E. Parkinson, *Corporate power and responsibility: Issues in the theory of company law*. (Oxford: Clarendon, 1993). Chapters 9 and 10. Parkinson’s classic rumination concludes that the law is generally hostile to intrinsic CSR, although, he speculates, the possibility remains that there is some flexibility in practice (due to the court’s reluctance to intervene in business judgements and difficulties as regards enforcement). Echoing Parkinson’s observations, McBarnet, *et al.*, *The new corporate accountability*. 22-25; Campbell, in *The new corporate accountability*. 542-547; Parker, *The open corporation*. 6 -10.



corporation, and its dynamic interest in prioritising shareholder value. It is this interest and this priority that is relied upon in CSR to resolve social problems and innovate solutions. Zadek captures this extended investment, or ‘trust,’ in the corporate model, in an article where he associates ‘business case CSR’ with the development of a commitment to ‘responsible competitiveness.’ ‘In this situation,’ he says, ‘market dynamics are not driving business away from intensive accountability to shareholders, to extensive accountability to a more diverse range of stakeholders. Rather, what is happening is that intensive and extensive forms of accountability are becoming closer, until they are, ultimately, equivalent.’<sup>90</sup>

One final point on ‘the business case’ is worth elaborating here, where it broadens the understanding of how the case is rooted in public policy and law. It also leads the analysis in this Chapter neatly onto the third aspect of CSR, where it concerns a broader ‘public’ role for the corporation. It is noticeable that the defence of a ‘business case’ in relation to CSR (and indeed, in company law as a whole) is not envisaged in some kind of provocative opposition to social responsibility and moral values. It is, rather, bound up with a bigger justification, which pertains to the role of the corporation in society. This role is defined in terms of the corporation’s capacity to generate wealth and economic ‘well-being.’ It views the economic ends of the corporation as a socially and morally beneficial activity in and of itself. Economic activities serve the interests of society ‘through the wealth they generate, the jobs they provide, the goods and services they offer.’<sup>91</sup> The pursuit of these benefits is underwritten by a broader public policy belief in the ability of property rights, open and competitive markets to ‘create a good environment for poor households – and everyone else – to increase their production and income,’ as David Dollar and Aart Kraay famously said in 2000.<sup>92</sup> It is with this larger social benefit in mind that the ‘business case’ is entrenched in the UK – not just in relation to CSR, but also in relation to the legitimisation of markets on the whole. The CLRSG, captured the morality and mood when they said in 1999, ‘we would stress in this context that we interpret our terms of reference as requiring us to propose reforms, which promote a competitive economy by facilitating the operations of companies so as to maximise wealth and welfare as a whole. We have not regarded it as our function to make proposals as to how such benefits should be shared or allocated between different participants in the economy, on grounds of fairness, social justice or any similar criteria.’<sup>93</sup> The business case for CSR finds wholehearted justification in this. The concept evokes and is grounded in the same deference to, or legal trust, in the corporation and the market. The thesis will return to this ‘trust’ in the corporation and its instincts in Part 2.

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<sup>90</sup> Zadek, ‘Responsible competitiveness.’ 81-82.

<sup>91</sup> Verheugen. ‘CSR essential for public trust’.

<sup>92</sup> D. Dollar and A. Kraay, ‘Growth is good for the poor.’ (2002) *Journal of economic growth* 7(3): 195-225.

<sup>93</sup> CLRSG, *Modern company law for a competitive economy : The strategic framework : A consultation document*. (London: DTI, 1999). para. 2.5

The collusion of economic and social roles is striking in even the simplest of CSR's summary definitions: 'CSR is good for society and good for business.'<sup>94</sup> The notable feature of CSR, and the fulfilment of the business case agenda, is that the corporate actor engaged in CSR is understood to do more than deliver on purely economic goals. Business actors are also seen to be delivering on a much wider range of social and environmental objectives, the articulation of which is integrated with economic consumption and the expression of economic demand. Günter Verheugen, Vice-President of the EU Commission responsible for Enterprise and Industry, captures this 'integration' when he says of companies that participate in CSR, [they] 'will be the companies that see the *commercial opportunity in helping to resolve societal problems*, ' [emphasis added].<sup>95</sup> The UK BERR similarly defines CSR in terms of 'business activities that *bring simultaneous economic, social and environmental benefits*' [emphasis added].<sup>96</sup> In both descriptions, the corporation is encouraged to see CSR activities as furthering the public interest, as well as its own economic interest. Corporations protect the public interest where adjustments that they make, in response to a wave of social and environmental concern, are underwritten by moral, social or public interest justifications, as well as economic ones. In this respect, CSR proposes a deeper consolidation of public preferences in the market. In addition, a new public role is accrued by the corporation in CSR. The institution of the market, similarly, accrues new political aspects. Corporations and the market are entwined in the task of formulating how the general interests of society might be improved upon and protected.

Of course, the fusion of public interest with economy is not unique to CSR. Extricating a public interest in the market is fundamental to the legitimization of capitalist economy, more generally and, as such, runs through the theory of company law. J.E. Parkinson captures this social aspect to the corporation in his 1993 work, *Corporate Power and Responsibility*, where he describes the private corporation as a 'social enterprise.'<sup>97</sup> The company is a social enterprise, for Parkinson, not only because companies 'affect' society and environment, but also because directors' decisions constitute significant exercises of social power.<sup>98</sup> Companies are 'private forums or contexts in which social planning is carried on.'<sup>99</sup> The planning that

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<sup>94</sup> European Commission, 'Corporate social responsibility (CSR) is good for society, the environment and business,' *The Magazine of Enterprise Policy*, Europa website, 29 July 2010. Available at: [http://ec.europa.eu/enterprise/e\\_i/news/article\\_10526\\_en.htm](http://ec.europa.eu/enterprise/e_i/news/article_10526_en.htm) [accessed 02/08/2010].

<sup>95</sup> Verheugen. 'CSR essential for public trust'.

<sup>96</sup> BERR (2004), *CSR: An update*. 2.

<sup>97</sup> Parkinson, *Corporate power and responsibility*. Reasoning the consideration of the corporation as a social enterprise, 23. Reading R.A. Dahl, 'A prelude to corporate reform.' (1972) *Business and society review* 1: 17-23.

<sup>98</sup> Parkinson, *Corporate power and responsibility*. 1.

<sup>99</sup> Ibid. 1.

they do is driven by economic agendas and decisional criteria, but in terms of social effects, corporate power rivals the political process as a ‘mechanism for social choice.’<sup>100</sup> Observing this discretion, and this capacity to exercise power over others, Parkinson draws on a political theory about the legitimacy of power in order to ascertain a ‘public interest’ in how the corporation operates. Here, he says, ‘that theory holds that the possession of social decision-making power by companies is legitimate (that is, there are good reasons for regarding its possession as justified) only if this state of affair is in the public interest.’<sup>101</sup> This insistence on the necessity of a public interest remains critical and intact, for Parkinson, regardless of whether a concession or contract understanding is applied to the corporate organisation. ‘In truth,’ Parkinson summarises, ‘the fact that a position of power might be attained as a result of “private” contracting in itself says nothing about the legitimacy of the possession of that power, and hence, even if the corporation could be explained in purely contractual terms this would, without more, have little impact on the question of the proprietary.’<sup>102</sup> The presence of powerful corporations is only legitimate, for Parkinson, if power is exercised compatible with the public interest.

This view of the corporation in society colours the practice of CSR in particular light. The elaboration of a social and environmental role on the part of corporations in CSR is, after Parkinson, part of a process of ‘drawing out’ or ‘extrapolating’ a social aspect to enterprise. The concept strives to recognise some, or all, of Parkinson’s central point: that the corporation is a social and political entity; that it exercises power over society, albeit through a mechanism that is under private control. New responsibilities are accrued by market actors, where the exercise of power over others calls for a public, and not just economic, justification. ‘Improving the way in which the decision-making of large corporations with tens of thousands of employees, and the capacity to influence millions of lives, connects with social values and concerns, ought to be as much the concern of democratic theory as is framing the power of the state,’ says Parker.<sup>103</sup> This ‘drawing out’ of a public aspect to business produces the motivation for members of the public to get behind CSR. It also colours the genesis of a variety of related concepts, such as ‘corporate citizenship,’ ‘sustainable development,’ ‘human rights’ and ‘business ethics’ – all forums and contexts that seek to improve upon the balance between economy and public interest.<sup>104</sup> The object of each elaboration, in CSR and beyond,

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<sup>100</sup> Ibid. 1.

<sup>101</sup> Ibid. 23.

<sup>102</sup> Ibid. 31.

<sup>103</sup> Parker, *The open corporation*. 6-7

<sup>104</sup> On corporate citizenship, see A.B. Carroll, ‘The four faces of corporate citizenship.’ (1998) *Business and society review* 100(1): 1-7. On business and human rights, see M.K. Addo, *Human rights standards and the responsibility of transnational corporations*. (The Hague, London: Kluwer, 1999). On sustainability and business see, DTI and Forum for the future, ‘Sustainability and business competitiveness.’ (London: DTI Publications, 2003);

is to establish a more pronounced social and environmental responsibility on the part of business actors, in opposition to the risk of too exclusive a focus on competitive interests. CSR, viewed from this perspective, is part of a bigger attempt to renegotiate and realign market outcomes with the public good. Companies, in CSR, learn about and integrate public expectations. They are encouraged to act in ways more appropriate to a social actor responsible for the significant exercise of power in society.

To the extent that CSR emerges more often than not as a reaction to the activities of more powerful actors, or as a way to manage excessive power in the public interest, it is not surprising that the endeavour to realign economy and society is expressed in terms of the (discussed) need to ‘restrain’ business. However, becoming more adept in the domain of public policy is not always, or only, about ‘disciplining’ the corporation. The recognition of a public aspect to the exercise of corporate power is accompanied by changes in public expectations, political powers and moralities, which have not always been restrictive when applied to the role of business in society. In particular, the insistence on the capacity of corporations to be ‘reflexive,’ and to carry out public policy agendas, has opened up new opportunities for corporate actors. Corporations are viewed as having the capacity and temperament, the conscientiousness and capability, to lead the resolution of complex social problems. The delegation is familiar. Extended delegations precede and accompany CSR in the movement for privatisation and of looking to the private sector for the provision of essential public services. It is present in a turn towards the capacity of corporate actors in the ‘post-regulatory state,’ where academics and legislators excavate new functions for a variety of social actors, including powerful or ‘dynamic’ transnational corporations. The tycoon funds public services according governments a ‘chance to evade the blame.’<sup>105</sup> The corporation governs itself in finance, the energy sector and beyond, reducing the necessity of costly public interventions. CSR is an integral part of this broader effort to supplement the state, and to address the balance between economy and public interest from *within* the market. It is part of an effort to extract governance from non-state sources, to draft them in for the achievement of public policy objectives – to make market forces work in the public interest.

There is, however, another side to all of this. On one hand, there is – in CSR and in the wider promotion of market techniques – a sustained delivery of new areas for self-governance and the expansion of economic opportunity in public policy areas. Yet, on another, there remains a vivacious insistence on the distinction between public and private, and on the fundamentally ‘private’ nature of the corporation. The corporation engaged in the practice of CSR, it is

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<sup>105</sup> E. Caesar, ‘Tom Hunter: Meet Britain’s most generous tycoon’. *The Independent*. 17 July 2006 (London: Alexander Lebedev, 2006).

asserted, should not be considered equivalent to the institutions of state. This limit resounds emphatically throughout the literature and practice of CSR. The CLRSg, for example, say that the implementation of ESV 'should not be done at the expense of turning company directors from business decision makers into moral, political or economic arbiters, but by harnessing focused, comprehensive, competitive business decision making.'<sup>106</sup> CSR should remain complementary to other governance techniques for improving upon corporate social and environmental performance. The institutions of the EU, similarly, project a clear limit to the practice of CSR by private actors. 'It should not,' the EU commission said at the Multi-Stakeholder Forum on CSR in 2004, 'be used to shift public responsibilities to [private] companies.'<sup>107</sup> The appetite of business for the sense of economic opportunity that CSR brings is limited too. 'CSR should not lead to an obligation [...] for the [private] sector to assume the role as a long-term alternative to government with respect to the delivery of social outcomes,' said the International Employers Organisation.<sup>108</sup> Business actors reject a more comprehensive role in the delivery of public policy objectives in light of a high level of concern that remains in the private sector regarding the extent to which this might 'weigh down' that sector and reduce profitability.

This determined draw back from a fully social account of business is often associated with a 'contractual' understanding of the corporation. The corporation, according to this understanding, represents a nexus of private contracts and interests. The relationship between business and society is drawn in terms of a company and its shareholders. However, if one returns to Parkinson on this point, the retreat into a contractual model of the corporation is not one that takes place in direct opposition to social responsibility. Rather, the draw back is one justified in terms of an alternative or competing articulation of public interest, which focuses on the capacity of the corporate model to maximise wealth and welfare.<sup>109</sup> The 'privacy' of economic activities, and the property rights out of which capital accumulation emerges, are viewed as public goods to be respected, and not interfered with unnecessarily. In every instance of CSR, therefore, the extent of social responsibility that is accrued by the corporation is measured against the economic function of business. Mechanisms like 'business case CSR' and 'responsible competitiveness,' are tools for delivering upon this balance. They offer a systematic way of assessing 'the contributions of investments in CSR to the creation of Economic Value Added and competitive advantage.'<sup>110</sup> They limit the extent to which

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<sup>106</sup> CLRSg, *Modern company law for a competitive economy : Developing the framework : A consultation document*. para 2.21.

<sup>107</sup> European Multi Stakeholder Forum on CSR, 'Final results and recommendations.' (Brussels: Europa publications, 2004); 4.

<sup>108</sup> International Organisation of Employers, 'The role of business within society: Position paper.' (Geneva: IOE Publications, 2005); 9.

<sup>109</sup> Parkinson, *Corporate power and responsibility*. 41-50.

<sup>110</sup> DTI and Forum for the Future, 'Sustainability and business competitiveness.' 6.

business might be understood to accrue positive social and environmental duties, or the extent to which business is expected to ‘act like a public actor.’<sup>111</sup> They limit CSR by identifying what corporations already do (making money and accumulating capital) as ‘socially responsible’ in the first place.

It is worth being emphatic as regards this potential double sociality present in CSR where, through it, the company emerges as something of a unique public and political figure. On one hand, corporations become recognisable as public figures. They become a guardian of public interest and a figure relied upon for the execution of public policy agendas or goals. Yet, on the other hand, how the corporation chooses to employ its capacities towards the protection of social and environmental value is a matter for business judgement, rather than a matter for public or government intervention. The 2006 Act entrenches, or ‘roots,’ this privacy in law. The ‘business case’ and associated moralities justify the security accorded business judgement in CSR. It is important for the thesis to underscore this double-aspect to the corporation in CSR: public in certain critical respects, private in certain others; apparently capable of the reflexivity required to deliver on complex policy agendas, and yet, fiercely private in the way that it carries out these goals. CSR is about opening the corporation up to members of the public, allowing them to communicate the extent of their social and environmental dissatisfaction. But, CSR also contains within it a serial block or limitation on the acquisition of social and environmental responsibilities. Limited to the business case, the corporation always retains the power to design and implement the fitting response. The striking thing is that both aspects to CSR – extending responsibility, limiting responsibility – are rooted in the public interest moralities.

Drawing the definition of CSR to a close at the end of this Chapter, this dual aspect is integral to each of the components of CSR – voluntarism, business case, a public role for corporations. What each of the features highlights is not just two sides to corporations – public and private facets to how business actors present themselves or engage with society – but a crucial capacity to *straddle justifications*, and to oscillate between one justification (economic) to another (public) at will. The corporation looms in the market as the socially conscientious enterprise *and* the competitive market actor. It presents itself as the protector of public interest *and* as the protector of shareholder value. It is the author of corporate codes *and yet*, it clings to the autonomy to decide the meaning and extent of enforcement. By oscillating between rationalisations thus, the corporation finds for itself a remarkable potential to extend and consolidate autonomy. It might choose to go one way (to practice CSR) or go another (to not practice CSR, for the maximisation of profits). Either way, public interest justifications can be

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<sup>111</sup> Parkinson, *Corporate power and responsibility*. 24.

offered and used to defend the agglomeration of economic interests. This is the figure at the heart of this thesis. This is the corporation bolstered by two-fold public interest at the start of the 21<sup>st</sup> century. This thesis studies the company's capacity to shift between functions, or to combine functions and when necessary divide them again in the pursuit of profit and economic self-interest. Straddling allows the corporation to combine age-old economic functions with the prospect of extended social and political legitimation, remaining all the while within its own language and stack of incentives. The thesis studies the chameleon corporation and the sense of opportunity attendant to it. It studies oscillation and shifting between justifications or roles as the source of how the modern corporation extends, entrenches and consolidates social power.

## Chapter 2

### Fanfare

‘Economic liberalism is opposed, however, to competition being supplanted by inferior methods of co-ordinating individual efforts. [...] It gives individuals a chance to decide whether the prospects of a particular occupation are sufficient to compensate for the disadvantages and risks connected with it.’

*Fredrieck von Hayek*

Start your own currency!  
Make your own stamp  
Protect your language

Declare independence  
Don’t let them do that to you  
Declare independence  
Don’t let them do that to you

[x4] Make your own flag!

[x6] Raise your flag!

*Bjork*

In 1967, Fredrieck Hayek published an essay on the subject of corporate social responsibility, or on the subject of the ‘corporation in a democratic society: in whose interests ought it to and will it be run,’ as the title of the article reads.<sup>1</sup> In this essay, Hayek argues for a limitation of corporate objectives to the protection of shareholder value: ‘the only specific purpose for which corporations ought to serve is to secure the highest long-term return on capital.’<sup>2</sup> Hayek makes this case in opposition to what he observes to be pressure on the corporation to widen its purposes, ‘so that the large aggregations of capital, which the corporation represents, could at the direction of the management be used for any purpose approved as morally or socially good,

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<sup>1</sup> Hayek, F.A., ‘The corporation in a democratic society: in whose interest ought it and will it be run,’ in F.A. Hayek, *Studies in philosophy, politics and economics*. (London: Routledge & K. Paul, 1967). 300-312.

<sup>2</sup> Ibid. 301.



if the opinion of the management was that a certain end was intellectually, aesthetically, scientifically or artistically desirable.’<sup>3</sup> He writes in opposition, more specifically, to the adoption of what Chapter 1 called intrinsic CSR – efforts by business to pursue social and environmental goals for their own sake, or to ‘spend corporation funds on what management regard as socially desirable purposes.’<sup>4</sup> For Hayek, the only way for the corporation to act legitimately in the public interest is for company management to remain abreast of where shareholder interest lies, and for the decisions of the management to be consistent with the maximisation of these interests. ‘Each firm will, in its decisions, consider only such results as will affect directly or indirectly the value of its assets,’ Hayek says, ‘it will not directly concern itself with the question of whether a particular use is “socially beneficial.”’<sup>5</sup>

Two things in particular concern Hayek in the essay as regards CSR. The first is the openness and indeterminacy of the term ‘social,’ were it to be adopted by the corporation as a reason to deploy and disperse corporate funds. ‘The range of such purposes which might come to be regarded as a legitimate object of corporate expenditure is very wide: political, charitable, education and in fact everything, which can be brought under the vague and almost meaningless term social.’<sup>6</sup> This openness, for Hayek, is distinctly at odds with the contractual agreement, which stands between companies, the board of directors and shareholders: ‘that management has been entrusted with large resources for particular purposes does not mean that it is entitled to use it for other purposes.’<sup>7</sup> The pursuit of ‘social’ goals delimits the corporation from its economic role significantly by ‘substituting a vague and indefinable “social responsibility” for a specific or controllable task.’<sup>8</sup> It is, moreover, with this specific task in mind that the board of directors was appointed in the first place (to manage corporate funds in the most efficient and profitable way). To direct the corporation and the board of directors otherwise not only detracts or dilutes corporate purpose, but also creates problems of proficiency and competence: ‘the immediate effect is to greatly extend the powers of the management of corporations over cultural, political and moral issues, for which proven ability to use resources efficiently in production does not necessarily confer special competence.’ In the last instance, the broadening of corporate objectives also exacerbates problems of accountability and power: ‘to allow the management to be guided in the use of funds [...] by

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<sup>3</sup> Ibid. 304.

<sup>4</sup> Ibid. 304.

<sup>5</sup> Ibid. 304.

<sup>6</sup> Ibid. 304. See also, Ibid. ‘What is social – what does it mean?’ 229-247. ‘The word ‘social,’ Hayek says, ‘has become an adjective which robs of its clear meaning every phrase it qualifies and transforms it into a phrase of unlimited elasticity.’ 238.

<sup>7</sup> Ibid. 111.

<sup>8</sup> Ibid. 101.

what they regard as their social responsibility would create centres of uncontrollable power never intended by those who provided the capital.’<sup>9</sup>

The case against too extensive an adoption of CSR, which Hayek makes in the essay, also goes beyond the dangers of breaching the contractual expectations of shareholders. Hayek advances a bigger philosophical case against CSR, the essence of which is about protecting the liberty of individuals. ‘If the large aggregations of capital, which corporations represent, could at the discretion of management be used for any purpose,’ Hayek says, ‘this would turn the corporation from an institution serving the expressed needs of individual men, into an institution determining which ends the efforts of individual men should serve.’<sup>10</sup> In opposition to this, the company focused on putting assets to the most productive or profitable use ‘has no power to choose between values.’<sup>11</sup> It administers resources in the service of values selected by others. This distribution of tasks – between individuals and corporations in the market – protects the liberty of individuals because it confers on them a secure right to select between values or ends and then reflect these ends in the market. It is also reflective (and so respectful) of the wider distribution of social and economic tasks in market society. ‘The aggregate of assets brought together for the specific purpose of putting them to the most productive use is not a proper course of expenditure for that which is thought to be socially desirable,’ says Hayek, ‘such expenditure should be defrayed either by the voluntary payment of individuals out of their income and capital, or out of funds raised by taxation.’<sup>12</sup> The limitation of corporate objectives protects functions of state and civil society. It keeps private power in check and guards against its arbitrary exercise over members of the general public. ‘Old-fashioned conceptions,’ Hayek says, ‘which regard management as the trustee of the shareholder and leave to the individual shareholder the decision whether corporate proceeds are to be used in the service of higher values, is the most important safeguard against the acquisition of arbitrary, politically dangerous, powers by corporations.’<sup>13</sup>

This insistence on the liberty of the individual is classic Hayek. It is evocative of an emphasis that runs through his whole oeuvre. In the course of this work, extended projections of corporate responsibility are not the usual subjects of his concern or critique – or, more accurately, they are not the vessels through which Hayek makes his case for the liberty of the individual. It is, rather, the extended purposes of government institutions that Hayek singles out as figures for restraint and delimitation, such as governments that embark on ‘socialist’ or ‘collectivist’ programmes of public policy and intervention. The argument is, perhaps, most

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<sup>9</sup> Ibid. 105.

<sup>10</sup> Ibid. 105.

<sup>11</sup> Ibid. 105.

<sup>12</sup> Ibid. 104.

<sup>13</sup> Ibid. 101.

famously contained in his 1944, *The Road to Serfdom*.<sup>14</sup> Writing at that time with war and the rise of Fascist Europe in the background, Hayek condemns the temptation for government to respond to social problems by engaging in what he calls ‘planning’ (in 1944; in his later works, he employs the term ‘constructivist rationalism’).<sup>15</sup> ‘Planning,’ Hayek defines as, ‘the collective and conscious direction of all social forces to deliberately chosen social goals.’<sup>16</sup> The government engaged in planning to some significant extent is what Hayek observes in the totalitarian regimes that proliferated in and around World War Two. ‘Few are ready to recognise that the rise of Fascism and Nazism was not reaction against the socialist trends of the preceding period,’ he says, ‘but a necessary outcome of those tendencies.’<sup>17</sup> Hayek cautions too against social planning in the form that it materialises in social democracy and in the welfare state: ‘that hodgepodge of ill-assembled and often inconsistent ideals, which under the name of the Welfare State has largely replaced socialism as the goal of the reformers, needs very careful sorting out if its results are not to be very similar to those of full-fledged socialism.’<sup>18</sup>

Hayek’s argument against extended purposes, or the deliberate direction of social forces in the public interest, is typically structured around one series of logical claims. The argument begins, as it did in the case of corporate responsibility, with an epistemological argument about uncertainty, or the limits on human knowledge. ‘The factors which have to be taken into account are so numerous that it is impossible to gain a synoptic view of them,’ says Hayek.<sup>19</sup> ‘It does not need much reflection to see that these terms have no sufficiently definite meaning to determine a particular course of action.’<sup>20</sup> From this diagnosis, and precisely because of the consequent uncertainty, it is a short step for Hayek to problematise the actions of any social actor that wagers on, to plan, in the face of radical uncertainty. Well-intentioned social actors can do no more than *pretend to universalise their solutions*, whilst protecting only a limited field of interests. ‘The hopes they place in planning,’ Hayek says, ‘are not the result of a comprehensive view of society, but rather, of a very limited view, and often the result of a great exaggeration of the importance of the ends they place foremost.’<sup>21</sup> Planners act against the risk of uncertainty and try to make the balance between varying or conflicting interests into

<sup>14</sup> F.A. Hayek, *The road to serfdom*. (London: Routledge Classics, 1944).

<sup>15</sup> F.A. Hayek, *Law, legislation and liberty : A new statement of the liberal principles of justice and political economy*. (London: Routledge & Kegan Paul, 1982). Constructivist rationalism: ‘a conception which assumes that all social institutions are and ought to be the product of deliberate design,’ Volume 1, 5.

<sup>16</sup> Hayek, *The road to serfdom*, 59.

<sup>17</sup> Ibid. 4.

<sup>18</sup> F.A. Hayek, ‘The road to serfdom after 12 years,’ in *Studies in philosophy, politics and economics*. 221. See also, F.A. Hayek and W.W. Bartley, *The collected works of F.A. Hayek. Vol. 1: The fatal conceit : The errors of socialism*. (London: Routledge, 1988). 66-88. For a summary account, see E. Butler, *Hayek : His contribution to the political and economic thought of our time*. (London: Temple Smith, 1983). ‘Hayek’s critique of socialism,’ 66-86.

<sup>19</sup> Hayek, *The road to serfdom*. 51.

<sup>20</sup> Ibid. 60.

<sup>21</sup> Ibid. 57.

something objective. But, they cannot shake the fact of their subjective positioning or the inevitability of disagreement. ‘The main point is very simple,’ said Hayek in an essay published in 1938, [planning] ‘presupposes a much more complete agreement on the relative importance of different ends than what actually exists.’<sup>22</sup> To plan, the planning authority must – logically, according to Hayek’s philosophy – *impose* a code of values and preferences on individuals, which does not exist. ‘From the saintly single-minded idealist to the fanaticist is often but a step,’ said Hayek of the consequential imposition and impending danger, in terms of its impact on society and the individual.<sup>23</sup>

‘This poses a problem,’ said Neil MacCormick in a 1989 article on Hayek.<sup>24</sup> The problem MacCormick identifies concerns the role of common and corporate bodies in the organisation of social life and public goods. ‘This poses a problem to which the first convincingly stated solution was put forward by Adam Smith,’ MacCormick says. He goes on to describe Smith’s solution to the organisation of social life and the production of social order: ‘Smith’s answer was of course in terms of an analysis of the way in which diverse individual efforts and activities can achieve co-ordination through markets.’<sup>25</sup> Markets have an advantage over planning, from this viewpoint, where they propose a co-ordination of public and private interests without the need for planning, or for the government direction of social forces towards pre-selected goals. ‘Here one must allude to the famous metaphor of the “invisible hand”,’ says MacCormick; ‘the mutually advantageous co-ordination of private and public interests comes about without any of the market traders having any intention of bringing it about. In the pursuit of their own interests they are led as if by “an invisible hand” to favour the general interest – so Smith tells us.’<sup>26</sup> Government, in this model, is restricted to the articulation of general rules of conduct, which ensure the predictable and free working of the market. Individuals apply knowledge in the market for their own purposes. They draw upon information made available for the achievement of personally selected goals. The result is a system that has no particular end, no conscious direction and no pattern of collective intervention. ‘This is a system which has no particular end, but can be said to have as many ends as those people who make it up, “serving the multiplicity of separate and incommensurable aims of its members,”’ says Zenon Bankowski, bringing the market schema articulated by Smith together with the theory of Hayek.<sup>27</sup>

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<sup>22</sup> F.A. Hayek, ‘Freedom and the economic system.’ (1938) *Contemporary Review* 153(Jan/June). 454.

<sup>23</sup> Hayek, *The road to serfdom*. 56. See also F. A. Hayek, ‘The results of human action but not of human design,’ in Hayek, *Studies in philosophy, politics and economics*. 96-105.

<sup>24</sup> D.N. MacCormick, ‘Spontaneous order and the rule of law: Some problems.’ (1989) *Ratio Juris* 2(1): 41-54. 44.

<sup>25</sup> Ibid. 44.

<sup>26</sup> Ibid. 44.

<sup>27</sup> Z. Bankowski, *Living lawfully : Love in law and law in love*. (Dordrecht, London: Kluwer Academic, 2001). 83.

Hayek begins his own conceptualisation of the market with an emphasis on the concept of ‘spontaneous order,’ or ‘*cosmos*’ (as he names spontaneous order, in his three-volume work from the 1970s, *Law, Legislation and Liberty*).<sup>28</sup> ‘*Cosmos*,’ for Hayek, denotes a ‘grown’ as opposed to ‘made’ order, which is ‘the product of the action of many men but [...] not the result of human design.’<sup>29</sup> This ‘grown,’ or ‘spontaneous,’ order acquires a series of special attributes in the sphere of economy, to encapsulate which Hayek employs the term ‘catallaxy.’<sup>30</sup> The ‘game of catallaxy’ is one, for Hayek, whereby order is produced in a series of exchanges between participants, which take place through the market.<sup>31</sup> The market ‘reconciles different knowledge and different purposes which – whether the individual be selfish or not – will greatly differ, from one person to another.’<sup>32</sup> Price serves, in the pattern of exchange, as an indication to participants as to what might be done in individual situations and circumstances.<sup>33</sup> The presence of competition between parties ensures the dynamic operation of the market and the overall utility of outcomes. ‘Competition operates as a discovery procedure,’ says Hayek in *Law, Legislation and Liberty*, ‘not only by giving anyone who has the opportunity to exploit special circumstances the opportunity to do so profitably, but also by conveying to the other parties the information that there is some such opportunity.’<sup>34</sup> The result, for Hayek, is order, constructed spontaneously. The construction of social order organises individual activities and the distribution of economic resources. ‘The common good, in this sense,’ says Hayek of the value to be attached to the market hence, ‘is not a particular state of things, but consists in an abstract order, which in a free society must leave undetermined the degree to which the several particular needs will be met.’<sup>35</sup>

The definitive feature of Hayek’s defence of the market is the capacity that he assigns to the institution to protect the liberty of the individual. The market, for Hayek, makes the best use of ‘the spontaneous forces found in a free society,’ by maximising the potential contribution and creativity of individuals.<sup>36</sup> Markets organise social life through the use of an ‘impersonal and anonymous mechanism,’ avoiding the risks and disadvantages implicit in relying on the character or arbitrary preferences of the ruler.<sup>37</sup> The arrangement of personal affairs is also, and importantly, consistent with the limits on human knowledge – that absolute or categorical uncertainty, upon which Hayek so adamantly insists. ‘Like all abstractions,’ Hayek says, ‘justice is an adaptation to our ignorance – to our permanent ignorance of particular facts,

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<sup>28</sup> Hayek, *Law, legislation and liberty*. Vol. 1, 35-54, 37.

<sup>29</sup> Ibid. Vol. 1, 37.

<sup>30</sup> Ibid. Vol. 2, 107-132. Development of term ‘catallaxy’ at 108.

<sup>31</sup> Ibid. Vol 2, 115-120

<sup>32</sup> Ibid. Vol. 2, 109.

<sup>33</sup> Ibid. Vol. 2, 116.

<sup>34</sup> Ibid. Vol. 2, 117.

<sup>35</sup> Ibid. Vol. 2, 114.

<sup>36</sup> Hayek, *The road to serfdom*. 21.

<sup>37</sup> Ibid. 21.

which no scientific advance can wholly remove.’<sup>38</sup> The market is systematically respectful of this ignorance, where the mechanism of supply and demand proposes a co-ordination that leaves separate agencies free to adjust activities. It avoids the imposition of ends to which individuals have not consented, or which have been arbitrarily selected (by corporate or by common bodies). ‘To the great apostles of political freedom,’ Hayek says in 1944, ‘the word meant freedom from coercion, freedom from the arbitrary power of other men, release from the ties, which left the individual no choice but obedience to the order of a superior to whom he was attached.’<sup>39</sup> In the philosophy of Hayek, the market presents a viable way of delivering upon this bid for freedom, and of avoiding the individual’s subjection to a coercive order. The market ‘utilises the separate knowledge of all of its several members, without this knowledge ever being concentrated in a single mind.’<sup>40</sup> So summarily enshrined is the case that Hayek makes for the market for the production of social order, and for the protection of the freedom and autonomy of the individual.

### *The public in CSR*

CSR compels the consideration of Hayek where the concept’s contemporary instantiation is bounded, operationalised and justified in accord with key tenets of his theory. The observation is, at first, perhaps counter-intuitive: Hayek’s monologue on the social responsibility of corporations is but a determined adjuration against its possibility. Nevertheless, in a world where the social responsibility of business is much discussed and recommended, the actual instantiation of CSR is more closely aligned with Hayek’s adjuration than all the attendant noise suggests. For example, corporate responsibility for the protection of society and environment is bounded, on the one hand, by the public policy commitment to ‘business case CSR.’ The role of the corporation is limited to the ‘voluntary action that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society.’<sup>41</sup> This role broadly concurs – even if the language is modified in s172 to reflect contemporary sensibilities – with Hayek’s insistence that the primary responsibility of business lies with the economic interests of the shareholder. Responsibility is limited, on the other hand, by the insistence on minimal interventions by government bodies and public actors. The ‘UK Government’s strategy [...] to create a policy framework with minimum levels of performance in the fields of health and safety, environmental impacts and employment practices,’ reads consistent with (Hayek’s)

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<sup>38</sup> Hayek, *Law, legislation and liberty*. Vol. 2, 39.

<sup>39</sup> Hayek, *The road to serfdom*. 26.

<sup>40</sup> Hayek, *Law, legislation and liberty*. Vol. 1, 41.

<sup>41</sup> BERR, ‘Corporate responsibility report.’

‘framework of general rules within which the specific aims are to be pursued.’<sup>42</sup> The corresponding insistence of the UK government on limiting the extent of public intervention to soft-law, or on ‘helping companies navigate their way through different initiatives by providing direct assistance and sign-posting them to supporting organisations or practical tools,’ echoes Hayek’s emphasis on the spontaneity of private actors.<sup>43</sup> By government ‘showcasing excellent examples and best practice, and celebrating success,’ governments remain on the side of non-intervention, whilst business actors maximise their potential for applying themselves in a rational and creative way.<sup>44</sup>

Hayek is emergent – even triumphant – in CSR, where the concept decidedly operationalises its vision of the ‘good life’ through the mechanism of the market. The restraint CSR demonstrates *vis-à-vis* regulation and the deliberate intervention of public actors in corporate affairs is underwritten by Hayek’s ‘fundamental principle that in the ordering of our affairs, we should make as much use as possible of spontaneous forces of society and resort as little as possible to coercion.’<sup>45</sup> ‘In order to encourage investment and provide an attractive setting for business and work,’ said the European Council in 2005, ‘the European Union must complete its internal market and make its regulatory environment more business friendly, while business must in turn develop its own sense of social responsibility.’<sup>46</sup> Government endeavours to create the conditions necessary to make competition effective, whilst market actors (business, consumers, investors and employees) draw upon diverse knowledge sources, and apply them in the market, towards social and environmental goals. ‘The European Marketplace on CSR hosted by CSR Europe is an innovative forum for sharing solutions to business challenges in an informal, exchange-driven and creative environment,’ said CSR Europe of an annual event for business to showcase CSR solutions.<sup>47</sup> ‘Above all the DTI has linked corporate social responsibility with competitiveness, and there is no doubt that the leading practice of UK companies provides for a trading advantage in global markets,’ echoes the Chief Executive of Business in the Community in the UK (‘BITC’).<sup>48</sup> CSR Europe and BITC work in partnership with business and government to create competitive markets in social and environmental affairs. They do so, and they are relied upon by governments in the EU for doing so, in the belief that, like in other areas of the European internal market, ‘a well-informed market is the best regulator.’<sup>49</sup>

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<sup>42</sup> Ibid. 5; Hayek, *Studies in philosophy, politics and economics*. 301.

<sup>43</sup> Ibid. 5

<sup>44</sup> Ibid. 5

<sup>45</sup> Hayek, *The road to serfdom*. 17.

<sup>46</sup> European Commission, ‘Implementing the partnership.’

<sup>47</sup> CSR. Europe, ‘CSR europe: Working with you.’ 10. Published, Brussels, 2009. Downloadable from the Industry organisation website, at [www.csreurope.org](http://www.csreurope.org) [accessed 02/08/2010].

<sup>48</sup> DTI, ‘A government update.’ 9.

<sup>49</sup> Financial Reporting Council, ‘Regulatory strategy: Our role and approach.’ (London, 2007); See also European Commission, ‘Modernising company law and enhancing corporate governance in the European

In the UK, a market relative to CSR is operationalised in the 2006 Act where, in s172, directors are obliged to consider how social or environmental considerations might bear upon the ‘success of the company.’ In addition to this, the development of a dynamic market in CSR is supported in s417 of the Act.<sup>50</sup> This section details requirements for corporate actors (particularly listed corporations, to whom the most stringent requirements in the Act apply) to include information on the social and environmental impact of their operations in an annual ‘Business Review.’<sup>51</sup> Companies are asked in s417 to report on ‘risks and uncertainties’ facing the company.<sup>52</sup> The section specifically suggests the use of ‘non-financial performance indicators’ to assess these risks, including indicators relating to society and environment.<sup>53</sup> Company directors are asked to comply with s417 as part of the general duty on corporations to ‘provide the markets and other interests with the information they need to understand company activity and assess performance.’<sup>54</sup> Consumers and investors draw on the ‘business review,’ in addition to other information made available by the corporation, in order to make decisions whether to buy, hold or sell company investments and products. ‘We need decentralisation,’ said Hayek in 1945, ‘because only thus can we insure that the knowledge of the particular circumstances of time and place will be promptly used.’<sup>55</sup> Narrative reporting is one way of operationalising this decentralisation and of ‘communicating such further information as participants need to fit their decisions into the whole pattern of changes of the larger economic system.’<sup>56</sup> As the CLRSg said of its effort to bring s172 and s417 together, ‘these two proposals support each other. They are designed to embrace a wider range of interests than is currently typically recognised as being within the law with the aim of reflecting the needs of companies and new concepts of value in the modern economy – and thus securing competitiveness.’<sup>57</sup>

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Union – a plan to move forward.’ (2003) *COM* 284. para 1.1., on transparency. Also FSA, ‘Transparency as a regulatory tool.’ (2008) *FSA Publications* DP08/3.

<sup>50</sup> s417 Companies Act 2006, on narrative reporting. Reform prompted by the European Accounts Modernisation Directive, 2003/51/Ec no 2003 L178/2. Controversy surrounds s417, where the Business Review’s predecessor, the ‘operating and financial review,’ was repealed at the last minute by Gordon Brown at a CBI dinner (where it was believed to be too ‘onerous’ on business). A. Johnston, ‘After the OFR: Can UK shareholder value still be enlightened?’ (2007) *European Business Organization Law Review (EBOR)* 7(04): 817-843. M. Walsh, ‘Disclosure as an aspect of good corporate governance: The UK’s new OFR requirements and related us experience and guidance.’ (2005) *ICCLR* 16(10): 396.

<sup>51</sup> s417(1).

<sup>52</sup> s417(3)(b.)

<sup>53</sup> s417(5)(b) the requirement to report on ‘environmental matters’ (including the impact of the company’s business on the environment, the company’s employees and social and community issues; s417(5)(c), ‘information about persons with whom the company has contractual or other arrangements, which are essential to the business of the company.’

<sup>54</sup> CLRSg, *Modern company law for a competitive economy : Developing the framework : A consultation document*. para 2.22.

<sup>55</sup> F.A. Hayek, ‘The use of knowledge in society.’ (2005) *NYUJL & Liberty* 1: 5.

<sup>56</sup> *Ibid.*

<sup>57</sup> CLRSg., *Modern company law for a competitive economy : Developing the framework : A consultation document*. para 2.3. For more on the business review, see T. Burns and J. Paterson, ‘Gold plating, gold standard or base metal? Making sense of narrative reporting after the repeal of the operating and financial review regulations.’ (2007) *International company and commercial law review* 18(8): 247. C. Villiers, *Corporate reporting and company law*. (Cambridge: Cambridge University Press, 2006). 228-260, on social and



The balance of the two provisions is central to the implementation of CSR in the UK. s172 confers upon directors autonomy to manage social and environmental problems, limiting the extent of responsibility to the ‘business case;’ s417 activates and enhances the development of competitive markets in social and environmental value, initiating a flow of relevant information from the corporation to members of the public. The two provisions are assigned a disciplinary or governance function in the Act: they are understood as conferring ‘duties’ or ‘responsibilities’ on directors; they form part of the internal governance structure of the corporation. However, it is important to be clear that duties imposed in the CSR context are not in the form of social and environmental standards to be upheld by the corporation, or a delimitation of corporate objectives of the kind feared by Hayek. They are, rather, duties that *facilitate the development of competitive markets* in this area. Contemporary CSR extends Hayek’s pragmatic solution to the production of social order, rather than fundamentally breach the limitations upon which he insists. From this perspective, s172 is about broadening the range of factors or considerations that might be adjudicated on in markets; s417 is about broadening the kind of information that a corporation is required to report and in relation to which market participants are able to make informed decisions. In each provision, there is no possibility of *directly* intervening and obstructing controversial business activity, or grossly overriding shareholder interest. Discipline, or the possibility of intervention, is wholly contained within the dynamics of the market. s417 – like s172 – is wholly declarative in this respect. ‘The purpose of the business review,’ s417 (2) says, ‘is to inform members of the company and help them assess how the directors have performed their duty under s172 (“duty to promote the success of the company”).’<sup>58</sup>

CSR and the 2006 Act defer in the first instance to the discipline (or interest) of the shareholder. There is, however, another figure that looms large in CSR, and in markets more generally, as a source of discipline in relation to social and environmental affairs. Hayek alludes to this figure when he describes the market as an ‘apparatus which auto records the relevant effect of individual actions and whose indications are at the same time the result of and guide for all individual decisions.’<sup>59</sup> The market ensures a ‘division of knowledge between individuals, whose separate efforts are co-ordinated by the impersonal mechanism for transmitting relevant information known by us as the “price system.”’<sup>60</sup> The focal point of the system is not the corporate actor: the market understands the corporation as a secondary and responsive figure, or designated actor at the point of supply. It is also not – or at least not in the last instance – the shareholder: the shareholder is an instructive figure, disciplinary in the

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environmental reporting.

<sup>58</sup> s417 (2).

<sup>59</sup> Hayek, *The road to serfdom*. 51.

<sup>60</sup> Ibid. 52.

demand to protect its interest, and yet deferential too, as regards how the company *sources* and protects that interest. The focal point of the market for Hayek is the individual and its collectivity in members of the general public. The public assume a primary role in the market as consumers, investors and employees, drawing upon information that corporations make available in order to service life plans. The public are the source of all preference, need and desire, in relation to which the corporation adjusts. They are the catalyst for action and the source of all profitable views on social responsibility. Conceptualised thus, members of the public enact their own disciplinary power over the corporation. The public press on the conscience of business as elements capable of promoting the success of the company: buying products and generating profits for the shareholder. Even the variety of public roles in markets (investor, employee, consumer and political actor) is reducible to the capacity of the public to support or reject business strategies in the purchase of products and services.<sup>61</sup> The underlying emphasis on ‘success’ in company law, measured in market terms, makes *consumption* the dominant mark of (public) discipline in company law. All parties depend for direction, in the last instance, on the faculties of the consumer.<sup>62</sup>

The idea of a public behind CSR, organised in the market for the purposes of protecting social and environmental value, is well documented in the literature on CSR. A wealth of scholarship and information attests to the presence of populations engaged in CSR, growing in the level of their commitment and enthusiasm for market-led instantiations of responsibility. Charlotte Opal and Alex Nicholls, for example, describe the extent to which ‘today, the market in ethical goods and services is growing across all developed countries in some regions by as much as 20% per annum.’<sup>63</sup> A recent UK survey, they continue, suggests that 65% of consumer now consider themselves as ‘green’ or ethically motivated consumers. Jane Collier talks about the growth and maturity of socially responsible investment (SRI) funds, which has become popular in recent years with both individual and institutional investors. The effect of this, Collier says, has been to sharpen the CSR focus of the financial sector.<sup>64</sup> Morton Winston discusses the increase in activity on the part of civil society organisations and NGOs in the CSR context. He observes the wide range of strategies that have been employed by NGOs in their attempt to

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<sup>61</sup> Disciplining the corporation left to unregulated product and stock markets, P. Ireland, ‘Corporate social responsibility and the new constitutionalism,’ in P. Utting, *Corporate social responsibility and regulatory governance: Towards inclusive development?* (Geneva/London: UNRISD/Palgrave-Macmillan, 2008). Critical of CSR for empowering not stakeholders with long-term interests in the viability of corporation, but investors interested in the maximisation of returns, L.E. Strine Jr, ‘Toward common sense and common ground-reflections on the shared interests of managers and labor in a more rational system of corporate governance.’ (2007) *Journal of Corporate Law* 33: 1.

<sup>62</sup> See in this context, Zadek, *The civil corporation*. Discussing the public as a force for ‘civil regulation’ of business entities. See also, Vogel, *The market in virtue*.

