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Corporate Social Responsibility: A Response to Growing Corporate Power

Globalization and evolving forms of enterprises

Sources of pressure on businesses

Contemplation of the concept of corporate social responsibility as a derivative of certain conditions markets create, thus determining the nature of relations between various market players, positions it in the context of major forces in today’s economic and social changes. Those changes include the processes of globalization and, as a result of corporate adjustment, structural changes in the way the companies operate. Contemporary enterprises do not resemble much the businesses of past eras, even more recent decades, in anything more than that profit and wealth generation remains their main driving force. Apart from the obvious external determinants of this evolution – for example, the mentioned globalization – there are some endogenous changes influencing the look of contemporary businesses, such as:

- the changing role of employees,
- the nature of work itself, with its processes becoming increasingly complex,
- different and new competencies replacing the old ones, as is the case with the sectors specifically prone to technological advancement, where traditionally understood meta-competencies responsible for the complex process of understanding the surrounding world and solving the problems it creates are being replaced by narrowly defined technical ones, creating as a result a new elite of workers, composed of those who are capable of understanding
the new systems and as such control, in a sense, the information flow in organizations.

The latter also is a form of contemporary power in organizations.

Apart from the profound shifts in internal power structures, there is a significant asymmetry of power spread among the market players, with big enterprises clearly in a privileged position as they accumulate formal power, either economic (deriving from the control of resources) or economies of scale or scope or accumulation of capital, or as they accumulate informal power, often politically embedded as is the case of monopolies or oligopolies in the non-liberalized sectors. Moreover, these changes are wrapped in the phenomena of diluting borders between the private sphere and public sphere, which increasingly tend to overlap, thus contributing to uncertainty and lack of clarity as far as solving of moral dilemmas is concerned.

Observing the interplay between those grand social and economic forces, unleashed, it seems, by the changing political setting of the past few decades (mainly underlined by the liberalization policies), two major lines of adjustment become visible. On the one hand, enterprises adjust to the evolving markets by changing their organizational structures and, on the other hand, societies adjust to the changing conditions, trying to make sense of the new influence setting, whereby global problems emerge, to which nation states and governments cannot offer a reasonable solution. Thus we have an interplay between the private sector, thriving on the new opportunities offered by the market and accumulating power, and societies trying to cope with emerging problems and the uncertainty as to who should be liable for dealing with them.

In such circumstances a growing corporate influence meets with a growing social expectation that businesses should participate accordingly in sustaining the collapsing environment, which ultimately provides its operational scene, where the wellbeing of communities becomes a background for the spending power of consumers in the end. Companies are pressurized through activities aimed at voicing social expectations, either through the network of watchdog organizations or directly through various forms of stakeholders’ activism – which in a sense becomes a surrogate for the traditional public sphere, apparently currently in descent. Having said that, it is not impossible that a kind of downgrading observable even in those