

The Morality of Our Corporate Citizens

What is the responsibility of a company in a time of war?

At a conference just before the recent war on Iraq I asked the question 'what is the corporate responsibility of a company in a time of war?'. The panel of eminent persons responding acknowledged that it was a significant question, but they did not have an answer for me. This is strange because, for perfectly ordinary citizens, the corresponding question ('what is my responsibility in a time of war?') was in one form or another a topic of very lively debate at every level of society.

Is it reasonable to talk about companies in the language in which individual responsibilities are discussed? Or is it taking an analogy too far? Aren't companies merely legal fictions? Yet if they are 'just fictions' they are probably some of the most powerful fictions on the planet. There are many pointers to the reality of the fiction. Companies in most jurisdictions are legal persons; they have places of residence; they occasionally have a vote – for example in the City of London; at least in Europe they have human rights under the law; and in the US it is currently being decided whether they also have free speech.

So while corporate (social) responsibility and corporate citizenship practice borrow freely from the elevated discourse of ethics, I believe that it cannot escape the grittier language of moral debate. If corporate citizenship is to be more than the somewhat cuddly offspring of campaigning and community good works, then issues of right and wrong have to be addressed. Of course it is rather easier to address the issue of being right than of being wrong. It is easier to claim responsibility for an impressive community project than to acknowledge that you have blighted the lives of ordinary people, perhaps through some accident.

But what happens when the 'right every time' approach is taken? One of the consequences of imbalanced accounts of company activities is that their social reports are seen as 'merely PR'. If major statements of a company's responsibilities are one sided, then all its statements lose credibility. What seems to be happening is that companies are attempting to be entirely 'good'. So where does all the bad go? It is largely projected out onto others: campaigners, extremists, dreamers. The result is a polarisation of opinion. Conflict becomes more likely. Campaigning NGOs may re-double their efforts. The recent Friends of the Earth social report written 'on behalf' of Shell, illustrates this point. It is easier to fight than to acknowledge that part of the blame for a situation is one's own fault.

Being good and bad and talking about it

Morality just won't go away. We cannot remain silent about it when talking about companies; and companies cannot remain silent about it when talking about themselves. Perhaps needless to say I am not advocating an orgy of mudslinging. However what I think it may be constructive to do, especially in the light of the continuing war on terrorism, is to consider some of the moral dilemmas which companies face in fulfilling the role of citizen.

First of all, what about armaments companies? For some socially responsible investors, they are beyond any possible ethical screen. And yet, can it be argued that the world would be more dangerous without them? Does it make sense to argue that UN peacekeeping missions, for example, should never be armed? Arms companies attend CSR conferences. Yet the only hint of a moral position in the statement of vision and values from BAE Systems is a reference to 'making the world a safer place'. So those companies with a core business which relates to war are clearly prime candidates for partners in the moral debate.

Secondly, what about those companies which are involved in the social or environmental 'clean up' after a war? This includes a very wide range of organisations which may simply be selling tents, for example, to house refugees. Or they may be manufacturing mine detection equipment. Is this unqualifiedly 'good business'? Or is this profiting from others' misery?

Some companies fall into a category defined by the fact that while their core business does not intrinsically relate to war, it does seem to find itself often within it. Oil extraction or transport, mining and other major infrastructure generation can fall into this category. Conflict typically results over land rights and use. Economic development is usually the argument in favour of investment of this kind; but how is this to be weighed up against the casualties of war?

But most companies will doubtless fall into a fourth category: their activities appear largely unrelated to war. Making steel has only a very tenuous connection to the lives of whales. So what should you do if you, as a steel company, are asked to support a campaign to save the whales? Historically a good proportion of community support has fallen into just this category: the support for worthy, but unrelated causes. While there may be nothing 'wrong' with this approach, it may or may not be the most effective way for the company to use its resources. That would need to be established. But if it is right to speak out to support the whales, is it not quite as justified to speak out on the matter of war?

I have suggested that companies want to see themselves as citizens, and there is at least the evidence of their legal situation supporting that. However if they are, there is no escape from dealing with moral issues. Since it has been declared that the world is now in a state of constant war, the moral dilemmas abound. From selling arms to supporting a just cause, every company has reason to be involved in the debate. Or will they claim the right to be silent?

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