<sup>63</sup> A. Nicholls and C. Opal, *Fair trade: Market-driven ethical consumption*. (London; California; New Delhi: Sage Publications Ltd, 2005). 182.

<sup>64</sup> Collier, J., ‘Responsible Shareholding and Investor Engagement in the UK,’ in G.G. Brenkert, *Corporate integrity & accountability*. (California; London; New Delhi: Sage Publications, Inc, 2004). 238-252.

influence business behaviour and to encourage corporations to adopt voluntary codes of conduct.<sup>65</sup> ‘The emergence of NGOs acting as civil regulators of corporations through public campaigns and other forms of pressure is one of the notable features of the last decade,’ surmises Zadek. ‘Partnerships have emerged as a vehicle through which new frameworks of rules have been negotiated, and within which [a more responsible] business community might operate.’<sup>66</sup>

In order to capture this ‘public dimension’ to its practice, CSR has accumulated a number of different names and emphases. Jennifer Zerk, for example, speaks about the ‘international corporate social responsibility movement,’ constituted by a community of academics, activists, NGOs, trade unions and consumers, all of whom struggle to define what CSR means in practice.<sup>67</sup> A collection of articles about CSR, edited by Michele Micheletti, Andreas Follesdal and Dietlind Stolle, uses the term ‘political consumerism,’ to describe how CSR engages members of the general public.<sup>68</sup> Terms such as ‘ethical consumerism,’ ‘sustainable consumption’ and ‘green consumerism’ all, similarly, invoke a public perspective on CSR. They capture the extent to which the essence of CSR is the capacity of the general public (and not the corporation) to publicise concern about the social and environmental impact of business. The public adjudicate between products and services on the basis of non-economic criteria. The public buy not because it serves their own economic interest (i.e. provides the cheapest price or the best financial return), but because products offer the prospect of better protecting social and environmental interests. In Fair Trade, members of the public buy because the products offer better trading conditions to workers and producers in more vulnerable sectors or regions of the global economy.<sup>69</sup> Under the EU Eco-label scheme, consumers buy where scheme administrators verify relevant products as being ‘kinder to the environment.’<sup>70</sup> It is in the practice of CSR as it is animated, or engaged with, by members of the general public that the ‘social’ aspect of markets is contained.

Common to these accounts of the public in ‘market-led’ CSR is that they all capture what its practice looks like to participating members of the public. They register public involvement and explain how it is that the market in social and environmental value ‘connects’ with public

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<sup>65</sup> M. Winston, ‘NGO strategies for promoting corporate social responsibility.’ (2002) *Ethics & International Affairs* 16(1): 71-87.

<sup>66</sup> Zadek, *The civil corporation*. 38.

<sup>67</sup> J.A. Zerk, *Multinationals and corporate social responsibility: Limitations and opportunities in international law*. (Cambridge: Cambridge University Press, 2006).

<sup>68</sup> M. Micheletti, *et al.*, *Politics, products, and markets: Exploring political consumerism past and present*. (New Jersey: Transaction Publishers, 2004).

<sup>69</sup> Nicholls and Opal, *Fair trade: Market-driven ethical consumption*. 13, defining Fair Trade, and also see chapter 8 ‘The Fair Trade Market,’ 179-201.

<sup>70</sup> European Commission. ‘What is the EU Ecolabel?’. Europea website, 2010, available at: <http://ec.europa.eu/environment/ecolabel/> [accessed 02/08/2010].

concern. They explain how members of the public eager to get involved in the remediation of social and environmental issues find an outlet for social concern as they go about their everyday lives. Yet, these accounts are also important where they do more than just draw attention to a public component in CSR. They also provide a justification and a reason to support CSR. The ‘trick’ to really understanding CSR, they say, is to observe the extent to which CSR is a practice that engages members of the public. It offers them a way to make their views on society and environment heard by corporate actors. Registering the public dimension to CSR presents CSR advocates with a way of papering over any concerns the general public might have about the propensity of the concept to only secure corporate interests. By holding the corporation and the public together in the market, in the endeavour of trying to work out the limits of business responsibility, CSR acquires a distinctly public-spirited and democratic sensibility. It is public spirited in the sense that everyone is encouraged to get involved and interact with the task of improving upon market outcomes. It is democratic in the sense that outcomes are no longer construed as the ‘will of a few’ (shareholders, companies), but as the will of many. CSR enacts the will of the general public, organised in and through the institutions of the market.

This twist in the tale of CSR (for the concept is referred to as *corporate* social responsibility after all!) is particularly pertinent after the elaboration of what counts as CSR in Chapter One. Chapter One described CSR in terms of three general features – ‘voluntarism’ ‘the business case,’ ‘a public role for corporate actors’ – the common feature of which was a cultivation of corporate autonomy. Yet, highlighted in the market animated by public concern, is the capacity to offer an alternative justification in support of CSR. Justified in terms of its capacity to reflect public interests, CSR presents itself as not just a concept drawn upon by corporate actors, who somewhat predictably sign up to a market-led practice friendly to their own interests. CSR presents itself instead in terms of its appeal to civil society and the general public, drawn to the possibility of communicating concerns directly through the market. The result, in terms of the political and economic capital accrued by CSR, is outstanding. The perturbing presence of powerful corporations drifts into the background. CSR is celebrated instead for the autonomy it accords members of the public. It is the public that take on the role of leading social agendas, dictating what requires improvement or change in the market. It is the public that express views on social and environmental affairs, which come to be reflected in CSR markets and on the basis of which corporations are encouraged into a position of responsibility. It is in this zone – in this bigger integration of markets and public preferences – that the strength and rigour of commitment to CSR, by business, civil society and government actors, is so convincingly arranged.

CSR, of course, is not the first or only time that reliance on the market for the production of social order has been justified for and in the name of the public interest. If markets and market ideology have a grip over global economy and society, it is precisely because the presence of markets is generally argued to be so.<sup>71</sup> The philosophy of Hayek is simply one instance of an argument still live in its influence to this effect. However, if there is something unique or ‘special’ about CSR, it is the extent to which the role of the public in the market – and the power of justification that lies in their preferences – is drawn out and elaborated upon at spectacular length. CSR specifically sells itself on its capacity to extrapolate everything, or anything, associated with the public interest from the market. The concept then promptly returns this consideration to the market, as a way to ensure that the institution is indeed able to reflect and protect that public interest, without – crucially – offending Hayek in the delimitation of corporate objectives. How precisely CSR proposes to do this, or how it goes about doing this, is important. It is important because the detail of how members of the public are implicated and engaged by CSR has a direct bearing on what can be read into the adjustments, which they propose in the market. It bears on what kind of discipline CSR has over business – how members of the public might be understood to regulate, limit and penetrate the inner conscience of the corporate actor. Understanding how the public are implicated in CSR is also important, where the kind of autonomy that the market confers on public participants also has a direct bearing on what can be achieved, for and in the public interest via CSR. The limits of CSR and the concept’s achievements are for later on in the analysis. Yet, it is important to be clear about how the market in CSR claims to protect and empower its general public from the very start.

In CSR, the role of the public is – to reiterate Micheletti’s description – to make market decisions with the ‘goal of changing objectionable institutional or market practices.’ The public do this by taking up the demand side of market cycles, and by creating demand for more responsible or more sustainable products (or whatever alternative values members of the public prefer). The public do this – they make social and environmental preferences known in the market – as part of the wider endeavour to pursue personal ends and goals. Strategies of political consumerism, from this perspective, begin as part of the market tradition for satisfying the self, or for pursuing ‘private virtue.’ Consumers aware of a link between environmentally friendly products and improved health, for example, purchase products with the eco-label or organic farming products. Or, a rise in the popularity of eco-fashion, for example, might

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<sup>71</sup> D. Harvey, *A brief history of neoliberalism*. (Oxford, New York: Oxford University Press, 2007). On the establishment of neoliberalism in the public interest. Chapters 1 and 2.

encourage individuals to make purchases that respect more stringent social and environmental standards, even if they do so only for strategic reasons.<sup>72</sup> Regardless of whether concern is deep-rooted or fanciful, however, the grounding of political consumerism in the private, family or self-interest of participants is important to the development of CSR. Self-interest is the ‘hook’ according to which the level of commitment to social values is deepened or extended through markets. The self, or the individual intent on achieving self-realisation, is present from this first juncture.<sup>73</sup>

Yet, the pursuit of private virtue is far from the whole story. Self-interest does not, in particular, capture the most striking feature of a public motivated to participate in the practice of CSR. Typically, members of the public come to CSR animated not just by self-interest, but also by a range of political issues, such as the demands of equality, social justice, human rights and environmentalism. CSR, from this perspective, draws the individual out of a purely private sphere of decision-making. It encourages the individual to act in public matters with the interests of others in mind, or – more formally – to act according to the ‘civic tradition of virtue.’<sup>74</sup> Micheletti refers to this civic dimension when she ascribes to CSR an impetus for members of the public to ‘respond to corporate politics and products as reflecting, expressing and promoting political, social and normative values beyond those of consumer price, taste and the quality of goods.’<sup>75</sup> Sally Wheeler, similarly, draws attention to something beyond the narrow pursuit of self-interest in CSR. She describes participating in CSR as ‘a way in which individuals who are currently disenchanted with the political process might re-engage and take positions of individual ethical and political responsibility towards “others.”’<sup>76</sup> CSR acquires a distinctly civic dimension, as such, where individuals go beyond the usual (for markets) satisfaction of economic purposes and goals. They defend others in consumptive decisions; they promote values irreducible to self-interest. Crucially, they join with like-minded citizens as their decisions are collectivised in the market. ‘Boycotts begin in consumer society, but for those engaged in them, they provide a way of life that takes the culture of consumption and moralises it, transcending its barren materialism and thereby ensouling it,’ say Kozinets and

<sup>72</sup> D. Winterman, ‘It’s in the bag, darling’. BBC News online, 2007; available at: <http://news.bbc.co.uk/1/hi/magazine/6587169.stm> [accessed 02/08/2010], ‘Reporting the sale of ‘I’m not a plastic bag,’ the designer eco-bag. Originally priced at £5, exclusivity led to the sale of the unbleached cotton bag on ebay reaching £200.

<sup>73</sup> On self-interest in CSR, see M. Micheletti, *Political virtue and shopping: Individuals, consumerism, and collective action*. (New York: Palgrave Macmillan, 2003), 24 and 37-72, discussing US Food boycotts of the 1920s – 1940s, as an example of how political consumerism is grounded in the everyday problems of consumers.

<sup>74</sup> Micheletti, *Political virtue and shopping*. civic virtue at 20-25, 150.

<sup>75</sup> Micheletti, *et al.*, *Politics, products and markets*. ix.

<sup>76</sup> Wheeler, S., ‘Engaging Individuals,’ in Boeger, *et al.*, *Perspectives on corporate social responsibility*. 329. See also M.A. Dickson and M.A. Littrell, ‘Socially responsible behaviour: Values and attitudes of the alternative trading organisation consumer.’ (1996) *Journal of Fashion Marketing and Management* 1(1): 50-69. 50. Empirical study indicating that consumers emphasising a place for civic virtue in buying.

Handleman.<sup>77</sup> ‘Boycotters use consumptions to connect not merely to the endless proliferation of profane commercially branded goods, but through an alchemical act of consumer praxis to a hidden moral of other lands, other beings and other lives.’<sup>78</sup>

There are a number of different accounts as to how this civic dimension is articulated in the market, and of how its effectiveness might be improved upon.<sup>79</sup> There is, by contrast, considerably more agreement as regards the prompt for the rise of a civic dimension to the market, or the circumstances in which this emphasis has come about. ‘Many worry that liberalism has been too successful in promoting the virtues of calculative individualism,’ says Mark Lutz in 1997.<sup>80</sup> ‘We notice not without horror how far we all have already moved in the thought-habits of a basically un-civic world. We have already noticed that this is true above all for the economists when we spoke of their tendency to indulge unsuspectingly in thinking in money and income streams,’ said Wilhelm Roepke in 1958.<sup>81</sup> Participation in CSR, as Chapter One highlighted, emerges on the back of this perception of excessive marketisation and individualism. It observes the extent to which the pursuit of private interests to a disproportionate extent brings about negative consequences for society and environment. CSR propositions a re-balancing act, a drawing out of a civic dimension in the market. The literature on CSR is full of tools through which observers and participants try to enact this drawing out, or this effort to rebalance. Chapter 1 discussed tools for the corporation in this context – ‘responsible competitiveness,’ ‘business case’ etc. In the public domain, participants talk about a ‘spill-over’ from consumption patterns to the societal realm.<sup>82</sup> The idea of the ‘ecological footprint’ has become a popular way to measure the impact of human populations on the environment, and through which participants try to instil civic virtue.<sup>83</sup> ‘We leave ecological, ethical or public footprints and consequences for others as we go about our seemingly daily private lives,’ says Micheletti. Market participation, infused with a sense of civic virtue, presents participants with one way of ‘civilising the market,’ and consequentially, of rebalancing economy with other values.

The turn towards the market, as a place to best manage the spill over from the private to the public, is also grounded in a series of perceived *political benefits and advantages*. A turn

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<sup>77</sup> R.V. Kozinets and J. Handelman, ‘Ensouling consumption: A netnographic exploration of the meaning of boycotting behavior.’ (1998) *Advances in Consumer Research* 25(1): 475-480. 478.

<sup>78</sup> Ibid.

<sup>79</sup> CSR is one way, enhancing the application of human rights is another commonly asserted. D. Kinley, *Civilising Globalisation: human rights and the global economy*. (UK: Cambridge University Press, 2009).

<sup>80</sup> M.J. Lutz, ‘Civic virtue and socratic virtue.’ (1997) *Polity* 29(4). 567.

<sup>81</sup> Röpke, W., *Jenseits von Angebot und Nachfrage*, (Erlenbach-Zürich/Stuttgart, 1958).

<sup>82</sup> Micheletti, *Political virtue and shopping*. 21.

<sup>83</sup> First used by William Rees in 1992, see M. Wackernagel and W.E. Rees, *Our ecological footprint: Reducing human impact on the earth*. (Gabriola Island, BC: New Society Pub, 1996). Adapted to the practice of CSR in Micheletti, *Political virtue and shopping*. 8, 149-158.

towards the market is a turn away from traditional political techniques or forums for engaging members of the general public – voting, political parties, lobbying MPs or campaigning for political intervention and legislative change. Members of the public are increasingly sceptical about the ability of political representatives to regulate or discipline market actors and, indeed, about the capacity of parliamentary democracy to protect public interest on the whole.<sup>84</sup> This scepticism comes to be expressed in a search on the part of individuals concerned about society and environment, for alternative mediations to overcome frustration with the political system (or in Hayekian parlance, frustration with what has been achieved to date through collective action).<sup>85</sup> The market looks a less vulnerable bet for concerned members of the public. The market presents itself as a less formal, rigid or bureaucratic sphere for public debate and intervention. Part of daily life, it presents itself as a more accessible sphere for public participation. ‘Arenas for consumer choice [...] are less distanced from our daily lives than public decision-making ones,’ says Micheletti.<sup>86</sup> Consumerism, she argues, appeals to political participants who find themselves ‘marginalised from formal political settings.’<sup>87</sup> The market also presents itself as a less vulnerable bet for a public concerned about business responsibility where it is, quite simply, the place where the action takes place. Political consumerism professes to bring members of the public ‘closer’ to markets and the corporation. It claims to make viable a dialogue between individuals and business actors, as well as practical or realisable the outcome.<sup>88</sup> Ask what members of the public want in parliament and fall asleep in days of bureaucratic committees – or, (Hayek), face a totalitarian regime! Ask what the market wants and read the answer immediately, as it flashes past the viewer on multiple computer screens.

In addition to the list of practical advantages, however, there is a strong argument about liberty to be made here. Political consumerism draws on public sensibilities because of what it claims to offer individuals in terms of autonomy and the capacity for self-realisation. The individual in CSR is encouraged to make the most of their own instincts and rationalities. ‘Political consumer choice,’ says Micheletti, ‘is practised in an individualised, most likely spontaneous and sporadic manner.’<sup>89</sup> CSR preserves for the individual the ability to define the nature and extent of their participation. They are able at all times to make changes to their plans and

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<sup>84</sup> On public apathy in parliamentary politics, see the lively, S. Coleman, ‘A tale of two houses: The house of commons, the big brother house and the people at home.’ (2003) *Parliamentary Affairs* 56(4): 733. Exacerbating the loss of faith, N. Allen and S. Birch, ‘Political conduct and misconduct: Probing public opinion.’ (2010) *Parliamentary Affairs*.

<sup>85</sup> Wheeler, ‘Engaging individuals,’ 225. Frustration with traditional politics as a motivation for the turn towards CSR, 224-230.

<sup>86</sup> Micheletti, *Political virtue and shopping*. 17.

<sup>87</sup> Ibid. 17

<sup>88</sup> Sense of this underlying D. Miller, ‘Consumption as the Vanguard of history,’ in D. Miller, *Acknowledging consumption: A review of new studies*. (London: Routledge, 1995). 1-58 - ‘consumerism as an activist movement remains one of the most powerful critical points in assessing the consequences of capitalism.’ 40.

<sup>89</sup> Micheletti, *et al.*, *Politics, products and markets*. 271.



intentions at will. ‘Participation in consumer boycotts,’ says Micheletti, ‘emphasises the importance of spontaneity and irregularity, easy exit and the possibility of shifting in and out as a form of involvement.’<sup>90</sup> Above all, the individual is encouraged to pursue their own sense of social justice, and to do so without being burdened by the prospect of disagreement or the difficulty of achieving consensus with others. ‘Citizens must juggle their lives in situations of unintended consequences, incomplete knowledge, multiple choice and risk taking. Political engagement and citizenship is thus a task that people must deal with on an increasingly individual basis,’ says Micheletti.<sup>91</sup> The market provides an outlet for the management of circumstance, risk and choice. ‘The interrogation that I suggest,’ says Wheeler of individuals interrogating the market for social and environmental purposes, ‘may well result in difficult choices for the individual, between equally deserving causes, but to be in a position to make this choice is to be a *politicised individual*’ [emphasis added].<sup>92</sup>

The ideas and words of Hayek protrude here, consonant. Hayek’s insistence on giving ‘individuals the chance to decide whether the prospects of a particular occupation are sufficient to compensate for the disadvantages and risks,’ encapsulates precisely what CSR proposes to do for the individual.<sup>93</sup> His corresponding caution that ‘we do not possess the moral standards which would enable us to settle these questions,’ and that we ought to ‘rely on the strong sense of fairness of the people,’ encapsulates CSR’s deference to competitive markets as a way to consolidate individual views into definite standards.<sup>94</sup> CSR and politicised consumer strategies proposition the, ‘individual man *qua* man that is the recognition of his own views and tasks as supreme in his own sphere [...] and the belief that it is desirable that man should develop his own gifts and bents.’<sup>95</sup> Markets in social and environmental responsibility retain this sense of power and autonomy for the individual in the management of ends, purposes or choice. So – and this is the really important thing – *the individual labours individually in CSR*. The market ‘limits such common action to instances where individual views coincide; what are called social ends are for it merely the identical ends of many individuals.’<sup>96</sup> Micheletti evokes a similar limitation when she talks about CSR as a form of ‘individualised collective action,’ which brings members of the public together for the purposes of expressing their views on society and environment in the market. Yet, all the while each participant remains separate and distinct from others – able to make changes to plans or intentions at will, without being burdened by the views of other participants. ‘In short,’ Micheletti surmises, ‘people [in CSR]

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<sup>90</sup> Ibid. 271.

<sup>91</sup> Micheletti, *Political virtue and shopping*. 25.

<sup>92</sup> Wheeler, ‘Engaging Individuals,’ 237.

<sup>93</sup> Hayek, *The road to serfdom*. 38.

<sup>94</sup> Ibid. 114.

<sup>95</sup> Ibid. 14.

<sup>96</sup> Ibid. 63. See also Hayek, *Law, legislation and liberty*, Vol. 2. ‘a great society has nothing to do with and is in fact irreconcilable with solidarity in the sense of unitedness in the pursuit of known social goals.’ 111.

do not need collectivism for collective action, which explains my choice of the word individualised.’<sup>97</sup>

Of course, this does not mean that there are not collective elements to political consumerism. Members of the public engaged in CSR are arranged together in the market. In buying or not buying certain products, they act out ends and purposes shared with others: the market creates links between similarly motivated parties. Individual acts and purchases are automatically collectivised by the organising principle of the market: the principle of supply and demand. ‘Each individual shopping act is thereby charged with collective meaning,’ as Boris Holzer says, where this principle specifically locates individual acts in the bigger context of other purchasing choices.<sup>98</sup> However, it is important, amidst all the excitement about potentially collective elements to CSR – and there is plenty of that around the politicised shopping sphere – to remain lucid about the kind of participation proposed in CSR. The act of political consumerism is always one that is distinctly individualised. Individualisation takes place at the critical point of exchange between the consumer/buyer and corporation/seller: economic exchange is always translated into the number of individual units that are purchased or not purchased. Individualisation occurs where each purchase is discrete and irreconcilable with others: participation in the market entails no long-term compulsion to sustain relevant commitments or to consolidate subsequent purchases along collectivist lines. ‘New forms of participation,’ says Dietland Stolle and Marc Hooge, ‘are certainly less collective and group-orientated in character, even though they might be triggered by larger societal concerns (e.g. global injustice) and might also have aggregate consequences (e.g. change of corporate practices). Yet, the actual act of participation is often individualised in character.’<sup>99</sup> To make their case they point to a situation in which individuals purchase products with social and environmental goals in mind.

The figure of the ‘activist shopper’ proliferates thus. The activist shopper rises in CSR where the individual is encouraged to stake more than economic purposes on market outcomes. Shopping takes on activist and political dimensions. The act of buying becomes a vehicle through which individuals express civic virtues and endeavour to act in concert with others. Through shopping, members of the public advocate and oppose social and environmental causes, protest controversial business practices and propose methods of improving upon market outcomes. ‘This breaks a fundamental division of labour between politics and economics, which are supposed to function according to different logics or languages,’ say

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<sup>97</sup> Micheletti, *Political virtue and shopping*. 29, 28-35 for more detail.

<sup>98</sup> B. Holzer, ‘Political consumerism between individual choice and collective action: Social movements, role mobilization and signalling.’ (2006) *International Journal of Consumer Studies* 30(5): 405-415. 411-412.

<sup>99</sup> D. Stolle and M. Hooge, ‘Consumers as Political participants? Shifts in Political Action Repertoires in Western Societies,’ in Micheletti, *et al.*, *Politics, products and markets*. 272.

Jorgen Goul Anderson and Mette Tobiasen.<sup>100</sup> Shopping in CSR becomes a political act, likened in the CSR literature to voting, where shoppers reflect political views, values and attitudes by making purchases.<sup>101</sup> This ‘voting,’ remains distinct from traditional forms of political participation, where it takes place in and through the institutions of the market. Occupied in the market thus, voting through shopping takes on the market’s features and limitations. Political consumers engage in the market in acts that are always distinctly individualised. They vote at will and as many times as they have the economic ability to support. They vote without overlying responsibility for positions and without compulsion to be consistent or vote along collectivist lines. ‘We need decentralisation’ said Hayek in 1945. Nothing is more decentralised, in the realm of protecting social and environmental value, than insisting on the right of the individual to make every individual shopping task a political bid.

### *Existential Projects in the shopping centre*

The market emerges in Hayek as a solution to the problem of how to secure and maximise individual freedom. It does so by enabling ‘each individual to try to build for himself a protected domain, within which nobody else is allowed to interfere and within which he can use his own knowledge for his own purposes.’<sup>102</sup> By specifically linking the market to the security of metaphysical goods, like individual freedom and liberty, Hayek is one catalyst for a steadily accelerating and deepening social movement in the market. In this movement, the institutions and mechanisms of the market have come to be associated with vastly more than a pragmatic solution to order. ‘In seeking to understand why consumption has such importance in people’s lives,’ Colin Campbell says, ‘one is implying that it might be fulfilling a function above and beyond that of satisfying the specific motives or intentions that prompt its individual component acts.’<sup>103</sup> Campbell identifies in the market, and in shopping, a bigger personal experience for individuals in which they explore constitutive aspects of the self. The market, for Campbell, makes itself available not just as a place to satisfy economic ends or purposes, but also as ‘a response to ontological insecurity or existential angst.’<sup>104</sup> ‘Having shattered the communal and corporate fetters that fasten people to their ascribed position well-nigh permanently,’ echoes Zygmunt Bauman, ‘modern times faced the individuals with the harrowing task of constructing their own self-identity.’<sup>105</sup> Bauman, like Campbell, describes how the market has become available as one place or one way for individuals to respond to this

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<sup>100</sup> Anderson and Tobiasen, ‘Who are these political consumers anyway,’ in Ibid. 203.

<sup>101</sup> Voting at the checkout: E. Jacobsen and A. Dulsrud, ‘Will consumers save the world? The framing of political consumerism,’ (2007) *Journal of Agricultural and Environmental Ethics* 20(5): 469-482.

<sup>102</sup> Hayek, *Law, legislation and liberty*. Vol. 3, 163.

<sup>103</sup> Campbell, C., ‘I shop therefore I know that I am: the metaphysical basis of modern consumerism,’ in K.M. Ekstrom and H. Brembeck, *Elusive consumption*. (Oxford: Berg, 2004). 27-44, 27.

<sup>104</sup> Ibid. 29, 35.

<sup>105</sup> Z. Bauman, *Freedom*. (Milton Keynes: Open University Press, 1988). 62.

challenge: to go about the task of constructing social and political identity. ‘Assisted by the impeccably knowledgeable experts it employs,’ Bauman says, ‘the market offers the passage from ignorance to rationality, or from incompetence to the confidence that the individual’s projects and desires will be fulfilled.’<sup>106</sup>

Political consumerism is a most important component of this turn towards the market for existential satisfaction and purposes. First, the phenomenon provides a recognised outlet for the ‘emotional’ and other-orientated aspect of modern consumerism. Participants invest psychologically and emotionally in their purchases as a way of ‘daydreaming’ about the kind of lifestyle they would like to have, as well as the kind of person that they would like to be.<sup>107</sup> Second, by encompassing a much wider range of attitudes, sentiments and emotions than might ordinarily be contained within markets, political consumerism vastly extends the projections of the ‘self’ – the range of identities – that might successfully be affirmed in the supermarket. Political consumerism enhances the choice for individuals in relation to aspects of the political self, the social self, the natural or environmental self, the moralist, the internationalist and the community-minded self.<sup>108</sup> Each aspect of the self becomes available for affirmation or selection in a release of products on the supermarket shelf. Extending the number and kind of identities made available to the individual in this way – ‘universalising the market as a solution to the problem of individual freedom,’ as Bauman says – presents not only a solution for governments in the organisation of social order. It also offers a way for the individual to resolve personal dilemmas and individual angst. It allows multiple chances to negotiate and renegotiate the individual’s relationship with others. ‘The freedom to choose one’s own identity becomes a realistic proposition,’ says Bauman, ‘there is a range of options to choose from, and once the choice has been made, the selected “identity” can be made “real” (symbolically real, real as perceptible by image) by making the necessary purchase or subjecting oneself to the required drills.’<sup>109</sup> Drills to this effect in activist shopping come to include personal identification with more ‘socially responsible’ products, such as the EU eco-label, No Sweat and Fair Trade.

At this juncture, where political consumerism is postulated as a way of achieving self-realisation, the case for public participation in CSR diverges in an interesting way from the case for business or governmental support. To secure the support of business, market-led CSR is significantly founded upon liberalism and liberal ideals. The market is relied upon in CSR

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<sup>106</sup> Ibid. 67. A more extensive version of Bauman’s argument regarding ‘the carnivalesque game of identities,’ in Bauman, *Consuming life*. 82-116.

<sup>107</sup> Campbell, ‘I shop therefore I know that I am,’ 28-30.

<sup>108</sup> The political, emotional and war mongering self, K. Soper, ‘Alternative hedonism, cultural theory and the role of aesthetic revisioning.’ (2008) *Cultural Studies* 22(5): 567-587. Examining consumption post September 11: as an act to confirm the western way of life and defy terrorism. 568.

<sup>109</sup> Bauman, *Freedom*. 63.

as a sphere secure from external interference, where business actors are promised general rules for the guidance of legal conduct. As long as these rules are respected, no further imposition ought to be made on the delivery of market goods and services. The demands of liberty support an absence of prejudice as regards outcomes that materialise. Yet, when it comes to entreating members of the public to engage in politicised shopping, the discourse switches. The liberal emphasis on ‘non-interference’ is exchanged for a sustained emphasis on the positive powers and capacities of the individual encouraged into a position of judgement in CSR. Micheletti captures this positive, and deeper, aspect to the liberty of the individual in political consumerism. ‘Citizens,’ she says, ‘can craft or self-author their own personalised, individualised political narratives and adapt their political involvement thereafter. This is the meaning of self-reflexivity.’<sup>110</sup> ‘The rhetoric of consumer choice is therefore progressive in as far as it can be transformed into the actuality of persons with the resources to become empowered,’ says Daniel Miller. The public are empowered in Miller’s theory where, as consumers, they arbitrate between the moralities of institutions that provide goods and services.<sup>111</sup> Miller identifies this power, or capacity, of the individual in an editorial that describes consumption as the fundamental ‘force’ with which members of the public today are endowed in the market (as opposed to any force that they might possess in relation to production: ‘people have found that an identity constructed through consumption is far more empowering and controllable than that which is dependent on their placement within even larger systems of production, over which they have little control’).<sup>112</sup> ‘An emphasis on consumption,’ Miller goes on, ‘is an acknowledgement of the potential creative power of diverse human groups to make of resources what they will.’<sup>113</sup>

This emphasis on the empowerment of the individual in consumption is important. It is important because it underlines a compulsion always present in CSR to deepen and extend the sense of autonomy experienced by individuals when they engage in activist shopping. At the forefront of everyone’s minds in CSR (activist shoppers included) is the concern that shopping is too empty and too vacuous a medium to carry serious articulations of public interest or civic virtue. Consuming social and environmental value cultivates an image of individuals frivolous in their endeavours, selecting between products and services in the same way that they might a new outfit or a holiday destination. Philip Pettit captures precisely the worry (and the aspiration) here, in an article in which he discusses ‘two ideals for voters.’<sup>114</sup> The article itself discusses voting in the context of democratic political institutions, but can be meaningfully

<sup>110</sup> Micheletti, *Political virtue and shopping*. 33.

<sup>111</sup> D. Miller, ‘Consumption as the vanguard of history, in D. Miller, *Acknowledging consumption: A review of new studies*. 41.

<sup>112</sup> Ibid. 42.

<sup>113</sup> Ibid. 41.

<sup>114</sup> P. Pettit, ‘Liberalism and republicanism.’ (1993) *Australian Journal of Political Science* 28(4): 162-189. Pettit himself locates the discussion in a commercial context, 171-173.

applied to CSR as two ideals for expressing political preferences of the individual (particularly where the essence of the argument being made is that CSR effects a transferral of ‘voting’ to the market). One ideal, Pettit calls the ‘preference view of voting.’<sup>115</sup> This view casts electors in the role of consumers, as they are commonly understood: discrete, individual and self-interested. Political parties adopt the role of suppliers or salespersons. Parties and politicians offer the voters a choice between different sets of public policies. How members of the public respond is then modelled on the action and behaviour of the consumer: they draw on their own pre-existing preferences and choose between products to buy. The other ideal, Pettit names the ‘judgement view of voting.’<sup>116</sup> This view casts the voter not as a simple consumer, but as a ‘quality controller’ in relation to the products or packages of policy on show. ‘They do not go to the polls to record their personal preference between the alternatives on offer, in the way in which we might record our individual preferences between the different holiday destinations that our family might visit,’ says Pettit; ‘they go to the polls to record their judgement as to what alternative is best for society overall, by whatever criteria they think appropriate.’<sup>117</sup> In acting thus, the voter acts in a way that directly counters the impression that they are flighty, vacuous or always behest to narrow self-interest. Choice between alternatives, in the judgement view of voting, engages members of the public in deeper consideration and reflexivity. ‘The public,’ Pettit says summarily, ‘behave not like potential holiday makers expressing their different tastes, but like the members of an appointments committee, who try to reach a conscientious view on the merits of the candidates.’<sup>118</sup>

Of course, Pettit – when he talks about the judgement view of voting – is talking about republicanism here. The preference view to which he refers is the model of voting with which he associates liberalism. Advocates of CSR make no secret of the fact that the judgement view of voting (rather than the preference view) is what they recommend to members of the public ‘voting’ for social and environmental preferences in CSR. The judgement view consigns upon CSR a more meaningful engagement of individuals. The extended consideration and conscientiousness makes market outcomes appear more legitimate. Crucially, the flirtation with republican values also underwrites an extended functionality for markets. The judgement view allows activist shopping to distinguish the consumption of social and environmental value *from consumerism itself*, so as to infer that something more goes on in CSR markets than aggregate social ordering and a utility conception of overall-preference satisfaction. By catalysing members of the public into a judgement view, CSR is able to represent the market as a more meaningful site for politics or political aspiration. It is more meaningful, that is,

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<sup>115</sup> Ibid. 171.

<sup>116</sup> Ibid. 172.

<sup>117</sup> Ibid. 172.

<sup>118</sup> Ibid. 172.

because the quality of participation is improved. Members of the public do not just shop on the basis of pre-existing preferences, but enter a sphere of debate, deliberation and reflexivity regarding the public interest.<sup>119</sup> ‘The aim should be,’ says Pettit, ‘not to get the best that can be achieved for their pre-given goals, but to seek to identify in a deliberative exchange of information and argument the requirements of the public good in any area and the measures that promise to promote it.’<sup>120</sup>

The close fit – between Pettit’s description of the judgement view and the promise to public participants in CSR – is important for another reason. Where Pettit’s view on the republican voter is particularly distinct because it sits in stark contrast to liberal preference voters, so a contrast between two ideals, or two models for participation, rests at the heart of CSR. As Chapter One illustrated, making the business case, liberalism retains a strong presence in CSR. It advances the case for the market as mediator; it sets limits on the extent of business responsibility and state interference. Yet, it is in a nudge towards republican and participatory democracy in which CSR finds the resources to inspire members of the public towards engagement in CSR. Or, perhaps, more cynically, it is in an emphasis on the equivalent to a judgement view that members of the public are made to accept the role that has been carved out for them in relation to business responsibility! By linking activist shopping to the possibility of non-domination and a deeper sense of self-determination, the quality of the individual’s participation in CSR is significantly improved. No longer are they an isolated selector of products and services in the lonely and over-lit aisles of the conglomerate supermarket – it is not surprising that members of the public are sceptical about the capacity of such place to be ‘empowering.’ By linking participation in CSR to the ‘control that a person enjoys in relation to their own destiny,’ the glaring floodlights remain, but are conceptualised so that the organic products on the supermarket shelf allow the individual to offset glare with a story of individual glory.<sup>121</sup> This connect has a significant effect on the perceived quality and impact of CSR, more generally. In the republican twist, CSR moves towards articulating (for itself) the signs of a more engaged and participatory democracy. Outcomes are seen to be less about luck or the chances created by others, and more about deliberation and civic conscientiousness.<sup>122</sup>

The result is the possibility of collateral support for CSR from some surprising and counter-intuitive sources. Even republican accounts that demonstrate determined rage against the machine of the market, or a distinct awareness of the kinds of domination that bear on

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<sup>119</sup> Ibid. 172-173.

<sup>120</sup> Ibid. 172.

<sup>121</sup> P. Pettit, *Republicanism: A theory of freedom and government*. Oxford University Press, USA, 1999). 69

<sup>122</sup> M. Klintman, ‘Participation in green consumer policies: Deliberative democracy under wrong conditions?’ (2009) *Journal of Consumer Policy* 32(1): 43-57.

individuals there, can be drawn upon – or manipulated – in order to advance CSR. By calling upon individuals to insist on their right to self-realisation at every opportunity, the republican twist builds a bridge between CSR and the individual's everyday life. The individual is encouraged to see the public in the private at every juncture. The emphasis on non-domination politicises everything, from big strategic policy questions right down to the contents of a shopping basket. Republican values emphasise a 'bottom up' kind of emancipation, driven by the interest and capacities of the public from below. It seeks to connect politics to the needs and aspirations of ordinary people, or to 'democratise' and make representative social, political and economic institutions. The advocates of activist shopping associate themselves with similar aspirations and talk (cleverly) in a similar language. The relevant base-line or 'below' for the activist shopper, of course, is not the political arena but the market, where members of the public form a below in their role as consumers, investors and employees. From there, they infiltrate the institution of the market as components of economic demand. 'Efforts towards mainstreaming are also giving political consumerism an everyday, ordinary character,' says Micheletti, 'political consumerism is becoming a form of everyday activism that can be expressed without exerting much effort and resources and without unwilling confrontation with other actors.'<sup>123</sup> By bringing politics *down* to the level of discrete acts of buying in the supermarket, CSR presents itself dutifully as 'a politics emerging from below.'<sup>124</sup>

This does not mean that the individual concerned about society or environment needs to agree with CSR's methods, or to specifically organise a project of self-realisation in the shopping centre. They may, as Michael Hardt and Antonio Negri do, bemoan shopping as 'an impoverished notion of communication as the mere transmission of market data.'<sup>125</sup> Yet, the point here is not that a complete collapse between liberalism and republicanism occurs in CSR, with the advantages of one overtaking or superseding the other. The point is that the concept of CSR demonstrates an ability *to select what it wants from one or the other justification for engagement*, and to straddle rationales for political mobilisation and liberty. CSR does not reveal a comprehensive or doctrinal commitment to any one formulation – liberalism or republicanism – in the event that this might link CSR to known weaknesses. Too rigorously associated with liberal individualism, for example, and the spectre of too many isolated and self-interested individuals making preferential choices in the market would detract from the perceived quality of political engagement. Too adroitly aligned with republican theory, and the sight of too many individuals overwhelmed by the level of domination implicit in the

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<sup>123</sup> Micheletti, *Political virtue and shopping*. 110.

<sup>124</sup> Ibid. 29

<sup>125</sup> M. Hardt and A. Negri, *Empire* (USA, Harvard University Press, 2001). 290. There is an interesting case to be made that the distinctly anti-market, 'postmodern republicanism' of Antonio Negri and Michael Hardt can have precisely this 'supportive' effect, where the insistence on always 'being against' and 'being for itself' sends the individual off in search of something rebellious in every sphere, including the market.



market would counter the possibility of any real citizen empowerment. The point is that in a world emphatic about multi-level strategy, discourse and globally dispersed networks of political action, CSR is never really forced to choose between the philosophical foundations of its claims. Activist shopping is not presented, by any means, as a total or exclusive solution to the problem of distributing responsibility for society and environment in the market. It presents itself, rather, as another tool in the box, an alternative or supplementary mechanism, through which an otherwise frustrated public is able to engage and achieve self-realisation. The vogue for multi-level politics, inspired by diverse and multiplicitous life from below, allows CSR to ingratiate itself from a variety of sides with democratic politics, without ever overstating its claims.<sup>126</sup>

Existentialist projects in the shopping centre: they emerge where the emphasis on autonomy and a constitutive element to politics make the individual's shopping basket a site for political engagement and self-realisation. The projects combine a strange mix of bedfellows: free market liberals and those concerned about the very same market and its potential for domination from the republican tradition. The concept is politically rigorous, where it demonstrates a unique ability to negotiate a truce between the two sides with respect to some basic necessities: the autonomy of the individual, the value of the individual's creative capacities, a system that aggregates individual interests without imposing decisions on the individual's behalf. The way that CSR brings about this truce is crude, clumsy or rough around the edges in many respects. Follow either ideal through in the context of activist shopping and CSR's weaknesses, or breaches of tradition, are readily exposed. But, this is precisely what is so unique about CSR. In CSR, corporate actors have learned the skill of never following through on their own justifications. Instead, they boldly push away what might be 'problematic' about collisions in a flurry of fanfare. CSR is able to enact this push – to push away clashes in principle, practice and implementation – because there is no escape from markets and shopping decisions. Persistently caught in the market, made to return there as they go about their daily lives, crude articulations of principle come to hold a lot of sway over the public. This Chapter has described how individual autonomy is one such principle, and how it has carved out so much in the way of freedom for the market to impose itself as a solution to business responsibility. Harvey captures this power of market principle and its role in the wider security of market society. 'In doing so,' he says, 'they chose wisely, for these are indeed compelling and seductive ideals.'<sup>127</sup>

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<sup>126</sup> The 'vogue' for multi-level politics and political strategies, see *Empire*, above, and T. Mertes and W.F. Bello, *A movement of movements: Is another world really possible?* (London: Verso Books, 2004).

<sup>127</sup> Harvey, *A brief history of neoliberalism*. 5.

## Chapter 3

### Tipping point

‘These times offer us freedom of choice never before enjoyed, but also cast us into a state of uncertainty never before so agonising. We yearn for guidance we can trust and rely upon, so that some of the haunting responsibilities for our choices could be lifted from our shoulders. But, the authorities we may entrust are all contested, and none seems to be powerful enough to give us the degree of reassurance we seek.’

*Zygmunt Bauman*

‘No! I do not feel that I am particularly personally culpable.’

*Andy Hornby,  
Former CEO of Bank of Scotland*

The question, for which effects does CSR generate responsibility, at first seems straightforward. CSR is defined by the effort to integrate social and environmental considerations with business concerns and the economic interests of the shareholder.<sup>1</sup> Society, rhetorically contrasted to shareholders, is then divided into four main areas of potential responsibility: ‘workplace, market-place, environment and community.’<sup>2</sup> The four areas are broadly understood in their connection to markets as part of the ‘wider external relationships,’ or ‘wider interests,’ which economic activity affects.<sup>3</sup> Corporate actors are encouraged to take ‘due account of both the long-term and short-term, and wider factors such as employees,

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<sup>1</sup> BERR, ‘Corporate responsibility report.’ 5, distinguishing corporation’s ‘own competitive interests,’ from the ‘interests of wider society.’

<sup>2</sup> European Commission, ‘Competitiveness report.’

<sup>3</sup> CLRSO, *Modern company law for a competitive economy : Developing the framework : A consultation document*. Para 2.22. Note that external interests are not referred to as ‘stakeholders’ in UK company law (adopting not a pluralist but enlightened shareholder approach). Still, the word ‘stakeholder’ is used – by business, government – to give weight to CSR; see, UK adoption of ISO 26000 on CSR: <http://isotc.iso.org/livelink/livelink/fetch/2000/2122/830949/3934883/3935096/home.html> [accessed 02/08/2010]

effects on the environment, suppliers and customers.’<sup>4</sup> The definitive thing about these ‘wider’ factors is that they are very much distinguished from the economic interests of the shareholder. CSR advances moving beyond an exclusive pursuit of profit, understanding that the long-term success of the corporation depends on their ability to pay appropriate regard to ‘wider matters.’ The credit crisis has been interpreted in the CSR context as strengthening the case, where it provides an apt reminder to society of the social harm caused by business actors determined to pursue profit at all costs. Although in official terms, the only responsibility of business remains to generate wealth, the collapse in wealth over the course of the credit crisis (due to its unregulated pursuit) underscores something beyond price as integral to the success of economy. ‘Many who have been saying for years that markets are best when left completely alone have been recently proven wrong,’ said Verheugen.<sup>5</sup> ‘Rebuilding trust, *managing the human dimension* and seeing sustainability as an opportunity for new business are key to overcoming the economic crisis’ [emphasis added].<sup>6</sup> CSR seeks to amend the basics of shareholder capitalism, by extending the range of considerations that bear on corporate self-interest.

This suggestion that there is something about the dynamics of self-regulating markets, which left to its own devices leads to dysfunctional outcomes, lends something of Karl Polanyi to the spheres of activity and justification associated with CSR. The emphasis on the need to counter the possibility of unjust and harmful impacts by ‘managing the human dimension’ reverberates with Polanyi’s insistence that an economy directed by economic self-interest, and nothing else, creates perils to society. Clearly, where the reverberation with Polanyi appears alongside *market-led* CSR, it circulates in a variety of strengths and resolutions. Advocates of self-regulation, in CSR, by no means share Polanyi’s meta-critique of the self-generating market. Yet, where the economist, perhaps better than any other, captures the essence of a dialogue between different values – economic and non-economic – in the market, his work illuminates a series of social and economic movements that retain a critical presence in CSR. It is with a view to describing the nature of these movements that the thesis thus turns to Polanyi to assess how the question of social and environmental responsibility emerges in CSR. The Chapter discusses how this responsibility is organised when it is managed according to the market-led techniques of CSR.

#### *Moves of a self-regulating market*

In 1944, Karl Polanyi published *The Great Transformation: the political and economic origin*

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<sup>4</sup> DTI, *Company law reform - white paper*. (London: Stationery Office, 2005). 5.

<sup>5</sup> Verheugen. ‘CSR essential for public trust.’

<sup>6</sup> Ibid.

of our time.<sup>7</sup> In the book, he defines a market economy: a ‘system controlled, regulated and directed by market prices; order in the production and distribution of goods is entrusted to this self-regulating mechanism.’<sup>8</sup> Writing in the aftermath of the Great Depression, Polanyi describes how a self-regulating system of markets leads to large-scale societal destruction. His work observes, alongside the self-regulating market, widespread social and environmental harm. For Polanyi, the tendency of the free market to generate these effects is no freak accident. There is, in other words, no need for the type of ‘shocked disbelief’ that was more recently expressed in relation to the credit crunch.<sup>9</sup> For Polanyi, harm to the social and environmental fabric of society is something implicit in the systematisation of self-regulating markets: ‘such an institution cannot last for any time without annihilating the human and natural substance of society.’<sup>10</sup> Polanyi makes his case in a series of historical narratives. He discusses, for example, the industrial revolution that took place in Britain in the 19th century, where he finds rapid economic change taking place concurrent to the rapid spread of extreme economic exploitation, poverty, dislocation of peoples and the degradation of social and cultural institutions. Polanyi is also focused in his historical account on the ‘rate of change’ effected.<sup>11</sup> His own economic theory talks about the development of substantive economic institutions, capable of limiting the market and slowing things down, so that society can adapt in such a way as to preserve meaning and value.<sup>12</sup> But, ‘robbed of the protective covering of cultural institutions,’ change takes place in the Industrial Revolution – and in the self-regulating market, more generally – at a pace too fast to safeguard the community’s welfare.<sup>13</sup> Polanyi makes much of this concurrence, between the materialisation of harm and the acceleration of markets. The association – or more precisely, the causal relation – forms the base of Polanyi’s objections to modern market society, and his rigorous critique of the self-regulating market.

