

**Corporate Watch, Consumer Responsibility, and Economic Democracy:  
Forms of political action in the orbit of Basic Income\***

**David Casassas**  
Hoover Chair of Economic and  
Social Ethics (UCL, Belgium)

**Sandra González Bailón**  
Nuffield College  
University of Oxford

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The political power of private corporations has grown in the last decades as much as the inability of the States to regulate their business. The control of the public sphere has shifted to the hands of private factions that deprive citizens of their right to control their rulers, a process that mines, even more, their freedom and autonomy to decide on their own lives. This leads to the inexorably extension of the two great threats to individual liberty and autonomy that have been identified by political theory along its history: the *dominium* and the *imperium*. The *dominium* extends because, with a major force every day, the big private powers impose to actors forms of production and of distribution that leave them with a barely audible voice<sup>1</sup>. The *imperium* extends because, with the advance of those private powers, the States, far in their captivity from devoting themselves to the task of promoting the public good, do nothing but guarantee the statu quo, embracing the action of big corporations and using their coercive apparatus when called to do so<sup>2</sup>. Many measures and initiatives (such as cutting rights and liberties, and promoting processes of re-militarization in areas of geopolitical interest) have been implemented by different governments to still claim that the so-called

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<sup>1</sup> We take the terms “voice” and “exit” in the sense given by A.O. Hirschman in his classic *Exit, Voice, and Loyalty. Responses to Declines in Firms, Organizations, and States*, Cambridge, MA: Harvard University Press, 1970.

<sup>2</sup> It should be noted, though, that this *contract* between States and corporations is limited by problems of agency. This is not a relationship between homogenous groups and their different interests interfere often in the proper coordination of their actions.

*globalisation* works at the margins of politics: much in the same way as the British Empire was, during the XVII and XVIII centuries, a necessary condition to articulate British capitalism, the great economic powers use, today, the influence of States to consolidate their positions of privilege in markets of special strategic interest.

Yet certain forms of resistance have also emerged to refill with politics what so far the public saw as mere market exchanges. Campaigns of consumer and stakeholder activism have, in some instances, forced many big companies to introduce in their discourse concepts such as social responsibility, business ethics, environmental policies, community development or corporate governance. Despite the possible hypocrisy of the means, these campaigns open a certain space where citizens can be belligerent with their goals: in exchange for a good image (in exchange for higher sales), corporations are forced to adopt measures that protect their products from the ethics of consumers; and consumers get, in return, a bit of the terrain stolen from their sovereignty. The will that citizens once expressed with their votes –regardless of the attention that will may have received<sup>3</sup>—now can also be expressed, to a certain extent, from petrol stations, sports departments, and supermarket tills. Or, at least, to the extent that social structure allows: those participating in these processes belong in their majority to the middle-up classes of the northern hemisphere.

With this background, can a Basic Income (BI) contribute to set the conditions where to promote “consumers ethics”? In fact, the question to pose is threefold. First, can a BI favour a distribution of labour time in such a way that citizens can obtain a critical distance from the workings of the machinery in which they take part and obtain, thus, a perspective from where to scrutinise the product being generated? Second, can a BI equip the “consumer-citizens” with a purchasing power able to exert a real influence on the behaviour of corporations, nowadays completely uncontrolled? And third: can a BI guarantee to the “producer-consumer-citizens” a fallback position that allow them to increase their bargaining power in the labour market, being as they are necessary units of the production chain?

It seems reasonable to think that, with a BI, individuals could participate in –and take greater command of— a process in which, right now, their opinion –their *voice*—is not being considered. Can a BI empower them with the twofold threat of linking their role as consumers with their role as producers? Can a BI provide individuals with the capability to demand, both as consumers (with a renewed purchasing power) and as producers (with a

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<sup>3</sup> Many are the States where a disguised limited suffrage exists –those with minimal indices of participation, absence of real political alternatives, indifference to political institutions by large segments of the population left behind socio-economic and symbolically, etc.

grown resistance power), more democratic contractual and organisational forms of labour, closer to what they would really choose in conditions of full liberty and autonomy<sup>4</sup>? As Erik Olin Wright has already highlighted<sup>5</sup>, a BI could decommodify labour, strengthen the power in front of the capital, and open the way towards new forms of organisation –freer and more autonomous— both in the production and in the consumption ends, something that could pose a real challenge to certain aspects of the inner logic of capitalism.

