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ETHICAL PURCHASE BEHAVIOUR AND
SOCIAL RESPONSIBILITY IN BUSINESS

An Investigation of Pressure Group Influence
on Purchase Behaviour Particularly in the
Use or Threat of Consumer Boycotts

Volume 1

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ABSTRACT

This thesis is about the decisions made in markets: whether decisions and what decisions are made by consumers. It is a study in consumer sovereignty and particularly in the way this may be used in ensuring social responsibility in business.

Pressure group influence on purchase behaviour, particularly in the use or threat of consumer boycotts, suggests an extension of consumer sovereignty beyond its mere technical meaning within economics to a more literal meaning. Consumer authority in the marketplace may not simply refer to the more immediate characteristics of the offering such as product features or price but, as boycotts show, other characteristics such as whether the firm has investments in South Africa. Consumer boycotts are but the most manifest and organised form of purchase behaviour influenced by ethical concerns. Yet ethical purchase behaviour, although found in many markets, is largely unrecognised in the literature.

The novelty of this topic and the perspective on consumer sovereignty entailed an emphasis on conceptualisation in the research. The nature of capitalism and consumer sovereignty, the ideology of marketing, the problem of the social control of business, and pressure groups in the political process and their strategies and tactics, are explored to develop an argument which supports the notion of ethical purchase behaviour. A model is proposed identifying a role for pressure groups in the marketing system, explaining ethical purchase behaviour at the micro level by recognising negative product augmentation. Survey research and case studies support the model and the argument.

Guidelines for action are proposed for pressure groups and business, suggesting both seek to influence a legitimacy element in the marketing mix. At a more conceptual level, consumer sovereignty is shown to offer potential for ensuring social responsibility in business. Of the three mechanisms for social control of business, the market may be used to greater effect through ethical purchase behaviour. However, consumer sovereignty requires choice as well as information. Pressure groups may act as a countervailing power by providing the necessary information, but competition is essential for choice.

Consumer sovereignty is the rationale for capitalism, the political-economic system in the West. This study questions the basis of such a system if political or ethical, as well as economic decisions, are not made by consumers in markets. Hence the argument for ethical purchase behaviour becomes an argument for capitalism.

"Some of the owner men were kind because they hated what they had to do, and some of them were angry because they hated to be cruel, and some of them were cold because they had long ago found that one could not be an owner unless one were cold. And all of them were caught in something larger than themselves. Some of them hated the mathematics that drove them, and some were afraid, and some worshipped the mathematics because it provided a refuge from thought and from feeling. If a bank or a finance company owned the land, the owner man said: The Bank - or the Company - needs - wants - insists - must have - as though the Bank or the Company were a monster, with thought and feeling, which had ensnared them. These last would take no responsibility for the banks or the companies because they were men and slaves, while the banks were machines and masters all at the same time. Some of the owner men were a little proud to be slaves to such cold and powerful masters. The owner men sat in the cars and explained. You know the land is poor. You've scabbled at it long enough, God knows.

The squatting tenant men nodded, and wondered and drew figures in the dust, and yes, they knew, God knows. If the dust only wouldn't fly. If the top would only stay on the soil, it might not be so bad.

The owner men went on leading to their point: You know the land's getting poorer. You know what cotton does to the land: robs it, sucks all the blood out of it.

The squatters nodded - they knew, God knew. If they could only rotate the crops they might pump blood back into the land.

Well, it's too late. And the owner men explained the workings and the thinkings of the monster that was stronger than they were. A man can hold land if he can just eat and pay taxes; he can do that.

Yes, he can do that until his crops fail one day and he has to borrow money from the bank.

But - you see, a bank or a company can't do that, because those creatures don't breathe air, don't eat side-meat. They breathe profits; they eat the interest on money. If they don't get it, they die the way you die without air, without side-meat. It is a sad thing, but it is so. It is just so.

The squatting men raised their eyes to understand. Can't we just hang on? Maybe the next year will be a good year. God knows how much cotton next year. And with all the wars - God knows what price cotton will bring. Don't they make explosives out of cotton? And uniforms? Get enough wars and cotton'll hit the ceiling. Next year, maybe. They looked up questioningly.

We can't depend on it. The bank - the monster has to have profits all the time. It can't wait. It'll die. No, taxes go on. When the monster stops growing, it dies. It can't stay one size.

Soft fingers began to tap the sill of the car window, and hard fingers tightened on the restless drawing sticks. In the doorways of the sun-beaten tenant houses women sighed and then shifted feet so that the one that had been down was now on top, and the toes working. Dogs came sniffing near the owner cars and wetted on all four tyres one after another. And chickens lay in the sunny dust and fluffed their

feathers to get the cleansing dust down to the skin. In the little sties the pigs grunted inquiringly over the muddy remnants of the slops.

The squatting men looked down again. What do you want us to do? We can't take less share of the crop - we're half-starved now. The kids are hungry all the time. We got no clothes, torn an' ragged. If all the neighbors weren't the same, we'd be ashamed to go to meeting.

And at last the owner men came to the point. The tenant system won't work any more. One man on a tractor can take the place of twelve or fourteen families. Pay him a wage and take all the crop. We have to do it. We don't like to do it. But the monster's sick. Something's happened to the monster.

But you'll kill the land with cotton.

We know. We've got to take cotton quick before the land dies. Then we'll sell the land. Lots of families in the East would like to own a piece of land.

The tenant men looked up alarmed. But what'll happen to us? How'll we eat?

You'll have to get off the land. The ploughs'll go through the doorway.

And now the squatting men stood up angrily. Grampa took up the land, and he had to kill the Indians and drive them away. And Pa was born here, and he killed weeds and snakes. Then a bad year came and he had to borrow a little money. An' we was born here. There in the door - our children born here. And Pa had to borrow money. The bank owned the land then, but we stayed and we got a little bit of what we raised.

We know that - all that. It's not us, it's the bank. A bank isn't like a man. Or an owner with fifty thousand acres, he isn't like a man either. That's the monster.

Sure, cried the tenant men, but it's our land. We measured it and broke it up. We were born on it, and we got killed on it, died on it. Even if it's no good, it's still ours. That's what makes it ours - being born on it, working it, dying on it. That makes ownership, not a paper with numbers on it.

We're sorry. It's not us. It's the monster. The bank isn't like a man.

Yes, but the bank is only made of men.

No, you're wrong there - quite wrong there. The bank is something else than men. It happens that every man in a bank hates what the bank does, and yet the bank does it. The bank is something more than men. I tell you. It's the monster. Men made it, but they can't control it."

John Steinbeck
The Grapes of Wrath

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PART ONE

INTRODUCTION AND RESEARCH METHODOLOGY

CHAPTER ONEETHICAL PURCHASE BEHAVIOUR

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Preview

The powers of ordinary men are circumscribed by the everyday worlds in which they live, yet even in these rounds of job, family and neighborhood they often seem driven by forces they can neither understand nor govern. 'Great changes' are beyond their control, but affect their conduct and outlook none the less. The very framework of modern society confines them to projects not their own, but from every side, such changes now press upon the men and women of the mass society, who accordingly feel that they are without purpose in an epoch in which they are without power.

C Wright Mills (1)

We have the power, nonviolently, just by controlling our appetites, to determine the direction of the American economy. If black people in thirty cities said simultaneously, "General Motors, you will not sell cars in the black community unless you guarantee us a franchise here next year and help us finance it," GM would have no choice but to comply.

Jesse Jackson (2)

These two quotes illustrate, in the first instance, the powerlessness of the masses, and in the second instance, how this powerlessness can be transformed by organised consumer action. Jackson envisages, and has on occasion successfully realised, a harnessing of consumer sovereignty to bring power to disadvantaged and powerless groups. A fundamental question is thereby posed by the juxtaposition of these quotes: How can the masses be without power in the mass consumer society, when consumer sovereignty is a prominent feature and principal rationale for capitalism?

Such a question is of Galbraithian and Friedmanite qualities and proportions. This author is neither Galbraith nor Friedman and must therefore be suitably modest in any attempt to address such a question. The question is approached indirectly by looking at what is here termed ethical purchase behaviour. Even this is too large a topic for full examination here and, after presenting a heavily substantiated theoretical case for such behaviour, the study concentrates on a particular form of ethical purchase behaviour: pressure group organised consumer boycotts. At this much lower level of abstraction, some evidence can be found to support the argument, including the empirical work. This must, however, be seen in the context of the broader and significant issues illustrated above. The study is consequently, and inevitably, a combination of much theoretical argument, much conceptualisation, and some, limited, evidence.

A thesis, by definition, is an argument. This, within the confines of the task prescribed, is what is presented here. This chapter outlines that argument and its implications. It also describes the way in which the study was, necessarily, delimited, and how the thesis is organised.

1.1 The Argument

1.1.1 An Unexplored Phenomenon

What decisions do consumers make in markets? In command economies decisions on the allocation of resources are centralised and made by the state. In market economies these decisions are decentralised and made by 'the people'. Consumers under capitalism are, according to the ideology, the decision-makers on the allocation of society's resources. This thesis considers this notion by looking at some of the ethical decisions consumers make - or could make - in markets.

Ethical purchase behaviour abounds! It can be seen everywhere. It can be found in industrial markets as well as consumer markets. It is practiced by people of all ages, classes and nationalities. Yet it is largely unrecognised in the literature.

Ethical purchase behaviour can mean people not buying a certain product. There are one million vegetarians in Britain, all choosing not to buy meat for ethical reasons (3). During the Falklands crisis many people chose not to buy Argentinian products, such as corned beef and wine. Ethical purchase behaviour can also mean a deliberate restriction of choice in purchase behaviour. People often prefer to buy domestically-produced goods. Many private and fleet car buyers will still only buy British cars (4). However, ethical purchase behaviour is not always as straightforward and clear-cut as this. While in some cases ethical concerns will dictate that a specific product (meat) must not be bought, or that a specific product must be bought (British cars), in other cases ethical concerns are one influence among a number in the purchase decision. This is neatly illustrated in the following quotation:

"Times are surely hard for the consumer with a conscience. That Chilean wine may have a military bouquet, but can we afford the alternative?" (5)

Of course, it has long been recognised in the marketing literature that there may be many influences on purchase behaviour, buyer characteristics in particular. Ethical concerns do not, however, appear to have been specifically identified, at least not in the broad sense intended here. Some forms of ethical purchase behaviour, such as ecologically concerned consumption, have been examined. This very limited work is considered in 1.1.3, after the next section.

The less straightforward type of ethical purchase behaviour, where purchases are influenced by ethical concerns but these concerns are not so strong as to override all other concerns, suggests the product is a bundle of considerations, concerns, or attributes, in the eye of the consumer. Such a conception of the product is not new, but as is shown in Chapter Eight, there may be negative product attributes as well as the conventionally identified positive ones. In other words, the product is more accurately conceived as a package of costs as well as benefits for the consumer, with ethical considerations being possible costs or benefits. One way of acknowledging that products may have undesirable characteristics in addition to desirable ones is

to use the term offering instead of product. This term has been used before (6), and it does have the advantage of avoiding the semantic problem of whether products include services (service products), as both are incorporated into the one term. Hence, one could say, some offerings will for some people have ethical dimensions. The outcome is ethical purchase behaviour. However, the use of the term product will predominate, meaning both products and services, to conform with common usage.

Ethical purchase behaviour is all-pervasive. But it is not always readily-identifiable. After having presented the argument for ethical purchase behaviour therefore - and to appropriately delimit the investigation - this study examines one specific form of ethical purchase behaviour. This form is clearly identifiable and readily accessible, and the most manifest and deliberate form of ethical purchase behaviour: pressure group organised consumer boycotts. These boycotts of business are where people choose not to buy certain offerings as part of an organised boycott action.

Again it is worth commenting here on terminology. The term customer boycott would be more accurately descriptive of the form of ethical purchase behaviour investigated in detail here. For boycotts by organisations such as local authorities are included as well as boycotts by individual consumers. But it is again necessary to conform with common usage as found in the limited literature on consumer boycotts, as that term is employed there, and also because of the need for consistency with the term consumer sovereignty. Consumer sovereignty is an important concept here and if that term is accepted when customer sovereignty is more accurately descriptive (7), then consumer boycott should be likewise accepted. Some sources use the term economic boycott, but this term is more widely used to refer to international economic sanctions (as fully explained in Chapter Seven). So consumer boycott is the term used here.

To say consumer sovereignty is an important concept is an understatement. Consumer sovereignty is the key to this thesis. It is the basis for the argument. It is, moreover, the rationale for capitalism, as Chapter Three shows. And it is central to the marketing concept - possibly even a paradigm for the marketing discipline if one needs such things and wishes to think of marketing as a science. Questions, such as the one at the outset of this section, about the decisions made by consumers in markets, are questions about consumer sovereignty. They generally attempt to assess consumer authority in the marketplace. By referring to how much competition there is, the question is usually considered to be answered. Here, in contrast, the concern is not so much with the amount of authority the buyer has vis-a-vis the seller, though that is important, but with the domain of that authority. Put otherwise, it is not the degree of consumer sovereignty, how much influence the buyer has, but the extent of consumer sovereignty, the issues over which the buyer may have influence. This distinction made here between the degree of consumer sovereignty and the extent of consumer sovereignty is employed throughout the study.

Consider a simple example. Consumers may choose to buy Israeli oranges in preference to South African oranges because they taste

better or are cheaper. They may, alternatively, choose to buy Israeli oranges in preference because they do not wish to support apartheid. In either case there must be consumer choice, there must be competition to provide some degree of consumer sovereignty. The extent of consumer sovereignty, however, refers to whether consumers can only express concern about such features as the price, colour or taste of the product, or whether they can express concern about much wider issues. Country of origin, dubious activities of the firm in some remote sphere of its operations, and many other ethical considerations can or could feature in purchase behaviour. Whether they do or whether they could - or not - depends on the extent of consumer sovereignty. This thesis is therefore ultimately a study of the extent of consumer sovereignty.

Ethical purchase behaviour is identified here. Such behaviour prompts this novel perspective on consumer sovereignty. Why and how this behaviour should occur, and its implications, are explored in the study. The importance of this topic relates back to the quotes in the Preview to this chapter about power. If it is not already self-evident, it will become more so.

The theoretical argument as to why and how ethical purchase behaviour arises forms Part Two of the thesis together with an examination of boycotts, the specific form of ethical purchase behaviour focused on, which is also further support for the argument. This argument is more fully introduced in 1.1.4. Firstly, however, section 1.1.2 considers the meaning of ethical as used here.

1.1.2 Defining Ethical Purchase Behaviour

The term ethical purchase behaviour came about in an effort to provide a unifying concept for very different influences on purchase behaviour. Indeed, one person may practice ethical purchase behaviour by not buying a product, another by buying that same product. (As will be seen, such was alleged to be the case with Saran Wrap, and this frequently occurred during labour boycotts, as discussed in Chapter Seven). Inspiration came from the literature on ethical investments. An activity which often has similar motivations but is found in product markets rather than investment markets, could be suitably described as ethical purchase behaviour. The two activities are quite closely analogous.

Those responsible for investing the funds of unions, universities, professional associations and others, have over the past twenty years been regularly urged "to consider the social consequences of corporate activities from which these institutions derive an endowment return" (8). Vogel and others have written extensively about ethical investment in the United States (9). Currently prominent of course are the demands for institutions such as the University of California at Berkeley to disinvest from companies involved in South Africa. But actions on other issues continue, even if they are no longer in the limelight, as Vogel's recent review shows (10).

Ethical investment has even acquired some prominence in Britain. Prompted by the British Medical Association (BMA), which acted on the

basis of a report by Social Audit, charities and health organisations recently sold off their share holdings in tobacco companies, causing a noticeable fall in tobacco share prices (11). The BMA had previously severed its links with unit trusts investing in tobacco companies (12). The National Union of Mineworkers trustees of the miners' pension fund attempted, but were prevented by legal action, to refuse to back investments in overseas markets or in energy related interests which compete with coal (13). While the Trades Union Congress (TUC) has urged trade union trustees of pension funds to press for a complete ban on direct pension fund investment in South Africa. Recognising the legal difficulties involved in trustees attempting to make ethical investments on the behalf of others, the TUC counselled that South African investments are commercially ill-advised because of the increasing instability of the country (14).

Meanwhile, the Church of England General Synod passed a resolution in 1982 calling for total disinvestment from companies involved in South Africa, though this has not been implemented. The Church favours a policy of "positive engagement," whereby through maintaining contact with firms' managements it may influence policy. In 1984 it sold its £4.4m. holding in Carnation, the United States dairy products company, because despite contact with management it was dissatisfied with the wages paid to the company's South African workers (15).

These examples show how ethical investment can operate by selling-off investments or by keeping them and using them to press for changes in the companies concerned. Another form of ethical investment is positive rather than negative. This is where investors only invest in ethical concerns, as distinct from disinvesting or pressing for changes in unethical concerns. The counterpart in ethical purchase behaviour is the purchase of an ethically acceptable product, instead of the boycott of an ethically unacceptable product. In the United States, investors may invest in a number of ethical investment institutions, such as Working Assets Money Fund (16) or Shearson/American Express (17). In the UK, there is Mercury Provident, Friends' Provident and The Ecological Building Society (18). Unity Trust, a union bank established in 1984 in conjunction with the Co-operative Bank, has a prohibition on dealing with South African interests and all its lending is confined to the United Kingdom to support domestic enterprise (19).

The Quakers refuse to invest in liquor, drugs, nuclear energy, weapons, pollution, firms with bad labour relations and South Africa. They played an important part in recently establishing in Britain the Ethical Investment Research and Information Service (EIRIS), to "meet a long-standing need on the part of institutions and individuals who want to know more about the enterprises in which they invest than the rate of financial return" (20). Similar institutions have existed in the United States for some time (21). EIRIS recognise that ethical investment decisions require information. However, they do not seek to identify 'clean' investments, it is for the investor to decide what constitutes 'clean'. They merely provide details on those activities of the companies concerned that might be of interest to a potential investor. In other words, they do not attempt to define what is ethical. The same principle applies to defining ethical purchase behaviour.

Ethics is about what is right and wrong in human behaviour. There are, however, no absolute standards. Ethics may be defined as "a theory or morality which attempts to systematise moral judgements, and establish and defend basic moral principles" (22). When applied, such systems are expressions of what people think ought to be. There are many bases for such systems, or rather, commonly used principles. Steiner and Steiner identify fourteen, such as Kant's categorical imperative: "one should not adopt principles of action unless they can, without inconsistency, be adopted by everyone else;" the utilitarian principles of philosophers such as Bentham and Mill: "the greatest good for the greatest number;" the Golden Rule, found in every great world religion: "Do unto others as you would have them do unto you;" the means-ends ethic, most commonly associated with Machiavelli: "worthwhile ends justify efficient means;" and the might-equals-right ethic, as expressed in Nietzsche's understanding of master-morality: "What is ethical is what an individual has the strength and power to accomplish" (23). These different possible bases for ethical systems are in themselves indicative of likely divergence of opinion on whether an action is ethical or unethical. There are many further factors leading to an individual's judgement, including the individual's values, cultural experience, and information on and understanding of the circumstances of the action. Some philosophers such as A J Ayer have, because ethics are so individually determined, concluded that ethics and moral judgements do not exist, but are meaningless expressions of emotion (24).

Ethics is a complex subject of profound philosophical inquiry. Of importance here, however, is simply the recognition that defining one behaviour as ethical and another as unethical is the outcome of an individual's moral judgement, an act of moral reason, and, as such, likely to differ from person to person. For this reason, ethical purchase behaviour is in itself also an outcome of an individual's moral judgement. It could then result in different responses to the same product by different individuals who are yet both consciously indulging in ethical purchase behaviour. This observation is also true of ethical investment. Responses by practitioners to an article by Purcell on ethical investment made this clear. One respondent commented "Were there no ethical investors ten, five, or two years ago? Of course there were." It is probable that this respondent's view of these earlier ethical investors was that they were ethical in the sense of fulfilling their duties to those who had entrusted capital to them. He continues by asking if there is a magical dividing line between ethical and unethical investors, observing that some draw the line at investment in South Africa, while others at between unionised and non-unionised companies. In the latter case "they outlaw three-fourths of private employment in America" (25).

For these reasons, EIRIS do not identify 'clean' investments and no attempt can be made here to say what is ethical purchase behaviour in any specific case. Yet there is some consistency to such behaviour indicating common standards, even if they are only emotional responses or expressions of the values of the ruling elite. So while there are no absolutes, there are shared perspectives on ethical behaviour, some of which are more prevalent than others. Purcell's reply to his critics recognises this:

"People differ in their philosophical and theological reasons underlying ethics, but I think there is fair consensus about applied ethics, a kind of a garden-variety definition meaning integrity, virtue, and consideration for others, which I think most HBR readers would share" (26, Purcell's emphasis).

In the case of EIRIS, the ethical judgement is simply implicit rather than explicit. For one must ask how they provide the information necessary for their clients to make ethical judgements. They, of course, assess the performance of companies on what they define as ethical issues: involvement in armaments, nuclear power, South Africa and so on. They permit some flexibility, as a range of issues is considered, but a moral judgement is still made, which largely reflects the concerns of the church groups responsible in setting up EIRIS and their clients.

Such is also the case with ethical purchase behaviour and many of the issues prompting ethical purchase behaviour and ethical investments are common, as will be seen. Some of these issues are considered in the next section which looks at forms of ethical purchase behaviour previously examined. This section has shown that ethical purchase behaviour is an expression of the individual's moral judgement in his or her purchase behaviour. As such judgements are individual, ethical purchase behaviour may involve a considerable variety of possibly conflicting issues and priorities, but some consensus can be expected.

1.1.3 Some Forms of Ethical Purchase Behaviour Previously Examined

Section 1.1.1 noted ethical purchase behaviour was largely unrecognised in the literature. However, some forms of ethical purchase behaviour have been recognised, though not by this name, and this should be acknowledged. These various forms previously identified come together under the all-embracing term ethical purchase behaviour, together with other forms not already identified and possibly others not even practiced as yet.

Within what may be broadly described as the marketing literature, this study follows in the tradition of the work of Anderson and Cunningham, Kassarjian, Kinnear et al, and others, on socially responsible or ecologically concerned consumption. They consider some forms of ethical purchase behaviour, but their concern is principally with identifying, for segmentation purposes, who the consumers are that practice this. So Engel and Blackwell include this work under the heading 'Catalysts to Consumerism', suggesting it has identified sociopsychological variables associated with an interest in consumerism activities. For them, the contribution of this work is in having helped to describe 'socially conscious consumers', that is "those persons who not only are concerned with their own personal satisfactions, but also buy with some consideration of the social and environmental well-being of others" (27).

Webster (28) refers to the 'socially responsible consumer' and suggests "In general, he (sic) has been found to be a pre-middle-aged adult of relatively high occupational, economic and social status. He tends to be more cosmopolitan, less dogmatic, less conservative, less

status conscious, less alienated, and less personally competent than the less socially concerned citizen." He points out that these discriminators are more problematic than demographic variables and "the task of developing workable definitions of segments will be a difficult one." Webster then goes on to discuss phases in market development and changes in the marketing concept as a system of economic exchange, where the focus moves from the market, to the seller, to the buyer, and finally to the public. In the final phase "the revised marketing concept is not fundamentally new or different from the old one. It merely represents a fine tuning to make sure that public needs are consistent with private wants, a piece of unfinished business under the old marketing concept." This is an early statement of Kotler's societal marketing concept (29), though less adequately expressed. It seems - but this is not made explicit - that Webster assumes socially responsible consumption is, or will be, the norm, in spite of having identified it as being particular to a market segment. So his justification for a revised concept of marketing rests on the notion of socially responsible consumption. It therefore comes across as little more than wishful thinking. He writes:

"How else could business enhance the quality of life except by offering goods and services that find value in the marketplace and return profit to the shareholders? That is the only function of business! But as the definition of value changes, so does the criterion of marketing effectiveness change, that for which profit is the reward."

He argues, in other words, that value in the marketplace now includes social considerations, suggesting a revised concept of marketing. It pays to have a broader social purpose because consumers demand it. This is a remarkably convenient argument given that it was written at a time when criticism of business was at its height. It is, however, unacceptable. A quantum leap is made between some very limited evidence of socially responsible consumption by some consumers, to an ideal solution to the problem of social responsibility in business.

Yet while such an argument is so obviously flawed, the concept suggested - the societal marketing concept - is thought to be valid. As the next section shows, the argument presented in this study attempts to fill the gap between the well-intentioned rhetoric of the societal marketing concept and examples of ethical purchase behaviour. It eventually provides some support for such a concept, not unqualified, but at least fully justified. Webster does, to be fair, recognise some of the implications of socially responsible consumption, even if he does overstate them and fail to acknowledge any of the intervening considerations.

Both Webster, and Engel and Blackwell, cite the paper by Anderson and Cunningham on the socially conscious consumer (30). (Indeed, this is the only paper Webster cites in support of his claim for socially responsible consumption!) It's important to note that although Anderson and Cunningham claim to have identified an image of the socially conscious consumer, this is not based on any observation of socially conscious consumption, the dependent variable was the score on a social responsibility scale, for "it can be assumed that socially

conscious individuals, whose orientations are reflected in a variety of socially responsible behaviours, would manifest social consciousness in consumption decisions." Consequently, despite their large sample and sophisticated multivariate data analysis, they have to concede "It would be useful to determine whether consumption patterns are different between high and low scorers on the Berkowitz-Daniels Social Responsibility Scale, particularly with respect to products and/or brands which claim environmental benefits." Their claims are further weakened by the likely collinearity of the dependent and independent variables and their dubious use of discriminant analysis (31).

Kassarjian's paper on incorporating ecology into marketing strategy, cited by Anderson and Cunningham, comes a little closer to socially responsible consumption by looking at behavioural intention. He was mainly concerned with measuring attitudes towards air pollution and whether people say they would pay more for a pollutant-free gasoline, that is, their behavioural intention. He shied away from attempting to find out whether those with a concern for air pollution actually did pay more and buy the pollutant-free gasoline, offering only extremely limited circumstantial evidence to suggest that they did. He suggests "With a good product based on ecological concerns, the potential for a marketer seems to be impressive" (32, his emphasis).

This, however, conflicts with a study reported by Engel, Kollat and Blackwell where "In spite of aggressive marketing by the refiners, the no-lead/low-lead gasolines received less than half of the 10 per cent volume expected of them" (33). They suggest the discrepancy may be due to the acute pollution experienced by the respondents in Kassarjian's study, but also comment "Possibly consumers are concerned about pollution generally but do not perceive their own consumption of gasoline to be serious enough to result in a problem that would generate extended problem solving." Moreover "an individual consumer risks paying for societal benefits while other consumers can get away without paying." In other words, a problem of the logic of collective action where, as discussed in Chapter Six, it is often found that voluntary collective action is unlikely even if the would-be participants could anticipate collective good (34). Consequently, Engel, Kollat and Blackwell further on write that voluntarism has its limits, that "There is, in the literature of consumerism, a persistent belief expressed that consumers ought to voluntarily act in a way that is beneficial to the society they live in. At the same time, there is persistent evidence that they will act in a way that is beneficial to themselves as individuals" (35). The belief they refer to is to be found in the previously mentioned papers and others (36), but the evidence either way is scant.

The point about all these studies - and there are more (37) - is that they assume ethical purchase behaviour, even if it is referred to only in part, as ecologically concerned consumption or socially responsible consumption. They offer only limited evidence of ethical purchase behaviour and mostly in an indirect way. No explanation is offered as to why or how such purchase behaviour may come about. This omission is redressed here, in the provision of direct evidence and an argument for ethical purchase behaviour. Moreover, ethical purchase behaviour

is more than socially responsible or ecologically concerned consumption. Others have come nearer to a wider definition and this work, although conceptual rather than empirical, is worth considering here.

Thomas, for example, has written about purchase votes on social impacts, allowing consumers to express their social preferences in the marketplace with firms broadcasting their social impacts (38). More realistically, perhaps, he has also written about those impacts being broadcasted by 'informed partisan groups'. His 'Consciousness Four' marketing sees "consumers as accepting (or rejecting) the total social impact of an organisation." He's not clear about how this will come about - for example, who these informed partisan groups are and their role in practice - but his use of Lindblom's concept of disjointed incrementalism gives credence to the notion of each individual consumer's vote contributing towards some change in the socioeconomic system. The type of purchase behaviour he has in mind is broader than socially responsible consumption: "Individual consumption decisions today require us both to determine our 'needs' and to consider an intricate pattern of social, economic, legal and ecological variables." Even in this paper, however, Thomas is primarily advocating organisational broadcasting of social impacts (39).

In Can the Market Sustain an Ethic? Yale Brozen suggests markets reflect the ethics of participants, in which case one might presume he would argue there already is ethical purchase behaviour. He refers, in example, to American firms that refuse to sell goods to Russia although they would, at least in the short run, profit from doing so. Their justification, he suggests, lies in the belief that in the long run they could be conferring benefits on a government which may become an enemy in some future situation. Alternatively, there are those that choose to trade with Russia, not so much for profit, but in the hope that economic interdependence will reduce enmity and the chances of a future war. So, he sees a place for ethical conduct in the market:

"In terms of whether or not some kinds of transactions occur, a free market simply reflects the notions of right and wrong already possessed by participants. The market does not mechanically determine any kind of conduct. Moral or ethical choices are made by individuals. In a free market, responsibility for such choices is left in the hands of each person. To that extent, a free market places responsibility on each for his or her own conduct" (40).

In The Public Use of Private Interest, Schultze argues that greater use could be made of the market, in preference to increased government intervention, on social issues. In acknowledging the problem of self-interest overriding social concern, he suggests "the prerequisite for social gains is the identification ... of the defects in the incentive system that drive ordinary decent citizens into doing things contrary to the common good."

Yet he still wishes to employ self-interest in addition to any "preaching" that might lead to more appropriate behaviour (ethical purchase behaviour). So he writes "If I want drivers to economise on

gasoline usage, advertising appeals to patriotism, warnings about the energy crisis, and "don't be fuelish" slogans are no match for higher prices at the gas pumps" (41). Schultze is a great believer in the market: "Harnessing the "base" motive of material self-interest to promote the common good is perhaps the most important social invention mankind has yet achieved" (42, his emphasis).

Robin Wight is another with great faith in the market. He suggests "power grows out of the shopping basket" and that consumerism is in recognition of this. He makes frequent reference, in illustration, to consumer boycotts: "a militant method of responding to an unsatisfactory product as perfect competition says one should" (43). While Vogel (44) recognises that consumer sovereignty need not be limited to responses to unsatisfactory products. Referring to both ethical investments and consumer boycotts, he writes that although in theory consuming and investing "are "economic" decisions ... legitimately guided by only self-interest," there is "an increasing consideration of social factors in both investment and consumption decisions ... citizens are beginning to consider the possibilities of employing "public" standards of judgement in the economic arena." He suggests the distinction between the 'public' act of voting in the political marketplace, which is public and political because it involves an attempt by the individual to advance a perception of the general good, is becoming blurred when ostensibly 'private' acts of voting in the economic marketplace, guided entirely by self-interest, are beginning to incorporate social factors. He refers to consumer boycotts on the production of war materials (by ITT and Dow), investment in Angola (Gulf), and participation in the identity card system in South Africa (Polaroid), by way of example. Such boycotts "have become a major vehicle of popular protest against business," and it seems that he is in favour. He refers, moreover, to ecologically concerned consumption:

"As environmental concern increases, there is a tendency - still more celebrated than measurable - for "ecologically responsible" citizens to express their identification with the public interest by their private purchasing decisions. People can thus influence environmental issues by "voting" with their dollars, as well as with their ballot. In effect, they are taking seriously the analogy between "dollar" votes and political votes, which forms the basis of the corporate defense of consumer sovereignty. Thus, one is encouraged to purchase biodegradable detergents, smaller cars ..."

It was earlier noted that socially responsible consumption is but one form of ethical purchase behaviour. It is concerned with, as Vogel shows in this quote, the environmental impact of consumer purchases. It is limited to non-returnable bottles, high-phosphate detergents, leaded petrol and so on. In other words, socially responsible or ecologically concerned consumption seeks to limit the pollution created by the consumer in consumption. Ethical purchase behaviour is concerned with these and much wider social impacts. The arguments for such behaviour, by Thomas, Brozen, Schultze, Wight and others, recognise that consumer sovereignty need not be so restricted. Of course consumer sovereignty can be employed to express concern about

and possibly remedy product defects and products that pollute, but why not, as these conceptual contributions seem to imply, all the social impacts of the firm?

Vogel differentiates between the types of consumer boycotts he earlier referred to and ecologically concerned consumption:

"Ecologically "responsible" consumption differs from purchasing which is politically or ideologically motivated chiefly in that for the former, the relationship between what is consumed (or not consumed) and the social problem being addressed is direct."

Yet there is no need to so differentiate. It is all ethical purchase behaviour, as here identified and defined.

The next section introduces the argument presented here for ethical purchase behaviour. The evidence for such behaviour - and here, in contrast to the studies on socially responsible consumption, direct evidence is offered - lies in an examination of ethical purchase behaviour expressed in consumer boycotts.

1.1.4 A Theoretical Case for Ethical Purchase Behaviour

To some extent, much of this study represents the necessary conceptualisation that should have been conducted prior to the research referred to in the last section on ecologically concerned consumption. These authors assumed ecologically concerned consumption. They offered no argument as to why or how such behaviour comes about. Ethical purchase behaviour, which includes socially responsible or ecologically concerned consumption but also a great deal more, is not assumed here. An argument for ethical purchase behaviour is presented together with direct evidence.

Consumer boycotts are interpreted as an expression of ethical purchase behaviour. This, in turn, suggests an extension of consumer sovereignty beyond its mere technical meaning within economics to a more literal meaning, such that the consumer can not only dictate product characteristics of the offering, but also other characteristics such as whether the manufacturer has investments in South Africa, manufacturers the Pill, or whatever ethical issue associated with the offering is of concern to the consumer. But on what basis can one so refer to the extent of consumer sovereignty and what limitations are there?

The nature of capitalism and consumer sovereignty is explored, through the works of Friedman, Galbraith, the Austrian economists, and many others. It is suggested that consumer sovereignty is the rationale for capitalism, but this may in practice be extremely limited. Choice and information are found to be vital. However, given the limitations on consumer sovereignty, one must consider how the social control of business may be realised, if not through the market.

The problem of the social control of business is examined via the business and society literature. The meaning of social responsibility in business is considered for society as a whole, for interested

'stakeholders', for companies, and for managers. But social responsibility in business, as a doctrine, is problematic and an inadequate solution to the problem of the social control of business. However, ideal solutions to the problem of the social control of business are difficult to find. Three forms of social control of business are identified: legislation, the market and moral obligation, which includes the self-regulation efforts in adhering to a doctrine of social responsibility in business. Legislation has its limits and moral obligation is inadequate in a number of ways, so this suggests greater reliance must be placed on the market for the social control of business. One possibility therefore is ethical purchase behaviour. But how can such a solution, albeit only a partial one, be reconciled with the perceived limitations to consumer sovereignty referred to above?

The distinction has already been made between the degree and the extent of consumer sovereignty. It is not an artificial one. Both depend on the provision of consumer choice (through competition) and information. When referring to the extent of consumer sovereignty though, informed choice involves more than knowing about suitable alternative products. The extent of consumer sovereignty depends on the consumer having awareness and understanding of issues related to the producing firm, as well as knowing about the physical product. For a consumer boycott, the consumer must be concerned, willing and able to express preferences on firms' social impacts in the marketplace. This suggests a role for pressure groups active on the issues involved. Pressure groups may not be able to ensure competition, but they can provide the information for awareness and understanding which is necessary for ethical purchase behaviour.