At the heart of the problem, for Polanyi, is the prioritisation of economic considerations as an exclusive criterion upon which to base the organisation of society. The market economy that aspires to self-regulation orders itself according to the mechanism of price, or quoting Adam

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<sup>7</sup> K. Polanyi, *The great transformation*. (Boston: Beacon Press, 1957).

<sup>8</sup> Ibid. 71

<sup>9</sup> E. Andrews, ‘Greenspan concedes error on regulation’. *New York Times*. 23 October 2008 (New York: Arthur Ochs Sulzberger, Jr., 2008). ‘Those of us who have looked to the self-interest of lending institutions to protect shareholder’s equity, myself included, are in a state of shocked disbelief,’ said Greenspan to the House Committee on Oversight and Government Reform.

<sup>10</sup> Polanyi, *The great transformation*. 3.

<sup>11</sup> Ibid. 35 and 57. See also M. Glasman, *Unnecessary suffering: Managing market utopia*. (London, New York: Verso Books, 1996). On the ‘rate of change’ at 9-17.

<sup>12</sup> ‘The economy as instituted process,’ in G. Dalton, *Primitive, archaic, and modern economies: Essays of Karl Polanyi*. (Boston: Beacon Press, 1971). 142-148. Polanyi, *The livelihood of man*. 31-34, on the substantive economy.

<sup>13</sup> Polanyi, *The great transformation*. 76.

Smith, ‘man’s propensity to barter, truck and exchange one thing for another.’<sup>14</sup> To ensure that humans can exchange in all social activities, from the basic economic necessities to social and cultural aspects of human life, the pursuit of economic gain is, ‘raised to the level of a justification of action and behaviour in everyday life,’ says Polanyi.<sup>15</sup> The extension of the market mechanisms to all the elements of industry ensures the self-sufficiency of the system: ‘we know that profits are ensured under such a system only if self-regulation is safeguarded through *interdependent competitive markets*,’ [emphasis added].<sup>16</sup> Markets assume that humans work together most efficiently when they behave in such a way as to achieve economic gain. The efficient production of social order is effected in society by relying on markets to automatically co-ordinate individual efforts. The exchange of information between individuals on these terms allows a ‘natural’ balance to be found between supply and demand. A distribution of economic, social and cultural resources among individuals follows on from this exchange.<sup>17</sup> The economic motive, or ‘the avoidance of scarcity and hunger’ as Polanyi more provocatively names it, animates the individual in society as he enters into relations with others, looking to co-operate and exchange.<sup>18</sup>

This elevation of economic gain, as a value above all others in the organisation of social life, is the catalyst for Polanyi’s critique. It is problematic, for him, where it is based on an impoverished understanding of the contribution of economy to the productivity, health and happiness of society.<sup>19</sup> People, in Polanyi, do things for lots of reasons, among them economic. Yet, even so-called economic motivations ‘spring from the context of social life,’ for Polanyi.<sup>20</sup> Human activities are informed by political, social and cultural interests, which stem ‘in brief, from man’s patent dependence for his livelihood upon nature and his fellows.’<sup>21</sup> To sever this social link, and to see human activity only in terms of economic rationalisations, betrays the mixed character of the individual’s intentions: ‘such a forced conversion to a utilitarian outlook fatefully warped Western man’s understanding of himself.’<sup>22</sup> To exclude social context is to ensure ‘the divorce of the economic motive from all concrete social relationships, which would by their very nature set a limit to that motive.’<sup>23</sup> No external position remains from which to limit economic behaviour and the cumulative process. Determinations made on the basis of price become adroitly autonomous.

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<sup>14</sup> Ibid. 45.

<sup>15</sup> Ibid. 31.

<sup>16</sup> Ibid. 78.

<sup>17</sup> Ibid. 71.

<sup>18</sup> Ibid. 118-130, 130, self-regulation ‘under the authority of nature herself.’

<sup>19</sup> K. Polanyi, *The livelihood of man*. (Pearson, New York: Academic Press, 1977).

<sup>20</sup> Polanyi, *The great transformation*. 49.

<sup>21</sup> Polanyi, *The livelihood of man*. 20.

<sup>22</sup> K. Polanyi, ‘Our obsolete market mentality.’ (1947) *Commentary* 3: 109-117. 112.

<sup>23</sup> Polanyi, *The great transformation*. 57.

This warping, divorce and autonomisation is played out in the problem of the ‘fictitious commodities.’ Polanyi identifies these commodities as components of the human and natural substance of economy – the capacity of individuals to labour, land and natural resources and the money in circulation.<sup>24</sup> If production is organised according to price, however, all elements, including labour, land and money, must be translated into economic terms: ‘they must be subject to supply and demand, that is, be dealt with as commodities, as goods produced for sale.’<sup>25</sup> The result is fictitious, for Polanyi, where it fundamentally distorts the complexity of their value, use and motivation: ‘labour, land and money are obviously *not* commodities: the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them.’<sup>26</sup> Labour is ‘only another name for the human activity that goes with life itself, which in its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored or mobilised.’<sup>27</sup> Land is another name for the natural surroundings in which production takes place. Money is a token of participant ‘purchasing power.’ It is not produced for sale, but introduced into circulation by the institutions of banking and state finance.<sup>28</sup> To understand the assets labour, land and money only in terms of their capacity to generate gain is to limit and, for Polanyi, to destroy a wider appreciation of their substantive, or non-economic, value.

Polanyi analyses the systematisation of markets in terms of a distinction between the ‘embedded’ and ‘disembedded’ economy. The embedded economy is one entrenched in the surrounding social fabric, controlled by the engagement of active social and cultural institutions. This is what Polanyi refers to as the ‘human economy.’<sup>29</sup> The disembedded economy, by contrast, is precisely what emerges in a system of self-regulating markets. The interlocking of self-regulating markets in labour, land, money and everything else, creates an autonomous sphere of social activity. Individuals pursue self-interest in a system organised according to economic incentives, such as gain (for those engaged in the process of capital accumulation) or the avoidance of hunger and scarcity (for those whose survival depends on work and wages). The whole endeavour, regardless of what side of exchange participants engage with, is overseen and disciplined not by human institutions, but by the mechanism of price, alongside the principle of supply and demand. This effectively turns the potential for ‘embedding’ in the self-regulating market upside down: ‘instead of economy being embedded in social relations, social relations are embedded in the economic system.’<sup>30</sup> Market institutions control society, and not the other way around. Outcomes are invariably dictated by

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<sup>24</sup> Ibid. 71-80.

<sup>25</sup> Ibid. 136.

<sup>26</sup> Ibid. 75.

<sup>27</sup> Ibid. 75.

<sup>28</sup> Ibid. 75.

<sup>29</sup> Polanyi, ‘The Economy as Instituted Process,’ 148.

<sup>30</sup> Polanyi, *The great transformation*. 60.

price, regardless of alternative (non-economic) indications. For Polanyi, this goes against a tradition, which he observes in *The Great Transformation* and in other works, of subordinating the market to society and of integrating or tempering economic goals with non-economic ends.<sup>31</sup> ‘Ultimately, that is why the control of the economic system by the markets is of overwhelming consequence to the whole organisation of society,’ says Polanyi, ‘it means no less than the running of society as an adjunct to the market.’

This, of course, does not mean that the state has no role in the self-regulating market. On the contrary, Polanyi reserves for the state a role of some considerable importance in terms of securing the establishment of self-regulating markets. ‘The introduction of free markets, far from doing away from with the need for control, regulation and intervention, enormously increased their range,’ says Polanyi of the involvement of state institutions in the establishment and maintenance of *laissez faire*.<sup>32</sup> ‘The road to the free market was opened and kept open by an enormous increase in continuous, centrally organised and controlled interventionism.’<sup>33</sup> Polanyi highlights the role of the state in providing for the uniformity of taxes, tariffs, stable and enforceable contracts of exchange, the circulation of a national currency, as well as making labour and land compatible with commodity models and aspirations. However, where the purpose of governmental intervention is still defined in terms of the restoration of self-regulatory conditions and self-generating order, every act must lend itself to the overall impression that, once set up right, *laissez faire* is something that ‘naturally’ occurs. This pragmatic gap for positive intervention brings together private actors and state in the self-regulating market, dominant in the organisation of spontaneous order and in the generalisation of community.

The role of the state draws attention to another important aspect of Polanyi’s thesis in *The Great Transformation*. This is the inevitability of what he refers to as the ‘double movement.’ The first part of this movement is unleashed by the market mechanism against the natural substance of society – the movement in which markets extend, internalise the fictitious commodities, interlock and accelerate. The second part of this movement accompanies this march of commoditisation. It is made up of a counter-reaction or counter-move against its negative effects. ‘Whilst the organisation of world commodity markets, world capital markets and world currency markets under the aegis of the gold standard gave an unparalleled momentum to the mechanism of markets,’ says Polanyi, ‘a deep-seated movement sprang into being to resist the pernicious effects of a market-controlled economy.’<sup>34</sup> This movement

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<sup>31</sup> Ibid. 48-58.

<sup>32</sup> Ibid. 147.

<sup>33</sup> Ibid. 146.

<sup>34</sup> Ibid. 79-80.

consists of reactions to threats and harms perpetrated by the system. It is characterised by Polanyi as of a predominantly protective character. It advances a ‘reaction against dislocation which attacked the fabric of society, and which would have destroyed the very organisation of production that the market had called into being.’<sup>35</sup> It consists, in particular, of ‘checking the action of the market in respect to the factors of production, labour, and land.’<sup>36</sup> This two-pronged aspect to the self-regulating market, for Polanyi, accounts for its social history: the market that drives everything towards economic purposes is interspersed with counter-movements to pacify and alleviate destructive effects. The first part of the movement is driven by a dogmatic belief in the self-regulating market. The second part of the movement is compelled into being at the point (or near the point) that harm inflicted on the human and natural substance of society is so great as to be unbearable.<sup>37</sup> At this point, the ‘deep-seated counter-movement’ of which Polanyi speaks springs into being.<sup>38</sup>

It is important, in Polanyi, that responses to the strains caused by self-regulation are not premeditated, organised, or ideologically motivated. Intervention in the system of markets is not ‘due to any preference for socialism or nationalism on the part of concerted interests, but [...] to the broad range of the vital social interests affected by the expanding market mechanism.’<sup>39</sup> The counter-movement consists of acts spontaneous and from sources widely dispersed. The acts themselves are ‘of a predominantly practical characterisation.’<sup>40</sup> Evidence of this pragmatism is contained in the diversity of matters catalysing action and changes in tack – from liberal to collectivist solutions – which happen ‘overnight, and without any consciousness on the part of these engaged in the process of legislative rumination.’<sup>41</sup> The fact that economic liberals themselves are often amongst those advocating restrictions on the freedom of contract, similarly, points to a lack of premeditation, or ideological rigour, in the protective reactions.<sup>42</sup> Polanyi points to various legislative examples of how a defence of social and environmental value is institutionalised in reaction to viciousness in the market. He observes ‘social legislation, factory laws, unemployment insurance, and, above all, trade unions [...] interfering with the laws of supply and demand, in respect to human labour, and removing it from the orbit of the market.’<sup>43</sup> He draws attention to a collectivist period in the protection and management of land, where state institutions developed agrarian tariffs and laws. Contemporaneously, the movement that Polanyi describes is encapsulated perfectly in

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<sup>35</sup> Ibid. 136.

<sup>36</sup> Ibid. 137.

<sup>37</sup> Ibid. 136.

<sup>38</sup> Ibid. 79-80.

<sup>39</sup> Ibid. 151.

<sup>40</sup> Ibid. 151.

<sup>41</sup> Ibid. 151-154.

<sup>42</sup> Ibid. 151-154.

<sup>43</sup> Ibid. 186.



the moves of celebrated free marketeers, compelled into action and intervention in the recent credit crunch. So befits the image of the US Treasury Secretary Hank Paulson, kneeling before Congress: ‘it pains me tremendously to have the American taxpayer be put in this position, but it is better than the alternative.’<sup>44</sup>

The counter-move to the march of the self-regulating market also extends further into the public domain, generating responses beyond the institutions of governmental authority. It speaks of the protective instincts and reactions of members of the general public, acting in response to the effects of the mechanisms of the market. From this perspective, the second arm of the double movement is constituted by the actions of a diverse range of social actors. The overlying aim of their spontaneity and compulsive reactions – like that of government – is the attempt to restrain and restrict the commoditisation process and, so, reduce the materialisation of negative effects. The prompt for this reaction, or spontaneity, is connected, for Polanyi, to human instincts. Members of the public evidence a ‘universal reaction, of a predominantly practical character, called forth by the expansion of that mechanism.’<sup>45</sup> They feel the need to act, and to intervene in opposition to the market, at the point that the prospect of harm becomes unbearable. Market injustices highlighted by the trade union movement, consumer organisations, NGOs, activists, environmentalists and community organisations testify to the diversity of parties motivated thus. Central to an understanding of the behaviour of these groups is the universal reaction Polanyi describes: that society cannot stand the effects of the market, unless some protection is afforded to the human and natural substance of society.

It is worth describing Polanyi’s view on the self-regulating market, in general, and his view on the double-movement, in particular, where the movement is one definitively played out in CSR. The second or counter-move, as engaged by members of the public, produces the motivation to get behind CSR. Confronted with harm and injustice, some of which is truly near the point of being unbearable, members of the public defend social and environmental value in whatever way they practically can. ‘Today we can relate the metaphor of the double movement,’ says Gill, ‘to those socio-political forces, which wish to assert more democratic control over political life and to harness the productive aspects of world society to achieve broad social purposes on an inclusionary basis, across and within different types of civilisation.’<sup>46</sup> Practical and socially concerned, the public come to the supermarket in an

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<sup>44</sup> Quoted from Paulson’s tour to build goodwill for his proposed \$700 billion rescue package. S. Foley, ‘Paulson wants deal by Friday’. *The Independent*. 22 September 2008 (London: Independent Print Limited, 2008).

<sup>45</sup> Polanyi, *The great transformation*. 152.

<sup>46</sup> Gill, S., 1995, ‘Theorising the interregnum: the Double Movement and Global Politics in the 1990s,’ in B. Hettne, *et al.*, *International political economy: Understanding global disorder*. (London: Zed Books, 1995). 65-99, 65.

effort to harness the good and to counter the market's negative effects. 'For whether man, nature or productive organisation were concerned,' said Polanyi, 'where market organisation grew into a peril, definite groups or classes pressed for protection.'<sup>47</sup> CSR is but one contemporary modality in which the public press for protection. Members of the public draw upon an 'indomitable courage and strength to remove all removable injustice and unfreedom,'<sup>48</sup>. They defend and rebalance the spectrum of values secured in the market in the act of activist shopping.

### *Taking the counter-move to market*

It is important at this point to make a distinction between two strains of argument, or two levels of observation, regarding the double-movement in Polanyi's work. First, Polanyi is *descriptive* in *The Great Transformation*, observing the rise of protectionism as soon as the state of essential elements requires it. 'Up to the 1890s, the frontier was open and free land lasted; up to the Great War the supply of low standard labour flowed freely,' says Polanyi; 'as soon as these conditions ceased to exist, social protection set in [...] protection of the soil and its cultivators, social security for labour through unionism and legislation, and central banking – all on the largest scale – made their appearance.'<sup>49</sup> *The Great Transformation*, from this perspective, details the history of protectionism. It explains the genesis of protective defences put in place. However, there is also another side to *The Great Transformation*, in which Polanyi *critically* analyses the rise of protectionism. He conceptualises the emergency interventions of state, in particular, as directed only towards restoring the self-sufficiency of the market. This protectionism is not of the same order as 'subordinating' or 're-embedding' the economy in society.<sup>50</sup> *Ad hoc* protectionism falls significantly short of Polanyi's underlying aspiration for the market: that it be subordinated to greater society. For this to take place, Polanyi looks beyond the rise of *ad hoc* protectionism. He looks beyond to the democratisation and de-commodification of all the essential elements of industry – land, labour and money. Polanyi seeks, in other words, 'a development under which the economic system ceases to lay down the law to society and the primacy of society over that system is secured,' and in relation to which 'the market system will no longer be self-regulating even in principle, since it will not comprise labour, land and money.'<sup>51</sup>

<sup>47</sup> Polanyi, *The great transformation*. 170.

<sup>48</sup> Ibid. 268.

<sup>49</sup> Ibid. 211.

<sup>50</sup> Making this distinction, seeing it as the 'real' lesson of Polanyi, H. Lacher, 'The politics of the market: Re-reading Karl Polanyi.' (1999) *Global Society* 13(3): 313-326. R. Latham, 'Globalisation and democratic provisionism: Re-reading Polanyi.' (1997) *New Political Economy* 2(1): 53-63.

<sup>51</sup> Polanyi, *The great transformation*. 259.

A distinction emerges at this point between the critical aspirations of Polanyi and the protectionism that emerges in the CSR. On the one hand, the defence of social and environmental value, which takes place in activist shopping, reflects a decent amount of Polanyian concern with respect to the potential for harm in the self-regulating market. CSR specifically takes place on the back of concern about harm and injustice, caused by the disproportionate elevation of economic considerations over other values, or aspects to social life. The public defend, in CSR, the essential elements of industry, particularly those fictitious commodities labour and land. They draw on cultural context, mixed intentions and a reserve of social bonds, or relationships, to lend transparency to diverse spectrum of interests. On the other hand, when it comes to the question of *where* this defence of social and environmental value is to take place, it is not towards social and political institutions that the public in CSR turn, but towards the market. Members of the public defend social and environmental value in purchases, reflecting in their preferences considerations beyond price and economy. They broaden the number and kind of values that market actors might be expected to consider when improving upon the delivery of products and services. CSR combines both human instincts (the universal reaction to protect) and the overlying sense of pragmatism associated with market ideology and practices (Hayek). The protective reaction is one powerful in its instincts to defend the natural and human substance of society, and yet, ‘pragmatic’ in its tactical decision to turn towards shopping.

The result is that the counter-movement, engaged with by members of the public in CSR, proposes not a legal or political check on markets and corporate actors. What occurs in CSR is that both parts of Polanyi’s double-movement – the march of the self-regulating market and the counter-movement– are wholly *contained within the institutions of the market*. The counter movement, which notionally starts from outside the market (in human instincts) is internalised, so that it is brought within the sphere of market applications. This internalisation occurs where shopping is the principal mode of communication in CSR: individuals compelled into action turn towards the shopping as a way to express social and environmental concern. Price is then applied as the essential determinant: how the market adjusts in recognition of public concern is organised according to the dictates of price, supply and demand. The democratic narrative (Chapter 2) lends an aura of politics and civic participation to the whole endeavour. Yet, let it be clear: the individual in CSR, or in the counter-movement that CSR articulates, does not participate in the creation of legal and political norms, capable of *subordinating or embedding* market behaviour. Nor does the public’s participation in activist shopping bring about fundamental release of the fictitious commodities. Internalisation of the counter-move comes with a distinct change in the quality of public participation: from the collective exercise of political authority, to infinitely interchangeable components of economic demand.

This does not mean that the counter-movement, which takes place in CSR, is unrecognisable to Polanyi. On the contrary, it is precisely Polanyi's point in *The Great Transformation* that the history of the free market is one of repeated situations in which protectionism occurs, but falls short of re-embedding the system. This pattern of emergent protectionism, and then failure (to re-embed the market), deepens the sense of calamity and crisis in market society, where it leads to what Polanyi calls 'self-regulation impaired.' In Polanyi's words, 'the more often trade routes were kept open only with the help of gun boats, the more often trade followed the flag, while the flag followed the need of invading governments, the more patent it became that political instruments had to be used in order to maintain equilibrium in the world economy.'<sup>52</sup> The problem of self-regulation impaired is one in which the catalogue of failed interventions augments, increasing the necessity of collective solutions to maintain the self-regulating market. But, then, this is where CSR differentiates and distinguishes itself from state intervention or other forms of collectivism. CSR demonstrates a distinct awareness of the risks of self-regulation impaired, perhaps more than any other form of protection that has gone before it. Indeed, CSR might be understood as focused on managing and avoiding this very risk, in particular. For, when shoppers are compelled into action for the purposes of defending the natural and human substance, they do not rely on collectivism, or isolated incidences of deliberate intervention (those devilish sources of impaired self-regulation). They rely on market mechanisms all over again, for their sense of spontaneity, neutral co-ordination and aggregation. CSR boldly positions itself as providing not just a defence of the essential elements, but as the solution to a much bigger political problem: how to co-ordinate market activity in an efficient way, without the infliction of harm on society and environment, and how to do it all that without bringing about a situation in which the self-regulating market is impaired.<sup>53</sup>

Polanyi would be horrified! Whilst CSR recognises a potentially self-destructive quality to the self-regulating market, Polanyi's corresponding insistence, that defending the essential elements necessitates disarming the market's autonomy in regard to them, is sabotaged and subverted. Rather than limit or reduce society's reliance on the self-regulating market and the commodity fiction, CSR insists more than ever on their viability as the best way to counter-act imbalances in the system. CSR draws not less, but more, of the fictitious commodities into the market. It organises more of society and environment according to the mechanism of price, competition, the principle of supply and demand. It would seem, therefore, that rather than 're-embed' or 'subordinate' the market to the institutions of greater society, under CSR, and more

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<sup>52</sup> Ibid. 217.

<sup>53</sup> Emergent for Lacher, is 'embedded neoliberalism,' H. Lacher, 'The politics of the market.' 325. See also, R. Shamir, 'Corporate social responsibility: Towards a new market-embedded morality.' (2008) *Theoretical Inq. L.* 9: 371.

than ever, ‘human society has become an accessory to the economic system.’<sup>54</sup> Market incentives created by activist shoppers unleash hunger and scarcity as a discipline on more social actors, including some from the most vulnerable communities in the global economy. CSR deliberately draws more vulnerable actors into the market, when other incentives have not been able to reach them, as a necessary precondition of benefiting from the human instinct to defend and protect. Given the systematic viciousness that Polanyi observes in relation to the self-regulating market, this extending inclusion underlines a dangerous edge to CSR, and its more popular practices like Fair Trade. Fair Trade encourages members of the public to act on their protective instincts, but does so by encouraging them to take that instinct directly to market. They then go to the market with the distinct aim of protecting vulnerable communities, but do so *only to abandon these same communities to the viciousness of price*, or economic interests. Surely, there is hardly a less appropriate context, in which to unleash hunger and scarcity as a discipline on producers, than there, in these areas of acute vulnerability.<sup>55</sup>

Emergent, at this juncture, is the capacity for the ‘double play.’ The play is double where the overall effect remains one constituted in a process of two parts. Markets, first, make demands on labour and natural resources in order to secure productivity. In the process, a wave of social and environmental consequences is always attendant (necessarily, Polanyi). But, then, a second wave of activity emerges as a response to the first. This second wave is played out through the mechanisms of CSR and activist shopping. The objective, this time around, is to defend social and environmental value, or to attend to the social and environmental fall-out of the first drive for marketisation. Yet, the overall effect in CSR is one of two plays, rather than two moves (as Polanyi calls the two waves). Two plays emerge in CSR because the market is the *locus* for both waves of activity and because, in each wave, market actors in the supply chain are endowed with two chances at ‘playing’ the market for profitability. Members of the public express social and environmental preferences, but do not, as such, re-embed or subordinate the activities of market actors. The communication that they make is in market terms. It is emptied of all political and substantive meaning. *Simulative, rather than reactive* thus, the expression of social and environmental concern produces a second indication of where the balance between productivity and profit lies. It reveals how the activities in which business engages, might be made more secure from external interference. All the while, the market mechanism is extended and redeployed. It is not itself subject to closer scrutiny, or limitation. Yet, whilst the animation of the public on the second wave is distinct from *the aspirations* of Polanyi, the economist’s thesis still remains important to an understanding of

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<sup>54</sup> Polanyi, *The great transformation*. 79.

<sup>55</sup> Extending the ‘lapse into naturalism.’ Anon., ‘Food politics: Voting with your trolley’. *The Economist*. (London: Economist Newspaper Limited, 2006).

how the double play entrenches the self-regulating market. Polanyi's brutal warning that a self-regulating system always creates a counter-move remains present; it lurks behind CSR and the double play, ominous. For two plays to restore the self-regulating market, CSR asks the public at the start of the 21st century. Will it eventually be three or four, five or ten, as the cycle regenerates and the necessity of a counter-move begins again?

*Responsibility: slippery, until the final act!*

Of course, this is not to say that all participants concerned about the materialisation of harm and injustice in the market agree with CSR as the only or optimal way to defend social and environmental interests. On the contrary, a significant proportion of participants engaged in the task of protecting against harm from the market reject the dominance of market-led techniques in determining the course of redress. A call for stricter corporate accountability, in particular, looks not to the market for recovery and resolution, but to legal and political institutions for the tempering of market outcomes. 'Only binding legal measures will establish a general incentive for responsible corporate behaviour, which matches their general incentive to be profitable,' said the Social Platform for NGOs at the EU Multi-stakeholder Forum on CSR in 2004.<sup>56</sup> The advocates of corporate accountability evoke Polanyi in a truer sense, where they call for external controls and the release of elements essential to the production process from economic rationalities. The call is one employed by a diverse range of academics and civil society actors in the field of human rights, labour rights, the environment, trade protectionism and welfarism, unified in their desire to impose limitations on the market.<sup>57</sup> The goal for these actors is to look beyond price and competitiveness, to protect a 'human dimension,' or to carve out, as Alain Supiot says, 'an order of values that cannot be reduced to monetary value.'<sup>58</sup>

Yet, at the same time that a search for a more rigorous alternative takes place, it would be unthinkable to boycott Fair Trade, as a thoughtful response to the viciousness of the self-regulating market. It is socially and politically dissatisfying – or even condemnable – to deliberately purchase the non-conscientious product or service (rather than Fair Trade), where such a product makes the individual complicit in suffering, exploitation, or worse. Cynics, and

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<sup>56</sup> Social Platform, 'NGO call to shift gears,' Letter to European Commission and European Parliament.

<sup>57</sup> Calling for the reserve of the fictitious commodities – M. Bernard, 'Ecology, political economy and the counter-movement: Karl Polanyi and the second great transformation,' in S. Gill and J.H. Mittelman, *Innovation and transformation in international studies*. (Cambridge: Cambridge Univ Press, 1997). J. Sommers and C. Woolfson, 'Trajectories of entropy and the labour question: The political economy of post-communist migration in the new Europe.' (2008) *Debate: Journal of Contemporary Central and Eastern Europe* 16(1): 55-71. R. Munck, *Globalisation and labour: The new "Great transformation"*. (UK: Zed Books, 2002).

<sup>58</sup> A. Supiot, 'L'europe gagnée par l'économie communiste de marché.' (2008) *Revue du MAUSS permanente* January, available at: <http://www.journaldumauss.net/spip.php?article283>. [accessed 20.06.2010].

those explicit about a lack of remedial faith in the practice of CSR, join the enthusiastic thus, to find that they are always drawn towards activist shopping. This forced participation of even the doubtful is apparent in the number of organisations that support CSR programmes, such as Fair Trade, at the same time as campaigning against the market-led aspect to CSR, or the domination of corporate interests in the management of business responsibility.<sup>59</sup> In this ‘unavoidability,’ the question of ‘for which effects’ CSR generates responsibility emerges again. There is something about responsibility that would seem to precede CSR, on account of which the individuals accrue a broad and general kind of responsibility for what happens in the market (and so they cannot avoid CSR). The last part of Chapter 3 addresses this responsibilisation. It describes the submission of a whole society, and a society of individuals, in particular, to the organisational dictates of the self-regulating market. This brings to a stark conclusion the analysis of Polanyi’s disembedded market economy, revealing the extent to which society has, indeed, become an ‘adjunct to the market.’ A discussion of responsibility reveals how this submission commits members of the public to CSR *beyond law*, or beyond liberal legal principles of responsibility. The staging of this commitment is considered in three discrete strategies: dissipation, diversion and displacement.

### *Dissipation*

In the aftermath of the recent credit crunch, the desire to identify parties culpable or responsible for the significant deterioration in global economic conditions has been intense. Public enquiries were held in the UK and US, as well as in other European economies, where central and private bankers were interrogated and asked to admit to miscalculated judgements, failures and mistakes. ‘You were in charge of this Board. You have destroyed a great British bank; you have cost the taxpayer £20 billion; how would you now summarise that deal?’ one UK MP interrogated a former bank executive at the House of Commons Treasury Committee (‘HCTC’) post-mortem of the crisis.<sup>60</sup> ‘You had the authority to prevent irresponsible lending practices that led to the subprime mortgage crisis. You were advised to do so by many others. Now our whole economy is paying its price. Do you feel that your ideology pushed you to make decisions that you wished you had not made?’ so echoed Congress members’ questioning of the former US Chairman of the Federal Reserve.<sup>61</sup> ‘My question to you is

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<sup>59</sup> Of the signatories of the EU Social Platform Letter objecting to the methods of CSR, many market Fair Trade products on their websites.

<sup>60</sup> HCTC, *Banking crisis : Volume 1 : Oral Evidence* (2009) HC-144-1. Q1677.

<sup>61</sup> PBS Newshour. ‘Greenspan admits ‘flaw’ to Congress, predicts more economic problems’. Hearing transcript available at: [http://www.pbs.org/newshour/bb/business/july-dec08/crisishearing\\_10-23.html](http://www.pbs.org/newshour/bb/business/july-dec08/crisishearing_10-23.html). [accessed 02/08/2010]; See also House Committee on Financial Services. ‘TARP accountability: Use of Federal assistance by the first TARP recipients’. Transcript available at: [http://www.house.gov/apps/list/hearing/financialsvcs\\_dem/hr021109.shtml](http://www.house.gov/apps/list/hearing/financialsvcs_dem/hr021109.shtml).

simple: were you wrong?’<sup>62</sup> ‘So you failed?’<sup>63</sup> Public representatives (MPs holding the enquiries) and members of the public (watching the televised enquiry from home) demanded a satisfactory response from the bankers. They tried to secure an admission of responsibility for the credit crisis, or answerability for the serious social and economic consequences that flowed from the crisis around the world.<sup>64</sup>

In all of the public enquiries, however, the bankers ‘on trial’ before public representatives did not respond with straightforward admissions of guilt or culpability. Cursory, carefully drafted apologies were made at the outset, sentimental in their orientation and full of media friendly stagings of remorse. But, immediately after making these apologies, the bankers rallied with some determination to defend their corner against accusations of guilt and responsibility. ‘No!’ said one banker, before the HCTC, ‘I do not feel I am particularly personally culpable.’<sup>65</sup> ‘It is just too simple if you want to blame it all on me,’ reacted an ex-chief executive, red-faced and determined; ‘if you want to blame it all on me and close the book, that will get the job done very quickly, but it does not go anywhere close to the cause of all this.’<sup>66</sup> Bankers at the public inquiries specifically cast doubt on the question of responsibility, by pointing to a long and complex chain of participants in the market. ‘Yes,’ they said, ‘but what we did was as an intermediary.’<sup>67</sup> ‘No, it was not sub-prime in our hands. We were doing it as agents for other people.’<sup>68</sup> Subprime debt, the infamous explosive financial product at the heart of the crisis, was an investment product constituted by many discrete transactions, most of which appear insignificant, or at least not of cataclysmic toxicity, in isolation. By drawing the MP’s attention to this chain, and to the mediated quality of the actions in it, the bankers were able to repudiate their own role in the crisis. ‘There are a number of parties in this drama,’ responded another banker.<sup>69</sup> Hedge funds, credit agencies, lawyers, regulators and even members of the general public (as consumers of the products and services), fingers wagged around lithely, each wag detracting from banker responsibility.

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<sup>62</sup> Ibid.

<sup>63</sup> HCTC, *Banking crisis*. Q1678.

<sup>64</sup> S. Veitch, *Law and irresponsibility* (Abingdon: Routledge-Cavendish, 2007). 37, defining responsibility as ‘ability to offer a response, say, or to face the demand for a response, and the understanding that the response may justifiably be met with consequences (such as praise, blame or sanction).’

<sup>65</sup> HCTC, *Banking crisis*. Q1696.

<sup>66</sup> Ibid. Q1895.

<sup>67</sup> Ibid. Q1885.

<sup>68</sup> Ibid. Q1886.

<sup>69</sup> Ibid. Q2063 and Q2064.





*Figure 2: Bankers observe and record reactions on the street to the G20 summit after the credit crisis. Some were reported to wave £10 notes at protestors.*

This insistence on a complex chain of parties involved in the credit crisis had a visible effect on the output of the enquiries, in terms of their capacity to generate consensus on the underlying question of responsibility. The most obvious materialisation of this effect is the sense of frustration that came to be expressed by the MPs doing the interrogation. The MPs were frustrated by the relentless twists and turns of the bankers, as they switched between ardent apologies to elsewhere pointing the finger. ‘Are you blaming yourselves, are you blaming the borrowers?’ interjected one MP.<sup>70</sup> The MPs were also frustrated by the apparent lack of understanding or concern that the bankers showed regarding the question of why responsibility was important in the first place: ‘this is about looking at a banking crisis and how we got here and your part in it. That is very important because, at some stage, we are going to get out of it. It is going to be a different world, regulation etc. It is important that we know where it started, who was to blame and what we have to address.’<sup>71</sup> Eventually, frustrated by the lack of tangible admissions of responsibility from the bankers, the MPs found themselves forced to apportion blame unilaterally: ‘it was not the borrowers. It was not the government. It was not the regulators. It was your industry that put in the contamination that

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<sup>70</sup> Ibid. Q2063.

<sup>71</sup> Ibid. Q2068.

we are all suffering from.’<sup>72</sup> What MPs experienced when they put bankers in the dock was the *dissipation of responsibility* for the outcomes generated in sub-prime markets. The credit crunch was the result of a complex web of public and professional actions in the market, which extended across the globe. Responsibility for harms was so dissipated that it was hard to establish the responsibility of any one party at all.

Zygmunt Bauman talks about the dissipation of responsibility for harms in his 1989, *Modernity and the Holocaust*.<sup>73</sup> For Bauman, to say that the attribution of responsibility is frustrated in a particular situation, is to identify physical and psychological distances between actors and outcomes. Physical tasks are discrete; the action is cut, as Bauman says, across ‘functional specialisation.’<sup>74</sup> After tasks have been divided and isolated, putting them back together, in a way meaningful enough to assign responsibility, is an irremediably difficult task. ‘The sheer length of the chain of acts that mediates between the initiative and its tangible effects,’ says Bauman, ‘emancipates most constituents of collective ventures from moral significance and scrutiny.’<sup>75</sup> Psychological distances exacerbate this ‘emancipatory’ effect. Connections between actors and outcomes are dulled in the consciousness of social actors, on account of their persistent mediation, through a variety of social institutions and mechanisms. In the context of the credit crisis, specifically, the action was spread across several layers of mediation – i.e. ‘performed for one by someone else, by an intermediate, who stands between me and my action.’<sup>76</sup> Bankers, in this context, came to see their own actions as the actions of someone else. The acts exist only in the imagination; bankers will not claim them as their own actions, ‘as they never lived through them.’<sup>77</sup> The result, according to Bauman, is that multiple parties involved in the same transaction each come to view the other as the source or originator of that action, or as somehow more in control of the overall outcome. Psychological dissipation, persistently reiterated throughout the market, also leads to enhanced risk taking and reduced inhibitions. This lack of inhibition was an important factor in the financial crisis, as one banker before the HCTC inquiry recognised: ‘there was around the world a significant and very noticeable increase in risk appetite; that risk appetite was fuelled by the banks. I accept that.’<sup>78</sup>

‘We were intermediaries in it,’ protested the bankers after global markets in sub-prime debt – and lots more – collapsed.<sup>79</sup> ‘No, it was not sub-prime in our hands. We were doing it as

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<sup>72</sup> Ibid. Q2068.

<sup>73</sup> Z. Bauman, *Modernity and the holocaust*, Revised edition. (Cambridge: Polity, 2000).

<sup>74</sup> Ibid. 155.

<sup>75</sup> Ibid. 192.

<sup>76</sup> Ibid. 24.

<sup>77</sup> Ibid. 25.

<sup>78</sup> HCTC, *Banking crisis*. Q2062.

<sup>79</sup> HCTC, *Banking crisis*. Q1885. Paraphrase of Goodwin.

agents for other people,' they said, staking their claim to psychological distances between relevant transactions and outcomes.<sup>80</sup> The credit crunch illustrates Bauman's points to seeming perfection. The social and economic consequences of the unabashed pursuit of 'originate to distribute' or 'acquire and arbitrage' are actions in the market today, which, as Bauman says, 'no one consciously appropriates.'<sup>81</sup> Responsibility is hard to attribute, in this context, because business actors do not recognise the relevant actions as their own. It is difficult to assign where modern markets are able to provide such searing confidence to individuals that speculative acts can always be 'absorbed' by the system, or are referable to others. Bauman, in *Modernity and the Holocaust*, refers to this absorptive capacity as the phenomenon of 'free-floating responsibility.'<sup>82</sup> The metaphor encapsulates perfectly what occurred in the credit crunch. 'People realised that they didn't know where the distributed risk was,' said a banker before the HCTC, 'we had no idea of the speed or the interconnectedness and how quickly it could all turn out.'<sup>83</sup> Dissipated, diffused and fractured, responsibility for social and economic harm caused in the credit crunch proved to be 'unpinnable,' even though the capacity to accrue profit remained all the while vividly attributable.

### *Diversion*

The observation that it is hard to attribute responsibility for social and environmental outcomes in the market ought to be distinguished from the emergence of the question of responsibility itself. Corporate actors might rely on, or even exploit, the potential for dissipation in the market: dissipation allows business actors to mute, thwart, avoid and cover-up how the question of responsibility applies to them. The *possibility of attribution* is vulnerable to eradication in this respect.<sup>84</sup> Yet, when it comes to the *question of responsibility*, and how that question can be identified in the first place, a different variant of vulnerability applies. Bauman speaks of a 'distancing of the unsightly or morally repelling outcomes of action to the point of rendering them invisible to the actor.'<sup>85</sup> He references a complex system of interaction between participants, which not only disconnects between actors and outcomes, but goes one step further, to suppress the materialisation of harm, and so the question of responsibility. Scott Veitch, in his 2007, *Law and Irresponsibility: on the legitimization of human suffering*, captures the same prospect of mass human suffering vulnerable to invisibility. He describes how, by virtue of legal institutions entrusted with the distribution of

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<sup>80</sup> Ibid. Q1886.

<sup>81</sup> Bauman, *Modernity and the holocaust*. 25.

<sup>82</sup> Ibid. 163.

<sup>83</sup> HCTC, *Banking crisis*. Q1806.

<sup>84</sup> Veitch, *Law and irresponsibility*: the lack of attribution precipitating a collapse into irresponsibility; 41, 'through the compartmentalisation, demarcation, and limiting of responsibilities within and selectively across institutional settings [...] with it [comes] the disappearance of responsibility.'

<sup>85</sup> Bauman, *Modernity and the holocaust*. 26.

responsibility, instances of suffering do not present themselves as problems, or fail to register in the ‘public, political and moral conscience in any meaningful way.’<sup>86</sup> From this perspective, there is no need for business actors to thwart, avoid or maximise the dissipation of responsibility. There is no need, that is, because the question of responsibility never arises in the first place. Social and legal institutions abolish the visibility of harms at an earlier stage, so that harm never even registers.

The situation sounds extreme and serious and, indeed, so it should. Bauman makes his case for the invisibility of harms in a book about the Holocaust, one of the world’s worst atrocities and a terrifying context for obliteration to take place. Veitch locates his discussion amidst the identification of serious, globalised incidences of harm and injustice, which range from the imposition of sanctions on Iraq, to colonialism and nuclear proliferation.<sup>87</sup> However, it is at this apparent extreme, confronted by the totalising suppression of harm and responsibility, that a breaking point to dissipation or the ‘technologies of responsibility’ also emerges.<sup>88</sup> This breaking point has already emerged in *The Great Transformation*, where extreme viciousness leads to a counter-movement on the part of the social interests imperilled by the market. Slavoj Žižek, alternatively, identifies a ‘limit position of the very gestures of the symbolic order,’ a point from which limitations on the effectiveness of self-regulation in the market, or the dissipation of responsibility for outcomes, are most apparent.<sup>89</sup> There is no simple way to permanently eradicate ‘symbolisation’ or the visibility of harms. There is, rather, something of harm that always remains and which stubbornly refuses to be excluded.<sup>90</sup> The market system, intent on the mass and rigorous dissipation of responsibility for negative outcomes, therefore, does not irremediably ensure an ‘obliteration of responsibility,’ nor the complete ‘disappearance of responsibility.’<sup>91</sup> What the system achieves is the management and muting of its attribution, but in such a way that the *question of responsibility still returns to us*. Responsibility returns, even if it is in spectral and dissatisfying forms, too late to make amends for what has occurred.

The precipitation of this return concerns a build up of harms and injustices, negative social and environmental impacts, for which no one is obliged to take responsibility. Polanyi described this build up as the ‘catastrophic dislocation of the lives of the common people,’ through the

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<sup>86</sup> Veitch, *Law and irresponsibility* 17.

<sup>87</sup> Ibid. 96-133 on colonialism and 12-19, WMD. Iraq.

<sup>88</sup> Ibid. 39, quoting Nicola Lacey.

<sup>89</sup> S. Žižek, *Welcome to the desert of the real! : Five essays on 11 september and related dates*. (London ; New York: Verso, 2002). 97.

<sup>90</sup> Ibid. 97.

<sup>91</sup> Bauman, *Modernity and the holocaust*. 155, ‘obliteration.’ Veitch, *Law and irresponsibility* 28, 32-34, 41, 29-50, ‘disappearance of responsibility.’

application of economic rationalities.<sup>92</sup> Eventually, this raft reaches a critical point, beyond which emerges the impulse for a counter-movement or counter-action: Polanyi's protective response. As well as containing within it a wave of counter-action, however, this critical point – where the raft of harms becomes too big to be ignored– also contains within it *a moment of renewed visibility*. Visibility occurs where social justice reverberations of the market are pushed indelibly into the open. The plight of previously invisible populations or invisible groups of harm comes into view, commanding attention from members of the public (or at least their fascination). Evidence of this renewed visibility is contained in case of the NINJA borrowers in the credit crisis.<sup>93</sup> Responsibility for the plight of the NINJA borrower was rigorously dissipated and disconnected in the period of economic boom. Yet, the reality of the NINJA's peril proved difficult to entirely eradicate and displace: at the critical point, the unsustainability of mortgage products of which they were signatories, and the degree of their subjection, was pushed starkly into view. The interjection did not necessarily mean that a more effective attribution of responsibility followed the build up and revelation. Being pushed out into the open and exhibited as vulnerable is no guarantee of that (more on this in Chapter 5). Yet, where the borrowers revealed 'strains in the social body,' (Polanyi), or 'a return of the repressed' (Zizek), the revelation of harm and injustice in relation to NINJA borrowers was symptomatic, if not satisfying proof, of harm and viciousness that had occurred.

If markets are haunted by the mass of harms for which no one takes responsibility, this haunting does still press on the conscience of corporations. Profit-seeking actors find themselves in a position where disconnects from harm, from which business currently benefits, might in the future be exploded, or rendered more visible. What happened in terms of visibility to the NINJA borrowers is a risk for all market actors: there is no easy or permanent way to disconnect action from outcome. But, rather than view this haunting purely in terms of a potential discipline on business – a way to encourage them to act more responsibly from the outset – profit-seeking actors have cleverly devised an alternative perspective on harm. This view is one in which the presence of harms doubles as an economic opportunity. So long as the haunting goes on, the same agglomeration (of harms) generates new opportunities in the market, for any business actor willing to 'make something' from the mass of harms: profit, enhanced reputation, access to new markets. What looks to be an expansive sphere of harms, for which no one is willing to take responsibility, is, in the eyes of potentially defensive or opportunistic business actors, a *selection of free-floating harms for which anyone is welcomed to take responsibility*. Everyone (public, government, civil society, even business) is all too

<sup>92</sup> Polanyi, *The great transformation*. 35.

<sup>93</sup> NINJA – no income, no job, no assets, borrowers. On visibility, see M. Wolf, 'Why the credit squeeze is a turning point for the world'. *Financial Times*. 11 December 2007 (London: FT Press, 2007). Obama 's loan modification scheme seeks to address NINJA borrowing, see S. Scholtes, 'White house opens door for borrowers'. *Financial Times*. 13 May 2009 (London: FT Press, 2009).

cognisant of the fact that harms linger, unattributed. Individuals feel harm and injustice keenly as they go about their daily lives – in the supermarket, on the news, in the local areas in which they live. Corporations feel the effects in the market too, sensing, at a certain point, that the build up of harms might even weaken or disturb the production and accumulation process. Consequentially, any act suggestive of taking responsibility for harms generates a sense of relief and public approval: some responsibility is surely, better than none! Bolstered by a chance to defend against future threats, or benefit from reputational advantages (that flow from the sense of relief), business actors readily respond to an encouragement to ‘delve in’ and self-select from the wealth of responsibilities.