The aim of these lines is to find the point of convergence between these strategies of corporate watch and the proposal for a Basic Income. Exercising citizenship in a world run by big corporations demands having a material autonomy to decide in the marketplace –of goods and services but also of labour—what –in a progressively more notorious way—cannot be decided anywhere else. A BI would promote, to begin with, the expansion of this new power of political expression beyond the middle classes; it would make it universal as the vote was once made. The effects that, in the long run, would follow the introduction of a substantial BI (equivalent, at least, to the poverty line) would surely be as radical as irreversible in the configuration of new relations of power, both in the consumption sphere and in the production space: freer individuals *from the demand side* would choose their goods and services with a higher responsibility, and freer individuals *from the supply side* would choose how to produce with higher autonomy. But these lines do not aim that far: even having placed the case for the universal right to vote on the background, the objective of this paper is just to highlight the complementarity that exists between a new way of social protest and the support promised by the introduction of a BI.

The argument unfolds as follows: first, a summary is given of the strategies that, since the mid nineties, a number of corporate watch initiatives have used in a systematic way, all requiring the action of citizens in their role as consumers. Then, the results of these campaigns are assessed, with special attention to the discourse on corporate responsibility echoed today by most companies. Finally, the political implications of this discourse are evaluated, highlighting the points of convergence between the new “consumer ethics” and the BI proposal, a measure able to

1) feed and sustain a continuous watch of the practices undertaken by the economic actors –with the associated commercial rewards and sanctions; and

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<sup>4</sup> We recall here the assertion of the late Rawls (*Justice as Fairness. A Restatement*, Cambridge, MA: Belknap Press of Harvard University Press, 2001, p. 257) according to which “[w]hat men want is meaningful work in free association with others”.

<sup>5</sup> Wright, E.O. (2005): “Basic Income as a Socialist Project”, *Basic Income Studies*, Vol. 1, N. 1.

2) encourage the devise of *other labour markets*, that is, of other ways of organising production –with higher levels of *workplace democracy*—in which the “workers-consumers”, equipped with a better bargaining position, will be able to make real and effective those alternatives regarded by themselves as ethically desirable.

## 1. The Pressure: Strategies of Boycott and the New Consumers Ethics

Shell, the mid-nineties. The boycott launched against the company for the environmental impact of its practices and its collaboration with the corrupt government of Nigeria stands as a turning point in the ways of expressing political activism. The scenario in which these events take place is a world where the pressure citizens can put on their governments –and the ability of these to protect the space of civil society—devalues as the new rules of the game imposed by the (*sort of*) economic globalisation that characterises contemporary capitalism consolidate. The incidents with Shell stand as an example of how citizens can still make use of their power in a terrain where traditional politics is not self-sufficient anymore by using their purchasing influence to promote (even if partial) changes. They also show that the loss of popular sovereignty is being confronted by citizens (or, at least, by those citizens with their daily subsistence guaranteed) that aspire to recover it by trying to re-politicise their participation in the production and consumption spheres.

When Shell announced its decision to dump a disused oil storage facility, the Brent Spar, in the North Sea, in front of the Scottish coast, the British government had already given its consent. Yet four months later, Shell decided to dismantle and recycle the Brent Spar on land. What brought such a sudden reversal in the company’s policy was an aggressive campaign lead by Greenpeace and a huge civic pressure, materialised in the form of a drastic drop in the company’s sales –a drop which in Germany reached a 50% of loss<sup>6</sup>. In a similar fashion, the abuses and human rights violations committed by the Nigeria government (abuses that were going unnoticed under the lack of initiative of the international political community) were taken to the headlines around the globe thanks to a new boycott: Shell was accused of using the Nigerian army as a force for private security, of giving financial support and legitimacy to a dictatorial regime, and of being an accomplice in the execution of nine local activists who had fought for the defence of human and environmental rights, both systematically violated in Nigerian territory<sup>7</sup>.

<sup>6</sup> <http://www.greenpeace.org/international/about/history/the-brent-spar>; “Saints and Sinners”, *The Economist*, 24 June 1995.

<sup>7</sup> Klein, Naomi (2000) *No Logo*, London: Flamingo, pp. 383-87; “Multinationals and their morals”, *The Economist*, 2 December 1995.

What this episode shows is that the pressure of great multinational powers can lead to the seizure of democratic States but also, as in this case, to real agreements between the private interests of corporations and those of (already) corrupt and tyrannical governments –which, as the Nigerian generals, see in those agreements a good source of mutual benefit.

In any case, the consumer boycott was, again, taken to the company's petrol stations. Yet this time, the wave of expansion reached new targets: after the episode, a number of multinationals, aware of the threat that receiving the same negative publicity posed (and, above all, reluctant to pay the costs) made public their decision to withdraw from Burma (Myanmar) for the abuses of its too despotic regime<sup>8</sup>. So far, more than sixty companies have withdrawn their plants or have made public their decision to break all relations with the regime for not acting in line with their values and principles<sup>9</sup>.