The role of pressure groups within pluralistic interpretations of politics and particularly the growth and limited resources of promotional pressure groups is examined. Pressure group strategies and tactics are also considered. The conclusion reached is that there is a legitimate information role for pressure groups in the marketing system and not only may ethical purchase behaviour need pressure groups, but pressure groups may also need ethical purchase behaviour. This then provides a case for ethical purchase behaviour. It is suggested that at the micro level products may be augmented negatively as well as positively, to explain individual consumer responses.

The boycott, as a form of non-violent direct action and a pressure group tactic, is considered in depth to show how consumer boycotts, one form of ethical purchase behaviour, may come about.

This, in essence, is the argument for ethical purchase behaviour presented here. Some of the implications of this argument are considered next.

1.2 Scope of the Research and Thesis Outline

1.2.1 The Research Questions

Three research questions are addressed here. Firstly, at the practical level: How may pressure groups most effectively employ the consumer boycott tactic and how should boycotted businesses respond? Guidelines for action are suggested on the basis of previous studies of pressure group tactics, descriptions of consumer boycott actions given in the literature, and the empirical work. The empirical work consists of survey research on boycotts of business and five case studies of consumer boycotts employing primary and secondary data.

Secondly, and at a more conceptual level of abstraction, there is the concern with describing and to some extent explaining ethical purchase behaviour. This is expressed in the research question: Can consumer sovereignty ensure social responsibility in business and in what way? The answer lies largely in the argument as discussed in the last section.

Finally, at the highest, philosophical level of abstraction: How far does consumer sovereignty extend? This question, which comes closest to the one posed at the beginning of this chapter in the Preview, is about whether and what decisions are made in markets.

The implications and importance of these questions is largely self-evident. For marketing, the thesis is concerned with a significant form of purchase behaviour. There are also the implications for market segmentation, as noted by Engel et al, and others, on the limited form of ethical purchase behaviour previously examined, socially responsible consumption. There is the issue of how management may respond to ethical purchase behaviour, and consumer boycotts in particular. But perhaps most importantly, the thesis is a study in consumer sovereignty, the central concept to the marketing discipline.

For business and society, the thesis is an examination of the problem of the social control of business and an appraisal of one way in which the market may increase social control. Ethical purchase behaviour seems a particularly attractive way of increasing social control because it would mean greater political participation, given the pressure group role and influence. In looking at pressure group strategies and tactics, the study also contributes to the pressure group (political sociology) literature.

Parameters have necessarily been placed on this research. Not all forms of ethical purchase behaviour could be specifically considered, only pressure group organised consumer boycotts. Furthermore, although some might conceive of this study as involving consumerism, this area too has been considered outside the scope of the study to a large extent. Consumerism is predominantly about consumer protection and other issues arising in the consumption of the product. The concern here, as well indicated, is with less parochial matters. There is also an emphasis on the extent or domain of consumer sovereignty, rather than the degree of consumer sovereignty, and on promotional rather than sectional pressure groups (for reasons explained in Chapter Six, where the two types are differentiated).

1.2.2 Thesis Outline

The thesis has four principal parts. Part One is the introduction and methodology. This chapter has served to introduce the study. Chapter Two describes the research origins, perspective and methodology. The origins are worth noting because they give an important indication as to where the researcher is coming from, but also because they show how and why the research questions came to be so posed. The research perspective is given so that it is clear as to whom the thesis is addressed. Finally, the research methodology, in the sense of the overall approach to the research, is included here. (Research methods are described later.) This discussion of the research approach is important because it differs from the more frequently occurring positivist approaches.

Part Two comprises Chapters Three to Eight inclusive and the bulk of the thesis. This is the theoretical argument and the examination of the boycott tactic. Chapter Three explores the nature of capitalism and consumer sovereignty. Chapters Four and Five, the social control of business. Chapter Six, pressure groups. Chapters Seven and Eight, the boycott tactic, boycotts of business and pressure groups in the marketing system.

Part Three describes the survey research and case studies. Evidence for ethical purchase behaviour and on the mechanism of the boycott and the factors in its success have already been provided in Part Two, but in this part further evidence, including primary data, is offered. The survey research - its objectives, method, form, response and findings - is described in Chapter Nine. The following chapter presents the case studies. Chapter Eleven analyses the data with respect to pressure group use of the boycott, corporate responses to boycotts, empirical support for the model presented in Chapter Eight, and the proposed concept of ethical purchase behaviour.

Lastly, Part Four, comprising Chapter Twelve, gives the research conclusions. They focus on the effective use of the boycott tactic and management responses, consumer sovereignty and its role in ensuring social responsibility in business, and ethical purchase behaviour and the extent of consumer sovereignty. In other words, answers to the research questions. However, further conclusions are also given on the role of pressure groups as a countervailing power, the potential for greater political participation and pluralistic politics, and, finally, the status of the marketing discipline. Directions for further research conclude the thesis.

Summaries are provided at the end of each of these parts. Notes and references appear at the end of each chapter, with a full bibliography provided after Part Four and before the appendices.

Notes and References

1. Mills, C Wright, The Power Elite (London, Oxford University Press, 1956), p. 3.
2. Rev. Jesse Jackson, the first black American presidential candidate, quoted in Vogel, David, Lobbying the Corporation: Citizen Challenges to Business Authority (New York, Basic Books, 1978), p. 39.
3. "A Gallup poll for a food firm earlier this year found that a million Britons are vegetarian and a further million do not eat red meat, mainly for health reasons" (Ezard, John, 'Getting meat's image off hook', The Guardian, November 30 1984).
4. This is recognised by British and foreign car companies alike. British Leyland emphasise that their product is domestically-produced in their advertising (see section 8.2.2), while Toyota have recently added to their advertising a British flag with "Building in Britain," underneath (see, for example, The Observer, April 21 1985, p. 2).
5. Anon. (New Society), 'Hard Bargains', New Society, August 14 1980.
6. Kotler, Philip, Marketing Management: Analysis, Planning and Control (Englewood Cliffs, Prentice-Hall, 1980 (fourth edition)), p. 351. And Thomas, for example, has referred to products in a way similar to that used here, as "alternative bundles of social impacts and product impacts" (Thomas, R E, 'After Kotler: Marketing 'Consciousness Four'', Advertising Quarterly, Autumn 1974, his emphasis).
7. Three reasons: a consumer, by definition, is one who consumes; not, necessarily, the customer. There may then be a distinction between the consumer and the buyer or customer, though it is only the latter that has, or at least may have, some authority in relation to the seller. So customer sovereignty may be more accurate simply for this reason. But further, consumer - or customer - sovereignty is derived from placing one's 'custom' with a seller. Finally, the term consumer sovereignty is applied to both 'consumer markets' and 'industrial markets'.
8. Simon, John G, Charles W Powers and Jon P Gunnemann, The Ethical Investor: Universities and Corporate Responsibility (New Haven, Yale University Press, 1972), p. vii. Calls for ethical investment are not confined to the last twenty years however. Fraser reports Samuel Hopkins' eighteenth century fight to end church investments in the slave trade (Fraser, James W, 'The Campaign for Corporate Responsibility: An Honorable Tradition', The Corporate Examiner, Vol. 3, No. 8-9 (September 1974), p. 2).
9. Vogel, David, 'Trends in Shareholder Activism - 1970-1982', California Management Review, Vol. XXV, No. 3 (Spring 1983), pp.

- 68-87; Vogel, op.cit. (note 2); also, the annual reports of the Council on Economic Priorities, Minding the Corporate Conscience; Purcell, Theodore V, 'Management and the 'ethical' investors', Harvard Business Review, September-October 1979; Simon et al, op.cit. (note 8); and others.
10. Vogel, op.cit. (note 9). Legislation has been passed by some states in America restricting state pension funds investments in companies doing business in South Africa. See Anon. (The Guardian) 'US pension funds hit out at apartheid', The Guardian, April 24 1984; and Omond, Roger, 'Investment ban is blow to Pretoria', The Guardian, January 10 1983. Vogel, op.cit. (note 2), reports the classic ethical investment actions of Campaign GM, along with many other sources.
 11. Hencke, David, 'Charities selling tobacco shares', The Guardian, January 15 1985; also see idem., 'Cancer charities in BMA list of shareholders in tobacco firms', The Guardian, January 14 1985.
 12. Idem., 'BMA votes to sever investment links with tobacco companies', The Guardian, July 3 1984.
 13. See Macintyre, Donald, 'Row brews on pit pensions', The Sunday Times, November 13 1983; also Rodgers, Peter, 'The pension funds have done as Scargill wanted, even though he lost in court', The Guardian, April 27 1984, p. 16 (reports the disinvestment in overseas shares but attributes this to feelings that the US stock market seemed to be nearing a peak); Wainwright, Martin, 'Scargill proves court jester with a cause', The Guardian, March 27 1984, p. 1 and p. 2; Anon. (The Guardian), 'Worker trustees on the board', The Guardian, September 14 1983, p. 25.
 14. Pagano, Margareta, 'TUC presses for ban on South Africa', The Guardian, May 16 1983. "Objections to, say, investments in South Africa are based on prudence as much as moral repugnance, in spite of the fact that the current financial return may be better than elsewhere. After all, is South Africa as politically stable as it might be?" (Anon. (The Guardian), op.cit. (note 13)). In reply to criticism of Sheffield's district health authority investment of £95,000 in British-American Tobacco (BAT) and Distillers, the chairman of the authority and person responsible for the £1m. trust commented: "It's the same principle as in the Scargill case - as the law said, the trustees have the responsibility of doing the very best they can with the money they are responsible for ... The object is to maximise the growth of the funds" (Beresford, David, 'Unhealthy investment starts row', The Guardian, June 2 1984). BAT are frequently subject to criticism from those advocating ethical investment, particularly because of their marketing of cigarettes in the Third World (see, for example, Smith, Michael, 'BAT urged to reveal Third World policy', The Guardian, May 17 1982).
 15. Halsall, Martyn, 'Church pulls out of firm over pay in South Africa', The Guardian, November 19 1984, p. 3. Halsall reports that of the Church's £1.4bn. assets, £500m. to £600m. are in

shareholdings, with investments in 20 to 30 companies with South African connections. In an earlier article Halsall wrote of some of the criticism following the failure to implement the resolution and noted "There are informal and confidential discussions with some six companies a year" ('Church Commission complacent over South African holdings', The Guardian, June 21 1983).

16. "Working Assets - a money market fund for people who want to put their savings to good use" (Advertisement in Business and Society Review, No. 48 (Winter 1984)).
17. Ward, Sue, 'How ethics can be taken into account', The Guardian, July 18 1984. She reports on the activities of Robert Schwartz, a vice-president of Shearson/American Express, and responsible for placing over \$1bn. in ethical investments. Research he has undertaken found that over a period of ten years a theoretical ethical portfolio performed considerably better than the average. He suggests "if you are a poor manager who does not care about your workforce or your environment, the chances are that it will spill over into your business practices as well."
18. Lloyd, Stephen, 'A question of conscience money', The Guardian, September 17 1983; also The Observer, January 6 1985; Lever, Lawrence, 'Keeping it clean', The Guardian, October 13 1984, p. 23.
19. Harper, Keith, 'Trade union bank has investment it needs to open', The Guardian, April 10 1984; Rodgers, Peter, 'Thirty unions launch their own bank', The Guardian, January 20 1984, p. 17; and others.
20. Anon. (EIRIS), EIRIS Newsletter, No. 2 (November 1983); or see Ward, op.cit. (note 17); Lever, op.cit. (note 18); or Shearlock, Peter, 'Cream of the clean', The Sunday Times, November 13 1983.
21. Such as the Council on Economic Priorities, mentioned above, or those listed in Marlin, John Tepper, 'Pollution Control: Let's Stop Waiting for Government', in Sethi, S Prakash (ed.), The Unstable Ground: Corporate Social Policy in a Dynamic Society (Los Angeles, Melville Publishing, 1974), p. 355.
22. Luthans, Fred, Richard M Hodgetts and Kenneth R Thompson, Social Issues in Business: Strategic and Public Policy Perspectives (New York, Macmillan, 1984), p. 82. They are here quoting from De George, R T, Business Ethics (New York, Macmillan, 1982), described by Hanson as "the most scholarly approach to the subject" (Hanson, Kirk O, 'Book Review: Business Ethics', California Management Review, Vol. XXVI, No. 1 (Fall 1983), pp. 162-169).
23. Steiner, George A and John F Steiner, Business, Government and Society: A Managerial Perspective (New York, Random House, 1980), pp. 383-389. Their concern here is with ethics for management practice.

24. Luthans et al, op.cit. (note 22), p. 84.
25. Purcell, Theodore V, 'Reprise of the 'ethical investors'', Harvard Business Review, March-April 1980.
26. Ibid.
27. Engel, James F and Roger D Blackwell, Consumer Behavior (New York, The Dryden Press, 1982), p. 610.
28. Webster, Frederick E, Jr., Social Aspects of Marketing (Englewood Cliffs, Prentice-Hall, 1974), pp. 107-109.
29. This is discussed in Chapter Eight. Kotler defines the societal marketing concept as "a management orientation that holds that the key task of the organisation is to determine the needs and wants of target markets and to adapt the organisation to delivering the desired satisfactions more effectively and efficiently than its competitors in a way that preserves or enhances the consumers' and society's well being" (op.cit. (note 6), p. 35). Webster suggests the managerial objective of his fourth phase in market development, where the revised concept of marketing is to be found, is "Profit through true value creation and social responsibility," and writes of a desired end of "a net improvement in the quality of life for all consumers and in the public welfare" (ibid., p. 108).
30. Anderson, W Thomas, Jr, and William H Cunningham, 'The Socially Conscious Consumer', Journal of Marketing, Vol. 36 (July 1972), pp. 23-31.
31. On collinearity: is it surprising that the scale and the independent sociopsychological variables correlate when, for example, item 6 on the scale assesses agreement with 'People would be a lot better off if they could live far away from other people and never have to do anything for them', and there is an 'independent' variable of alienation: 'a feeling of isolation from one's community, society, and/or culture'? This in itself is sufficient to invalidate the use of discriminant analysis. Further technical criticisms could also be made, such as whether the data for the independent variables is interval, which it needs to be for discriminant analysis, or whether (and this seems more likely) it is nominal/categorical. The major criticism must be, however, that the finding that sociopsychological variables are better discriminators than demographic variables is probably largely to do with the problem that the dependent variable of the social responsibility scale and the so-called independent sociopsychological variables are measuring the same thing. So this empirical work on socially responsible consumption, if nothing else, falls down by the very rules established for positivistic quantitative research. Its principal value is in giving some credence to the notion of ethical purchase behaviour, even if the authors haven't actually gone out and measured that.
32. Kassarian, Harold H, 'Incorporating Ecology into Marketing Strategy: The Case of Air Pollution', Journal of Marketing, Vol.

35 (July 1971), pp. 61-65. He writes "the next hypothesis predicted that this group would claim to be more willing to pay a higher price for a pollution reducing gasoline than might its less concerned neighbors. This hypothesis could perhaps be tested most accurately through the use of competitive sales figures ... However, these data were not available to the author. Further, he did not believe that consumers could be asked whether or not they would be willing to pay more and expect a correlation between the claimed responses and actual behavior patterns."

33. Engel, James F, Roger D Blackwell and David T Kollat, Consumer Behavior (Hinsdale, The Dryden Press, 1973), pp. 620-621.
34. See 6.4.2. This is an important factor in promotional pressure group success and, as later claimed, ethical purchase behaviour.
35. Engel et al, op.cit. (note 33), p. 640. They also note "consumers do not voluntarily purchase catalytic emission control devices for their automobiles (which are available) but are willing to support laws which require manufacturers to install them. Perhaps consumers realise that these indirect decisions are passed on to themselves as added costs or perhaps not." Again this seems to illustrate a problem of the logic of collective action and how sanctions are required if people are to act 'voluntarily' for the collective good. If sanctions were applied for not purchasing catalytic converters then they would probably be fitted - even if the sanctions were less costly than the device. People may then need to be denied the choice as to whether to practice socially responsible consumption - once choice is denied they happily practice it.
36. Kinnear and Taylor examine the relationship between the amount of concern for the ecology that buyers indicate and their perceptions of detergent brands. Again, despite sophisticated analysis and a large sample size, actual behaviour was not examined, and there was also a likely correlation between dependent and 'independent' variables. They conclude that there is a relationship between ecological concern and brand perceptions: "the higher a buyer's ecological concern the more salient is the ecological dimension in perception, and the greater is the perceived similarity of brands that are ecologically non-destructive." They warn that as "A large proportion of the sample is not motivated to perceive products on the basis of concern for the ecology ... it is unlikely that the purchasing pattern of consumers will shift enough to non-polluting products to force those products that do pollute off the market. Other methods such as legislation and moral pressure on producers and distributors will likely be necessary to assure the elimination of polluting products. Concern for the ecology is not a universally strong enough dimension to complete this task by itself" (Kinnear, Thomas C and James R Taylor, 'The Effect of Ecological Concern on Brand Perceptions', Journal of Marketing Research, Vol. X (May 1973), pp. 191-197). Kinnear et al in a later paper did intend "to get closer to the marketplace than Anderson and Cunningham did." In this paper, the research previously reported is again used, this

time in conjunction with the socioeconomic and personality characteristics of the respondents. They attempt to improve on the Social Responsibility Scale used by Anderson and Cunningham by developing a new scale incorporating behavioural and attitudinal measures. They continue to rely, however, on verbal statements of behavioural intention not actual behaviour, which may be no different to attitudes (as the work of Fishbein and others bears witness). Kinnear et al conclude that "Appeals to the ecologically concerned segment should take advantage of the psychological profile for that segment," for they suggest ecological concern can be identified from personality characteristics. Yet again, however, this claim is weakened by the dubious independence of the 'independent' variables. Doubts are expressed on whether ecologically concerned consumption could end pollution: "the preferences of consumers operating through market mechanisms will not eliminate pollution externalities in consumption" (Kinnear, Thomas C, James R Taylor and Sadrudin A Ahmed, 'Ecologically Concerned Consumers: Who are They?' Journal of Marketing, Vol. 38 (April 1974), pp. 20-24).

37. Such as Murphy, Patrick E, Norman Kangun and William B Locander, 'Environmentally Concerned Consumers - Racial Variations', Journal of Marketing, October 1978; or Webster, Frederick E, Jr., 'Determining the Characteristics of the Socially Conscious Consumer', Journal of Consumer Research, December 1975. In support of Engel, Kollat and Blackwell's remark about belief in socially responsible consumption, consider Feldman's unsubstantiated claim: "To date, societal satisfaction has had either a residual or a negligible influence on consumer purchasing behaviour. However, there are currently numerous indications that societal considerations will assume greater importance as consumers begin to understand the resource implications of product use." The example given is of consumers switching from phosphate-based detergents to others containing less harmful chemicals. He suggests "If the trend continues, the ethic of conspicuous consumption that underlies much of contemporary middle-class consumption behavior will be regarded with the same distaste in the future as today's generation regards the lavish displays of wealth exhibited by the nouveau riche at the turn of the century" (Feldman, Laurence P, 'Societal Adaptation: A New Challenge for Marketing', Journal of Marketing, Vol. 35 (July 1971), pp. 54-60). Laczniak et al, in using expert opinion to predict likely features of the business environment in the future, found that consumerism and other social pressures on business would not go away and were likely to increase. They suggest "The consumer movement, however, may not take the form it has traditionally," and quote Professor Louis Stern, commenting on consumer behaviour in much the same way as Feldman: "I believe the consumer movement will be reflected by individual behavior rather than by collective actions. That is, more individuals will stand ready to confront alleged "wrongs" in the marketplace ..." (Laczniak, Gene R, Robert F Lusch and Jon D Udell, 'Marketing in 1985: A View from the Ivory Tower', Journal of Marketing, October 1977). In contrast, Fisk has called for producer initiated responsible consumption (in Fisk, George, 'Criteria for a Theory

- of Responsible Consumption', Journal of Marketing, Vol. 37 (April 1973), pp. 24-31). While Kotler has advocated the case for 'countermarketing' to curb unwholesome demand and 'demarketing' where there are or may be shortages (see Kotler, op.cit. (note 6), p. 26).
38. Thomas, R E, 'Marketing a new capitalism', CBI Review, Autumn 1974. See Chapter Eight Preview for a quotation and ensuing discussion.
 39. Idem., op.cit. (note 6).
 40. Brozen thus argues the market can sustain an ethic. Brozen, Yale, 'The Ethical Consequences of Alternative Incentive Systems', in Brozen, Yale, Elmer W Johnson and Charles W Powers, Can the Market Sustain an Ethic? (Chicago, University of Chicago, 1978), p. 13.
 41. Schultze, Charles L, The Public Use of Private Interest (Washington, The Brookings Institution, 1977), p. 18.
 42. Ibid.
 43. Wight, Robin, The Day the Pigs Refused to be Driven to Market: Advertising and the Consumer Revolution (London, Hart Davis MacGibbon, 1972), p. 40.
 44. Vogel, David, 'The Corporation as Government: Challenges and Dilemmas', Polity, Vol. 8, No. 1 (1975), pp. 5-37.

CHAPTER TWO**RESEARCH ORIGINS, PERSPECTIVE AND METHODOLOGY**

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Preview

Although business researchers may need to learn even more about techniques, their notable weakness is their inadequate emphasis on the research process. Knowing how to use the tools and techniques of research does not in itself guarantee the effectiveness of an individual in carrying out a scientific investigation.

Paul H Rigby (1)

The most important advice I can give the contemporary sociologist has nothing to do with the validity of my arguments. It is this: you do not have to believe anything about theory and methodology that is told you pretentiously and sanctimoniously by other sociologists - including myself. So much guff has gotten mixed with the truth that, if you cannot tell which is which, you had better reject it all. It will only get in your way. No one will go far wrong theoretically who remains in close touch with and seeks to understand a body of concrete phenomena.

George C Homans (2)

Chapter One introduced the research topic and the argument presented here. This argument is the result of an investigation of the phenomenon of pressure group influence on purchase behaviour in consumer boycotts. To round-off this introductory part to the thesis, something must also be said, albeit briefly, about the form of the investigation undertaken. This chapter is about the research methodology; not the research methods - or as Rigby puts it "the tools and techniques" - they are described later, but the research process, the approach to answering the research questions. Rigby's observation on the failing of management researchers to address this issue is almost as valid today as it was twenty years ago. However, methodological concerns - be they ontological, epistemological or simply about the reliability of a research instrument - must not predominate, they are secondary to the subject of the investigation. As Homans implies, it is very easy to end up in a methodological maze. Providing the researcher has a basic grasp of the issues and remains close to the phenomena studied, meaningful research is likely to be conducted. This chapter therefore gives due but not lengthy consideration to the research methodology.

The weaknesses of positivist approaches are recognised in 'new paradigm research'. In particular, the issue of researcher bias. Accordingly, this chapter starts by describing the research origins - in sex-role stereotypes in advertising. This also shows how and why the research questions came to be so posed. It then turns to the research perspective on marketing. This shows that the concern evident in the sex-role stereotypes investigation with the way the market operates, is central to marketing. It also indicates as to who the study is addressed.

The context of research - including the social experience of the researcher, the research origins and the research perspective - give

rise to a research posture. The research posture adopted here is characterised by: a rejection (as far as possible) of positivism, an ethnomethodological qualitative research approach, and social criticism. Given the research task of description and developing an argument, conceptualisation plays an important role here, it too forms part of the research posture.

There is always it seems, in any delvings into methodology, a risk of getting trapped in the methodological maze. The alternative is to remain as close as possible to the phenomenon under investigation. This was the aim here within an understanding of the basic methodological issues.

This chapter, in describing the research methodology, says what sort of study this is.

2.1 Research Origins and Perspective

2.1.1 Social Experience and Social Science Research

Marketing, in common with other social science disciplines, has frequently considered whether it can claim to be a science (3). One marketing writer, Hunt, in his exploration of the issue, quotes Carl Hempel: "Science strives for objectivity in the sense that its statements are to be capable of public tests with results that do not vary essentially with the tester" (4). This requirement of science for objectivity and the role of the researcher or 'tester' in influencing this, has been documented in the natural sciences as well as the social sciences. Medawar quotes Whewell: "Facts cannot be observed as Facts except in virtue of the Conceptions which the observer himself unconsciously supplies" (5). Undoubtedly however, as the social sciences deal with social phenomena, then the social experience of the researcher is likely to present an even greater threat to objectivity.

This added complexity need not mean that researchers of social phenomena should ignore the requirement for objectivity or that such work should not be classed as science, as some have claimed (6). Investigations of social phenomena can be 'scientific'. But the social science researcher should be aware of how social experience, the researcher's "social construction of reality" (7), affects the research.

Recognising that the social experience of the researcher will influence the research is an important step towards more objective research; and, though this is less important, towards confirming the status of the social sciences as sciences. Yet, it has been suggested that this is not sufficient. In particular, Rowan and Reason argue that not only should the part played by social experience in research be recognised, but it should be explicitly acknowledged. Rowan writes:

"... research situations stir up anxieties and other feelings at various levels within the researcher, some of which may have much more to do with the researcher's own problems than with anything going on out there in the world ... this raises the alarming possibility that a great deal of social science, as at present practiced, may be a species of autobiography. And so long as researchers ignore the unconscious, and pretend that they can be totally objective, this will continue to be the case" (8).

Rowan and Reason advocate an "objectively subjective approach," which they term 'new paradigm research'. They write that a researcher should be "making clear where one is coming from in taking a particular view; the traditional way of doing this is to give references to previous work, but we think it is also desirable to give details of political standpoint, current work and relationships, general way of being in the world or whatever" (9). While sympathetic to this approach, this author does not go so far as they suggest. There are three reasons for this. Firstly, 'where one is coming from' is thought to be more apparent than Rowan and Reason would suggest. It is evident not only in the choice of references to previous work, but

also in the way that work and much else is interpreted. In other words, it is largely implicit. Secondly, there is the pragmatic consideration of giving over valuable and sufficient space to an autobiography. Finally, and perhaps most importantly, there is the paradox in their position. Acknowledging the researcher's social experience could in itself only be subjective. This, under another guise, is the old Marxist problem of claiming if the masses were not indoctrinated by the ideology of the ruling class in a society they would realise their oppression, when the person making that claim is also part of the same society and presumably similarly indoctrinated. So as Berger and Kellner conclude "direct access to facts and laws ... is never possible, no matter what one's standpoint ... there is no magical trick by which one can bypass the act of interpretation" (10).

As science is inevitably interpretive, objectivity can never be achieved in any absolute sense. Objectivity is relative, and the judgement of one study as more objective than another is itself also an act of interpretation and thus subject to variation between individuals or different disciplines or scientific communities. So saying 'where one is coming from' probably doesn't matter very much, as the research findings are more likely to be assessed for validity on the basis of the particular criteria used by the reader - plausability, extent to which they meet expectations, rigour of method, and so on. If the reader is greatly concerned about researcher bias, much will already be implicit in the report of the study and if more were to be added, there is the paradox consideration of its subjective nature, and the pragmatic consideration of space.

However, while it may be suggested that reporting one's "general way of being in the world" is problematic and largely unnecessary, this does not deny the importance of the researcher recognising the influence of this in his or her efforts to get at the 'truth'. Moreover, as far as this study is concerned, it is felt that something can be usefully said on the research origins and perspective, not only because it reveals where the researcher is coming from, but also because it is likely to aid appreciation of the research problem. It should, as well, not be forgotten that the social experience of the researcher, while a source of bias in research, is also a valuable source of data; it is, indeed, the sole source of data for the social criticism methodology (discussed in 2.2).

The following section thus discusses the origins of the research in an investigation of sex-role stereotypes in advertising. Elsewhere, if appropriate, further attempts are made to acknowledge the researcher's position. But exclusion rather than inclusion has been the rule, for the reasons indicated above and so as not to tire the reader. Researcher as human being and researcher as researcher are not separate entities. It is foolish and misleading to suggest they are. This is clearly demonstrated in an investigation such as this, as it deals with highly political and emotive issues, from apartheid in South Africa to nuclear disarmament.

2.1.2 Sex-Role Stereotypes in Advertising - The Starting Point

The starting point for this research was an investigation of the issue of sex-role stereotypes in advertising. A brief overview of the issue and the conclusions reached will quite adequately serve as an explanation of the research origins and their part in formulating the research questions addressed here.

Criticism of sex-role stereotypes in the media stems largely from the influence these stereotypes are claimed to have on society. Such criticism is frequently polemic, with one writer, for example, claiming "the mass media moulds everyone ..." (11). Feminist critics are of the opinion that the meanings reflected and reinforced within advertising portraying or directed to women, are distinctly undesirable. They see advertising as yet another determinant of a sexist status-quo (12). More reasoned or, at least, less overtly angry criticism, comes from those working in the area of sex-role formation. Current theories on sex-role formation largely attribute the sex-role to social rather than biological determinants (13), and advertising plays a part in this process (14).

These arguments about the influence of advertising are widely accepted. Research on the content of advertising confirms that traditional sex-role stereotypes prevail (15). While socialisation theories and research on sex-role formation and sex-role stereotypes supports the idea that such stereotypes have an effect (16). Even some advertisers are prepared to acknowledge this (17). However, they suggest advertising has to reflect majority attitudes, that it must be congruent with the market segment with which it is intended to communicate (18).

What is at issue here? If one accepts that traditional sex-role stereotypes in advertising are socially undesirable, one would conclude that advertisers are not behaving in a socially responsible manner, that they are not acting in society's best interests. The issue is concerned with social responsibility in business. What remedies does society have?

Advertisers could be coerced by legislation. This seems extremely unlikely, not least because of the difficulties of legislating, short of banning all advertising. Could advertisers then be persuaded to voluntarily adjust their advertising?

Advertising is more heavily criticised than the rest of the media for the use of traditional sex-role stereotypes. This may be because advertising is the worst offender or because the critics of sex-role stereotypes have a more general dislike for advertising. But it is at least partly due to the concern that advertising is selling sexism as well as the product featured. The irony is that consumers seem to buy it. So advertising is not likely to change through advertisers voluntarily meeting the wishes of their critics, unless, of course, traditional portrayals were found to be detrimental to advertising effectiveness.

This interrelationship between the audience and the media, and advertising in particular, is acknowledged in a report for UNESCO by

Gallagher. She concludes that women should be more concerned with changes in the political and economic structure - matters of far greater importance - than in the media. But at the same time, it should, if possible, be ensured that the media does not lag behind the broader social system: "For even if the media cannot be expected to initiate change, they can certainly be expected to reflect it." She asks whether and which mechanisms can be developed to ensure the currency of the media (19).

Her questions reflect a concern for the social control of business. But as far as advertising is concerned, it would seem that an appropriate mechanism already exists. Jane Reed, as editor in chief of Woman, says that she is not greatly worried about "the mildly sexist ads that do appear now - using female stereotypes and traditional female concepts." This is because "advertising is about selling things, and if the advertisement misses the mark - through adopting the wrong sell-line, image or target - then it is the manufacturer who should worry" (20). Moreover, if advertisers carry on regardless, the market can be employed deliberately to put the matter to rights by using the consumer boycott. As Beasley and Silver write "Pressure has been applied on advertisers through demonstrations, mail and telephone complaints, and, in some cases, boycotting of a product marketed via a sexist ad. Advertisers have yielded to the pressure, knowing that women spend more dollars in the American marketplace than men or teenagers" (21).

So, this author concluded that the problem - if one sees it as such - of sex-role stereotypes in advertising could not be directly resolved. Furthermore, advertisers, if doing their job properly, could not be criticised for not being socially responsible, because of the self-regulating role of the market. The market ensures social control of business (in this case, advertisers). As Baroness Lockwood, former Chairman (sic) of the Equal Opportunities Commission, suggests in a research report on Adman and Eve: "there need be no conflict of interests between those whose job it is to sell, and those who seek to further equality of opportunity in our society" (22). With wider adoption of feminist thinking or perhaps simply changes in the roles of women, the traditional sex-role stereotypes in advertising will, of necessity, largely disappear (23).

The issue is not so much resolved as dismissed. However, this is only so long as one accepts the market as an effective mechanism for the social control of business. Put otherwise, it assumes consumer sovereignty can ensure social responsibility in business.

Many, if not most, would accept this is the case. With advertisers in particular, the concern for effective communication must make the interests of the consumer of overriding importance. Given a marketing orientation, one could argue such an observation surely applies with equal force to all elements of the marketing mix. After all, this is what capitalism and free competitive markets are all about. This is expressed in the following quote from Thomas A Murphy, as Chairman of General Motors:

"... competitive markets and free consumer choice could be relied on to set an economic course which would maximise human welfare

... The individual citizen has great capacity to modify his consumption patterns through free markets. If he does not like one product, he can choose any of several other possibilities - or none at all ... This sensitive tailoring of productive resources to the complex and diverse preferences of people, expressed through free markets, is a fundamental, though often underappreciated characteristic of our system. Each consumer, given his free choice, can purchase those products which he feels most suit his own special needs and resources. Unlike the political system, every person can win in an economic "election" (24).

This idea of 'purchase votes' (as Gist and others put it (25)) for expressing preferences in product markets as conveyed above, is what is explored in this study. In particular, the interest is with the expression - and realisation - of preferences on what may be referred to as issues of social responsibility in business. As is apparent from the previous chapter, such an expression of preferences is described here as ethical purchase behaviour. However, this integrating concept was not identified until the survey research was conducted and analysed (as discussed in Chapter Nine). Moreover, the focus of the study is on the more deliberate attempts to realise preferences in markets, in consumer boycotts. As this discussion of such an approach to the issue of sex-role stereotypes in advertising shows, one is a part of the other; consumer boycotts are a form of ethical purchase behaviour.

The idea of purchase votes on social responsibility issues is not in principle new, in practice or in theory, as the examples in Chapter One and the discussion of the work on socially responsible consumption indicates. It has, however, not been conceptualised as here. Neither has it been subjected to much objective criticism. A major reason for this is that the view of the market expressed is ideological. The market philosophy - belief in the market and all that goes with it - is, moreover, probably the most dominant ideology in the West. Consider the reasoning behind the conclusion given above on the issue of sex-role stereotypes in advertising.

The conclusion makes certain assumptions about how the market operates: advertising which lacks congruity with its audience may not only fail to communicate the intended message, but may also communicate something entirely unintended - the sexism in the advertising may be seen as part of the offering and the offering as well as the communication is rejected. The advertising expenditure then gives no return or possibly a negative return, it is at least less effective than it might be. The result is competitive disadvantage. The requirement to maximise competitive advantage is in accord with the survival of the fittest notion and affects all the company's activities. So those competing in the market, to ensure their survival, would seek to maximise their competitive advantage by adjusting their advertising in line with social change, or changing any other activity that likewise influences competitiveness. Pursued to its logical conclusion, such an argument suggests the market mechanism, in demanding efficiency, may also as a consequence pass judgement on social practices of firms - be an arbiter of 'good' and 'bad'. But does the market 'really' operate in this way? What evidence, if such may be obtained, is there for these claims?

Advertising effectiveness, like the effectiveness of most of the promotional elements of the marketing mix, is notoriously difficult to measure. As Wight wryly observes "if sales go up, it's because of the advertising but if they go down it's because of something else" (26). Indeed, advertisers, with support from marketing academics, like to distance themselves from measures of the sales effectiveness of advertising, preferring awareness or some other proxy variable. This is sensible - but also justifiable. Advertising must be assessed against the objectives set, even if the long-term overall objective is to sell the product. However, this does illustrate one difficulty in suggesting advertisers are accountable to the market. Understanding the way advertising is produced casts further doubts on claims about market pressure for effectiveness (27).