‘Delve in!’ The phrase captures something essential about CSR. It explains features of the concept and its implementation, which are otherwise difficult to, summarily, explain and describe. In the first instance, it encompasses the sense of entrepreneurial opportunity so integral to motivating business to engage in CSR. The concept – of delving in – neatly addresses the subversion with which corporate actors turn self-regulation in CSR from an act of potential external discipline to the vivid extension of economic opportunity. In the second instance, the notion of delving in explains some of the more random things that corporations do – and assume responsibility for – in CSR. Corporations delve into a very general basket of harms and assume responsibility for almost anything at all, regardless of that harm’s relation to the company’s impact on society and environment. Companies’ accused of using sweatshop labour, for example, launch initiatives to combat negative behaviour and bullying in schools.<sup>94</sup> Confronted with allegations of aggressive securitisation, banks send volunteer staff to chalk historical relics, paint the walls of East London youth clubs and take children to the zoo.<sup>95</sup> In the credit crunch, specifically, banks promised to increase lending to small and medium enterprises, in exchange for the huge reimbursements from public funds for irresponsible consumer lending. The definitive thing about these examples is that corporate actors delve in: they do not engage with an attribution or assignment of responsibility. Corporations self-declare the extent of their own social and environmental responsibility, and treat it as an economic opportunity. Harm becomes available in CSR as a way to enhance reputation or the ability to sell.

The theatrical and dissatisfactory results are often roughshod over, terminologically, as ‘greenwash’ – the dissemination of misleading information by a corporate organisation to

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<sup>94</sup> T. Mason. ‘Nike and Department of Education tackle school bullying’. Marketing Magazine, online publication, 2001; available at: <http://www.marketingmagazine.co.uk/news/73539/Nike-DoE-tackle-school-bullying?DCMP=ILC-SEARCH> [accessed 02/08/2010].

<sup>95</sup> M. Adelson, ‘Wall Street’s do-gooder summer’. *New York Observer* 15 June 2010 (New York, 2010).

conceal an abuse of social and environmental interests.<sup>96</sup> Yet, what companies do here, when they delve into the mass of diffuse and unattributed harms, is much more subtle and nuanced than the term ‘greenwash’ suggests. Corporate actors that voluntarily assume a random portion of responsibility for social harm do not just manipulate public audiences to make a sale. They also *create a diversion*: they detract from social and environmental harms more integral to the profitability of their own business, and deflect both public and regulatory attention away from key links in the chain of profitability. All corporate actors today, from Tesco to BP, employ social and environmental indicators, publicise rafts of CSR actions and initiatives. The responsibility of business actors for society and environment, in this sense, is everywhere. Yet, it is everywhere in a dissatisfying way, when it is self-declared and unverified, gushed over as in adverts and always leaving the viewer wondering from what they are otherwise being diverted. CSR is not frustrating today because, objective reality disappears, or because the materialisation of harm from the market is permanently and irremediably repressed. The frustrating thing is that with responsibility muted in a moral or political sense, responsibility is forced to continue its course in other, less satisfying, spheres. In CSR, specifically, responsibility for society and environment continues its journey in the market. There, the capacity to create a diversion is useful, to keep the dislocation of harms at bay. Corporate actors engage in diversion in order that they might be proactive about keeping social and environmental responsibility ‘free-floating’ in the most economic and efficient way.

### *Displacement*

The market is haunted by a mass of unattributed harms. Corporate actors shift blame away from themselves through the dissipation and diversion of responsibility. If this is the primary experience of responsibility for business actors in CSR, it is not surprising that they step forward, willing and enthusiastic. However, the mass of social and environmental harms takes on a very different haunting in the market in relation to members of the general public. As recent events in the credit crunch vividly illustrate, corporations may be able to divert and defer attention away from their contributions to negative outcomes, but the public fare significantly worse from diversion and the endless extension of economic opportunity. In the absence of corporate actors willing to admit to a blameworthy role in the crisis and consequent economic downturn, public institutions, in particular, were required to step in to fund the recovery. In the period between 2007 and 2009, the credit crunch cost governments around the world over \$10 trillion. Developed economies provided in the region of \$9.2 trillion, the emerging economies in the region of \$1.6 trillion, according to figures released by the

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<sup>96</sup> W.S. Laufer, ‘Social accountability and corporate greenwashing.’ (2003) *Journal of Business Ethics* 43(3): 253-261.

International Monetary Fund.<sup>97</sup> The ‘privatisation of gains and socialisation of losses’ became the epithet by which bankers and the banking system were recognised.<sup>98</sup> Members of the public continue to express anger at the raid of public finances, particularly since it is through cuts to public service that the debt will be repaid. They object, that is, to being burdened with all responsibility for other parties’ irresponsibility.

Yet, importantly, in terms of responsibility, members of the public are not called upon at random here. Yes, taxpayers were forced to step in because other actors had made themselves unavailable and because the banks were able to lobby for a handover of public funds. But, in addition to this, where responsibility for society and environment has been dissipated and diverted from, to such an extent, it also comes to fall *positively* on members of the public. Corporations cast doubt on specific attributions of responsibility to one actor over another. Yet, still the question of responsibility returns: social and environmental responsibility seeks some place else to go. Dissipated across all social actors – from bankers and lawyers, to the consumers creating demand for banking products – this ‘some place else’ makes something positive of the fact that ‘everyone’ contributed to market outcomes. Everyone stands in some kind of causal relation to the products and services at the heart of the crisis – mortgages, credit cards, non-securitised loans etc. If ‘everyone’ contributed, it is then this very same ‘everyone’ that comes to bear some portion of the responsibility. What occurs is a wholehearted *displacement* of social and environmental responsibility, where the public come to feel responsibility for the materialisation of harm, which emanates from markets in which they participated. Responsibility gravitates towards the public positively as the logical outcome – or end result – of the distributions effected by dissipation and diversion.

Displacement, effected thus, is not always about brute intimidation on the part of business actors (though the capacity of powerful industrial figures to hold other social actors to ransom remains). Displacement occurs through the internal dynamics of the market mechanism. Of particular relevance here is the market’s organising principle: supply and demand. As Hayek said in Chapter 2, supply and demand acts as an ‘impersonal and anonymous mechanism,’ for the aggregation of individual preferences in the market ‘free from coercion.’<sup>99</sup> A corresponding emphasis on individual autonomy, as the core value to market economy, ensures that demand always precedes supply in the market. Demand is the core unit of market organisation, where it forms the basis of individual preferences to which actors in the supply chain respond. Taken together, this neutrality and anonymity of market mechanisms,

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<sup>97</sup> Reported in S. Schifferes. ‘\$10 trillion credit crunch cost.’ BBC News online, 2009, available at: <http://news.bbc.co.uk/1/hi/8177814.stm>. [accessed 02/08/2010]

<sup>98</sup> M. Wolf, ‘Why regulators should intervene in bankers pay’. *Financial Times*. 16 January 2009 (London: FT Press, 2009).

<sup>99</sup> Hayek, *The road to serfdom*. 25, 52.



combined with the priority accorded individual preferences, is able to ensure that *demand significantly absorbs the liability of suppliers* for negative outcomes. If there is irresponsibility in the market, the genesis of that irresponsibility lies in the creation of irresponsible demands. Everything that happens in the market, including the materialisation of negative social and environmental outcomes, is read as reflective of public needs and desires. The burden of responsibility, consequentially, follows this genesis. It falls on the general public too.

Corporate actors step back and throw their hands in their air, whenever they are faced with awkward questions of social and environmental responsibility. ‘It is you guys that wanna buy this shit!’ they say, in response to any accusation of guilt or irresponsibility.<sup>100</sup> The argument (or the defence) was rigorously relied upon during the credit crunch, where bankers pointed to consumer appetite for risky mortgage products as the source of all the ensuing irresponsibility. ‘The pursuit of yield over stability was partly fuelled by the risk appetite of the buyers,’ said one banker at the UK public enquiry.<sup>101</sup> The argument is also keenly made (and felt by members of the public) in the wider CSR arena, as market dynamics point to the individual drinking Coke, the family at McDonalds, or students taking advantage of Asda’s low price bananas, as the source of market irresponsibility. Consumers with less economic power to choose between products, in particular, are burdened with responsibility for social and environmental harm caused by the economic demands, which they helped to generate.<sup>102</sup> This burden of responsibility is collective, in the first instance: it burdens members of the public and certain social groups who share the same product and service preferences. But, responsibility, in this context, is also a highly individualised affair. Liability for harm penetrates the private decisions of each and every individual beyond their configuration as a group. Individualisation occurs where emphasis on the autonomy of individuals creates a distinct pressure on their part to ‘reflect on’ choices and then to identify with products and services that they choose. Hanging material need around the individual’s neck, like this, the individual is made to understand the self in terms of purchases, and to feel responsibility for consequential outcomes. Anything else – anything short of this – tips into irresponsibility.

The apparent unfairness of such a configuration of responsibility is not uncontroversial. Civil society actors have fought long and hard to push back onto corporations an amount of responsibility more consistent with their appetite for risk, or the amount of power that business actors wield in global economy. Yet, in CSR, that push back, or that refusal to be held hostage by business organisations, is precipitated and drastically undercut by the dynamic of supply

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<sup>100</sup> Authors words, imputed to the actions of corporate actors.

<sup>101</sup> HCTC, *Banking crisis*. Q1180.

<sup>102</sup> On the class aspect, M. Adams and J. Raisborough, ‘What can sociology say about fairtrade? Class, reflexivity and ethical consumption.’ (2008) *Sociology* 42(6): 1165.

and demand, and the emphasis on individual autonomy. Individuals in CSR are accorded the ‘chance to decide whether the prospect of particular occupations are sufficient to compensate for the disadvantages,’ as Hayek said. But, in CSR, the normative weight of this chance is so far-reaching, burdening each and every individual with responsibility for almost everything that goes on in the market, the *individual effectively becomes hostage to that chance and that autonomy*. They are hostage where each instance of supply is read through the dynamics of the market as pertaining to the preferences and desires of individuals. The contribution, or power, of corporate actors is progressively squeezed out of the picture, as everything dovetails with the last available unit of moral reflexivity in the market. Of course, the philosophy of individualism prepares participants in some measure for this. ‘Everyone,’ as Bauman says, ‘has to answer for himself the question, “who am I,” “how should I live,” “who do I want to become” – and, at the end of the day, be prepared to accept responsibility for the answer.’<sup>103</sup> Yet, in CSR, what individuals are required to accept responsibility for extends far beyond individual actions and choices. Responsibility includes (and thereby absorbs) the contributions of powerful corporations. Activist shopping, in this respect, belies a hostage situation.

### *Tipping Point*

Responsibility on the part of the individual in CSR naturally distinguishes itself from a liberal-legal conception of responsibility. There is perhaps no obvious doctrinal breach: CSR orientates itself in such a way that it is officially compatible with liberal legality, where the pressures that it brings to bear on the individual are social in their genesis (as opposed to derivative of state).<sup>104</sup> Yet, in late capitalist society, not even Hayek’s clarity of thought can stop the materialisation of responsibilities weighing on members of the public in a pragmatic sense. MacCormick spoke, if indirectly, of this sense of impending social duty when he said, ‘what Hayek really shows is that certain aspects of planning and of state socialism, so far as it postulates perfectibility of planning, are chimerical. The human and social worlds are not plannable in that way. What he fails to show is that there can be no positive duties of justice – of “social justice” – among people.’<sup>105</sup> The resistance that MacCormick observes is theoretical: the statement speaks to Hayek’s doctrinal commitment to the development of general and abstract rules for the delimitation of individual responsibility. Yet, even if there is no legal duty on the part of individuals to satisfy social obligations in the market, the build up of harms presses itself on the conscience of individuals (last remaining unit of moral responsibility). Positive duties materialise out of this pressure – despite doctrinal aspirations –

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<sup>103</sup> Bauman, *Freedom*. 62.

<sup>104</sup> Hayek: ‘at any rate, it probably makes for greater clarity not to represent as coercion the pressure that public approval or disapproval exerted to secure obedience to moral rules.’ in F.A. Hayek, *The constitution of liberty*. (Chicago: University of Chicago Press, 2006). 146.

<sup>105</sup> MacCormick, ‘Spontaneous order and the rule of law: Some problems.’ 53.

where individuals sense that they are either unable to dispense with responsibility, or to manage negative outcomes, in the act of complying with general and abstract rules. The individual always detects a bigger schema of harms, for which no-one claims responsibility. Haunted, the individual is compelled to act, or to adopt new responsibilities – in the supermarket, workplace, bank, on holiday, or wherever else in the marketplace they are.

This brings the Chapter, and the whole first part of the thesis, to a close on a number of tipping points. Responsibility for the protection of social and environmental value tips over from being the responsibility of corporations, to being the responsibility of the general public. Responsibility is dissipated, diverted and displaced away from business actors in the supply chain. The decision to activist shop tips over from being one of choice or autonomy, to being one of (social) obligation or inevitability. Obligation sets in for the participant concerned about market outcomes – consideration before the act of buying leads to activist shopping. Inevitability applies to a more general population of consumers, touched or integrated after the act of buying, by the principle of supply and demand. CSR tips over from being an interesting but relatively isolated phenomenon – illustrated in the growing popularity of niche and alternative markets – to a phenomenon of more general political significance. CSR takes place against the background of earlier cycles of aggressive marketisation. It takes place in gaps where current legal and political institutions have failed to address the social and environmental consequences. CSR takes place in situations where compliance with general and abstract rules has proved insufficient, or where compliance leaves in its wake a mass of unattributed harms. CSR is animated by this haunting and this failure. The public rely on CSR to come to terms with harm and to struggle against negative effects from the market. From this perspective, the practice of CSR illuminates something more than the vitality of public concern for society and environment. It illuminates the radical failure of markets to extend without viciousness, or injustice, and responsibilities that arise in terms of addressing this failure. CSR comes to a final tipping point, as the whole viability of the market project comes to be queried by the concept's existence. If only participants were to listen carefully enough.

## **Part Two**

### **A Critical Reproach**

## Chapter 4

### Waylaid

‘Let us say that the system is structurally incapable of liberating human potential except as productive forces, that is, according to an operational finality that leaves no room for the reversion of the loss, the gift, the sacrifice and hence for the possibility of symbolic exchange. The example of consumption is significant.’

*Jean Baudrillard*

‘One aspect of British people which was very evident when we were at Glastonbury was the feeling of complete liberation. Everyone was free to do whatever they wanted to do with no pretences and inhibitions.’

*Spokesperson for the British Council*

‘Marx shattered the fiction of *homo economicus*,’ said Jean Baudrillard in *The Mirror of Production*, ‘the myth which sums up the whole process of the naturalisation of the system of exchange value, the market and surplus value and its forms.’<sup>1</sup> Baudrillard’s early work on consumption and the consumer society, in the 1960s and early 1970s, maintained a palpable affinity with Marx and his views on the distortion performed on life by markets and commoditisation.<sup>2</sup> In *The System of Objects*, for instance, Baudrillard says: ‘here we discover, in its most extreme expression, the formal logic of the commodity as analysed by Marx: just as needs, feelings, culture, knowledge – in short, all the properly human faculties – are integrated

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<sup>1</sup> J. Baudrillard, *The mirror of production*. trans. M. Poster. (St. Louis: Telos, 1975). 18.

<sup>2</sup> For more on the early affinity, see D. Kellner, *Jean Baudrillard : From Marxism to postmodernism and beyond*. (Cambridge: Polity in association with Blackwell, 1989). Chapters 1 and 2, especially, 20 and 39-42.

as commodities into the order of production [...] so likewise all desires, projects and demands, all passions and relationships, are now abstracted (or materialised) as signs and as objects to be bought and consumed.’<sup>3</sup> In *The Consumer Society*, Baudrillard says: ‘one should never forget that these goods are the product of a human activity and that they are dominated not by natural ecological laws but by the laws of exchange value.’<sup>4</sup> However, in *The Mirror of Production*, Baudrillard makes a decided break with Marx and Marx’s critique of capitalism. He proposes instead his own theory of consumer society and capitalist market economy, which he names ‘the political economy of the sign.’<sup>5</sup> It is at this point – right after this break with Marx in *The Mirror of Production* – that Part 2 of the thesis joins Baudrillard. It joins him, post 1975, to assess the situation and the fate of *homo economicus*. It is upon this figure of the rational or self-interested economic actor, capable of pursuing subjectively defined ends in the market, that politics has come to depend in CSR.

The staunch presence of *homo economicus* has protruded already at several junctures in the thesis (and in CSR). Three instances, more specifically, define the three chapters in Part 1. Chapter 1 discussed s172 of the Companies Act 2006: a limitless elaboration of social and environmental considerations in the context of director’s duties. Yet, the chapter observed how even a long list of non-economic factors is resolved (or absorbed) in the Act by the economism of the ‘business case.’ Chapter 2 discussed CSR in the context of debates about identity, autonomy and self-realisation. Yet, it observed the extent to which the instinct for non-domination brings the individual back to the market, as a ‘practical’ place for bringing the individual to self-realisation. Chapter 3 identified a universal reaction on the part of public actors in activist shopping to defend against the innate viciousness of the self-regulating market. Yet, as in Chapters 1 and 2, this instinctive reaction to defend the natural and human substance of economy takes participants back to the market. Part 1 as a whole highlights the inextricable entangling of individuals with the market, and with injustices generated in economic exchange. Looking now to Baudrillard, the question of how to avoid this entanglement becomes a complex and deep-rooted affair. Long lists of values beyond price might recognise a will to distance society from narrow economic self-interest. The list, as Part 1 suggests, will not in and of itself take the public out of the market; nor will it protect society and environment from subsequent commoditisation and corporate control. If unbounded economic rationalities are charged with the potential for harm, avoiding that harm, or that imposition on the individual, is more difficult than elaborating on non-economic values in the hope that this will loosen the grip of gain or price.

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<sup>3</sup> J. Baudrillard, *The system of objects*. (London, New York: Verso, 1996). 201.

<sup>4</sup> J. Baudrillard, *The consumer society : Myths and structures*. (London: SAGE, 1998). 18.

<sup>5</sup> Baudrillard, *Mirror of production*. 121.

The idea that there is something deeply ingrained, or penetrating, about market rationalities, which it is hard for society to avoid or escape, significantly informs the philosophy of Baudrillard in *The Mirror of Production*. In the book, it is not just the businessperson talking about the world in terms of profit or economic self-interest that enacts a transformation of the natural and human substance of society into commodities. It is not just in observing, or recommending, the mechanics of price for the production of social order in which a limited economic rationality imposes itself on the social world. Rather, the transformation (and the imposition) is implicit in a bigger elaboration of society and environment in terms of a *productive rationality*, which extends beyond the institutions and ideologies of capitalist political economy. Baudrillard associates this development with the values embedded in Western humanist philosophy. He notes the mark of this philosophy as being ‘man’s predestination for the objective transformation of the world (or for the “production” of oneself: today’s generalised human theme) – it is no longer a question of “being” oneself, but of “producing” oneself, from conscious activity to the primitive “productions” of desire.’<sup>6</sup> Baudrillard describes this general emphasis on production in terms of a ‘productivist ideology’ and the era as one in which ‘productivist discourse reigns.’<sup>7</sup> ‘Everywhere man has learned to reflect on himself, to assume himself, to posit himself according to this scheme of production,’ he says, ‘which is assigned to him as the ultimate dimension of value and meaning.’<sup>8</sup> Understanding this productive rationality as fundamentally *economic* in its vision of the social world, Baudrillard links the problem of how to avoid commoditisation, and the negative impacts associated with its process, to the broader entrenchment of market rationalities – in Western philosophy and in humanism, more generally.

The critical energies of Baudrillard, in *The Mirror of Production*, are directed squarely at Marx. Baudrillard takes issue with Marx on account of his association with this productivist ideology and for the specific attempt that he makes to use this productivist ideology *against* the purposes of capitalist market economy. Baudrillard observes how Marx describes what is wrong with capitalism in terms of its tendency to exploit the individual’s productive capacities. ‘Marxism,’ he says, ‘convinces men that they are alienated by the sale of their labour power.’<sup>9</sup> Yet, the revolutionary imagination, upon which Marx relies, is famously animated by the idea of human need or use value: ‘the hypothesis of a concrete value beyond the abstraction of exchange value, a human purpose of the commodity in the moment of its direct relation of

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<sup>6</sup> Ibid. 19.

<sup>7</sup> Ibid. 18.

<sup>8</sup> Ibid. 19.

<sup>9</sup> Ibid. 3.

utility for a subject.’<sup>10</sup> As such, Marx, according to Baudrillard, also understands the individual in terms of their capacity for labour and production: ‘isn’t this a similar fiction, a similar naturalisation, another wholly arbitrary convention, a simulation model bound to code all human material and every contingency of desire and exchange in terms of value, finality and production?’<sup>11</sup> Emergent, at this juncture, is the ‘mirror of production.’ Baudrillard invokes Jacques Lacan’s metaphor of ‘the mirror stage’ and ‘the imaginary,’ to argue that Marx aspires to an imaginary ego, or identity, that is only the mirror image of the one driving the market.<sup>12</sup> ‘This process occurs not only in the materialised form of an economic obsession with efficiency determined by the system of exchange value, but more profoundly in this over-determination by the code: in the identity that man dons with his own eyes when he can think of himself only as something to produce, to transform, to bring about as value.’<sup>13</sup> Baudrillard makes a break away from Marx and his critique of political economy, where he perceives the revolutionary’s imagination to be too ‘conservative.’ It is too conservative, Baudrillard claims, because it is too deeply embedded in the logic, categories and modalities of capitalist political economy. ‘Marx basically only rendered a descriptive theory,’ he says, ‘a critique of the contents of capitalism but in a completely capitalist form.’<sup>14</sup>

How this economic form comes to express itself in Marxism is important. At stake in Baudrillard’s analysis is the extensive generalisation of capitalist mentalities, mechanisms and compulsions. The source of Baudrillard’s concern in this respect is the homogenous or reduced function that humanism (like capitalism) accords humanity and the environment. ‘The functionality of Nature [comes to be] structured by labour,’ Baudrillard says of Marx. He notes how, in Marxist anthropology, individuals strive to give useful and objective ends to nature; the environment is drawn upon for the satisfaction of human purposes.<sup>15</sup> ‘The corresponding functionality of the subject is structured around needs,’ Baudrillard goes on. He describes how, in ‘abundance’ (‘to each according to his needs’), the individual gives useful and objective ends to products; individuals authenticate products as commensurate to need.<sup>16</sup> Baudrillard calls this productivist schema ‘man’s double potentiality,’ or ‘double generic quality.’<sup>17</sup> The spread of potentialities reflects those cultivated in capitalist market economy: ‘this double generic face of universal man is only man as produced by the system of political economy.’<sup>18</sup> Scarcity drives the individual to labour, necessity provides desire the ideological

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<sup>10</sup> Ibid. 22.

<sup>11</sup> Ibid. 19.

<sup>12</sup> Ibid. 19.

<sup>13</sup> Ibid. 20.

<sup>14</sup> Ibid. 51.

<sup>15</sup> Ibid. 56.

<sup>16</sup> Ibid. 56 and 59.

<sup>17</sup> Ibid. 30.

<sup>18</sup> Ibid. 30.



justification to satisfy wants.<sup>19</sup> 'It is an extremely serious problem that Marxist thought retains these key concepts which depend on the metaphysics of the market economy, in general, and on modern capitalist ideology, in particular,' says Baudrillard.<sup>20</sup> From within the market (capitalist ideology) and from without (Marxist ideology), society and environment are, henceforth, wholly contained within the economies of production and consumption.

The generalisation of market compulsions that Baudrillard identifies is acute when it is observed alongside concern regarding the social justice implications of market economy. On one side, individuals in and around the market are distinctly animated by the cause of self-realisation: 'of being oneself, of producing oneself ... from conscious activity to the primitive productions of desire.' On the other, individuals are burdened with a sense of responsibility for social and environmental outcomes, or more precisely, for improving upon the satisfaction of 'wider interests' in the market. The general public are animated, energetic, about acting in the interests of 'others,' and for the protection of environment. Where so much energy and animation is focused on deriving a *'better use' of environment and a better satisfaction of needs and wants*, however, attempts at reforming markets start to collide with their deepening or extension. Conflict over the use of resources denotes the thorough and intensive marking of environment as a material for the satisfaction of human ends. Individuals draw on natural resources to service life plans for the self, and for valued communities of others. They make claims as to how the utility of resources might be best arranged. They define the self and others in terms of need: 'a specific tendency (or, some other psychological motivation, since all of this is only bad psychology) seeking its own satisfaction.'<sup>21</sup> 'In need,' Baudrillard continues, 'the subject gives a useful (differential, incommensurate, quality) end to products.'<sup>22</sup> They demonstrate a *consumptive personality* as the mode of self-realisation. The result is that by mirroring economic rationalities of the market, commoditisation or homogeneity emanates not only from business actors, bullying in order to maximise financial gain, but also from actors animated by social and political appreciations of value. The latter's behaviour in relation to political economy, or their method of making claims, 'generalises the economic mode of rationality over the entire expanse of human history, as the generic mode of becoming.'<sup>23</sup> The modern day reformer of market economy, intent on self-determination, well-being and non-alienation, demonstrates a propensity (like Marx in Baudrillard) to activate the mirror of production.

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<sup>19</sup> Ibid. 58-60.

<sup>20</sup> Ibid. 59.

<sup>21</sup> Ibid. 32.

<sup>22</sup> Ibid. 32.

<sup>23</sup> Ibid. 33.

To conceptualise activist shoppers as acting *only* in accordance with productivist or economic rationalities is perhaps counter-intuitive. CSR is all about the non-economic, as distinct from the economic. Individuals participate in CSR with a view to expressing social, moral and environmental concern. Corporate actors are asked to adjust their behaviour on the basis of factors that specifically strike a contrast with the pursuit of shareholder value. Yet, after Baudrillard, CSR's long lists of considerations beyond price and economy are mostly, if not entirely, wasted on the institutions of capitalist political economy. They are wasted insofar as the proponents mirror, in their protestations, the modern 'anthropological consensus' or the 'functionalist vision of the instinct for self-preservation.'<sup>24</sup> The economism of social and environmental value in CSR goes significantly beyond being short-changed or being resolved peremptorily in the business case. At a deeper level, at the point at which non-economic values are emergent in the first place, the rationalisation is economic in a more fundamental sense. In the effort to lend transparency to a wider range of interests, individuals invest nature with value; they draw on nature to service life plans and labours. The rationalisation of outcomes is drawn from the humanist moralities: to draw *more utility* from environment, to satisfy a more egalitarian distribution of need. The message that individuals express in relation to reform of the market is less differentiated from productivist rationalities and more naturally ingratiated with the cycle of economic exchange.<sup>25</sup>

This emphasis on 'naturally ingratiated' is important. It is important where the transformations effected by the mirror of production are readily distinguished, by Baudrillard, from a straightforward commoditisation of social and environmental value. This view on commoditisation Baudrillard particularly assigns, once again, to Marx. Marx describes the insatiable drive of the market to expand, or to constantly push, the cycle of exchange outside of its current environs. He observes market actors in the persistent search for unalienated and non-capitalised values, which might be drawn upon in order to advance the pursuit of profit.<sup>26</sup> In this model, as Baudrillard says of Marx (and of other theorists adopting the same view of commoditisation processes),<sup>27</sup> 'exploitation of labour power is still determinant.'<sup>28</sup> More and more sectors are drawn into the sphere of exchange and commodities, including that which was previously considered to be unalienable. 'This is the era of "general corruption",' says Baudrillard, quoting Marx from *The Poverty of Philosophy*; 'the time when each object,

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<sup>24</sup> Baudrillard, *Mirror of production*, 32, 74.

<sup>25</sup> Manifesto of the Global Justice Movement, campaign for reform of economic globalisation is described in terms of competition over the best utility of resources, i.e. using the 'productive resources to eliminate misery, poverty and injustice and save the planet,' 'increasing the productive capacity of individuals.' See Global Justice Movement. 'The five principles'. Campaign page online, 2010. available at: <http://www.globaljusticemovement.net/home/principles.htm>. [accessed 02/08/2010].

<sup>26</sup> Baudrillard, *Mirror of Production*, 119.

<sup>27</sup> Ibid. 120. Baudrillard draws Guy Debord into the critique of Marx; animated by space and production.

<sup>28</sup> Ibid. 120

physical or moral, is brought to market as a commodity value in order to be priced as its exact value.<sup>29</sup> Definitive of this era, and of this description of the commoditisation process, is contempt for what Baudrillard calls the ‘simple “commercial prostitution” of all values.’<sup>30</sup> This, for Baudrillard, ‘is the completely romantic vision from the celebrated passage of *The Communist Manifesto*: capitalism tramples on all human values – art, culture, labour, etc. – in order to make money; the *romantic critique* of profit).’<sup>31</sup> Capital expands, transforming more of society and environment into commodities, but, Baudrillard says, ‘Marx and Marxism see only a kind of extensive effect.’<sup>32</sup>

For Baudrillard, something more than a simple prostitution of value goes on here. The point is in accord with the philosopher’s earlier observation that the manipulation of the social world, according to economic rationalities, extends deeper than the logic of the commodity.<sup>33</sup> *The Mirror of Production* describes not only the forced entry of social and environmental value into the market (though, Baudrillard says, this still goes on). Beyond the power in economy to compel the transformation of the previously inalienable, there emerges also a *voluntary circulation* of productivist rationalities among individuals who already understand themselves in terms of production and consumption. It is not so much that value gets ‘prostituted’ in the market, for Baudrillard, but more that individuals place themselves in a communication structure according to which they actively appropriate *signs* in the market (of production, consumption) and so complete the cycle of exchange. Baudrillard’s insistence on the ‘passage to the political economy of the sign’ or the ‘form-sign’ superseding the ‘form-commodity,’ catalyses the relevant change in forms of social domination.<sup>34</sup> The passage marks a shift ‘from the abstraction of the exchange of material products under the law of general equivalence to the operationalisation of all exchanges under the law of the code.’<sup>35</sup> With this passage, commoditisation is no longer the dominant frame for understanding subordination in the market. The political economy of the sign is an ‘operational structure that lends itself to a structural manipulation compared with which the quantitative mystery of surplus value appears inoffensive.’<sup>36</sup> The mark of the sign economy is the increasing automatised of the signifier in social exchange. The sign, or the code (the signs of market economy) no longer refers to an objective reality, but to other signs, and to the market’s own coding or logic. All communications are drawn into a differential play of signs, meanings and referentials in the

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<sup>29</sup> Ibid. 119.

<sup>30</sup> Ibid. 121.

<sup>31</sup> Ibid. 121.

<sup>32</sup> Ibid. 119.

<sup>33</sup> Ibid. 121.

<sup>34</sup> Ibid. 121.

<sup>35</sup> Ibid. 121.

<sup>36</sup> Ibid. 122.

market, including those with apparently non-economic meanings.<sup>37</sup> In an economy of manipulation, which plays on the capacity of signs to produce meaning and difference, individuals cannot identify the extent to which the signs that they make fall on the side of ‘use’ or ‘exchange.’ They cannot protest corruption where they cannot verify an appropriation as ‘authentic’ or as the product of exploitation. Control, consequently, is not indicated in ‘prostitution,’ but in *illegibility* and in complete and never-ending manipulation: ‘this new ideological structure, that plays on the hieroglyphs of the code, is much more illegible than that which played on productive energy.’<sup>38</sup>

A failure to appreciate this decisive change in political economy is a source of animosity for Baudrillard towards Marx: ‘the objection that our society is largely dominated by the logic of commodities is irrelevant.’<sup>39</sup> By failing to register the process of social abstraction, to which Baudrillard refers in the political economy of the sign, Marx fails to account for the complexity of symbolic exchange and how it insulates itself from critique: not through more aggressive production techniques, but through ‘continuous reproduction of the code.’<sup>40</sup> More than this, Marx stands accused by Baudrillard not only of failing to provide an accurate account of contemporary capitalism, but also of mirroring its productive rationality and so, of deep and essential collaboration. Baudrillard talks about Marx as enacting a ‘revolution only to capital’s benefit.’<sup>41</sup> He describes Marxism as a political morality that greatly ‘assists the cunning of capital.’<sup>42</sup> ‘What produces the universalisation of labour in the 18th century and consequently reproduces it, is not the reduction of concrete, qualitative labour, by abstract, quantitative labour,’ Baudrillard says.<sup>43</sup> ‘Work is really universalised at the base of this “fork,” not only as market value but as human value. Ideology always thus proceeds by a binary, structural scission, which works here to universalise the dimension of labour.’<sup>44</sup> Encouraging the individual towards a proliferation of signs about production or need, Marxism facilitates a move ‘from the abstract to the concrete, from the qualitative to the quantitative, from the exchange value to the use value of labour.’<sup>45</sup> Capital, on account of this move, is able to realise itself (to service needs and make sales) and to ground itself (authenticate products in the reality of concrete needs and individuals). Marxism is the source of a great alibi for capital: ‘the exchange value of labour power is what makes its use value, the concrete origin and end

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<sup>37</sup> Ibid. 145.

<sup>38</sup> Ibid. 122.

<sup>39</sup> Ibid. 121.

<sup>40</sup> Ibid. 122, see also 20, ‘over determination by the code;’ 107, ‘ethnocentrism of the code;’ 122, ‘universal imposition of the code.’

<sup>41</sup> Ibid. 17.

<sup>42</sup> Ibid. 31, lacking in critical value, 29, failure of Marx to ‘conceive of a mode of social wealth other than that founded on labour and production.’

<sup>43</sup> Ibid. 27.

<sup>44</sup> Ibid. 27.

<sup>45</sup> Ibid. 29.

of the act of labour, appear as its “generic” alibi.’<sup>46</sup> Marxism allows for a wider range of values to be integrated within, and made productive, to capitalist market economy, in a proliferation of signs as to what is useful or real.

The reverberations of this are significant to CSR. Baudrillard’s thesis in *The Mirror of Production* radically changes what it is that individuals do when they appear in the market, ready to ‘storm’ in a heartfelt release of social and environmental concern. In Baudrillard, a certain economy of representation installs itself in social or political concern: the state of participants is always essentially economic, even if the original motivation for reform is seemingly antagonistic to economy. Individuals in CSR present themselves in the market only in ways that business actors already anticipate and, crucially, from which they economically benefit. The individual in need confirms the utility of existing products and services; they complete the cycle of exchange and advance the accumulative process. ‘The definition of products as useful and as responding to needs,’ says Baudrillard ‘is the most accomplished and most internalised expression of abstract economic exchange; it is its subjective closure.’<sup>47</sup> Dissatisfaction, or the expression of social and environmental preferences, clears economic space and indicates new opportunities for commercial exploitation. Faced with the prospect of devaluation or stagnation, corporations naturally turn towards the voice of the reformers. The heart-felt release of social and environmental concern, which accompanies the drive for a more responsible and more sustainable market place, indicates what elements of consumption members of the public find ‘meaningful’ in the future.

This is not to say that Baudrillard’s point here is entirely banal. Or, that his theory simply restates nothing more than a realist’s recognition of the power of the business case. What Baudrillard reveals is the pure *dexterity* of economic actors in the political economy of the sign. Commodities for sale in the 21<sup>st</sup> century market are able to ‘transcend’ all referents, as Mark Poster says in his introduction to *The Mirror of Production*.<sup>48</sup> This, in the first instance, allows corporate actors to draw on any need to enhance productivity, insofar as articulations are grounded in the humanist moralities. In the second instance, the political economy of the sign makes irremediable or inevitable the individual’s complicity. There can be no diversion from price because everything that the individual says in support of social and environmental value is transformed so that it signs contemporaneously in terms of competitive advantages. Baudrillard’s point in *The Mirror of Production* is far from banal, in this respect. He suggests that the limitations of *homo economicus*, observed so far in relation to activist shopping, are deeply ingrained in Western politics and political participation. They present a serious barrier

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<sup>46</sup> Ibid. 30.

<sup>47</sup> Ibid. 35.

<sup>48</sup> Ibid. 8.

to overcoming corruption and co-option in capitalist market economy. The individual stands little chance of fortifying the defence of and environmental value in activist shopping, or even beyond acts of market participation (elaborated in Chapters 5 and 6), as everything metamorphoses into surges of economic productivity.

### *The Festival Experience*

The tents at Glastonbury are all pitched very close together. The skins flap in the summer wind, the rain falls on the exterior. Pop musical and festive is the relation of the individual to nature for the celebrated weekend in a Somerset field. Over 150,000 revellers gather every year at the UK's biggest music festival. 'Thousands of them in all their astonishing and splendid diversity,' say the festival organisers proudly, in a section on the website that seeks to resolve the enigma, 'What is Glastonbury?'<sup>49</sup> The revellers gather at the festival to listen to music, party and to 'forget all instructions.'<sup>50</sup> They arrive intent on following their instincts and making the most of the ultimate music festival experience. 'There is only one common characteristic of a Glastonbury-goer,' say the organisers; 'they understand that Glastonbury festival offers them more opportunity than any other of happening to have the best weekend of the year or even of a life-time, and they are determined to have it!'<sup>51</sup> Individuals arrive uber-liberated and hyper-enthused. The organisers heighten the sense of anticipation, advertising tickets for sale months in advance every year, with the promise of a unique opportunity for the lucky few to break free from the constraints of bureaucratic, technocratic and corporatised society. 'Coming to Glastonbury,' they say, 'involves a fair amount of travel, and probably a queue to get in, but when you get past these impediments, you enter a huge tented city, a mini-state under canvas. British law still applies, but the rules of society are a bit different, a little bit freer. Everyone is here to have a wild time in their own way.'<sup>52</sup> In 2000, the British Council sent two arts managers from non-European countries to the festival, to experience this atmosphere, the music and the implicit bid for freedom. The two managers reported afterwards, 'one aspect of British people which was very evident when we were at Glastonbury was the feeling of complete liberation, where everyone was free to do whatever they wanted to do, with no pretences and inhibitions.'<sup>53</sup>

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<sup>49</sup> Glastonbury Festivals. 'What is Glastonbury'. Official Glastonbury festival pages, 2010; available at: <http://www.glastonburyfestivals.co.uk/information/what-is-glastonbury/> [accessed 02/08/2010]

<sup>50</sup> Ibid.

<sup>51</sup> Ibid.

<sup>52</sup> Ibid.

<sup>53</sup> British Council. 'British Council @g2000.' Archived page from Glastonbury website, 2002; available at: <http://web.archive.org/web/20070808015911/http://archive.glastonburyfestivals.co.uk/2000/britcoun.html> [accessed 02/08/2010].

Yet, from within the tent interiors, throughout the festival, comes the sound of plenty more inorganic a confession. ‘I really need to visit the authentic tipi field;’ ‘I must have a cup of Chai still;’ ‘I’d like to try an organic chick-pea curry;’ ‘I must buy one of those festival vests or t-shirts.’ ‘I need more water, cigarettes, hankies, beer, sun-cream, mints, tequila, baby-wipes. My rubber boots are knackered. I wouldn’t mind a new sleeping bag, whilst we are at it!’ So the subjects of a consumption-negotiated path to liberation and self-realisation vociferously relay the terms of their material condition for the festival weekend. Product responses available at the festival site are numerous in kind and variety. However, if there is one feature that all the products on the Glastonbury site share, it is the extent to which these products are all thoroughly mixed up with bigger existential goals. ‘I am at one with myself in the silent disco, dancing to my heart’s desire;’ and, ‘I am at one with nature drinking a cup of organic Chai, by the early morning fire.’ Revellers attend Glastonbury because it allows them to follow their own instincts freely: the festival site is free from the obvious oppressors, such as organs of state, (effective) parental authority, educators and employers. But, revellers also attend Glastonbury because the festival *specifically seeks to service or facilitate* the reveller towards a state of satisfaction and self-realisation. People do not just stand in a field at Glastonbury; they stand there alongside a range of products and services, which allow the individual to achieve a more powerful sense of the self. It falls on Glastonbury stall sellers – as well as Eavis himself – to attend to the needs articulated and, crucially, to signpost paths to self-realisation. The revellers wear new rubber boots and suddenly feel the earth beneath them squelch; they drink a cup of Chai in a tipi and suddenly hear silence, as the noise of the photocopier fades. They join the queue for the Real African toilet experience and feel the alienations of urban life dissipate. In the alternative (or cistern free) toilet experience, the reveller achieves a deeper sense of self-realisation by exploring less material, or more creative, ways of being.

Yet, what if I am at the festival, and I reach the front of the queue for the real African toilet experience, and the toilet attendant asks for 50p? Vestibules, even in a field these days, require professional servicing, supervision and perhaps a cultured introduction or history of the service (to enhance the consumer experience and to signpost a possible path to self-realisation). Examined from the perspective of what Baudrillard called the ‘simple prostitution’ of value, the attendant that asks for the 50p ‘frustrates’ or ‘corrupts’ my desire; she draws me into the market as part of her bigger project to make profit from human necessities. Marxist philosophers, Michael Hardt and Antonio Negri, in *Empire*, describe how this general corruption interferes with the desire of individuals (or ‘multitude,’ their name for a plurality of desirous individuals). ‘At the base of all these forms of corruption is an operation of ontological nullification,’ they say, ‘that is defined and exercised as the destruction of the

singular essence of the multitude.’<sup>54</sup> The institutions of capitalist political economy – consolidated in this instance in the body of the toilet attendant – exploit the reveller’s positive and productive energy in an act of pure negation and opportunistic commercialism. ‘These are bodies enriched with intellectual and co-operative power and bodies that are already hybrid,’ they say; ‘corruption appears as disease, frustration and mutilation.’<sup>55</sup> Describing the prostitution of need or desire, reassurance is nevertheless carried in the middle of all this frustration, for Negri and Hardt – and for Marx – by the fact that I, the reveller, remain the ontological motor in this toilet scene. ‘The new phenomenology of the labour and of the multitude reveals labour as the fundamental creative activity that, through co-operation, goes beyond any obstacle imposed on it and constantly recreates the world.’<sup>56</sup> The original site of productivity, to which the toilet attendant is drawn to sustain a business in toilets at all, I might pay the 50p, but it is the toilet attendant that is really on the rebound. Toilets are on the agenda! My desire for the Real African toilet experience regenerates, one day forcing a moment of metamorphosis that frees spaces for change!



*Figure 3; VIP African pit latrine.*

But, late at night, more revellers come to stand in the toilet queue alongside me. The experience gets more popular, as desire in the darkness multiplies. On each subsequent visit that I myself make to the toilet, the same attendant boldly stands there asking for 50p. They

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<sup>54</sup> Hardt and Negri, *Empire*. 391.

<sup>55</sup> Ibid. 392.

<sup>56</sup> Ibid. 402.



stand there, asking the same of everyone else too, so corrupting each and every one of us, in our desire for the toilet, by the request for a capital fee. However, on the third and final day of the festival, as the banality of everyday life sinks further into the distance and as the atmosphere of the festival gets increasingly hedonistic, a series of dramatic happenings occur. First, the number of toilet attendants significantly increases: one sole figure is no longer considered sufficient by the service providers to manage the swelling crowds, drawn to the cistern free experience. Second, these new attendants – and the old one besides – are uniformed, in appropriately stylish (i.e. fashionable enough to impress the Glastonbury crowd) and authentic (i.e. to fit in with the African theme that is being used to ‘sell’ the experience) outfits, to the pleasure of the swelling crowd. A noticeable change in the attendants’ demeanour accompanies the arrival of these uniforms: they become more formal and a lot stricter on ‘inappropriate’ behaviour in the queue. Thirdly, and most controversially, the said attendants implement an increased charge of £1 for peak times at the toilet units, between 7pm and 9pm (in the run up to the headline acts) and between 11pm and 1am (after bands have brought the night at Glastonbury to a close). This peak charge reflects, the service providers say, an additional burden on toilet attendants during these times, and the cost of managing and supervising the unruly desires, which multiply at Glastonbury in the night-time.

Oh, desire, desire and more desire! Oh, rising prices, enhanced supervision and more toilet attendants! As the popularity of the Real African toilet experience increases, what emerges is a relation of inverse effect. The more revellers sound out the path to self-realisation, the more control around the facility concentrates and extends. The more popular the facility, the less free the resultant experience. The number of bids for freedom in the toilet queue is not able to increase the quantity or quality of liberation that is experienced by revellers. Indeed, what occurs in the case of the Real African toilet is a drastic reduction of chances to achieve self-realisation. Extended popularity intensifies the process of commoditisation. The long line of revellers waiting in the queue invests political economy with new energies, new distinctions and new desires. The queue clears economic space: indicating the viability of business in the provision of an alternative toilet facility. It authenticates new labours: vindicating the presence of a toilet attendant at the start of the festival, the employee of a risk-taking entrepreneur. The intensification of economic exchange in the queue gives the entrepreneur more control over the terms and conditions under which the service is made available. Other long-term incursions on the reveller’s autonomy steadily augment. Revellers initially excited at the prospect of engaging with a more creative way of being become increasingly implicated and dependent on economic cycles in the future. They are forced to look towards the market to make products available, where there is no longer a free toilet available. All the toiletry desires of the reveller ingratiate itself with economic exchange. Power concentrates and extends.

The same trend is apparent in the recent history of Glastonbury festival as a whole. The exponential growth in the festival's popularity, as a site for fun, freedom and liberation, has not led to the emergence of a less restrictive festival environment. On the contrary, an 11 ft fence around the festival site, restricted ticket purchasing schemes, the introduction of passport control and bag searches at the festival gates underline a growing culture of security and control. The introduction, in 2009, of a flexible financing scheme, to allow revellers to spread the weighty (£175) cost of the festival, testifies to robust economic barriers, which contradict the seemingly open invitation for everyone to come liberate.<sup>57</sup> In addition to the erection of 'impediments' at the gates, the festival itself has been criticised for its increasing links with business organisations and sponsorships. 'Flashing their logos about at the festival are the sponsors Emap, the Guardian Group, Orange and Budweiser, and Natwest bank has secured a foothold with its cash points,' said journalist Clare Matheson. 'Even policing of the festival, a job once carried out by the Hells Angels, has been handed to Mean Fiddler, the music promoter.'<sup>58</sup> The appeal of 150,000 revellers with the economic capacity to pay at least £175 for one weekend draws a diverse range of economic interests to the festival, eager to try their hand at servicing self-liberation. The result is a distinctly consumerist and corporate tone that descends on the field in Somerset that is Glastonbury.

