

Is Social Responsibility a consequence of human morality or just a corporate jargon?

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The answer to this question is not nearly as straightforward as many business ethics literature may reflect. It can be debated and argued by different schools of thoughts, ethicists, moral philosophers, sociologists, leaders, social scientists and corporate managers, among others. Therefore, willing to be impartial before resolving the paradox, let's have a look to some basic concepts such as: moral, values, ethic, altruism, charity and the different types of responsibilities - social, ethic, environmental, civic and corporate responsibilities.

Morals and Values - are they the same?

Morals explain what is right and what is wrong. In the other hand, values describe significant behavior and beliefs of a person or group. Morals are then based on the acceptance and understanding of those values

What are the types of morals?

Different societies and cultures have different rules, laws, customs, religion, and moral values. According to Moral relativism, whether an action or judgment is morally right depends upon the belief that that action or judgment is right

What is Ethical responsibility?

Ethic is a set of moral principles of human conduct that control behavior. Ethic responsibility is the ability to recognize, interpret and act in a given situation upon a morally correct path, even in the absence of a law, regulation or code of conduct

What is Civic responsibility?

Actions and obligations not required by law but are beneficial to the community and involve the participation of citizen working for a common good. Examples: voting, volunteering, behaving in an ethical manner, respecting law, addressing social problems, etc.

What is Social responsibility?

Social responsibility is an ethical theory, in which individuals are accountable for fulfilling their civic duty; the actions of an individual must benefit the whole of society. In this way, there must be a balance between economic growth and the welfare of society and the environment. If this equilibrium is maintained, then social responsibility is accomplished. Issues like breaching human rights, poverty, and the scarce advancement of women and minorities are all significant effects of lack of social responsibility from different sectors and institutions

What is Corporate Social Responsibility (CSR)?

It refers to the social implications of corporate behavior, and the degree to which companies are, or are held to be, responsible for their “effects” on the societies they operate in. CSR is found in the common area for economic system and social system, and it does not include environmental system. Sustainable development involves the three systems: economic, social and environmental

What is Environmental responsibility?

Systematic and comprehensive account of the moral relations between human beings and their natural environment. The core of the environmental responsibility is that humankind is not separated from Nature, rather it is part of Nature. It is based on the idea that human survival and quality of life cannot be assured assuming that humankind can govern over nature.

In business, it is the duty that a company has to operate in a way that protects the environment, minimizing pollution, using natural resources efficiently and preserving biodiversity. Many institutional investors evaluate a company's environmental responsibility before investing in its stock

Altruism Vs. Charity?

Altruism is the antonym of egoism. It is a doctrine that holds that individuals have a moral obligation to help, serve or benefit others at the sacrifice of self interest. In Zoology: altruism is the cooperative behavior that is detrimental to the individual. Charity is defined as love of humankind; the voluntary giving of help, typically in the form of money to those in need

Surfing the web (www) we found that most of big corporations, societies, organizations, governmental institutions, supranational bodies - like UN and EU- and even some small and medium size enterprises (SMEs) pride themselves on their social responsibility. When visiting their websites, one can easily find a tab for “CSR”, “Global Citizenship” or “Sustainability” all of them full of good intentions, with altruistic motivations. There, companies and organizations describe how they contribute to the community, balancing their impacts on the environment. But, why do they do that? What is the purpose of sometimes going beyond legislation adopting an ethical dimension of social and environmental responsibility? Is it to satisfy public demand? Or maybe, because they acknowledge the profit to be made by implementing CSR policies? Or is it because they increase market share by satisfying stakeholders with very little investment, even sometimes just through “green marketing campaigns”.

“There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.” -Milton Friedman, New York Times Magazine, September 1970

There is a famous quote by Milton Friedman's 1970 article that states: “There is only one social responsibility for business – to increase its profits”. He argues that “A corporation is an artificial person and in this sense may have artificial responsibilities, but “business” cannot be said to have responsibilities”.

He explains that if a corporate executive decides to make the organization more “socially responsible” and refrains from increasing the price of the product in order to contribute to the social objective of preventing inflation; or if he makes expenditures on reducing pollution beyond the amount required by law to improve the environment; or if he hires “hardcore” unemployed instead of better qualified available workmen to contribute to the social objective of reducing poverty, he would be at the same time be working against the best interests of the corporation and its shareholders. Insofar as his actions in accord with his “social responsibility” reduces returns to stockholders, he is spending their money. Insofar as his actions raise the price to customers, he is spending the customers' money. Insofar as his actions lower the wages of some employees, he is spending “their money” and that is not “morally correct”, nor it is “socially responsible”.

Even if Milton Friedman's quote is true and “Social responsibility” is just a corporate jargon, we should recognize that the purpose behind it is to satisfy a human group, an evolved part of the society concerned for the wellbeing of humankind. Those stakeholders that put pressure on corporations to behave more responsibly are the ones accountable for the change, and it is actually their “human morality” who drives them to demand for “Social responsibility”.