There are more important and generalisable factors. Probably most important is the degree of consumer sovereignty, that is, the amount of competition. Some markets are highly competitive, many less so, and some not at all. There is also the requirement for consumer information, not only of competitive offerings but about the alleged grievance, the social practices of concern. Consumers do not all have an equal vote and not all are enfranchised on all issues. They may not even wish to use their vote when it is contrary to their economic self-interest. To some, the idea of the market as an arbiter of good and bad is sacrilege, if not dangerous, for the market is assumed to be at its most efficient where decisions are guided solely by self-interest. But, of course, self-interest need not be so narrowly defined as to exclude non-economic considerations (28). Though it might still be argued that if consumers are prepared to define their self-interest quite widely - perhaps as enlightened self-interest - then this distorts the market mechanism, entailing inefficiency. Another factor is that competitive advantage is the outcome of an aggregate of company efforts, some inefficiencies - such as ineffective advertising - may continue either because they are counterbalanced by greater efficiency in other areas or because they are hidden or unknown. Further factors include company accountability to other constituencies such as employees and/or unions (an influence even if the consumer takes precedence), government intervention and consumer dependence on and expectation of government action on misdemeanours, and the conflicts in the consumer choice process (29).

So there are many weaknesses to the proposition that the way the market operates will ensure changes in advertising portrayals of women in line with social change. They cannot all be considered here. What this study attempts to do is to show how the market can operate in this way, by providing an argument in justification and part explanation of ethical purchase behaviour and some evidence. For this author, having come to the conclusions stated on the issue of sex-role stereotypes in advertising, then looked for evidence that consumer sovereignty could ensure social responsibility in business - and on issues more remote from the consumer's purchase behaviour than advertising content. In so doing, the concept of ethical purchase behaviour was developed, a role for pressure groups identified in the marketing system, and so on.

There remains one further important observation on the research origins, which also has particular bearing on the social experience of

the researcher. As noted, the understanding of the market expressed by Murphy and elsewhere above, is ideological. Yet it wouldn't have been seen as such by the researcher prior to the investigation of sex-role stereotypes in advertising. It was only through this investigation that the researcher came to fully understand the meaning and function of ideology (30). This understanding, or as Mills would prefer, this use of 'the sociological imagination' (31), features prominently in the research methodology of this study. The research topic has many ideological components and, partly because of this, the research methodology emphasises an attempt, as far as is possible, to disentangle the ideological elements from the scientific elements or the 'truth'. The research methodology implications are considered further in 2.2, this section can most usefully conclude with some early observations on ideology and the market.

Berger and Kellner briefly define ideology as "a set of definitions of reality legitimating specific vested interests in society" (32). So Murphy's statement above, encapsulating the market philosophy, could be interpreted as an ideological validation of General Motors' position and practices. As, indeed, could the response by advertising practitioners to the criticisms of sex-role stereotypes in advertising, be interpreted. Yet ideologies do serve other functions, as well as justifying interests they may also offer explanations. So as Silk and Vogel write of the ideologies of managers: "Ideology functions not simply to advance a particular interest ... but to enable people to orient themselves to a complicated and confusing world" (33). It is not sufficient to think of them in Machiavellian, manipulative terms. Managerial ideologies are considered in more detail in Chapter Four. Suffice to note here, such ideologies should be respected as legitimate views of the world.

To conclude; the research origins, an investigation of sex-role stereotypes in advertising, have two principal implications for this study. Firstly, the prompting of the research questions, which seek support for the conclusions reached on the sex-role stereotypes issue, by asking how, whether and why the market should or could work in the way suggested: How may pressure groups most effectively employ the consumer boycott tactic and how should boycotted businesses respond? Can consumer sovereignty ensure social responsibility in business and in what way? How far does consumer sovereignty extend? Ethical purchase behaviour was not found to be an influence on the issue of sex-role stereotypes, but whether it could have an influence on other issues and whether it has, is the concern here addressed. Thus the origins of this research do not lie in previous work in the area, but in the ideology of the market, with the study attempting to 'test' the ideology. Secondly, the researcher has been alerted to the possibility of being (unacceptably) ideological in the conduct of the research. This does, however, seem to be a criticism that may be made of the marketing discipline, as the next section shows in considering the research perspective.

2.1.3 Markets and Marketing: The Research Perspective

It is suggested that the investigation reported here is most accurately seen as being within the domain of the marketing discipline. Yet

much of the content would be more likely found in a business and society study. The position taken - and to some it might seem quite novel - is that marketing has something to do with markets. As Chapter One showed, this investigation is a study in consumer sovereignty, a central feature of product markets.

Bartels' The History of Marketing Thought (34) shows that marketing has its origins in economics. Yet it seems this is often forgotten. The consequence is that marketing is rarely considered to be about the study of markets. So Barnhill and Lawson write:

"Despite the advances made in the discipline of marketing, several shortcomings persist. One of the most fundamental shortcomings has been the absence of one or more central theories and a number of related, general principles. While considerable effort has been devoted to developing the theory of markets, those developments have been predominantly in the field of economics. There has been little development of the theory of markets in the field of marketing, yet markets are a central and necessary state of being as well as a precondition for the functioning of common marketing components such as buyer behaviour, pricing ... None of these marketing components are viable without a market in which to function" (35).

Howsoever tautological it might appear, to claim that the subject matter of marketing is markets, this is a minority perspective. As Barnhill and Lawson indicate, marketing should be concerned with markets, yet there is little evidence of this. For example, the definition by the Institute of Marketing suggests "Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably." However, this, in common with many other definitions of marketing (36), is restricted to the practices of marketing management.

Foxall notes this restriction, distinguishing between marketing-oriented management and marketing as exchange or, as is his preference, matching. Yet despite his concern to discourage the excessive broadening of the marketing concept, he does not expedite his argument by explicitly stating that when marketing is viewed as exchange and/or matching, it is only if these activities are found in markets. However, he does, in contrast with many other writers in the area, acknowledge that marketing, in the sense of marketing-oriented management, is not of universal relevance, but simply a structural response to economic conditions where supply exceeds demand giving rise to highly competitive markets. As he puts it, firms' "consumer-centred outlook stems not from managerial philanthropy or political fashion but from the need to react to the nature of the markets in which they operate" (37).

The question 'What is marketing?' cannot be addressed here in any detail. It cannot be simply answered and it has been subject to considerable debate within the discipline. However, it is appropriate to convey the researcher's position on marketing, as it is an important part of the research perspective with implications therefore for the interpretation of the research findings, and because it differs from

the majority or at least dominant position. What follows, therefore, is a brief explanation of the researcher's position, which goes beyond saying marketing is about markets, and some indication as to whom the study is addressed.

Virtually every other issue of Journal of Marketing carries an article attempting to conclusively answer the question 'What is marketing?' A brief answer to this question is, for the reasons given, provided in this section. A more comprehensive answer will be found to be implicit throughout the thesis, for as 2.1.2 showed, the study is about markets: how they operate (the positive concern) and how they should operate (the normative concern). As already suggested, and as Barnhill and Lawson indicate, this is viewed here as an appropriate if not central concern for the marketing discipline.

Within the many articles attempting to define marketing, a great deal has been written about marketing as a developing science in Kuhnian terms. However, the position taken here is that marketing cannot appropriately be seen as a science. These enthusiastic tirades look forward to the day when the marketing discipline is respectable, a recognised science complete with paradigm. Their authors bemoan the slow progress towards this goal. Like Barnhill and Lawson, they point to the absence of central theories, general principles and so on. These writers - their consciences salved, another publication under their belts, and the academic status of marketing defended, if not enhanced - then go back to their teaching of marketing and the four P's, to managers or would-be managers. Is it really surprising that, despite these many apologists for the marketing discipline, little progress is made?

Biggadike's reasonably comprehensive review of the contributions of marketing is both critical and pessimistic (38). He suggests "Marketing has made a number of conceptual contributions but few theoretical ones." He acknowledges the concern in marketing to be scientific, almost going as far as to suggest that this stems from a desire for academic status and respectability: "business administration academics have been under pressure to be more "problem-oriented" and more "scientific" (read "quantitative"). These pressures have led to a preoccupation with applying techniques to ... commercial marketing research problems ... This kind of research has met some criteria of managerial and academic respectability, but it is not theory-building research." (He does, however, also concede that it is easier to build theory in narrowly defined areas.) But for these reasons, research in marketing has not concentrated on specifying and validating the relationships suggested by the paradigm he identifies (39). Consequently:

"The enormous and diverse array of research in marketing has not led to many "general facts and laws" ... Most reported research ... is ad hoc problem-oriented research with little attempt to integrate and extend relationships to other situations ... many marketers today are not scientists in the theory-building sense but technological virtuosi in solving problems at a brand or, occasionally, product level."

He concludes "we can expect more of the same." Perhaps he should have questioned whether marketing is a science - though his reluctance is understandable as this is a thorny issue. Of course marketing is a science if the qualifying criterion is attempting to be scientific; as Hunt quotes Bunge: "No scientific method, no science" (40). But while scientific method is necessary, it may not be sufficient. Moreover, as Biggadike implies, being scientific is more than being quantitative. Hunt writes "the substantive characteristics differentiating sciences from other disciplines have been shown to be (1) a distinct subject matter drawn from the real world and description and classification of that subject matter, (2) the presumption of underlying uniformities and regularities interrelating the subject matter, and (3) the adoption of the method of science for studying the subject matter" (41). Where, in such a schema, is the aim of objectivity? Does it remain, merely implicit, in the third criterion? One of the major difficulties in claiming marketing is a science is the partisan substance of most marketing writing, research and teaching. Marketing thought is predominantly concerned with the problems of producers.

Baker offers similar reasons to Hunt for viewing marketing as a science (42). Again, if one examines the substance of marketing thought it does not meet the criteria identified. There has been little attempt to integrate marketing thought, much research has been ad hoc problem-solving and there is the overwhelming problem of objectivity. As later argued, much marketing thought is largely ideological. Yet perhaps Baker's pragmatic reasons of the futility of the debate on whether marketing is a science and the benefits of a more integrated approach, are sufficient. After all, other management disciplines may be likewise criticised, as Honour and Mainwaring argue when writing in criticism of the "attitudes and values of business studies lecturers who seem untroubled by the basis and uses of the knowledge and values they seek to pass on" (43). Moreover, Andreski argues that "much of what passes as scientific study of human behaviour boils down to an equivalent of sorcery" (44). So, for example, he finds ideology underneath scientific terminology, referring by way of illustration to Talcott Parsons' conception of power as explained by Lipset, which legitimates excesses by authority holders because they are "socially necessary" (45).

So marketing as it stands now cannot be considered a science, but it may have the potential for being one - as much as any other science - and hence, as Baker suggests, debates about its scientific status are futile and it is better to act as if marketing is a science. This potential for 'scientificness' does of course assume, among other things, that the discipline can to a degree escape from its paymasters, that it can become independent in some measure from business. This may be difficult when the teaching and consultancy interests of those within the discipline centre on business problems. This difficulty can be expressed in another, perhaps more palatable way. One long-standing argument for rejecting the notion of marketing as a science is its applied nature. Indeed, as Rigby writes of all the management disciplines: "Business administration, like engineering and medicine, is an applied art rather than a science. It is concerned primarily with using knowledge to solve problems rather than

with increasing knowledge. But like engineering and medicine, business administration should be scientific in solving problems" (46). And, writing in a similar vein, Hutchinson suggests:

"The medical profession sets us an excellent example, if we would but follow it; its members are called "practitioners" and not scientists. It is the work of physicians, as it is of any practitioner, to apply the findings of many sciences to the solution of problems ... It is the drollest travesty to relate the scientist's search for knowledge to the market research man's seeking after customers" (47).

Hunt is prepared to accept this argument: "If ... the entire conceptual domain of marketing is profit/micro/normative, then marketing is not and (more importantly) probably cannot be a science" (48, his emphasis). However, ignoring the actual substance of most marketing writing, research and teaching, he continues "If ... the conceptual domain of marketing includes both micro/positive and macro/positive phenomena, then marketing could be a science." Thus, what is known as macromarketing would count as scientific; or a perspective of the total marketing system (49). Such was the position adopted here, although not in acceptance of marketing as a science because of the emphasis (which is likely to continue) on micromarketing, producer concerns (50). The researcher assumed the position of being a social scientist looking at marketing (51). (Some would prefer to consider this a public policy or even a consumer perspective.) The object of the concern was macromarketing.

The question 'What is macromarketing?' cannot even be considered here. Two definitions from the quite substantial literature must suffice. Firstly, Bartels' definition, which, not surprisingly, harks back to economics:

"Macromarketing" should connote an aspect of marketing which is "larger" than what is otherwise considered. In economics, macroeconomics has reference to the economy as a whole, in contrast to microeconomics, or the economics of the firm ... It has meant the marketing process in its entirety, and the aggregate mechanism of institutions performing it" (52).

In other words, in keeping with his argument in The History of Marketing Thought, based largely on the work of Polanyi, he suggests marketing is an extremely important social institution and much more than a business function. It is "a highly developed and refined system of thought and practice characteristic of a period in the development of market economy" (53). Appropriately enough, McCarthy defined macromarketing (in 1978) as:

"A socioeconomic process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches heterogenous supply capabilities with heterogenous demand and accomplishes both the short run and long run objectives of society" (54).

This approach to marketing entails more than the narrow concerns of improving the effectiveness of marketing management. And by the

researcher also adopting the position of a social scientist looking at marketing, not only can more important questions be addressed (55), but a multi-disciplinary input employed. So the researcher can be interested in, and contribute on, what would not be traditionally regarded as marketing issues, such as political participation or the role of pressure groups. Alternatively, one might choose to define such concerns as about marketing and society (56). There is, however, a drawback, in that being multi-disciplinary dilutes effort to an extent and demands either a simplistic and/or lengthy exposition to ensure that the reader understands concepts which might be quite basic in, say, politics but are foreign to marketing as traditionally conceived (57).

The macromarketing perspective is largely an American one. Even in that context it would seem to be a minority perspective. Despite Cannon's warnings on the likely inapplicability of American research and writing (58), it cannot be ignored in this case because there is so little else to go on (59). This is equally true of the business and society literature, as will be seen. Yet as already indicated, even within the American marketing work there are many weaknesses. Methodologically this is particularly the case, as a recent issue of Journal of Marketing on marketing theory reveals (60) and Biggadike's comments support. Rigby's observations on management research, quoted in the Preview, seem to remain valid of marketing today. One particular weakness is inadequate conceptualisation, this is discussed further in 2.2.3. It is another factor contributing to the low academic status of marketing, aside from the issue of whether marketing is or can be a science.

This section has opened a can of worms. It has raised many complex issues, but incompletely resolved them because they are outside the scope of the study. However, it has shown to whom the thesis is addressed, given some indication of the researcher's perspective on marketing and, therefore, the research perspective, and demonstrated the centrality of the thesis topic to marketing (61). In sum, it has been claimed that marketing - at least from the macromarketing or marketing system perspective - is about markets; that marketing as a discipline is not currently or likely to become a science; but that this does not prevent the researcher from being scientific, if only because the position can be adopted of the social scientist looking at marketing.

2.2 Research Postures

2.2.1 The Context of Research

Just as the previous section could only but be incomplete in describing the research perspective, this part will be incomplete in describing the research posture. The essence only can be conveyed. As explained in the Preview, these methodological issues cannot be allowed to predominate - if only to avoid the methodological maze.

All research is influenced by context, be it the social experience of the researcher, the ethos of the institution in which the research is undertaken, the nature of the research topic, or the norms of the discipline. The context of doctoral research differs from other types of research because the research is subject to an examination; as this author has elsewhere written, there are constraints particular to doctoral research that are a result of this context (62). The context of the research will, to some extent, dictate the research outcome. The researcher must seek to minimise influence by context such that claims made - arguments advanced - are plausible to others and perhaps, if appropriate, capable of replication in other contexts. In other words, insofar as such terms are meaningful, research findings should have validity and reliability.

The influence of the research context is recognised by many writers on research methodology. Glaser and Strauss, for example, make their position clear:

"Our criteria are those of theoretical purpose and relevance - not of structural circumstance. Though constrained by the same structural circumstances of research, we do not base research on them" (63).

Would that such a position were always easy to adopt! Within the positivist research model it is relatively easy to have the criteria of theoretical purpose rather than structural circumstance. But as the next section shows, positivism is rejected here - because the theoretical purpose could not (if it ever can be) served by positivist research. Of course, Glaser and Strauss do not advocate what is generally considered to be positivism. But their approach was not entirely appropriate here, for reasons also given in the next section. The context of this research demanded a particular research posture. Before describing this, the term research posture needs some explanation as it has not, as far as is known, been used elsewhere.

Science aims to create order, to make sense of facts. It seeks patterns or regularities. In so doing, a process of systematic observation, description, explanation and prediction is employed. At least this much can be agreed on. Yet to say much else about science is liable to be contentious, requiring a detailed discourse on the philosophy of science. Even in the natural sciences, order may be difficult to identify. As Latour and Woolgar observe:

"A body of practices widely regarded by outsiders as well organised, logical, and coherent, in fact consists of a disordered

array of observations with which scientists struggle to produce order ... actual scientific practice entails the confrontation and negotiation of utter confusion. The solution adopted by scientists is the imposition of various frameworks by which the extent of background noise can be reduced and against which an apparently coherent signal can be presented" (64).

How are such frameworks constructed? They are, for the most part, implicit within a discipline or school of thought. Ultimately, they are a social construction like any other part of human life. Yet simply acknowledging the social determination of scientific ideas is not in itself useful. It is necessary that the framework adopted is both accepted and understood by the audience addressed by the researcher, if the research findings are to be plausible. Such a framework is here referred to as a research posture. It includes, as is no doubt apparent, the researcher's ontological and epistemological stance, as well as the research perspective as discussed in the last section.

The term posture is preferred because it suggests the adoption of a position in relation to something. The something of significance is the phenomenon under investigation. Hence a researcher adopts a posture in relation to the object of the study. The importance of this is that it conveys this author's belief that there is no superior research posture or, if one prefers, research approach. Different research postures may be demanded by different phenomena under investigation. Research postures will always be partly a consequence of individual or disciplinary preferences, but they should be principally determined by the research problem. So even though positivism is rejected in the next section, this does not mean that the author cannot identify instances where positivism might form a necessary part of a research posture. Of course, all research should be judged according to the canons of the research posture adopted, at least in the first instance.

It is not possible to give any indication of the range of possible research postures and their dimensions, an inventory. One may, however, conceive of them as existing within a multi-dimensional matrix. Perhaps the complexity of such a model has deterred writers on methodology from attempting to construct it (65). Though it is frustrating to find that most methodological tracts can be reduced to a series of arguments in favour of one part of a dichotomy. Dichotomies can be useful as an aid to understanding, forcing arguments into one of two categories clears the mind. But they are inevitably a simplification (66). So there is inductive versus deductive research, positivist vs. humanist, objectivist vs. subjectivist, symbolic interactionism vs. functionalism, and so on. In each case, the categories would form dimensions of the matrix that may be employed to describe the research posture. They are also not discrete categories but form continuums. Hence, as will be shown, being positivist or not being positivist is a matter of degree not an absolute.

The next section describes the essence of the research posture adopted here.

2.2.2 The Research Posture: A Rejection of Positivism

Positivists only rarely define themselves as such. Partly because to be so described is all but a term of abuse; though positivism does have some strong points. But also because positivists rarely need to validate their epistemological position, for it is dominant and, indeed, to adopt a positivist position almost demands ignorance of epistemological issues. The waters beyond positivism are dangerous. They are best avoided by the faint of heart. To operate within a positivist framework allows the researcher the luxury of not having to question whether the research is meaningful. Given the dominance of the positivist position, some explanation must here be given as to why this research had to be conducted outside the epistemologically clo-setted security of the positivist paradigm. Moreover, some attempt must be made to describe the epistemological alternative adopted.

Positivism can, for the purpose here, be defined as "working as natural scientists are believed to" (67). It reflects, therefore, a belief that the social sciences can investigate in the same way as the natural sciences. Many writers on research methodology have argued against positivism (68). The arguments are well known and have to some extent already been introduced in this chapter. To do full justice to the case against positivism would require a lengthy treatment, so given the widespread understanding of the issues a summary of this author's position on positivism will suffice here. This should be sufficient to show why the research posture is characterised by a rejection of positivism (69).

Consider the nature of this particular human activity known as science. Hughes, in confirmation of the quote from Hempel in 2.1.1, notes "scientific methods seek deliberately to annihilate the individual scientist's standpoints and are designed as rules whereby agreement on specific versions of the world can be reached: a distinction, in short, between the producer of a statement and the procedure whereby it is produced" (70). The outcome of these methods is scientific knowledge: "a systematic body of concepts, theories, principles and laws or law-like statements designed to explain phenomena" (71). This outcome is achieved where, to use the term earlier applied, plausibility is recognised or where, as Hughes puts it, there is agreement on specific versions of the world. The problem for the social sciences is that this involves a human attempt to explain human phenomena. This is problematic because it is doubtful as to whether method can ever "annihilate" the individual scientist's standpoint. Such is the dilemma posed, that Hughes feels obliged to ask: "is a science of social life impossible?" (72).

In reference to Schutz, Hughes explains the dilemma of the social sciences in terms of the social construction of reality: "like all sciences they make objective meaning claims, or at least aspire to do so, but in the case of social sciences these have to be within the context of the human activity which has created them and which cannot be understood apart from this scheme of action" (73). This is the basic epistemological problem of social science. How can the human world be objectively known in subjective, human terms? Indeed, scientific activity and what is associated with it, including the status of

scientists and scientific knowledge is, after all, like the phenomena studied by social scientists, a social construction. Ford observes that "When academics take off their white scientific coats and funny philosophical hats they turn into ordinary people ..." (74). This is the problem, and one that social scientists cannot escape. Moreover, if they didn't have their white scientific coats and other accoutrements of scientific activity - including the title of doctor - would the outcome of such activity, scientific knowledge, still have intellectual authority? For, as Hughes observes "it is necessary to ask what it is about the procedures and methods used by sociological researchers, or economists, psychologists, historians, etc., which makes them superior, gives them greater intellectual authority than those used by, say, the man or woman in the street, the journalist, the racial bigot, the politician, the revolutionary, or a Trobriand Islander."

The answer, of course, is that it is precisely the use of those methods in combination with the other 'accoutrements', that gives scientific knowledge intellectual authority. However, the 'absolute' superiority of scientific knowledge stems from whether the scientist qua scientist was able to 'stand back a bit', achieve some measure of objectivity. Morally, there is an obligation on the scientist to do this if claims of superiority are to be made. But even though social science involves human efforts to investigate human phenomena, a natural science, positivist approach to the social sciences is likely to ignore the inevitable act of interpretation by the scientist. It then becomes invalid because the attempt at objectivity is illusory. Moreover, because of this artificial distancing, the researcher is not sufficiently close to the phenomena under investigation to understand it. Positivism is rejected because the positivist researcher is too far removed from the data and likely to produce spurious findings - often a concern for precision results in a loss of accuracy. So, just as there is a moral obligation to 'stand back a bit', there is an equal moral obligation not to stand back so far that the findings are distorted by distance as well as by the act of interpretation (75).

Few scientists are charlatans. Many may delude themselves, however, as to the meaning of their work. The moral obligation to ensure scientific knowledge deserves intellectual authority is a consequence of the uses to which that knowledge is put. If management researchers are to make the claim, regardless of their ignorance of epistemology, that management is a social science (if only in the use of scientific methods) and that their investigations are scientific, then these issues must be recognised. For management research the case may be particularly strong and go beyond abstract philosophical concerns, because of the potential use of the research findings and the often managerially partisan nature of the research conducted (as earlier discussed).

As can be seen in Part Three, an element of positivism has crept into this study. For positivism is a matter of degree not an either/or. But the research problem demanded a qualitative approach to any empirical investigation attempted and a dependency on soft data. The survey research, an attempt to produce hard data, is an indication of the limitations of positivist approaches and their restricted use-

fulness without adequate prior conceptualisation. The research posture then is only in the smallest part positivist, it reflects in the main, a combination of grounded theory and social criticism. These methodologies are discussed in the remainder of this section.

Glaser and Strauss' exposition of the discovery of grounded theory describes a strategy for qualitative research. The research here is qualitative and incorporates many of their observations. It would be incorrect, however, to suggest that the theory generated, if it may be so called, has been produced in the way they advocate. Glaser and Strauss are not made reference to here to legitimate 'ad hocery' (76). This was because of the dependence on serendipity that a genuine attempt to employ their research strategy would involve. Grounded theory is based on the notion that the theory emerges from the data with the minimum of pre-existent conceptualisations imposed by the researcher. Here, extensive conceptualisation and the development of some sort of theory was conducted prior to the empirical investigation. Many of the ideas developed could not be empirically tested anyway, they remain as hypotheses. Many may never be tested because they cannot be tested and must stand, as later explained, as social criticism. The nature of the research problem and particularly the requirement for extensive conceptualisation demanded a different approach. The research had also to be so structured to minimise risks.

Glaser and Strauss give some consideration to this problem of the lack of requisite (in some research contexts) structure. They refer to this as a problem of research tempo:

"The tempo of the research is difficult to know beforehand, because it is largely contingent on the tempo of the emerging theory ... This raises a problem: in presenting proposals for research grants, how does the sociologist who intends to generate theory anticipate the amount of time necessary, for data collection and for the whole project? This is a question review boards want answered - but it is difficult to answer for studies focused on generating theory, while relatively easy for those devoted to verification and description, which require pre-planned schedules" (77).

The grounded theory approach is intrinsically problematic for any research context. Inevitably it is something that funding bodies will be suspicious of because of its abstract nature - even if they are fully acquainted with it as a methodology. The problem is that it does not offer the comfortable, concrete reassurance that the hypothetico-deductive methodology offers. There is not the security of knowing precisely what the researcher is examining, because no hypotheses have been proposed or method suggested by which they should be treated. The researcher could not accept this, even if the research topic had been sufficiently studied beforehand to permit it. In all research there is an element of chance, but if one is so unfortunate as not to substantiate the hypotheses under test, at least one has something to say. This is not the case if one is still waiting for a theory to emerge from the data, there is nothing to report. Inevitably, then, the research involved 'testing', in the positivist

sense, of hypotheses - albeit implicit hypotheses (propositions), not stated as such, and in an exploratory manner.

Yet as is apparent in Part Three, the case studies have been approached in a way incorporating many of Glaser and Strauss' observations. In the conceptualisation, an important input was articles in the press on issues of social responsibility in business and other topics. The researcher sought to scan the business environment in the way advocated by Aguilar (78), but also in recognition that there is no 'proper' source of data, as Glaser and Strauss emphasise (79). The social experience of the researcher was in this way an important contributor to theory generation, as Glaser and Strauss observe "The root source of all significant theorizing is the sensitive insights of the researcher himself" (80). It is difficult to know whether the period of conceptualisation, characterised by informal data-collection of this sort, is not better described as research. Perhaps it should be referred to as informal empirical work.

Social criticism as a methodology is best exemplified by C Wright Mills, of whom Glaser and Strauss write: "Much of C Wright Mills' work, we believe, is exemplified with only little theoretical control, though he claimed that data disciplined his theory. In contrast, grounded theory is derived from data and then illustrated by characteristic examples of data" (81). Mills describes it as the use of 'the sociological imagination'. In many respects, it is little more than advocacy within a concern for the human condition. However, it may be necessary or inevitable where issues are largely ideological (see, for example, sections 2.1.3 or 3.6.3) or where the research questions are (too) big. With the latter, a large leap from the data to the conclusions may be required which is not justified in terms of the data.

Fletcher distinctly favours this approach. Of qualitative research he writes:

"The qualitative method is an act of faith. The believer begins with a perspective, states his assumptions and arrives close to proving the latter with his researches ... I must confess a profound antipathy to the qualitative method ... yet I find this method more honourable than the quantitative method. The honour comes from the integrity of being able to admit that much is still a mystery" (82).

This research as qualitative research is discussed further in Part Three, in reference to the case studies. Social criticism, however, is to be found throughout this study. It is tempting to suggest all research is ultimately social criticism - it is just that the social critic is not encumbered by method. Equally tempting perhaps, is the suggestion that social criticism, in lacking identifiable method, is not science. Fletcher in rejecting this suggestion (by Bottomore, as it happens), observes that being reflexive, radical and critical is essential to sociology (83). He argues that social criticism is part of sociology's role, just as Berger refers to its "debunking" characteristic (84). Fletcher best reveals what he means by social criticism by example, if such is needed. On the practice of critique he writes:

"A critique engages its author to the extent that his ideas clarify while it is being written. A critique makes changes in its author. This change comes through the fire of his words. The subject matter is broad, the topic is urgent, the concern is immediate. The whole tone is one of brittle brilliance ...

... in being partisan, creative and belligerent the author is as comforting as an Old Testament prophet. He is speaking of virtue, the good life and more especially a moral sociology ...

... his message has a constancy: look, see and seize ...

The man is a bundle of action. He no longer worries what sociology is. He is a sociologist. The author of a critique is a sociologist in action" (85).

Fletcher's entire book may be described as social criticism. It may be stimulating, entertaining, even humanistic sociology, but is it science? Perhaps it doesn't matter. Social criticism seems difficult to avoid, in part at least. It is the antithesis of positivism. Positivism is all method, no scientist. Social criticism is no method, all scientist (if such a title the writer would accept). Neither seems entirely acceptable.

The positivist approach is comfortable if one can remain untroubled by issues of ontology and epistemology. It offers a certainty about social facts and the methods of social research that other approaches lack. An element of positivism is for this reason to be found here. However, the research posture - which some may now view as simply another more positive way of defending eclecticism - is more largely comprised of the ethnomethodological (86) qualitative research approach advocated by Glaser and Strauss and, to a lesser extent, social criticism. How this posture has affected the research outcome is apparent in the balance of this study.

The final section to this chapter briefly explains the role of conceptualisation in the study.

2.2.3 The Role of Conceptualisation

This study reports a largely theoretical argument. The case presented is wide-ranging, closely argued and heavily substantiated. Perhaps it can be criticised for not being sufficiently delimited, but this is not thought to be the case. The task was one of conceptualising a largely unexplored area, drawing on contributions from diverse sources and presenting an argument. As scientific work it is observation and description. This conceptualisation is vitally important. As Blalock writes:

"Conceptualisation involves a series of processes by which theoretical constructs, ideas and concepts are clarified, distinguished and given definitions that make it possible to reach a reasonable degree of consensus and understanding of the theoretical idea we are trying to express" (87).

Conceptualisation is an essential preliminary to any work in the social sciences. Blalock, as many others, claims that the social sciences will only advance given adequate conceptualisation. A research study therefore need not be an extensive collection of data on the basis of a limited formulation of hypotheses. Even if hypothesis testing is conceived as an essential element of science, there must first be description. This vital role of conceptualisation, as Biggadike was noted to have observed, is noticeably absent from marketing. The work on socially responsible consumption is but one example.

Notes and References

1. Rigby, Paul H, Conceptual Foundations in Business Research (New York, John Wiley, 1965), p. viii.
2. Homans, George C, Handbook of Modern Sociology, quoted at the beginning of Denzin, Norman K, The Research Act: A Theoretical Introduction to Sociological Methods (New York, McGraw-Hill, 1978).
3. The major contributions to the debate about whether marketing is a science are discussed in Bartels, Robert, The History of Marketing Thought (Columbus, Grid, 1976 (first published 1962)), pp. 233-236. They have also been considered more recently in Baker, Michael, and others, Marketing: Theory and Practice (London, Macmillan, 1983 (first published 1976)), pp. 21-26.
4. Hunt, Shelby D, 'The Nature and Scope of Marketing', Journal of Marketing, Vol. 40 (July 1976), pp. 17-28.
5. Medawar, P B, The Art of the Soluble (London, Methuen, 1967), p. 149.
6. Sir Keith Joseph, as Secretary of State for Education, has expressed such doubts about the social sciences, as noted by Matthews (Matthews, Robin, 'Rothschild on the Social Science Research Council: some reflections', Policy Studies, Vol. 3, Part 1 (July 1982)). While some academics might question the worth of Sir Keith Joseph's opinion, they would not deny its importance in the allocation of state funding for social science research. In this respect, the change of title for the Social Science Research Council, to the Economic and Social Research Council, does not seem to be a good omen for social science in this country.
7. Berger, Peter L and Thomas Luckmann, The Social Construction of Reality (Harmondsworth, Penguin, 1967).
8. Rowan, John, 'From Anxiety to Method in the Behavioural Sciences' by George Devereux, an Appreciation', in Reason, Peter and John Rowan (ed.), Human Inquiry (Chichester, John Wiley, 1981), p. 77.
9. Rowan and Reason in *ibid.*, pp. xiii-xiv.
10. Berger, Peter L and Hansfried Kellner, Sociology Reinterpreted: An Essay on Method and Vocation (Harmondsworth, Penguin, 1981), p. 68.
11. Embree writes "The mass media moulds everyone into non passive roles, into roles of more frantic consuming, into human beings with fragmented views of society. But what it does to everyone, it does to women even more. The traditional societal role for women is already a passive one, already one of a consumer,

already one of an emotional non-intellectual who isn't supposed to think or act beyond the confines of her home. The mass media reinforces all these traits" (Embree, Alice, 'Media Images 1 : Madison Avenue Brainwashing - the Facts', in Morgan, Robin (ed.), Sisterhood is Powerful (New York, Random House, 1970)). For further examples of polemics in criticism of sex-role stereotypes in the media, see Florika, 'Media Images 2: Body Odor and Social Order', in *idem.*; or Kinzer, Nora Scott, 'Soapy Sin in the Afternoon', Psychology Today, August 1973.

12. See, for example, the observations of: Coote, Anna and Beatrix Campbell, Sweet Freedom: The Struggle for Women's Liberation (London, Picador, 1982), pp. 198-200; Naughton, John, 'The Ad Man's Women', The Observer, November 22 1981; Cooper, Ann, 'Why Sexism Will No Longer Sell', Marketing, October 28 1981; Wolk, Susan, 'Women Gain New Ad Image', Marketing, June 25 1980. Rosemary Scott offers many more sources on sex-role stereotypes in the media and in advertising in particular. She identifies two consistent themes in the portrayal of women in the media. Firstly, a woman's goal in life is to attract and attain a man, which subsumes: (a) women are always attractive - they are sexual objects; (b) women operate alone - they do not relate with other women, only to men; (c) men are intelligent, women are not - men do not like intelligent women (who are 'unfeminine'), women have inferior ability. Secondly, women are ultimately and naturally housewives/wives and mothers, which subsumes: (a) women do not work outside the home; (b) when women work outside the home they are not successful, they do not do 'male' jobs; (c) women are happy doing housework, it is satisfying; (d) men and women have strictly delineated sex roles and household duties; (e) little girls grow up to be housewives, wives and mothers. See Scott, Rosemary, The Female Consumer (London, Associated Business Programmes, 1976), p. 224 ff. So commenting on the status of women in society, Yvette Roudy (Minister for Women's Rights, France) suggests "Women are still seen as the virgin, the mother, or the whore, and not as a human being" (The Observer, March 10 1985).
13. See Katz, Phyllis A, 'The Development of Female Identity', Sex Roles, Vol. 5, No. 2 (1979), pp. 155-178; or Oakley, Ann, 'What Makes Girls Differ from Boys?' New Society, December 21 1978, pp. xii-xiv.
14. So as Jennings et al explain "Television commercials telescope and exaggerate the same stereotypes that girls and women have been exposed to throughout their lives, not only at home and at school but from all mass media. Although men are sometimes portrayed in an unflattering way, they are nevertheless presented as the "important ones" whose needs and preferences take priority ... Women, however, have been taught by commercials and live models to be subservient helpers who conform to the wishes of those around them, rather than to be initiatory and resourceful on their own behalf" (Jennings (Walstedt), Joyce, Florence L Geis and Virginia Brown, 'Influence of Television Commercials on Women's Self-Confidence and Independent Judgment', Journal of

Personality and Social Psychology, Vol. 38, No. 2 (1980), pp. 203-210).