New avenues of productivity, secured via an excessive attachment to liberation: the view is one that significantly changes perceptions of the festival, as well as the reality experienced (there) by the revellers. *Empire* described the interventions of the attendants as 'corruption' and 'frustration:' business is condemned for its capacity to prey on desire and co-operation, satisfying the imperialist drive for market expansion and the security of profit.<sup>59</sup> Yet, after *The Mirror of Production*, 'frustration' does not accurately explain the commercial atmosphere at Glastonbury. The awkward combination of mass consumption and liberation, which has come to characterise the festival, is not so much the result of market rationalities brutally caging and co-opting the revellers' productive energies. Glastonbury does not cage populations behind an 11 ft fence coercively and manipulate them until they demand Chai on tap against their very best instincts (the prostitution of value). Rather, festival revellers voluntarily enter the field. They go there with great enthusiasm. They go past impediments at the festival gates quite happily (perhaps controls even enhance the impression of chance and exclusivity, for those able to secure entry). Revellers think of what they might achieve in terms of liberation in exchange for handing over their passport. They voluntarily release information on desire and

<sup>57</sup> The scheme 'has been a huge success,' said the organisers as tickets sold out. A. Topping and R. Swash, 'Back to the boss: Bruce Springsteen returns as Glastonbury goes with its gut'. *The Guardian*. 25 May 2009 (London: Guardian Group, 2009).

<sup>58</sup> C. Matheson, 'Glastonbury a corporate sell-out?' *The Guardian*, 20 June 2005 (London: Guardian Group, 2005). K. Burgess, 'Glastonbury holds back tide of corporate sponsorship'. *The Times*. 26 August 2009 (London: Times Press, 2009).

<sup>59</sup> Hardt and Negri, *Empire*. 390.

on revelling preferences. Importantly, they look positively to products on offer at the festival site. Products provide a way to satisfy preferences and revelling desires: they are facilitatory, rather than threatening. The result is that there is less (or even no) need on the part of corporate actors to cage revellers, or to force them towards consumptive engagements. There is less need because festival revellers have, as Thomas Frank observes in *The Conquest of Cool*, 'already internalised those consuming values.'<sup>60</sup> Revellers at Glastonbury are already given over to achieving satisfaction and self-fulfilment. They enter the festival, and from there display, as Frank observes, 'the most important characteristic of consumers: their desire for immediate gratification and their craving for the new and their intolerance for the slow moving, penurious, and for the thrifty.'<sup>61</sup>

'Free entry over the fence is also a thing of the past; even more sadly, is the sense of freedom that once existed within Glastonbury's hallowed fields.'<sup>62</sup> One blogger laments the degraded experience of liberty, which accompanies the integration of the individual in political economy. Even the most animated and most seemingly autonomous of figures – the Glastonbury reveller – cannot make a festival out of being always caught in the cycle of exchange.<sup>63</sup> 'In spite of all its good will,' Baudrillard says pertinently, 'it cannot make consumption a true consummation, a festival, a waste. To consume is to start producing again.'<sup>64</sup> Economic rationalities, which individuals use to understand and project the self, encourage the reveller to exchange what is particular and heterogeneous to desire for a range of mass produced equivalents in services and products. 'Needs which were once contingent and heterogeneous,' says Baudrillard, 'are homogenised and definitively rationalised according to the models of the system.'<sup>65</sup> The wide variety in goods at Glastonbury promises such satisfaction of individual purposes and ends! But, initial satisfaction begins to recede as these goods draw individuals further into a system of control. 'Information is liberated, but only in order to be better managed and stylised by the media.'<sup>66</sup> Individuals attending an event like Glastonbury initially feel venerated as they sense the proximity of products, which might help them on their way to achieving self-realisation. Yet, as time goes on, and the cycle renews itself again and again, the reverberations of always shopping begin to agglomerate.

<sup>60</sup> T. Frank, *The conquest of cool : Business culture, counterculture and the rise of hip consumerism*. (Chicago, London: University of Chicago Press, 1997). 121.

<sup>61</sup> Ibid. 121. See also, T. Frank, 'Why Johnny can't dissent,' in T. Frank and M. Weiland, *Commodify your dissent: Salvos from the baffler*. (US, WW Norton & Company, 1997). 34.

<sup>62</sup> Music OMH. 'Glastonbury not as good as it used to be'. Online music blog; available at: <http://blog.musicomh.com/musicomh/2008/04/glastonbury---n.html> [accessed 02/08/2010].

<sup>63</sup> Baudrillard, *Mirror of production*. 145, 'each individual, each consumer is locked into the profitable manipulation of goods and signs for his own interest. He can no longer really waste his time in leisure.'

<sup>64</sup> Ibid. 144-145.

<sup>65</sup> Ibid. 145. Baudrillard never refers to Adorno and Horkheimer's 'culture industry thesis,' yet there are strong resonances. Both describe a 'man forced to accept what the culture manufacturers offer him,' T.W. Adorno and M. Horkheimer, *Dialectic of enlightenment*. (London: Allen Lane, 1973). 124. On parallels see, A. King, 'Baudrillard's nihilism and the end of theory.' *Telos* 1998 (112) 89.

<sup>66</sup> Baudrillard, *Mirror of production*. 146.

‘Everywhere the pressure of the system of political economy is heightened [...] there will only be a more flexible and reinforced operationality of the system.’<sup>67</sup> Eventually, the degradation of liberty is palpable, perceptible to even the most optimistic reveller attending the festival. But, by this stage, a critical threshold has been passed, after which the degradation is hard to reverse. There is, after this point, no first – or ‘no virgin’ (as the first time is called at Glastonbury) – sense of liberation again.<sup>68</sup>

### *The volatility of trust*

In his 2009 speech confirming the EU commitment to CSR, Günter Verheugen discussed the prospects for members of the public putting ‘trust’ in the market and in the corporation.<sup>69</sup> ‘According to the 2008 Edelman Trust Barometer’, began the Vice President of the Commission responsible for Enterprise and Industry, ‘about 70% of Europeans trust business less now [after the credit crunch] than they did last year.’<sup>70</sup> Verheugen went on to underscore the need to rebuild ‘trust’ in the corporation: ‘I have argued for some time that Europe can only flourish, and can only meet its objectives of sustainable development in all three pillars – competitiveness, environmental protection and social inclusion – if enterprises are trusted and actually trustworthy and valued for their contribution to society.’<sup>71</sup> Trust, according to Verheugen, is about something more than just making a profit (although he also recognises a social role for the corporation in this respect, as the generator of wealth and the provider of jobs, goods and services).<sup>72</sup> The question of trust ‘goes a step further – it is a question of ethical behaviour, of ethical standards,’ a quality that, for Verheugen, is cultivated, ‘not by legislation as ethical behaviour cannot be decreed by law.’<sup>73</sup> Verheugen pins his hopes for the development of ethical behaviour on the commitment of business to CSR. CSR, integrated so as to be a core component of the corporation’s business strategy, builds trust by engaging business in the development of ‘innovative forms of cooperation with stakeholders in order to bring new products to new markets, think for example of those responsible banks that break new ground in microfinance for the poor and financially excluded.’<sup>74</sup> CSR brings positive publicity to ‘companies that see the commercial opportunity in helping to resolve societal problems – such as the car companies that can offer radically more efficient transport or IT

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<sup>67</sup> Ibid. 146-147.

<sup>68</sup> C. Cottingham, ‘Help I’m a Glastonbury virgin’. *The Guardian*. 19 June 2007 (London: Guardian Group, 2007); C. Howse, ‘Confessions of a Glastonbury virgin’. *The Telegraph*. 23 June 2007 (London: Telegraph Publishing Company, 2007).

<sup>69</sup> Verheugen. ‘CSR essential for public trust’.

<sup>70</sup> Ibid.

<sup>71</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> Ibid.

companies that help reduce the need for travel altogether.’<sup>75</sup> Verheugen encourages the public to trust in business to listen to their demands and to respond in an appropriate delivery of products and services.

This emphasis on trust comes naturally to CSR. It is, more specifically, a natural extension of the concept’s predicates and ideals regarding the relationship between the market and society. Trust is required in order to make non-intervention and corporate self-regulation work. Individual actors, in the first instance, are trusted to act on the basis of social and environmental interests, and to translate these interests into market preferences. Market actors in CSR are trusted to respond to the articulation of social and environmental preferences. They are trusted, that is, to make relevant adjustments to the availability of products and services. With this view on trust in the background, CSR takes place in the gap where market actors have shown themselves to be *untrustworthy*, or where members of the general public are dissatisfied with how corporations have managed public trust to date. From this perspective, CSR is a process that deliberately seeks to institutionalise and rebuild trust in the market. It seeks to improve upon the responsiveness of corporations, by developing trustworthiness, corporate image and credibility.<sup>76</sup> CSR initiatives, such as social and environmental reporting, joining trade associations and initiatives (such as Fair Trade or the Ethical Trading Initiative), are all ways in which businesses try to better the level of public trust in company products and services. CSR allows corporations to correct trust, to rebuild and enhance trust, whenever earlier cycles of exchange have shown corporate actors not to be trustworthy enough to manage economic demand on behalf of needy, or desirous, individuals.

Typically, as in Verheugen’s speech before the EU CSR forum, this notion of putting trust in the market and business actors is contrasted specifically with the possibility of legal intervention. ‘External verification has its rightful place, but this place is, rightly, limited,’ says Zadek; ‘engagement with stakeholders, effective learning and real changes in performance are more likely to count as litmus tests in building trust and credibility.’<sup>77</sup> This contrast draws attention (once again) to the pragmatism underlying CSR. Long lists of indicators, which show consumers to be increasingly open (or liberated!) about expressing their social and environmental preferences, are drawn upon as evidence that there is a practical case for developing trust and satisfaction in the market. Corresponding instances, in which business has made some adjustment to the manufacture, distribution or delivery of products and services, is then set against the extended communication of social and environmental

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<sup>75</sup> Ibid.

<sup>76</sup> ‘Trust’ in CSR, see Zadek, *The civil corporation*. 63-75 and 232-244. Nicholls and Opal, *Fair trade: Market-driven ethical consumption*. 9 and 50, regarding the institutionalisation of trust in Fair Trade certification systems.

<sup>77</sup> Zadek, *The civil corporation*. 241

preferences as evidence that it is possible for CSR to generate tangible change. By reactively responding to social pressure, business is able to satisfy some concerns at least some of the time.<sup>78</sup> This ‘success’ assists in the development of trust (and economic opportunity) for another time. From this base, advocates (or even those sceptical of CSR, for the pragmatism is hard to reject) make their case in support (or in toleration) of CSR: some advance in terms of securing responsibility is better than none.<sup>79</sup>

The argument is hard to dispute. In the absence of a ready and workable alternative, ‘trust’ becomes the lowest common denominator: a vague and volatile quality upon which public participants are given little option but to mildly agree. This notion of ‘trust’ in the market is, however, significantly disturbed by the happenings at Glastonbury Festival and *The Mirror of Production*. Both book and example highlight how much occurs between individuals mustering at the gates, ready to storm, and market outcomes. In the period between the two materialisations, there occurs a fantastic surge of productivity. This surge takes place where need is polyfunctional: it services the individual’s political and psychic ideals about self-realisation and a market appetite for continued consumption at the same time. Yet, against this prospect intensified economic exchange – and this really is the crucial thing – ‘trust’ holds *nothing in reserve*. All of its energy, or potential for disciplining the corporate actor, is spent before the surge of productivity. Individuals in CSR are encouraged to be more explicit about their social and environmental preferences. A rush of power and participation they most likely feel in exercising this initial release – or this liberation – just like the virgin reveller at Glastonbury. But, as soon as the initial moment has passed, individuals have no remaining resistance or energy. They have no reserve or recourse for controlling and disciplining corporations. Instead, they must ‘trust’ in the product or service responses, which business actors make available in the market. Individual participation is always limited to the articulation of crude economic demands, whilst business actors are ‘trusted’ to deliver the ‘fitting’ response.

The spectre of the market, as a realistic place for the universalisation of freedom and self-realisation, looms large in this context. A familiar idealism dictates that the individual equate increased openness about social or environmental preferences with the possibility of freedom and self-realisation. The consumer market cultivates the same understanding, presenting itself in terms of a (seductive) place where the individual is capable of fulfilling the self, or at least engaging with presentiments of satisfaction. However, it is important to underscore that giving into the seductions of the market, in this respect, is not ‘costless’ to the individual. Individuals

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<sup>78</sup> McBarnet, *et al.*, *The new corporate accountability*. 21, on the increased responsiveness of business.

<sup>79</sup> Ibid. 44-54, McBarnet drawing a contrast between trust in CSR and the limitations of law.

relinquish something important when they come to rely upon the market for the satisfaction of an increasingly wider range of preferences and desires. They relinquish the social power to determine the terms of their own satisfaction. They relinquish the political power to intervene against, or challenge, the terms and conditions of the market itself and its most powerful actor, the corporation. The heterogeneity of desire, nuances of dissatisfaction and forces resistant to the configuration of markets, are pushed into a series of uniform or mass product responses. ‘Needs which were once contingent and heterogeneous are homogenised and definitively rationalised according to the models of the system,’ Baudrillard says.<sup>80</sup> CSR disempowers its public. Activist shopping makes *monosyllabic* public interventions in relation to the social and environmental impact of corporations. It refuses the public the capacity to get behind the sufficiency of product responses, the adequacy of adjustments in markets and the reliability of what is declared to be in the public interest. Confined to the demand side of exchange, the public are always free to say whatever they want – they are instructed to release this information, even. Yet, they find themselves simultaneously removed from fora dedicated to the remedy and resolution of social and environmental problems. This increasingly, becomes the domain of the corporation.

Of course, concerned individuals or civil society organizations could try to manage ‘trust’ better. They could try to protect against disappointment in the market by returning to make a series of counter claims. They might refuse to buy the first product response. They might publicise suspicion that it contains ‘greenwash.’ They might otherwise put pressure on the corporation to broaden the extent of its societal commitments (demand enhanced reporting or the joining of industry associations etc.). Yet, even in subsequent acts to this effect, the individual does not enter into dialogue or extended reflexivity with the corporation. They do not draw the corporation out of its market instincts, or make it really listen to normative and political claims. In each subsequent entry into the market, as in the first, individuals simply generate a further cycle of exchange. They are tied to the fact that they are liberated as *consumers* (investors, employees or other units in the chain of profitability). Always the economic actor, every act identifies space marked by dissatisfaction and imbalances in need. ‘Let us say,’ said Baudrillard, ‘that the system is structurally incapable of liberating human potential, except as productive forces, that is, according to an operational finality that leaves no room for the reversion of the loss, the gift, the sacrifice, and hence for the possibility of symbolic exchange. The example of consumption is significant.’<sup>81</sup> Consumption is significant because every need articulated signposts the path to a future cycle of exchange and accumulation. ‘By this operation, the system assured its economic survival at a fantastically

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<sup>80</sup> Baudrillard, *Mirror of production*. 147.

<sup>81</sup> Ibid. 144.

expanded level,’ says Baudrillard.<sup>82</sup> The proliferation of products and services is mandated, everywhere, the management of trust is an operation that generates ‘super profits and super-power.’<sup>83</sup>

The prospect of a perpetual return to markets exacerbates the problem of disempowerment in other ways too, beyond a dangerous surge in corporate power. In particular, the constant proliferation, diversification, multiplication and repetition of product and service responses eventually makes it hard for the public to make even a meaningful monosyllabic contribution. One group of needs generates a variety of different responses in the market. Dissatisfied participants divert from first responses and demand subsequent efforts at the remediation or redress of harm. The pattern is repeated numerous times, creating a complex web of questions and answers, and a market saturated with innumerable product responses. The complexity and the saturation – not to mention the constant presence of financial incentives potentially counter to the satisfaction of need – make it difficult for any one member of the public to get a handle on the source of a problem in the market. It is difficult to evaluate or select between product responses, or make meaningful attempts to adjust consumptive decisions to avoid collusion or complicity in the generation of harm.<sup>84</sup> The fact that it is standard practice in economy to accompany the release of new products and services with a raft of advertising, publicity or hype regarding the content, utility and worth of products solutions, creates a further wave of confusion. Social and environmental claims are aggrandised and exaggerated, cleverly put and over-stated, making the web of questions (need) and answers (product responses) even harder to sift through. There is no easy way to evaluate or assess a product’s social and environmental value. In the end, even the most dedicated consumer is restricted to a brutal decision as to whether to buy or not buy – a result that is all the more frustrating, after all the sifting and complexity, which has been unearthed.

This emergence of a complex web of questions and answers brings Chapter 4 to a fitting close. It is fitting where it captures the essential reconfiguration of relations between markets and society described by Baudrillard in *The Mirror of Production*. Individuals gather at the gate, ready to storm the market in a heart-felt release of social and environmental concern. Corporations produce an array of products and services in response. However, the accumulation of questions and answers, which results from the reiteration of this exchange, lies differently from that of the usual CSR theory. Whilst individuals in CSR are distracted by the

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<sup>82</sup> Ibid. 144.

<sup>83</sup> Ibid. 144.

<sup>84</sup> D. Adam, ‘Over pizzas, over salads, but now overfished: The demise of the anchovy’. *The Guardian*. 4 September 2008 (London: Guardian Group, 2008). On the perplexities of how much information is the ‘right’ amount of information to empower consumers concerned about the sustainability of fish products, and the fine balance between too much and too little information on social and environmental impact.



prospect of ‘questioning’ – holed up in the supermarket, seeking out responses amongst products or services – *they themselves become implicated and contained within markets*. They become the subjects of market control. This happens where need does not ask ‘questions,’ but, rather, gets drafted into the market as a response to the overlying questions of production: what is it that members of the public want from the market? What is that they need? What products and services might the market make available in the knowledge that their desirability means that profitability will be secured? By providing answers to these questions, the individual is drawn into what Baudrillard describes as ‘a gigantic operational game of question and answer.’<sup>85</sup> In this game, it is the market that questions and the individual that answers (and not the other way around). This reality is hyper-repressive: enthusiasm for the cause of liberation allows the market to expand, whilst individuals find they have increasingly less choice but to rely on the market in an effort to secure satisfaction. In *The Mirror of Production*, the reiteration of this choice leads to monopoly and the ‘society of simulation:’ ‘demand and need correspond more and more to a mode of simulation. These new productive forces no longer pose questions to the system: they are an anticipated response, controlled in their very emergence.’<sup>86</sup> Elements of this society are elaborated upon and studied in more detail in Chapters 5 and 6.

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<sup>85</sup> Baudrillard, *Mirror of production*. 127.

<sup>86</sup> Ibid. 126.

## Chapter 5

### Abandon

Eli: I truly wish that everyone could  
be saved – but it's just not the case.  
The doctrine of universal salvation is a lie.  
I wish everyone would be saved,  
But they won't! No They Won't!

You will never be saved if what...?

Church: IF YOU REJECT THE BLOOD!

...

Daniel: I abandoned my child.

*Paul Anderson, There Will Be Blood*

'If you have a milkshake, and I have a milkshake, and I have a straw, [...] and my straw reaches accrossssssss the room and starts to drink your milkshake, I DRINK YOUR MILKSHAKE! I DRINK IT UP!'<sup>1</sup> These are the words of Daniel Plainview: oilman and main character in Paul Anderson's film, *There Will be Blood*. Plainview is speaking in the final scene of the film, where he triumphs over Eli Sunday, a preacher with whom the oilman has clashed and battled throughout the film – for reputation, moral superiority, capital advantages and profit. The scene takes place at Plainview's private bowling alley. The preacher is dark, having lost his investments in the absence of 'guidance' from God. He asks Plainview to do

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<sup>1</sup> P.T. Anderson. 'There will be blood'. Film Script, available at: <http://www.scribd.com/doc/2083473/There-Will-Be-Blood-Final-Script>, 129. [accessed 02/08/2010].

business with his Church of the Third Revelation, hoping for better luck drilling a piece of undeveloped land with the eminently successful Plainview. Plainview, however, is quick to reject the request, and to humiliate the preacher in the process. He forces Sunday to admit to his pretences as a preacher: 'I'd like you to tell me that you are, and have been, a False Prophet, and that God is a superstition.'<sup>2</sup> He taunts the preacher with the metaphor of milkshake drinking to explain how he, years ago, extracted oil from under said piece of land by using the technique of 'drainage' (drawing oil out from under the land by using the wells on surrounding lots).<sup>3</sup> Bullying, hateful and violent is Plainview in the monologue that ensues: 'I did what your brother couldn't. I broke you and I beat you.'<sup>4</sup> Plainview claims superiority: that he has won the battle between two men and the battle between capital and religion: 'you lose you idiot, you lose!'<sup>5</sup> The scene ends with Plainview materially victorious ('I drink your water Eli. I drink it up. EVERYDAY), angry and violent (*in a flash Daniel is up and has grabbed Eli and throws him halfway across the room*).<sup>6</sup> Plainview is vehement about conflict with the preacher: 'I told you I would eat you up!! I told you I would eat you!'<sup>7</sup> He is vehement about exploitation for the generation of profit: 'I've worked people over and I've gotten what I want from them and it makes me sick because I see all people are lazy.'<sup>8</sup> There is no doubt, in other words, that in the capital exploits of Plainview, there will be exploitation and conflict, that there will be blood spilled.

In a TV advert for the transnational oil corporation, Shell, a teenager sits in an Amsterdam cafe with his father, the chief engineer for the company.<sup>9</sup> The son is eating a burger and drinking a milkshake using a straw. Exchanges between the two characters are initially tense: the father is stressed out at work (working on a solution to the problem of how to access and drill ever more remote pockets of oil in the world) and the son is sulky (on account of his father being away from home for long periods for work). Indeed, just before the two characters enter the cafe, viewers witnessed a challenge from son to father regarding his employment: 'which beautiful parts of the world are you drilling to pieces now?' The milkshake is passed from father to son, as a peace offering on the back of this exchange, as a way for the father to make

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<sup>2</sup> Ibid. 126.

<sup>3</sup> The milkshake concept Anderson extracted from a transcript of the 1924 congressional hearings over the Teapot Dome scandal, in which Sen. Albert Fall was convicted of accepting bribes for oil-drilling rights to public lands in Wyoming and California. During the testimony Sen. Fall used the analogy of drinking a milkshake to explain to the hearing how oil was extracted from adjoining lands. See, S. Foundas, 'Paul thomas anderson: Blood, sweat and tears'. *LA Weekly*. 16 January 2008 (Los Angeles: Beth Sestanovich, 2008). S. Bowles, 'Blood' fans drink up milkshake catch-phrase'. *USA Today*. 3 February 2008 (Virginia: Garnett Company, 2008).

<sup>4</sup> Anderson. 'There will be blood script'. 130.

<sup>5</sup> Ibid. 129.

<sup>6</sup> Ibid. 130.

<sup>7</sup> Ibid. 130, stage direction.

<sup>8</sup> Ibid. 75.

<sup>9</sup> Shell. 'Eureka'. TV Commercial, currently hosted on YouTube online, available for viewing at: <http://www.youtube.com/watch?v=L7mfDEJRslY> [accessed 02/08/2010].

more genuine an apology regarding his regular absences from home. The son listens to his father apologise and promise to be around at home more often. Listening, he drinks the milkshake. He turns his straw upside down as he reaches the bottom of the glass, using the 'bendy-end' of the straw, to drain what is left of the big milkshake. But then, all of a sudden, something fantastic happens to father's expression. 'Eureka,' as the advert is entitled! The banal apology of the father is suddenly interrupted and a big grin spreads across the engineer's face. Watching the bendy-end of the straw do the work on the last of the shake, he has a clever idea for his engineering work. The scene promptly changes and the viewer sees the father standing in a conference room in Malaysia. He announces his new design for what the engineer calls the 'bendy-straw drill.' A drill, that is, which Shell will use in order to drain millions of barrels of oil from more inaccessible locations. The drill works as the milkshake straw did for the son in the earlier cafe scene – it uses the 'bendy-end' of a pipe, to enhance the capacity for extracting oil.

Observe two scenes about drinking milkshakes and two scenes about the extraction of oil. Two businessmen rely on an analogy about drinking milkshake to express how it is that they go about extending the firm's capacity to profit from the exploration and extraction of oil. Despite similarities in entrepreneurial spirit, however, the aesthetics of the two scenes differ, significantly. 'Drainage! Drainage, my boy:' Plainview bellows the name of his material victory.<sup>10</sup> He ends a sustained conflict between the two men with a swipe of a bowling ball and a skittle, defiant and antagonistic: 'I took what I wanted when you weren't looking, and the blood of the lamb is in my pocket. Did you think God was going to balance your investments?'<sup>11</sup> By contrast, the mode of extraction proposed in the Shell advert is pronounced bereft of violence and conflict. The engineer answers a journalist's questions on corporate social responsibility. He discusses, at length, the need to minimise pollution and waste, or disruption to the world's supply of energy. He worries about finding the right work/life balance and about being a good role model for his son. The effect is of a comparatively more distant apparition of conflict over the techniques of extraction, which the oil corporation proposes. The son, at one point in the advert, makes the blithe reference to the potential for harm in drilling for oil ('what beautiful parts of the world are you drilling to pieces now?'). Yet, the engineer takes the comment in his stride, telling the boy that without the existence of a company that makes £3.2 billion in net profit (for just three months business activity in the year), there would be no soft drinks nor fancy trainers.<sup>12</sup> 'Grow up,' the engineer says

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<sup>10</sup> Anderson. 'There will be blood script'. 127.

<sup>11</sup> Ibid. 127.

<sup>12</sup> D. Milmo, 'Shell's profits surge 60% as oil prices rise'. *The Guardian*. 28 April 2010 (London: Guardian Group, 2010).

definitively to his sulky son.<sup>13</sup> If there is conflict pertaining to the business activities of Shell, it falls on members of the public responsible for the generation of economic demand.



Figure 4; Shell recruitment advert, looking for others like the engineer.

‘Nobody has to be vile in order to do business [today]; collaboration with and participation of the employees, dialogue with customers, respect for environment, transparency of deals, are nowadays the keys to success.’<sup>14</sup> In his 2008 book, *Violence: Six Sideways Reflections*, Žižek talks about the economic condition of ‘frictionless capitalism.’<sup>15</sup> The term is one that he takes from Microsoft boss Bill Gates, who used it to herald the possibility of the perfectly competitive marketplace with the arrival of the Internet.<sup>16</sup> Žižek, similarly, uses the term to capture a particular feature of contemporary political economy – one in which there is no visible conflict between the aspirations of the market and the campaign for global social justice. ‘There is no longer an opposition,’ he says, ‘between Davos (global capital) and Porto Alegre (the new social movements).’<sup>17</sup> On both sides, ‘the claim is that we can have the global capitalist cake, i.e. thrive as entrepreneurs and eat it, i.e. endorse the anti-capitalist causes of social responsibility and ecological concern.’<sup>18</sup> The situation is described as ‘frictionless,’ for Žižek, because it signifies a new (lamentable for him) reality in democratic politics, where all parties and sides have become indistinguishable. Political sides merge together where none generates friction about the role of the market. Even in the face of widespread social and environmental injustice that could be readily linked to the malfunctioning of markets – the traditional concern of the left – the march of markets has gone from strength to strength. ‘In

<sup>13</sup> Shell. ‘Eureka’.

<sup>14</sup> S. Žižek, *Violence : Six sideways reflections*. (London: Profile, 2008). 15.

<sup>15</sup> Ibid. 13-20.

<sup>16</sup> B. Gates, *et al.*, *The road ahead*: (New York: Viking, 1995). Chapter 8, ‘Friction free capitalism.’

<sup>17</sup> Žižek, *Violence : Six sideways reflections*. 14.

<sup>18</sup> Ibid. 14.

order to really help people you must have the means to do it,' says Zizek of the mainstream political rationality; 'and as experience of the dismal failure of the centralised statist and collectivist approaches teaches, private initiative is the efficient way.'<sup>19</sup>

To Zizek, this union, or the persistent return to market mechanisms underlying frictionless capitalism, is distinctly problematic. It does not betray the real social and environmental impact of markets, or the decidedly fractious trajectory of constantly agglomerating and circulating capital. 'The cruel businessman destroys or buys out his competitors, aims at virtual monopoly, employs all the tricks of the trade to achieve his goals.'<sup>20</sup> The company that earns billions in net profit in the period of a few months (like the company that employs the engineer) derives a good portion of its profits from sources that can only be characterised as ridden with friction and conflict. Whether that friction be contained in the corporation underpaying for labour and materials, or overcharging customers for products and services, a profit to the tune of billions of pounds is indicative of an inequality exploited somewhere along the line. 'The catch, of course,' says Zizek, 'is that in order to give, first you have to take – or as some would say, create.'<sup>21</sup> Asymmetrical relations that provoke conflict and friction are exactly what the pursuit of profit is all about. Echoing Polanyi's identification of viciousness in the self-regulating market, Zizek ascribes to the market the fundamental quality of economic exploitation – a violent pursuit of profit over and above every other value and quality. Subsequent acts of CSR or charity do not cancel the violence out. They do not make up for it. A radical improvement in social skills is marked out between the eras of Plainview and the Dutch engineer. But, they are one and the same beast: from the depraved loner in a bowling alley, to the figure at the table of the humanitarian agency.

If exploitation is still present, therefore, frictionless capitalism denotes a situation in which friction is not so much absent, as more surreptitiously, obscured. This obscuration, and the consequent ability of business to convincingly integrate economic behaviour with social justice, is linked to the presence of disconnects and problems of visibility between society and the market. Zizek, in this context, identifies a gap between 'the Real of the speculative circulation of capital and the drab reality of the impoverished masses.'<sup>22</sup> Emphasis on the first reality (the public image of capital: its spectral domain) is successful in repressing the second (the experience of the impoverished masses). 'The ruthless pursuit of profit,' says Zizek, 'is counteracted by "charity" – charity is a "humanitarian" mask hiding the face of economic

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<sup>19</sup> Ibid. 17.

<sup>20</sup> Ibid. 19.

<sup>21</sup> Ibid. 17.

<sup>22</sup> Ibid. 12

exploitation.<sup>23</sup> ‘Big executives recuperating the spirit of contest,’ bury the visibility (the reality) of material conflicts that make up capitalist production, distribution and exchange.<sup>24</sup> Harm is absorbed in a proliferation of peremptory statements by corporate actors, which meet (or match) the public’s concern for society and environment. ‘They worry about populist fundamentalists and irresponsible, greedy capitalist corporations,’ says Zizek of the modern executive; ‘they see the “deeper causes” of today’s problems: mass poverty and hopelessness, which breed fundamentalist terror.’<sup>25</sup> In the cultivation and then publication of humanitarian instincts – in corporate philanthropy, human rights and CSR – Zizek detects a modern vehicle for diverting (as Chapter 3 called the phenomenon) from violence and viciousness in the market. Violence is masked by the prolific depiction of conscientiousness attendant to figures like the engineer. Zizek names these figures ‘liberal communists,’ the term capturing the implicit collision of sentimental humanism and market rationalities.<sup>26</sup> With the voice of the liberal communist resonant, and market civility always luminoid, from the viciousness of the market members of the public are *deterred*.

True to Chapter 3, however, sources of friction in market society are never eradicated completely. To deal with this, more is required of the corporation than just PR skills – or more accurately, skills more strategic are required than regular just full-frontals of the caring corporation. Zizek identifies another key element of obscurity here: frictions persist in such a way as to make their origin or cause disconnected from business and the market. This disconnection begins with what Chapter 3 identifies as the dissipation and displacement of responsibility. However, Zizek theorises (or systematises) an additional component of this *externalisation* of social and environmental costs from the profit-centre of business actors. Following Etienne Balibar, he identifies a source of the disconnect to be different treatment accorded to two opposite, but complementary, modes of violence: ‘ultra-objective’ or systemic violence, inherent in the social conditions of global capitalism, and the ‘ultra-subjective’ violence, of ‘newly emerging ethnic and religious, in short, racist, fundamentalisms.’<sup>27</sup> To ‘ultra-subjective’ violence, Zizek accords a significant presence in contemporary market society. Incidences of it are illuminated in great detail, obsessed and hyperventilated about. Zizek points to the never-ending fascination with terror, murder, crime and security as evidence of this. By contrast, when it comes to identifying incidences of ‘ultra-objective’ violence, Zizek registers an ominous silence. The chain of causation, from action to outcome, or from transactions to the automatic creation of ‘excluded and dispensable individuals from

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<sup>23</sup> Ibid. 19.

<sup>24</sup> Ibid. 15.

<sup>25</sup> Ibid. 14.

<sup>26</sup> Ibid. 15-16.

<sup>27</sup> Ibid. 12; reading E. Balibar, ‘La violence: idéalité et cruauté,’ in *La crainte des masses: politique et philosophie avant et après Marx* (Paris: Editions Galilée, 1997).

the homeless to the unemployed,' is thoroughly muted.<sup>28</sup> Contributions to negative social and environmental consequences, which emanate from the market, are civilised in the overtures of formal equality and respect for individual liberty. Žizek describes this simultaneous recession of violence and the promotion of market forms as the 'two faces of Bill Gates:' the face that publicises a fight against subjective violence (racism, poverty etc.) hides another face, which is, in fact, the agent of systemic violence. The businessman, Žizek says, 'who gives millions to fund education has ruined the lives of thousands thanks to his financial speculations and in doing so created the conditions for the rise of the intolerance he denounces.'<sup>29</sup>

It is the two faces of Bill Gates, which the viewer witnesses in the milkshake scenarios. There is a stark difference between Plainview and the Dutch engineer, in terms of their involvement in ultra-subjective violence. Plainview rages in a bowling alley. He has blood on his hands. He is rough with his son. He shouts at employees and is callous in terms of how he treats the environment. There is, by contrast, no comparative engagement on the part of the engineer. The viewer sees him negotiating with colleagues and listening to everyone's viewpoint. He shows great emotional awareness and maturely discusses points of conflict with anyone willing, from the journalist to his teenage son. Yet, despite this distinct difference in terms of engagement in subjective violence, the viewer struggles with the feeling that each businessman has more than one face, which he might or might not show to viewers. Profit is not made in mature discussions with the son, nor is it sourced in a bowling alley with a bowling ball. Profit is generated in systemic conditions that create oppression and exploitation in the cycle of production and exchange. In this critical respect, in the generation of ultra-objective violence, the two characters look more alike. In the advert, for example, there remains an equal potential for violence underlying key components of profitability: how a Dutch company obtains contracts to drain the natural resources of Malaysia, where it gets its labour, how many hours and in what conditions employees or contractors are required to work. Driven underground by the company's capacity to present only one face in the advert, if the violence of these sorts of decisions were to be illuminated, the contribution of the two characters – in terms of their participation in ultra-objective violence – would be assessed as roughly the same.

*Bad guy dressed in black (or the possibility of contradiction)*

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<sup>28</sup> Ibid. 12.

<sup>29</sup> S. Žizek, 'Nobody has to be vile.' (2006) *London Review of Books*, Vol. 28.



Frictionless capitalism captures something critical about the era of CSR. It captures the frustrations of politics and political participation in relation to outcomes generated in the market. It goes some way to explaining the deep sense of dissatisfaction that burdens political actors, who try to challenge or contest the activity of powerful corporations. Each challenge that members of the public (or government, even) make in opposition to business is met by the reassurances of a congenial figure like the Shell engineer. Against the engineer, there is no specific evidence of antinomy: responsibility is dissipated, diverted and displaced. He tends to agree with whatever concerns members of the public raise: agreement costs him and his company little, insofar as they together retain the capacity to deliver the fitting response. The engineer apologises profusely for negative impacts caused to society and environment by market activity, and yet, he is in no way bound to act on the apology or to abide by more robust social and environmental standards. It is enough for the engineer and the company to be seen to be taking public concern ‘seriously,’ and to demonstrate this seriousness by making self-selected adjustments to products and services, or by employing a range of non-financial indicators in the annual report. The transition between public protestation *against* business and the address of public concern is *smooth*, rather than frictitious, in these critical respects. Frictionless capitalism betrays the drive in CSR to portray the corporation never as an enemy of the people, but always as a friend, conscientious citizen and partner. This portrayal is frustrating where political claims fall short of penetrating the deeper conscience of corporate actors. Resolution leaves members of the public with a sense that they cannot get a handle on systemic harms generated in the market.

Disconnects and problems of visibility play a crucial role in the generation of a frictionless atmosphere. Everything negative is pushed away from the supply chain, towards members of the public. Beyond the proliferation of disconnects, however, there is something about conflict or friction, which lends itself to a smooth transition between society and the market. Conflict, following need (in Chapter 4), is polyfunctional: it services both political and psychic ideals about what it is to be the ‘active’ or political subject, and the market’s appetite for continued consumption at the same time. Brought proximate to the market, conflict loses its contextual specificity – moral, social or political – to become indicative of fundamentally economic and consumptive concerns. Conflict roots itself in disagreement about need, or more precisely, about how need is managed, serviced or responded to in and around the market. Discontent and dissatisfaction, like positive communications of desire, facilitate the crucial move Baudrillard identified in *The Mirror of Production*: ‘from the abstract to the concrete, from the qualitative to the quantitative, from the exchange value to the use value of labour.’ This move makes it difficult to raise conflict with corporate actors: even frictitious claims are presented in terms that corporate actors are used to handling. ‘You can’t stop the thing we call progress.

You can't stop the thing we call change,' Charles Kettering said to his business colleagues in 1929; 'but you can get in tune with it.'<sup>30</sup> Keep the consumer dissatisfied! Then, every move is antithetical to the possibility of challenging or contesting the role of markets in society where, translated into economic phenomena, the possibility of friction is always already *neutralised*.

It is relatively easy to see how this neutralisation occurs when the material expression of conflict takes place *in* the market, or in the domain of activist shopping. In performing an act of boycott, or 'buycott',<sup>31</sup> in protest against earlier or anticipated market activities, activist shoppers indicate the value of one production over another. They deliver an extended communication on the terms of dissatisfaction and discontent, revealing personal preferences and how market actors might secure consumer loyalty in the future. The presence of friction in this communication is of particular import. As Joseph Heath and Andrew Potter say in *The Rebel Sell: how the counterculture became consumer culture*, 'it is the non-conformists not the conformists who are driving consumer spending. The observation is one that anyone working in advertising will find crushingly obvious. Brand identity is all about product differentiation; its about setting the product apart from others.'<sup>32</sup> Thomas Frank makes a similar point in the collection *Commodify Your Dissent*. 'Rebellion,' Frank says, 'continues to perform its traditional function of justifying the economy's ever accelerating cycles of obsolescence with admirable efficiency [...] symbolising endless, directionless change, an eternal restlessness with "the establishment" – or more correctly, with the stuff the establishment convinced him to buy.'<sup>33</sup> The drive for distinction, difference and authentic individuality divides the market up: it generates the prompt for diversification. But, where energies expended for the purpose of distinguishing the self are reinvested in products and services, 'nothing is ever totally lost,' as Baudrillard says.<sup>34</sup> 'Change is never waste,' echoes Kettering, 'it is improvement, all down the line.'<sup>35</sup> The rebel communication allows actors in the supply chain to adjust economic activity to avoid over-production or stagnation in one area. Friction, in the meantime, is 'functionally integrated and neutralised by processes of differentiation and redistribution.'<sup>36</sup>

It is not just conflict from within the market that is choked and sanitised. The smooth transition between demand and supply extends beyond the sphere of 'activist shopping,' or beyond the 'conscious psychology of prestige and differentiation.'<sup>37</sup> Baudrillard condemns the

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<sup>30</sup> C. Kettering, 'Keep the consumer dissatisfied,' *Nation's Business*, 17, no. 1 (January 1929), 30-31.

<sup>31</sup> The purchase of products or services that meet established social and environmental criteria – Micheletti refers to buycott as a form 'positive political consumerism.' Micheletti, *Political virtue and shopping*, 50.

<sup>32</sup> J. Heath and A. Potter, *The rebel sell*: (UK, Capstone, 2005). 106.

<sup>33</sup> Frank and Weiland, *Commodify your dissent: Salvos from the baffler*. 151.

<sup>34</sup> Baudrillard, *Mirror of production*. 145.

<sup>35</sup> Kettering, 'Keep the consumer dissatisfied.'

<sup>36</sup> Ibid. 126.

<sup>37</sup> Ibid. 57; Baudrillard would seem to be distinguishing his thesis from Thorstein Veblen's 'conspicuous consumption,' T. Veblen, *The theory of the leisure class: An economic study in the evolution of institutions*:

individual ‘metaphysically over-determined as a producer by the code of political economy.’<sup>38</sup> He criticises ‘the abstract and generalised development of productivity,’ as man’s ‘movement and generic end.’<sup>39</sup> Everyone looks like they are shopping all the time, in Baudrillard, defending identity through the appropriation of signs about production and consumption. The expression of need and desire in *close proximity to*, or even from outside, the market is as capably and smoothly ingested by market actors. Conflict in all forms of social and political life becomes an everyday affair for the market actor capable of making the necessary transformation (into economic phenomena). In ‘Event and Non-Event,’ Baudrillard talks about this neutralisation of conflict in terms of dynamics of disintegration and re-integration, or ‘oppositions that reciprocally cancel one another out, levelling every conflict.’<sup>40</sup> In his 1981 classic, *Simulacra and Simulation*, Baudrillard systematises the sense of immobilisation, working the neutralisation of friction through a complete collapse of reality and the emergence of the society of simulation.<sup>41</sup> Baudrillard emphasises not just the dematerialisation of friction, but the capacity of friction – or ‘scandalisation,’ as he refers to it – to regenerate the flagging humanism of markets: ‘capital, immoral and without scruples can only function behind a moral superstructure and whoever revives this public morality (through indignation, denunciation etc.) works spontaneously for the order of capital.’<sup>42</sup> The public in division, dissatisfaction and discontent confer upon the market an unending source of productivity, whilst their own heterogeneity transforms itself into immobility.<sup>43</sup> ‘A gigantic involution that makes every conflict, every finality, every confrontation contract in proportion to this blackmail that interrupts, neutralises, freezes them all,’ says Baudrillard dramatically. ‘No longer can any revolt, any story be deployed according to its own logic because it risks annihilation [...] only simulacra of conflicts and carefully circumscribed stakes remain.’<sup>44</sup>

This is not to say that the materialisation of friction, or the effort to protest or challenge market outcomes, never interrupts the cycle of exchange nor never creates problems for actors in the supply chain. Accountancy firm Arthur Anderson was brought to its knees by revelations of complicity in corruption with Enron executives. Lehman brothers collapsed after the extent of its sub-prime commitment became apparent. However, the creation of industry specific inconvenience and interruption is not of the same order as ‘contradiction’ – that great bastion

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(New York: Macmillan, 1899). Early influence in Baudrillard, *The consumer society : Myths and structures*.

<sup>38</sup> Baudrillard, *Mirror of production*. 31.

<sup>39</sup> Ibid. 30-31.

<sup>40</sup> J. Baudrillard, *In the shadow of the silent majorities*. (Los Angeles, London: Semiotext(e), 2007). 122.

<sup>41</sup> J. Baudrillard, *Simulacra and simulation*. (Ann Arbor: University of Michigan Press, 1994).

<sup>42</sup> Ibid. 14-15

<sup>43</sup> The power to deepen and extend the markets is attributed to the discontent (or conscientious) here, rather than the disinterested masses (the group usually accused of deepening consumption); ‘conscious raising’ and ‘raising of the unconscious’ is the source of extended productivity for Baudrillard. See Ibid. 86. Also, see J. Baudrillard, *In the shadow of the silent majorities*. (Los Angeles, London: Semiotext(e), 2007). 33-77.

<sup>44</sup> Ibid. 33-34.

of friction and source of the revolutionary imagination.<sup>45</sup> The bonuses of the bankers have long outlasted the fate of Lehman Brothers. The instinct for ‘creative accounting’ endures, despite concerted efforts to deal with the implications of Enron at the time. Friction from these events generates a brief respite or remission; perhaps even some portion of responsibility is attributed for the mass of harms. Yet, this respite is not able to generate long-lasting break or subversion of the system. ‘By expanding the field of social abstraction to the level of consumption, signification, information and knowledge,’ says Baudrillard, ‘by expanding its jurisdiction and control to the whole field of culture and daily life, even to the unconscious, that system has resolved the partial contradictions connected with economic relations of production.’<sup>46</sup> Where brief respites tend to flood the system with conflictual claims, they take place at the risk of strengthening the morality of capital, or of ‘purging and reviving moral order, an order of truth in which the veritable symbolic violence of the social order is engendered.’<sup>47</sup> A revival of this order is what emerged after both Enron and the credit crisis: an aggressive capitalist boom followed one, an aggressive insistence on the extended application of markets and the private sector the other.<sup>48</sup>

This view of friction in the market explains why, in the final scene of *There Will Be Blood*, it is not the preacher, or another opponent of capitalism, who rejects the hand of friendship (as a way to insist on the corporation being enemy not friend). It is Plainview – the oilman himself – who insists on conflict in the market. ‘I broke you and I beat you,’ he says. ‘I told you I would eat you up! I told I would eat you!’ Plainview insists on antagonism with the preacher, even though it is clear in the film that he does not believe in the ‘reality’ of the opposition (Plainview makes clear his suspicion that Sunday is a ‘false prophet’ and a corrupt businessman. We see Plainview witness the preacher’s many financial deals). Plainview insists on conflict with the preacher and others, acting in ways that always *admit the possibility of another side*: he holds meetings with the community, undergoes a humiliating baptism and admits to abandoning his son. Plainview insists on friction in the film, whenever he holds a stake in the materialisation of conflict, rather than its subsequent neutralisation. ‘To seek new blood in its own death, to renew the cycle through the mirror of crisis, negativity or anti-power,’ says Baudrillard, ‘this is the only solution-alibi of every power, of every institution attempting to break the cycle of its irresponsibility and its fundamental non-existence.’<sup>49</sup>

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<sup>45</sup> K. Marx, *et al.*, *Capital* 2nd edition (Chicago: Encyclopædia Britannica Inc, 1990). Drawing on the aspiration: Hardt and Negri, *Empire*. 234, yielding contradiction out of crisis. Harvey, *A brief history of neoliberalism*. 203, the failures of capital bringing about contradiction.

