

Corporate Social Responsibility and Neoliberalism: Toward Authoritarianism?

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Sept. 21, 2018

[Originally appeared on KeynoteCSR website [at this link](#)]

My intention in this short article is to theorize corporate social responsibility (CSR) as it relates to present-day trends of neoliberalism. Rather than setting out a single argument, I am instead interested in presenting two divergent views on the relationship between CSR and neoliberalism. On the one hand, CSR may be understood to disrupt the logic and direction of contemporary neoliberalism. On the other hand, CSR may be understood as an integral part of the logic and direction of contemporary neoliberalism.

CSR, in a nutshell, is a movement in the business world that sees corporations as having a responsibility to promote the social wellbeing of a wide range of stakeholders, such as employees, consumers, and broader local and even global communities. Companies must do more than just maximize profit for shareholders; rather, they must also be good corporate citizens, and CSR practices are a vehicle to do just that.

Neoliberalism is a theory of political economy that calls for free markets, deregulation, and privatization, among other characteristics. Historians of neoliberalism suggest this form of political economy developed from policies implemented by the governments of Margaret Thatcher in the UK and Ronald Reagan in the US. The neoliberal period is generally defined as 1980 to the present. The term is sometimes used as a pejorative, especially by critics on the political left. I am using the term neoliberalism here, even as I recognize its contentious and fraught aspects, because of arguments that seem to have some sticking power with respect to the effects of the last few decades of so-called neoliberal policies on present-day social, political, and economic relations.

One striking example of such argumentation is [an article](#) by Umair Haque, “Why the World is Giving Up on Freedom, Or, Why Neoliberalism is Ending in Authoritarianism Rising Around the Globe Again.” Haque suggests that neoliberalism debased the Keynesian political economy and the post-WWII social contract, hollowed out the welfare state, and led to economic stagnation or decline for working- and middle-class people. The effect of all this, Haque says, is that in the present day people are turning more and more toward authoritarian or strongman politics. Authoritarianism promises justice and prosperity to those who have been negatively affected by neoliberalism (or falsely makes such promises to gain power). It is not difficult to think of several relevant political trends that give credence to such arguments, as Haque discusses in greater detail in his article.

For the purposes of my own writing here, I posit that Haque and other theorists of neoliberalism are correct: neoliberal policies played a significant part in creating the conditions in which political authoritarianism speaks to a growing number of people. If we accept that there is an emergent and growing political authoritarianism, and if we accept that contemporary neoliberalism created the conditions for such authoritarianism – or that neoliberalism ends in authoritarianism, as Haque suggests – now the relevant issue is how CSR relates to this trajectory.

I want to present two divergent views on the relationship of CSR to neoliberalism, one more positive and the other more negative. The purpose of presenting such divergent views is, on the one hand, to look for what is potentially valuable and useful in the CSR paradigm as a means of pushing back a burgeoning authoritarianism, but on the other hand to critically look at CSR as a potential bulwark of neoliberalism and its (arguably) authoritarian end.

1. CSR is a counterbalance, or a form of resistance, or an emergent answer to the negative effects of neoliberal political economy and its present-day trend toward authoritarianism.

This view is likely the one most amenable to practitioners of CSR. From this position, we understand CSR to be an innovation in business as a force for positive social change. Community initiatives, employee engagement programs, charitable sponsorships, seeding social enterprise, and a host of other functions of robust CSR programs can be seen as rapidly taking the place of an eroded welfare state. It is an answer to the thread left hanging at the end of [an article](#) by George Monbiot, “Neoliberalism – the ideology at the root of all our problems”:

“What the history of both Keynesianism and neoliberalism show is that it’s not enough to oppose a broken system. A coherent alternative has to be proposed. For Labour, the Democrats and the wider left, the central task should be to develop an economic Apollo programme, a conscious attempt to design a new system, tailored to the demands of the 21st century.”