15. Such as: Winship, Janice, 'Advertising in Women's Magazines: 1954-1974' (Stencilled Occasional Paper, Centre for Contemporary Cultural Studies, University of Birmingham, 1980); Schneider, Kenneth C and Sharon B Schneider, 'Trends in Sex Roles in Television Commercials', Journal of Marketing, Vol. 43 (Summer 1979), pp. 79-84; Scott, Rosemary, Sex-Role Stereotypes in Women's Magazine Advertisements (Ph.D. thesis, Applied Psychology Department, University of Aston, June 1979); Scheibe, Cyndy, 'Sex Roles in TV Commercials', Journal of Advertising Research, Vol. 19, No. 1 (February 1979), pp. 23-27; Williamson, Judith, Decoding Advertisements: Ideology and Meaning in Advertising (London, Marion Boyers, 1978); National Advertising Review Board (NARB), Advertising and Women: A Report on Advertising Portraying or Directed to Women (New York, NARB, 1975); Millum, Trevor, Images of Woman (London, Chatto and Windus, 1974); Wagner, Louis C and Janis B Banos, 'A Woman's Place: A Follow-Up Analysis of the Roles Portrayed by Women in Magazine Advertisements', Journal of Marketing Research, Vol. X (May 1973); Courtney, Alice E and Sarah W Lockeretz, 'A Woman's Place: An Analysis of the Roles Portrayed by Women in Magazine Advertisements', Journal of Marketing Research, Vol. VIII (February 1971), pp. 92-95; Bardwick, Judith M and Suzanne I Schumann, 'Portrait of American Men and Women in TV Commercials', Psychology, Vol. 4 (1967), pp. 18-23. For many others and articles about other research on sex-role stereotypes in advertising, see Courtney, Alice E and Thomas W Whipple, Sex Stereotyping in Advertising: An Annotated Bibliography (Cambridge, Marketing Science Institute, Report No. 80-100, February 1980).
16. See, for example, Oakley, Ann, Subject Women (Oxford, Martin Robertson, 1981); Jennings et al, op.cit. (note 14); Hartnett, Oonagh, Gill Boden and Mary Fuller (ed.), Sex-Role Stereotyping: Collected Papers (London, Tavistock, 1979); Katz, op.cit. (note 13); Oakley, Ann, Sex, Gender and Society (London, Maurice Temple Smith, 1972).
17. Judie Lannon, Research Director at the J Walter Thompson advertising agency, in interview April 21 1982.
18. As Lannon (and White) write "Ads have to portray life in a form in which the people for whom they are written will recognise it. An ad is not a thesis on what society might be like under different or changed conditions: it is simply a tool for selling products to people as they are now. And since active, articulate agreement with, and understanding of, women's lib attitudes is very much a minority phenomenon, the vast majority of ads, which are directed to the mass market, have no business to be running counter to majority attitudes ... it is not the role of advertising to change society. Nor could it do so if it tried" (White, Roderick and Judie Lannon, 'Advertising and Society', in J Walter Thompson Company, The Case for Advertising (London, J Walter Thompson Company, 1976), p. 10).

19. Gallagher, Margaret, Unequal Opportunities: The Case of Women and the Media (Paris, The UNESCO Press, 1981), p. 30. She writes "The mass media role is primarily to reinforce definitions and identities set in a framework constructed for and by men. When that framework expands to admit women, the media can be seen to reflect this expansion. This interrelationship between mass media and politico-economic systems highlights the very limited sense in which the media can be described, much less used as independent change agents" (ibid.).
20. Reed, Jane, 'Is Adman being awful to Eve?' Marketing, April 29 1982. Lowry similarly comments "Many advertisers have cottoned on to women's resistance to being portrayed as stew-stirring, all purpose housewives and many have stopped doing it, for the only reason that cuts ice: it no longer sells" (Lowry, Suzanne, 'The Ads You Love to Hate', The Sunday Times, May 23 1982).
21. Beasley, Maurice and Sheila Silver, Women in Media: A Documentary Source Book (Washington, Women's Institute for Freedom of the Press, 1977), p. 163.
22. Hamilton, Robert, Brian Haworth and Nazli Sardar, Adman and Eve: An Empirical Study of the Relative Marketing Effectiveness of Traditional and Modern Portrayals of Women in Certain Mass-Media Advertisements (Report by the Marketing Consultancy and Research Services of the Department of Marketing in the Lancaster University School of Management and Organisational Sciences, for the Equal Opportunities Commission, Manchester, April 1982), p. ii.
23. Some advertising may still carry traditional stereotypes to appeal to minority, traditional market segments. Moreover, if the changes in advertising simply reflect increases in female employment outside the home, that is more diverse roles for women in society rather than a wider adoption of feminist thinking, some objectionable stereotypes may remain. Women may continue to be portrayed as sex objects, especially in advertising directed at men. By this argument, society gets the advertising it deserves. As, and if, society's ideas about the sexes evolve, then so will advertising.
24. In Silk, Leonard and David Vogel, Ethics and Profits: The Crisis of Confidence in American Business (New York, Simon and Schuster, 1976), p. 91.
25. Gist, Ronald R, Marketing and Society: A Conceptual Introduction (New York, Holt Rinehart and Winston, 1971), p. 33. Also see 1.1.3 and the reference to Thomas.
26. Wight, Robin, The Day the Pigs Refused to be Driven to Market: Advertising and the Consumer Revolution (London, Hart Davis MacGibbon, 1972), p. 237.
27. See Frankel, David S, A Behavioural Analysis of the Advertising Agency: Behavioural Determinants of Effectiveness in Advertising

Agency Account Groups (Ph.D. thesis, University of London, 1975). This is also interesting in its application of a Glaser and Strauss type of grounded theory research methodology.

28. The distinction between economic and non-economic considerations can only be arbitrary. Is a consumer decision on a product based on its South African origins any less economic - or more non-economic - than one based on its packaging? What matters are consumers' perceptions of appropriate considerations, not economists', if only because this reflects what happens in practice.
29. For example, health considerations in conflict with sexist advertising, as in the case of Flora margarine. So, in a letter to The Guardian, Jean Robinson writes "I got enthusiastic applause at a conference of community physicians when I said that I refused to buy a well-known brand of polyunsaturated margarine because of its sexist advertising ("The margarine for men"). I see we are now being urged to buy it for our sons as well as our husbands. Our own health, or that of our daughters, is apparently unimportant" (The Guardian, August 14 1984). T E Hixon made a similar observation in a later letter (The Guardian, October 2 1984). The Guardian is, of course, an obvious choice for the writers of such letters given its 'Naked Ape' column, which frequently carries, in criticism, sexist advertising identified by readers. It is unfortunate that the Advertising Standards Authority, which referred to a problem in finding sexist advertising, did not use this in its investigation of the criticisms of the portrayal of women in advertising (see Advertising Standards Authority, Herself Appraised, April 1982, pp. 13-14).
30. Through attempting to understand the feminist case (or cases); by reading criticisms of sex-role stereotypes in advertising with a large amount of sociological content, such as Williamson or Millum (op.cit. (note 15)); and by studying the relevant sociology literature. Berger's Invitation to Sociology: A Humanistic Perspective (Harmondsworth, Penguin, 1966 (first published 1963)) was found to be a good introduction. Williamson has written about the importance for the individual of coming to understand ideology, in Williamson, Judith, 'How Does Girl Number Twenty Understand Ideology?' Screen Education, No. 40 (Autumn/Winter 1981-82). She writes, in explaining the importance of understanding that reality is ideologically constructed: "The idea of ideology as something we all participate in, underlies the first possibility of critical thought, because it shows that no ideas are 'given' or 'absolute' ... The biggest mental breakthrough that's possible after infancy and the learning of language itself, is the understanding that one's language and thought are not immutable and natural ..." (her emphasis).
31. See Mills, C Wright, The Sociological Imagination (New York, Oxford University Press, 1959).
32. Berger and Kellner, op.cit. (note 10), p. 70. Berger has earlier written "We speak of an ideology when a certain idea serves a

vested interest in society. Very frequently, though not always, ideologies systematically distort social reality in order to come out where it is functional for them to do so ... The ideology of free enterprise serves to camouflage the monopolistic practices of large American corporations ..." (op.cit. (note 30), p. 130). Jenner, in a paper comparing business ideology in the UK, US and Australia, writes (quoting B K Marshall) "Business ideology seeks to sanction or legitimize the distribution of power, wealth and prestige and it may be defined as 'those ideas expressed by or on behalf of the business class with the manifest intent of creating attitudes favourable to private capitalism'" (Jenner, Stephen R, 'The British roots of business ideology', Journal of General Management, Vol. 10, No. 1 (Autumn 1984), pp. 44-56).

33. Silk and Vogel, op.cit. (note 24), pp. 31-32.
34. Bartels, op.cit. (note 3).
35. Barnhill, J A and W M Lawson, 'Toward a Theory of Modern Markets', European Journal of Marketing, Vol. 14, No. 1.
36. See, for example, many of the definitions in Crosier, Keith, 'What Exactly is Marketing?' Quarterly Review of Marketing, Winter 1975.
37. Foxall, Gordon, 'Marketing's Domain' (Discussion Paper Series B, No. 75, Faculty of Commerce and Social Science, University of Birmingham). The expansive view of marketing which Foxall writes of in criticism is best described as metamarketing. Hart and Stapleton define this as "Method of studying marketing and its relationship to every aspect of human life, so establishing a body of knowledge, based on experience of and with every facet of human personalities and life styles. Usually ascribed to Philip Kotler (USA)" (Hart, Norman A and John Stapleton, Glossary of Marketing Terms (London, Heinemann, 1981)).
38. Biggadike, E Ralph, 'The Contribution of Marketing to Strategic Management', Academy of Management Review, Vol. 6, No. 4 (1981), pp. 621-632. He identifies five major contributions: the marketing concept, market segmentation, positioning, mapping and the product life cycle.
39. "There is no unifying paradigm for the entire marketing field, but there is a paradigm for marketing management ... this paradigm ... suggests that marketing management tries to satisfy customers ... within the context of the environment and the firm's resources and objectives (the uncontrollable factors) by designing an appropriate marketing mix (the four P's - controllable factors)" (ibid.).
40. Hunt, op.cit. (note 4).
41. Ibid.
42. Baker, op.cit. (note 3), p. 32.

43. Honour, T F and R M Mainwaring, Business and Sociology (London, Croom Helm, 1982), Preface.
44. Andreski, Stanislav, Social Sciences as Sorcery (London, Andre Deutsch, 1972), p. 10.
45. Ibid., p. 172-173. It is also worth commenting here on the research on sex-role stereotypes. Many researchers in this area are unduly ideological and are guilty of "going in angry" (as Rosemary Scott put it, in interview February 8 1982); a fair criticism of this author's initial efforts. Some researchers in the area, for example, suggest it cannot be investigated by males.
46. Rigby, op.cit. (note 1), p. 1.
47. In Hunt, op.cit. (note 4).
48. Ibid.
49. Because of this researcher's preference for a non-partisan, scientific perspective, the marketing system was the perspective adopted throughout most of the investigation. In an early paper, the author wrote "The interpretation proposed is from the perspective of the marketing system. Purchase behaviour influenced by pressure group demands has an impact on the way in which the marketing system operates." It was also noted that 'normal science' within marketing was "to examine marketing phenomena from the point of view of the producer." As will be seen, this perspective became slightly modified as the investigation progressed. The observation that the researcher in marketing might be expected to be more concerned with the problems of pressure groups for managerial decision-making does, however, remain valid. Because of the marketing system or macromarketing perspective here, such concerns are not the sole or even predominant consideration.
50. Micromarketing is defined as "Meeting the needs of the individual firm in terms of its objectives and its actions to achieve them" (Hart and Stapleton, op.cit. (note 37)).
51. The author is grateful to his supervisor, Gordon Foxall, for clarification on this. To try and adopt no position - in the sense of looking at a problem from the perspective of the marketing system - is considered to be self-deluding. Foxall's argument for being a social scientist looking at marketing offered the possibility of a relatively neutral position. One might, more specifically in this case, claim to be a sociologist looking at marketing.
52. Bartels, Robert and Roger L Jenkins, 'Macromarketing', Journal of Marketing, October 1977. Similarly, Hart and Stapleton define macromarketing as "Overview of society's needs in the interplay of marketing actions within a country's economy" (op.cit. (note 37)). Some have defined marketing in this way many years previous. Fisk, in contrast to the American Marketing Association

- definition, defined marketing as "all activities intended to stimulate or serve demand" (Fisk, George, Marketing Systems: An Introductory Analysis (London, Harper International, 1966), p. 10).
53. Bartels, op.cit. (note 3), p. 5. In keeping with the argument earlier expressed about marketing not being universal, he writes "marketing is but one of several means of accomplishing a social objective. Polanyi explains that this objective is accomplished by societies in different ways: by reciprocity, redistribution, economy, trade and the market" (ibid. his emphasis). Polanyi's (1944) work does, however, appear dated and unsophisticated today.
 54. In Hunt, Shelby D and John J Burnett, 'The Macromarketing/Micromarketing Dichotomy: A Taxonomical Model', Journal of Marketing, Vol. 46 (Summer 1982), pp. 11-26. This paper provides a number of other definitions of macromarketing and further sources. It also includes Hunt's (1977) definition which is worth noting here because it employs the marketing system perspective and distinguishes between macromarketing and micromarketing: "Macromarketing refers to the study of marketing systems, the impact and consequences of marketing systems on society, and the impact and consequences of society on marketing systems. Micromarketing refers to individual units: organisations, firms, consumers or households."
 55. Dawson writes "Practicality is an important criterion for much research in marketing, but a science of marketing must serve more than the technical demands of one sector of society. No one should want a science ... where practitioners are cajoled into concentrating only on problems their colleagues or business clients will appreciate; where progress is equated with solving a limited range of puzzles ... Such a science would indeed be a pseudo-science. It would have only a marginal relationship to the matters of most concern to humanity - it would be an irrelevant science" (Dawson, Leslie M, 'Marketing Science in the Age of Aquarius', Journal of Marketing, Vol. 35 (July 1971), pp. 66-72.
 56. So, if it is necessary to classify this thesis one would then say in this case that it is in marketing and society; rather than marketing, or business and society, or multidisciplinary and incorporating marketing, business and society, politics, sociology, economics and so on. The author prefers to claim that it is a marketing thesis.
 57. Hence the length here!
 58. At the 1983 Marketing Education Group conference.
 59. However, see Naert, Philippe A, 'Reflections on the Development of Research in Marketing in Europe' (Working Paper 83-13, European Institute for Advanced Studies in Management, Brussels, May 1983), or some of the work by Arndt.
 60. The articles in Journal of Marketing, Vol. 47 No. 4 (Fall 1983) are naive compared with the methodology literature in sociology of many years previous.

61. Hence the comment in Chapter One that this research is more than simply an extension of the work in marketing on socially responsible consumption - it is at the core of marketing thought.
62. Most notably the emphasis on a positivist methodology, as indicated, for example, by the model of research deemed appropriate by the Economic and Social Research Council, who ask of their students about hypotheses being tested and so on. Other constraints include the student-supervisor relationship and political, status, financial and time factors. See Smith, Craig, 'The context of doctoral research', Graduate Management Research, Vol. 1, No. 4 (Summer 1984), pp. 27-41.
63. Glaser, Barney G and Anselm L Strauss, The Discovery of Grounded Theory: Strategies for Qualitative Research (New York, Aldine, 1967), p. 48.
64. Latour, Bruno and Steve Woolgar, Laboratory Life: The Social Construction of Scientific Facts (Beverly Hills, Sage, 1979), pp. 36-37.
65. Some writers have conceived simple matrices which would seem to be a step in the right direction. Table 2.1 considers objectivist-subjectivist positions against ontological, epistemological and other positions. This is taken from an article by Morgan and Smircich. They too write in criticism of dichotomies and the role of frameworks: "Our basic thesis is that the case for any research method, whether qualitative or quantitative (in any case, a somewhat crude and oversimplified dichotomisation) cannot be considered or presented in the abstract because the choice and adequacy of a method embodies a variety of assumptions regarding the nature of knowledge and the methods through which that knowledge can be obtained, as well as a set of root assumptions about the nature of the phenomena to be investigated." They go on to "develop a framework within which debates about rival methods in social science might be fruitfully and constructively considered." This is shown in the table (Morgan, Gareth and Linda Smircich, 'The Case for Qualitative Research', Academy of Management Review, Vol. 5, No. 4 (1980), pp. 491-500). Another example would be the figures describing modes of inquiry in Evered, Roger and Meryl Reis Louis, 'Alternative Perspectives in the Organisational Sciences: "Inquiry from the Inside" and "Inquiry from the Outside"', Academy of Management Review, Vol. 6, No. 3 (1981), pp. 385-395.
66. Consider the gross simplification of left-wing/right-wing (discussed by Andreski, op.cit. (note 44)). Dichotomisation has much in common with polarisation!
67. Bell, Colin and Howard Newby, Doing Sociological Research (London, George Allen and Unwin, 1977), p. 21.
68. A particularly thorough and lucid treatment is Hughes, John, The Philosophy of Social Research (London, Longman, 1980). However, as with most critiques of positivism, as Silverman observes, not

- only is Hughes negative, but he also offers little in the way of an alternative approach. Silverman's book is an attempt to redress this failing (Silverman, David, Qualitative Methodology and Sociology: Describing the Social World (Aldershot, Gower, 1985), p. x).
69. The argument presented here is reprinted, in part, in Smith, op.cit. (note 62).
 70. Hughes, op.cit. (note 68), p. 12.
 71. Rigby, op.cit. (note 1), p. 1.
 72. Hughes, op.cit. (note 68), p. 124.
 73. Ibid., p. 119.
 74. Ford, Julienne, Paradigms and Fairy Tales: An Introduction to the Science of Meanings (London, Routledge and Kegan Paul, 1975), p. 5.
 75. Silverman (op.cit. (note 68), p. ix) identifies three assumptions central to theoretical critiques of positivism which are reflected here: 1. Analytically, we cannot put our commonsense knowledge of social structures on one side in the misplaced hope of achieving an objective viewpoint. In an inter-subjective world, both observer and observed use the same resources to identify 'meanings'. 2. Methodologically, it should be recognised that a statistical logic and an experimental method are not always appropriate for the study of this inter-subjective world. Random sampling methods and the use of control groups derive from a logic which is not necessarily applicable to a post-positivist universe. 3. Practically, because we are dealing with an inter-subjective world, policy interventions based on a stimulus-response model of change are neither analytically nor politically acceptable. We can no longer, therefore, accept a picture of objective 'experts' manipulating 'variables' to produce 'better' outcomes as tolerable for research practice.
 76. Unlike one Ph.D. thesis the author has come across, where the researcher has evidently failed to appreciate the distinction between inductive and deductive research, citing Glaser and Strauss (op.cit. (note 63)), presumably without reading it, in support of a deductive methodology! Having suggested that the research methodology is the inductive approach advocated by Glaser and Strauss, the researcher then refers to proving or disproving (whatever that may mean) hypotheses developed from the literature review, that is, a hypothetico-deductive approach.
 77. Glaser and Strauss, op.cit. (note 63), p. 74.
 78. Aguilar, Frances Joseph, Scanning the Business Environment (New York, Macmillan, 1967).
 79. See Glaser and Strauss, op.cit. (note 63), p. 162 and p. 173. Also see Berry, Jeffrey M, Lobbying for the People: The Political

Table 2.1 : Network of Basic Assumptions Characterizing the Subjective-Objective Debate Within Social Science

	←	→	Objectivist Approaches to Social Science
Core Ontological Assumptions	Reality as a projection of human imagination	Reality as a social construction	Reality as a realm of symbolic discourse
Assumptions About Human Nature	Man as pure spirit, consciousness, being	Man as a social constructor; the symbol creator	Man as an action the symbol user
Basic Epistemological Stance	To obtain phenomenological insight, revelation	To understand how social reality is created	To understand patterns of symbolic discourse
Some Favored Metaphors	Transcendental	Language game accomplishment, text	Theater, culture
Research Methods	Exploration of pure subjectivity	Hermeneutics	Symbolic analysis
			Contextual analysis of Gestalten
			Cybernetic
			Organism
			Machine
			Historical analysis
			Lab experiments, surveys
			To map contexts
			To study systems, process, change
			To construct a postivist science
			Reality as a concrete process
			Reality as a concrete structure

- Behaviour of Public Interest Groups (Princeton, Princeton University Press, 1977), p. 301 and Vogel, David, Lobbying the Corporation: Citizen Challenges to Business Authority (New York, Basic Books, 1978), pp. 229-230, for similar justifications for their use of such data sources.
80. Glaser and Strauss, op.cit. (note 63).
81. Ibid., p. 5.
82. Fletcher, Colin, Beneath the surface: An account of three styles of sociological research (London, Routledge and Kegan Paul, 1974), p. 104. (Research style is another term that may be used as an alternative to research posture or research approach.)
83. Ibid., pp. 174-188.
84. Berger, op.cit. (note 30).
85. Fletcher, op.cit. (note 82), p. 189.
86. The term ethnomethodology was coined by Garfinkel. He writes "'Ethno' seemed to refer, somehow or other, to the availability to a member of common-sense knowledge of his society ...". There is debate about its meaning and Garfinkel complains that the term has come to be misused. Yet as Turner argues, there is consistency in its use to refer to a concern with practical reasoning. This is essentially what is meant by the use of ethnomethodology here, particularly, as already indicated, in the rejection of the artificial or 'unreal' contrivances of positivist methodologies. See Garfinkel, Harold, 'The Origins of the Term 'Ethnomethodology'', and the Introduction, in Turner, Roy (ed.), Ethnomethodology: Selected Readings (Harmondsworth, Penguin, 1974).
87. Blalock, Hubert M, Jr., Conceptualisation and Measurement in the Social Sciences (Beverly Hills, Sage, 1982), p. 11.

SUMMARY TO PART ONE

Part One has introduced the research topic and described the research methodology.

Ethical purchase behaviour occurs where people are influenced in purchase by ethical concerns. This may mean a specific product must be bought, or must not be bought, or involve ethical concerns as one factor in the purchase decision. The study is delimited by concentrating on the most clearly identifiable, accessible and deliberate form of ethical purchase behaviour: pressure group organised consumer boycotts. This is where people do not buy a specific product as part of an organised boycott action.

Although fairly commonplace, ethical purchase behaviour is not really recognised in the relevant literature. Yet it is important not simply as a form of consumer behaviour, but, in its implications, in three other quite major ways. Firstly, a role for pressure groups is indicated in the provision of information for the awareness and understanding which is necessary for ethical purchase behaviour (though it is acknowledged that this information may come from other sources). Secondly, ethical purchase behaviour constitutes an attempt at the social control of business via the market. Finally, it suggests a novel perspective on consumer sovereignty, drawing attention to the extent or domain of consumer authority in the marketplace. In so doing, it raises questions on what decisions consumers make or could make in markets and thereby, in its absence may challenge consumer sovereignty as the rationale for capitalism.

Accordingly, three research questions are addressed in this study: How may pressure groups most effectively employ the consumer boycott tactic and how should boycotted businesses respond? Can consumer sovereignty ensure social responsibility in business and in what way? How far does consumer sovereignty extend?

Ethical purchase behaviour is closely analogous to ethical investment. Ethical concerns may influence investment decisions in the same way as they influence purchase behaviour. Yet in both cases, it is not possible to specify what is ethical. Ethics concerns what is 'right' and 'wrong', but while some consensus might be expected, this is individually defined. So ethical purchase behaviour is an expression of the individual's moral judgement in his or her purchase behaviour.

Previous work in the area is limited to a few, rather unsatisfactory, empirical studies of socially responsible consumption, and more conceptual work that only vaguely suggests or implies ethical purchase behaviour as identified here. The studies of socially responsible or ecologically concerned consumption assume ethical purchase behaviour and are methodologically weak. They also address only one form of ethical purchase behaviour, that intended to remedy problems created by consumers in consumption, rather than more specifically producer created problems. Others have written about the use of purchase votes on a wider range of issues. But their ideas are not developed, nor are the implications considered.

However, the impetus for the study did not arise from previous work in the area. It stemmed from a desire to explore how the market works to account for social issues, following an investigation of sex-role stereotypes in advertising. The conclusion reached in this investigation was that advertising would change in response to consumer pressure. Yet such a conclusion is optimistic and dependent on a particular understanding of how the market works. Most notably, it assumes the market may make judgements on the social practices of firms. It is this assumption which is examined here. So the study did not originate in previous work in the area, but in the ideology of the market.

This interest in the workings of the market is claimed to be central to the marketing discipline, though this is not a dominant perspective. Such an interest is acknowledged within macromarketing, but most marketing writing, teaching and research is about micromarketing. It is devoted to the concerns and interests of producers. This partisan feature of the marketing discipline means that it is unlikely to become a science. Yet the researcher in marketing may operate as a social scientist or sociologist, looking at marketing as a form of human behaviour and a social process.

This interesting discourse on the scope and status of marketing also clearly establishes that the study is most appropriately conceived as being within the marketing discipline. Consumer sovereignty is at the core of marketing thought, if not the paradigm for marketing. It is to this discipline that the study is principally addressed. It is intended to contribute in its examination of consumer sovereignty, by identifying an interesting form of consumer behaviour, and by considering management responses and the implications for market segmentation. It may even serve to illustrate deficiencies in the discipline, particularly in showing how marketing's most central concerns may be investigated. The thesis also contributes to business and society, by appraising a form of social control of business, and political sociology by looking at the role of pressure groups therein. The study is most fundamentally about consumer sovereignty and the exercise of power in society. It is on this which - disciplinary boundaries aside - it has most to say.

The description of the research origins helps explain the research problem but is also in keeping with new paradigm research. Saying where the researcher is coming from is in recognition of the impact of the social experience of the researcher on the research. The context of research will have a bearing on its outcome. The research origins contribute to the context, but also other factors such as the research perspective on marketing or even the events at the time during which the study was conducted.

The context of research gives rise to the researcher adopting a posture in relation to the research problem. The research posture, as it is here described, is characterised by a qualified rejection of positivism. Positivist methodologies in social science ignore the act of interpretation by the researcher and involve too great a distance from the data. The ethnomethodological qualitative research methodology and social criticism is most appropriate to this study. An

emphasis on conceptualisation also forms part of the research posture, one important result of which was the concept of ethical purchase behaviour.

Part Two presents the theoretical argument as to how and why ethical purchase behaviour arises - the case for ethical purchase behaviour - together with an examination of pressure groups and consumer boycotts, the form of ethical purchase behaviour focused on. Part Three then reports the survey research and case studies, and Part Four, the research conclusions.

P A R T T W O

THE THEORETICAL ARGUMENT

CHAPTER THREECAPITALISM AND CONSUMER SOVEREIGNTY

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Preview

What is the difference between Capitalism and Communism? Capitalism is the exploitation of man by man; Communism is the reverse.

Polish joke (1)

... every individual ... neither intends to promote the public interest ... he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.

Adam Smith (2)

This chapter looks briefly at the form of political-economic systems and then examines capitalism, the form predominant in the West. It is concluded that the rationale for capitalism is consumer sovereignty. This is demonstrated by exploring the origins of capitalism but, more importantly, the competitive model of capitalism, the dominant interpretation of capitalism. However, there are other interpretations and these are briefly considered.

According to the competitive model of capitalism, the individual's pursuit of self-interest results in the welfare of the community, as the famous quote above from Adam Smith indicates. Capitalism provides material progress, but also economic and political freedom. This is both achieved by and expressed in consumer sovereignty. Consumer sovereignty as the rationale for capitalism and the degree to which it exists, is the theme of this chapter.

While this feature of consumer sovereignty is shown to underlie classical economic thought, it is found to be questioned in later economic thought which emphasises the concept as a technical term. Whereas in marketing, it is found that consumer sovereignty is central to the marketing concept. This rigid and theoretically incorrect application of consumer sovereignty to marketing is shown to be a consequence of the ideological basis of marketing thought. Consumerism is briefly considered in illustration of this.

Not surprisingly, this whole area is clouded by ideology. The conclusion is that despite the impact of one's ideological position in assessing consumer sovereignty, it may at least be presumed that it is both the rationale for capitalist systems and does exist in some form and to varying degrees in different markets.

This chapter demonstrates the significance of consumer sovereignty in capitalist societies, but raises doubts as to its substance. The scene is then set for the examination of the social control of business and the consumer's role in this, the theme of Chapters Four and Five. Equally important though is the identification of a philosophical basis for ethical purchase behaviour. Consumer sovereignty is

here examined from a quite radical perspective and shown to be about the decisions made in markets. The degree of consumer sovereignty refers to whether decisions are made in markets - to who makes those decisions. The extent of consumer sovereignty refers to the issues involved - to what those decisions are. If this latter notion is accepted, then there is recognition given to the possibility of ethical decisions in purchase behaviour.

3.1 Political-Economic Systems

The role of the market in a society is the major distinguishing feature in identifying the form of the political-economic system. Western society is characterised by the extent to which the market predominates. This system is then justified in terms of efficiency and the freedom of the individual. Central to markets, and a necessary feature for the achievement of these benefits, is consumer sovereignty. Capitalism, consumer sovereignty and the benefits which accrue are then inextricably linked.

In the Preface to his treatise on the world's political-economic systems, Lindblom writes:

"Aside from the difference between despotic and libertarian governments, the greatest distinction between one government and another is in the degree to which market replaces government or government replaces market. Both Adam Smith and Karl Marx knew this" (3).

The role of the market is then a major political and economic issue. Economics texts, while tending not to be concerned with the political aspects, observe that the form of an economy will tend toward one or the other of the two possible extremes of the free market economy and the centrally controlled or command economy. Neither of these two extremes has ever existed, at least in recent history, and in practice all economies are mixed economies with some decisions taken by firms and households and some by central authorities (4).

Accepting Mills' definition of power as "to do with whatever decisions men make about the arrangements under which they live, and about the events which make up the history of their period" (5), this observation on decision-making indicates the political significance of the form of the economy. This is because the form of the economy determines the locus of power within society. Hence the distinction between politics and economics is in this way arbitrary; a distinction which didn't exist when economics was political economy (6).

Although simplistic (and in accord with Western ideology), it can be claimed that decisions are decentralised and in the hands of 'the people' in a free-market form of economy, and centralised and in the hands of the state in a command form of economy (7). Western economists claim that the mixed economy in the West, which has a tendency towards the free-market extreme and is known as capitalism (8), is more efficient. Western politicians, not surprisingly, tend to agree with them, and claim that capitalism also means greater freedom. As Galbraith puts it:

"Its solution of the problem of efficiency was what commended the competitive model to the economist ... For the businessman and the political philosopher, by contrast, the appeal of the competitive model was its solution of the problem of power" (9).

Decentralised decision-making expressed in markets means consumer sovereignty. This thesis is fundamentally concerned with whether and

what decisions are made in markets. It asks: To what degree is the consumer sovereign? How far does this sovereignty extend?

The theme of this chapter is that consumer sovereignty is the rationale for capitalism. This is implied above and is argued in more detail in what follows. This chapter then considers the degree of consumer sovereignty. Although, of course, the whole issue is plagued by ideology. Subsequent chapters then, in essence, examine the extent of consumer sovereignty or, if one prefers, the domain of consumer sovereignty.

As remarked earlier, the importance of these questions is self-evident. They strike not only at the core of marketing thought, but also, as this part has shown, the legitimacy of market society.

3.2 The Origins of Capitalism

3.2.1 Capitalism, Progress and Freedom

The development of capitalism has brought two fundamental features to Western society: progress, in the form of continual improvements in the standard of living for much of the population; and economic and political freedom. This, at least, is the claim by Western economists; though some might question the human costs of these features and dispute the claim that capitalism entails political freedom.

These two features are briefly examined below and then shown to be a consequence of the development of capitalism.

It is difficult to dispute the claim that material progress is a consequence of capitalism. Mises describes his Human Action as a treatise on economics, but it is perhaps more accurately described as an eloquent argument for capitalism. Yet one cannot but agree with his observations on the material progress benefits of capitalism:

"The system of market economy has never been fully and purely tried. But there prevailed in the orbit of Western civilization since the Middle Ages by and large a general tendency toward the abolition of institutions hindering the operation of the market economy. With the successive progress of this tendency, population figures multiplied and the masses' standard of living was raised to an unprecedented and hitherto undreamed of level. The average American worker enjoys amenities for which Croesus, Crassus, the Medici, and Louis XIV would have envied him" (10).

Heilbroner and Thurow's description of the origins of capitalism further confirms this, as will be seen. Freedom, however, is altogether a more complicated feature to establish. As Mises observes, "Freedom and liberty always refers to interhuman relations" (11), but are they, as he claims, only obtainable within a market society?

There is no kind of freedom and liberty other than the kind which the market economy brings about. In a totalitarian hegemonic society the only freedom that is left to the individual, because it cannot be denied to him, is the freedom to commit suicide" (12).

For Mises, there is no distinction between the economic sphere and the non-economic sphere. Freedom means economic freedom - which invites the Marxist criticism that one's personal worth amounts only to one's exchange value, a point considered later. Friedman is more circumspect, permitting economic and political freedom:

"Economic freedom is an essential requisite for political freedom. By enabling people to co-operate with one another without coercion or central direction, it reduces the area over which political power is exercised" (13).

This amounts to the same argument however. As Mises explains, "Government means always coercion and compulsion and is by necessity

the opposite of liberty. Government is a guarantor of liberty and is compatible with liberty only if its range is adequately restricted to the preservation of economic freedom" (14). This is an extreme perspective. But this, perhaps in a more diluted form, is the argument of all advocates of capitalism; for it is posited on the recognition, expressed in 3.1, that societies can best be distinguished on the degree to which the market replaces government, or vice versa, and on the assumption that freedom is determined by this. Mises describes how freedom is a consequence of the market and the form which it takes:

"The freedom of man under capitalism is an effect of competition. The worker does not depend on the good graces of an employer. The consumer is not at the mercy of the shopkeeper. He is free to patronize another shop if he likes. Nobody must kiss other people's hands or fear their disfavor. Interpersonal relations are businesslike. The exchange of goods and services is mutual; it is not a favor to sell or to buy, it is a transaction dictated by selfishness on either side" (15).

While acknowledging that every man is, as a producer, ultimately dependent on the demands of consumers - because of consumer sovereignty - he is, even in this, 'free to choose'. However "He may have to pay a price for conviction" (16).

But freedom can have many other meanings. Hayek argues that socialism's promise of freedom from necessity, another meaning of freedom, meant "the great existing disparities in the range of choice of different people were to disappear. The demand for the new freedom was thus only another name for the old demand for an equal distribution of wealth" (17). He elaborates:

"The economic freedom which is the prerequisite of any other freedom cannot be the freedom from economic care which the socialists promise us and which can be obtained only by relieving the individual at the same time of the necessity and of the power of choice; it must be the freedom of our economic activity which, with the right of choice, inevitably also carries the risk and responsibility of that right" (18).

