We are experiencing a fundamental transformation in society’s understanding of the role of business. Business leaders and entrepreneurs themselves are increasingly redefining the purpose of enterprise. While the profit motive is key to the functioning of the market economy, there is a growing consensus that the creation of value for society is what will drive profit and shareholder value in the long term. The acceleration of globalization has brought a radical change, highlighting the potential influence of business on society and also providing more opportunities for the media, NGOs and others who want more information about the behaviour and impacts of companies.


Over the past decades, business, governments, academics, the media, and the remaining part of civil society alike have displayed inconceivable levels of interest and enthusiasm for a still vague and undefined concept of corporate social responsibility (CSR)—so much so that the economic activity of the twenty-first century cannot be understood without such a concept and CSR has become a buzzword in the business world. Just try Google and you will get five million “hits” and you will find over one million Web pages.

The reason for the CSR explosion is to be found in the role corporations play in the new economic order and the tremendous power and influence that they exercise around the world. Out of the one hundred largest economies of the world today, fifty-one are corporations and only forty-nine are nation states. These levels of power and influence are exacerbated by the economic globalization, privatization, and deregulation, communications revolution, increased access to information, and the prevailing of material over spiritual values, not to forget the myriad of corporate scandals that emerged at the outset.
of the twenty-first century. The new corporate role is at the same time the cause and the consequence of such power and influence.

For many centuries, corporations had been seen just as human enterprises to produce goods and services needed by any given society. Today this conception is obsolete, since corporations’ activities go beyond the production of goods and services in the exclusive interest of their owners, and it is expected that they will help address the major global issues in society. Winston Churchill used to say that with more power came more responsibility.

It is not the first time that businessmen are called to fix the problems of the world in modern times. In Europe, in the middle of the last century, when the world became crazy and tried to annihilate itself in the two world wars, it was not the politicians nor the military who found the formula to eradicate wars and build a new peaceful Europe. It had to be the businessmen, who, through treaties like those for coal and steel, found a modus vivendi, inviting the human race to survive through using the plow and not the sword.

However, in this flat and globalized world, many people do not trust the traditional role of corporations, especially after the scandals in the United States and in the EU at the turn of the century. This requires rethinking the role of corporations in our knowledge society.

In his 2008 book Common Wealth: Economics for a Crowded Planet, Jeffrey Sachs has denounced the most basic economic reckonings that the world is facing: poverty, climate change, and environmental destruction. The world has discovered that there needs to be new ways of handling its future and these new ways rely precisely on the importance and influence of corporations.

As the World Business Council on Sustainable Development¹ said, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large. Today, CSR has moved from the periphery of business to central stage and is an honest movement that has produced millions of proselytes within business, governments, and civil society.

As with many things in this world, CSR activities may be genuine or twisted and distorted. While some CSR activities are probably just window dressing or a public relations exercise, many companies are convinced that economics, society, and the environment are not invariably in conflict and are genuinely committing to addressing labor, environment, health, and economic justice issues and the promotion and protection of human rights. On the other hand, the movement

has been so successful that it has pervaded all sorts of activities of all
types of entities, economic as well as noneconomic. So pervasive and
expansive is it that one of the problems affecting the current CSR is the
difficulty of defining the concept and setting boundaries to its scope.

I would like to make a call from these paragraphs. We individual
mortal beings have become accustomed to impassively watch and
sometimes feebly criticize the constant abuses that are being made on
human rights or on the planet’s rights. And we accuse “them” for such
intolerable abuses without even realizing our indirect participation
in such wrongdoings. Each one of us, with our choices, consumption,
actions and often inaction, and silence are cooperating in such abuses.
In a meeting organized by Resources for the Future Forum (RFF) in
October 2003, Paul V. Tebo remarked how our consumers’ interest in
the environment was ironic because for one thing we “drive huge cars
with ‘save the polar bear’ bumper stickers.”

Our goal must be that the CSR movement may not remain the
stringent romantic ideal of a few charitable-sensitive businessmen, but
it may soon become a natural and indissoluble element in all corpora-
tions and on the top of their managers’ agendas, and make it the role
of each individual person, corporation, and organization to help in
transforming the present new economy for the benefit of real world
progress.

One of the main drivers of CSR is the intensive activity of transna-
tional corporations in a globalized market. International law and law-
yers are essential for this global activity. That is the reason why the ABA
Guide to International Business Negotiations, edited by James Silkenat,
Jeffrey Aresty, and Jacqueline Klosek and published by the Section of
International Law of the ABA, which third edition I have the honor to
introduce, is most opportune and commendable for all international
lawyers and enterprises.

Ramón Mullerat OBE
Former President of the Council of the Bars and
Law Societies of the European Union (CCBE)
Barcelona, Spain, September 2008

---

2 Paul V. Tebo, Vice President, Safety, Health and Environment of E.I. du Pont de
Nemours, Overview, Resources for the Future (RFF) Council Meeting: Forum on CSR
(October 16, 2003).