Before the incidents with Shell, other similar strategies had already been put into practice to boycott, among others, the products coming from the South Africa of the apartheid<sup>10</sup>. Yet if the Shell episode still stands as a turning point is because, from that moment on, the target of citizens' critiques became private companies rather than governments or public administrations: launching against those companies boycotting campaigns was presented as the only way to intervene in a system in which traditional politics could not restrain the imposition of private interests any more. It is from that campaign against Shell (from the moment it exploded in the media) that other big corporations became the targets of consumers –again, upper-middle classes from the North hemisphere—more and more conscious of their new domain of power; consumers that started to make public their aversion to use garments produced at the expense of the fundamental rights of workers, to ingest genetically modified food, or to purchase coffee usurped to the producers in the name of an alleged –never effectively practiced—free trade. At the end of the nineties, this *consumer activism* not only unveiled practices that had been disguised under the clothes of multimillionaire marketing campaigns; it also held corporations accountable for demands with a high political content. The strategy devised by this new form of activism proved threatening from the very start: it was able to undermine the very base on which the omnipresent power of multinationals stand, namely customers willing to pay for their products.

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<sup>8</sup> “The fun of being a multinational”, *The Economist*, 20 July 1995; “Reluctant Missionaries”, *Foreign Policy*, July-August 2001.

<sup>9</sup> [http://www.burmacampaign.org.uk/dirty\\_list/clean\\_list.html](http://www.burmacampaign.org.uk/dirty_list/clean_list.html).

<sup>10</sup> [http://www.ethicalconsumer.org/Rise\\_and\\_rise\\_of\\_ethical\\_consumerism.htm](http://www.ethicalconsumer.org/Rise_and_rise_of_ethical_consumerism.htm); “Saints and Sinners”, *The Economist*, 24 June 1995.

It is worthwhile noting here that both the manipulating nature of oligopoly publicity and the direct and indirect power of financial capital over productive capital (for this is, in essence, the type of globalisation imposed today: the reappearance of the old “rentier” that Keynes and Ford II thought to have buried for good at the end of the 40s) fall like a gravestone on any intent to generalise the counter-power that a “consumers ethics” would generate, as exposed so far. Such a counter-power is little more than inexistent when, for instance, workers are forced to deposit their savings in private pension funds, as it has happened in a number of States, with no real option to consider other alternatives, such as ethical funds or stocks offered by companies with fairer labour conditions. The question posed in this paper, though, is whether a BI would confer individuals the capacity to achieve a *critical distance* with respect to the workings of the economic machinery, a distance able to feed a scrutiny so often obliterated.

Anyhow, and leaving these considerations for later on, selective purchasing has become since one of the few effective strategies to put pressure on big corporations. Nike had to attend to the demands of students and universities, being accused of violating the fundamental rights of its workers in countries like Indonesia; and it was forced to accept publicly its responsibility at a level only comparable to States: at the peak of the critiques, Nike’s chief executive officer made public a plan in which he promised to improve the labour conditions in Asia, impose new measures to guarantee the quality of the air in its plants, and regulate the use of chemical products; he also promised to take care of the education of its workers<sup>11</sup>. Monsanto, world leader in the production of genetically modified food, was targeted by the same tactics when the main English supermarkets, reacting to the demands of their consumers, emptied their shelves of their laboratory products<sup>12</sup>. Other companies, like Nestlé, saw how their logos were identified with the darkest aspects of globalisation, and how their products devalued in front of those guaranteeing free trade, the consumption of which has tripled in the last six years<sup>13</sup>. According to consumption surveys, the ethics of corporations is increasingly taken into account when doing purchases<sup>14</sup>. So, in reaction to these movements, many companies do not wait their customers to dig on the ethics of their activities; they themselves incorporate those ethics to their standards –not necessarily motivated by moral convictions genuinely assumed— and make sure it is conveniently salient in their labelling.

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<sup>11</sup> Klein, N. (2000) , p. 375; <http://www.globalexchange.org>.

<sup>12</sup> Hertz, Noreena (2001) *The Silent Takeover*, London: William Heinemann, p. 113.

<sup>13</sup> [http://www.fairtrade.org/sales\\_of\\_products\\_in\\_the\\_UK.htm](http://www.fairtrade.org/sales_of_products_in_the_UK.htm). The starting point was, though, really low.

<sup>14</sup> <http://www.ethicalconsumer.org/philosophy/opinion.htm>.