The Austrian and Chicago schools do not have a monopoly on the definition of freedom. And this discussion of freedom cannot but be inadequate for such a profound concept. However, this view of freedom is basic to what shall later be described as the competitive model of capitalism. It is the view of advocates of what is here termed the market philosophy, belief in the market. As will be seen in 3.4.1, the competitive model of capitalism and the market philosophy are dominant within business and probably society as a whole. Therefore, accepting the limitations and simplicity of this position, it will be assumed that the concept of freedom is as Mises, Friedman and Hayek claim: the freedom to choose in the market. This is thought to be in keeping with the dominant ideology, but is also a satisfactory position for this thesis, as will become apparent. This view of freedom is considered further in the discussion of the competitive model of capitalism, particularly section 3.4.1.

3.2.2 The Road From Serfdom

Given this all too brief consideration of freedom, it is possible to trace the origins of capitalism and sensibly assess these features of progress and freedom, with the past as a standard for comparison. A perspective on the past offers a standard for comparison that is different to and supportive of comparisons with other possible political-economic systems but perhaps less ideologically tainted than comparisons with current and competing political-economic systems, such as communism.

Heilbroner and Thurow's description of the origins of capitalism is not sophisticated (19). Polanyi, for example, is far more detailed and analytical (20). They do, however, convey the basic features. These are summarised below.

Capitalism is not 'as old as the hills', as some claim. The Egyptian pharaohs were not capitalists, neither were the ancient Greeks or medieval Europe. These and the other societies prior to the sixteenth century lacked two special characteristics of capitalism: the institution of private property and a market system. Non-capitalist societies recognised the right of some individuals to own wealth, but the idea that a person's property was inviolate was not acknowledged and none of these societies accorded the right of ownership to all persons. Slaves were a common, if not predominant feature of most precapitalist systems. Markets did exist prior to capitalism, but most production and distribution took place according to the dictates of tradition or the orders of a lord: "Markets were the ornaments of society, tradition and command its iron structure" (21). Freedom, in the sense earlier described, was not a relevant concept. Peasants were subject to the commands of their lords; the right to withhold one's labour could not be conceived:

"The distinction is crucial in separating capitalism from what came before: a capitalist employee has the legal right to work or not work as he or she chooses; and whereas this may seem to count for little under conditions of Dickensian poverty, it must be compared with the near-slavery of the serf legally bound to his lord's land and to the work his lord assigns him" (22).

Moneymaking was close to sin and society's wealth was owned by the powerful, not the rich. Indeed, riches flowed from power, not power from riches. Economic life was stable for economic positions were fixed, and a comparison of Greek technology to that of the fifteenth century shows how little material progress took place over a thousand years, which ensured these fixed economic positions, but was perhaps a consequence too.

So capitalism brought a phenomenal change in the way of life, when "a vast revolution undermined the world of tradition and command and brought into being the market relationships of the modern world" (23). The gradual and often violent dismantling of the feudal way of life under the 'ancien regime' gave rise to economic freedom. But this was a two-edged sword:

"For the up-and-coming bourgeois merchants, it was the passport to a new status in life. Even for some of the poorest classes, the freedom of economic contract was a chance to rise from a station in life from which, in earlier times, there had been almost no exit. But economic freedom also had a harsher side. This was the necessity to stay afloat by one's own efforts in rough waters where all were struggling to survive" (24).

The material progress which came as a consequence of capitalism was realised through the unleashing of technology. There was no incentive to innovate in precapitalist society. The technology of the time, while lavished on the needs of the ruling class - in the building of the Egyptian pyramids, for example - did not touch common, everyday (productive) work. It was competition in the free-for-all of the market that brought the incentive to innovate - so as to maximise competitive advantage. Capitalism gave rise to a gradual but sustained increase in the standard of living, particularly with the industrial revolution and the recognition of the efficiency advantages of the division of labour.

Heilbroner and Thurow warn against claims, such as those by Mises and Friedman above, that capitalism either guarantees or is necessary for political freedom. But they do observe that "the rise of the mercantile classes was closely tied to the struggle against the privileges and legal institutions of European feudalism. The historic movement that eventually swept aside the precapitalist economic order also swept aside its political order" (25). While they would not claim that political freedom is a consequence of capitalism, they do concede that "Along with the emergence of the market system we find a parallel and supporting emergence of more open, libertarian political ways of life" (26).

In short then, capitalism supplanted feudalism or similar systems of oppression (as they would be described from current perspectives), providing the benefits (and costs) of material progress and freedom.

Vital to this is the role of consumer sovereignty. And it is this historical perspective, the understanding of this as expressed in the theory of classical capitalism, and the comparison of contemporary capitalism with socialist/communist systems, that leads laissez-faire advocates to criticise the government intervention in the market which (they claim) threatens consumer sovereignty. Such intervention is "The Road to Serfdom" (Hayek). As Heilbroner and Thurow conclude: "... from the beginning, capitalism has been characterised by a tension between laissez-faire and intervention ... that tension continues today" (27).

However, before considering the theory of classical capitalism as expressed in the competitive model of capitalism, it is useful to consider some of the other interpretations of capitalism. These other views, although they do not dispute the material progress of capitalism, do question this view of freedom and the supposed benefits of capitalism. They are considered next. There are also, despite the rosy impression given above, drawbacks to the competitive model, acknowledged by its advocates and others. The main drawbacks are considered in 3.4.2, although some will be touched upon in 3.3.

3.3 Models of Capitalism

3.3.1 Economics and the Real World

The competitive model of capitalism prevails. Those that understand capitalism in this way are believers in the market, advocates of the market philosophy, one of the most dominant ideologies in Western society. The argument expressed in this thesis is conceived within such a framework. Yet this does not permit ignorance of other interpretations of capitalism. Although the following sections are cursory, they illustrate the possibility for other views. Moreover, as subsequent chapters reveal, the argument proposed does attempt to operate within the real world and some of the inaccuracies of the competitive model are remedied by the other models and they will be employed where appropriate.

Kamarck has analysed the failure of economics to deal with the real world. Much of this failure he attributes to an excessive concern for precision. He argues that loose concepts and rough approximations might make economics more realistic and useful. He observes, for example, that the organisational nature of the firm makes it unlikely to be a profit maximiser and that the consumer is more likely to be a satisficer than an optimiser. Yet such considerations rarely figure within economic models (28).

While recognising the danger in generalisation, it would seem that one feature of this failure of economics to deal with the real world is the assumption of the competitive model of capitalism. The firm as profit maximiser and the consumer as optimiser are two major features of this model. This assumption of the competitive model seems a likely consequence of the arbitrary distinction, discussed earlier, between politics and economics, and the resultant ignorance of political realities.

This tendency to assume the competitive model of capitalism is certainly evident within economics texts, for example. Some, such as Gill (29) and Samuelson (30), refer to the ideas of those that have interpreted capitalism in a different way, but for the most part, they assume the competitive model. This is not to suggest that the other models do not incorporate competition to some degree, a point considered in the next section, merely that they recognise that the form of an economy cannot be and is not divorced from political considerations. The only concession to this in most economics texts is the acknowledgement of the mixed economy. This done, they do not then consider the economic consequences of this, but continue to describe economic phenomena within the sterile notion of the free-market economy.

This part will attempt to describe other interpretations on the basis of four models identified by Honour and Mainwaring: the competitive model, the crisis model, the compromise model and the corporatist model (31). A categorisation they accept is neither exhaustive nor exclusive. Each model could be said to be a description of capitalism in contemporary Western society and also an expression of how it could or should be. While it is recognised that there are differences in

the form of the economies between different countries in the West, these differences do not detract from the applicability of the models other than in degree. It is generally accepted that there is a reasonable, and increasing, degree of similarity in the form of the economies between different countries in the West (32).

3.3.2 The Competitive Model

The competitive model of capitalism, as already indicated, is the traditional model of capitalism. The development of capitalism, described above, was given some semblance of order by Adam Smith, who "glimpsed in the social world of economics what Isaac Newton (1642-1727) had recognised in the physical world of the heavens: self-regulating natural order" (33). Classical political economy provides the origins for the competitive model, but the model also features the criticisms of the centralising and equalising tendencies of democracy as expressed by Alexis de Tocqueville. It is founded on the belief in economic individualism, discussed in 3.4.1, as expressed in nineteenth century liberalism.

Prime contemporary exponents are Hayek and Friedman. "Economically, they justify market society on the grounds that it promotes efficiency and prosperity and permits choice; politically on the grounds that it does so with a minimum of state intervention" (34). As the more detailed examination reveals in 3.4, it is more than the free-market economy model of economists, for it includes political elements. The distinction is between an economic system (the free-market economy) and a political-economic system (the competitive model of capitalism).

Termining the model the competitive model is perhaps a misnomer, possibly inspired by the desire to have all four models beginning with the same letter. All of the models involve competition to some extent. What distinguishes this model is the emphasis on letting the market work, the market philosophy. It might be better described as the laissez-faire or classical model of capitalism.

3.3.3 The Crisis Model

The crisis model of capitalism assumes there are inherent tendencies within capitalism towards recurrent crises. It rejects the Smithian notion of self-regulating natural order, mentioned above. Its prime exponents are Marx and Schumpeter, although, of course, their interpretations are from different ideological and historical perspectives. As Honour and Mainwaring explain:

"Both emphasise the periodic crises that convulse capitalism and restructure its economy, although Marx interprets this as the failure of capitalism whilst Schumpeter interprets this as its success; both emphasise the importance of class and class conflict, although for Marx it is the proletariat and for Schumpeter the bourgeoisie that is crucial; both direct attention to the role of ideology, though for Marx its function is to protect capitalism while for Schumpeter its effect is to undermine capitalism; both call for purposive action, although for Marx this involves working with historical developments to transcend

capitalism, whilst for Schumpeter it involves working against such developments to defend capitalism; both believe that the end result of capitalist development is likely to be socialism, though they attach very different meanings to the term" (35).

The emphasis in Marx's analysis of capitalism is criticism, of the costs incurred and in the rejection of the notion of freedom under capitalism. In considering his central themes of alienation, exploitation and domination, Honour and Mainwaring show how Marx came to view capitalism as inherently unstable, creating the conditions which make possible its own transformation.

Alienation, according to Marx, results from the worker selling himself, in the selling of his labour. Therein giving rise to the claim that "capitalism denies man's essential humanity, and that it must be and can be transformed by purposive collective action" (36). Exploitation results because it is argued that the worker is the source of all value, but does not receive all value for his efforts. Domination is required to maintain such a system. This is performed by the state, which Marx viewed as class based, noting: "The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie." More importantly, and part of this, is the role of ideology; for as Marx and Engels wrote "The ideas of the ruling class are in every epoch the ruling ideas." But while capitalism increases the size of the proletariat, it also increases its awareness of its class interests and organisation in pursuit of those interests. It is through this class consciousness that Marx saw the means for transforming capitalism.

Schumpeter also anticipates a transformation of capitalism, but sees this as a consequence of the success of capitalism, not its failure. The instability, he suggests is a result of 'waves of creative destruction'; necessary for innovation, and which are disruptive and destabilising in the short run but the motive force behind capitalist development in the long run. Schumpeter defends oligopolies in contrast with the neo-classical economists, by arguing that they are essential for large-scale innovation and therefore the success of capitalism. However, this success has destructive consequences in three ways:

1. Large-scale, bureaucratised enterprises entail a quantitative and a qualitative loss - in the reduction of the number of entrepreneurs and in the creation of a growing body of managers imbued with 'the employee mentality' and thereby lacking entrepreneurial flair.
2. The destruction by capitalism of non-bourgeois groups who performed important political functions for which the bourgeoisie are ill-equipped, leaves the bourgeoisie politically vulnerable.
3. The critical rationing tendencies encouraged by capitalism turn ultimately against capitalism itself. As Schumpeter puts it: "the bourgeois finds to his amazement that the rationalist attitude does not stop at the credentials of kings and popes but goes on to attack private property and the whole scheme of bourgeois values."

This latter problem Schumpeter attributes to the failure of the masses to appreciate the long-term success of capitalism and defend it, allowing a disillusioned intelligentsia to vocalise their criticisms but thereby fostering a climate of opinion critical to capitalism. So as with the competitive model of capitalism, there is a problem of reconciling liberalism and democracy. Schumpeter's solution is a highly elitist form of democracy: "the democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote."

Habermas also posits a crisis model of capitalism. He suggests, though, that capitalism has a great capacity to adapt and survive, achieved through state intervention. In such a way, the economy becomes increasingly politicised and no longer the consequence of the unchangeable laws of the market. This suggests the third model.

3.3.4 The Compromise Model

This is the "attempt to graft some of the elements of socialism onto capitalism, with the aim of both reforming it and strengthening it" (37). Its prime exponents are J S Mill and J M Keynes "representatives of an educated and enlightened bourgeoisie who were fearful of the threat posed to liberalism by the failure of an unreformed capitalism" (38). Both were concerned about the injustice entailed by laissez-faire capitalism. For Mill, the solution lay in the socialisation of production through its communal ownership and operation. For Keynes, the solution lay in demand management.

The impact of Keynes' ideas on economic policy - and, therefore, state intervention in the marketplace - has been considerable; though, as he to some extent foretold, his ideas did not have a substantial impact until after his death (in 1946). He rejected state socialism because he thought it irrelevant, in its emphasis on supply rather than demand; inefficient, on the basis of his Russian experiences; and illiberal because of his belief in individualism. He did, however, remark that "the battle of Socialism against unlimited private profit is being won in detail hour by hour." This he saw to be the consequence of big enterprise socialising itself, by management being more concerned with the general stability and reputation of the institution than with maximising returns to shareholders. Keynes favoured a market system, but subject to state intervention as he viewed laissez-faire capitalism unworkable and unjust "indeed, it was unworkable because it was unjust" (39). He argued that there was no reason why savings and investment should be in equilibrium at a level necessary to maintain full employment, that the injustice of the system lay in its failure to provide full employment and in the arbitrary and inequitable distribution of wealth and income, and that the two are linked by the economic argument that excessive savings were responsible for the depression. Hence there was an argument in support of the redistribution of wealth and income in favour of the poor - because the poor spent proportionately more than the rich - both on economic and moral grounds.

Keynes' solution "involved the state doing what the market could not do, namely managing the aggregate level of demand to ensure full

employment" (40). But in practice there were, as Skidelsky points out, two major assumptions that presented problems: insulating the management of the economy from political pressures and preventing detailed state interference with market forces.

3.3.4 The Corporatist Model

The corporatist model "is a rejection of the competitive market economy in favour of the concentration of productive resources in predominantly private hands, and their extensive regulation by the state" (41). Honour and Mainwaring identify three forms of corporatism: an economic system, a state form and a system of interest intermediation. They refer to Winkler, Middlemas and Schmitter, respectively.

Winkler's definition of corporatism is "an economic system in which the state directs and controls predominantly privately owned business according to four principles: unity, order, nationalism and success." Winkler has noted that corporatism has become "a term of political abuse not economic analysis" through its association with fascism, and therefore has few supporters in post-war Britain.

If, however, one considers the Schmitter perspective on corporatism, it can be argued that there are elements of this model in evidence. His perspective views corporatism as a system of interest representation, similar in many respects to pluralism. However, whereas pluralists suggest " 'spontaneous formation, numerical proliferation, horizontal extension and competitive interaction', corporatists advocate 'controlled emergence, quantitative limitation, vertical stratification and complementary interdependence'," Schmitter argues. But he then claims that this is an "ideal type" definition and the distinction is found to be less precise in the real world. He finds that there is both 'state corporatism', where the system is imposed and controlled by the state, and also 'societal corporatism', a system that has evolved gradually and spontaneously with some independence from the state, and which seems very close to the notion of pluralism. Elsewhere, Schmitter has written that pluralism means "all with interests will get a democratic chance to play in the game, none, however, will be capable of controlling its course or rigging its outcome." He then goes on to suggest that corporatism is the system that operates, whereas pluralism is the way in which the system operates in an equitable manner (42).

Hernes and Selvik have elsewhere shown the distinction between the corporatist model and the competitive model:

"... a corporate system would partly supplement and partly replace the market as the automatic regulator of decentralised economic decisions ... By joint action between the effected interests and political authorities, the free determination of prices could be modified (for example, by public guarantees of minimum prices), free entry into the market could be limited (so as to prevent overcapacity or price wars), free establishment of firms could be confined (so as to secure balanced growth), and free access to commercial activities could be regulated (so as to reduce wide fluctuations in income). In this perspective, cor-

poratism can be considered a way of systematically modifying the free operation of the market by incorporating into the public decision-making apparatus those groups that are affected by the unhampered operation of the market" (43).

Much more could be said about corporatism and the other models of capitalism. The brief sketches above consider only basic features from each model.

It is not the concern here to demonstrate that one model is a more accurate interpretation of contemporary capitalism, or more desirable. The correctness of each model either individually or in combination and both as a description of contemporary capitalism and as an objective for capitalism, must at least be partly determined by one's ideological position. However, part 3.3 has shown some of the alternative interpretations of capitalism rarely encountered in marketing, which assumes the competitive model. They add a sophistication to the analysis which will become more apparent in subsequent chapters. Yet what is most important is that the models have shown that freedom and the supposed benefits of capitalism are not its inevitable consequences when one considers some of its complexities. Furthermore, there are alternative views to those expressed in the competitive model.

3.4 The Competitive Model of Capitalism

3.4.1 Its Philosophical Basis of Individualism

A comprehensive description of the competitive model of capitalism would be lengthy and unnecessary. It is only possible to discuss here those features that demonstrate the role of consumer sovereignty in such a model and that consumer sovereignty is the rationale for capitalism.

A comprehensive description would be unnecessary not only because it would dwell on issues irrelevant to this thesis, but because it would simply be a reiteration of what is widely available elsewhere. The workings of capitalism according to the competitive model are described in every economics textbook, for the model, economically, is the free-market model. There is, however, the political dimension. The emphasis here will be on the latter dimension, insofar as the two can be considered independently. Again, though, a full exposition is not possible, but can be obtained from Friedman, Hayek and others (44). The following discussion of the model attempts to transcend these writings, in adopting an analytical rather than an advocacy position.

This section will show that the model is founded on the philosophy of individualism and that an expression, if not the supreme expression of individualism, is consumer sovereignty. 3.4.2 will consider the main economic and political features of the model and the main criticisms.

The term individualism is used in a number of ways and can create some confusion. Here the term is used to express, as Hayek puts it, the idea of "the respect for the individual man qua man, that is the recognition of his own views and tastes as supreme in his own sphere, however narrowly that may be circumscribed, and the belief that it is desirable that men should develop their own gifts and talents" (45). Individualism does not in this sense mean being individualistic or the individual approach (although this can be a consequence of individualism), but it is sometimes used in this way (46). Schumpeter also identifies different uses of the term individualism. Again the terms are connected, but there is a distinction between them. Political individualism is "a laissez-faire attitude in matters of economic policy." Sociological individualism is a perspective on social processes where "the self-governing individual constitutes the ultimate unit of the social sciences." Methodological individualism, while not claiming the latter perspective is a tenable theory of social processes, recognises that it can be a useful perspective for a particular set of investigations (47).

Methodological individualism "is the consistent use of the intelligible conduct of individuals as building blocks from which to construct models of complex phenomena" (48). It is a distinguishing feature of Austrian economics (49). As Mises observes:

"The hangman, not the state, executes a criminal. It is the meaning of those concerned that discerns in the hangman's action an action of the state ... a social collective has no existence

and reality outside of the individual members' actions ... Thus the way to cognition of collective wholes is through an analysis of the individuals' actions" (50).

Yet this is not so greatly removed from political individualism. Methodological individualism recognises the difficulty of knowing others' needs, other than in analysing each individual (51). Hence in policy terms, shouldn't it be left to each individual to express his or her preferences? Can a state presume to know all or even some of the preferences of individuals that comprise collectives over which it may have jurisdiction? Consequently, Hayek writes:

"... individuals should be allowed, within defined limits, to follow their own values and preferences rather than somebody else's, that within these spheres the individual's system of ends should be supreme and not subject to any dictation by others. It is this recognition of the individual as the ultimate judge of his ends, the belief that as far as possible his own views ought to govern his actions, that forms the essence of the individualist position" (52).

Does such a position not point to laissez-faire policies? Certainly it is the basis for Hayek's rejection of socialism: "Although we have been warned by some of the greatest political thinkers of the nineteenth century, by de Tocqueville and Lord Acton, that socialism means slavery, we have steadily moved in the direction of socialism" (53). This he attributes to a decline in individualism, suggesting this philosophy has been basic to Western civilisation:

"We are rapidly abandoning not the views merely of Cobden and Bright, of Adam Smith ... but one of the salient characteristics of Western civilization as it has grown from the foundations laid by Christianity and the Greeks and Romans. Not merely nineteenth- and eighteenth-century liberalism, but the basic individualism inherited by us from Erasmus and Montaigne, from Cicero and Tacitus, Pericles and Thucyclides is progressively relinquished" (54).

This claim that individualism dates back to the earliest Western societies seems to conflict with the perspective on the historical development of capitalism described in 3.2. However, the conflict may be resolved if it is noted that the idea of individualism has a lengthy heritage but not the application of this idea, at least as far as the masses were concerned. Steiner and Steiner also claim that individualism is "a philosophy as old as antiquity," but suggest, somewhat paradoxically, that "an idea so old and so fundamental quite obviously has had different meanings to peoples at various times in history." It seems neither obvious nor satisfactory to claim that an idea can have different meanings and remain the same idea. However, more acceptable is the claim that "Individualism to the Romans, for example, meant the importance of individuals of only certain classes" (55). But surely to claim that it is applicable to one group of individuals but not another contradicts the basic doctrine. To claim individualism dates back to precapitalist societies, other than as an idea of idealistic thinkers, seems suspect, for it is not possible to reconcile individualism with the slavery prevalent in these societies.

Yet one can accept that individualism has found an expression in capitalist societies, agreeing with Steiner and Steiner that "the operation of the individual enterprise system and political democracy is predicated on the theory of individualism." Perhaps also with their observation that individualism's "comparatively widespread acceptance in the eighteenth century altered the economic and political history of the world in the most profound sense - and for the better" (56). However, before examining how individualism is expressed in the market, it is worth considering further this link between capitalism and freedom that occurs via individualism.

Individualism is, at one and the same time, both the means by which liberty is realised and liberty itself, or, at least, liberty as envisaged by Friedman, Hayek, Mill and many others. Steiner and Steiner observe that individualism:

"... is the idea of the supreme importance of the individual in society, the idea of the inherent decency of people, and a belief in their rationality. These concepts, of course, led to the conclusion that authority over people should be held to a minimum" (57).

This suggests the distinction crucial to this view of liberty: Are you forbidden to do anything which is not specifically allowed? Or are you allowed to do anything which is not specifically forbidden? As Robbins puts it:

"The authoritarian wishes to issue from the centre ... positive instructions about what shall be done ... the Classical Liberal ... proposes ... the state shall prescribe what citizens shall not do" (58).

However, liberty may have another form. Lindblom, in contrasting communism and liberal democracy, recognises that liberty as conceived under liberal democracy, is of course repressed under communism. "Communist systems, everyone knows, largely refuse to their citizens the civil liberties: freedom of thought, speech, religion, assembly, and movement, as well as privacy ... Nor do communist systems maintain due process" (59). Yet he recognises that liberty may have the form of freedom from indoctrination, for under liberal democracy men are not really free, they only think they are:

"A communist intellectual asks: 'What are people free from in the Soviet Union?' They are free from exploitation, from all moral oppression, and consequently their thinking and deeds are free from the age-old shackles created by the economic, political and moral rule of the exploiters. It is not a ridiculous argument ... in polyarchy not only are people indoctrinated - as inevitably in all societies - but they are heavily indoctrinated by leadership and a favored class" (60).

Marx's ideas about the role of ideology, referred to in 3.3.3, are central to this perspective. They are an important source of criticism of individualism and the idea of freedom as a feature of capitalism, discussed in 3.2. The flaws in the competitive model of

capitalism are considered later, suffice to note here that liberty can have more than one form and individualism may be questioned in this regard (or, at least, the application of individualism, rather than the idea). Given this perspective, one is then better equipped to deal with Mill's statement on liberty, as quoted by the Friedmans and fundamental to their market philosophy:

"... the only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant ... The only part of the conduct of anyone, for which he is amenable to society, is that which concerns others. In the part which merely concerns himself, his independence is, of right, absolute. Over himself, over his own mind and body, the individual is sovereign" (61).

A review of Free to Choose describes the Friedmans as disciples, their god as the market and their bible as Adam Smith's Wealth of Nations (62). A comment the Friedmans would likely endorse. In the Introduction, they trace their philosophy back to two documents, both published in 1776. One, of course, is the Wealth of Nations, and inevitably they quote the passage about how the individual in intending only his own gain, promotes an end which was no part of his intention. The other being the Declaration of Independence drafted by Thomas Jefferson, which embodies "certain unalienable Rights." The quote above by John Stuart Mill is, the Friedmans claim, a better expression of these rights (though not made in 1776). Their argument, of course, is that this individual sovereignty should be allowed to be freely expressed in the market, i.e., as consumer sovereignty.

Steiner and Steiner also recognise the Declaration of Independence as embodying individualism, and in a specific way:

"Politically it meant the right of people to legislate in their own behalf, to be taxed only by their representatives, to be free to choose their government representatives, to be free to overthrow the government if they so chose, and to have economic liberty. It meant that individual liberty was a fundamental objective of the political system ... Economically, individualism meant freedom of individual activity and association ... individuals should be free to choose their own occupations, to choose their own economic ends and the means for realizing them, to choose to use resources at their disposal as they saw fit, to be freed from mercantilistic-type pressures on their economic valuations, to exchange freely with others, and to be free to organize a business with others. In short, it was a freedom to improve their economic position as they saw fit, to enjoy freely the results of their labors, and to manage their own affairs with a minimum of government regulation" (63).

Some writers refer to this as economic individualism (64). However, within the competitive model of capitalism, politics and economics are interdependent. So Schumpeter's definition of political individualism, noted earlier as "a laissez-faire attitude in matters of economic policy," amounts to the same thing (65). As Steiner and Steiner

put it "laissez faire naturally grew from the idea that the individual, not the state, was the primary object of concern. The welfare of the individual and society, it was argued, could best be served by individual initiative rather than state dictation ... state interference on the whole was inimical to the best interests of individuals and society" (66). This is clearly explained by Adam Smith and illustrated by his famous quote at the start of this chapter. The basis for laissez-faire is then both economic and political.

Accordingly, the device for expressing and realising individualism is the free market. The market mechanism assures that "so long as co-operation is strictly voluntary, no exchange will take place unless both parties do benefit" - Adam Smith's key insight (67). In consumption decisions this beneficial facet of exchange ensures the individual sovereignty described by Mill and central to individualism, resulting in what is referred to as consumer sovereignty. So given the minimum of government intervention, each individual is 'free to choose'. Thus the free market brings not only prosperity, but human freedom.

This view of individualism and the market is basic to what Steiner and Steiner describe as the classical ideology and which predominates in business (68). This is illustrated in the comment below by Thomas A Murphy as chairman of General Motors, 1973, and earlier quoted:

"This sensitive tailoring of productive resources to the complex and diverse preferences of people, expressed through free markets, is a fundamental though often under-appreciated characteristic of our system. Each consumer, given his free choice, can purchase those products which he feels most suit his own special needs and resources. Unlike the political system, every person can win in an economic "election"" (69).

So consumer sovereignty prevails. This view is found throughout Silk and Vogel's book, which is based on their observation of meetings of The Conference Board 1974-1975, and captured contemporary business thinking. The book is both evidence of the predominance of the classical ideology and a description of the form it takes and how it relates to the problems of social responsibility in business. The claim that the competitive model of capitalism is the dominant interpretation seems justified.

Honour and Mainwaring acknowledge the renewed interest in the competitive model of capitalism. Currently, both Britain and the USA have premiers with policies of minimising state intervention in the market, in accordance with the competitive model. In Britain, the Thatcher government has sought greater scope for letting the market work - as in the encouragement of private refuse collection services and the sub-contracting of laundry, catering and cleaning in the health service. In the 1983 election, a Tory party slogan was "Every man and woman a capitalist" (70). Underlying this, as this section must show, is the more fundamental belief in individualism. It is undoubtedly Mrs Thatcher's attachment to this belief which is expressed not only in her attempts to 'let the market work' but throughout her policies. Recently, she said that she advocates:

"... a society where there is both more power and finance in the hands of the people than in the hands of the government. That means a society where you have people willing to exercise responsibility as a condition of freedom" (71).

Individualism underlies her philosophy and her policies. The competitive model of capitalism is her interpretation of capitalism, and this, of course, is seen as expressing individualism. The form of this expression is consumer sovereignty. Capitalism brings the benefits of material progress and freedom, or freedom as envisaged in individualism. Consumer sovereignty therefore becomes the rationale for capitalism.

3.4.2 Main Features and Criticisms

As noted above, it is not necessary to describe the workings of the competitive model. The model works according to the game of the market. This has been described in every economics text since Adam Smith's Wealth of Nations. As he observed:

"It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own interest" (72).

This is not a zero-sum game, but one of mutually beneficial exchange. However, one must consider whether and in what ways, the game benefits the rest of society, as Smith claims. And does it necessarily benefit the consumer?

The purpose of economic systems is to allocate scarce resources. Le Grand and Robinson identify four objectives specified by society: efficiency, equity, freedom or civil liberty and altruism. Efficiency refers to the excess of benefits over cost. Equity refers to how fair or just is the resultant allocation. Freedom refers not only to the freedom of choice in markets but also to political freedom. Altruism refers to the acting in the interests of others without any expectation of personal gain (73). These are the criteria against which the competitive model need be assessed.

Both advocates and critics rate the efficiency of the market as being very high. This is because of its ability to deal with the countless decisions necessary in a decentralised manner. They do, however, acknowledge certain failings. These failings are a consequence of monopolies (including those that result from public goods), externalities, imperfect information and other market imperfections.

Adam Smith, of course, observed that monopolies would limit the efficiency of the market because, as Galbraith has more recently noted, of the theory of capitalism's "pivotal dependence on competition." A dependence which Galbraith viewed in 1952 as unrealistic, recognising that much of American industry is oligopolistic (74). This view was endorsed by Berle, in 1954, and many others subsequently (75). Concern about externalities centres on (but is not restricted to) pollution, an early observation on the consequences of which was Rachel Carson's Silent Spring, in 1962. The problem of imperfect

information has been recognised for some time but did not seem to receive much attention until Ralph Nader became active, particularly with his Unsafe at Any Speed, in 1965.

These failings are, again, considered in the basic economics texts (76). The point is that the market will not answer all things, even on its own terms. However, relative to alternatives, it might still be the most efficient system despite these problems.

The competitive model of capitalism rates highly on the criterion of efficiency. Its proponents argue that it would rate even higher if it was given the opportunity. On the basis of the discussion in 3.2.1 and 3.4.1, it would also seem to rate highly on the criterion of freedom or civil liberty, the debate about what this means notwithstanding. It is on the criteria of equity and altruism that the competitive model falls down. It is this failure, more than the failures regarding efficiency and freedom, that gives the greatest justification for government intervention.

Individualism holds that each individual should be the best judge of his or her own interests. This places the burden of responsibility on the individual. The injustice results because some are less able or even unable to help themselves. The question arises: 'Should one help them, and who is to help them?'

Heilbroner and Thurow observe that while the market is efficient and dynamic, it is blind to any claim on society's output other than for those with wealth or income. Consequently "To abide just by the market system of distribution, we would have to be willing to tolerate individuals starving on the street" (77). Hence, 'the state must provide'. But "state help kills self help," as Friedman observes (78). As Spencer so eloquently puts it:

"The ultimate result of shielding men from the effects of folly is to fill the world with fools" (79).

Hayek argues that individualism has a bad name because of its association with egotism and selfishness (80). Yet this seems inevitable. As Honour and Mainwaring write, in reference to the 'game of the market':

"Plainly the justification for the game is not to be found in ideals of social justice but quite simply in its success in raising the general level of prosperity and in maximising individual freedom from state controls" (81).

The issue is acknowledged by both Hayek and Friedman. Hayek recognises the injustice but is swayed by the benefits in terms of output and individual freedom. Friedman argues likewise, suggesting capitalism is the best means by which injustice may be minimised (82), but also claiming equality is not possible because "life is not fair." He argues there is no difference between the inheritance of wealth and the inheritance of talent:

Much of the moral fervor behind the drive for equality of outcome comes from the widespread belief that it is not fair that some

children should have a great advantage over others simply because they happen to have wealthy parents. Of course it is not fair. However, unfairness can take many forms. It can take the form of the inheritance of property ... it can also take the form of the inheritance of talent ... But from an ethical point of view, is there any difference between the two? Yet many people resent the inheritance of property but not the inheritance of talent."

Indeed, Friedman goes on to claim that this unfairness is both desirable and a necessary benefit. He asks: "What kind of a world would it be if everyone were a duplicate of everyone else?" He then explains it is this unfairness that motivates participation in the game of the market (83). In other words, the success of the market would "be threatened if the game were fairer and the stakes were lower" (84).

Hence, it is claimed that the criteria of efficiency and equity are inevitably in conflict. Adam Smith's claim that the welfare of the general community would be an epiphenomenal consequence of the pursuit of individual self-interest, assumed welfare to be material progress. This was undoubtedly the case in his day. It is, however, less appropriate today. As Friedman recognises in the quote above, inequities will be perpetuated. Is that acceptable in an affluent society? Can they be minimised without impairing the efficiency of the market system?

The competitive model of capitalism also falls down on the criterion of altruism. Again this seems to be in conflict with efficiency. Economic injustice is not the only criticism of the game of the market. More profound, less quantifiable and more contentious, is the recognition by Marx that the market "resolved personal worth into exchange value," that it "has left no other bond between man and man than naked self-interest, than callous 'cash payment'." As Lindblom explains,

"A hypothetical pure unmodified market system would be extraordinary - and intolerable - in that it would strip the individual of all but one claim on other members of the society. He could not ask for their help in distress ... In a pure market system his claim on others would be established if and only if he had something to offer in exchange."

Of course, he concludes that such a pure market system has never existed and that the "world market systems are intertwined in varying degrees with other methods of organisation to soften the severity of market systems alone" (85). And as Gill notes, John Stuart Mill was also critical of the idea of mankind in a constant struggle for riches:

"I confess I am not charmed with an ideal of life held out by those that think that the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing and treading on each others' heels, which form the existing type of social life, are the most desirable lot of human kind, or anything but the disagreeable symptoms of one of the phases of industrial progress" (86).

Would he agree with Friedman now quoting him in approbation?

Lipsey defines individualism as where the household is the best judge of its own interests. Somewhat disparagingly, he defines the alternative as being paternalism, where authorities are viewed as the better judge of the household's self-interest than the household itself (87). The issue is not as clear-cut as he would imply, for individualism not only has consequences for freedom but inevitably has consequences for equity and altruism. Yet if these criteria are to be accepted as important, it follows that state intervention is inevitable. Where, then, does this leave consumer sovereignty?

3.5 Consumer Sovereignty in Economics

3.5.1 In the Competitive Model of Capitalism

There is an intuitive appeal to the competitive model of capitalism in its efficiency and promise of freedom. However, as the previous section showed, there can be market failure, it can be inequitable (perhaps inevitably so), and it is contrary to any community or caring ethos as evinced under collectivism. It should also be noted that one's vote in the market, as a consequence of consumer sovereignty, is in proportion to one's wealth. There is a limited franchise.

It is because of these problems that the game is threatened by representative democracy. As Honour and Mainwaring observe:

"... true to the tradition of Tocqueville, there is an underlying fear of the 'tyranny of the majority' in that the masses may not share Hayek and Friedman's appreciation of the game, may use their political power to amend it, or more passively, may not use their power to defend it" (88).

