CHAPTER SEVEN

A Public Role for Private Actors—Conclusions and the Road Ahead

Capitalism is not irrelevant to morality . . . the problem for capitalists is to recognize that, while free markets will ruthlessly eliminate inefficient firms, the moral sentiments of man will only gradually and uncertainly penalize immoral ones. But while the quick destruction of inefficient corporations threatens only individual firms, the slow anger at immoral ones threatens capitalism.

—James Q. Wilson

The business corporation is the strategically central institution of social justice. If the business corporation fails to meet its moral responsibilities, the odds against the rest of society doing so shrink to next to zero.

—Michael Novak opening comments at President George W. Bush’s Economic Forum; Waco, Texas USA 2002

So much of our contemporary thinking, moral and otherwise, is colored by business and the marketplace in which it operates. Businesses’ impact upon our lives—the hours we spend working in them; the salaries they pay; their products and services that feed, house, clothe, and touch our lives; the dislocation and pollution resulting from their operations; the pension and retirement accounts that rest upon their performance—imbue it with special qualities and responsibilities. And for better and for worse, we assess the value of so many things (material and otherwise) by how they are valued by the market. This reality further buttresses the

M. J. Hirschland, Corporate Social Responsibility and the Shaping of Global Public Policy
© Matthew J. Hirschland, Ph.D. 2006
assertions by public intellectuals such as Wilson and Novak (see epigraphs) that the very health of capitalism and the moral center of society are intimately intertwined with the plight and behavior of business.

Over the course of the last three decades we have added an additional and significant element to the list of items we expect from business. This is the provision of an increasing number of public goods—goods that we have identified as crucial for the health of society. Many of these have been traditionally the purview of governments—clean air, safe drinking water, worker protections, human and Indigenous rights, species protections, and many others that we value as nonexcludable goods. The growing reliance on business to provide much in the way of these goods has been complimented by the elevated role of civil society organizations that are also depended upon to monitor and deliver them in many parts of the world today. All this does not go to suggest that business and NGOs on their own, or as members of the global public policy networks (GPPN) described here, should not or cannot play an important role in the delivery of these essential goods. In the face of governmental intransigence, they surely can and must. Rather, the thread that runs across the chapters of this book has been the identification, and questioning, of the practices that characterize this new realm of global activity that is characterized by the creation and enforcement of public policies by predominantly private and less-than-accountable entities.

The reason that business and civil society organizations find themselves in this position today is no mystery. They are responding to great public pressures to fill the governance “gaps” left by waning or underdeveloped state capacities and flagging interest in the regulation of crucial elements of global business impact on people and the natural environment. Recognizing this, the task here has been to shine a light into the “black box” that is the rich network of global corporate social responsibility practice today. These are the groups that are seeking to shape business behavior in new and untested ways—essentially a combination of civil- and self-regulatory action in the absence of government intervention. The overall strengths and limits of this are summarized in this chapter pointing the way forward and framing expectations of business and civil society action in the years ahead. Ultimately, the consequences of failing to “bring the state back in” when it comes to the provision of social protections in the face of today’s dynamic markets will be great. Further neglect of a meaningful role for government imperils more than just the success and expansion of the neoliberal economic project described here and characterized by the Washington Consensus. It also calls into question the role of government itself as an