Together with selective purchasing, other strategies have also put pressure on multinationals; for example, the use of lawsuits to force the transparency of their activities. The case against McDonald's caused a great impact on public opinion and served to illustrate how different the reality of a corporation can be under the cellophane of their corporate image: deplorable labour conditions, cruelty with animals, the use of not very healthy raw material and abuses of power via marketing are some of these realities, uncovered by the two English ecologists who, also in the mid-nineties, were taken to court by the company<sup>15</sup>. Even though libel lawsuits are still a guarantee of victory for big corporations (which find in the law –and in their substantial resources to make use of it—an efficient instrument to criminalise the dissidents that make public their *voice*), the great victory of this strategy is the promotion of bad publicity: it is a counterweight to marketing, and a window that breaks the disinformation (when not straight censorship) so often promoted by corporations.

Finally, a third strategy to force the “business ethics” has been timidly activated –though with clear signs of its political potential—from the very heart of corporate power: it is the pressure that, from their shareholder positions, citizens and groups can exert from the corporations annual assemblies. High executives are, in the end, employees who own their services to the proprietors<sup>16</sup>, and the ethical demands have found in investments a way to influence their decision process. Again, the success of this strategy does not reside in its power to affect directly the corporation policies, but in its potential to generate negative publicity: this is exactly what happened in one of the assemblies of the petrol group BP, in which a peculiar coalition of environmentalists and ethical-investment groups appeared disguised as polar bears to protest against the activities of the company in the Arctic Ocean<sup>17</sup>. What this strategy manifests is the importance of having access to the status of owners, besides that of consumers, in a world where the most important decisions are being taken in private forums.

It is important, though, to approach this question with care, for the jeffersonian dream of having a democracy of small owners is totally incompatible with the corporate, deregulated capitalism imposed today. Additionally, the acquisition of stocks does not necessarily grant equal positions of power. *De facto*, only a few of the shareholders and investors will

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<sup>15</sup> Klein, N. (2000), p. 387 y ss.

<sup>16</sup> Again, a problem of agency appears here. The average salary earned by managers has increased, during the last three decades, in a much faster pace than the benefits made by the companies they manage. This results, in turn, from problems in the governance of big corporations, which have arisen as a result of the destruction of a good portion of the regulations within the corporation created during the *New Deal* era.

<sup>17</sup> Hertz, N. (2001), p. 125.

have the necessary doses of power to make effective decisions, and certain financial and mercantile codes acknowledge *de iure* such reality, which is closer to a plutocracy than to a democratic governance of the company. Of course, those same codes could establish, for instance, that regardless of the composition of the shareholders, none of them could hold a percentage higher than a predetermined index. While such restrictions are not incorporated, the dream of an economic democracy remains unfounded, becoming, at most, a more or less successful motto in the management of conflict within companies.

Anyhow, our question here is: can a BI provide the necessary material and civil independence to allow individuals make use of their functions in shareholder assemblies, with a real independence of thought? Can a BI favour an effectively autonomous process in which individuals can form their preferences with regard to the spheres of production, consumption, investment and financing? Can a BI, overall, act as a catalyst of these proposals of social innovation –from corporate watch and responsible consumption to ethical banking or cooperativism? These proposals are already being considered (so often in a too disjointed way) and practised despite the (adverse) socioeconomic conditions in which social actors that put them into practice are living in. Whether a BI can support and enhance them will be explored later on.

All in all, the three strategies explored so far (selective purchasing, lawsuits to force corporations to be transparent in their activities, and the pressure that citizens can put on corporations as shareholders and investors) share a common objective: to hold corporations accountable for the political implications of their activities and to mend from the market the lack of arbitration exhibited by institutional politics. The philosophy that underlies these initiatives is to establish a *consumer ethics* to fill in the gap left by the absence of an *economic ethics*. In practice, the aim is to force, using the only language understood by corporations (their sales) the respect for human and labour rights, the protection of the environment, the promotion of investments founded on ethical principles, and the sanction to oppressive regimes –so often maintained by the corporations themselves—by withdrawing investments. In other words, the new consumer ethics seeks to incorporate all these elements in the equation of costs and benefits that determines what are the corporation's priorities. And it does so by re-politicising all the areas that globalisation left exposed making use of its very same instrument: the market.

Note that what we aim to analyse here is to what extent the coordinated action of consumers could become a real *monopsony* in which the only buyer could dictate to the suppliers –be these many, few or just one— the conditions of production and sale. What we claim in the third section is that such a

possibility is reinforced when it is accompanied by a measure that, like BI, guarantees the material independence and the freedom necessary for citizens to judge the productive process in all its dimensions. Before developing this, though, we will explore some of the impacts of this consumer strategy.