However, despite this, and obvious extensive intervention by the state, belief in consumer sovereignty prevails. The centrality of consumer sovereignty to the competitive model is illustrated in Smith's observation that consumption is the sole purpose of production (89). Yet consumer sovereignty must inevitably be limited and this claim somewhat suspect, in view of what has been noted in 3.4.2.

Steiner and Steiner observe that the belief in consumer sovereignty is basic to the classical ideology, yet they conclude reality and ideology need not be that similar:

"It is fair and important to say that no matter how far removed from reality some of these views may seem to be, most of them are still held by a majority of executives ... The significance of the ideology is lost if it is not understood that, fundamentally, it is not meant to be a description of what is going on today but rather is a prescription of what ought to be" (90).

The competitive model of capitalism as part of this classical ideology should be seen in the same way. A good expression of this ideological view of consumer sovereignty is given by Mises:

"The direction of all economic affairs is in the market society a task of the entrepreneurs. Theirs is the control of production. They are at the helm and steer the ship. A superficial observer would believe that they are supreme. But they are not. They are bound to obey unconditionally the captain's orders. The captain is the consumer" (91).

It is an attractive analogy, but one shown to be incorrect and, even if viewed as prescriptive, likely to be unattainable. This is demonstrated in the next section.

3.5.2 In Mixed Markets

Baumol and Blinder define consumer sovereignty in terms of purchase votes:

"In a market economy, consumers, by registering their dollar votes, determine which goods and services shall be provided and in what quantities. Items that are not wanted, or that are overproduced, will suffer a fall in price, while items that are in short supply will rise in price. These price movements act as signals to profit-seeking firms, which then produce larger amounts of the goods whose prices rise and less of the goods whose prices fall. This mechanism is what we call consumer sovereignty" (92).

They are, in contrast with Mises, more reserved about consumer authority in the market, identifying consumer sovereignty as a mechanism within the price system. They also make certain qualifications, in line with the comments made earlier:

"Of course, the doctrine of consumer sovereignty must be qualified in several ways when we deal with the real (as opposed to the ideal) world. For one thing, governments interfere with the price mechanism in many ways - taxing some goods and services while subsidizing others. These interferences certainly alter the bill of goods that the economy produces. For another ... in the presence of externalities the price system may send out false signals, leading to inappropriate levels of output for certain commodities" (93).

Yet other economists also recognise there may be a degree of producer sovereignty. A number refer to Galbraith's The New Industrial State. After having noted that in "virtually all economic analysis and instruction, the initiative is assumed to lie with the consumer," Galbraith suggests this "uni-directional flow of instruction from consumer to market to producer may be denoted the Accepted Sequence." This sequence he rejects, and argues:

"... the accepted sequence is no longer a description of the reality and is becoming ever less so. Instead the producing arm reaches forward to control its markets and on beyond to manage the market behaviour and shape the social attitudes of those, ostensibly, that it serves ... it may appropriately be called the Revised Sequence" (94).

The Revised Sequence, claims Galbraith, is achieved by advertising moulding consumers' preferences to conform with the wishes of suppliers. This is generally held to be exaggerated. Kirzner soundly illustrates the confusion in this perspective by pointing out that contrary to neo-classical economics, the demand curve can not be taken as given in the real world, and production decisions are in anticipation of patterns of demands. There is, then, neither an Accepted Sequence, nor a Revised Sequence: "The entrepreneurial competitive process consists ... of selecting by trial and error opportunities to be placed before consumers" (95). For Kirzner and other Austrians,

there is not a sequence, but an entrepreneurial process. Yet this permits a form of consumer sovereignty (96).

In the second edition of The New Industrial State, Galbraith is prepared to concede a little:

"... while my case may hold for the world of the very big corporations, there still remains a world of the market. Farmers, lawyers, cleaners and cobblers, bookstores, musicians and houses of casual pleasure still survive. Here the market still rules; here consumer sovereignty is still inviolate ... (but) with increasing size and corporate power the market gives way to planning ..." (97).

Fulop suggests there are degrees of consumer sovereignty in the real world: "Broadly the more competitive the market the stronger the power of the consumer; the larger the element of monopoly, the more he is at the mercy of the producer" (98). This accords with Galbraith, although she disputes the extent to which the producer, in Galbraith's analysis, predominates in the real world. As with Baumol and Blinder, she makes certain qualifications. Consumer sovereignty is limited by information, income, and state restrictions on certain goods such as drugs, or drink before driving. She concludes that the degree of sovereignty will be determined by information and, above all, choice:

"In particular, the consumer must have the authority to exert his sovereignty over the producer by exercising the strongest sanction of all - the ability to take his custom elsewhere. Information, advice and guidance are valueless unless the customer has a choice between alternatives" (99).

This seems a fair conclusion. It is worth mentioning her reply to arguments such as those by Galbraith that producers dominate consumer choice through advertising. Employing Galbraith's concept of countervailing power, she observes that the power of retailers curtails monopoly practices and, in effect, enhances consumer sovereignty (100). Further, retailers reduce the problem of decision-making in choice by acting as preliminary assessor for the consumer, particularly valuable when the product requires technical knowledge for adequate assessment.

In short, consumers are not sovereign but one can refer to a degree of sovereignty, enhanced by choice, information and possibly (though not necessarily in all cases) retailer assessment; but restricted by limitations on competition, actions by the state, and individual wealth.

Lindblom describes consumer sovereignty as being a technical term and not accurately descriptive (101). Before concluding this section it is necessary, for reasons that will become apparent in 3.6.1, to describe the conditions under which consumer sovereignty as an accurately descriptive term, would occur. Consumer sovereignty, in this sense, can only occur in conditions of perfect competition. The misunderstandings consequent on the use of the term stem from, as Galbraith observes above, economic analyses. This is due to the failing of economics to deal with the real world and to only deal in ideal, free markets, a point discussed in 3.3.1.

Heilbroner and Thurow observe that real world markets are characterised by imperfect, not perfect competition. They explain the importance of this for consumer sovereignty. Under perfect competition, the consumer is king, allocating resources by virtue of his or her demand and enjoying goods sold as cheaply and abundantly as possible. There are no profits (the firm is a price taker) and each firm produces the goods consumers want in the largest quantity and at the lowest cost possible. Under imperfect competition, the consumer loses much of this sovereignty as firms have strategies, including the strategy of influencing consumer demand, and profits are not competed away, so consumers' surplus is transferred to firms and output is not maximised but reduced by whatever amount results from higher-than-competitive prices (102).

3.6 Consumer Sovereignty in Marketing

3.6.1 Consumer Sovereignty and the Marketing Concept

Marketing is the application of the competitive model of capitalism.

Definitions of marketing emphasise the consumer: "... the 'marketing view' looks at the business as directed toward the satisfaction of a customer want and as a purveyor of a customer utility" (103); "Marketing is the performance of business activities which direct the flow of goods and services from producer to consumer or user in order to satisfy customers and accomplish the company's objectives" (104); "Marketing is the way in which an organisation matches its own human, financial and physical resources with the wants of its customers" (105). The marketing discipline and a marketing orientation in practice, are predicated upon a belief in consumer sovereignty. This is implicit in all definitions of marketing. Kotler makes it explicit:

"The marketing concept expresses the company's commitment to the time-honored concept in economic theory known as consumer sovereignty. The determination of what is to be produced should not be in the hands of the companies or in the hands of government but in the hands of consumers. The companies produce what the consumers want and in this way maximise consumer welfare and earn their profits" (106).

However, as 3.5.2 revealed, this is erroneous in two ways. Firstly, the concept of consumer sovereignty in economic theory is only found in perfectly competitive markets. Secondly, perfect competition would not permit marketing activities because firms cannot have strategies, they are price takers and can only compete in this sense. Hence, not only is consumer sovereignty unlikely to be found in practice, but it is incompatible in theory with the notion of marketing strategies. So even if markets in the real world were characterised by perfect competition one could then not have marketing. The notion of marketing and of consumer sovereignty are not, at least in a pure sense, complementary, they are contradictory.

This seemingly irreconcilable connection between marketing and consumer sovereignty is dominant within the marketing discipline. Indeed, without this connection, there could not be marketing as it is currently understood and practiced. It seems that it is because marketing is the application of the competitive model of capitalism that this connection is made. Given the observations above about the ideological nature of this model, it would follow that the unlikely combination of consumer sovereignty and marketing is the consequence of the ideological underpinnings of the discipline. This is explored in the next section.

3.6.2 Marketing, Ideology and Consumer Sovereignty

It could be countered in reply to the observation that marketing and consumer sovereignty are incompatible, that this is only in some pure, abstract sense. This is correct. However, it does not deny that consumer sovereignty is employed as the central concept to marketing and

in the way described by Mises in 3.5.1, where "the captain is the consumer." If consumer sovereignty and marketing are not incompatible, then consumer sovereignty is at least a suspect basis for the discipline, given the reservations expressed in 3.5.2. The competitive model of capitalism as the interpretation dominant in marketing and, therefore, marketing as the application of this model, points to the ideological basis to marketing thought. For these reasons, as this section will show, marketing may be more of an ideology than a science.

Baker, after having pointed to the problems in the definition of marketing, concludes:

"From a negative point of view, then, marketing is just a hotch-potch of ideas 'borrowed' from other disciplines. More positively it rests on the simple principle that supply must be a function of demand. In the opinion of marketing men this offers the best approach to the solution of the central economic problem - the allocation of scarce resources so as to maximise satisfaction" (107).

If one also acknowledges that marketing has developed some unique concepts and techniques, this seems a reasonable position to adopt. Although Baker probably did not see it in these terms, marketing as a discipline may best be described as:

'The study of the application of the ideology of the competitive model of capitalism, central to which is the notion of consumer sovereignty, by drawing on the social science disciplines and by developing unique concepts and techniques so as to enable producers to most effectively realise mutually beneficial exchanges with consumers in markets'.

This position on marketing will be considered further. The intention here is not to justify this definition against the many other contenders, although it would seem a reasonable definition to adopt given the conclusions reached in this chapter. Of importance here, is the degree of consumer sovereignty in real world markets. The purpose of this section is to conclusively show that marketing expressions of consumer sovereignty may be somewhat suspect, by revealing the ideological basis to marketing thought.

After having shown that marketing rests on the notion of consumer sovereignty - "a truism which has been in currency since Adam Smith wrote his Wealth of Nations" (108) - Baker goes on to explain the relative recency of the marketing concept. This he attributes to the affluence of contemporary society where there is 'excess' supply and therefore "large numbers of producers are competing for the privilege of supplying the consumer" (109). Of course, as has been suggested elsewhere (110), this happy situation may only be a phase. However, Baker is confident that technology will ensure the continuation of an excess of supply over demand.

This explanation for the relative recency of marketing offers the best support for the claim that there is consumer sovereignty. Yet it is

not a new argument, it merely points to the importance of competition for consumer sovereignty. While Baker's later claim that marketing is "one of man's oldest activities" (111) seems questionable in view of the version of the origins of capitalism given earlier in this chapter, it would seem that consumer sovereignty has always been a function of capitalist societies according to the degree of competition. This must always be the case. Marketing simply recognises that competition in contemporary society is acute, in some markets.

Baker suggests in his later book that society has merely come full circle, back to a position where consumer sovereignty predominates (112). More likely, is that consumer sovereignty exists, and always will exist, but only to a degree and according to how much competition there is within the market in question. However, this is not the consumer sovereignty envisaged in marketing or by Mises. The consumer is not king. The consumer may be king in certain markets, at certain times, and the producer is then required to meet the consumers' needs to remain competitive.

There are then degrees of sovereignty in different markets. The extent or domain of this sovereignty is yet another consideration - can the consumer express concern about matters not related to the product and expect remedy? This, of course, is a key question within this thesis. Both the degree and extent of consumer sovereignty are a function of competition. Yet as the rationale for capitalism, there must surely be the absolute consumer sovereignty described by Mises? The role of the ideology is to suggest this is the case.

Ideologies serve two purposes, as discussed in Chapter Two; they provide explanation for and the justification of interests. The ideology of the competitive model of capitalism both explains capitalism and justifies the interests of capitalists (producers). A cynic might be tempted to observe that the activities and power of business are made acceptable to society by an ideology that proclaims business is not powerful at all, but under the control of consumers. This is the latent function of marketing. To twist the quote from Lindblom employed earlier, consumers are not really sovereign under capitalism, they only think they are. Marketing fosters this belief.

The connection between consumer sovereignty and marketing is, from the economics perspective, erroneous. However, it is not erroneous from the marketing perspective because it is the dominant view. It is, then, ideological. As the previous section showed, marketing is predicated upon a belief in consumer sovereignty. This in itself is 'correct', even though there may be no legitimate theoretical or empirical foundation for this.

Ideology both serves as an idea structure for understanding, and also for legitimising one's interests. Founding the marketing concept on consumer sovereignty might be seen as highly convenient. At the base level it permits corporate power - expressed in strategies and other ways - while claiming the corporation has no power and is merely acting in accord with the wishes of the consumer. Of course, this is not the way the corporation would see it - or, perhaps, the marketing academics speaking on their behalf. The corporate executives believe

in the power of the consumer because this is how ideologies work. Any guilt they may have, about dubious practices that are a consequence of corporate power or merely the recognition of that power, is allayed in the process. Bartels has shown that marketing's origins lie in the separation of economics and marketing with the practitioners falling in the latter camp (113). Is it surprising that they should build a body of knowledge legitimising their activities, and on the most convenient grounds of all, that they are merely serving the best interests of the consumer and are tools at his or her command?

Andreski in Social Sciences as Sorcery, claims that the social sciences frequently act to serve the interests of the wielders of power, putting a pseudo-scientific gloss on the crude realities of power and giving their blessing to the status-quo. This is more of a latent than a manifest function, but marketing as a discipline may well be a prime exponent of this (114).

However, what matters is the degree to which ideology conforms with reality. While many marketing academics and practitioners genuinely believe that consumer sovereignty is the basis for marketing thought and action, what evidence is there for this? Surely if practitioners and academics alike believe in consumer sovereignty, then their actions will reflect this?

3.6.3 Consumerism - The Antithesis of Marketing

The advent of consumerism provides evidence that consumer sovereignty is the basis for marketing thought, but not necessarily marketing action. It also questions whether belief in consumer sovereignty will be reflected in action.

Baker observes that "the nature of marketing and consumerism reflect a fundamental paradox for while they are invariably seen as being in conflict both activities possess the same objective - consumer satisfaction" (115). That such a paradox should arise, he attributes to the changes in society's expectations of business and some firms being less responsive. This is acceptable, but not if one claims some sort of absolute consumer sovereignty, as he implies in observing that:

"... free market economics largely permit the evolution of consumer sovereignty by allowing consumers to express their preferences as between goods and services through the daily casting of their money 'votes' ... marketing economics and the marketing philosophy rest upon the same fundamental proposition that consumer preferences will determine the allocation of available inputs to the creation of the most desired outputs" (116).

Consumer sovereignty is not in this sense reconcilable with consumerism. Perhaps it was the ideology of the competitive model of capitalism, expressing consumer sovereignty, that led to consumerist demands; the ideology and the reality were too far out of step. However, the reply to consumerism as advocated by Baker, Christopher et al, Kotler and others (117), is that it should be seen as an opportunity. Somewhat reluctantly, it seems, this idea was adopted by

business. Consequently business now claims to practice consumerism! Consumerism has been incorporated within the ideology and become consumer sovereignty:

"Consumer sovereignty: Power of consumer to influence production presentation and distribution of goods and services in a competitive market, thus expressing demand, and emerging more recently as consumerism" (118).

A remarkable example of doublethink.

So consumerism results in the reaffirmation of consumer sovereignty in marketing thought but not, necessarily, in action. The ideology is upheld. Consumer sovereignty in marketing action will still be but a consequence of the degree of competition within the market. The response to consumerism is then a demonstration of the ideological basis of marketing thought.

3.7 Consumer Sovereignty - A Myth?

This chapter has shown that consumer sovereignty is the rationale for capitalism. However, it has also shown that consumer sovereignty may not be as prevalent in practice as supposed. It emerges that there are two forms of consumer sovereignty. One, which may be described as absolute consumer sovereignty, is the form as expressed within the competitive model of capitalism and underpinning marketing thought. The other form is consumer sovereignty as a technical term, which recognises degrees of consumer authority in markets. The former seems to be grounded in ideology, the latter seems to be grounded in fact.

Yet it may be that there is a greater degree of consumer sovereignty today than there has ever been. For Adam Smith, consumer sovereignty was an idea, perhaps even an ideal. As Hughes observes "Economics still bears the marks of the Smithean morality of attempting to reconcile and derive the good of the collective out of the individual pursuit of self-interest" (119). While Galbraithian critiques suggest oligopolistic competition limits consumer sovereignty, it may be, as Austrian economists claim, that this form of competition provides the greatest degree of sovereignty (see 3.3.3). It can, of course, be more efficient because of the economies of scale achieved through not having an innumerable quantity of small producers as would be the case under perfect competition. And, as Lindblom observes, despite Galbraith's claims in The New Industrial State, the market is not dead (120), and "big corporations are clearly not generally co-ordinated by a government plan or any other overarching governmental direction, but through market exchanges" (121).

But if there is a greater degree of consumer sovereignty today, why is there so much criticism of business? Why, if consumer sovereignty is at its height, is there so much complaining about the limits to consumer sovereignty? There seems to be two immediate possible answers to this. Firstly, as Fisk puts it, "the more consumer sovereignty the greater the opportunities for its abuse" (122). Secondly, and this is related, greater affluence might mean greater discontent. As Fulop explains:

"... it may seem an odd paradox that higher incomes and more discretionary spending power should lead shoppers to be more, rather than less, critical about their purchases, it is only variety and choice that encourage criticism and make rejection possible. While any washing machine would probably be welcome to a housewife accustomed to scrubbing clothes at the nearest river bank, she would no longer be satisfied easily when there is a choice of automated washing machines, laundries and laundrettes" (123).

Choice itself leads to greater criticism. This is a feature of the 'phenomenon of rising expectations' (124). The point is that greater consumer sovereignty may mean greater demands for more consumer sovereignty, because the amount of abuses will increase and those abuses will be perceived as being more detrimental.

It seems safe to conclude that absolute consumer sovereignty is a myth. However, one can accept there are degrees, perhaps quite con-

siderable, of consumer sovereignty in certain markets as they are today. Yet where does this leave marketing? It may be that marketing is more of an ideology than a science and the search for that elusive paradigm is meaningless. One might alternatively suggest that consumer sovereignty is the paradigm for marketing. But of course it can't be seen as such for this would mean, if given any serious thought, acknowledging the ideological basis to the discipline. This point will be pursued further.

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2. Smith, Adam, The Wealth of Nations (Everyman, 1971 (first published 1776)), Vol. 1, p. 400.
3. Lindblom, Charles E, Politics and Markets: The World's Political-Economic Systems (New York, Basic Books, 1977), p. ix.
4. See, for example, Lipsey, Richard G, An Introduction to Positive Economics (London, Weidenfeld and Nicholson, 1983), pp. 72-73.
5. Mills, C Wright, The Sociological Imagination (New York, Oxford University Press, 1959), p. 40.
6. The distinction between many disciplines in the social sciences seem arbitrary, as this thesis, though principally in marketing, would indicate. The conclusion seems to be that a line has to be drawn somewhere to enable one to achieve a meaningful focus. However, the phenomena studied within the social sciences do not always fit into the compartments the social science disciplines ordain for them. This is somewhat inconvenient.
7. Of course, in a free-market society, not all decisions will be made in the market. However, although Adam Smith was no anarchist, he did advocate a minimal role for government, restricting its activities to defence, policing and public works. So in a free-market society the citizen may also have power in addition to that as a consumer, such as in voting for representatives in government. The matter is one of degree, however, for the point is that in a free-market society, the arrangements under which men live would be predominantly determined in the market as the role of government would be extremely limited.
8. Heilbroner and Thurow note: "Politicians constantly talk about capitalism, or if they don't like the word, about the free-enterprise system" (Heilbroner, Robert L and Lester C Thurow, Economics Explained (Englewood Cliffs, Prentice-Hall, 1982), p. 3). This is because the term capitalism can have different meanings, particularly, though, the Marxist meaning which emphasises the ownership of production, with all that that implies. The definition used here is capitalism as a free-market economy oriented, political-economic system, as indicated.
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11. Ibid., p. 279.
12. Ibid., p. 280.
13. Friedman, Milton and Rose Friedman, Free to Choose: A Personal Statement (London, Secker and Warburg, 1980), pp. 2-3.
14. Mises, op. cit. (note 10), p. 283.
15. Ibid.
16. Ibid.
17. Hayek, F A, The Road to Serfdom (London, Routledge and Kegan Paul, 1944), p. 19.
18. Ibid., p. 75.
19. Heilbroner and Thurow, op. cit. (note 8), pp. 3-16.
20. Polanyi, Karl, The Great Transformation (New York, Octagon Books, 1944). Also, Steiner, G A and J F Steiner, Business, Government and Society: A Managerial Perspective (New York, Random House, 1980), pp. 39-53.
21. Heilbroner and Thurow, op. cit. (note 8), p. 4.
22. Ibid.
23. Ibid., p. 7.
24. Ibid., p. 9. This cost of economic freedom has led Fromm to claim that man may seek to escape from this responsibility, and that this can lead to devotion and submission to an all-powerful organisation or state, such as Nazi Germany. He suggests "the structure of modern society affects man in two ways simultaneously: he becomes more independent, self-reliant and critical, and he becomes more isolated, alone and afraid. The understanding of the whole problem of freedom depends on the very ability to see both sides of the process ..." (Fromm, Erich, The Fear of Freedom (London, Routledge and Kegan Paul, 1960 (first published 1942)), p. 90).
25. Heilbroner and Thurow, op. cit. (note 8), p. 15.
26. Ibid.
27. Ibid., p. 16.
28. Kamarck, Andrew M, Economics and the Real World (Oxford, Basil Blackwell, 1983).
29. Gill, Richard T, Economics: A Text With Included Readings (Pacific Palisades, Goodyear, 1973).

30. Samuelson, op. cit. (note 1).
31. Honour and Mainwaring, op. cit. (note 1), pp. 36-65.
32. As Robert Jackson recently observed: "In 1984 the landscape of European political ideas looks very different: in a word, it is flatter ... in the Western part of Europe, at least, a rugged scenery of cloudy peaks and deep valleys has given way to an extended plain distinguished only by small hills and shallow lakes" (Jackson, Robert, 'The flat earth theory of politics', The Guardian, June 2 1984).
33. Samuelson, op. cit. (note 1), p. 784.
34. Honour and Mainwaring, op. cit. (note 1), p. 37.
35. Ibid., p. 43.
36. Ibid., p. 44.
37. Ibid., p. 51.
38. Ibid.
39. Ibid., p. 52.
40. Ibid., p. 53.
41. Ibid., p. 56.
42. Schmitter, Philippe C, 'Interest Intermediation and Regime Governability in Contemporary Western Europe and North America' in Berger, Suzanne, Albert Hirschman and Charles Maier (ed.), Organising Interests in Western Europe: pluralism, corporatism and the transformation of politics (Cambridge, Cambridge University Press, 1981).
43. Hernes, Gudmund and Arne Selvik, 'Local Corporatism' in Berger et al (ed.), ibid., p. 104.
44. Friedman, Milton, Capitalism and Freedom (Chicago, University of Chicago Press, 1962). Friedman and Friedman, op. cit. (note 13). Hayek, op. cit. (note 17).
45. Hayek, op. cit. (note 17), p. 11.
46. For instance, David Bernstein has referred to the paradox of mass consumption and individualism (McEwan, Feona, 'How advertising may fare in the multi-media battle', Financial Times, September 23 1982). One would assume he is referring to the conflict between the inevitable conformity in mass market products and the desire by consumers to express their individuality in the products they buy. This may be a consequence of individualism but it is not the same thing. The distinction is subtle. The claim by Steiner and Steiner that "The basic concepts of individualism

are ... eroding in favour of communitarianism" (op. cit. (note 20), p. 86), followed by the report of a General Electric study showing an "increasing emphasis on individualism" (p. 115), can probably be explained by this distinction. The General Electric study likely found an increasing emphasis on being individualistic.

47. Schumpeter, Joseph A, History of Economic Analysis (London, George Allen and Unwin, 1954), pp. 888-889.
48. Littlechild, S C, The Fallacy of the Mixed Economy (London, The Institute of Economic Affairs, 1978), p. 20.
49. Ibid. Also, Shand, Alexander, 'Austrian Policy for the Thatcher Government', Economic Affairs, Vol. 4, No. 1 (October 1983), pp. 13-15.
50. Mises, op. cit. (note 10), p. 42.
51. Shand (op. cit. (note 49)) suggests there are two outstanding features to Austrian economics: subjectivism and individualism, where "subjectivism is the belief that most economic 'facts' are ultimately only known to the individual mind and are not accessible objectively to any external observer." This notion of subjectivism is surely implicit within methodological individualism and therefore redundant.
52. Hayek, op. cit. (note 17), p. 44.
53. Ibid., p. 10.
54. Ibid.
55. Steiner and Steiner, op. cit. (note 20), p. 50. One might also conclude, given Brandt's comments on the North-South division and adopting a global perspective, that even today individualism is only for privileged groups. Now, however, the privileged group is the industrialised North which, through policies it describes as development and aid, maintains its position as a dominant elite, denying its fundamental and frequently professed philosophy of individualism. See Independent Commission of International Development Issues, North-South: A Programme for Survival (London, Pan, 1980); also Rodney, Walter, How Europe Underdeveloped Africa (London, Bogle-L'Ouverture Publications, 1972), which has an emphasis on colonialism.
56. Ibid.
57. Ibid.
58. Robbins, Lionel, The Theory of Economic Policy (Macmillan, 1978 (first published 1952)), pp. 192-193.
59. Lindblom, op. cit. (note 3), p. 264.

60. Ibid., p. 265.
61. Friedman and Friedman, op. cit. (note 13), p. 2.
62. Hekman, Christine R and John S Hekman, 'Review of Free to Choose', Harvard Business Review, September-October 1980.
63. Steiner and Steiner, op. cit. (note 20), p. 51.
64. Honour and Mainwaring, op. cit. (note 1), as noted in 3.3.2.
65. It is worth noting here that laissez-faire is now often referred to as economic liberalism: "The doctrine which advocates the greatest possible use of markets and the forces of competition to co-ordinate economic activity. It allows to the state only those activities which the market cannot perform - e.g., the provision of public goods - or those which are necessary to establish the framework within which the private enterprise economy and markets can operate efficiently, e.g., by the establishment of the legal framework on property and contract and the adoption of such policies as anti-monopoly legislation" (Pearce, David W, The Dictionary of Modern Economics (London, Macmillan, 1983), p. 123).
66. Steiner and Steiner, op. cit. (note 20), p. 51.
67. Friedman and Friedman, op. cit. (note 13), pp. 1-2.
68. Steiner and Steiner, op. cit. (note 20), pp. 175-178.
69. Silk, Leonard and David Vogel, Ethics and Profits: The Crisis of Confidence in American Business (New York, Simon and Schuster, 1976), p. 91.
70. Meredith, Mark and Peter Riddell, 'Thatcher tells voters to banish Marxism', Financial Times, May 14 1983.
71. Thatcher, Margaret and Brian Connell, 'Report from the Prime Minister: Margaret Thatcher defends her government to date and looks forward towards a third term in office', Time and Tide, Summer 1984. Mrs Thatcher's proclaimed and ridiculed cry for 'a return to Victorian values' is more accurately described as an argument for individualism, as this quote indicates.
72. Smith, op. cit. (note 2), Vol. 1, p. 13.
73. Le Grand, Julian and Ray Robinson, The Economics of Social Problems: The Market versus the State (London, Macmillan, 1984).
74. Galbraith, op. cit. (note 9).
75. Berle, Adolf A. Jr., The Twentieth Century Capitalist Revolution (New York, Harcourt Brace, 1954).
76. See Lipsey, op. cit. (note 4), pp. 459-475; Heilbroner and Thurow, op. cit. (note 8), pp. 169-178; Gill, op. cit. (note 29).

77. Heilbroner and Thurow, op. cit. (note 8), pp. 165-167.
78. Friedman, op. cit. (note 44), p. 201.
79. Spencer, Herbert, Essays (Macmillan, 1891), Vol. 111, p. 354.
80. Hayek, op. cit. (note 17), p. 10.
81. Honour and Mainwaring, op. cit. (note 1), p. 38.
82. See, for example, Friedman, op. cit. (note 44), Chapter Ten. This view gives rise to the argument, frequently expressed in America, for black capitalism as a solution to inner-city problems (as discussed in Hay, R D, E R Gray and J E Gates, Business and Society (Cincinnati, South-Western Publishing, 1976), pp. 195-197).
83. Friedman and Friedman, op. cit. (note 13), pp. 136-137.
84. Honour and Mainwaring, op. cit. (note 1), p. 38.
85. Lindblom, op. cit. (note 3), pp. 39-40.
86. Gill, op. cit. (note 29), p. 719.
87. Lipsey, op. cit. (note 4), p. 474 and p. 483.
88. Honour and Mainwaring, op. cit. (note 1), p. 39.
89. Smith, op. cit. (note 2), Vol. 2, p. 155.
90. Steiner and Steiner, op. cit. (note 20), p. 178.
91. Mises, op. cit. (note 10), p. 270.
92. Baumol, William J, and Alan S Blinder, Economics: Principles and Policy (New York, Harcourt Brace Jovanovich, 1982), p. 786.
93. Ibid.
94. Galbraith, J K, The New Industrial State (Harmondsworth, Penguin, 1974 (first published 1967)), pp. 216-217.
95. Kirzner, Israel M, Competition and Entrepreneurship (Chicago, University of Chicago Press, 1973), p. 179.
96. There is not the space here to do justice to Kirzner's argument, see *ibid.*, particularly pp. 169-180.
97. Galbraith, op. cit. (note 94), p. 18.
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99. Ibid., p. 86.
100. Ibid., p. 85.
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108. Ibid., p. 22.
109. Ibid., p. 26.
110. "Marketing orientation is itself no more than an appropriate response to a given market structure" (Foxall, Gordon, 'Marketing's Domain', University of Birmingham Faculty of Commerce and Social Science, Discussion Paper, Series B, No. 75, p. 13). Also, Bartels, Robert, The History of Marketing Thought (Columbus, Grid, 1976), pp. 1-8.
111. Baker, Michael J (and others), Marketing: Theory and Practice (London, Macmillan, 1983), p. vii.
112. Ibid., pp. 3-11.
113. Bartels, op. cit. (note 110).
114. Andreski, Stanislav, Social Sciences as Sorcery (London, Andre Deutsch, 1972). Andreski also notes that it is uncommon for those within a discipline to criticise that discipline, despite the hypocrisy of this in the claim that academic work is in some sense a pursuit of truth. He writes "Every craft, every occupation - no matter whether shady or even downright criminal - gravitates towards the principle that 'dog does not eat dog' " (p. 13). But in answer to the question 'Why foul one's nest?' he concludes that some at least will question and seek the truth.
115. Baker, op. cit. (note 107), pp. 281-282.

116. Ibid., p. 280.
117. Ibid., pp. 283-284; Christopher et al, op. cit. (note 105), pp. 50-54; Kotler, op. cit. (note 106), pp. 85-86.
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121. Ibid., pp. 38-39.
122. Fisk, George, Marketing Systems: An Introductory Analysis (London, Harper International, 1966), p. 681.
123. Fulop, op. cit. (note 98), p. 84.
124. As discussed in Wight, Robin, The Day the Pigs Refused to be Driven to Market: Advertising and the Consumer Revolution (London, Hart Davis MacGibbon Ltd., 1972), pp. 10-11, for example.

CHAPTER FOURSOCIAL CONTROL OF BUSINESS : CORPORATE SOCIAL RESPONSIBILITY

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Preview

The consumer is, so to speak, the king ... each is a voter who uses his votes to get things done that he wants done.

Paul A Samuelson (1)

"But the Emperor has nothing on at all!" cried a little child.

Hans Christian Anderson
The Emperor's New Clothes (2)

What is left of consumer sovereignty when stripped of the ideology of the competitive model of capitalism? If, as the previous chapter concluded, the market will not or cannot answer all things because the consumer is not sovereign, how may the social control of business be realised and what will the market answer? This is the theme of this and the following chapter.

Business and society, the study of the relationship between business and society, is a recognised academic discipline. It examines the social role of business and issues which arise from this relationship. Yet it offers few clear-cut answers. This chapter concentrates on the social role of business as identified in the business and society literature and as it relates to the problem of the social control of business.

A claim, which is endorsed here, is that this problem of the social control of business is at the core of the business and society discipline. Earlier business and society writing is preoccupied with the social responsibilities of business. More recently, there seems to be an emphasis on the social control of business with social responsibility viewed as an aim of social control mechanisms. However, the notion of social responsibility in business cannot be ignored. In examining the social role of business, this chapter looks at the meaning of social responsibility in business in theory and in practice, and the arguments for and against it. In other words, the view is taken that if business has a social role, it therefore has social responsibilities.

But what are these responsibilities? For what issues and to what degree is business responsible? Is profit maximisation sufficient or even necessary? These questions are addressed in the part of this chapter which looks at the meaning of social responsibility in business. A model is proposed which identifies four different levels of social responsibility; so in theory at least, the extent of social responsibility can be identified. However, while both the stakeholder and social cost approaches offer some scope in identifying social responsibility issues, it is difficult to see how management should decide between conflicting social issues, and determine issue priority. This assumes, of course, that one favours or even acknowledges managerial discretion on social issues.

Social responsibility in practice can be considered in terms of managerial creeds. These are examined in part 4.4. Three contributions

are considered, identifying two or three different creeds or, if one prefers, ideologies. Importantly, it is recognised that managers do not, regardless of creed, view themselves as not having social responsibilities. Some, if not the majority however, view profit maximisation as fulfilling their social responsibilities. Although this position may seem rather unsophisticated, there are sound philosophical arguments for supporting it - whether managers are aware of them or not - as Friedman has shown.

The final part of this chapter examines the arguments for and against social responsibility in business (against in the sense of against going beyond profit maximisation). These philosophical arguments against social responsibility in business are shown to be based in the competitive model of capitalism as discussed in Chapter Three. Yet, in keeping with Chapter Three, it is recognised that this model of capitalism lacks verisimilitude. This in itself provides a strong counter-argument to the arguments against social responsibility. There are also the arguments for social responsibility of the 'moral minimum', enlightened self-interest and the long-term profitability and survival of the firm, and the extent of corporate power. It is recognised that in practice managers will to some degree be responsible for social issues because they have discretion and because of human nature.

The extent of corporate power is an argument for social responsibility because it is suggested that this power needs to be tempered by self-regulation. If this is not achieved then governments may step in and take away corporate power and perhaps also threaten the market economy system. So, social responsibility is partly achieved by self-regulation, indeed, many practitioners view social responsibility as being about their voluntary (and perhaps arbitrary) efforts to be good corporate citizens. But the extent of corporate power is also the reason for the social control of business, as part 4.2 shows. Chapter Five examines the mechanisms for the social control of business including self-regulation and the market. The latter mechanism, of course, involves consumer sovereignty, with ethical purchase behaviour and consumer boycotts in particular being an interesting attempt at the social control of business, or at least making business aware of its social responsibilities. Firstly, however, it is necessary to consider the social role of business, the basis for identifying the social responsibilities of business.

4.1 Business and Society

4.1.1 Academic Perspectives on Business and Society

The previous chapter showed that the competitive model of capitalism is suspect. This raises an important question about the role of business in society: What is, and what should be, the relationship of business to society if it is not determined by the market?

