

# The boundaries of conscience?

## Is CSR part and parcel of business or an added extra?

All eyes, it seems, are on the business world right now, particularly in respect of what we understand to be a company's corporate social responsibility. In the latest twist, the coffee chain Starbucks appears not to be alone in being under scrutiny for failing to pay sufficient corporation tax. One interesting feature of the various Commons Committee hearings and related debates is that these multi-nationals do not seem to be breaking any tax laws, but yet are vehemently argued to have a moral responsibility to pay up anyway.

This does of course leave one wondering how a company is intended to determine the value of a morally sufficient fiscal contribution, given that the statutory instruments of taxation seem to have proved so inadequate. The counter-argument offered by the captains of industry is that their retained profits are better invested in growing the business itself, thus creating the jobs, economic growth and hence social well-being that our politicians crave.

In the midst of this argument, I sense that there lies a fine balance that is too often overlooked in the media-fuelled exchanges that seem to be incessantly running. Corporate Social Responsibility, or CSR as it is often more succinctly labelled, is an important issue in the present economic climate. There is no doubt that one of the clear messages from the present Government is that they are looking to industry to shoulder a greater financial responsibility for resourcing some of the social provision that is so vital to a wholesome and caring society. But this is often limited in most people's perception to simply handing out a wedge of their profits to a raft of suitably deserving good causes.

But does a company better express its social responsibility by simply getting on and doing its business, rather than offering a "morally

appropriate" portion of its generated wealth to other, more noble causes? This was a question confronted a recent gathering in Cheshire for Christians involved in various ways in the chemical sector. In a community centre that nestled in the shadows of one of Unilever's major production plants (and was of course paid for and maintained by its profits) we were reminded that much of the company's growth in the early 1900's occurred in tandem with a massive improvement in public health and hygiene. In the eyes of the cynic, the corporate giant was able to profit on the needs of the vulnerable; for those more positively disposed, Lord Lever's Soap Alliance brought health, wellbeing and increased life expectancy to millions.

The same remains true today. When a detergent manufacturer launches a new line that can wash clothes at significantly lower temperatures, it secures for itself a notably larger share of a lucrative market; it also enables a measurable reduction in our consumption of fossil fuels that would otherwise be required to heat the water for longer. Whether this is perceived as opportunism or environmental responsibility is largely a matter of perception.

It is also interesting to recognise that many household-name companies operate foundations, which support a portfolio of international relief and development projects that would look at home in the annual report of any Christian mission agency. Once again there is a blurring of the line that we often seem so keen to draw between our perceived worlds of faith and commerce. Christian Missionaries and relief workers are not the only ones whose daily labour enables significant humanitarian initiatives to function. If businesses were not trading and making a profit, then such programmes would simply not exist.

There is again a clear marketing opportunity here, as one well known manufacturer of disposable nappies is all too keen to point out; currently every consumer who purchases one of their products, funds a potentially life-saving vaccination for a child in a developing nation. Is this blatant opportunism or an act of moral responsibility that encourages wealthy western consumers to intentionally

purchase products that benefit the disadvantaged? In such a context, one might even argue that there is a higher moral responsibility to avoid tax so as to offer greater revenues to these vital humanitarian causes. (Though the writer is not naïve enough to imagine that this is the true motivator of most “tax efficiency” measures.)

It is too easy to dismiss the world of business in the language of “fat-cat” salaries and greedy

shareholders. The reality is far more complex – industry and commerce is neither entirely evil nor entirely good. And it is for this reason, as a people of faith, that we need to engage seriously in the issues and challenges that are faced by the private sector today. Sadly it remains, in the eyes of too many local Christian communities, an irrelevance at best and an evil at worst. Yet this is a world in which many people of faith are seeking to live out their calling to love God and love their neighbours.