## 2. The Reaction: Corporate Social Responsibility

The straightest way to measure the impact of consumers' boycott strategies is to add up the number of departments, consultants, courses and conventions dedicated to the so-called –with more or less justice— “corporate social responsibility” (CSR)<sup>18</sup>. The great majority of multinationals today have an executive in charge of developing and coordinating the social responsibility function. This reaction can also be detected in other figures: in 1993 only 15% of the largest companies in Europe carried out audits to measure their ecological impact; in 2000, more than half had done it, including Shell or BP<sup>19</sup>. The signs of success appear not only in the discourses of high executives or in the reports detailing how many millions of euros this renewed social conscience costs; the clearest sign of how deep the consumers ethics has dug in the reality of corporations is that nowadays the CSR is an industry itself<sup>20</sup>. The consumers' protests sent to companies a clear message: they could not keep on being soulless and blindly absorbed in the only function of selling their products to the established price. And those corporations *bought their conscience*, with the help of consultants and some of their old critics. Today, there are barely firms which, in their annual reports, justify their existence exclusively in economic terms.

Yet what is the exact nature of CSR? What this new *business ethics* tries to establish is how responsible companies are for those who are beyond their shareholder assemblies; that is, for the non-owners<sup>21</sup>. The range of activities that fall within that definition is wide and, in fact, it is demarcated by two confronted extremes: the first restricts CSR to those policies that promote the “good administration of the company”, policies based on principles such as not to lie to workers, not to make use of bribery or not to design short-term market strategies. The second front is formed by those who defend more distinctive and ambitious policies: they identify CSR with huge investments of

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<sup>18</sup> It should be noted, though, that the expenses devoted to develop the ‘socially responsible’ function fall, normally, in the entry of publicity expenses –which, as is well known, are supported by consumers.

<sup>19</sup> Ibid., p. 127. Of course, there is the potential problem of audits working in collusion with the managers governing the companies.

<sup>20</sup> “Two-Faced Capitalism”, *The Economist*, 24 January 2004; “The Good Company”, *The Economist*, 22 January 2005.

<sup>21</sup> “Lots of it About – Corporate Social Responsibility”, *The Economist*, 14 December 2002.

time and money in activities that are beneficial for development<sup>22</sup>. These two fronts are the shapes taken by two opposed ways of understanding the paper that economic agents play in market societies: one according to which companies should exclusively defend the interests of the owners (*shareholder capitalism*); and another according to which companies are also responsible for the communities in which they operate (*stakeholder capitalism*)<sup>23</sup>. For the former, those interested in the good run of businesses, the only ones with a legitimate power to interfere in them, are the owners. For the latter, this sphere of legitimacy also includes the general public that is affected by the companies' activities; that is, by whoever loses if the business is badly run. The defenders of this second version are the ones who lead the social responsibility movement.

In parallel with the corporate response, the United Nations has also reacted to citizens' protests and has developed new standards to regulate the behaviour of corporations, given their impact on social justice matters. The two most salient initiatives are the Global Compact and the Human Rights Norms for Businesses. The first was launched in the World Economic Forum, in Davos, in the late nineties. It was presented as an international initiative to unite multinationals with the UN agencies in their fight for universal principles on human rights and environment protection. Those companies willing to take part in the Compact had to compromise to make an effort to aspire to those principles. More than 1400 companies have adopted this initiative since its launch<sup>24</sup>. The Norms, on the other hand, were adopted in 2003 by the UN sub-commission on the promotion and protection of human rights. In those norms, governments are declared responsible for their maintenance but, at the same time, a number of rights are also identified for which companies are held responsible<sup>25</sup>.

Both initiatives have been criticised for their lack of efficiency: the former, because it is too lax in its demands; the latter, because it is too strict<sup>26</sup>. The Global Compact allows corporations to gain good publicity by associating *de iure* with the United Nations without really having to change their practices *de facto*. To join the Compact, the CEO of a company has to write a letter expressing her support to the principles of the Compact, without further specifying how these principles will be turned into practice, or what strategies are going to be devised to protect them. Furthermore, north-American

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<sup>22</sup> "Survey: The Union of Concerned Executives", *The Economist*, 22 January 2005.

<sup>23</sup> "Lots of it About..."

<sup>24</sup> "Bluewashed and Boilerplated", *The Economist*, 19 June 2004;

<http://www.globalcompact.org>.

<sup>25</sup> "Raising Human Rights Standards in the Private Sector", *Foreign Policy*, November-December 2003.