<sup>46</sup> Baudrillard, *Mirror of production*. 142

<sup>47</sup> Baudrillard, *Simulacra and simulation*. 15

<sup>48</sup> ‘Mr Cameron has suggested that the private sector will march unbidden into the economic space left by a shrinking state.’ P. Stephens, ‘The tensions behind Cameron’s puff and PR,’ *Financial Times*, 15 June 2010 (London: FT Press, 2010).

<sup>49</sup> *Ibid.* 19

Conflict allows Plainview to regenerate his firm's power and productivity. Plainview is able to rely on conflict for this, because he is confident of company's capacity to neutralise resistance. Plainview is confident in this respect because the conflictual subject is *always already on the same side* (everyone in the film comes to him with different stories, but everyone is after his money). 'I am the third revelation! I am the third revelation,' says Plainview, angrily at the end of the film.<sup>50</sup> Plainview reveals an order in which business figures pass from one side of conflict to the other, seamlessly. They labour simultaneously on friend and enemy sides. So befits Žižek's portrayal of the executive engaged in ruthless speculation, whilst retaining an interest in CSR on the side.

### *Thrown out: the cycle of abandon*

CSR is all about the practical and pragmatic. It lives and breathes on the belief that no matter what his inevitable faults, the congenial engineer is preferable to the depraved loner in the bowling alley. Even if the engineer seeks the security of a competitive advantage in friction and its neutralisation, at least his firm's interest in this is 'responsive.' Whatever friction he registers in and around the market, the engineer includes in a subsequent release of products and services. The observer is brought back here to the depiction of the market as a place capable of universalising freedom on the part of individuals. Subject to certain trade-offs, the market allows the individual to freely express the self and, critically, to be received and *recognised* thus. Even if economy is a sphere in which domination or power inequalities reign, or in which desirous individuals are contained and homogenised, there remains the promise of recognition or inclusion. 'Together the pull factor of capitalism and push factor of social justice activism use market logic and niche market competition, to broaden the global horizon of transnational corporations,' say Micheletti and Stolle.<sup>51</sup> 'Capitalism [via CSR and activist shopping] is helping capitalism to develop a face of social justice.'<sup>52</sup> If market incentives can be relied upon, over time, to gradually enhance or broaden the process of inclusion, acknowledging and responding to more members of the public, containment might be – the argument goes – a trade-off worth making. It might be worth making where the neutralisation of conflict is equated with the prospect of resolution for frictitious individuals. The market is democratised; friction is more widely noted and contained.

Read against Baudrillard, however, the thesis cautions once more against this pragmatic

<sup>50</sup> P.T. Anderson, *There will be blood*, 130.

<sup>51</sup> M. Micheletti and D. Stolle, 'Fashioning social justice through political consumerism, capitalism and the internet.' (2008) *Cultural Studies* 22(5): 749-769. 764.

<sup>52</sup> Ibid. 750.

argument for CSR and for markets. It adds this caution to the one developed in Chapter 4, regarding the degradation of liberty in the turn towards the market for politics. It deliberately stacks these cautions together to guard against the impression of too flighty a critique of CSR (that the liberation is ‘low-quality’ risks pushing further forward the market’s pragmatic side). The second caution counsels against a turn to the market for politics, not just because the result is disempowering for participants, but because of the more shocking reality: that it simply does not work! More in the way of visibility regarding the needs of individuals does not necessarily lead to them being subsequently recognised or included. It does not necessarily lead to equality, justice or the redress of harm in dominant social order. Baudrillard identifies the relevant faultline in *The Mirror of Production*, when he talks about the ‘reinforcement of separation,’ as consequent to the ‘autonomization’ of the economic sphere.<sup>53</sup> In ‘Event and Non-Event,’ Baudrillard identifies a persistent zone of exclusion: ‘globalisation believed it would succeed through the neutralisation of all the conflicts towards a ‘faultless’ order – but, this neutralisation, in its turn, is never final [...] No reconciliation possible. There is never an armistice between antagonistic forces, nor possibility of an integral order.’<sup>54</sup> In *Simulacra and Simulation*, Baudrillard speaks of the ‘constraint to confess and speak’ – the temptation to reveal everything to the social order in the hope of inclusion.<sup>55</sup> Against this instruction, Baudrillard witnesses the persistence of the remainder: an excess that cannot be integrated or ‘segments that the “social” isolates as it grows.’<sup>56</sup> From this perspective, not even the degraded kind of freedom observed at Glastonbury festival is universalisable. Yes, everything in and around the market is *functionally integrated*, as Baudrillard would say. But, beyond this, there persists a remainder: a zone of exclusion bereft of corresponding advantages, or recognition, which stands to the outside.

Baudrillard, of course, is not alone in identifying the failures of capitalist political economy in this respect. Parallels with other authors are emergent. Bauman, for example, talks about the ‘seductions’ of the market and its availability as a sphere for the realisation of individual freedom. Yet, he quickly counters the prospects, in this respect, with a key qualification: ‘whatever its subjective and systemic advantages, [consumer freedom] cannot be extended indiscriminately to all members of society.’<sup>57</sup> Bauman identifies the critical obstruction in terms of economic capacity or affluence: ‘there is always a level below which the monetary resources of an individual are too small to render freedom of choice truly seductive.’<sup>58</sup> The

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<sup>53</sup> Baudrillard, *Mirror of production*. 149.

<sup>54</sup> Baudrillard, *In the shadow*. 123-124.

<sup>55</sup> Baudrillard, *Simulacra and Simulation*, 137.

<sup>56</sup> Ibid. 144.

<sup>57</sup> Bauman, *Freedom*. 67.

<sup>58</sup> Ibid. 67, 84. Bauman makes the same argument (in an extended form) in Bauman, *Consuming life*. 117-150. identifying the excluded as the ‘collateral casualties of consumerism,’ 126, ‘the poor of today (that is, people who are ‘problems’ for the rest) are non-consumers, not unemployed.’

needs of these people are still managed and controlled – for Bauman also understands the satisfaction of need as an important link in the reproduction of social power – but they are managed by alternative mechanisms, such as the provision of social welfare.<sup>59</sup> This emergence of an alternative mechanism for the excluded is important, where it underlines how goods and services acquire value in the market (and so how the principle of supply and demand actually operates). ‘In order to employ consumer freedom as its major medium of social control and integration, the late capitalist system evidently needs to juxtapose freedom with its opposite, oppression,’ says Bauman, ‘not only to deal with the inescapable side-costs of symbolic rivalry between consumers, but also, and above all, for the symbolic value of difference.’<sup>60</sup> The attractiveness of consumer freedom depends on the persistence of a correspondingly less attractive alternative, against the possibility of which the individual is motivated to buy. The limit to the market, in other words, plays a role in the generation of capital meaning or value, and the hierarchy of products in the market. Resurrected in a system of signs, it substitutes for the real signs of denial.<sup>61</sup>

Baudrillard’s work here also parallels Giorgio Agamben in certain respects. Agamben also addresses a persistent zone of exclusion and abandonment as the other side to the relentless and accelerated extension of productivist rationalities.<sup>62</sup> In his 1998, *Homo Sacer: Sovereign Power and Bare Life*,<sup>63</sup> Agamben develops a distinction between bare life (‘*zoe*’) and political existence (‘*bios*’), contrasting ‘the simple fact of living common to all living beings’ and the ‘form or way of living proper to an individual or a group [...] a qualified life, a particular way of life.’<sup>64</sup> Agamben’s work observes the gradual inclusion or integration of *zoe* (natural life) into *bios* (political life). This, for Agamben, marks the emergence of *biopolitics*.<sup>65</sup> This simple distinction between natural life and political life, exclusion and inclusion, or between the life deemed to be without value and the life that is eminently productive, references a split in the constitution of the modern political subject. ‘It is as if what we call “people” were in reality not a unitary subject but a dialectical oscillation between two opposite poles,’ says Agamben; ‘on the one hand, the set of the People as a whole political body, and on the other, the subset of the people as a fragmentary multiplicity of need and excluded bodies.’<sup>66</sup> One pole is as essential to the constitution of being or value as the other: ‘just as belonging to a

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<sup>59</sup> Bauman, *Freedom*. 67-70.

<sup>60</sup> Ibid. 70.

<sup>61</sup> Baudrillard, *Simulacra and simulation*. 2.

<sup>62</sup> On the parallels between Agamben and Baudrillard, identifying a ‘seeming slide into the inhuman,’ see G. Coulter, ‘Intersections and divergences in contemporary theory: Baudrillard and Agamben on politics and the daunting questions of our time.’ (2005) *International Journal of Baudrillard Studies*, 2(2).

<sup>63</sup> G. Agamben, *Homo sacer : Sovereign power and bare life*. (Stanford, California: Stanford University Press, 1998).

<sup>64</sup> Ibid. 1.

<sup>65</sup> Ibid. 3.

<sup>66</sup> Ibid. 114.

class can be shown only by an example – that is outside of the class itself – so non-belonging can be shown only at the centre of the class, by an exception [...] exception and example are correlative concepts [...] they] come into play every time the very sense of the belonging and the commonality of individuals is to be defined.’<sup>67</sup> Bare life, or a zone of existence to the exterior of political life, accounts for the symbolic value of *bios* (political life), as the source of difference and distinction. ‘There is politics because man is the living being who, in language, separates and opposes himself to his own bare life,’ says Agamben, ‘and at the same time, maintains himself in relation to that bare life in an inclusive exclusion.’<sup>68</sup>

It is precisely this ‘inclusive exclusion,’ which rises up against the promise of universal freedom in the market. It rises up, that is, where it testifies to the incapacity of the market to rid economy of alienation (the excluded), or to come up with the ‘perfect’ delivery of products and services, so as to completely resolve the desire of consumers. Certainly, by virtue of the universal deployment of the system’s criteria on bare life, everything is included – or more accurately, marked – by the market. Life, assessed for the capacity to create value or legitimate supply in products or services, is always ‘functionally integrated,’ as Baudrillard said. Yet, contemporaneous to a process of establishing what can be thus valorised, the market generates a corresponding indicator: of that in society which is *not useful and not valuable*, of that which is redundant and can be abandoned by business actors in the market. ‘Life is abandoned either in the name of the security of markets and private property, or by the investment and distribution decisions of corporations,’ says Joshua Barkan, reading Agamben in this context.<sup>69</sup> ‘Here,’ says Agamben, ‘the decision is not the expression of the will of a subject hierarchically superior to all others, but rather represents the inscription within a body of the *nomos* of the exteriority that animates it and gives it meaning.’<sup>70</sup> The inclusive exclusion describes a situation in which society and environment are everywhere ‘marked’ (exposed and functionally integrated), but marked on the proviso that some things must be condemned to a state of abandonment and exile.<sup>71</sup> These things are not ‘free’ of the market: they are abandoned after they have been submitted to the weight of productivist rationalities and to which the excluded maintain a key relationship. ‘He who is banned is not in fact simply set outside the law, and made indifferent to it,’ says Agamben, ‘but rather, abandoned by it, that is, exposed and threatened on the threshold in which life and law, outside and inside,

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<sup>67</sup> Ibid. 22.

<sup>68</sup> Ibid. 8.

<sup>69</sup> Or, rereading Agamben! Barkan shifts his analysis of state power and sovereignty to the market, discussing the multiple trajectories according to which life is valorised and non-valorised in market society, J. Barkan, ‘Use beyond value: Giorgio Agamben and a critique of capitalism.’ (2009) *Rethinking Marxism* 21(2): 243-259. 243. See also on the lives that can be dispensed in the application of market logic, W. Montag, ‘Necro-economics: Adam Smith and death in the life of the universal.’ (2005) *Radical Philosophy* 134: 7.

<sup>70</sup> Agamben, *Homo sacer*. 25-26.

<sup>71</sup> Ibid. 27, Agamben is emphatic: ‘law is made of nothing but what it manages to capture inside itself through the inclusive exclusion of the exception: it nourishes itself on this exception and is a dead letter without it.’



become indistinguishable.’<sup>72</sup> He who is banned so stands testament to what the market system cannot integrate, and to a zone of exteriority that constantly reproduces itself alongside economic exchange. Critically, this interjects a need for further exchange, to eradicate or transform exteriority. The banned are the source of validity for subsequent deliveries of products and services, underwriting the perpetuity of the economic cycle and the drive for inclusion in markets anew.

Common to all three accounts of the market unable to universalise freedom or its benefits – Baudrillard’s, Bauman’s, and Agamben’s – is the proposition that incapacity is irredeemable, either logically (Baudrillard, Agamben), or in practice (Bauman).<sup>73</sup> This insistence on systemic or structural incapacity has two consequences of import to the current analysis. The first concerns the general will to correct or protest imbalances in need from the market. Even where there is a strong desire – individual, corporate, common – to guard against negative impacts, or to remedy those that have materialised in a second wave of responsiveness, the structural incapacity of the system remains present all the while. It remains obstructive. Each attempt to overcome exclusion or the oppression of certain groups is undercut by the ‘bio political fracture’ (Agamben) or ‘binary structural scission’ (Baudrillard), responsible for the generation of value.<sup>74</sup> Agamben identifies precisely this undercutting when he describes politics in the West as paralysed, unable to push past the fracture that it takes as its object: ‘today’s democratic-capitalist project of eliminating the poor classes through development not only reproduces within itself the people that is excluded, but also transforms the entire population of the Third World into bare life.’<sup>75</sup> Baudrillard speaks to it, too, indicating that even those better accounted for (or benefiting from) the system cannot overcome the inclusive exclusion in question. ‘We see them desperately attempting to divest themselves of a portion of the spoken word, of redistributing a part of the responsibilities in order to avoid a boomerang of the kind that occurred in May, 1968, but they *cannot* do it [...] because it is a system of production, it can only reproduce itself. It can no longer achieve any symbolic integration.’<sup>76</sup>

The second consequence concerns the transparency of needs around the market. If there is no way for the market to rid itself of alienation and exclusion, being more transparent about need is not always constructive or entirely rewarded. On the contrary, where increased visibility about need is a critical component of how the system reproduces itself, or generates distinctions and hierarchies in values, the tendency towards revelation or visibility becomes a

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<sup>72</sup> Ibid. 29.

<sup>73</sup> Bauman, *Freedom*. 67. Not a logical necessity but a practical one.

<sup>74</sup> Agamben, *Homo sacer*. 179, fracture. Baudrillard, *Mirror of production*. 27.

<sup>75</sup> Agamben, *Homo sacer*. 179.

<sup>76</sup> Baudrillard, *Mirror of production*. 145, 146.

complicit and integral part of how repression arises in markets. Visibility prepares the ground for alienation and subsequent exclusions. It is the foundation stone of the ability to control exposed and needy individuals. Bauman highlights this darker aspect to visibility in his discussion of social welfare. He says of the system's tendency towards infantilization of its human objects: 'their privacy is violated at will by unannounced visits of the experts in health hygiene and education; welfare payments are offered only in exchange for full confession and total exposure of the most intimate aspects of life to the inquisitive officials.'<sup>77</sup> Bauman's point here is that revelation and increased visibility about needs, for people managed by the welfare system, is not a sign of empowerment, guaranteed satisfaction or responsiveness. On the contrary, the demand for enhanced transparency about their state of being is enacted precisely because *they have already been excluded* from one system – 'the normal, the legitimate, the socially approved' system of the market.<sup>78</sup> The needs that they expose to the second system – social welfare – already bear the weight of this peremptory exclusion. They are differentiated from that of the ordinary citizen: 'the client of welfare is a failed citizen, someone who evidently cannot exercise his own freedom.'<sup>79</sup> This differentiation detracts from the urgency of meeting the needs of the already excluded a second (third, fourth or fifth) time. Ardent requests for inclusion fall flat, as the voice is already differentiated and degraded in the system. There is no compulsion to respond because it is a voice rigorously excluded; it no longer registers in normal fora.

Baudrillard describes subjects in this situation as 'transpolitical figures.' They are transparent to the point that nothing is out of bounds in relation to them and nothing prompts remedial action. They are figures, in relation to which, *violence or inhumanity is already tolerated*; their needs and their suffering are no longer compelling or remarkable.<sup>80</sup> Agamben, famously, deploys the figure of *homo sacer*: 'a human victim who may be killed but not sacrificed.'<sup>81</sup> The status of *homo sacer* is defined by the double exclusion and the consequent exposure to violence: 'the sacredness of life, which is invoked today as an absolutely fundamental right in opposition to sovereign power, in fact originally expresses precisely both life's subjection to a power over death and life's irreparable exposure in the relation of abandonment.'<sup>82</sup> Together, Baudrillard and Agamben underscore the emergence of an obscene kind of transparency and exposure, which destabilises and degrades the human object. This obscenity is critically

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<sup>77</sup> Bauman, *Freedom*. 69.

<sup>78</sup> Ibid. 69.

<sup>79</sup> Ibid. 69.

<sup>80</sup> Stuck in situations where they are asked repeatedly to reveal themselves, yet they are excluded as often. They are figures 'marked out no longer worthy of our justice but only of our affection and social charity,' and 'no longer worthy of our punishment and death but only of experimentation and extermination.' Baudrillard, *Simulacra and simulation*. 135. See also, 'Transpolitical figures,' in J. Baudrillard, *et al.*, *Revenge of the crystal : Selected writings on the modern object and its destiny, 1968-1983*. (London: Pluto, 1990). 163-198.

<sup>81</sup> Agamben, *Homo sacer*. 55.

<sup>82</sup> Ibid. 55.

important, where it contains within it the power for a serious reversion, as regards the ideality of transparency and visibility. According to modern instincts, in the words of Baudrillard, ‘everywhere socialisation is measured by exposure to media messages [...] everywhere information is thought to produce an accelerated circulation of meaning, a plus value of meaning, homologous to the economic one that results from the accelerated rotation of capital.’<sup>83</sup> But, cognisant of the fundamental fracture or split that this picture contains, what emerges is a situation in which ‘information dissolves meaning and dissolves the social.’<sup>84</sup> More transparency does not just exclude a guarantee that the banned will be subsequently included. It also contains within a point at which transparency lends itself to enhanced control, subjection and immobilisation. ‘Amplification is a mortal trap,’ says Baudrillard, ‘and not a positive extension.’<sup>85</sup> Over-exposure of this kind testifies to a distinct lack of capacity to block or divert from information requests. Rigorous and persistent exposure without guarantee, or without equivalent exchange, is recognisable as a sign of disempowerment in and of itself. So befits the depiction of the most vulnerable in global society on our TV, year after year, captured in the ravages of war, grief and famine. They are captured and stand there before their global audience, without any chance of relief.<sup>86</sup>

The significance of all this – of this cycle of abandonment and exile that sits at the heart of political economy – for the current enquiry into CSR and activist shopping is great. It is great, in the first instance, because CSR is a mechanism that precisely pitches itself as being on the second wave, trying to counter or eradicate extant exclusion, or trying to fill the ‘split’ that divides the people. It observes how exclusions have materialised in the first wave. It then directs a second wave of improved ‘responsiveness’ towards eradication, for which it employs a more ‘inclusive’ configuration of products and services. To say that this second wave never reaches a final resolution – that its moment of liberation is permanently deferred, or always one step behind the spread of bare life – significantly takes the wind out of the concept’s sails. It destroys CSR’s basis for legitimisation and makes mockery of its process and aspirations. The critical destruction of the market method is rendered all the more complete, in the second instance, in light of the corresponding reversion implied in the pressure for visibility (of desire, of social and environmental preferences). The persistent struggle to secure visibility, and to bring more of society and environment into a place where their value is made utterly transparent to economic actors, becomes not only misguided, but also politically dangerous. At best, the extending elaboration exacerbates the problem of corporate power: drawing more into the market facilitates economic growth in an open invitation to corporate actors to secure

<sup>83</sup> Baudrillard, *Simulacra and simulation*. 80-81.

<sup>84</sup> Ibid. 80-81.

<sup>85</sup> Ibid. 86.

<sup>86</sup> Badiou captures the degradation perfectly in A. Badiou, *Ethics : An essay on the understanding of evil*. (London: Verso, 2001). 13, ‘the haggard animal exposed on our TV screens.’

productivity through servicing social and environmental preferences. At worst, however, the emphasis on visibility induces a new risk: that of extending the spectre of bare life, of social isolation and a division between extremes, all behind the visage of more responsible business. CSR, according to this view, does not eradicate the ‘race to the bottom,’ nor the presence of ‘sweat-shops.’ It simply pushes them deeper and further out of sight, all the while depending on their persistence for the next line of economic flight.

The Chapter ends probing that first comparison between the depraved loner in the bowling alley and the congenial engineer. Probing, that is, for an understanding of what unites the two scenes, despite their different depictions of conscientiousness and responsibility. Observe two scenes about drinking milkshakes and two scenes about the extraction of oil. Now observe two scenes united in their main characters’ capacity to regenerate dividing lines between the valorised and abandoned, the included and excluded. What divides the two scenes about milkshake, as such, is not a capacity to resolve social and environmental problems, or defend non-economic value (neither does this). Rather, the main distinction between the two scenes is in terms of how the two oilmen are motivated or willing to see themselves. The congenial engineer, mindful of the need to be responsive, is part of the political endeavour Agamben identifies: ‘to fill the split that divides the people by radically eliminating the people of the excluded.’<sup>87</sup> He hopes to do this, one-day, when he designs the perfect alignment of products and services. Long hours in the office lie ahead, where he will think about how his new drill might resolve existing dissatisfactions, and not how the new drill will create new dividing lines - not to mention the tantamount abandonment of his son, as he rushes off once again to work, or to a corporate conference room in Malaysia.

By contrast, oilman Plainview never, in the first place, fears the dividing line: he is at all stages fully aware of the antagonism his activity generates and the sacrifices that he must make. He is fully aware and accepting of the visibility of conflict that he insitigates, as his name ‘Plain-View’ suggests. ‘I truly wish that everyone could be saved – but it is just not the case,’ Sunday sermonises over Plainview’s baptism, ‘the doctrine of universal salvation is a lie.’<sup>88</sup> ‘You will never be saved if what?’ the preacher demands of the witnessing congregation. ‘IF YOU REJECT THE BLOOD,’ the congregation reply in joyful recrimination. Plainview stands before the congregation. He admits to all the compromises that he has made in exchange for the pursuit of profit: ‘I am a sinner [...] I am sorry Lord.’<sup>89</sup> He admits to his sins and murders: ‘I am a sinner [...] I am sorry Lord.’<sup>90</sup> In the last instance, the preacher asks Plainview to

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<sup>87</sup> Agamben, *Homo sacer*. 33.

<sup>88</sup> Anderson. ‘There will be blood script’. 122.

<sup>89</sup> Ibid. 125.

<sup>90</sup> Ibid. 125.

repent for sending his son away – the one sacrifice that wounds the oilman, the only one in regard to which Plainview is momentarily lost in the possibility of contradiction. Yet, Plainview pushes through any lingering doubt and, thinking of what he gains in exchange (more land, more land, more economic pursuits) he makes, with some emotion, the final declaration: ‘I have abandoned my child, I have abandoned my child, I have abandoned my son.’<sup>91</sup>

So then, Mr Plainview, be saved.

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<sup>91</sup> Ibid. 125.

## Chapter 6

### Resigning Space

‘...it occurred to me what a simple thing reality is, how easy it is to make it work.  
It’s just reality.  
Just housework. Just a home.  
Like running a simple machine.  
Once you learn to run it, it’s just a matter of repetition. You push this button and pull that  
lever. You adjust a gauge, put on the lid, set the timer. The same thing, over and over.’

*Haruki Murakami*

‘One has the impression that publicity images are continually passing us,  
like express trains on their way to some distant terminus.  
We are static; they are dynamic.’

*John Berger*

From the open space of the ancient Greek agora, to the activist arena that is today’s World Social Forum, the notion of ‘space’ plays an important part in politics and the political imagination. Space is important in politics, first, where it presents itself as the locus or site in which human existence – and so political activities – take place. ‘With the advent of Cartesian logic [...] space had entered the realm of the absolute. As Object opposed to Subject, as *res extensa*, opposed to, and present to, *res cogitans*, space came to dominate, by containing them, all senses and all bodies,’ said Henri Lefebvre in his classic, *The Production of Space*.<sup>1</sup> The availability of space is of second (and related) importance, where it critically lies behind the

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<sup>1</sup> H. Lefebvre and D. Nicholson-Smith, *The production of space*. (Oxford: Blackwell, 1991). 1.

individual's endeavour to realise the true self. 'Symbolic ordering of space and time provide a framework for experience through which we learn who or what we are in society,' says Harvey in *The Condition of Postmodernity*.<sup>2</sup> Individuals act out and imagine who they are in and through the spaces available to them – 'life unfolds in space and time' – and find that their character and potential is ordered by the spatial structures that surround them – space 'usually constrains but sometimes liberates processes of becoming.'<sup>3</sup> Individuals look for open space in order that they might take charge of their own practices and representations. 'Virtuality operates on space,' Hardt and Negri say; 'space that merely can be traversed must be transformed into a space of life; circulation must become freedom.'<sup>4</sup> The people, usually through democracy, try to institutionalise open space, in order that they might generalise the condition of autonomy, civil and political freedom. They seek to increase the chance of autonomous movements through space, on account of which society on the whole benefits. 'My primary concern is to promote the recognition of a public space,' said Claude Lefort<sup>5</sup> 'A space which is so constituted that everyone is encouraged to speak and to listen without being subject to the authority of another, that everyone is urged to will the power he has been given.'<sup>6</sup>

It is precisely this public or political space that seems to be lacking in relation to 21st century global economy. Academics, activists, NGOs and campaign groups, all testify to the closure, collapse and co-option of spaces, ordinarily expected to be made available to politics and political participation. They remonstrate the loss of the open and undetermined expanse, which Lefort speaks about, where space in market society is increasingly of a kind in which needs are always already ordered and organised. Negri and Hardt capture this closure, or this 'colonisation,' when they say of the productivist rationalities: 'there is nothing, no naked life, no external standpoint that can be posed outside this field permeated by money.'<sup>7</sup> The powers of imperial intervention, constituted by private actors in the market, radiate so extensively that space is, for Negri and Hardt, 'completely immersed in the bio-political context of the constitution of Empire.'<sup>8</sup> Klein, similarly, in *No Logo*, describes global corporate actors 'attempting to enclose our shared culture in sanitised and controlled brand cocoons.'<sup>9</sup> Outside of this enclosure, it is hard for activists and global citizens to find their footing, or to construct alternatives: 'no space, no choice, no jobs' confines the political community or individual. In

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<sup>2</sup> D. Harvey, *The condition of postmodernity : An enquiry into the origins of cultural change*. (Cambridge, MA, Oxford, Victoria: Blackwell Publishing, 1990). 214, See also 210-236, on the experience of time and space.

<sup>3</sup> Ibid. 211, 213. Reading Foucault: the space of the body as a site for social practices and the containment.

<sup>4</sup> Hardt and Negri, *Empire*. 361.

<sup>5</sup> C. Lefort, *Democracy and political theory*. (Cambridge: Polity, in association with Basil Blackwell, 1988). 33.

<sup>6</sup> Ibid. 41.

<sup>7</sup> Hardt and Negri, *Empire*. 32.

<sup>8</sup> Ibid. 36.

<sup>9</sup> Klein, *No logo*. 442-443.

her 2007 book, *The Shock Doctrine*, Klein proves her point in a discussion of how the most unexpected, or (morally) inappropriate, happenings are drawn into the market.<sup>10</sup> War, crisis and natural disaster, Klein discusses for their capacity to double as available spaces for the generation of value (she talks about big business done in Iraq and after hurricane Katrina as examples). The point for Klein is that even the seemingly truest political and moral space that there is – i.e. moments of collective trauma – cannot distinguish itself or excavate itself from economic compulsions. No space stands free from domination, repression or exploitation by market forces. The market draws upon life, and uses that life to extend the economic cycle.

This lack of open space is distressing for politics on two levels. First, it is distressing at the level of the individual. Presented with spaces that are always already full – saturated in some way with more dominant rationalities or social actors – the individual is prevented from pursuing its own process of becoming: the domination of space ‘separates a body and a mind from what they can do.’<sup>11</sup> Second, the lack of public space is distressing to the extent that it communicates a bigger limitation of political experience, which affects the public’s capacity for participation in the production of social order, more generally. In a political environment where space is saturated by price, the public are limited and obstructed in their efforts to (quoting Lefort) ‘exercise public authority and supervise its exercise.’<sup>12</sup> They are limited, that is, because they cannot find the necessary distance (or gap) from the market or productivist rationalities, which they need in order to make a public adjudication on the exercise of private power. There is no gap because the political space that Lefort insists on, ‘between the administration of power and political authority,’ is always already occupied to a significant extent by price.<sup>13</sup> This occupation limits the potential for political contestation and public debate: there is no real ‘competition of views.’ The public are presented with order or outcomes without any real sense that they are the ‘genesis’ of that outcome – that they are the ‘author.’ Klein speaks of ‘moments where democracy seems a practical impossibility,’ and a ‘claustrophobic sense of despair,’ which descends on political participants.<sup>14</sup> Hardt and Negri talk about corruption of the individual’s social and political experience: ‘through corruption, imperial power extends a smokescreen across the world; command over the multitude is exercised in this putrid cloud in the absence of light and truth.’<sup>15</sup>

This feeling of complete enclosure (Hardt and Negri), and the accompanying sense of despair (Klein), are important where they go some way to explaining why members of the public

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<sup>10</sup> N. Klein, *The Shock Doctrine*.

<sup>11</sup> Hardt and Negri, *Empire*. 390.

<sup>12</sup> Lefort, *Democracy and political theory*. 169.

<sup>13</sup> Ibid. 29.

<sup>14</sup> Klein, *No logo*. 442.

<sup>15</sup> Hardt and Negri, *Empire*. 389.



practise CSR. They explain why the public return to the market a second (or third) time, even when they have suspicions that manipulation, or ‘greenwash,’ is rampant in these contexts. Whatever the state of space in market society, the market continues to give rise to events, crises and scenarios. These events demand a response from the general public, insofar as they implicate, or affect, them as individuals. They implicate and affect individuals either at the stage before products are released (as the source of economic demand), or afterwards (as the *locus* of the impact: where harm materialises). Implicated thus, the public are drawn to *respond* to stimuli produced by the market and, even indeliberately, find that their actions can be constructed or interpreted as a response to the market (as in the Glastonbury example). But, if the system demands attention to the dilemmas that it internally creates, consequent is the fact that there is no external space. There is no external (legal or political) space into which the individual might withdraw in order to generate the non-marketised response: every space in sight is colonised or co-opted by more powerful social actors or rationalities. On the back of this political incapacitation, or this containment in the market, members of the public make the turn towards shopping, as the only surviving space available for political intervention or action. ‘The consumer society exists,’ says Miller, ‘when, as in industrial societies today, most people have a minimal relationship to production and distribution such that consumption provides the only arena left to us through which we might potentially forge a relationship with the world.’<sup>16</sup>

The lack of ready and workable alternatives has been used to explain the turn towards CSR at various stages in the thesis. Yet, there is an additional element, for which this pure lack fails to account. In particular, this view fails to account for the *amount of enthusiasm* with which members of the public typically approach activist shopping and CSR. Participants regularly discuss shopping engagements in positive or political terms (rather than in terms of resignation, coercion or utter passivity). Micheletti, for example, talks about ‘new modes of citizen engagement.’<sup>17</sup> She describes activist shopping as a form of participation, ‘which involves responsibility taking by citizens in their everyday, individual-orientated life arena that cuts across the public and private sphere.’<sup>18</sup> Micheletti describes shopping not as a graveyard space, (sadly) still available to the individual, but as a shift in forum and activity appropriate to contemporary political life and civic activity: ‘gone are the ideas of solving political problems solely in the political system and mobilising for action on the basis of established political identities, ideologies, and organisational settings. Flexible thinking and flexible involvement is part of individualised collective action.’<sup>19</sup> When activist shoppers turn towards the market for political expression, henceforth, they do so *not in ignorance* of a shift in the kinds of spaces

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<sup>16</sup> Miller, *Acknowledging Consumption*, 17.

<sup>17</sup> Micheletti, *Political Virtue and Shopping*, 24.

<sup>18</sup> Ibid. 29.

<sup>19</sup> Ibid. 33.

contemporaneously made available to politics, but *fully cognisant* of the pressing occupations. Here, and against the prospect of closure and colonisation, activist shoppers identify the very same mixing up of discourse – the blurring of political and economic signification, or space – as a unique political opportunity – ‘much better than Hannah Arendt’s nostalgic utopia of political space.’<sup>20</sup> The mix up provides new opportunities to the political subject, to return to politics and the market, and reclaim whatever unconquered or recyclable space that they can find, appropriate to politics and political expression. Inventive, they return to claim whatever space that they can find or recover amidst all the confusion, and make the most of a transitional landscape: everything is ‘up for grabs.’

From this perspective, CSR and activist shopping resonate with something much bigger politically: the endeavour to use the energy of individuals to *bust out of the enclosure*, and to resurrect political space. They resonate with the effort to anoint politics anew with the sense of empowerment and autonomy, which comes with the open expanse, the blank canvas or the space yet to be determined. Klein captures the mood, when she talks about a surge of civic opposition in response to the enclosure of the public in sanitised brand cocoons.<sup>21</sup> Politics is radicalised, not pacified, for her (in *No Logo*), the more that powerful corporate actors try to absorb public energies. In *The Shock Doctrine*, Klein links scenes of resistance more specifically to the question of space, discussing how existing space (saturated and commodified) might be transformed by creative activity: ‘existing spaces may become vacant, susceptible of being diverted, reappropriated and put to use in a different form.’<sup>22</sup> Hardt and Negri, similarly, decry the extent to which individuals find themselves thrown, or smoked, out of spaces ordinarily associated with political aspiration. Yet, they deploy the creativity and energy of the individual against the possibility of a permanent eviction. They invoke a ‘rebound from the resistance of the multitude against imperial power,’ and attribute to this rebound ‘a reverse process of generation and composition, a moment of metamorphosis that potentially frees spaces for change.’<sup>23</sup> Members of the public are encouraged to throw themselves into the rebound: to catalyse and designate it, to appropriate it and use it to establish new residencies. They do so instinctively, for Hardt and Negri, where the ‘virtual’ powers that reside in the multitude are such that they invariably contest and put pressure on the border of the possible: ‘the temporal regimentation of labour and all the other economic and/or political measures that have been imposed on it are blown apart.’<sup>24</sup> Thrown out by an old and

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<sup>20</sup> Hardt and Negri, *Empire*, 387.

<sup>21</sup> Klein, *No logo*. 441.

<sup>22</sup> Ibid. 446.

<sup>23</sup> Hardt and Negri, *Empire*. 210.

<sup>24</sup> Ibid. 357.

repressive order, participants are driven to ‘be against’ in every place, until these spaces become their own.<sup>25</sup>

There is something important in this animation and activity of individuals. Individuals searching for new space testify to the great wealth of social and environmental concern caught up in the market. Figures and statistics that speak of the popularity of CSR register the momentum of the individual, pit their potentiality against depoliticisation, deception or utter passivity. They reject the possibility that enclosure in the market is final, or that there is nothing, anymore, that participants overwhelmed by the power of the market can do about it. Projected through the search for space, activist shoppers distinguish interventions that they make from (what they fear) those of the automated moron, buying Fair Trade on the instruction of economic actors. The stakes for political society are high, in this respect, because of what stands behind the individual: all too recent episodes, which concern the absolute violation of individuals and individual rights. Too cognisant of the spectre of totalitarianism in the 20th century, and of very real instances in which individuals have been threatened with debilitating levels of oppression or erasure, the animation of individuals testifies to the most emotive of survivals. ‘The Nazi tried in vain to destroy the enormous power that naked life could become,’ say Hardt and Negri, ‘to expunge the form in which the new power of productive co-operation of the multitude are accumulated.’<sup>26</sup> The resurrection of space is underwritten by this insistence on the moral inalienability of the human subject. Agamben, in his poetic *Remnants of Auschwitz*, captures the overlying sentiment: ‘the atrocious news that the survivors carry from the camp, to the land of human beings, is that it is possible to lose dignity and decency beyond imagination, and yet, there is still life in the most extreme form of degradation.’<sup>27</sup>

Distinguishing the individual from the automaton, or emphasising the active as opposed to the passive subject, recovers something critical to the continuation of politics. Sassen identifies it perfectly when she says, ‘there is something to be captured here – a distinction between powerlessness and the condition of being an actor even though lacking in power.’<sup>28</sup> Registering animation returns *presence* to political activity. Participants make claims on space; they exercise rights in opposition to others. ‘Once the opposition of the individual to society was its substance,’ add Adorno and Horkheimer.<sup>29</sup> They quote Nietzsche on the ‘bravery and freedom of emotion of an individual before a powerful enemy,’ as a measure for how presence might be observed or registered.<sup>30</sup> Klein, Negri and Hardt, are noticeable where it is this sense of

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<sup>25</sup> Ibid. 211, ‘if there is no longer a place that can be recognised as outside, we must be against in every place.’

<sup>26</sup> Ibid. 366. Reading Agamben.

<sup>27</sup> G. Agamben, *Remnants of Auschwitz : The witness and the archive*. (New York: Zone, 1999). 69.

<sup>28</sup> Sassen, ‘The repositioning of citizenship and alienage.’ 92.

<sup>29</sup> Adorno and Horkheimer, *Dialectic of Enlightenment*, 153-154.

<sup>30</sup> Ibid. 154, quoting Nietzsche, *Gotzendämmerung, Werke*, Vol. VIII, 136.

bravery in opposition, which they seek to resurrect and recover. All three authors testify to the courage of the individual, in opposition to the power of the corporation. They see every battle for space as evidence of the resilience of political subjectivity, reflexivity and the possibility of meaningful intervention, even in situations where presence has previously been broken or submerged.<sup>31</sup> To lose sight of this positive and resilient aspect of political participation is – for these three authors and many more besides – to insult individuals who have shown such ‘bravery.’ It is also to project the end of political struggle as it is known and recognised today. To admit defeat, or declare the subject and space ‘dead’ (for it is the inextricable entwinement of the two noted here) is, as Negri and Hardt read Agamben’s analysis of those violated in the camps, ‘to accept the verdict of the SS and repeat their gesture.’<sup>32</sup>

### *Confused: saturated*

The persistence of space, as an empowering political facility, is enigmatic not least because it has simultaneous logical and reckless aspects to it. The search for space is logical where it is space that is closed, co-opted and saturated. It is thus space to which the subject must return in order to recover political capacity. Individuals return to look for disused spaces, which they might recycle or reappropriate (Klein: people’s reconstruction efforts). They return to build capacity in spaces where activities go in some way unobserved (Hardt and Negri: the individual unobserved at the level of ‘virtualities’). Recovering space is logical, where it precipitates the return of the subject to the status or condition in which they ‘once were’ (adopting the ‘once’ of Adorno and Horkheimer: of the hopes of the enlightenment). Yet, simultaneously, the search for space is utterly reckless, where there is all but universal agreement as to the underlying pathology: the persistent co-option or corruption of space by powerful social actors. Even the advocates of space express their agreement in great measure: ‘there is nothing, no naked life, no external standpoint that can be posed outside this field permeated by money.’<sup>33</sup> Space is full of great risk because the subordinated actor, animated by space, *returns looking for precisely what has been denied* in the first place. Driven to find new space, it uses what is left of its energies – after it has been subjugated, muted or co-opted – to turn around, and go straight back in, looking for the scarcest of commodities. If space is always dominated and yet, it is space that has to be found, the incline for politics is steep from the outset.

Several notable factors contribute to this incline. First, members of the public are caught in a space in which powerful social actors (such as corporations) are well attuned to the status and

<sup>31</sup> Klein, *Shock doctrine*. 466; Hardt and Negri, *Empire*. 394.

<sup>32</sup> Agamben, *Remnants of Auschwitz*. 63.

<sup>33</sup> Hardt and Negri, *Empire*. 32.

availability of space. They make it their business to know its contours, content, condition and rivalries. They employ whole teams of marketing consultants and experts to track changes in the landscape, or to identify where the next gap in the market might occur. By contrast, public actors are typically forced to make claims on space from a subordinate position, somewhere lower down the hierarchy. Everything that they try to say, or every space that they try to claim, is forced into a battle with more powerful voices from the economic and productivist rationalities. This makes the search for space unequal from the start. Yet, from there, this search is made even more challenging – exhausting even – on account of the never-ending quality of the fight. Participants are forced to struggle repeatedly, over and again, to *keep* any space that they find permanently open. Each space that they find is always at risk of later being co-opted or colonised by the profiteering actor. This risk of being colonised only ever grows on account of the pliability of space: the extending spectre of capital takes on an ever wider range of communications, as it becomes more adept at transforming value into financial products. Klein refers to this never-ending quality of the fight when she says, in *The Shock Doctrine*, that the recovery of space is as much about the attempt to build resilience, as ‘authoring’ outcomes, in preparation ‘for when the next shock hits.’<sup>34</sup>

Second, the ‘mirror of production’ also complicates and compromises the search for space. It affects the ability of space to cleanse itself of domination. It undercuts the prospector’s ability to find a reserve capable of producing intervention, or allowing the construction of alternatives. The production of space is not tiring because ‘power is everywhere’ or is ‘everywhere ready to corrupt.’<sup>35</sup> Corruption does still remain threat: it is how economic rationalities make themselves known. Yet, where the illumination of new space is also what the corporate actor is hungry for, the subordination of the individual goes much deeper than the category of corruption suggests. The insistence on need regenerates the moral and political superstructure of the market. Transparency prepares the road for commodification. In this, the individual finds itself, or its own orientation towards activity, to be always integrated with a bigger series of instructions from power. ‘Liberating ourselves, expressing ourselves at whatever cost, voting, producing, speaking, deciding, participating, playing the game:’ the individual so animated by activity does not act only on their own instincts.<sup>36</sup> The same instruction – be animated, be active – also comes to the individual from power.<sup>37</sup> Members of the public are face to face with the system in what Baudrillard describes as a ‘double situation or ‘double bind.’ The situation is double where the system requires them to ‘constitute themselves as

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<sup>34</sup> Klein, *Shock doctrine*. 466.

<sup>35</sup> Hardt and Negri, *Empire*. 389.

<sup>36</sup> Baudrillard, *Simulacra and simulation*. 85.

<sup>37</sup> Ibid. 83.

autonomous subjects, responsible, free and conscious, and to constitute themselves as submissive, inert, obedient or conforming objects, both and at the same time.’<sup>38</sup>

To see this positive aspect of how power works on the individual – makes them active and expressive – disturbs the proposed terms upon which agency takes place. The observation undermines an exclusive focus on the extent to which the individual is corrupted: made to constitute itself as a pure object. ‘This strategy is more reflective of the earlier phase of the system, and even if we are still confronted with it, it is no longer the strategic terrain,’ says Baudrillard.<sup>39</sup> The observation makes *banal* the identification of spaces that might have escaped domination: the residue that might return to interrupt an actualisation or bring about change. The observation becomes banal, for Baudrillard, not because the remainder does not exist: on the contrary, it is everywhere. The observation is banal because the elaboration of *space does not go against* the system. The individual active in the excavation of space acts in a way that is altogether anticipated by the system’s demands: ‘they are going in the direction of the system, whose imperative today is, precisely, the overproduction and regeneration of meaning and speech.’<sup>40</sup> ‘Of course!’ – Baudrillard might be understood as saying – of course: a residue remains after co-option, which cannot wholly be made passive by power. And, of course: whatever remains goes against preceding or current institutionalisations. Even the productivity of the system’s dominant actors depends upon it! In divergence the cycle is regenerated; in divergence the system finds the space to expand and concentrate. ‘We are faced,’ says Baudrillard, ‘not with the pure and simple inversion and promotion of remainders, but an instability in every structure and every opposition that makes it so that there is no longer even a remainder, because the remainder is everywhere. It annuls itself, as such.’<sup>41</sup>

This inversion catalyses the observer into a different political perspective. It asks them *not* to think about power in terms of how removed it is from reality (i.e. how it uses hierarchy to deny subjects their own reality or alienate the subject from itself). Power is wholly integrated or immersed with the energy of participating individuals. It works *from the bottom up*, with the naturalism of the individual’s own instincts. This integration of the individual in power provides an alternative explanation for what is politically exhausting about aggressive marketisation in the 21<sup>st</sup> century. Politics in late capitalist society is exhausting, because even where members of the public feel like they act on their own instincts, a ‘conjunction between the system and its extreme alternative,’ of which Baudrillard speaks, undercuts the possibility

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<sup>38</sup> Ibid. 84-85.

<sup>39</sup> Ibid. 85.

<sup>40</sup> Ibid. 86.

<sup>41</sup> Ibid. 146.

of autonomous intervention.<sup>42</sup> The conjunction gets in the way of space being appropriated *against* market actors, or acquiring a stable meaning independent of economic exchange. 'It becomes impossible to locate one instance of the model, of power, of the gaze, of a medium itself, because you are always already on the other side,' said Baudrillard.<sup>43</sup> There is no way to distinguish agentic activity from the proliferation of simulacra and simulation. At any juncture, the possibility exists that desire is no more than an 'effect of power,' or its own survival operation. 'Take your desires for reality is the ultimate discourse of power.'<sup>44</sup> Baudrillard's statement signals a change in the way power maintains itself: 'a switch from the panoptic mechanism of surveillance (*Discipline and Punish*), to a system of deterrence, in which the distinction between active and passive is abolished.'<sup>45</sup>

This brings the thesis back to the metaphor of the question and answer session (Chapter 4). Everything that comes to the individual from the social assumes the status of a question, to which individuals compliantly (in action) return a response: 'you are no longer watching the TV, it is the TV that watches you (live), or again, you are no longer listening to 'Don't Panic,' it is 'Don't Panic,' that is listening to you.'<sup>46</sup> The individual reaches a state of passivity not because they are transparent or co-optable: 'the eye of the TV is no longer the source of the absolute gaze and the ideal of control is no longer that of transparency.'<sup>47</sup> Compliance occurs at a deeper level, in the generation of instincts, acts and activities: 'as the 'policing' television [...] looks at you, you look at yourself in it, mixed with the others, it is the mirror without silvering (tain) in the activity of consumption, a game of splitting in two and doubling that closes this world in on itself.'<sup>48</sup> In the 'vicious curvature of political space,' individuals see their desire on the supermarket shelf, mixed with others. Desire is polluted with the incentive to produce profit (co-opted, exploited). But, more than this, political perspective itself comes to be corrupted in the society of simulation. Use value versus exchange value, generation versus corruption, genuine desire versus the commercial compromise, the identification of difference and opposition is permanently fudged. Did you want that vest about Hackney, or did the seller want you to want it? Does Glastonbury make you more imaginative, or is the whole experience a carefully constructed mirage? Am I the new model for business, or am I just another Plainview? The list, the existential and political dilemmas, go on.