Jones suggests business and society is "an emerging discipline." He notes that there is a clearly identifiable body of literature about business and society - going back at least as far as 1952, with Galbraith's American Capitalism - as well as courses with this title (3). Powers and Vogel, in a more detailed analysis, claim "The belief that business education should include the teaching of the social dimensions of corporate conduct has been commonplace for at least twenty years among those responsible for shaping the focus of the business school curriculum" (4); though this may not be the case with the European business schools. They also report a 1972 publication by George Steiner that examines one hundred courses on business and society (5). Meanwhile in the third edition of his business and society text, George Steiner (together, in this edition, with John F Steiner) observes that "this field has grown rapidly" (6), and, citing a number of sources, claims "the importance of the subject has risen significantly on the agenda of curriculum revision in schools" (7).

Yet despite this rapid growth in the study of business and society and the consequent proliferation of publications in the area (8), there is no ready answer to the question raised above. Consensus about the role of business in society is limited. There are a number of reasons for this; principally, the dominant anti-business attitude, the undue influence of values and the scope of the issue.

Firstly, there is the problem of "where one is coming from" in writing about business and society; to borrow the expression from Rowan and Reason quoted earlier. The academic perspective on the relationship between business and society seems notably partial. Business and society as an academic field does not concern itself with the benefits to society of business, but, in the main, with the criticism of the role of business in society. Perhaps in view of the managerial bias in the other business disciplines, as cited by Honour and Mainwaring and others (9), this to some extent redresses the balance.

However, the anti-business attitude evident in many writers' work in this field does seem to cloud the issues. There is the persistent assumption that there is something gravely wrong with the position of business in society. For example, Sethi, in the Preface to the second edition of Up Against the Corporate Wall, writes in reply to the criticism that he omitted success stories in business and society controversies: "The instances of business failure to handle social controversies have been far greater in number and magnitude than the instances of success" (10). This conveniently ignores the fact that every day, every business is making decisions which are potentially controversial in that they involve the allocation of resources in one particular way rather than a number of other possible ways. One must

at least presume that as there is only controversy over a small proportion of the numerous business decisions made, these non-controversial decisions are at least accepted, if not successful. But the business and society literature is characterised by observations on the failures of business. This seems a partial perspective unless one is ideologically opposed to capitalism.

Recognising this partiality, one can at least understand the observation made by Silk and Vogel:

"There seems to be a widespread feeling among businessmen that the university system has had its loyalties captured by forces hostile to the business system and that this accounts for much of the public's misunderstanding of business" (11).

Criticisms of business predominate in the business and society literature and there is a consequent tendency towards polemics rather than analytical thought. Description of what is and what could be seems confused with what might be and what should be.

A second reason for the lack of consensus on the role of business in society is the muddiness of the issue. This muddiness is a result of the different values and different ideological perspectives which writers in the area permit to play too great a part in their work. One outstanding exception to this is Friedman's famous position on social responsibility, on which Heilbroner comments: "In an area in which syrup flows freely, there is something astringent and bracing about Friedman's position" (12). In terms of clarity, Friedman's position on the role of business in society is far superior to the well-meaning rhetoric which abounds elsewhere. So, for example, two key officers of the American National Council of Churches write: "corporate decision-makers should begin to consider the social implications of their decisions as carefully and with as much weight as they do the economic ... life and death are more important than profit and loss" (13). Similarly, Sadler, a British writer in the area, notes: "A trade-off has been made between economic efficiency and the quality of life, in favour of the latter" and "society has the right to require industry (which is part of itself) to pursue social objectives" (14). Although well-meaning, such forthright expressions of what business should do - and they are not uncommon - add little to the analysis of the role of business in society. And as Ackerman observes, they give no practical guidance to the manager to whom one imagines they are addressed (15).

But perhaps the most important reason for the lack of consensus on the role of business is the scope of the issue. The question on the role of business at the start of this section is a big question indeed. Although this thesis attempts in part to answer it, the response must inevitably be limited. Because of the scope of the issue, there are many different approaches to its analysis. For example, what should the writer's position be on the nature of the state in society? Sturdivant identifies five perspectives: libertarian, Marxist, pluralist, welfare state and cynical (16), and various perspectives were considered in Chapter Three. Alternatively, what should the writer's position be on the function of business organisations in

society? There is the Friedman view of the firm which defines its function in economic terms alone, while at the other extreme there is Bell's view of the corporation as a sociological institution: "Corporations are institutions for economising; but they are also ways of life for their members" (17).

Analysis of the role of business in society involves a great many different issues, positions and perspectives. So there are different approaches to the analysis. Yet a perspective can be taken without undue compromise between brevity and depth, and with minimum interference by anti-business attitudes and value or ideological bias. This perspective is considered in the next section.

4.1.2 Social Control of Business - An Adequate Perspective

The more analytical work in the business and society field tends to be that which, while still concerned with the role of business in society, adopts a focus on the problem of the social control of business. Indeed, there may even be a trend towards this focus. The earlier writings of the late sixties and early seventies seem primarily concerned with what business should do (the social responsibilities of business), while the later and current writings seem more concerned with how society can ensure business does as is required (the social control of business). However, this is only an impression and should be seen as tentative (18).

Steiner and Steiner observe on business and society:

"... that there is no underlying theory integrating the entire field, nor is there likely to be one in the foreseeable future. The field is extremely diverse, complex, and fluid, and there is no consensus about its precise boundaries" (19).

Writing in a similar vein, Jones suggests that while it may be some time before the elusive paradigm can be identified, it is, however, possible to postulate an integrating framework. He then writes:

"The central focus of the field can be refined further by introducing the notion of 'social control of business', defined as the means by which society directs business activity to useful ends. In essence, the social control of business is the core of the business and society field" (20).

His framework will be considered later. Suffice to note here, that the perspective of the social control of business does seem to be a meaningful focus. And other writers have indicated this. For example, Beesley and Evans write about corporate social responsibility "as one element in a strategy for the control of power and for stable progress" (21).

This perspective is also appropriate to the concern in the research with ethical purchase behaviour. As Jones notes "the field deals with two general questions relating to the social control of business:

1. How compatible are the outputs and processes of the economic system with the values of the cultural and political systems? (How appropriate are existing social control mechanisms?)

2. How can the outputs and processes of the economic system be made more compatible with the values of the cultural and political systems? (How can social control mechanisms be improved?)" (22).

This thesis addresses these questions in examining the role of consumer sovereignty as a social control mechanism and the potential for ethical purchase behaviour (23). The rest of this chapter considers why social control of business is considered necessary and the notion of social responsibility in business. The following chapter examines the forms of social control of business and the potential for ensuring social responsibility in business through consumer sovereignty. This cannot be an all-embracing analysis of the role of business in society, not even with the focus on the social control of business. The emphasis is on the social control of business as it indicates a role for consumer sovereignty.

4.2 The Requirement for Social Control of Business

4.2.1 Digressions

Business digressions, instances where business behaviour is widely acknowledged as having been undesirable, provide an argument for the social control of business.

In The Consumer and Corporate Accountability, Nader proposes federal chartering of businesses to ensure social control. Elsewhere in the book, business digressions are cited which would seem to support the need for this. They include the advertising of cigarettes, the sale of flammable children's sleepwear, safety defects in automobiles, strip-mining and claims without substance in advertising (24). Others refer to ITT's abortive coup attempts in Chile, the illegal corporate contributions to the campaign to re-elect President Nixon as revealed in Watergate, the manufacture of napalm, investments in South Africa and General Motors' 'investigation' of Ralph Nader following the publication of Unsafe At Any Speed (25).

However, identifying digressions requires considerable caution. While the interference in the democratic process revealed in Watergate might be widely acknowledged as a business digression, there is less agreement about, say, the advertising of cigarettes or the manufacture of napalm. Indeed, on the latter issue, Vogel observes that during the boycott of Dow Chemical's Saran Wrap, in protest at Dow's manufacture of napalm, the purchase of Saran Wrap became, in effect, a referendum on the war (26). Similarly, there might be less agreement on safety defects in automobiles than Nader supposes, because of the additional cost that safety features can entail. And, as Simon et al observe, requests received by institutions to invest ethically may come not only from those concerned about shareholdings in companies that make DDT, pollute or fail to employ minorities but also from those concerned about shareholdings in companies that trade with Eastern Europe or manufacture the Pill (27). In other words, while digressions do point to the requirement for the social control of business, there will be differences of opinion as to whether a particular issue constitutes a digression.

There will, though, be less disagreement about digressions that are widely viewed as atrocities. As Heilbroner notes, efforts to realise the social control of business are often a consequence of such digressions: "Atrocities are not, of course, the only, or perhaps even the central issue with regard to the problem of corporate responsibility. But they serve to give life to questions that otherwise tend to become too abstract to command the thoughtful attention they require" (28). So as Hay et al note, the thalidomide case opened the door for quite stringent regulations of drugs (29).

In the Name of Profit, by Heilbroner and others, is largely a catalogue of business digressions. In his contribution, 'Controlling the Corporation', Heilbroner suggests the digressions described have similarities to the recent My Lai massacre in Vietnam: "For like My Lai, the incidents in this book are atrocities. Moreover, in one case as in the other, the atrocities are not merely hideous exceptions but,

rather, discovered cases of a continuing pattern of misbehaviour" (30). Referring to Libby's sale of cyclamate-sweetened fruit overseas following a United States ban on cyclamates, he writes: "What we have here is a business version of the principle behind the Vietnam War - the imposition of casualties on other peoples in the name of some tenet, such as freedom or profits as the case may be. Not that Libby is the only adherent to this principle" (31).

Digressions provide one argument for the social control of business. But as Heilbroner observed in the quote above, they may not be the central issue. Digressions point to the underlying problem, power without accountability.

4.2.2 Power and Accountability

Sethi writes: "The twentieth-century corporation has replaced the church as the dominant social institution in the lives of citizens of the industrialized nations. Like the white man's religions of a bygone era, the white man's economic institutions cast a long shadow on the rest of the world" (32). Digressions by business merely illustrate the extent of corporate power and why this is undesirable. Bell observes:

"Corporate power, clearly, is the predominant power in the society, and the problem is how to limit it. The concern for public policy, summed up in the phrase "social responsibility," derives from the growing conception of a communal society and the controls which a polity may have to impose on economic ventures that generate unforeseen consequences far beyond the intentions, or powers of control, of the initiating parties" (33).

Heilbroner makes the point even more forcefully. He observes that if people are asked what is bad about corporations, they will refer to the rape of the environment or the abuse of the consumer: "The chances are the answer will have something to do with smoke or sludge, or with faulty brakes or poisonous vichyssoise" (34). (Interestingly, he does also note that perceptions of corporate abuses change over time - pollution was not a concern when industry was providing much needed material progress and employment. And, as a few others also comment, much environmental despoilation cannot be entirely the responsibility of the firm when it results from the careless behaviour of consumers (35).) Yet although such digressions are often cited in answer to questions about what is bad about corporations, the issue is about power:

"Thus when corporations rape the environment or abuse us as guinea pigs, suddenly we awaken to the realities of our individual powerlessness and of our dependence on their smooth and presumably benign functioning. Then our frustrations and resentments surface with a rush, in the demand that corporate power be brought to heel and that corporate officials be made accountable" (36, Heilbroner's emphasis).

Of course, the quotation from Mill's The Power Elite in the Preview to Chapter One, likewise emphasises the powerlessness of the individual.

Heilbroner then notes that the problem is about how this power may be controlled, and solutions to this problem, from Heilbroner and others, are considered later. Yet this problem is not so much a matter of corporate power per se, but the legitimacy of that power. This is even recognised by practitioners. Sir Frederick Catherwood, as Managing Director of John Laing and Son Ltd., observed at a British Institute of Management (BIM) conference on social responsibility "that alone of the great social institutions in our western democracies, the company manager has no democratic base for his authority" (37).

Vogel interprets the American counter-corporate movement as an "effort on the part of citizens to expand their definition of political conduct to include the policies and decision-making processes of the large business corporation" (38). In so doing, they demand the public scrutiny and accountability of business, to the same extent as government institutions. The basis for this demand is what Vogel terms 'the crisis of corporate legitimacy'. Berger also sees the criticism of business as a problem of corporate legitimacy: "if the American people no longer believe in the rightness of business, the private sector faces a crisis of legitimacy" (39). This is fundamental to understanding the social control of business and contemporary concern with this, for legitimacy, as "the social justification of power" (40), is precisely what the methods for the social control of business attempt to achieve. It is when these methods or forms of control are perceived to be inadequate that corporate legitimacy is questioned.

As will be seen later, solutions to the problem of corporate power do not necessarily involve an end to the corporation in its current form. Vogel (with Silk) in a later publication observes that "talk of the business corporation as facing a "crisis of legitimacy" does not imply that there exists any significant controversy as to whether it should exist." They continue by suggesting this crisis of legitimacy means corporate leaders are faced with two basic questions: "By what right do you who manage these huge corporations exercise your power? And what means do we have to ensure that corporate power will be exercised in accord with some generally accepted notion of the public interest?" (41). Answers to these questions are a prerequisite for legitimate corporate action. Yet they are not always evident. Consider Ackerman's analysis of corporate response to social demands. While quite comprehensive, it somehow manages to overlook this issue of legitimacy. In considering guidelines for strategy, he suggests:

"Top management should balance the numerous social demands pressing on the organization and the social goals it seeks. It should give priority to those areas that are most likely to have an impact on the company's business and should try to maintain a low profile on the others" (42).

Such a suggestion is of limited usefulness, if not naive. While it may make sense not to overload the response process, by what right should management determine which social demands to respond to and, moreover, with what priority? Corporate action on social demands may not only be of questionable legitimacy but may also require justification in terms of the priority given to one action among a number of

possible actions. The problems of legitimacy and priority apply to all corporate action.

In describing the concept of legitimacy, Berger writes that it is the acceptance of power which is important:

"Legitimacy ... concerns neither ethics or legality. A tyrant may exercise power in a manner both technically unlawful and ethically scandalous; but his power is nonetheless legitimate as long as the people over whom it is exercised accept it as right-ful. It is their acceptance, not value judgements imposed from the outside, that matters" (43).

The grounds for corporate legitimacy have changed: corporate power has grown while, partly as a consequence, its basis in property rights has been eroded. The scope of corporate power, as noted earlier in this section, is considerable. As Heilbroner observes:

"The big corporation is no longer a special case of business power and organisation; it is the normal form of business power and organisation ... Today many corporations have incomes larger than the gross national products of some respectable nations" (44).

This growth in size and power has brought with it the separation of ownership and control and, as a consequence, doubts about the legitimacy of corporate action based on property rights alone. Most writers generally attribute the first recognition of this to the Berle and Means classic 1932 study (45), although Silk and Vogel suggest the creation of US Steel as early as 1901 marked the beginning of a trend toward the replacement of owners by professional managers. They go on to quote Berle and Means' observation that,

"The dissolution of the atom of property (the separation of formal ownership and effective control) destroys the very foundation on which the economic order of the past three centuries has rested" (46).

In a later work, Berle shows that much of American industry is oligopolistic, and echoing Galbraith's earlier claim in American Capitalism, suggests in contrast to the competitive model of capitalism, that competition is only a partial check on corporate power. Indeed, he suggests corporations are primarily checked by the requirement for legitimacy rather than competition and the more commonly acknowledged constraints (47). A more recent empirical study by Blumberg confirmed his view of the scope of corporate power:

"In 1973 the 1000 largest industrials (ranked according to sales) accounted for about 72% of the sales, 86% of the employees, and 85% of the profits of all American industrial corporations. Within this group, the 200 largest, or the megacorporations, represent the core of concentrated industrial power with about three-quarters of the total sales, assets, employees and profits of the entire group" (48).

He also concludes that this growth in power has led to a questioning of corporate legitimacy:

"The ideological foundations of the business society are being severely shaken. Business is no longer able to articulate its objectives in a way that will command support. Many businessmen are no longer willing to assert profit maximization as the overriding goal of the corporation. Business is in search of an ideology that will embrace not only the drive for profit but the social responsibilities business has increasingly assumed. With the erosion of confidence in the ideological foundations of the business society the legitimacy of the corporation as an institution has been challenged" (49).

Yet again the argument can be seen to turn on the legitimacy of corporate action. Corporate power can be demonstrated by referring to the structural importance of business in the economy, the resources business commands, and this becomes all the more evident and disturbing when these resources are seen to be misused or some atrocity or digression forces a reluctant public to examine the issue. The demand is then that this power should only be exercised with adequate accountability. Only with assurances of accountability will corporate action then be able to claim legitimacy.

If business can claim the right to identify its social responsibilities, an issue Blumberg dodges in the quote given above, it must then administer them in accord with some sense of priority. This again is an incredibly difficult issue. As an alternative to further discussion of this in abstract terms, consider Medawar's practical example. He asks whether it is more 'responsible' for a company to introduce improved pollution control equipment and pass on the cost in the form of higher prices to consumers, or to allow more pollution and keep prices down (50). If, for argument's sake, this was a privately owned power utility, would one then wish that they could establish such a priority, or, for that matter, should even be able to consider the issue?

Medawar's position on the problem of corporate power is that while what is important is what an organisation actually does with its power, there should, as far as possible, be full accountability for the use of that power: "those within corporate bodies with decision-making powers should propose, explain and justify the use of those powers to those without" (51). He claims abuse will occur if the powers of an organisation are not checked and advocates social audits. "The main reason - self-evident as a democratic ideal - is to ensure that power of all kinds is exercised to the greatest possible extent with the understanding and consent of the public" (52). In other words, power requires accountability.

This section has demonstrated the extent of corporate power and shown that the exercise of this power lacks legitimacy and a sufficient basis for identifying priorities. Resolution of the problem would seem to demand greater accountability, social audits being one suggested mechanism. Corporate accountability is the objective of attempts at the social control of business. The forms of social

control of business, both deliberate attempts and otherwise, are examined in the next chapter. Before considering them, it is necessary to examine the intention behind these attempts; that is, social responsibility in business. Moreover, social responsibility in business through the voluntary assumption of 'responsibilities', is seen by many practitioners as an adequate solution to the problem of corporate power. Part 4.3, which follows, examines social responsibility as both a practitioner doctrine and as a goal for corporate accountability measures.

4.3 The Meaning of Social Responsibility in Business

4.3.1 A Diversity of Views

Dow Votaw illustrates the ambiguity surrounding the term social responsibility; he suggests the term:

"... is a brilliant one: it means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibility or liability; to others it means socially responsible behaviour in an ethical sense; to still others the meaning transmitted is that of 'responsible for', in a causal mode; many simply equate it with 'charitable contributions'; some take it to mean socially 'conscious' or 'aware'; many of those who embrace it most fervently see it as a mere synonym for 'legitimacy', in the context of 'belonging' or being proper or valid; a few see it as a sort of fiduciary duty imposing higher standards of behaviour on businessmen at large" (53).

And as Sethi observes, because of the positive connotations of the term it has been co-opted by many different groups such that it has come to mean all things to all people and "language so debased becomes meaningless and simply breeds contempt" (54). So Silk and Vogel suggest "The doctrine of 'corporate social responsibility' emerged in the United States, precisely because it is seen by many businessmen as a way of reducing the role of government in their affairs" (55).

Of course, it then comes as little surprise that corporations believe they act responsibly. Indeed, some go to great lengths to publicise the fact (56). Yet as Medawar notes "virtually any government, trade union, political party or other major organisation will have the same perceived view of its own propriety - and can always be counted on to provide such evidence of its activities as will support these claims" (57). He then suggests that because the claim to be acting responsibly is 'natural', it should also be as natural to be suspicious of such claims, not least because they are so universally made and there is little to distinguish them in content. One might then conclude that responsibilities, so professed, should go hand in hand with accountability.

While corporate social responsibility may be seen to have a number of different meanings, they are, as Beesley and Evans note, based on the recognition of the growth of corporate power and the consequent "perception of a relative shift from government to companies as the source of social improvement and the means to promote specific items of social welfare" (58). So Farmer and Hogue define corporate social responsibility in terms of:

"... actions that, when judged by society in the future, are seen to have been of maximum help in providing necessary amounts of desired goods and services at minimum financial and social costs, distributed as equitably as possible" (59).

Unfortunately, unless one is endowed with foresight, this definition offers little guidance to practitioners. However, it does indicate

the usefulness of the social costs concept in identifying social responsibilities. This is explored in the next section.

4.3.2 The Social Costs and Stakeholder Approaches to Defining Responsibilities

In explaining an economic solution to pollution, Hoskins observes that "most of the costs and benefits associated with resource use are concentrated upon the person doing the producing or consuming" (60). However "market prices do not always accurately reflect the total costs of production and consumption to society ... As a result, the private cost associated with his use of resources differs from the social cost" (61). These social costs, or externalities, can, if thought of in such economic terms, provide a criterion for corporate decision-making.

But while pollution might be something to which costs can be ascribed - albeit with great difficulty, as Hoskins, Marlin and others acknowledge (62) - it is far more difficult to ascribe a cost to the human suffering that results from, say, the manufacture of napalm. Furthermore, as Ackerman notes, there is the tendency to view social expectations of business as only legitimate when government requires compliance and will exact penalties otherwise; thereby "a social issue is converted into an economic one and so can be managed just like any other business problem." Yet this ignores the history of a social issue which involves a "zone of discretion" where corporate responsiveness is most important, but is neither voluntary nor required (63). In other words, social costs are not always immediately apparent or willingly recognised. Despite these problems, this concept of social costs is of value in determining social responsibilities. It also features in the argument for ethical purchase behaviour, as later discussed, for social costs may be at least partially converted into private costs via ethical purchase behaviour.

In Social Costs and Benefits of Business, Klein points to the problems in identifying who bears the costs of externalities (64), and Schwartz, in his examination of corporate governance and accountability observes that:

"... the governed are not the stockholders of the corporation, at least not the stockholders alone, but include all those significantly affected by large corporations. Thus, the proper constituencies include employees, customers, and indeed the public as a whole who breathe the air and drink the water contaminated by corporate activity - the group sometimes referred to as the "neighbors" of the corporation" (65).

Hence the meaning of social responsibility can involve the responsibilities of the corporation to the various constituencies which may benefit and suffer from its effects. These constituencies are also known as stakeholders. This, for Ansoff et al, means "an interest group which has expectations of the firm and which attempts to influence the firm's objectives, the way these objectives are achieved or the conditions under which the firm operates" (66). More comprehensive, and less managerially partisan, is the definition by Sturdivant:

"The stakeholder concept suggests that stockholders are by no means the only corporate constituents who have a vested interest in the conduct and performance of a given firm. Stakeholder groups consist of people who are affected by corporate policies and practices and who see themselves as having a stake in the business" (67).

Typically four major constituencies are identified. One practitioner observes: "Our corporate statement of philosophy identifies the four major publics that we serve: our customers, our employees, our shareholders, and the communities in which we do business." He continues by suggesting there is no conflict in serving all four constituencies because their interests are mutually entwined. This philosophy is justified in terms of enlightened self-interest (68). Yet while the stakeholder concept may identify who bears social costs, what criteria are available when there is a conflict between the interests of two constituencies? Powers and Vogel write:

"In its more sophisticated forms, corporate responsibility has come to mean that the interests of the several corporate constituencies are no longer seen as constraints on corporate activity which must be managed; instead these constituencies are seen as stakeholders, groups which have legitimate interests, and at least some of whose claims should be met and reconciled in the management process. But nowhere, in our view, have there been developed adequate criteria for managerial decision by means of which a manager can 'make sense' of the corporate responsibility concept in the regular managerial process" (69).

This issue is also raised by Jones. He defines corporate social responsibility as "the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract" (70). But he then asks 'How can corporate managers decide what behaviour is socially responsible?' Jones rejects the use of public policy decisions as a basis for corporate decision-making, as suggested by Beesley and Evans (71), for example. He suggests social responsibility should be viewed as a process, with full consideration given to the social impact of corporate decisions. Although he is not clear about the criteria for decision-making, his example would suggest that the company should formally incorporate the views of the constituency most directly affected. But, of course, identifying this constituency is likely to be less than straightforward.

This is close to the practitioner doctrine of social responsibility referred in the previous section. For such a doctrine, as Jones also notes, is "a form of self-control." Indeed, Beesley and Evans advocate such a doctrine as a solution to the problem of corporate power, in addition to external controls (regulation and the market) (73). However, as discussed later, this does not resolve the problem of power without accountability. And if social responsibility is viewed as a doctrine, there is still little indication as to what issues business should be responsible for, and with what priorities. There is still a further complication of how far such a responsibility should extend. An executive from Marks and Spencers neatly reveals

the difficulties faced by management in dealing with these three problems, of determining which issues to respond to, with what priority, and the extent of the efforts made:

"What are we expected to do? Improve product safety, employ school leavers, introduce pension schemes, prevent redundancies, increase productive investment, recycle waste products, engage ethnic minorities, improve welfare facilities, conserve energy, repackage, depackage, open up the board room to the unions as well as to consumer representatives (something the Co-op has been doing for ages!) or cut prices? And if we are socially responsible and try to satisfy all these demands as far as honour, compassion and the cash flow will allow, then customers have a perfect right to ask - who the hell's minding the shop?" (72).

The next section considers how far business responsibilities should extend.

4.3.3 The Extent of Corporate Social Responsibility

As Rockefeller observes "Put quite simply, the difficult question inherent in the challenge of corporate responsibility is: How far should business go in helping to resolve the problems of our society?" (74). Farmer and Hogue propose a continuum with four principal degrees of responsibility: profit maximisation, where social goals are incidental; profit growth, where social goals are also important; social goals, with a break-even on money; and social goals, with money losses acceptable (75). While this is clear in itself, it does not define corporate responsibilities, but merely identifies possible corporate goals. Beyond profit maximisation, defining corporate responsibilities is extremely difficult. Heilbroner asks:

"Should a business be held responsible for the social consequences of its profitable products? Are antipersonnel weapons, fast cars, electronic surveillance equipment, detergents, pesticides, and the like, just "economic commodities"? Is business responsible for the human consequences of arranging work in boring and monotonous ways in order to achieve its lawful profit? Is business supposed always to support the policies of its national government by producing goods that the government orders, even if it disapproves of these policies? May business legitimately seek to alter government policies in ways that will enhance its profits?" (76).

Such questions point to the difficulty in putting boundaries around corporate power. However, some resolution of the problem is possible by distinguishing between negative injunctions - a moral minimum requirement - and affirmative action. Simon et al, in considering the responsibilities of the individual, show that the choice portrayed by Friedman, Levitt and others, between profit maximisation and creating munificence for all is artificial, because there is always the moral minimum of making profits in such a way as to minimise social injury:

"The negative injunction to avoid and correct social injury threads its way through all morality. We call it a "moral

minimum," implying that however one may choose to limit the concept of social responsibility, one cannot exclude this negative injunction" (77).

Competing obligations can override this, but they do not deny the basic obligation to avoid harming others. However, Simon et al do concede that there may be disagreement over what constitutes affirmative action for public good, and disagreement over what constitutes social injury. So, for example, some might see positive discrimination in the recruitment of minorities as an affirmative action, while others might see it as the correction of social injury caused by years of institutionalised racism.

Furthermore, by referring to individual social responsibility, Simon et al show that there may be a responsibility for correcting or averting injury even if one may not or may not appear to have caused or helped to cause the social injury: "Life is fraught with emergency situations in which a failure to respond is a special form of violation of the negative injunction against causing social injury: a sin of omission becomes a sin of commission" (78). Here they invoke what they term the 'Kew Gardens Principle'. This is based on a tragic and disturbing emergency situation: the stabbing and agonisingly slow death of Kitty Genovese in the Kew Gardens part of New York while thirty-eight people watched or heard and did nothing. On analysis of this, they conclude that critical need, proximity, capability and being a last resort determine the responsibilities of the individual in such situations. Moreover, because of the danger of assuming someone else will act when others are present, or because one is trying to find out who is the last resort, or because of the possibility of pluralistic ignorance - not acting because no one else is and the situation therefore seeming less serious - there may be a situation where no one acts at all. This suggests the criterion of last resort is less useful, particularly in an organisational context, and there should be a presumption in favour of taking action when the first three criteria are present.

Their particular purpose in delineating individual responsibility in this way is to point to the responsibilities of investors and the role of ethical investment. So, for example, they might argue that investing in companies operating in South Africa becomes a special form of the violation of the negative injunction against causing social injury, through inaction (whereby omission becomes commission), and by employing the above criteria of critical need, proximity, capability and last resort. Such an analysis would suggest investors in such companies should press for changes in company policy (79). However, such a perspective is equally useful in determining the responsibilities of managers. One can conclude that the extent of corporate social responsibility is at least the 'moral minimum':

"From the conclusion that all citizens, individual and institutional, are equally subject to the negative injunction against social injury, it follows that there is a prima facie obligation on the part of business corporations to regulate their activities so that they do not injure others and so that they correct what injury they do cause" (80).

Simon et al then continue by identifying four different categories or meanings of corporate responsibility. These are:

1. Self-regulation in the avoidance of social injury (the negative injunction).
2. The championing of political and moral causes unrelated to the corporation's business activities, perhaps including some gifts of charity.
3. Affirmative action extending beyond self-regulation but falling short of the championing of causes, such as cooperation with government in the training of the hard-core unemployed.
4. Internal reforms and changes in corporate structure affecting the voting rights of shareholders, or the prerogatives of management, or increased disclosure.

The last category relates more to corporate accountability than to responsibility, although a great deal of the British writing on social responsibility is concerned with such issues of accountability as employee participation on Boards, the 'fifth directive', or responsibilities to shareholders (81). Putting this category aside, however, one is left with a continuum describing three different degrees of corporate social responsibility, from self-regulation, to affirmative action, to the championing of political and moral causes. Of course, a fourth category could be added where the negative injunction is ignored and one has corporate irresponsibility.

Yet this model is not easy to combine with that by Farmer and Hogue, described above. A composite model relating goals (Farmer and Hogue) and responsibilities (Simon et al) would be useful, as the Farmer and Hogue model falls down in its inadequate definition of responsibilities, while the Simon et al model suffers from too little consideration of corporate goals. The problem is the uncertainty about the role of profit: Is profit a prerequisite for corporate social responsibility or is social responsibility necessary for profit?

Vogel, Beesley and Evans, Chamberlain and many others (82) argue that profitability and responsibility are on the opposite sides of a cost equation:

"It is within the parameters of the law and the marketplace that firms conduct their business with varying degrees of responsibility ... the more profitable a company or the more secure its market position, the more able are its managers to consider the impact of the company on the welfare of its various constituencies. From this perspective, profitability can be regarded as a necessary condition of responsible social performance. But it is by no means a sufficient one. Some firms have compiled records of outstanding economic performance while remaining insensitive to social concerns" (83).

As a practitioner at the Conference Board meetings on corporate social responsibility put it: "It is true of companies as it is true of man

that it is easier to be moral when you are successful than when your back is to the wall" (84). While Drucker observes:

"The first "social responsibility" of business is then to make enough profit to cover the costs of the future. If this "social responsibility" is not met, no other "social responsibility" can be met" (85).

Others, however, take a different view (86). As Henry Ford put it: "There is no longer anything to reconcile, if there ever was, between the social conscience and the profit motive ... Improving the quality of society ... is nothing more than another step in the evolutionary process of taking a more far-sighted view of return on investment" (87). While Marlin's study of the US iron and steel industry, paper industry and petroleum-refining industry, showed that the best pollution-control performance was achieved by the more profitable companies. This she claims is because "Good managements are likely both to earn higher profits and to be more careful in protecting the environment" (88). But although this shows profitability and responsibility are not mutually exclusive, it may be this is merely support for Vogel's argument that profitability is a prerequisite for responsibility.

The view that responsibility comes first is based on enlightened self-interest, a longer-term perspective. It is summed up in Sethi's claim that "It is a fallacy that business can prosper - or, indeed, even exist - without regard to broader social concerns" (89). And as Haas argues, there are three rationales for corporate social responsibility: moral obligation, long-term self-interest and the necessity to preserve the private sector - longer-term self-interest (90). Put otherwise, adequate profitability is necessary for long-term survival, not profit maximisation.

Perhaps the issue can best be resolved by accepting that social responsibility up to some minimum level is in the best long-term interests of business, but beyond this, while it might be desirable, it can only be possible given adequate profitability. This would then suggest four positions on the extent of corporate social responsibility:

1. Profit maximisation and social irresponsibility.
2. Profit maximisation tempered by the 'moral minimum' through self-regulation.
3. Profit as a necessary but not sufficient goal, with affirmative action extending beyond self-regulation.
4. Profit as a necessary but not sufficient goal, with social responsibility extending beyond self-regulation and affirmative action to include the championing of political and moral causes unrelated to the corporation's business activities, perhaps even including gifts of charity, but only as long as profitability permits.

The notion of social irresponsibility will be explained in the subsequent discussion of the Friedman position on social responsibility. Suffice to note here, anything less than the 'moral minimum' is viewed as social irresponsibility. It is also worth noting that profit need be interpreted broadly. It refers not so much to the declared profit in the annual report but to the true 'bottom line' of financial success. As the discussion at the BIM conference on social responsibility indicates, it is not so much the loss of profits per se that represents the threat from socially responsible actions, but the threat of takeover. In other words, in Britain at least, the City calls the tune (91).

Yet despite this model, a problem for the practitioner remains:

"Every manager faces an area, everyone of us in a whole series of decisions, between the strict letter of the law, which of course we all comply with, and on the other hand the maximum possible profit for this year's balance sheet. We are inclined to the latter because we are afraid of being taken over if we don't. Somewhere in this area we make an ethical judgement ... Are we entitled to put in some margin as responsible citizens as well as managers?" (92).

This area of discretion is discussed in the next section.

4.3.4 The 'Friedman Misconception'

Sir Frederick Catherwood's affirmative reply to this question of discretion would not have the support of Milton Friedman, nor Hayek. There is little confusion in the competitive model of capitalism on the issues for which business has a social responsibility or the extent of this responsibility. Hayek writes:

"... if we want effectively to limit the powers of corporations to where they are beneficial, we shall have to confine them much more than we have yet done to one specific goal, that of the profitable use of the capital entrusted to the management by the stockholders ... the fashionable doctrine that their policy should be guided by 'social considerations' is likely to produce most undesirable results" (93).

Social responsibility is viewed as a fundamentally subversive doctrine. Friedman argues that to suggest corporations should have a social responsibility is to fail to understand the way in which the game of the market is and must be played:

"... there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud" (94).

Friedman is concerned as to how a corporate official is to know how to act if not guided by profit maximisation - as a surrogate for the self-interest of the entrepreneur of Adam Smith's day. He asks,

although these questions are overlooked by many of his critics, "If businessmen do have a social responsibility other than making maximum profits for shareholders, how are they to know what it is? Can self-selected private individuals decide what the social interest is?" (95). So Friedman's position is more than the blind self-interest many of his critics argue against, it includes the recognition of corporate power and the need for that to be appropriately limited.

His position is attractive in both its clarity, simplicity and elegance, and also in its solution of the problem of the social control of business. Given such a position, profit maximisation within the rules of the game would give little discretion to managers. There would be no need for the confusing and potentially dangerous - as well as possibly illegitimate - ethical judgement referred to at the end of the last section. Yet social policies would not necessarily be precluded, for they may well contribute to long-term profitability. So, for example, one could, within the Friedman position, justify when building a new plant the fitting of pollution control equipment that exceeds the minimum legal requirement, but is in anticipation of changes in the legislation and the recognition of the higher costs of fitting retrospectively.