<sup>26</sup> *Ibid.*

companies, which need the higher doses of compromise with human rights, are still blatantly absent from the Compact: only a 4.5% of the multinationals associated come from the United States<sup>27</sup>. The Norms, on the other hand, say little about how corporations should behave when the protection of human rights forces them to violate local laws in the host country: for example, the right for workers to associate. As a consequence, multinationals see in the Norms a threat to their investments in countries where human rights problems are especially acute: they fear being accused of perpetuating problems on which, they claim, have little, if any, influence<sup>28</sup>.

Yet if corporations are reluctant to support norms that tie them too much in their defence of human rights it is because they are not sure they want to accept the job. Those who are against CSR make use of three arguments: (i) CSR takes pride in a borrowed virtue; in other words, it is philanthropy with the money of others; (ii) CSR trespasses a fundamental frontier between politics and businesses; and (iii) CSR promotes practices the outcomes of which are globally damaging<sup>29</sup>. The first argument implies that the management of a corporation can only be done according to the owner's interests, and that using their money to undertake activities of social or environmental protection is more immoral than socially responsible. Those who use the second argument state that it is governments who have to perform the "complex moral calculus" and that multinationals have to remain politically neutral, free to take their decisions on the basis of just business; for them, to build a just society is the task of governments, not of companies<sup>30</sup>. Finally, the third argument assumes that anything that might disincentive investment in developing countries makes everybody, rich countries and poor countries, worse off: the first because they cannot make profits; the second because they cannot participate, even if slightly, in those profits. According to this argument, boycotting garments produced in the third world diminishes the aggregate happiness because "the most ethical way to do business is to attract investment and offer more people a way out of peasant labour<sup>31</sup>".

Yet the world of business does also shelter a sector that approves of the principles guiding CSR –or, rather, of its consequences. To them, companies that are socially responsible *attract better workers*, get higher levels of trust and acquire competitive advantage in the market. According to this sector, "where governments cannot or should not act, the burden shifts to the managers of international companies to exercise their responsibility as moral

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<sup>27</sup> "Bluewashed and Boilerplated"

<sup>28</sup> "Raising Human Rights Standards..."

<sup>29</sup> "Survey: The Union of..."

<sup>30</sup> "Multinationals and their Morals", *The Economist*, 2 December 1995; "Lots of it About..."

<sup>31</sup> "Ethically Unemployed", *The Economist*, 30 November 2002.

individuals”<sup>32</sup>—hence the importance, as will be explained later on, of reducing as much as possible the space for *discretionary decision making* left to companies to the minimum. At times, CSR does not only affect the corporate viability in developing countries but also the very survival of the workers themselves. This is the case of multinationals investing in Africa: in certain countries, maintaining the forces of production implies fighting against a number of epidemics, including HIV and Aids. In the cruel expression of a spokesman of the South African Business Coalition, for these multinationals “the cost of keeping someone alive is cheaper than the cost of letting someone die”<sup>33</sup>. But the (yet crueller) reality is that, in the absence of these corporate investments, many areas in the third world would still lack clinics, schools and other infrastructures that the States are unable to provide<sup>34</sup>, undermined as they are –when not simply neutralised—by decades of interference in which, as it happens, corporations have contributed greatly.

Among those who defend the CSR there are, finally, those who see in it an opportunity to restore the consensus broken since Seattle<sup>35</sup>. The protests that citizens express with their purchases are but one of the tips of an iceberg hiding a bigger discontent, a dissatisfaction that, in fact, affects the totality of the system imposed by the kind of economic globalisation that is nowadays taking place. CSR is seen as a roussean social contract taken to the negotiation desks of the CEOs of big corporations: to serve the public good is suddenly seen as the best way to guarantee individual interests –that is, the millions invested by the shareholders of their private corporations<sup>36</sup>. The simile fails, of course, in a crucial point: the signers of Rousseau’s contract were free and sovereign citizens, not guardians on pay for their care. The new moral tendencies amongst executive officers of big corporations lack (good intentions apart) the legitimacy assumed by the CSR discourse. The next section explores why with major detail.

### **3. The Consequences: Consumer Responsibility and Economic Democracy in the orbit of a Basic Income**

Despite the arguments against crossing the frontier that separates politics from businesses, the reality is that big corporations have crossed that line in multiple occasions, for example in Germany, just after Schroeder’s first government attempts to increase taxes on corporations. A coalition of these, including, among others, the Deutsche Bank, Allianz and BMW, threatened

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<sup>32</sup> “Companies and their Consciences”, *The Economist*, 20 July 1996.

<sup>33</sup> “AIDS and Business”, *The Economist*, 4 December 2004.

<sup>34</sup> “Reluctant Missionaries”, *Foreign Policy*, July-August 2001.

<sup>35</sup> “Drilling for Common Good”, *Foreign Policy*, July-August 2001.