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<sup>42</sup> Ibid. 18.

<sup>43</sup> Ibid. 29.

<sup>44</sup> Ibid. 18.

<sup>45</sup> Ibid. 29. See also J. Baudrillard, *Forget Foucault*. (Los Angeles: Semiotext, 2007). 'The ideal of control is no longer that of transparency. This still presupposes an objective space (that of the renaissance) and the omnipotence of the despotic gaze.' 29.

<sup>46</sup> Baudrillard, *Simulacra and simulation*. 29

<sup>47</sup> Ibid. 29.

<sup>48</sup> Ibid. 76.

Baudrillard calls these chaotic conundrums in meaning and subjectivity the ‘hyperspace of the commodity,’ or ‘hypperreality’ (‘the generation by models of a real without origin or a real’).<sup>49</sup> Desire and subjectivity become ‘free-floating’ (like responsibility in Chapter 3, or signs in Chapter 4). There is nothing capable of guaranteeing reality, or that the subject’s actions are their own. ‘No more subject, no more focal point, no more centre or periphery pure flexion or circular inflexion.’<sup>50</sup> Reality is ‘artificially resurrected in a system of signs, a material more malleable than meaning, in that it lends itself to all systems of equivalence, too all binary oppositions, to all combinatory algebra.’<sup>51</sup> Everyone now –public, investor, corporation – is encouraged to ‘delve’ in, to capitalise on the equivalences, to ‘re-invent the real,’ when it has disappeared. Yet, it is the business actor, animated by abstract exchange, who particularly benefits, through the security that this accords competitive advantage. Tesco presents consumers with one vision of reality: every penny counts for the economically challenged (and so real) consumer. Real Foods, presents an eco-alternative: source and origin count for the natural being (and so real consumer). ‘Hyperreality’ denotes the situation where the distinction between the two products is no longer metaphysically verifiable. It falls, instead, to consumers to select between realities, to confirm or rebel against the reality of respective claims. For corporate actors, productivity surges: pliable equivalence makes the accumulation process never ending. For the consumer, however, trying to work through indistinction is exhausting, as businesses shift to the provision of clarifying products, in response to every expression of doubt. Shops offer not ‘signifieds in which to invest, but a simplified equivalence of all the formerly distinctive signs, and deters with this very equivalence.’<sup>52</sup>

What emerges is not an ‘accumulation’ of struggles (Klein, Negri and Hardt: the global network of action in opposition to markets). Exchanging reality for the proliferation of ‘dead differences’ (simulations, duplications, copies), counters and derails the possibility of accumulation.<sup>53</sup> Struggles labour in the absence of an identifiable past, continuum or origin: ‘our entire linear and accumulative culture collapses if we cannot stockpile the past in plain view.’<sup>54</sup> There is no hope for the development of quantitative forces, where there is no reliable way of distinguishing who is on what side. Layer upon layer, civic activities and arguments augment, but their reason or narrative does not necessarily become enchained, nor does it necessarily become disruptive. ‘All determination evaporates,’ says Baudrillard, ‘every act

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<sup>49</sup> Ibid. 1.

<sup>50</sup> Ibid. 30.

<sup>51</sup> Ibid. 2.

<sup>52</sup> Ibid. 89.

<sup>53</sup> Ibid. 8, dead differences.

<sup>54</sup> Ibid. 10.



terminates at the end of the cycle, having benefitted everyone and scattered in all directions.’<sup>55</sup> Corporations act like friendly charities, charities adopt entrepreneurial values, whilst supporters draw on funds from a high interest account: there is no longer any clarity regarding who the manipulators or oppressive figures are (‘you are always already on the other side’). Participants are burdened with the possibility (and the worry!) that even conscientious acts aggravate or multiply domination, when they are looked at from the other side. Gap years, eco-tourism, micro-finance, child sponsorship for Christmas; the landscape flattens and awkward questions emerge about complicity in imperialism or domination. Yet, the system continues all the while: ‘it has never been so clear that content, culture, information, commodities is nothing but phantom support for the operation of the medium itself, whose function is always to induce the mass, and to produce a homogenous human and mental flux.’<sup>56</sup>

### *Tiring the self*

In the supermarket, the health food store, the eco-music festival – the thesis has observed political participants in unorthodox spaces trying to control or limit the market. The thesis has made much of the risk that this endeavour is vulnerable to manipulation. Flat space allows corporate actors to extend commoditisation and their own economic productivity. Yet, in addition to drawing attention to power surges and complicity, it is important to note the extent to which CSR also stands out as a site of *political exhaustion*. ‘The complete commingling of the political, social and the economic in the constitution of the present,’ which Hardt and Negri celebrate in *Empire* (unlike Baudrillard, who distinctly regrets the unholy alliance), has proved difficult to work for the achievement of political objectives.<sup>57</sup> ‘While there are examples of good corporate deeds and genuinely improved behaviours on the part of corporations,’ says Villiers, ‘these examples are sporadic and random and do not indicate a comprehensive or consistent pattern of socially responsible behaviour.’<sup>58</sup> ‘It is important to note that the existentialist emphasis on individual freedom of choice creates not only excitement and exhilaration for the consumer, but also insecurity, frustration, tension, confusion and even panic,’ says Helene Cherrier in *The Ethical Consumer*.<sup>59</sup> This final part to Chapter 6 discusses these ‘low-points’ in CSR, when participants sense that they cannot get to the bottom of social and environmental problems in the market. It reviews what these troughs or frustrations look like after the collapse of space, from the inner view of the activist shopper.

<sup>55</sup> Baudrillard, *Simulacra and simulation*. 47, narrative enchainment.

<sup>56</sup> Ibid. 30.

<sup>57</sup> Hardt and Negri, *Empire*. 387.

<sup>58</sup> Villiers in Boeger, *et al.*, *Perspectives on corporate social responsibility*. 89.

<sup>59</sup> Helene Cherrier, in R. Harrison, *et al.*, *The ethical consumer*. (London: Sage Publications Ltd, 2005). 127.

Total manipulation exacerbates political confusion in the market and, consequently, catalyses exhaustion. However, in addition to the manipulation of powerful social actors, the actions or reactions of public participants contributes to the vacuousness in two critical respects. First, activist shoppers – as earlier noted – act in deliberate defiance of the implosion of meaning. They militate against the wave of simulacra and simulation, returning to reclaim space for another fight or another time. Second, the problem is exacerbated more directly: layer upon layer, the individual returns with a view to reclaiming space, only to find that they are thrown out again. Each time that they return – for the pattern in always already co-opted space is destined to repeat or reiterate – the layers get more dense, the landscape gets more complex. Complexity depletes space progressively: the dense network of individual claims leads to a situation in which the public *saturate or stagnate* social or political space themselves. With so many claims, followed by so many co-options, space becomes deluged. It is hard to turn the situation to any one group's material advantage (unless the actor deals in abstract exchange), since the loss of reality means that there is nothing to shore up clarification. 'Everywhere there are three or four paths and you are the cross-roads: superficial saturation and fascination,' says Baudrillard.<sup>60</sup> 'One can no longer project what project what power what strategy could exist behind this vast saturation of a system by its own forces, now neutralised, unusable or unintelligible, non-explosive.'<sup>61</sup>

The problem is made worse by the fact that the wound created by the system is always being exacerbated, as the individual gets more insistent. The breakdown in representation makes the subject unsure of its environment. It has no real perspective on itself: 'like the signs in advertising one is geared down, one becomes transparent or uncountable, one becomes diaphanous.'<sup>62</sup> Unable to locate the self in a system flooded with superficialities, the individual tries all the harder to re-root or rediscover the self. 'Rhizomic to escape the point of inertia,' the individual is more (not less) insistent about identity and individuality.<sup>63</sup> They do all they can, that is, to avoid the projections of alienation and passivity.<sup>64</sup> It is this insistence on recovering the self, at any cost, which is emergent in *Empire*, for example. Hardt and Negri ground their call for resistance in the virtualities: 'by virtual, we understand the set of powers to act (being, loving, transforming or creating) that reside in the multitude.'<sup>65</sup> They call upon the inner life, or 'liberatory impulses,' of the individual, in order to retrieve space for the self and then set this self in opposition to satellisation in the network. 'Here,' they say, 'is where the primary site of struggle seem to emerge on the terrain of the production and regulation of

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<sup>60</sup> Baudrillard, *Simulacra and simulation*. 91.

<sup>61</sup> Ibid. 40.

<sup>62</sup> Ibid. 91.

<sup>63</sup> Ibid. 91.

<sup>64</sup> Ibid. 85.

<sup>65</sup> Hardt and Negri, *Empire*. 357.

subjectivity.<sup>66</sup> Political subjection is disturbed, in *Empire*, because the persistent attempt to recover space and virtualities, those basic potentialities of the individual, ‘represents an excess of value with respect to the right and the law.’<sup>67</sup> For Negri and Hardt, what individuals do, or whatever spaces they illuminate, bears on the social and productive forms that capital adopts in the future.<sup>68</sup>

To some extent, this is true – the individual does represent an excess value; needs that they reveal will ‘bear on’ forms that market actors later enact. But, ‘bearing on forms’ is not the same as *disturbing* capital. Not recognising the distinction can only lead to qualitative exhaustion. This is particularly the case where a repetitive emphasis on ‘inner life’ brings about a reductive effect of its own on political subjectivity. Žizek captures this effect in *Welcome to the Desert of the Real*, where he identifies a distinct withdrawal of the subject into a private realm. Individuals adopt formulas of private authenticity propagated by the culture industry: ‘from jogging to body building, it is the self that matters,’ Žizek says.<sup>69</sup> The energy of the individual is dedicated to the pursuit of self, identity, maximising the process of subjectivisation. ‘Withdrawal’ occurs, in this context, where the emphasis on liberatory impulses, deep inside the subject, instructs individuals to create their life from the inside out. Everything in politics and the market begins with inner desires. Participants battle to act desires out, as a way of guarding against the risk of implosion or desubjectivisation. However, by digging deeper into the inner self *first*, the political subject makes a critical *turn inwards*, which is defensive and against the idea of the public sphere. Žizek and Baudrillard come together on the point, venting their frustration in a quip against joggers: ‘like dieting, body-building and so many other things, jogging is a new form of voluntary servitude (it is also a new form of adultery).’<sup>70</sup>

Recovering the self, of course, was never meant to be like this, and never more so than in Negri and Hardt’s, *Empire*. After finding the self, the individual is meant to immediately turn around and join in social co-operation or production with others. Hardt and Negri define the individual’s endeavours, or labour, ‘as a power of self-valorisation that exceeds itself *flows over onto the other* through this investment, constitutues an expansive commonality’ [emphasis added].<sup>71</sup> However, after Baudrillard, this flow is obstructed by the persistence of flat space. The critical turn-around, from one actor towards another, is short-circuited; it is hard to manoeuvre and difficult to initiate. The individual trying to make the turn is constantly

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<sup>66</sup> Ibid. 321.

<sup>67</sup> Ibid. 394.

<sup>68</sup> Ibid. 268.

<sup>69</sup> Žizek, *Welcome to the desert of the real*. 85, 86

<sup>70</sup> J. Baudrillard, *America*. (London and New York: Verso, 1988). 38.

<sup>71</sup> Hardt and Negri, *Empire*. 358.

confronted with a mass of simulations, repetition, complicities or negative outcomes. This mass undermines the perceptibility of a link between the self and others, by creating radical uncertainty as to whether or where the turn has occurred. Tense and panicked subjects go back in, more adamant, a second or third time. They are ‘against in every place,’ trying to certify that a turn has been, or is able to be, effected. But, in so doing, they act and re-enact, layer upon layer, the same doubts and uncertainties. In the reproduction of power, they leave behind a map of gaps (which were temporary and promptly closed in consolidation). Then, the more uncertainties and doubts agglomerate in the subject’s mind, the more they turn to the only thing that they are able to be certain of: the authenticity of the starting point. They turn inwards to get their bearings and to reset their co-ordinates. They repeat the act, because uncertainty never relents. The result is a withdrawal of the kind Žižek identifies: concern for others is increasingly related to concern for the self. ‘On their feet and mobile,’ anticipates Baudrillard, ‘the people affect a cool demeanor more supple, contemporary, adapted to the structure of a “modern” space. Seated in their corner, which is, precisely, not one, they exhaust themselves secreting an artificial solitude, remaking their “bubble.” Therein is also a great tactic of deterrence: one condemns them to using all their energy in this individual defense.’<sup>72</sup>

The political consequences are two-fold. First, there is a marked increase in the vulnerability of political subjects. The search for space propels them far and wide in the name of reuse, reclaim or recovery. The journey itself is exhausting – whether it consists of trailing around shops in the search for less offensive products, or putting together a global network of more traditional political strategies. The journey is exhausting not because it is hard work – ‘change life, change society’ was never meant to be easy – but because participants cannot register the stable or positive effects of endeavours.<sup>73</sup> The process breaks the individual, weakens the united resolve of individuals and groups. ‘This is the curse that afflicts the species, this latter breaking up first into individuals,’ says Baudrillard, ‘and in their turn breaking up into scattered particles by the process of inexorable fragmentation.’<sup>74</sup> The individual is too exhausted to make the turn towards others, and so becomes more intent on satisfying the self. They are all the while (or all the more) present in differentiated, discrete and fragmented desire. ‘They rush in lest they miss something,’ as Adorno and Horkheimer say, ‘exactly what it is, is not clear, but in any case the only ones with a chance are the participants.’<sup>75</sup> Similarly, the individual rushes into the market in the era of CSR, only too aware of desire, only too ready to be ‘against.’ Yet, confined to working desire through on the supermarket shelf, ‘no

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<sup>72</sup> Baudrillard, *Simulacra and simulation*. 62.

<sup>73</sup> H. Lefebvre, *The Production of Space*, 59.

<sup>74</sup> J. Baudrillard and C. Turner, *Impossible exchange*. (London: Verso, 2001). 48.

<sup>75</sup> Adorno and Horkheimer, *Dialectic of enlightenment*. 161.

dialectic leads beyond political economy, because it is the very moment of political economy, that is dialectical.’<sup>76</sup>

Second, with individuals vulnerable and easier to overcome (with products in exchange for social concern), the individual is liable to distraction at the critical point. The individual turns inwards to vocalise desire of the self, or to represent the desires of valued communities of others. Yet, in this, the individual becomes thoroughly engaged in a micro process: a wholly consuming political task, where the whole world is painstakingly examined through the lens of the self. At the same time, macro developments, concerning the systemic viciousness of capital across the world, begin to recede from view. They recede, where they are outwith what the individual is able to ‘confront directly and with an adequate consciousness.’<sup>77</sup> They recede where they stretch beyond the individual’s knowledge, confidence or interest. The desire to link the self to each resistance makes political struggle vulnerable to whim, self-interest, ego, personal sympathy and identification.<sup>78</sup> Political causes become an integral part of what Baudrillard identified as the ‘simplified equivalence of all the formerly distinctive signs,’ and so, become a subject of abstract and volatile exchange, like everything else. This changes the message, or the relevance, of conscientious revellers at Glastonbury festival in 2010. With few standing outside the Houses of Parliament, every day, protesting against the scandalous raid on public funds, in a Somerset field, for four days, there stands a field of 150,000, full of (wasted) transformative energy.

Of course, the comparison is provocative and unfair, to both politically motivated at the festival (there are many causes worthy of political struggle and public consideration) and to activists before the banks (many fought long and hard before and after the crisis). But, the discomfort that such a comparison creates should not entirely be repressed or dismissed. Awkward questions are sometimes the most revealing, particularly when it comes to the use or value of dominant political strategies. So let Part 2 end with one final awkward comparison. In the period between 2007 and 2009, the global credit crunch cost governments around the world \$10 trillion.<sup>79</sup> By contrast, in the period between 1959 and 2009, only \$2 trillion was officially made available by the governments of developed economies in the fight against

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<sup>76</sup> Baudrillard, *Mirror of production*. 60.

<sup>77</sup> Hardt and Negri, *Empire*. 399.

<sup>78</sup> B. Limond (aka. ‘Limmy’), *Wristbands* (Glasgow: BBC Scotland, 2010); currently available for viewing at <http://www.youtube.com/watch?v=KDWDoe5y6XM> [accessed 02/08/2010].

<sup>79</sup> A conservative estimate? The figure has been quoted as high as \$18 trillion by some sources, including by the UN Secretary General, Ban Ki Moon. See B.K. Moon, ‘Come together, right away,’ *International Herald Tribune* 02 July 2009 (France: Dunbar-Johnson, 2009): ‘surely, if the world can mobilize more than \$18 trillion to keep the financial sector afloat, it can find more than \$18 billion to keep commitments to Africa.’

global poverty.<sup>80</sup> Disparity strikes the observer: the colossal difference in contributions forces a calculation in the mind of how many times the funds presented for the bailout of the banks could clear the debt of the poorest countries, achieve all the Millennium Development goals and eradicate global poverty for a number of years (answer: many number of times for each of the questions).<sup>81</sup> Yet, all the while, the practice of CSR has grown. Figures and statistics are constantly released evidencing this growth, as well as reporting it as an apparently progressive development. The sale of Fair Trade Products has grown by over 50% in seven countries in the last 10 years (including during the recent recession); monies invested in the UK's green and ethical retail funds reached an all-time high in June 2010.<sup>82</sup> But, what does it all mean, when the banks can access the kind of public funds that they did in the credit crunch in a flash? How has the apparent growth of conscientiousness on the part of all market actors presided over the biggest humiliation of government by the private sector in memory? Finally, does the raid on public funds have anything at all to do with how the market (and CSR) distract public attention at the critical point and how they simulate political battles? The questions are awkward, most certainly, but one wonders more how it is that the market and CSR go on everyday without ever having to give a straight answer.

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<sup>80</sup> United Nations Millennium Campaign, 'Financial Industry Receives 10 times more money in 1 year than poor countries receive in 49 years,' Campaign Press release, 23 June 2009. Available for download from website: [www.endpoverty2015.org/.../062309%20Financial%20Crisis%20Press%20Release\\_0.pdf](http://www.endpoverty2015.org/.../062309%20Financial%20Crisis%20Press%20Release_0.pdf)

<sup>81</sup> D. Green. 'How much is 700 billion?'. Oxfam website, 2008, available at: <http://www.oxfam.org.uk/applications/blogs/pressoffice/?p=1775>. Concerned, House of Commons International Development Committee, 'Aid under pressure: support for development assistance in an economic downturn,' (2009) HC 179-1. Reporting a reduction in European aid flows since the credit crisis, UKAN, 'OECD announces 2009 aid figures,' *UK Aid Network* website: [http://www.ukan.org.uk/index.php?id=62&tx\\_ttnews\[tt\\_news\]=9&tx\\_ttnews\[backPid\]=24&cHash=0212350140](http://www.ukan.org.uk/index.php?id=62&tx_ttnews[tt_news]=9&tx_ttnews[backPid]=24&cHash=0212350140) [accessed 02/08/2010].

<sup>82</sup> Anon. 'Global FT sales grow 22% in 2008,' Fair Trade Resource website, 2008; available at: <http://www.fairtraderesource.org/category/media-headlines/> [accessed 02/08/2010]; M. Fagan, 'UK Ethical Investment reaches a high of £9.5 billion,' *Every Investor*, 1 June 2010, available at: <http://www.everyinvestor.co.uk/investing/funds/uk-ethical-investment-hits-record-high-of-9-5-bil> [accessed 20/7/2010].

## **Part Three**

### **Winding Down**

## Chapter 7

### The Art to Revelation

‘Manipulation is constant in the media.  
Even the images of “reality” on television are manipulated.  
The difference in this film is that the manipulation is there to make you aware that you are  
being manipulated, that you can be manipulated.’

*Michael Haneke*

‘Today when human character must be understood as the totality of all social conditions,  
the epic form is the only one that can comprehend all the processes,  
which could serve the drama as materials for a fully representative picture of the world.’

*Bertolt Brecht*

As part of their most recent advertising and brand-awareness campaign, The Royal Bank of Scotland (‘RBS’) launched a series of three TV commercials.<sup>1</sup> The first stars a fisherman from the remote Isle of Skye. The voice-over of the fisherman talks about his reliance on RBS’ services for over 20 years. He discusses the value to the community and local businesses of the bank’s mobile-banking service for the rural areas. The second advert tells the story of a Glaswegian vet. The viewer is proudly told that he has been a RBS customer since the age of 6! This time, the vet’s voice-over discusses the value to busy professionals of the bank’s Saturday opening service. The third advert is a series of snapshots featuring bank staff from

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<sup>1</sup> Royal Bank of Scotland. ‘Here for you’. Commercial advertisements, currently available on RBS website, 2010; <http://www.rbs.com/media/brand-communication/advertising.ashx> [accessed 02/08/2010].



RBS branches across Scotland. Each member of staff says the place-name of where their branch is located. The aim of the third advert is to show that RBS maintains more branches in Scotland than any other bank. The placards show that the bank has branches in every location, from rural locations to city centres. The moral of the story in all three adverts is of a bank going back to basics: valuing customers and rewarding its most loyal supporters by focusing on bread and butter services such as deposit taking, business loans, mortgages, improving accessibility and opening hours. The adverts focus on regional Scotland in order to support the overlying claim that the bank is returning to 'root' post credit crunch and that, contrary to expectation, its interests are local, community orientated and distinctly non-speculative. RBS advertises itself as a bank that can be relied upon and trusted by all its customers. The bank is 'here for you,' as the series title says.

RBS, of course, was one of the main figures implicated in the controversial banking practices that led to the credit crunch. Between 2007-2009, the bank proved to be all of the following: badly exposed to sub-prime debt, lavish in its spending, insatiable in its appetite for risk and fundamentally mismanaged. The result was the biggest loss in UK corporate history, as well as an extensive government bail out: the UK State currently owns 83% of the bank's total share capital.<sup>2</sup> RBS does, therefore, have a lot to make up for when it comes to dependability and prudence with respect to the general public's savings. The adverts do not, however, entirely ignore recent events. They are, rather, part of the corporation's post credit crisis strategy – RBS' effort to win back the public's trust. This strategy is perceptible where the crisis is mentioned several times in the adverts. The fisherman in the first advert, for example, says quickly, cryptically even, 'as the Royal Bank of Scotland, Scotland was certainly let down [by the crisis], but we think the same of RBS, nothing has ever changed for us.'<sup>3</sup> Even though the statement does not altogether make sense (one suspects selective editing), RBS makes a deliberate effort to include the statement to demonstrate willingness to address and respond to criticism of its behaviour. The vet in the second advert, similarly, acknowledges what has taken place and the possibility that it has affected the public's ability to trust the bank's delivery of services. 'RBS,' he says, 'are a friendly bunch and even since everything that has gone on [in the credit crisis], I still trust them.'<sup>4</sup> The adverts show a bank able to win back its customers after the credit crunch. The adverts ask that viewers do the same: trust RBS.

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<sup>2</sup> The stake is held by UK Financial Investments Limited on behalf of government (a 100% government owned company). UK Financial Investments Limited, *Annual Report and Accounts*, HC 132 July 2010. 19.

<sup>3</sup> Royal Bank of Scotland, 'Here for you.'

<sup>4</sup> Ibid.

This thesis asks the audience to read this series of adverts and the situation of corporate actors, like RBS, in a particular way. It understands the claims in the advert against the background of previous misdemeanours. It sees in the intervention that the advert makes a second opportunity for the corporation to perfect the delivery of products and services. This time, however, the opportunity is not just economic but also remedial: the bank promises to not do what it did before and so prevent the rematerialisation of harm. The ability of market actors to do this is linked to CSR and the double play: a policy approach that encourages the corporation to manage its own negative impacts and confers on corporate actors a second chance at playing the market for profitability. The idea is that economic demand is enough to ‘discipline’ and limit corporate actors like RBS: the balance sheet draws a line around what is publicly acceptable in terms of speculative behaviour, and the company limits itself appropriately. The recovery asserted in the RBS adverts is constructed along these lines, where they advertise renewed self-discipline and a more responsible service. RBS shows itself to be taking the opportunity to listen to the public after the credit crunch, before adjusting the delivery of products and services.

Looking at the adverts as a member of the public concerned about the bank’s role in the crisis, however, the recovery that they propose on behalf of RBS is slim and grossly inadequate. RBS’s response is inadequate, in the first instance, because it provides no information, or reassurance, as regards the previous misdemeanour. Certain seemingly basic questions recede from view: what happened in the crisis, who was responsible, how have internal practices and procedures changed in such a way as to distinguish the provision of new services from the problematic service of old. The response in the advert is inadequate, in the second instance, because members of the public who are concerned about these matters have no straightforward way to ask RBS these questions. There is no straightforward way because members of the public are restricted in terms of the language in which they are able to express dissatisfaction. Everything that they wish to say comes down to a decision whether or not they wish to buy from RBS. If the response offered by the bank does nothing to abate concern, or does nothing to answer the public’s questions, there is no fway for the general public to demand a ‘better’, or more in-depth and informative, answer. Answers to the public’s questions, it is assumed, are contained in product responses. For the truth of this content, members of the public are expected to take the corporation’s word.<sup>5</sup>

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<sup>5</sup> In the case of RBS, this is despite the fact that the entity is owned 83% by the UK government. The government has made it clear that the entity will be run as if it were a private entity, with no additional mechanisms for the public to interrogate outcomes. See UK Financial Investment Limited, *Annual Report and Accounts*, 10, ‘UKFI’s Ownership Approach.’ Also, Anon, ‘Royal Rewards,’ *Financial Times*, 25 February 2010, noting the failure of the government to enforce targets on RBS lending and bonuses.

Of course, in the RBS example – and CSR generally – the forum for ‘questions’ concerns a commercial advertisement and not a parliamentary committee or formal public enquiry. There is no general expectation in a marketing context that a corporation will do anything but show itself in a good light; there is no general expectation in a market that businesses will do anything other than sell products and services. But, this goes right to the heart of the problem with CSR. The problem with CSR is not that it is sometimes mistaken for an advert, but that the concept itself is bereft of any way to distinguish what it produces from the vacuousness of commercials. CSR fundamentally confuses market information with politics and public accountability. Misreading advertising as a response to serious questions is exactly what CSR asks members of the public concerned about society and environment to do. ‘In our advertising, we have tried to establish the *market truth* that RBS people have an innate ability to get things done,’ [emphasis added] say the bank.<sup>6</sup> RBS introduces the ‘here for you’ series of adverts on its website with these telling words. They tell us how CSR allows the corporation to respond to an event like the crisis without stepping outside its own language and motivations. The bank welcomes the opportunity to focus on correcting the market-truth, rather than account for the underlying constituents and human parts of the crisis. Like the RBS advert, loathe the RBS advert, or feel completely frustrated by the lack of information in the advert, there is no way for the public to get beyond the reported truth in it. You cannot get beyond it where the languages of shopping and politics are merged.

Critically reproaching CSR on this basis (for the sense of inadequacy or disempowerment that it confers) generates serious problems for politics. The problems unearthed by the critique run deep where it has become clear in the thesis that there is no easy alternative to practising CSR. Debates that pit a market-led resolution of social and environmental problems against state-led regulatory efforts are undercut by the strength of the marketisation, which reverberates in the overlying commitment to market techniques (the source of the double play). What look like two different techniques in the first instance (politics or the market), are brought together in such a way as to suggest an eminently productive space, or enclosure, for the corporation. Even the most antagonistic communication can be transformed into a further basis, on which economic exchange might be extended. From this perspective, the relevance of CSR extends significantly beyond the concept’s most commonly observed materialisations: s172 of the Companies Act 2006, non-financial indicators in the corporation’s annual report, or consumer dilemmas presented by Fair Trade. Market-led CSR references something fundamental about politics in the 21st century, which is forced to take place in a space saturated by the power of the corporation and the transformative seductions of market logic. The problems presented by CSR are those of a system, in which the capacity of participants to constitute value for capital

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<sup>6</sup> Royal Bank of Scotland, ‘Here for you.’

becomes the key operational threshold. The gush that is advertising is hard to reject as the language in which 'truth' takes place. The RBS advert campaign is important because it effects the crucial transformation of all respondents into economic phenomena: consumers, employees and shareholders. In the void of the advert, and in the frustration that the viewer senses, is the absent alternative, of which it is impossible to speak.

This impossibility is the parting shot of Chapter 6. CSR presents not just an inadequate choice to members of the public, but also, in a perceptible sense, no choice at all. There is no space to construct an alternative mode of intervention. There is no alternative space into which the individual might withdraw (for becoming). No matter how unsatisfactory the choices presented by CSR, the public have no choice but to engage in some measure of activist shopping. Responsibility for market outcomes gravitates towards individuals: responsibility is dissipated, diverted and displaced from elsewhere in the supply chain. The public bear the burden of being the ultimate source of market presentations: the last unit of moral reflexivity, the end source of all negativity. In light of this, CSR does not only seduce members of the public with market ideology. CSR does not only appeal to their better judgement (though the ideological power of ideals, such as those articulated by Hayek, remain an important factor).<sup>7</sup> No, CSR presses itself on conscientious individuals, looking for a real or effective release from the burden of social responsibility. CSR presses itself on these individuals in the form of an ultimatum: 'practice CSR' (be responsible in shopping choices), or 'people perish' (be willing to stand by your complicity in suffering, or worse). The public comply in fear of falling on the wrong side of the ultimatum. They comply because without CSR, they see themselves as having no chance of influencing outcomes. 'The only ones with a chance are the participants,' as Adorno and Horkheimer said.<sup>8</sup>

The sign of this ultimatum brings the public to a distinctly uncomfortable threshold in market society. Even when the problems with CSR are exposed – disempowerment, manipulation, surges in productivity – there is no way to disengage from CSR. There is no way *not to buy* the Fair Trade product, as a protest against the viciousness of the self-regulating market. Deprived of choice or alternative, and of that crucial capacity, which Hayek associated with agency (the chance to decide whether the prospects of a particular occupation are sufficient to compensate for the related disadvantages), it is not the great (or big!) society of free individuals that

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<sup>7</sup> Indeed, it is almost universal practice when criticising Hayek to recommend the power and simplicity of his ideals; it is not surprising, with this simplicity always to the foreground, that the critical moment often does not arrive. McCormick, 'Spontaneous order and the rule of law: Some problems:' trying to negotiate this terrain – power and simplicity versus the necessity of critique.

<sup>8</sup> Adorno and Horkheimer, *Dialectic of enlightenment*. 161. Baudrillard, *Simulacra and simulation*. 65, 'the masses throw themselves at it not because they salivate for that culture which they have been denied for centuries, but because they have for the first time the opportunity to massively participate in this great mourning of a culture that in the end they have always detested.'

emerges. Shoppers have not the choice nor autonomy, which merit freedom in name. It is, instead, the image of *The Matrix*, which stands before participants: the vision popularly associated with Baudrillard since the 1999 film.<sup>9</sup> All members of the public can do, according to this vision, is slot into their designated corners, plug into Baudrillard's society of simulation: 'one is placed in orbit, one is plugged in, one is satellised, one is archived – paths cross; there is the sound track, the image track, just as in life there is the work track, the leisure track, the transport track, all enveloped in the advertising track.'<sup>10</sup> Deprived of the prospect of agency, it is not the individual, but the system, or market, that makes events, in which a colourless public is forced to participate (sign up for products and services). 'It is not by chance that advertising, after having for a long time carried an implicit ultimatum of an economic kind, saying, 'I buy, I consume, I take pleasure,' today repeats in other forms,' says Baudrillard, 'I vote, I participate, I am present, I am concerned – the mirror of paradoxical mockery, mirror of the indifference of all public signification.'<sup>11</sup>

The prospect is depressing, bleak and desolate. The collapse in registers is so drastic as to present participants with seemingly no option but to militate on, 'being against' in every place, exhausting the self in the network. As well as (or rather, because of) what this does to agency, the arrival at this threshold has also tended to push a consideration of Baudrillard's philosophy in one of two directions. One says that the world is in the grip of markets, and there is nothing that can be done about it: nothing more meaningful remains. Baudrillard's final chapter in *Simulacra and Simulation* (entitled 'On Nihilism') speaks to this observer. 'The apocalypse is finished,' says Baudrillard; 'today it is the precession of the neutral, of forms of the neutral and of indifference ... I am a nihilist. I observe, I accept [...] there is no more hope for meaning.'<sup>12</sup> The alternative interpretation focuses on the extent to which the diagnosis Baudrillard projects, in relation to meaning and agency, is 'wrong:' either inaccurate in its precepts (e.g. Kellner 'Marxism is not as economistic or as reductive as Baudrillard claims'),<sup>13</sup> or too cataclysmic in its outcomes and conclusions (e.g. Stanley Raffell: 'Baudrillard goes much too far when he claims that never again will the real have to be produced or that simulations provide 'all the signs of the real').<sup>14</sup> Baudrillard's provocative writing style exacerbates the situation, the wilder of his pronouncements tending to draw scorn (e.g. Mike Gane, attributing a 'doom-laden power of false resolution' and 'theoretical-political cruelty' to Baudrillard; Kellner,

<sup>9</sup> A. Wackowski and L. Wackowski, *The Matrix*. (Warner Bros, 1999).

<sup>10</sup> Baudrillard, *Simulacra and simulation*. 91.

<sup>11</sup> Ibid. 91.

<sup>12</sup> Ibid. 160-164. King, 'Baudrillard's later writings demonstrate exactly what critical theorists must not do,' in King, 'Baudrillard's nihilism and the end of theory.'

<sup>13</sup> Kellner, *Jean Baudrillard*. 52. See also critical of Baudrillard's use of terms ('the masses' or 'the social'), M. Gane, *Jean Baudrillard: In radical uncertainty*. (London: Pluto Press, 2000). 10-11, 'he does not define concepts, he does not analyse them, he does not criticise them, he murders them (but, the crime is never perfect).'

<sup>14</sup> S. Raffel, 'Baudrillard on simulations: An exegesis and a critique.' (2004) *Sociological Research Online* 9.

highlighting the destructive effect of his writing style, which he names ‘hypercriticism’).<sup>15</sup> ‘Frequently,’ says Woodward of Baudrillard’s academic reception, henceforth, ‘he has been portrayed as a thinker who has abandoned all effective criteria for critical analysis and judgement, and whose own theory simply exacerbates the indeterminacy and uncertainty that he sees in the current state of society.’<sup>16</sup>

What a waste of good theory – the feeling is overwhelming when the critical power of the society of simulation is either collapsed into melancholy and fascination, or blunted and foiled by a reactionary effort to avoid the descent at all, or disproportionate, cost to the challenge presented in the theory.<sup>17</sup> Or, more seriously, what a waste of critical public concern, if participants continue to ‘battle on,’ in the atmosphereless space that Baudrillard describes, in an endless search for agency. Fighting the simulative diagnosis might seem worth it, insofar as they remain forever active, yet, the risk of exhaustion remains present all the while. The absent prospect of a fundamental reversal or transgression in the system presses upon social actors, particularly where each act runs the further risk – as it does in Baudrillard – of further entrenching the system and extending power and materiality. In addition, what this oscillation between Baudrillard, the passive nihilist, and Baudrillard, the chance provocateur, misses is the central insight, so critical to the appreciation of Baudrillard: that the perception of individuals satellised in the network *comes from within the system*. ‘Catastrophe,’ says Baudrillard, ‘only has this catastrophic meaning of end and annihilation only in relation to a linear vision of accumulation, of productive finality, imposed on us by the system.’<sup>18</sup> Passivity is an effect of the individual being caught and contained within the ultimatum. It is, as such, part and proof of the diagnosis itself. This insight is important to understanding Baudrillard’s critical output and his particular brand of nihilism. Contrary to first impressions (or the image created in *The Matrix*), it is apparent in his work that Baudrillard’s goal is not just to condemn meaning and agency to the ‘precession of simulacra’ (even though speaking of ‘value’s last tango,’ and a system ‘that has the power to pour everything, including what it denies into indifference,’ Baudrillard’s condemnation is certainly vigorous and real).<sup>19</sup> Rather, Baudrillard’s work brings its audience to what he called ‘the horizon of the event’ – a seemingly impassable

<sup>15</sup> M. Gane, ‘Book reviews (of Seduction).’ (1992) *Theory, Culture and Society*, 9(2). 183-184. See also Kellner on Baudrillard’s ‘hyper-criticism.’ Kellner, *Jean Baudrillard*, 53, ‘in general, Baudrillard does not go in for careful, patient and detailed textual readings of his polemical targets. Instead, he takes positions out of context and gives the impression that his goal is destruction,’ and linking this to problems with Baudrillard’s approach, saying he ‘ignores or downplays how individuals can engage in struggle, resistance and alternative cultural practices.’

<sup>16</sup> A. Woodward, ‘Was Baudrillard a nihilist?’ (2008) *IJBS* 9. On the academic legacy, C. Rojek and B.S. Turner, *Forget Baudrillard?* (London: Routledge, 1993).

<sup>17</sup> I term ‘disproportionate cost’ criticism of Baudrillard which is able to agree on key aspects of the critical diagnosis – the rigour, omnipresence and plasticity of economic-industrial rationalities, the loss of reality – but then undercut the power of hyperreality, on the basis of concerns as regards terms, style, precept (Kellner) or an irrational insistence on agency that supersedes all critical rationality (*Empire*).

<sup>18</sup> Baudrillard, *Simulacra and simulation*. 83

<sup>19</sup> Ibid. 155-157, 163

horizon of meaning, but beyond which the power of the system (markets) and the ultimatum it offers participants (here, CSR) loses its grip. This is the central message of Baudrillard: be aware that everything is totally manipulable, and that you too are always the subject of manipulation.<sup>20</sup>

To be taken to this horizon – by Baudrillard, by CSR – is one thing. But, the experience is complicated in all respects by the pressing consideration of ‘what next?’ If taking participants to the horizon, or to the limit point of the market, is to be useful, one assumes it is with a view to pushing beyond the horizon illuminated. Benefits come in getting access to a zone in which the power of its gesture is diluted and undermined. The question of this escape, or this beyond, is one that bears significantly on the reception of Baudrillard’s theory. Baudrillard’s insistence on a limit point, the end of things (meaning, opposition, agency) seems to block all possibility of a view from the horizon. This is where Baudrillard is feared for the collapse into passivity, melancholy and fascination. This is where the instinct to reject the darker implications of his work kicks in. Yet, against this instinct, in particular, this end sits alongside a variety of more positive or active signifiers in Baudrillard’s work. These signifiers suggest, as Woodward argues, that Baudrillard is committed to nihilism of a more complex order.<sup>21</sup> Baudrillard’s insistence, in *The Mirror of Production*, that the system imposes itself on need, once contingent and heterogeneous, testifies to a belief in potentiality, even if it is unable to secure a stable presence in the contemporary social world.<sup>22</sup> Similarly, the objective Baudrillard espouses, at the end of *Simulacra and Simulation*, hints at the presence of a strategy, an overcoming. ‘If being a nihilist is carrying to the unbearable limit of hegemonic systems,’ he says ‘then, I am a terrorist and nihilist in theory as the others are with their weapons. Theoretical violence, not truth, is the only resource left to us.’<sup>23</sup> Baudrillard talks about reversibility, a counter-point in seduction to simulation, the nothing against which impossible exchange takes place, and the end point of that nothing, a point at which nothing else remains.<sup>24</sup> ‘Simulation becomes so perfect a copy that the alibi of the reality principle (the original) becomes untenable,’ says Woodward, ‘for Baudrillard, the completion and overcoming of nihilism would in a sense be simultaneous, just as they are for Nietzsche.’<sup>25</sup> This is the horizon of the event: blunt, cruel as day. This is the challenge that Baudrillard presents to participants.

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<sup>20</sup> A. Riding, ‘The unhappy world of Michael Haneke’. *New York Times*. 6 November 2005 (New York: Arthur Ochs Sulzberger, Jr., 2005). C. Rojeck, ‘Baudrillard and Politics,’ in Rojeck and Turner, *Forget Baudrillard*. 44, ‘consumer culture seduces the soul from us. We cease to question motivation and become mere consuming machines. This is Baudrillard’s message.’

<sup>21</sup> Woodward, ‘Was Baudrillard a nihilist?’

<sup>22</sup> Woodward uses the term ‘richness,’ comparing this to Nietzsche’s emphasis on the ‘highest of values.’

<sup>23</sup> Baudrillard, *Simulacra and simulation*. 163.

<sup>24</sup> Baudrillard, *Impossible Exchange*, (London, New York, Verso, 2001).

<sup>25</sup> Woodward, ‘Was Baudrillard a nihilist?’

'If only Bertolt Brecht could get a hold of the RBS adverts,' muses the viewer watching figures in the adverts testify to the kindness and trustworthiness of the bank. The credit crunch prominent in the viewer's minds, memories of chaotic, uncontrolled and uninhibited financial speculation disturb the reality presented in Skye, Glasgow and all across Scotland. Watching RBS return on the second wave, promising to listen to the public and to act with self-discipline, a double reality presents itself to viewers. This double reality renders the viewer suspicious, suggesting the power of one gesture over another. It draws attention to the power and possibility of theatre, as it is presented in, or by, the market. RBS benefits from one reality, whereby it engages in financial speculation and makes money. It advertises another, always as part of the first (to make money) and yet, this time the emphasis is on responsiveness and conscientiousness. This second reality detracts from, and disturbs, the first. It disturbs all certainty and catalyses simulation. The horizon of the event delivers participants to a critical threshold, where these two levels of reality become simultaneously apparent. The horizon draws attention to a double order, or simulative reality, underlying abstract exchange. The fact that the reality revealed in the adverts (and in the thesis) is of a double order, however, does not in and of itself devalue the act of revelation. It just means that there is a need to be more *artful* about how different levels of reality are probed and revealed, and about what, for participants exposed to the horizon, the follow-up is.

If Brecht were to take charge of the RBS series of adverts, one might imagine that the first thing he would do is dramatise the possibility of manipulation and simulation in relation to them. The Skye fisherman, for example, would stare straight at the camera, as he speaks of the virtues of the bank's mobile banking service. But, he would wink in the middle of praising the bank, his cunning and disingenuousness serving to question and undermine the 'truth' of the bank's claims. The Glaswegian vet, in a similar vein, would talk confidently about the Saturday opening service. But, he would side-smile at the camera as he admits to being a bank customer since the age of 6. The parodic subservience of the smile would signpost the compulsiveness of economic rationalities: even kids at the age of 6 these days are 'fair game' when it comes to the necessity of extending the bank's customer base! In the third advert – the one where numerous members of staff hold-up placards to say where RBS bank branches are based – the staff would lose their glossy smiles, enthusiasm and their sense of ready and willing loyalty. They would, instead, state the variety of banking locations, blank and emotionless. Holding the placards, uttering the minimum in a state of detachment and indifference, staff would testify to the viciousness of the markets in which they were employed. The long list of locations in the placards would advertise the spread not just of the



bank's branches, but also of the corporation's dominion: from the smallest of rural communities (Uig, Skye) to the urban centres of the biggest cities (Corstorphine, Argyll Street).



Figure 5; *RBS à la Brecht*.

Brecht's dramatisations hold characters captive in the adverts – in employment, as customers, as consumers of products and services. They refuse to engage. They look blank and emotionless. If they smile, they do so only to besmirch their collusiveness. Portrayed thus, the dramatisations deprive the scenes of any capacity for empathy or identification. The actors check the truth of their performance and so, achieve what Brecht referred to as *Verfremdungseffekt*: 'to make the incidents represented appear strange to the public.'<sup>26</sup> The stares, the smiles, the placards, the parody and the detachment, are effective in denaturalising events depicted or opening the stage to the spectator's sense of discovery. 'Everyday things are raised above the level of the obvious and automatic,' said Brecht.<sup>27</sup> The wink of the fisherman disturbs dominant accounts of RBS' responsiveness: 'here, there is already an attempt to interfere with the course of nature; the capacity to do so leads to questioning.'<sup>28</sup> The sad smile of the Glaswegian vet draws attention to what is arresting about being a bank

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<sup>26</sup> Brecht, B., 'Alienation effects in Chinese Acting,' in B. Brecht and J. Willett, *Brecht on theatre : The development of an aesthetic*. (London: Eyre Methuen, 1964). 91.

<sup>27</sup> Ibid. 91.

<sup>28</sup> Ibid. 96.

customer since the tender age of 6: ‘the man who first looked with astonishment at a swinging lantern, and instead of taking it for granted found it highly remarkable that it should swing, and swing in that particular way rather than any other, is brought close to understanding the phenomenon by this observation.’<sup>29</sup> The long trail of placards produces, first, estrangement, but later, critical engagement: ‘the actress must not make the sentence her own affair, she must hand it over for criticism, she must help us to understand its causes and protest.’<sup>30</sup> This is Brecht’s epic theatre. The technique draws out ‘whatever in this perfectly everyday event is remarkable, particular and demanding enquiry.’<sup>31</sup>

Brecht’s stage directions generate a sense of political relief, where they carve out for themselves two levels of reality: one designed and represented by the bank in the advert, and another hinted at or projected in the action of the characters. The production of two realities is no mean feat in the contemporary social world: Brecht stages his versions of the RBS adverts in the society of simulation, after the collapse of representation. To secure the two levels requires a certain kind of ‘artfulness’ to revelation. Walter Benjamin, in his 1973 essay, ‘What is Epic Theatre?’ encapsulates this ‘artfulness’ when he attributes to Brecht a critical power of interruption or intermission: ‘the songs, the captions, the lifeless conventions set off one situation from another. This brings about intervals, which if anything, impair the illusion of the audience and paralyse its readiness for empathy. These intervals are reserved for the spectators’ critical reaction.’<sup>32</sup> Similarly, Martin Esslin identifies in Brecht a capacity to elicit something counter to the staging or simulation of reality: ‘Brecht’s answer is clear: the theatre must not only not attempt to create such an illusion, it must do its best to destroy in the bud any illusion of reality as it will continuously, and mischievously, tend to arise.’<sup>33</sup> Brecht secures an interval for reflexivity, which distinguishes participants from the dramatisation before them: ‘the audience must be discouraged from losing its critical detachment by identification with one or more of the characters: the opposite of identification is the maintenance of a separate existence by being kept apart, alien, strange.’<sup>34</sup> Brecht squeezes detachment out of the smallest of enclosures: a trip to the theatre and the space of a stage. Reflexivity emerges because he forces actors to relinquish ownership of their fate and of representation. The actor checks himself, presents himself as alien and so, achieves an historical account of what has come to pass.

