

Relations industrielles Industrial Relations



The Rise and Fall of Corporate Social Responsibility, By Douglas M. Eicher (2015) Piscataway, NJ: Transaction Publishers (reedited by Routledge in 2017). ISBN: 978-1-4128-5690-4

Larry Haiven

Volume 73, Number 1, Winter 2018

URI: <https://id.erudit.org/iderudit/1044438ar>

DOI: <https://doi.org/10.7202/1044438ar>

[See table of contents](#)

Publisher(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (print)

1703-8138 (digital)

[Explore this journal](#)

Cite this review

Haiven, L. (2018). Review of [*The Rise and Fall of Corporate Social Responsibility*, By Douglas M. Eicher (2015) Piscataway, NJ: Transaction Publishers (reedited by Routledge in 2017). ISBN: 978-1-4128-5690-4]. *Relations industrielles / Industrial Relations*, 73(1), 219–220.
<https://doi.org/10.7202/1044438ar>

Tous droits réservés © Département des relations industrielles de l'Université Laval, 2018

This document is protected by copyright law. Use of the services of Érudit (including reproduction) is subject to its terms and conditions, which can be viewed online.

<https://apropos.erudit.org/en/users/policy-on-use/>

This article is disseminated and preserved by Érudit.

Érudit is a non-profit inter-university consortium of the Université de Montréal, Université Laval, and the Université du Québec à Montréal. Its mission is to promote and disseminate research.

<https://www.erudit.org/en/>

des capacités en gestion ou management. Ce chapitre définit les attentes liées au rôle de gestionnaire, mais également le contenu et les méthodes pour un programme efficace de développement des capacités en management.

Enfin, le chapitre 15 conclut bien le livre en discutant des enjeux contemporains liés à la formation et au développement. D'abord, il montre comment les attentes des organisations envers la formation professionnelle ont changé. Ensuite, il explique l'évolution des programmes de formation et de développement dans les organisations, ainsi que la place qu'occupe l'éthique dans cette activité stratégique. Ce chapitre se termine avec une discussion sur la formation continue.

Avec sa 7^e édition, ce livre permet de suivre l'évolution de la formation et du développement dans les organisations d'hier à aujourd'hui. Toutefois, il convient de noter certaines limites. Si les auteurs présentent une perspective contingente de la formation, ils ne débattent pas, dans ce livre, de l'épineux problème de l'efficacité de la formation prise isolément, par rapport aux autres pratiques de ressources humaines. L'apport stratégique de la formation devrait prendre en compte l'influence que les autres pratiques des GRH pourraient exercer sur son efficacité. En outre, les effets de la formation et du développement personnel sur les résultats financiers ne sont pas montrés de façon explicite. L'ouvrage postule que l'amélioration de la performance individuelle et organisationnelle devrait conduire à une meilleure performance financière. Une telle démonstration est à nuancer, car plusieurs facteurs exogènes et endogènes peuvent venir influencer le résultat financier des entreprises. Qu'à cela ne tienne, le livre *Managing Performance through Training and Development* constitue assurément un ouvrage essentiel qui comprend développement théorique et outils pratiques favorisant une meilleure compréhension des programmes de formation et de déve-

loppement dans les organisations et, ultimement, une instauration réussie.

Ahmed A. Traoré

Doctorant

École de relations industrielles

Université de Montréal

The Rise and Fall of Corporate Social Responsibility

By Douglas M. Eichar (2015) Piscataway, NJ: Transaction Publishers (reedited by Routledge in 2017).

ISBN: 978-1-4128-5690-4.

This book brings to mind the following question: What would happen if, rather than engage in "corporate social responsibility", companies merely paid their fair share of taxes?

In the 1980s, the Canadian federal corporate income tax rate was 47.6%. Today it is 15%. A similar phenomenon has occurred in the United States. The Canadian Centre for Policy Alternatives' estimates, very conservatively, that every percentage point increase in the general corporate tax rate would net the Canadian federal government \$1.4 billion (this takes into account tax shifting, and economic and behavioural responses). From that figure, another conservative estimate is that, by cutting corporate income taxes in all those years, the federal government has foregone about \$400 billion in revenues.

That is just the federal government. It is not going too far out on a limb to suggest that governments, federal and provincial, across Canada may have given up over half a trillion dollars in revenue from those tax holidays.

Now, let us consider how much money all of the corporations in Canada have spent in "corporate social responsibility" over the same period. That is not an easy calculation to make. However, corporations would have to be spending at least 10% of their profits on those good works to even come close to how much they have gained in tax cut largesse. Imagine Canada, the non-profit promoter of corporate giving, esti-

mates that the median contribution among larger corporations to “community investment initiatives” is a mere 1% of profits.

Accordingly, we can be safe in concluding that the amounts that corporations are spending on “corporate social responsibility” are but an infinitesimal part of what they have saved in corporate taxes. In addition, that doesn’t include at all the billions that the individual rich have saved in personal income taxes.

What could governments have achieved with only a small portion of those taxes foregone? A lot of “social responsibility,” that is for sure. How about smaller classroom sizes, help for indigent families, a national pharmacare program, a national daycare program, lower university tuition, more generous foreign aid, and swimming pools, rinks, parks, and playgrounds and on and on? In short, all of the things that governments say they can no longer afford, and that businesses do not even come close to, providing.

All this comes to mind reading Douglas Eicher’s magisterial history *The Rise and Fall of Social Responsibility*. The book concentrates on the United States, but many of its lessons could equally apply across the developed world.

Of interest to industrial relations aficionados is the fact that Eicher expands the definition of corporate social responsibility to include, not only traditional corporate largesse to charities and communities, but also treatment of their own employees. Thus, we have a useful review of employee relations in the pre-Fordist, Fordist and post-Fordist periods. We get a very useful *aide-memoire* of welfare capitalism, both inside and outside the corporate workplaces.

The book’s central thesis is that corporate social responsibility, especially in the United States, has always been a trade-off against the threat of state regulation. Rather than accept laws specifying controls on pollution, labour relations, consumer protection and other externalities, Ameri-

can corporations and their public relations touts, lawyers and lobbyists have promised *voluntarism and self-regulation*. For example, faced with the perennial possibility of state-sponsored health insurance, the business class (or the upper strata at least) began to pay health premiums for their employees. Rather than accept more detailed labelling requirements for food, drugs and other products, they insist that trade associations can do a better job.

The author traces the ebbs and flow of this voluntary regulation regime. The regime was at its high point in the period from just after World War II to the fall of the Soviet Union. During that period, several factors coincided to encourage CSR. Chastened by the Great Depression and the war, politicians and populations were more open to welfarism and state involvement in the economy and business responded with more muscularity to forestall the challenge. The threat of Communism encouraged such measures. And favourable returns on investment made civic-mindedness more palatable. But with the demise of international communism and the subsequent massive deregulation, corporate social responsibility tumbled to the wayside.

The book’s exclusive concentration on the United States and its implicit assumption that the rest of the world is a mere replica is an irritant. Without engaging in an entirely new study, the author could have paid a little attention to the situation elsewhere. Even a tip of the hat to the “varieties of capitalism” literature would have been appreciated.

But the question remains: Are corporations really that good at voluntary social responsibility even when they are willing? Perhaps they should just pay their taxes and we should leave worker, consumer and environmental protection to less self-interested parties?

Larry Haiven
Professor
University of St. Mary’s
Nova Scotia