**Assessment Two Answer Guide**

**Do Corporations take Corporate Social Responsibility (CSR) Seriously or is it merely good Public Relations?**

In your answer you should draw on both the UK and International framework for CSR.

Please have a look at this documentary in order to answer this question. We will look at it in class during the course.

The Corporation - <https://www.youtube.com/watch?v=Y888wVY5hzw>

AND

The New Corporation: The Unfortunately Necessary Sequel (2020) **–** https://www.youtube.com/watch?v=gPcHjF8RmYY

**Answer Guide**

I’ve suggested that students can draw on the UK and the International/global context here. In the end it is up to students to decide where their emphasis will be – either UK or the global but good students should focus on the global context that much of the material in this section of the course focused on.

**Introduction** - My recommendation is that students open with a discussion of the global context by saying something about the nature of ethics and its origins in the Enlightenment and the European Reformation – that gives birth to the idea of the individual as a subject capable of ethical conduct. And then students should point to the relevance of trade and commerce as part of the European colonial project – students should say something about the world’s first great multinational corporation – the British East India Company. See this article - <https://heinonline.org/HOL/LandingPage?handle=hein.journals/sealr39&div=21&id=&page=> [[1]](#footnote-1)

Students can then outline how the UK developed its CSR agenda as a consequence of the BCCI and Maxwell scandals. They should outline how the UK responded with legislation and the Combined Commercial Code in order to devise the basic structure of CSR in the UK. Students should then start to look at the international/global context and use the approach outlined below as a guide.

**The Introduction should be no more than 250 words and just outline the argument (based on the above) that you will each pursue in your answer.**

**Main Body of the Answer should consider the following structure as a guide**

1. Students ought to be able to say something how the East India Company provided the model for the US-European corporation (the documentary provides a good template for students to draw on in their answers). Corporations are not just commercial enterprises but also mini-states. How so? Well you may wish to say something of the East India Company here and how it operated as providing the model for the modern corporation that emerges in the 20th century. The essence of the modern corporation is described in the two documentaries – incorporation and limited liability. The East India Company starts to behave like a mini-state. The first documentary (The Corporation) observes that modern corporations also develop state like behavioural patterns, drawing on the earlier history of the East India Company. Critically without limited liability there is no market economy and capitalism cannot develop - [https://www.cambridge.org/core/journals/journal-of-institutional-economics/article/new-understanding-of-the-history-of-limited-liability-an-invitation-for-theoretical-reframing/B12B69696AC81304A2738ADE4FFF4556#](https://www.cambridge.org/core/journals/journal-of-institutional-economics/article/new-understanding-of-the-history-of-limited-liability-an-invitation-for-theoretical-reframing/B12B69696AC81304A2738ADE4FFF4556)
2. Does corporate social responsibility go beyond philanthropy etc and if it does go beyond that how does the modern corporation go beyond philanthropy and compliance? Both documentaries suggest that corporations are reinventing there public profile. The documentary in particular tells how corporations are reinventing their CSR functions with very good public relations, etc. So firstly address how corporations are reinventing their CSR goals with their external and internal stakeholders in mind. There internal stakeholders are there employees. Their external ones are the wider public, consumers, NGOs (Non-governmental organisations) working in developing countries, Aboriginal activists (in Australia and Canada for example) and environmental activists who are trying to hold corporations to account. By rebranding their CSR gaols corporations are trying to address all these stakeholders with a good news story – but is working or is a mixture of yes its working in some areas but no it just Public relations in other areas?
3. Is what corporations are doing well just public relations or is it actually making a difference – note here the significance of the Bill Gates Foundation and the George Soros Foundation which tells an interesting story of activist oriented philanthropy in the corporate world.
4. If this CSR re-branding is purely a Public relations exercise, then what are they doing badly still – there is plenty of evidence of this from mining projects in Australia and Canada. Take Adani, the Indian mining giant which has a project in Queensland (the Galilee Basin) which has been bedevilled by accusations that Adani have afield to take account of local land owners and also of Aboriginal traditional owners and elders of the land. Students can read about this online and can use internet sources if they wish to.
5. Conclusion – either or approach in the conclusion. Students can just summarise their thoughts on what next in their own words or they can just say something that corporations no longer about only making money for shareholders but it is now about networking with civil society to give stuff back. But can giving stuff back just also be incorporated into the logic of the corporation? An open-ended conclusion is fine!

1. Vol 39 **Seattle University Law Review**. 423 (2015-2016). Philip Stern, ‘The English East India Company and the Modern Corporation: Legacies, Lessons, and Limitations’. <https://digitalcommons.law.seattleu.edu/sulr/> [↑](#footnote-ref-1)