<sup>36</sup> “The Biggest Contract”, *The Economist*, 28 May 2005.

the government with relocating their plants and investments in low cost countries, able to offer much better conditions. In the words of one of the spokesmen of the coalition, the matter affected no less than 14.000 workers. The episode ended with the resignation of the Finance Minister and with a plan to reduce taxes that had to take them to lower levels to those applied in the United States<sup>37</sup>. The list of similar episodes has grown in the last years in all countries of the (so-called) advanced economy.

The discourse on CSR is, then, the colophon of a long journey in which governments have been systematically lobbied to intercede in favour of private interests. The argument about the moral responsibility of companies is the magic hat that allows the transformation of old vices in new virtues, but maintaining the same illusion: letting corporations become decision organisms in front of which there are hardly any regulation channels left. In this context, the protests of responsible consumption have arisen as a way of altering the priorities of multinationals using a strategy that, in certain circumstances, have proved efficient. Part of that success is due to the growth of the purchasing power of the middle classes in the northern hemisphere, at least until the mid nineties<sup>38</sup>. But to be able to use this new way of political power a condition is needed which, unlike citizenship, is not universally guaranteed: having the means to consume.

It is here where the BI proposal finds a point of tangency with the movements of responsible consumption. The argument, as it goes, is more fundamental than programmatic: it is not just that by giving a BI to every citizen they will have a greater power in front of corporations; it is rather, and above all, that, given the circumstances, the republican dictum according to which there is no freedom without material autonomy has become truer than ever<sup>39</sup>. In particular, if corporations occupy a progressively larger political terrain, and one of the few ways of putting pressure on those non-elected organisms is acting as consumers, then the resources guaranteed by the right to a BI, on which that action can be based, appears as a condition sine qua non to re-politicise individuals' participation in the production and consumption spheres: it is only this way that they can get closer to their condition as *citizens*. To the scream of "don't vote, shop"<sup>40</sup>, a BI adds the security that individuals will have, as a matter of principle, a guaranteed condition of material and civil independence; that is, of *citizenship*.

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<sup>37</sup> Hertz, N. (2001), pp. 53-54.

<sup>38</sup> One of the many consequences of globalisation, as it actually exists, has been to shrink the middle classes in advanced societies, which have seen their social structures becoming progressively more and more polarised.

<sup>39</sup> Domènech, Antoni (2004) "Basic Income and the Present Threats to Democracy", X Congress of the Basic Income European Network, Barcelona, September 2004.

<sup>40</sup> Hertz, N. (1999) "Better to Shop than to Vote", *New Statesman*, 21 Junio.

If big corporations have started to worry about the social impact of their activities it is because they have discovered that it is in their interest to do so: because it is their name, and their sales figures, what is at stake, and because to have workers in good conditions allows them to be more productive. The more sanctions individuals can impose with their purchases, the more hostile to the pure economic profit will become the niche to which corporations will have to adapt. The question is not whether they have to be ethically responsible; the question is that their customers –*some* customers from *some* places, at least—ask them to be responsible to recover their stolen power.

The message these lines wanted to elaborate concludes, in the first place, as follows: if citizens see in their purchases, more than in their votes, a means of political pressure; if that is, in fact, the means of *political* pressure that is still potentially active in the shadows of private organisations with an increasing impact on public life, then a BI appears as one of the few ways to materialise the right every citizen has to participate in politics.

But we can still go further –and, with that, return to the origins of these lines. A BI constitutes, in this context, a tool able to generate a new scenario in which to make politically feasible the accomplishment of a real *deal* between capitalists and “consumers-producers”, a deal aiming at the heart of the production and consumption processes of contemporary societies, a *true* deal in the end –not a resigned submission—brought about by the twofold threat that the “consumers-workers” can pose to the owners of the means of production: denying their purchase (of certain products) and denying their production (for certain brands).

In other words, the capability to deny consumption and to deny production could become the axes for the design of a new scenario where the power of resistance (and the right to resist) of those occupying the most vulnerable positions finds a stronger ground to rise –the idea of equalling the bargaining positions of capitalists and consumers-workers looks, even with a BI, chimerical<sup>41</sup>.

A BI open the channels to turn what was an *ignored voice* into a real *exit*: exit from *certain* channels of distribution and consumption, on the one hand; and exit from *certain* units of production, on the other. It is in the interest of the owners of the means of production to *retain* the “consumers-

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<sup>41</sup> For an analysis of the bargaining power that social agents have in a context where resources are scarce see Elster, Jon (1990) *The Cement of Society. A Study of Social Order*, Cambridge: Cambridge University Press.

workers”); and this makes it feasible to think that they would finally attend this twofold demand: the demand on the labour side understood as the complementary half of the demand formulated from the consumption side. Dismissing the first demand carries the danger of leaving corporations both without consumers and without producers.

