

## Corporate Responsibility Movement Is Alive and Well

The crusade for corporate responsibility seems to be rooting itself solidly, judging from a recent 2-day conference that brought to Washington, D.C., a cavalcade of stars from the consumer protection movement and a cross section of businessmen, lawyers, bureaucrats, and investment managers to discuss how business can be made more responsive to the needs of society.

"Conference on Corporate Responsibility: Profits and the Public Interest" was sponsored by two magazines that are widely read by the brokers of money and power—*Institutional Investor* and *Washington Monthly*. It was the first of what its sponsors hope will be an annual event whose aim is to bring together the knights and the dragons and prove that the two do not have to be natural enemies.

The 90 or so people who paid \$300 apiece to attend the meeting—about half of them from corporations and the rest from universities and other nonprofit organizations—were treated to lively, but never acrimonious, panel discussions that covered matters of product quality, advertising, employment policies, the environment, investment management, and the role of a growing new breed—the "corporate responsibility officer."

The main deficiency of the meeting, and one readily acknowledged by the sponsors, was that the real "bad guys"—inveterate corporate polluters, cheaters, and bigots—were nowhere in evidence, and most of the large corporations, notably General Motors, that have been subjected to heavy pressure to change their ways, declined to send speakers to explain their policies. Thus, of the 28 speakers, only four were industry spokesmen.

Charles Peters, editor of *Washington Monthly*, speculated that the absent tycoons were afraid of being confronted by unruly radicals; but if this was the reason, they need not have worried. In fact, the consumer advocates, both in appearance and talk, could hardly be distinguished from the businessmen. Hardly anything happened that could be ranked as a "confrontation." James Turner, the drug specialist on the Ralph Nader team, differed with a Pillsbury scientist on what the real problems were in assessing the value of food additives. Air pollution expert John Esposito argued with William Wall, a vice president at ConEdison, that his company should tell the Edison Electric Institute not to stimulate the public's appetite for electricity with its "live better electrically" ads. Wall countered easily with, "an example of leadership [referring to ConEd's 'Save a Watt' campaign] is more important than pointing the bony finger of accusation."

So, while the conference was advertised as a briefing for executives on how to get on the bandwagon of corporate responsibility before it roiled over them, the main achievement of the meeting appeared to be supplying positive reinforcement to businesses already engaged in trying to readjust their orientations.

One issue that got some clarification at the conference was the role of those executives within a company who are concerned with its socially responsible activities. Nicholas Katzenbach, now vice president of IBM Corporation, was among those who emphasized that such

officers should not be stationed in the public relations department or set off in isolated cubicles; rather, responsibility has to start out as a "greening of the board room."

For the most part, the conference dealt with goals rather than strategies. Company advertising was recognized by many of the panelists as one of the shoddiest areas of corporate irresponsibility and the most difficult activity to control effectively. Alice Tepper, director of the Council on Economic Priorities (*Science*, 5 February), pointed out that a business can easily slide around an issue by changing its ads but not its performance. A particularly egregious example cited was an advertisement by Potlatch Paper Company, which used a bucolic photograph of a river 60 miles upstream from its plant to show how environmentally concerned it was.

Robert Pitofsky of the Federal Trade Commission said he hoped to remedy such dishonesty—rampant in big enterprises like soap and automobile manufacturing—by requiring companies to buy "corrective advertising" to undo the impressions left by misleading ads.

Speakers generally agreed that the only truly effective new laws regulating businesses would have to be those that supply tools to consumers—that is, better information and channels through which to express themselves. To make corporate lawbreakers more vulnerable to their constituency, a representative of the Lawyers Committee for Civil Rights recommended wider legitimization of class action suits; procedures to make individuals within corporations accountable for antisocial practices; and a system whereby a company guilty of multiple violations would be put in receivership or on parole.

The conflict between the urge to make profits and the need to put money into non-revenue-producing activities such as antipollution equipment or job training was dismissed as nonexistent by some consumer advocates. They cited studies showing that the most socially progressive firms tend to be the most efficient and, therefore, the most profitable for investors.

But there are many firms that would question this conclusion, which sweeps away the key issue: Does the market system, solidly based as it is on the motive of profit and the goal of continuous growth, possess the flexibility and the will to put social welfare on an equal footing with profit, and to redirect itself toward qualitative rather than quantitative growth? As one investment manager pointed out, altruism and capitalism may co-exist, but they don't mix, and they never will until it is clearly demonstrated that social responsibility is good business.

The conference probably did not change any minds or illuminate any souls. What it did was reassure those in attendance that corporate responsibility, in all its many aspects, is not a fad, but the wave of the future. It also, by its presentation of a wide array of reformers, lawyers, and investigators, showed businessmen that the movement is not in the hands of hairy "eco-freaks" and communists, but is run by just the sort of people—dedicated, imaginative, practical, and ambitious—who have brought about the phenomenal successes of American entrepreneurship.—CONSTANCE HOLDEN