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<sup>29</sup> Ibid. 96.

<sup>30</sup> Ibid. 98.

<sup>31</sup> Ibid. 97.

<sup>32</sup> W. Benjamin, *et al.*, *Illuminations* New edition. (London: Fontana, 1992). 149.

<sup>33</sup> M. Esslin, *Brecht : A choice of evils : A critical study of the man, his work and his opinions*. (London: Heinemann Educational, 1973). 110.

<sup>34</sup> Ibid. 110-111.

Distinctions are useful to underline how this horizon – this art to revelation – is relevant to politics and political aspiration. Participants find relief (and release!) in adverts dramatised *à la* Brecht because he brings them to a vantage point: he allows elements of a repressed reality to emerge. The challenge for participants, consequently, is how to sustain that vantage point and not allow it – like everything else – to be ingested by the overtures of the system. Brecht's own thesis on epic theatre is here (after Baudrillard) cut in half. Brecht's call to revolt after revelation is problematic, on account of capacity in the system to 'pour everything, including what it denies, into indifference.'<sup>35</sup> The move from 'awakening the spectators' critical faculty' and 'showing mankind from the point of view of social relationships,' to 'making people clamour for communism,' is perpetually integrated by the organisational dictats of the system.<sup>36</sup> The vantage point that is so hard fought for in Brecht risks being lost: action and reaction, hegemony and resistance, lose their bearings in the precession of simulacra. Foucault, in unexpected collaboration with Baudrillard, says something pertinent here, and against this very risk in particular.<sup>37</sup> 'What makes the domination of a group, a caste or a class, together with the resistance and revolts, which that domination comes up against, a central phenomenon in the history of societies,' he says 'is that they manifest in a massive and universalising form [...] the locking together of power relations with relations of strategy and the results proceeding from their interaction.'<sup>38</sup> With this, Foucault distinguishes the art to revelation – the act of making visible domination in human society – from energies invested in a political strategy (revolt, the clamour for communism). Foucault leaves the distinction hanging at the end of his piece, overpowering his earlier identification of a political target ('not to discover what we are, but to refuse what we are').<sup>39</sup> He leaves it – this distinction, this sense of revelation – hanging without an answer.

No answer: the gap that Foucault articulates is essential. It lends sophistication to his assessment of the retrievals between the subject and power, which is too easily eclipsed by his emphasis on the processes of individualisation and subjectivisation.<sup>40</sup> If revelation of the problems associated with CSR, similarly, can bring participants to a critical horizon, making the revelation work in favour of transformation also begins with this lack, or gap. The act of

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<sup>35</sup> Baudrillard, *Simulacra and simulation*. 163. Brecht on the call to intervention, revolution and transformation, see Brecht and Willett, *Brecht on theatre*. 57-62.

<sup>36</sup> Esslin, *Brecht: A choice of two evils*. 127, and describing the 'epic theatre as the Marxist theatre par excellence.'

<sup>37</sup> The collaboration is unexpected where Baudrillard was so animated in his opposition to Foucault. See Baudrillard, *Forget Foucault*.

<sup>38</sup> Foucault, 'The Subject and Power,' in H.L. Dreyfus, *et al.*, *Michel Foucault : Beyond structuralism and hermeneutics* 2nd edition. (Chicago: University of Chicago Press, 1983). 226.

<sup>39</sup> *Ibid.* 216.

<sup>40</sup> Missed by Hardt and Negri – their *Empire* stagnates at strategy, of the 'refusal to be what we are' (being against in every place, Foucault's challenge to 'promote new form of subjectivity.'). Baudrillard attributes to Foucault only the subjectivisation practices; made him so livid as to write *Forget Foucault*, accusing Foucault of promoting strategies that were 'a mirror of the powers that he describes.' Baudrillard, *Forget Foucault*.

revelation sets the stage: it opens up the horizon or critical threshold. What is exposed – domination and systems that perpetuate domination – comes to acquire a critical sense of unnaturalness and alienation (associated here with Brecht). It acquires this strangeness not in spite of the difficulties associated with transparency, elaborated in Chapter 5, but precisely because of *the tendency of revelation towards over-exposure*. In Brecht's version of the RBS advert, it is not members of the public that are made to bare their soul so much as the market. Customers wink and employees hold placards: they are bearers of the system's logic. The lack of an answer or response (in bodies of the public) allows the moment of strangeness and reflexivity to linger. Left longer, until it is long enough 'the stranger is,' as Benjamin says 'confronted with the situation as with a startling picture.'<sup>41</sup> Wounded is the system with its secrets on show. The system, or the powerful social actor, finds it more difficult to function, where its gestures as rendered crude, visible and exposed. No answer, the lack or gap becomes the source of political and social pressure on the system, as something like CSR is *publicly disconnected* from the potential to instil recovery. Exposure loosens the grip, or the possibility, of the second play, as the market actor is too exposed to make the necessary return, or tell the alternative story (of responsibility and conscientiousness). No remedial possibility exists, where the only thing that can be 'trusted' in relation to market actors is the pursuit of profit and the extension of economic exchange.

Brecht's dramatic techniques are insurrectionary and subversive because he placed so much emphasis on the art to revelation. Brecht's ultimate aim was revolution: he was 'anxious to teach the spectator a quite definite practical attitude, directed towards changing the world.'<sup>42</sup> Yet, at every stage, Brecht was clear that this attitude 'must begin by making [the spectator] adopt in the theatre a quite different attitude to what he is used to.'<sup>43</sup> This attitude concerned reflexivity, before the revolution. 'Instead of sharing an experience,' Brecht says, 'the spectator must come to grip with things.'<sup>44</sup> Although his audiences never followed through on his aspiration for revolution, Brecht endures because the strangeness and the aesthetic that he produced was itself disarming: 'Brecht's success lies in his partial failure to realise his own intentions.'<sup>45</sup> A similar challenge faces politics in relation to the market today – the necessity of adopting a different attitude, of coming to grip with things. Participants must work critical revelation to produce a certain aesthetic: the question that imposes itself without the immediate construction of an answer. 'One must not refuse the intense fascination that emanates from this liquefaction of all power, of all axes of value of all axiology, politics included,' says

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<sup>41</sup> Benjamin, *et al.*, *Illuminations*. 147.

<sup>42</sup> Brecht and Willett, *Brecht on theatre*. 57.

<sup>43</sup> *Ibid.* 57.

<sup>44</sup> *Ibid.* 23.

<sup>45</sup> Esslin, *Brecht: A choice of two evils*. 126-127.

Baudrillard.<sup>46</sup> ‘This spectacle is our essential force.’<sup>47</sup> Political participants acquire a new responsibility in the aftermath of revelation: to guard against the risk of muting or transformation. They must guard against the ‘transformation into immediate sacrifice, which was only the long-term operation of the system itself: the liquefaction of culture and knowledge.’<sup>48</sup> The strategic recommendation is different to Marx, Hardt and Negri (and Brecht!). For these authors, the creation of critical distance is supposed to inspire the audience towards action and intervention. By contrast, the recommendation here is to initiate a *wind down* of the system, by allowing the wounds created by exposure to blister of their own ill effect.<sup>49</sup> ‘By rotting,’ Baudrillard says, the system ‘can still do a lot of damage.’<sup>50</sup> The road is long and dangerous. But, by catalysing a decomposition, starvation and wind down of the system, members of the public retrieve their own technique for *diverting ultimata* in the system. They hit upon the preceding and yet essential act for the construction of a more meaningful sphere for politics.<sup>51</sup>

What this role (supporting the wind-down, which follows disturbances inflicted on the system exposed) means for individual participants is a separate and difficult question. Žizek, bravely, makes a stab at answering it at the end of *Violence*. ‘The first gesture,’ he says ‘to provoke a change in the system is to withdraw activity, to do nothing.’<sup>52</sup> It is, for Žizek, ‘better to do nothing than to engage in localised acts, the ultimate function of which is to make the system run more smoothly (acts such as providing ‘space’ for the multitude of new subjectivities’).<sup>53</sup> Bold though it is, however, Žizek’s recommendation of inactivity underplays two important things here. First, the inability to withdraw remains a problem for the subject: the refusal to act is fed into a manufacture of other responses. Second, and most critically, the clarity of vision that Brecht is able to secure is not the result of passive exposure: the system does not speak of itself or by itself. It is, rather, an effect brought about between revelation and response, between action and reaction, to provocations as they emanate from the system. Martin Esslin attributes the power of Brecht’s epic theatre to such a ‘between’ configuration: ‘it is precisely this contradiction between the author’s and producer’s intentions and the audience’s natural tendency to react, which creates the peculiar effect of the Brechtian theatre: the conflict between head and heart in the actors and in the spectators, the ambiguity created by the tug of

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<sup>46</sup> Baudrillard, *Simulacra and simulation*. 152.

<sup>47</sup> Ibid. 152.

<sup>48</sup> Ibid. 151.

<sup>49</sup> Ibid. 151.

<sup>50</sup> Ibid. 150.

<sup>51</sup> Bauman on the necessity of recognising Baudrillard’s diagnosis: ‘that decomposition and dissipation have taken the place of the globally managed projects.’ Catalysing the ensuing rot of the whole modern project (of realising universality), Z. Bauman, ‘The sweet scent of decomposition,’ in Rojek and Turner, *Forget Baudrillard*, 44, 22-47.

<sup>52</sup> Žizek, *Violence : Six sideways reflections*. 180.

<sup>53</sup> Ibid. 183.

war between the intended and actual reaction of the audience.<sup>54</sup> Foucault, similarly, registers a visibility that is secured between power and struggles against its effects: ‘in fact, it is, precisely, the disparities between the two readings which make visible those fundamental phenomena of ‘domination’ which are present in a large number of human societies.’<sup>55</sup> Revelation is powerful against power not because all resistance or critique is abandoned, but because critical energies impose and apply themselves: they ‘make strange’ what has come to pass. Without the between of revelation exposure is dull; it is just what the system says it is.

Of course, actual passivity is still important. It references a change in direction or energy, which counter-acts the liberatory impulse propagated and recycled by the system. ‘To the demand of being a subject he opposes [...] obstinately and efficaciously an object’s resistance – that is to say, exactly the opposite [of a claim to subject-hood]: childishness, hyper-conformism, total dependence, passivity or idiocy.’<sup>56</sup> But, more than an emphasis on whether the subject reacts passively or actively (because both can be revealing), a question of how to construct an impasse to power concerns how the individual manages *implication*. ‘The actress must not make the sentence her own affair,’ said Brecht; ‘she must hand it over for criticism, she must help us to understand its causes and protest.’<sup>57</sup> Actors on the stage are forced to relinquish ownership of fate and representation. They relinquish the capacity to generate empathy and identification. In a similar way, non-instinctive though it seems at first, political participants who engage with the art to revelation hand the system over for criticism (rather than appropriate it for the successful realisation of their own objectives or ‘life plans’). They reveal what has come to pass and help the observer to understand the system’s causes and protests. In order to make exposure work in this way, participants as far as possible defer or delay their own satisfaction. The actor on Brecht’s stage puts into abeyance the insatiable appetite for self-realisation; he focuses on the art to revelation. In the RBS dramatisations *à la* Brecht, the participant engages with a suspension of strategy *in lieu of attention to the absent alternative*. Generative of changes in direction or energy, the participant forces the system into wind down, rather than always allowing it to extend in persistent integration.

### *Three disciplines*

At the end of *Law, Legislation and Liberty*, Hayek speaks of ‘the discipline of freedom.’<sup>58</sup> Discipline is a concept for him that acts in opposition to something innate and natural to

<sup>54</sup> Esslin, *Brecht: A choice of two evils*. 126.

<sup>55</sup> Dreyfus, *et al.*, *Michel Foucault*. 226.

<sup>56</sup> Baudrillard, *Simulacra and simulation*. 85.

<sup>57</sup> Brecht and Willett, *Brecht on theatre*. 98.

<sup>58</sup> Hayek, *Law, legislation and liberty*. Vol. 3 163-165.

humans. He describes this something as ‘intuition’ and ‘innate instincts.’<sup>59</sup> Discipline acts on instinct, for Hayek, to produce a particular (liberal) brand of freedom: ‘it protects against arbitrary violence of others, and enables each individual to try to build for himself a protected domain within which nobody else is allowed to interfere and within which he can use his own knowledge for his own purposes.’<sup>60</sup> The form that this discipline takes in Hayek’s theory is rules: ‘the only common values of an open and free society were not concrete objects to be achieved but only those common abstract rules of conduct that secured the constant maintenance of an equally abstract order.’<sup>61</sup> Rules go against instincts and intuitions: ‘new rules served precisely to repress the instinctive reactions no longer appropriate to the great society.’<sup>62</sup> To preserve freedom in modern civilisation and market society, the individual (rightly for Hayek) has had to ‘shed many sentiments that were good for the small band and to submit to the sacrifices, which the discipline of freedom demands but which he hates.’<sup>63</sup> Sacrifices might include ‘withholding from the known needy neighbours what they might require in order to serve the unknown needs of thousands of unknown others.’<sup>64</sup> Discipline may require ‘much that is unpleasant, such as the suffering competition from others, seeing others being richer than ourselves.’<sup>65</sup> Yet, for Hayek, ‘freedom is an artefact of civilisation that released man from the trammels of the small group.’<sup>66</sup> Discipline is a condition of enjoying this freedom.

No wonder, when disputes materialise regarding societal outcomes, that it is the discipline of abstract and general rules, which is scrutinised, for how it curtails individual potential or affects community life. It is also no wonder, faced with any negative effects of discipline – harm, injustice or ‘docile’ bodies – that it is the innate instincts, to which those resistant to discipline logically return. The return is apparent in Marx’s use value: ‘the hypothesis of concrete value beyond the abstraction of exchange’ – or beyond the abstractions of market discipline. The return is apparent in *Empire*: ‘now the new virtualities, the naked life of the present, have the capacity to take control over the processes of machinic metamorphoses.’<sup>67</sup> Most famously, the return to the subject and its instinct for liberation against the overbearing effects of discipline sits is apparent in Foucault. The inner life of the subject imposes a contrasting, or ‘resistant,’ truth for Foucault. Liberatory practices ‘attack everything which separates the individual, breaks his links with others, splits up community life, forces the

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<sup>59</sup> Ibid. Vol. 3 163.

<sup>60</sup> Ibid. Vol. 3 163.

<sup>61</sup> Ibid. Vol. 3 164.

<sup>62</sup> Ibid. Vol. 3 164.

<sup>63</sup> Ibid. Vol. 3 168.

<sup>64</sup> Ibid. Vol. 3 165.

<sup>65</sup> Ibid. Vol. 3 168.

<sup>66</sup> Ibid. Vol. 3 163.

<sup>67</sup> Hardt and Negri, *Empire*. 367.

individual back on himself and ties him to his own identity in a constraining way.’<sup>68</sup> The opposition of the subject is the ‘refusal of these abstractions of economic and ideological state violence, which ignore who we are individually and also a refusal of scientific, administrative, inquisition, which determines who one is.’<sup>69</sup> Thus engaged, the subject attacks ‘not so much “such or such” an institution of power, or group, or elite, or class, but rather, a technique: a form of power.’<sup>70</sup> This technique Foucault eminently referred to as ‘disciplinary:’ a ‘policy of coercions that act upon the body, a calculated manipulation of its elements, its gestures, its behaviour. The human body was entering a machinery of power that explores it, breaks it down and rearranges it.’<sup>71</sup>

A great deal has happened in the course of the thesis, which makes this distinction between body and discipline difficult to sustain. After Baudrillard, there is no meaningful way to distinguish between system and the subject, between discipline and liberation, between the material incidence of harm and a cause for celebration. The capacity of liberation to always offer a counter-point to the disciplinary technique is dulled, or deflated, in the society of simulation: ‘this strategy is more reflective of an earlier phase of the system, and even if we are still confronted with it, it is no longer the strategic terrain.’<sup>72</sup> However, in deflating a dichotomy between discipline and liberation, something unexpected and essential happens to politics. Certainly, it is confusing to lose political co-ordinates, to have the direction of political drive and energies exploited from all directions. But, the upside is that discipline no longer need be held in such repudiation. Liberation is not always the answer to every incidence of manipulation (‘the liberating practices respond to one aspect of the system [...] but they do not respond at all to the other demand, that of constituting ourselves as subjects’).<sup>73</sup> Discipline is not only the instrument of the manipulator, or the exclusive agent of the system. A positive aspect to discipline also emerges, which might be employed for, and on behalf of, political participants. This aspect is positive not because the system no longer employs discipline and so is entirely ‘ours’: the presence of totalising procedures, rules and disciplinary techniques remain a prerogative of power. But, where some of that discipline is being used to extract *more* from the subject (demands of ‘liberating ourselves, expressing ourselves at whatever cost, of voting, producing, deciding, speaking participating, playing the game’), the exercise of discipline doubles as a strategy for refusal, for the wind down. ‘It is equivalent to

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<sup>68</sup> Dreyfus, *et al.*, *Michel Foucault*. 211-212.

<sup>69</sup> *Ibid.* 211-12.

<sup>70</sup> *Ibid.* 212.

<sup>71</sup> M. Foucault, *Discipline and punish : The birth of the prison*, 2nd Vintage Books edition (New York: Vintage Books, 1995). 138.

<sup>72</sup> Baudrillard, *Simulacra and simulation*. 85.

<sup>73</sup> *Ibid.* 85.



returning to the system its own logic by doubling it,' said Baudrillard in *Simulacra and Simulation*; 'to reflecting meaning like a mirror without absorbing it.'<sup>74</sup>

When Baudrillard talks about returning to the system its own logic, he is speaking about adopting a kind of deliberate docility – refusing meaning, rebellion and participation, as it is presented to participants by the system. Passive behaviour of this kind is not of a kind ordinarily associated with self-discipline: it looks inert, disaffected or lazy even (like Zizek's 'do nothing'). It sounds like a strategy for the uninterested or non-committed. However, employing the word 'discipline' to explain the actions of participants in refusal *does* have logic to it. This logic is apparent when refusal is viewed against the background of an exaggerated emphasis, in the late 20th and early 21st century, on the practices of liberation. The compulsive attachment to self-realisation has been described in this thesis as conducive to surges of productivity. Beyond these surges, however, the compulsiveness has also led to a situation in which the constant emphasis on liberation has diluted and dissipated the word's own virtue and meaning. Liberation is today easily confused with crude *maximisation* – of wealth, of the self and everything else. The signs of maximisation are so persistent and so resonant, one is not entirely sure, in the society of simulation, what else liberation might mean. It is specifically against this call to maximise everything that passivity, refusal or winding down, acquire a distinct sense of discipline. Everything in the consumptive universe points to a liberation of some sort – everything offers the possibility of liberation, calls itself liberation, even if it is not liberty of a meaningful, or worthwhile, kind (i.e. products and services on the supermarket shelf). The hard fought battle for the individual in market society is finding the reserve to refuse the constant presentations of liberation – to not receive them as freedom, as such.

Discipline, however, remains a vague and uncomfortable notion for transformative politics. It is useful to describe in some detail what engaging in discipline might mean for political participants. An outline might be broken down into three disciplines. The first discipline concerns visibility and transparency: that alpha and omega of modern times, which makes non-economic value so vulnerable in the market. The thesis argues that participants do not always recover the self in visibility. Visibility lends itself to viciousness and abandon. In order to politically support this claim, discipline requires withdrawing some measure of visibility. Participants might be asked to exercise caution and restraint in terms of how, or what, of desire is exposed. The aim here is not 'to do nothing:' for participants to shut down in fear of giving anything away. It is not about retreating into privacy or the comfort of the self. Withdrawing visibility is about *experimenting with ways of making political claims other than first person*

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<sup>74</sup> Ibid. 85-86.

*politics*, and not putting the personal into every impersonal question of how to hold accountable power. Where holding back, and refusing visibility, is something of a privilege today – the system compels subordinated actors towards visibility, forcing them to expose if necessary – the discipline to reserve visibility is one that falls first to the more capable. This emphasis on capacity is important where politics in the West today remains animated by Marx's famous phrase – 'they cannot represent themselves, they must be represented.'<sup>75</sup> Participants with better capacity regularly get involved in managing the zone of the excluded and subordinated, providing humanitarian relief and charity etc. In these situations, discipline is required when making life visible, where the act of exposure that takes place is on another person or community's behalf.

The aim of the first discipline is to make social and environmental concern less vulnerable to transformation, or to make participants and their views more obstinate and difficult to overcome. The second discipline is about how this renewed capacity might be politically employed. Discipline is to be exercised, in particular, when it comes to the possibility of constructing alternatives. The aim is to not immediately rush into the space created by critical interventions – a counter-intuitive instruction for participants today. The objective, rather, is to *use the additional obstinacy acquired to withstand the intemperate climate of power*. Discipline allows participants to do this, first, where less visibility allows the questions that concern participants to impose themselves. The scene for accountability is improved where there are fewer available answers in the body of participants to divert, dissipate, or displace towards. Second, by not rushing into the space, participants let exposure do the unravelling. Questions impose themselves and insufficient answers force the system to destabilise and delegitimise itself. By 'subtracting' information relating to the self at critical junctures, as Agamben might say, the public are able to stand before corporations no less of a threat (the fear driving the compulsion to always identify).<sup>76</sup> On the contrary, by reducing the exposure of human life in the system, individuals distinguish the self from anonymous economic components. They actually become human again! Differentiated, and always obstinate rather than confrontational, the imposition of concern works the system in a different direction. It pushes forward accountability, where there is no alternative source towards which systems might relent.

The third discipline concerns the drive for liberation and how it might be restricted or curtailed. It is tempting for disciplinary aspects of political participation to be neglected: for

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<sup>75</sup> K. Marx, 'The Eighteenth Brumaire of Louis Bonaparte,' quoted in C. Owen, *Beyond Recognition: Representation, Power and Culture* (Berkeley, Los Angeles, London, University of California Press, 1992)

<sup>76</sup> G. Agamben, 'I am sure that you are more pessimistic than i am...' (2004) *Rethinking Marxism* 16(2): 115-124.

them to be delegated and subcontracted out to the organisational dictates of the system. Although the system always frustrates the individual and its desire for liberation, it is nevertheless comforting for the individual to know where the system is and how it lies against them. Yet, with this comfort already lost, a new opportunity presents itself for the public to reclaim the capacity to discipline the body's own capacities and productivities. If there is a role for 'strategy,' as Foucault describes it ('to act upon an adversary in such a manner as to render the struggle impossible for him'), the place for that strategy is here.<sup>77</sup> For, by taking the exclusive prerogative to discipline *away from the system*, members of the public *interject in anticipation*. They claw back an affect, or reserve, of energy, which the system is used to exploiting in order to extend and regenerate. By disciplining the self, participants block what might be later used by the system to split the subject – to divide it into two liberated and disciplined halves. By refusing the instinct to perpetually 'run up' against the system, blindly looking for instruction, participants enact a measure of withdrawal, psychologically and practically. The withdrawal is psychological, where it is the subject aware of its ability to restrict productivity that is on its way to reducing reliance on the system – for feedback and for discipline.<sup>78</sup> The withdrawal is also practical, as individuals feed and catalyse a process of starvation and rot (rather than rupture or explosion). Attentive to the extent of their complicities, they focus on depleting energies that attract systemic interest. Managing the drive for liberation is about refusing to *always* be the source of opulent energy.

To make political interventions consistent with these three disciplines is to take the revelations in this thesis seriously. It is to build their consequence into a political response. The emphasis on discipline asks participants to come to terms with a reality in which the market is unable to respond to public questions without grabbing the reins, or abandoning bodies. It suggests tempering the drive for self-realisation as a way to interject against the system, in which everything scandalised ends up on the supermarket shelf. Discipline, of course, requires a different kind of courage and political commitment than participants are perhaps used to. It suggests politics and political participation are not about making the self (or others) more visible. The louder voice is not always better when it resounds louder, in the expectation that 'needs' might be satisfied, 'somehow.' The emphasis on discipline is about separating 'need' from the questions that otherwise pertains to markets and market society. It tries to excavate a perspective from the bodies of participants, which is able to illuminate domination that emanates from the system itself and that, regardless of how it is connected to those bodies, requires address or management in the better interest of society. Withdrawing the self, and

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<sup>77</sup> Dreyfus, *et al.*, *Michel Foucault*. 225.

<sup>78</sup> Feedback: judgement on events and performances is satellised in a system of response and reaction. Everything can be always made more productive or improved upon. The message that is received by the subject of feedback is always anonymous or systematised and, as such, doesn't just press on subjects but terrorises.

taking need out of the panic that is spontaneity in the market, is about reducing reliance on the market for the production of social order, in general, and for the resolution of social and environmental problems, in particular. It is about recognising that unless a wind down occurs, which allows participants to appreciate the harms generated by market techniques in the first place, the problem of extending commoditisation, how it affects society and environment, can never truly be resolved.

Difficult decisions regarding strategy lie ahead, however, no matter how much the critique in this thesis bolsters faith in new political goals. Taking the self out the market in relation to CSR, for example, might mean buying things less or needing things less – winding down energies that attract systemic interest. Something more, however, is also likely to be required, particularly where a feature of the problem that confronts the public in relation to markets is the lack of space into which to withdraw (there is always an awkward point at which the subject is forced to return to the market, just to live).<sup>79</sup> Winding down requires a more active strategy designed to push politics out of the market, decisively and adamantly. It requires an effort to remove the CSR advantage – the source of the subsequent and remedial return of markets and market actors. This could involve mixing up buying or refusing to buy in line with concern. It could mean revealing social and environmental value in such a way as to make them *deliberately inhospitable* to the profit-incentivised corporation. Making this deliberate push against CSR and the conscientious corporation, at first, seems hideously risky. It risks complicity with suffering, or worse (members of the public might have to buy against CSR). It risks eradication of what little improvement market actors have contemporaneously made (in improving working conditions, defending the environment, etc.). Yet, in opposition to this risk, is the bolstering of faith that securing visibility, in relation to harms generated by the market, can give. Participants have less to lose than initially thought: there is no possibility of a perfect delivery of products and services; the market lends itself to viciousness and abandonment. They have much to gain in rejecting the permanent extension of markets, and its ability to contain everything, including public political capacity to resolve serious social and environmental problems. Say ‘no!’ to participation in the security of the CSR advantage – let the question impose itself. Say ‘no!’ to the security of what allows a market to entrench itself – obstruct dissipation, diversion, displacement. Say ‘no!’ to the second, or subsequent, play – enough already, when what came to pass was destructive the first time!

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<sup>79</sup> See the manifesto of Freegans, seeking to reduce consumption and overall reliance on markets through recycling, sharing, and self-construction. Yet, emergent too are rules for when a return to the market is ‘acceptable.’ UK Freegans: ‘it is important to be realistic. In working towards this goal, freegans see that it is likely that there will be occasions when using money may in fact lead to a wiser use of resources overall (e.g. if we spend a lot of time/fuel looking for free food we may be guilty of wasting more resources).’ UK Freegans, at <http://freegan.org.uk/pages/faq.php> [accessed 02/08/2010].

To exert stricter discipline on the self – restrict the self, wind the self down, withdraw the self at critical junctures – is not a faddish lesson in political participation. It is, rather, a highly necessary experiment for dealing with the double bind, or double situation, which members of the public face in relation to the market. However, if the skill-set is long lasting, it is hoped that the heavy emphasis on discipline, or on participants bringing about a wind down of the system, is one that will eventually pass. Winding down the system of political economy is about a reduction of the system's total energy, and about reducing the overall level of reliance of a society on market logic and organisational logic. When this is done, or is somehow done (though assessing this is a sensitive task: attempts can easily fall foul of a temptation to call for completion too early), liberation – or employing renewed political capacities towards the construction of alternatives – could animate politics again. Discipline is not about eradicating liberation; it is about redressing the balance between potentiality and restraint, in a world oversaturated by constructions of the self and liberation. Of course, this does not mean that when the wind down is done, and the system is in some kind of abeyance, that politics ought to go back to precisely the same calls to arms and identity. Hope, rather, appends itself in this context to the emergence of new and exciting forms of political engagement, and to something less egotistical, in particular. The long and pessimistic journey with Baudrillard would then be worth it. 'We can't avoid going a long way with negativity, with nihilism and all, but then, don't you think a more exciting world opens up?'<sup>80</sup>

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<sup>80</sup> Baudrillard, interview with Sylvère Lotringer in Baudrillard, *Forget Foucault*. 74.

## Chapter 8

### Fable

*Dolls*, the 2002 film by Takeshi Kitano ('Beat Takeshi'), starts with a performance of Bunraku, a form of traditional Japanese puppet theatre in which manipulation of the puppets appears openly.<sup>1</sup> The film goes on to tell stories, in which human actors play characters, which Kitano describes as Bunraku in form: actions are often symbolic, the faces of the actors are emotionless, deadpan, restrained. Scenes transition with a vague registration of time passing, apart from a strong visual emphasis on the changing of the seasons. Three stories interweave in the film: the characters give the sense that they walk in and out of each other's lives, as their actions and predicaments tell a tale. The stories, themselves, are about love and loss, tragedy

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<sup>1</sup> T. Kitano, *Dolls*, (Japan: Office Kitano, 2002). In Bunraku, puppeteers stand in full view of the audience.

and sacrifice. They portray the main characters losing love, waiting for love, making irrecoverable sacrifices. Each of the stories contains within it a moment of choice, which leads the main characters towards an unhappy fate. The stories are all about attempting to make a recovery and reparation for wrong caused to others, as a result of a flawed move that the characters make at the most crucial moment of choice. The attempts that they make, however, are futile. In the end, each attempt at recovery amounts to nothing more than a gesture, an empty sign. The characters are unable to resolve situations that they find themselves in. They are unable to progress their own lives, to take charge of their fate, or to make amends to those that they have hurt. The fate that the characters face in each of the stories is one in which something that they value is irretrievably lost. Characters struggle on in the knowledge of this. They know of no alternative choice.

The principal story in *Dolls* concerns a young couple engaged to be married; their names are Matsumoto and Sawaka. Matsumoto breaks his engagement to Sawaka early in the film. He does so in order to free himself, to commit to a marriage arranged by his parents, which is more favourable to his career prospects (the daughter of his employer becomes his new fiancée). The viewer watches Matsumoto reach his wedding day, distant and emotionless. He looks unhappy and already regretful of the decision that he has made. But, at the last moment, just before the ceremony, he receives news that his former fiancée – Sawaka, his true love – has attempted suicide. Immediately, he flees the wedding to be by her side. Matsumoto finds Sawaka in an institution, in a catatonic state. She is unable to respond to his ardent reassurance that he will never leave her again; that he will dedicate the rest of his life to caring for her. Matsumoto makes this promise full of guilt and regret for what he has done. He promises Sawaka eternal care, to make up for his betrayal. With nowhere to go, the couple retreat to Matsumoto's car. But, after several cold nights there with no change in Sawaka's condition, and a number of close shaves where Sawaka is nearly run over, Matsumoto ties himself to Sawaka for her safety. He makes a tie with the use of a red cord. He ties the cord around their waists securely. This red cord binds the two lovers for the rest of the film. It binds them as they wander the countryside, aimless and homeless. It binds them as they wander destitute through the four seasons. It binds them as they wander through other stories in the film, always in search of something that they have lost. 'Bound beggars,' Takeshi names the two figures: 'a tale of love bound to one another with a piece of red cord.'<sup>2</sup>

There are many beautiful moments in Takeshi's portrayal of the bound beggars, from long shots of the red cord covering vast distances as it drags on the ground, to the turnover of

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<sup>2</sup> Kitano, (2002), Trailer for *Dolls*, available at <http://www.youtube.com/watch?v=W-7eNtLia6o> [accessed 02/08/2010].

majestic costumes, which the two characters wear and shed as the state of their abandonment progresses. Majesty builds over the course of the journey, this grandeur deepening the sense of tragedy, poverty, and grief for what the two lovers have lost. The most memorable dramatisations of the bind, however, concern moments when the cord between the bound beggars limits their movement. One stops on a bridge, and so must the other. One tumbles down a hill, and so the other quickly follows. The cord snags on a peg on the ground bringing both characters to a halt, and so they stand facing each other. This jilted movement, or limited progress, is moving where it comes to symbolise the greater entrapment of the two lovers. They are bound by Matsumoto's guilt for what he has done. They are bound by the choice that he made and the hurt and betrayal. The experience of both characters is stultified as a result. Sawaka, the wronged, cannot move on because she is tied to the source of her heartbreak and betrayal. Staring the lover that has disappointed her so grievously in the face everyday, she senses that Matsumoto is the 'wrong' person to supervise her recovery or resurrection. Matsumoto, the wronger, also cannot move on nor find the strength to recover. Tied to Sawaka, he is forced to witness every aspect of her misery and disappointment. The cord registers her every hesitation, her catastrophic turn inwards, and Matsumoto senses at every moment that he is the 'wrong' person to oversee recovery and care too. This deepens the guilt that burdens Matsumoto. Neither one can move on from the disappointment caused by his earlier decision; an ineradicable fate befalls the two figures.

Takeshi captures something important in this image of two lovers bound together in a desire to right a wrong in which one or both of them are complicit. The image is a familiar one where it is integral to the modern drive to repair the fracture between the included and excluded, aggressor and victim – or what Agamben described as the split between *zoe* and *bios*. This drive leads to the binding of the self to the other. This drive leads to one not letting the other out of sight, until some sort of settlement or reconciliation is delivered (extinguish or transform the face of the victim). However, what Takeshi suggests – like Baudrillard, Agamben and others – is that this attempt at reconciliation is one that can end only in failure. A settlement that comes from the protagonist of the original wrong is not one that can resolve the situation. Matsumoto will never truly ensure Sawaka's recovery or resurrection. Takeshi's film observes the experience of the cared for subject facing, not long awaited reconciliation or integration, but always eradication and extinction. The stay of execution is long, possibly never ending. The characters are exhausted in the film by the length of time that they wander, stagnant through the seasons. Takeshi shows his characters walking on the spot at times, to emphasise how little progress the lovers have made, despite the distance and time that they have travelled. The fact that Matsumoto loves his ex-fiancée so very much – and binds himself to her out of absolute regret for what he has done – does not change the outcome. The fact that he binds



himself to her out of love and determination to improve her condition does not transform Sawaka's situation or stop her from grieving. The experience of the two lovers is one that can end only in eradication. So befits a drive to bind the self to the other as victim – in *Dolls*, in markets, in humanitarianism and in politics generally.

This red cord – and the bind that it makes – sits at the centre of the present thesis. The setting for the action is the market. The upset concerns a cycle of economic exchange, which has caused negative social and environmental effects. The penitent figures are the market actors: corporations, whose business activities give rise to condemnation or cause upset, and consumers, driving markets as the source of economic demand. Market actors come to feel responsibility for the upset that occurs. They try to make reparation by promising to be more responsive on the second wave: to care for vulnerability better in later cycles and to ensure recovery or resurrection. Corporations do this by listening to the voice of the wronged (or their representatives). They adjust the delivery of products and services. The public do this by making political expression more accessible to business. They bring news of the wronged to the market. However, by doing this – and this is the central argument of the thesis – by promising that they will care for victims of aggressive marketisation by deepening commitment to the market, market actors do the equivalent of Matsumoto: they bind the self to the victim with a red cord. Corporations are bound to pursue profit: they are bound to exploit that distinction between inclusion and exclusion, so critical to the constitution of value. Members of the public are bound to shop: they are bound to reach the vulnerable through market expression, as the route to integration and resurrection. Yet, as market actors, salvaging and extending the medium of the market in their actions, both sides force victims of the market to stare into the face of a fundamentally alienating figure. Victims of previous cycles stare into a face that has disappointed them grievously before. CSR insists that even those previously rejected or violated remain bound to the market, whilst wrongers take the time to work through regrets, failures and previous mistakes.

From the outset – as in the sad situation where Matsumoto arrives at the hospital to save Sawaka – the desire of participants to make amends for negative outcomes in the market is both understandable and logical. Matsumoto's concern, like that of the activist shopper or conscientious corporation, is one that, at first sight, seems honourable and responsible. Commitment and care is due to the victim. Links between harm and responsibility are retrievable – sometimes, in the case of corporations, always, in the case of members of the public. However, even if a link between action and outcome can be made, caution is required when it comes to the delivery of reconciliation and resurrection. For the victim – Sawaka – is still in a vulnerable and traumatised state. Not any actor or system ought to be entrusted with

her care. Yet, it is precisely with this vulnerability apparent for all to see that the complicit actor – Matsumoto – binds himself to the wronged – Sawaka – to repent for time immemorial. Matsumoto’s efforts are not entirely unsuccessful, of course. Breakthroughs and improvements do occur. Sawaka learns to play with a toy. She remembers the night of their engagement. She smiles and even seems to recognise Matsumoto. Yet, despite small steps forward, there is no way for the two lovers to return to what they once were. There is no way for them to recover love, trust or whatever else was lost in betrayal. The problem here is not so much that ‘no one takes responsibility’ – the bugbear of modern democracy, the ‘broken society.’ The problem, rather, is that the mechanism for taking responsibility (the red cord) is fated and flawed from the outset. No matter how heart-felt Matsumoto’s intentions, the red cord can never deliver release or recovery. This is the real problem with activist shopping and CSR: no matter what the extent of social and environmental concern, progress is always limited. It is stalled by the equivalent of the red cord.

What it is about this bind that is so limiting is important to register in order to get past it. Brecht identifies something telling in this respect in his theorisation of the epic theatre. Brecht’s *Verfremdungseffekt*, or the ‘making strange’ is able to achieve critical effects not only because actions and events are denaturalised, but also because Brecht presents the action as *past*. ‘The epic theatre is strictly historical,’ he says; ‘it constantly reminds the audience that it is merely getting a report of past events.’<sup>3</sup> By historicising incidents portrayed in epic theatre, Brecht avoids what (according to him) befalls ‘the Aristotelian’ or ‘bourgeois theatre:’ ‘its representation of people is bound by the alleged “eternally human”’. Its story is arranged in such a way as to create “universal” situations that allow Man with a capital M to express himself: [...] all its incidents are just one enormous cue, and this cue is followed by the “eternal” response: the inevitable, usual, natural, purely human response.’<sup>4</sup> Avoiding universality and empathy, in this way, is what allows Brecht’s spectators and actors to achieve a sense of critical detachment from events. Incidents portrayed acquire a sense of particularity and transience. Epic theatre breaks from the suspense or drama of a particular story to hint at the possibility of change and transformation. By historicising events, the actor in Brecht’s story, or ‘fable’,<sup>5</sup> ‘acts in such a manner that one can see the alternative course of action, so that the acting allows the audience to detect other possibilities, so that any given action can be seen as only one among a number of variants.’<sup>6</sup>

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<sup>3</sup> Esslin, *Brecht: A choice of two evils*. 110.

<sup>4</sup> Brecht and Willett, *Brecht on theatre*. 96-97.

<sup>5</sup> Esslin, *Brecht: A choice of two evils*. 118. Brecht himself liked to call his stories ‘fables’ (German ‘fable’) in order to convey the didactic overtones of his dramatisations.

<sup>6</sup> Ibid. 117, quoting Brecht.

It is a lack of historicity, or an inability to put actions behind him, which burdens the figure of Matsumoto in *Dolls*. Immersed, or stuck, in the drama of a situation that he has himself created, Matsumoto is no longer able to see or make an alternative choice. ‘They aren’t really making choices,’ Takeshi says of the characters in *Dolls* ‘because they can’t see the other options.’<sup>7</sup> The activist shopper, similarly, reeks of absent historicity. They are too caught up in the unfolding drama of their own complicity to ‘reflect on the lessons to be learnt from those events of long [or even not so long!] ago.’<sup>8</sup> CSR, as a concept and practice, is always wholly present; the intervention that it promotes makes sense now and not in the past or tomorrow. Participants find themselves ‘breathlessly following a course of events, which in suspension of disbelief, they accept as really happening before their eyes. They have neither the time, nor the detachment, to sit back and reflect in a truly critical spirit on the social and moral implications of the play.’<sup>9</sup> Everything in CSR takes place in ever-closer proximity: the more responsibility participants feel, the more urgency appends itself to the necessity of a response. Panicked, participants then deploy the red cord. They resign themselves to the presence of markets, where deepening the level of commitment is the only way that participants can see of dealing with upsets in which they (so deeply) feel complicit. But, by so doing, participants lose the possibility of acquiring sight, not just of the impossible alternative, but also of the impact of the medium in which they participate. Brecht’s historicity, and the critical perspective generated in *Verfremdungseffekt*, is about effecting a change of emphasis: ‘from the inner life of characters towards the way in which they *behave* towards each other.’<sup>10</sup> The problem with the activist shopper is that they are too immersed to see any of this.

The red cord that Takeshi uses to portray the limitation is additionally effective, where it makes Sawaka’s release from the bind so tangible, or so seemingly proximate. The grace and simplicity of the cord that ties the two lovers deepens the sense of tragedy. It appears that only a simple cut is required to break the bind, and to set Sawaka free from the guilt of Matsumoto. Oh, what her life would be in the absence of a cord to this effect! Oh, what her life would be in the absence of an inextricable and suffocating bind to her ex-fiancé! Certainly, it would be difficult, or even unthinkable, for Matsumoto to set her free in the early stages. Leaving Sawaka to look after herself, or under the responsibility and care of someone else (Sawaka was being cared for in an hospital when Matsumoto intervened), would, at first, feel like an abrogation of responsibility. But, even if difficult at first, or even if there is no guarantee that Sawaka would be better off without Matsumoto’s grief, Takeshi creates no doubt in the mind of his spectators that a chance for Sawaka persists in breaking the bind. A chance exists, that

<sup>7</sup> Japan 101, ‘Dolls - an interview with Takeshi Kitano (Director)’. Interview on Japan 101 website, 2005. Available at: [http://www.japan-101.com/entertainment/dolls\\_interview.htm](http://www.japan-101.com/entertainment/dolls_interview.htm) [accessed 02/08/2010].

<sup>8</sup> Esslin, *Brecht: A choice of two evils*. 110.

<sup>9</sup> Ibid. 110.

<sup>10</sup> Ibid. 119.

is, of a life in which Sawaka and Matsumoto put past sufferings behind them (historicise them). Sawaka could make the most of what is before her, lighter and freer. Cut the cord: the instruction is not as callous as it first appears. It is, rather, simply caring in a different way. Of course, the cut is risky: there is no reliable way to predict what would happen to Sawaka. As caring Matsumoto might powerfully argue, there is a risk that Sawaka will only attempt suicide again. But, against this risk, a sense of possibility is everything: for Sawaka and Matsumoto, for consumers in the society of simulation.

Of course, breaking the bind between participants and the market is not a simple or easy task. It requires more than a sharp pair of scissors. Or, more, the problem today is that there is no available tool, like scissors, capable of working through the strength of the bind and its reverberations. Every attempt to cut finds the fabric dense and saturated: there is no sight of a break through. Every attempt to speak is heard by the wrong actor: there is no way to sound proof. Yet, still the task (break the bind) stands before participants. In the break, there is a first step to finding some release from the ultimata of the market ('buy, or people perish'). There is a first step to breaking the cycle of viciousness and abandonment, or to reasserting political control over the consumption of social and environmental value. If a simple cut is no longer a viable option (because in every attempt the scissors are liable to blunting), discrete or micro opportunities to loosen the bind still present themselves. Participants can wind down the system – weaken the knot – by refusing to hold the other end of the cord as they go about their daily lives. Make strange, historicise, denaturalise: Brecht identifies the first step in the art to revelation. Imposing, obstinate, self-restrained: three disciplines present a complementary model of behaviour, which catalyse exposure, and which recognise that the system inflicting the wrong is not the right one for recovery or resurrection. Discipline may be difficult, hard for participants to come to grips with, for it means recognising that we are complicit, that we are part of the wrong answer. But, all the more then, the necessity stands before participants. Drop the cord: refuse the market, and powerful market actors that revel in its opportunity, a second chance to lead the recovery or resurrection.

The prospect of winding down the system is imposing, intimidating. Yet, the stakes and the potential for political restitution are big. Let the girl go: free from Matsumoto's guilt and suffocating presence, it is the best chance that Sawaka has of recovering her own life. Let the system starve: free from acceptance, banal participation and guilt, it is the best chance that participants have of protecting the vulnerable from the viciousness of price. It is the best chance that they have of building a stronger reserve against the market's insatiable appetite. Risky though a wind down appears to participants at first, Takeshi, at the end of *Dolls*, bolsters the courage of his spectators in a desolate portrayal of the alternative. Matsumoto and Sawaka

do not die an unexpected or catastrophic death in *Dolls*. They die an insipid and exhausted one. The two lovers shuffle aimlessly through the seasons, year after year. No longer able to go on, they stumble and fall for one last time. They fall in the snow, over a precipitous edge, and the thread of their most majestic costume hangs them from a tree. Members of the public bound to shop face a similar fate – death through exhaustion – unless they can find some release from the ultimatum of the market ('buy, or people perish!'). Participants need to find a way to turn political expression into something more imposing and potent than shopping. They must do so if they are to avoid the sad fate of the bound beggars – their beauty, their majestic costumes, inert as they hang from a tree.

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