Put it differently: the initiatives of corporate watch only acquire their full significance when the first threat –no purchases—works together with the second threat –no producers. In fact, the reasons underlying these two threats, those reasons driving “consumers-producers” to put these threats into practice, would be equivalent, of the same ethic and political –and even purely material—character. Once the material existence is guaranteed, consumers-producers would, on the one hand, feel habilitated to deny their workforce and to consider alternative paths of production; and they would, on the other, acquire the necessary critical distance to assess the production and distributive processes and sanction those companies omitting their demands.

In this situation, the owners of the means of production would realise the necessity of *taking* (consumers-producers’) *rights seriously*. Indeed, it is not a matter of letting companies of a *monarchic* or *despotic* nature –that is, companies governed by non accountable actors— decide, under temporary pressures, that they want to achieve an agreement with those putting the pressure on. It is not a matter either of just creating the possibility for these companies to put a kind face to their equally despotic and monarchic attitude – like a benevolent dictator would. Socially responsible corporations would be forced to move to a situation in which there is *no more option* than to listen to and assume the interests of the “consumers-producers”, those who, protected by the legally guaranteed resources a BI provides, could effectively *exit* the space in which those companies abuse their position as providers of goods and services and as demanders of labour. In this sense, the constitutional guarantee of a BI equals the “constitutionalisation” of companies: with its support, there is *no more option* than to take into consideration the opinions of “consumers-workers” if the continuity and stability of the working place is to be secured<sup>42</sup>.

In other words, the issue is not to “trust” and “believe” that corporations really produce in ethically desirable conditions –as those who talk about companies’ “capital of trust” believe; it is rather about having the certainty, as *consumers*, that the *workers* had the option, the possibility, to “exit” the production process when ethically unacceptable labour conditions were tried to be imposed on them; and it is also about providing these *workers*,

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<sup>42</sup> For an analysis of the significance and meaning of the processes of “constitutionalisation” of companies see López Arnal, S. (2005): “Entrevista político-filosófica a Antoni Domènech”, en M.J. Bertomeu, A. Domènech y A. de Francisco (comps.), *Republicanism y democracia*, Buenos Aires: Miño y Dávila.

fighting to obtain fairer labour conditions, the purchasing power to interfere in the formation of the production processes as potential *consumers* capable of rewarding or sanctioning corporations through their purchases<sup>43</sup>.

The possibility exists, thus, that the same measure –the BI—can stimulate the struggle for two objectives that are, in fact, complementary poles of attraction: to strengthen, on the one hand, the bargaining position of the non-owners as workers; and to provide those individuals in the consumption end, on the other, with the required signs to transform the “trust in corporations” into “security with respect to their behaviour”. In the extreme, with a BI only those goods and services produced in a process where the owners were able to *retain* their workers would reach the market. Both demands –that of the workers and that of the consumers—depart thus from the same concern: to create a social and economic order where the production, exchange, and consumption develop in conditions of effective freedom.

It has been already mentioned that without material autonomy the idea of freedom is reduced to an empty motto. At the same time, it is true that the material autonomy that a BI would confer is a necessary, yet not sufficient, condition for the enjoyment of freedom –individual and collective freedom. In this sense, it must be noted that recognising the presence of relations of power at the core of social life –that is, the *politicisation* of the analysis of social and economic life—allows approaching the urgent *re-articulation of the political sphere* that contemporary societies need, once the actors that dominated it have lost their hegemony and, with the introduction of a BI, the power is redistributed in a more homogeneous fashion<sup>44</sup>. This way, the fight against the *dominium* –that is, the eradication of the ties of material dependence among individuals and thus the constitution of a *society effectively civil*—; and the fight against the *imperium* –that is, the fight in favour of the articulation of political institutions freed from the greed of big corporations and defenders of the *civil* character of *society*—; both the fight against *dominium* and the fight against *imperium* appear as peaks to be reached at the same time. And, in this ascent, the BI has, we believe, a lot to offer.

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<sup>43</sup> We assume here that a BI would increase the purchasing power of the middle and lower classes, which is justifiable if we also assume that the funding of the BI should be fully integrated in the tax system.

<sup>44</sup> Raventós, D. y Casassas, D. (2005): “Republicanism and Basic Income: The articulation of the public sphere from the repoliticisation of the private sphere”, en G. Standing (ed.), *Promoting Income Security as a Right. Europe and North America*, London: Anthem Press.