In the positive view, CSR is this economic Apollo programme, and CSR practitioners and theorists are its engineers and frontier explorers. CSR takes neoliberal capitalism and infuses it with social conscience, perhaps infuses it with a virulent strain of socialism itself, a stealthy undermining of not just the current neoliberal political economy but the authoritarianism it seems to flow into. This is arguably more than the “stay the course” perspective on CSR; perhaps, better yet, it is the clarion call for expanding and deepening efforts as CSR practitioners and theorists, given an emergent authoritarian system.

However, if we take this positive view on the relationship of CSR to neoliberalism, and indeed of CSR to emergent authoritarianism, there are some issues and significant questions that arise.

2. CSR is an integral part of neoliberalism, a means by which corporations attempt to build consensus for the perpetuation of practices that are socially and ecologically destructive.

This negative view is perhaps best theorized by Subhabrata Banerjee (see further readings at close), whose highly cynical views will likely strike CSR practitioners as unfair. However, taking this negative view at face value, CSR may be understood as participating in the erosion of

forms of social security and the welfare state, since corporations at least appear to be picking up the slack. The CSR industry itself, composed of countless departments, individual practitioners, and consultants, maintains a narrative of good corporate citizenship, at times for companies that in fact have abysmal records of social responsibility.

Taking a step back from the most extreme versions of this negative view, even some of the best practitioners maintain a healthy skepticism and robust critique of taken-for-granted approaches to CSR. For example, Bruce Harvey, Rio Tinto's former Global Practices Leader of Communities and Social Performance, wrote [a ground-breaking 2014 paper](#) for the journal *The Extractive Industries and Society*. Harvey suggests that companies (at least mining companies) had made a serious mistake by attempting to take on responsibilities for social development in communities they operate in, and that such efforts would be best served by local governments and not by corporations.

Furthermore, the premise of some practices of CSR is that companies can and should deploy CSR efforts with the primary goal of profitability, i.e., that CSR is a good thing for companies to do because it is good for the bottom line. Even if CSR efforts do have some benefits for stakeholders, this remains secondary to profitability. Such an approach falls squarely within typical neoliberalism. If it is true that CSR is an integral or typical aspect of neoliberal business practices in some of the ways noted here, then it has also played a part in what I have posited as a burgeoning authoritarianism.

Questions Left Hanging

To conclude, this short article is intended to serve more as a provocation than to provide any clear answer. The relationship of CSR to overarching structures of political economy and of political trends is at once a notoriously thorny and increasingly important issue. Some of the many questions left hanging include:

Is CSR an antidote to creeping authoritarianism? If a political trend toward authoritarianism continues, can CSR activities in companies be expected to continue, or will they fall to the side along with other remnants of a defunct system? Will cynicism of CSR, which already exists in many forms within neoliberalism, be further encouraged by a gradual turn to authoritarianism? Is it possible that practices of CSR have significantly propped up neoliberalism, beyond its shelf life, allowing neoliberalism to mutate into authoritarianism rather than to have already collapsed? Is CSR in fact compatible with an emergent authoritarianism?

It seems to me that such questions are important for practitioners and theorists of CSR to try to come to grips with, at least to the extent that broader political trends impact our work, and that our work impacts what is happening in the broader political sphere. Evidence of a shifting economic order (whether it is called neoliberalism or something else) and a new trend of politics (whether it is called authoritarianism or something else) calls for critical self-reflection in the CSR field.

Further Reading:

Vallentin, Steen. "Neoliberalism and CSR: Overcoming Stereotypes and Embracing Ideological Variety." 28th EGOS Colloquium, Helsinki, Finland, July 2-7, 2012. ([link](#))

Vallentin, Steen. "The Decline of Neoliberalism – Implications for CSR?" The Business of Society (website post), Sept. 28, 2016. ([link](#))

Ireland, Paddy and Renginee G. Pillay. "Corporate Social Responsibility in a Neoliberal Age." Corporate Social Responsibility and Regulatory Governance, ed. Peter Utting, Springer, 2009, pp. 77-104.

Banerjee, Subhabrata Bobby. "Corporate Social Responsibility: The Good, the Bad and the Ugly." Critical Sociology, 34(1), 2008, pp. 51-79.

Harvey, David. A Brief History of Neoliberalism. Oxford UP, 2005.