Heilbroner admires Friedman's position, although not reconciled to it. He asks: Shouldn't stockholders be allowed to do with their money as they see fit? But, more importantly: Should corporations be allowed to 'play God'?

"When the Dow Chemical Company announces that it is making Napalm not for profit but for patriotism, I am sure that its directors swell with feelings of social responsibility; and when it discontinues the manufacture of Napalm in response to public protest, I have no doubt that its officers again experience the flow of social benefaction. But I am not sure that such motives provide the best grounds on which social decisions should be made. For, indeed, when Friedman asks on what basis the businessman is qualified to make good social decisions, he is asking a question that is not easy to answer. Why should we entrust the disposition of large sums to men whose sympathies and prejudices, not to say 'philosophy', are different from mine, or from yours? How far does the philanthropic impulse properly go? By whose say-so are boards of directors authorised to play God?" (96).

Yet, claims Heilbroner, businessmen are less than keen on the Friedman position, not because it potentially limits their power but because they are averse to such explicit recognition of their self-interest. They "recoil from the implication that they are "only" moneymakers ... capitalists do not like to act like the creatures of pure self-interest that they are supposed to be" (97). Heilbroner also identifies three major failings of Friedman's position.

Firstly, there is little evidence of pure profit maximisation in the real world because this would not be socially responsible, but socially irresponsible. Heilbroner suggests Friedman's position,

"... does not squarely face up to the consequences of its own First Rule. For if corporations in fact sought to maximise the

profits of their stockholders, we would find General Motors lowering the price of its cars enough to drive Chrysler and even Ford to the wall ... All this would be entirely legitimate and perfectly consistent with profit-maximising, but it would of course be generally viewed as an exercise of supreme corporate irresponsibility" (98).

This, of course, explains why the first position on the extent of social responsibility continuum described in the last section, is profit maximisation and social irresponsibility.

Secondly, Friedman's position assumes that the rules of the game can be established without cheating, in spite of the influence of business. Heilbroner cannot accept the assumption that government makes the rules independently of business or that business will willingly acquiesce to such rules if it has no part in the making of them. He cites previous regulatory attempts which show that the rule-making agencies of government are almost invariably captured by the industries which they are set-up to control. A point which the Friedmans acknowledge in Free to Choose, but then use to justify deregulation. So on this point, Heilbroner concludes that Friedman's proposals are not "anything more than a license for business to define its "social responsibility" behind the respectable screen of a government front, after which it will indeed more or less live up to its own standards" (99).

Yet perhaps the most important argument against Friedman's position is Heilbroner's third point. Here he observes that such a view of social responsibility rests on a curious conception of modern capitalism. One must be aware of the context in which such a position is advanced: a restatement of the tenets of classical capitalism - the competitive model of capitalism described in the last chapter. Can Friedman realistically claim, using such a model, that the rights of shareholders should predominate? Such a position assumes property rights which hardly seem applicable when the 'ownership' exercised by the shareholder over his corporation is so different to that of the small businessman over his property. The stockholder is no longer a significant source of venture capital "merely a passive holder of certificates of varying degrees of risk and potential return" (100), with little knowledge of the real performance of 'his' corporation. Surely the other stakeholders deserve some return?

Bell's rejection of Friedman's argument also questions shareholder ownership. He asks: "Is the corporation primarily an instrument of "owners" - legally the stockholders - or is it an autonomous enterprise which, despite its particular history, has become - or should become - an instrument for service to society in a system of pluralist powers?" (101). He concludes that "today ownership is simply a legal fiction" and while "the corporation may be a private enterprise institution ... it is not really a private property institution." Hence "One can treat stockholders not as "owners" but as legitimate claimants to some fixed share of the profits of a corporation - and to nothing more" (102). Heilbroner goes on to suggest who should be viewed as more legitimate claimants:

"That these wholly ineffectual individuals should have a "right" to the earnings of the company from which they have already been given the privilege of extracting some dividends and gambling for capital gains, seems based on a philosophy of ownership that has long since lost all accord with the facts. In the end, the profits of the corporation are extracted from the sweat of its labour force, the shrewdness and intelligence of its management, and the desires - pristine or manipulated - of the public ... labour, management, and the public at large would seem to have a far more legitimate claim than stockholders" (103).

Recognition of corporate response and responsibilities to a number of stakeholders as well as the stockholders, clearly weakens Friedman's position. Banks suggests the "most trenchant scholarly rebuttal to Friedman" (104) is Jacoby's Social Environment Model, of which "The most important characteristic ... is the explicit recognition that corporate behavior responds to political as well as to market forces" (105). Although Jacoby is less forthcoming himself:

"Unfortunately, Friedman failed to add that social involvement is consistent with self-interest, and that corporate managers need a sophisticated understanding of business-societal relationships in order to operate on that principle. Those economists and businessmen who assert that the purpose of business is "business" and not social "do-gooding" are as much in error as the radicals of the New Left who would compel business to concentrate on social improvement" (106).

Jacoby would do better if he concentrated on the role of other stakeholders as implied in his model, rather than being less than gracious to Friedman and suggesting he has not recognised that long-term profit maximisation may demand consideration of social goals. As Steiner and Steiner observe: "If the words "rules of the game" are modernized, there may not be as much difference between the Friedman view and those who argue for social responsibilities" (107). Similarly, Bradshaw explains:

"Friedman overlooks two things: First, the businessman does not exist solely in a world of cold, gray economics; he also exists in a real world where people's needs go far beyond their economic needs. He is a man before he is a businessman. He has pressures on him from within himself ... He also has pressures on him from without because, as a businessman, he is a part of the power structure ... he must direct his portion of that power to accomplish some of the broader aims of the society in which he lives. Second, Friedman overlooks the fact that the rules have been changing and are going to change at an explosive rate in the future" (108).

This failure to recognise the context of corporate action is referred to by Johnson as the 'Friedman Misconception' - "the view that the enterprise is altogether and solely an economic organisation, divorced from its sociocultural setting." Though as he also notes "many others fall into the error" (109).

So it can be seen that the argument that the social responsibility of business is to make a profit, is more sophisticated than it might at first appear. It is more than simply asserting the property rights of shareholders and fulfilling their expectations of maximum returns on investment. Both Friedman and Hayek, as prime exponents of this argument, are concerned not only about these rights but also about managers having an area of discretion in decision-making relating to social issues. They ask 'How is a manager to know what his or her social responsibilities are?' and 'What right has a manager to assume social responsibilities - by what mandate?'

Valid though these concerns may be, they both ignore human nature and the inevitability of managerial discretion in practice. Within the classical economic model there is scope for Friedman's position but even then one must be wary of business influence when government intervention in the market is inevitable. Moreover, as discussed in the last chapter, this model assumes that material progress is the most important goal of the economic system in bringing welfare for all, whereas latter-day affluence may suggest other goals are now more important. In other words, profit may not be able to provide the means for achieving today's social goals. Outside the classical economic model, in the real world of mixed markets, Friedman's argument is a misconception.

Yet shareholders must be permitted some return. More importantly, some control must be exercised over managerial discretion on social issues. There must then be social control of business. The mechanisms for social control of business - actual and potential - are examined in the next chapter. Prior to looking at these however, it is worth considering management practice and perspectives on social responsibility issues. These are examined in part 4.4, which follows. The chapter then concludes with an assessment of the arguments for and against corporate social responsibility.

4.4 Management Creeds and Social Responsibility

4.4.1 Profit Maximising, Trusteeship and 'Quality of Life' Management

Included within those that fall into the error of the 'Friedman Misconception' would be a substantial proportion of managers, as indicated by the various managerial creeds identified by Hay et al, Silk and Vogel, and Steiner and Steiner. Although this seems to conflict with Heilbroner's suggestion that Friedman's position is not popular with managers, who do not wish to be seen as creatures of pure self-interest, it can be seen that the managerial creeds espousing a Friedmanite position do not do so in a pure sense.

Hay et al identify three phases of corporate social responsibility. They then suggest that each of these phases also represents different managerial values that may be currently found. Phase one, or type one, is profit maximising management. Here "the individual's drive for maximum profits and the regulation of the competitive market place would interact to create the greatest aggregate wealth for a nation and therefore the maximum public good" (110). Such a position is based not only on economic logic, but also society's goals and values: the problem of economic scarcity at the time this phase was predominant meant economic growth and the accumulation of aggregate wealth were primary goals; Calvinism stressed that the road to salvation was through hard work and the accumulation of wealth.

Hay et al note that such a position follows the logic of Milton Friedman: "... a corporate manager is an agent of the stockholders and any diversion of resources from the task of maximising shareholder wealth amounts to spending the stockholders' money without their consent. Moreover ... government, not business, is the institution best suited for solving social problems" (111). Typical managerial values are shown in Table 4.1.

It is suggested that the difficulty in maintaining this position results from the problem in drawing a line between spending the stockholders' money for charity and spending it in the enlightened self-interest of the firm. And it is worth noting Blumberg's comment on this here. He observes that adhering to the neo-classical standard is difficult because the rules of the game have changed - with increasing governmental intervention and changes in public attitudes. Both of these factors require response, whether regarded as public relations techniques or socially responsible conduct. So "Although such behaviour may be picturesquely described as "good citizenship", or "long term profit-maximisation", "enlightened self-interest", or as defensive measures to defuse minority hostility or to prevent further government intervention, they all involve an acceptance of the costs involved because of the conclusion that it is required for the long-run welfare of the firm" (113). In other words, the distinction between enlightened self-interest and charity may be very arbitrary, and corporate response may be equally arbitrarily defined - as public relations activities or socially responsible conduct. The point is that the changes in the rules of the game demand some sort of social response from business, however such a response may be justified and defined.

Table 4.1 : Comparison of Managerial Values (112)

PHASE I PROFIT MAXIMISING MANAGEMENT	PHASE II TRUSTEESHIP MANAGEMENT	PHASE III "QUALITY OF LIFE" MANAGEMENT
<u>Economic Values</u>		
1. Raw self-interest	1. Self-interest 2. Contributor's interests	1. Enlightened self-interest 2. Contributor's interests 3. Society's interests
"What's good for me is good for my country"	"What's good for my company is good for our country"	"What's good for society is good for our company"
Profit maximiser	Profit satisfier	Profit is necessary, but ...
Money and wealth are most important	Money is important but so are people	People are more important than money
"Let the buyer beware" (caveat emptor)	"Let's not cheat the customer"	"Let the seller beware" (caveat venditor)
"Labor is a commodity to be bought and sold"	"Labor has certain rights which must be recognised"	"Employee dignity has to be satisfied"
Accountability of management is to the owners	Accountability of management is to the owners and customers, employees, suppliers and other contributors	Accountability of management is to the owners, contributors, and society
<u>Technological Values</u>		
Technology is very important	Technology is important but so are people	People are more important than technology
<u>Social Values</u>		
"Employee personal problems must be left at home"	"We recognise that employees have needs beyond their economic needs"	"We hire the whole man"

Social Values (continued)

"I'm a rugged individualist, and I'll manage the business as I please"

"I am an individualist but I recognise the value of group participation"

"Group participation is fundamental to our success"

"Minority groups are inferior to whites. They must be treated accordingly"

"Minority groups have their place in society and their place is inferior to mine"

"Minority groups are people like you and I are"

Environmental Values

"The natural environment controls the destiny of man"

"Man can control and manipulate his environment"

"Man must preserve the environment"

Political Values

"That government is best which governs least"

"Government is a necessary evil"

"Business and government must co-operate to solve society's problems"

Aesthetic Values

"Aesthetic values? What are they?"

"Aesthetic values are okay, but not for us"

"We must preserve our aesthetic values and we'll do our part"

Phase two, or type two, is trusteeship management. This notion has already been touched upon in the earlier discussion of corporate social responsibilities to various constituencies or stakeholders. As Hay et al put it:

"Corporate managers were responsible not simply for maximising the stockholders' wealth but rather for maintaining an equitable balance among the competing claims of customers, employees, suppliers, creditors, and the community. In this view the manager was seen as a "trustee" for the various contributor groups to the firm rather than simply an agent of the owners" (114).

Hay et al suggest this phase emerged in the 1920's and 30's. They attribute it to two factors. Firstly, the separation of ownership and control, discussed earlier in this chapter. The 'trusteeship' concept provided an answer to the question prompted by the increasing diffusion of ownership of the shares of American corporations: 'To whom is management responsible?' According to this concept, management was responsible to all contributors to the firm. The second factor is the emergence of a largely pluralistic society. They employ Steiner's definition of a pluralist society, as "one which has many semi-autonomous and autonomous groups through which power is diffused. No one group has overwhelming power over all others, and each has direct or indirect impact on all others" (115). Pluralism implies the trusteeship role. In the 1930's as Hay et al, and others note, the major groups were unions and government, now there are many more. So "management's task is to reconcile and balance the claims of the various groups" (116). Typical managerial values are again shown in Table 4.1.

Hay et al suggest this type is currently predominant:

"Probably the majority of business managers today adhere to a Phase II concept of social responsibility. These individuals understand the pluralistic nature of our society and are generally committed to being equitable in dealing with the various contributors to the firm and the concerned outside pressure groups. Such business people emphasise good wages, good working conditions, and fairness and forthrightness in dealing with their customers and suppliers" (117).

Others concur and a number refer to Franks Abram's 1950 comment, as chairman of Standard Oil, that the manager should conduct his affairs "in such a way as to maintain an equitable and working balance among the claims of the various directly interested groups - stockholders, employees, customers and the public at large" (118). Blumberg describes this view of management duties to various groups as managerialism and suggests this is held by both the British Institute of Directors and the Confederation of British Industry. These views he notes "reflect the changing position of the shareholder in the large public corporation from part owner to investor" (119).

The third phase identified by Hay et al is "quality of life" management. This, perhaps not surprisingly, is a little more nebulous than

the other two phases. They suggest that this phase has become popular in recent years within an affluent society in which the aggregate scarcity of goods and services is no longer the fundamental problem. Hence "a new set of national priorities which stress the "quality of life" appear to be emerging" (120). Referring back to the typology of extents of corporate social responsibility, described in section 4.3.3, this would mean the affirmative action position, category 4. For the firm this means:

"Societal consensus seems to be demanding that business, with its technological and managerial skills, and its financial resources, assume broader responsibilities - responsibilities that extend beyond the traditional economic realm of the Phase I concept or the mere balancing of the competing demands of the sundry contributors and pressure groups of the Phase II concept. The socially responsible firm under Phase III reasoning is one that becomes deeply involved in the solution of society's major problems" (121).

Yet, as in this author's category 4, Hay et al also stress the importance of profitability: "Profit and positive cash flow are still the sine qua non for all firms" (122). Profit is both necessary for social responsibility and economic well-being is the first responsibility:

"... a business firm is still fundamentally an economic entity and must be concerned first with its own economic well-being. It is true that the public does expect business to become socially involved but not at the expense of its primary mission - making a profit and thereby contributing to a healthy and vigorous economy" (123).

In illustration of this, they quote the case of the Boise Cascade Corporation's disastrous venture into the promotion of a minority enterprise in the heavy construction industry, which resulted in a loss of around \$40 million and a fall in the stock price of sixty points. Similarly, in Britain, one might question Briscoe's assertion that the Co-Operative movement is successful by making improved human welfare a precondition of profit (124). Its current problems seem to indicate this is no longer tenable, if it ever was (125). Although one might accept Briscoe's claim that the successful cooperatives "have refuted the belief that the single-handed pursuit of self-interest automatically produces maximum benefit for the rest of mankind" (126).

However, the importance of the role of profit notwithstanding, Hay et al do claim a growing number of business executives and academics seem to be accepting the Phase III position. This, they suggest, has resulted in a number of large US corporations becoming involved in major social action programmes - such as IBM, Chase Manhattan Bank, Xerox, Eli Lilly and Coca Cola. Such actions are justified in terms of the enlightened self-interest economic value shown in the list of typical Phase III managerial values, Table 4.1. This, they claim, is both an important value for Phase III managers but also a major intellectual concept for convincing profit maximisation oriented mana-

gers to be aware of and include societal considerations in their decision-making.

They define enlightened self-interest "as an action by a firm which cannot be clearly justified on the basis of cost and revenue projections but is taken because it is believed to be in the best interests of the firm in the long run" (127). There are three positive dimensions to this: the recognition that anything a firm does to produce a better environment for society will at least be of long-term benefit to it; the enhancing of the public image, as a form of institutional advertising, in providing a recruitment advantage with idealistic students, and in giving employees a sense of doing something worthwhile; and the provision of possible profitable market opportunities, such as in pollution abatement equipment.

There are also three negative dimensions to enlightened self-interest: insensitivity will eventually lead to government intervention, such as with worker safety issues and the resultant health and safety at work legislation; harrassment by social action groups and other critics, such as boycotts or demands at annual general meetings, is averted; and insensitivity may result in lower stock values through ethical investments. This perspective is similar to that expressed by Ackerman in his analysis of the advantages and disadvantages in a decision to lead or lag in response to social demands:

"... by electing to respond early, the manager accepts the burden of acting under conditions of greater uncertainty as to the eventual dimensions of the issue and the appropriate means for dealing with it than would be the case should he delay. In addition, he absorbs whatever cost may be involved at a time when they appear to be more nearly voluntary in the minds of investors and coworkers. In return, he protects to some extent the flexibility to set policy without undue outside interference. He may also have the hope of benefits that will ultimately outweigh any immediate penalties" (128).

However, Ackerman is perhaps more realistic than Hay et al in his acknowledgement of the disadvantages of social responsiveness.

To conclude on the Hay et al analysis of managerial creeds. It can be seen that they claim a shift in managerial emphasis: from owners' interests, under the Adam Smith and, latterly, Friedman notion of general welfare resulting from the pursuit of self-interest - a profit maximisation model; to group interests, under the pluralist notions of the trusteeship model; to, most recently, society's interests, in accord with a recognition of affluence permitting a concern for a wide range of social issues - a quality of life model. On the current state of social responsibility of management, they suggest:

"Each new phase has not merely replaced the earlier phase but rather has been superimposed on it. Thus, a modern view of social responsibility would to some degree incorporate essential parts of all three phases of the concept. It would encompass not only a deep commitment to social problems, but also an understanding of the firm's responsibility to its contributors

and, most importantly, a realistic comprehension of the need for profit as an essential prerequisite for operating at higher levels of social responsibility" (129).

So the concept of social responsibility has gone through each of the three distinct phases described above, each phase corresponding to a particular set of managerial values. In practice, the extent of social responsibility will depend on whether the manager is type one, two or three, at least in so far as he or she is permitted discretion. But as already noted, this area of discretion can be quite considerable. Hay et al suggest, somewhat optimistically perhaps, that type three is becoming increasingly popular:

"Since business as an institution exists only because it is sanctioned by society, it is inevitable that business managers will come in line with society's expectations. Hence the modern concept ... will become more and more accepted by businesspeople in the future" (130).

However, it may be that this should be viewed as less likely given recent world economic problems. Affluence may no longer be such a problem! One might also ask where it leaves the lesser-developed countries.

4.4.2 Business Ideologies and Classical, Managerial and Consent Creeds

The managerial creeds described by Silk and Vogel, and Steiner and Steiner, are similar in many respects to those described above, and need not be considered in great detail. Steiner and Steiner link changes in the concept of social responsibility with different managerial creeds, but only two types are identified that correlate with the Hay et al model. They refer to these creeds within a discussion of managerial ideologies and their definition of ideology can be usefully considered here:

"A business ideology is the content of the patterns of thought that are characteristic of the business classes. It is their system of beliefs, values and objectives that concern, defend, and justify business behaviour. In this respect, ideology is synonymous with business creed and philosophy" (131).

Importantly, they observe that not all managers subscribe to a business ideology. They also go beyond the simple interpretation of ideology as a reflection of the narrow self-interest of its adherents. They quote Monsen's observation that "ideologies may be designed to fill a number of purposes of the groups espousing them" (132). One such purpose may, in this case, be to help business people meet the strain of their occupations, particularly with the conflict between the various roles people in business play as managers, owners, voters, husbands or wives, etc. (As Bradshaw puts it: "He is a man before he is a businessman," to use again the quote earlier in this chapter.) The uncertainty of the business environment and the limited control of managers over outcomes for which they are responsible add to this. Perhaps, in sum, ideology is best viewed as a shield, as expressed below:

"... typical managers think of themselves and of business in general as being important to the progress of society. They believe that threats to the business system are threats to society in general and to their important roles in particular. Their ideology, therefore, is a shield against the erosion of their own group's role" (133).

Steiner and Steiner's two types are the classical business ideology, which has dominated business thought and action for two hundred years, and the modern socioeconomic managerial ideology. The former extolls the values of individualism, private property, free competition and limited government. The description of the competitive model of capitalism in the last chapter covers most of the facets of the classical ideology as described by Steiner and Steiner. It is, of course, comparable to Hay et al's Phase I, profit-maximising management. As previously noted in the last chapter, the ideology is not so much a description of what is, but a prescription of what ought to be.

The modern socioeconomic managerial ideology is comparable to an amalgum of Hay et al's Phase II and Phase III, with a leaning towards the latter. The basis for their description of this ideology is the publications by the Committee for Economic Development (CED), a group of about three hundred business executives and educators who conduct research and prepare policy recommendations, formed because its originators felt the old ideology was deficient in dealing with the anticipated economic problems following the end of World War II. In one 1971 report they suggest society has broadened its expectations of business into what may be described as three concentric circles of responsibilities:

"The inner circle includes the clear-cut basic responsibilities for the efficient execution of the economic function - products, jobs and economic growth. The intermediate circle encompasses responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities: for example, with respect to environmental conservation, hiring and relations with employees ... The outer circle outlines newly emerging and still amorphous responsibilities that business should assume to become more broadly involved in actively improving the social environment" (134).

These three circles may each be comparable to the three phases described by Hay et al, and Steiner and Steiner do acknowledge that the classical ideology focuses solely on the first circle. (Yet they do not seem to recognise the trusteeship/stakeholder notion of the corporation beyond quoting David Rockefeller's description of the "new managerial role," which notes: "Today's manager serves as trustee not only for the owners but for the workers and indeed for our entire society" (135).) It comes as little surprise to learn that the CED's basis for going beyond the self-interest of the first circle is enlightened self-interest:

"... it is in the "enlightened self-interest" of corporations to promote the public welfare in a positive way ... Indeed, the corporate interest broadly defined by management can support

involvement in helping to solve virtually any social problem, because people who have a good environment, education, and opportunity make better employees, customers, and neighbors for business than those who are poor, ignorant, and oppressed" (136).

Steiner and Steiner note that the new ideology is not as well articulated, complete and specific as the classical one, but claim there is little doubt as to its growing in general acceptance in the future. They suggest its origins go back perhaps a hundred years, but that it is only within the past two decades in the United States that it has become accepted by businesspeople. Even so, there are some that suggest that expressions of social responsibility within this ideology are little more than empty rhetoric: "more or less transparent defense of privilege masquerading as philosophy, the search for sanction cloaked as a search for truth" (137). There is also the uncertainty about the role of profit - the issue of whether profit and social responsibility are mutually exclusive (as discussed earlier). On this, Steiner and Steiner suggest: "A growing number of managers ... see no inconsistency between the social demands of the newer philosophy and the pursuit of maximum profits in the classical ideology" (138). Not only do they feel the two roles can complement each other, but they also observe that the classical tradition does contain fundamental ideas and considerations of major importance to this society: rigorous competition, the pursuit of self-interest, the importance of the individual and so on. As with the Hay et al model, they claim not that one ideology has replaced the other, but that the new ideology is becoming superimposed on the old ideology: "The business creed today is composed of an underlying traditional ideology upon which has been superimposed the new managerial ideology" (139).

The new ideology attempts to fill some of the gaps in the classical ideology:

"The classical ideology ... covers only part of the landscape and generally ignores things not easily explained, not agreeable, or not pleasant to consider. For instance, ... the social costs of progress, such as unemployment, water pollution, or urbanization problems ... the esthetic quality of modern life ... conflict ... between religion and capitalism, humanitarianism and money seeking ... The creed fails to point out that there are many reasons for the success of this society in improving the well-being of its members aside from business, as important as business is" (140).

Yet the new ideology is not without gaps itself, though it recognises that the modern large corporation has still to win the prize of legitimacy and this is a step towards that goal.

Steiner and Steiner do recognise that there are other business ideologies: the small business ideology, though this is essentially the classical position; and the communitarianism ideology, though this seems to be a version of the new managerial ideology emphasising that the individual is part of a community to which he or she has responsibilities. There are, additionally, competing ideologies - of labour, intellectuals and so on - which act as a neutralising force

for business ideology. However, the classical ideology and the new managerial ideology do form the basis for much business action. Steiner and Steiner conclude:

"For the great majority of business institutions, most of which are comparatively small companies, the classical ideology is accepted today by society and business people in those companies and probably will be for some time into the future. Most people do not expect a person whose business is desperately striving to break even to concentrate on much else besides making a profit, so long, of course, as that person abides by the law. For larger organizations, however, society expects much more, and leaders of such corporations accept the challenge of the socioeconomic managerial ideology" (141).

But this may not be the case for the vast majority of managers within organisations. It is worth emphasising the point that, as Hay et al put it: "A managerial set of values is important because it determines what decisions he (the manager) makes" (142). Steiner and Steiner suggest that for the vast majority of managers in large corporations, their personal ideology will be a mixture of the classical and the new position and this is likely to persist for some time.

Silk and Vogel identify three creeds: the classical, the managerial and the consent creed. The first two creeds are as identified by Sutton et al in The American Business Creed, a source also used by Steiner and Steiner. The classical creed is the Phase I position of Hay et al, and the classical ideology position of Steiner and Steiner:

"The classical creed argues that the business role in society is fundamentally passive, the businessman is embedded in a network of contractual and market place obligations over which he has limited control. His pursuit of profit and his fulfilment of the desires of his shareholders are matters neither of greed nor of discretion, but an indication of how successfully he has served the social welfare" (143).

The managerial creed is the trusteeship management, Phase II of Hay et al, and the essence of Steiner and Steiner's socioeconomic managerial ideology. It,

"... expands the boundaries of executive discretion, and hence managerial power and responsibility. Profits, or obligations to shareholders, are seen as a necessary but not sufficient measure of the boundaries of corporate responsibility; rather, the executive should consciously make decisions that balance the often competing, though legitimate, claims of shareholders, employees, customers, and the general public" (144).

The consent creed seems unique to Silk and Vogel. It emphasises the legitimacy of corporate power, or rather, the requirement for legitimacy. It assumes "the privileges of business will depend on the extent to which corporations listen to, correctly interpret, and effectively respond to the political and social preferences of the American people" (145). It is based on the idea of popular

sovereignty, the notion as expressed by John Locke, of a government only ruling with the consent of the governed. (Vogel has elsewhere written about the corporation as a private government and explained such a connection (146).) In illustration of this creed, they quote one executive at the meetings of the Conference Board as saying: "The social responsibility of business is to create material abundance, but to do so on the basis of the ground rules that society sets" (147).

However, this was by no means the predominant creed at the meetings of the Conference Board and, as both Hay et al and Steiner and Steiner observe, such creeds are superimposed on one another:

"It is important not to exaggerate the sharpness of the ideological divisions within the business community. Only a relatively few executives articulate a perspective that could be classified unambiguously into one or the other category. Each of the three creeds here named - classical, managerial and public consent - is best understood as an "ideal type", useful in demonstrating and clarifying the range and variety of contemporary business opinions. Most executives probably include elements of all three positions in their thinking. Among the senior executives at 1974-75 conferences, the classical strain seemed dominant" (148).

Silk and Vogel also suggest the split between the creeds may be less between different factions than within the minds of individual businesspeople.

To conclude this examination of managerial creeds, it would seem reasonable to claim that distinct managerial creeds are identifiable and that they guide decision-making. Because of the area of discretion permitted to managers in matters of social responsibility it would follow that socially responsible actions will be determined by the particular creed which the manager favours or is dominant in his or her thinking at the time. Of course, some might argue that where guided by a managerial creed, the manager is being socially responsible within the terms of that creed. The issue, however, is the extent of social responsibility, as defined within the model at the end of 4.3.3. In practice, Steiner and Steiner and Silk and Vogel claim, most managers adhere to the classical creed. Hay et al, perhaps a little optimistically, claim they adhere to the trusteeship model. However, like so many issues in this area, this is not clear. Following the model of the extent of social responsibility given in 4.3.3, it would seem likely that in practice, most managers are at position 2, profit maximisation tempered by the 'moral minimum' through self-regulation. And, again in view of Hay et al's, Steiner and Steiner's, and Silk and Vogel's observations, there is a tendency towards position 3 and perhaps even position 4.

Managerial recognition of social responsibilities and action in accordance with this, while it may not resolve the problem of the legitimacy of corporate power, does point to a form of control of that power. Self-control is indeed a solution to the problem of corporate power and is advocated by Beeseley and Evans and many others, including business itself. Before considering the forms of control of corporate power however, further consideration must be given to the arguments for and against social responsibility.

4.5 Arguments For and Against Corporate Social Responsibility

4.5.1 Competing Claims - The Role of Profit

There are five principal arguments against corporate social responsibility: the problem of competing claims (the role of profit), competitive disadvantage, competence, fairness and legitimacy. Each will be considered in turn.

Friedman argues that the notion of social responsibility in business "shows a fundamental misconception of the character and nature of a free economy" (149). Business' function is economic, not social. Accordingly, it should be guided and judged by economic criteria alone. Action dictated by anything other than profit maximisation, within the rules of the game, impairs economic efficiency and represents a taxation on those bearing the costs of such inefficiency, most notably the stockholders. The role of the corporation is to make a profit and maximise social welfare through the efficiency that entails, and as Simon et al put it "consideration of any factors other than profit-maximising ones either results in a deliberate sacrifice of profits or muddies the process of corporate decision-making so as to impair profitability. Consequently, resources will not be put to the highest use dictated by a free-market system and the total sum of economic resources available for meeting social problems ... will be critically reduced" (150).

So "In short, the corporation will best fulfill its obligation to society by fulfilling its obligation to itself" (151). However, this falls down in a number of ways. Simon et al identify four reasons. Firstly, it emphasises the profits of the individual firm as opposed to the corporate sector, which may not mean the highest efficiency from society's point of view. Secondly, there is the distinction between the short term and the long term. Social goals may be profitable in the long term, for the reasons considered in the discussion earlier of enlightened self-interest. So "the pursuit of social goals may enhance profits sufficiently to cast doubt on the efficiency objection to corporate responsibility. But the relationship is not clear enough to constitute an independent rationale for corporate responsibility" (152). Thirdly, there are other indicators of well-being besides profitability. Because of the uncertainty about what will be profitable, corporate goals in practice place profitability secondary, seeking an assurance of a required minimum profit. Fourthly, and finally, there is the concern for the efficient use of national resources. Because of social costs, profitability is not necessarily the best measure of effectiveness: "the argument for efficient allocation of resources would appear to require the corporation to locate and regulate the social consequences of its own conduct" (153).

Furthermore, they suggest that if these arguments are not accepted, the negative injunction against social injury would, at least, have to be respected. In other words, Friedman ignores the 'moral minimum':

"... most of the debate on corporate responsibility, by rather carelessly focusing on what we have termed affirmative duties rather than the negative injunctions and by raising efficiency to

the level of the highest virtue, has obscured what seems to be the fundamental point: that economic activity, like any human activity, can have unwanted and injurious side-effects, and that the correction of these indirect consequences requires self-regulation. This is the meaning for the business corporation of what we have called the 'moral minimum' - the negative injunction to avoid social injury - which cannot be set aside where there are reasonable ways to obey it" (154).

There are also similarities here with Heilbroner's point that pure profit-maximisation could amount to social irresponsibility, as discussed in Section 4.3.4. Essentially, though, the main criticism of this argument against corporate social responsibility - the need for profit maximisation - is its basis in an inappropriate economic model, the competitive model of capitalism. Particularly because of social costs and the question of who the profits are for. Noting the argument about the separation of ownership and control and the consequent limited influence of shareholders over the conduct of professional managers, Ackerman quotes a statement by the chairman of Xerox which pointedly illustrates the inapplicability of the notion of profit-maximisation for shareholders:

"If we ran this business Wall Street's way, we'd run it into the ground ... We're in this business for a hell of a long time and we're not going to try to maximise earnings over the short run" (155).

4.5.2 Competitive Disadvantage

The competitive disadvantage argument against corporate social responsibility suggests that because social action will have a price for the firm it also entails a competitive disadvantage. So either such works should be carried out by government or, at least, legislated so that all corporations or industries will be subject to the same requirements.

Mintz and Cohen show such a consideration was paramount in Alfred Sloan's 1929 decision not to fit safety glass to Chevrolets: "one of the single most important protections ever devised against avoidable automotive death, disfigurement and injury." Sloan was concerned about public anxiety about automobile safety and did not wish to publicise hazards. In his correspondence with Lamot du Pont over the possible supply of safety glass he observes that despite General Motors La Salles and Cadillacs being equipped with safety glass, sales by Packard, one of their competitors, had not been materially affected. So Sloan wrote "I do not think that from the stockholder's standpoint the move on Cadillac's part has been justified." Sloan was still reluctant even when he recognised that such a feature would come in the end, he didn't want to hurry it along: "The net result would be that both competition and ourselves would have reduced the return on our capital." Even when Du Pont noted that Ford had started to fit safety glass in the windshields of all their cars, Sloan observed: "it is not my responsibility to sell safety glass" (156).

Green notes that Sloan's rejection of safety glass because it would add slightly to the price and because his competitors lacked the

"lifesaving technology," should not be possible today because companies could go to the government to urge minimum standards and thereby avoid placing the firm at a competitive disadvantage (157). And as Simon et al observe, the competitive disadvantage argument against social responsibility is difficult to accept when the social injury is caused by one firm but not its industry peers - as in Sloan's refusal to fit safety glass even after it was fitted to the windshields of all Ford cars. But if the social injury is not unique to one firm then "the individual corporation can at least be expected to work for industrywide self-regulation within the limits of anti-trust laws; or the individual firm can work for government regulation" (158). What this ignores, however, is that many industries are ultimately in competition with other industries and there may then be a competitive disadvantage for the industry as a whole in relation to substitution goods.

This issue of inter-industry competition aside, the criticism of the competitive disadvantage argument is essentially sound. In approbation of his position, Friedman quotes Adam Smith's comment: "I have never known much good done by those who affected to trade for the public good" (159). While healthy scepticism might be desirable, the oligopolistic form of most markets and increased consumer knowledge and awareness makes such a position inappropriate. And there are other reasons besides.

Ackerman's observations on the advantages and disadvantages of early corporate response to social demands have already been noted in 4.4.1. Importantly, he suggests an early response, while it may seem unnecessary, does provide flexibility. Perhaps more significant though, is his recognition that the area of discretion within which managers act is quite broad and as competition is conducted on many fronts there is scope for an early response, particularly when the potential benefits are also considered:

"A more cogent argument is that competition limits the extent of discretionary expenditures. Despite the dim view of marketplace vitality held by Galbraith and others, one would normally expect competitive activity to be sufficient to exact a penalty from those who indulge in a significantly higher level of non-productive expenditure than others in the same industry ... Yet within the relatively narrow bounds of corporate choice postulated here, the market does not appear to be sufficiently exacting to force conformity in social responsiveness ... Competitive considerations ... are only one among a number of elements influencing corporate choice, and in many instances may not be a particularly significant one at that" (160).

4.5.3 Competence

Friedman asks "If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is?" This implies the competence argument against corporate social responsibility.

Simon et al identify three ways in which, it may be claimed, a firm is not competent to deal with social issues. Firstly, there is the claim

that corporations do not have the technical skills to deal with social issues. This, they suggest, will vary from case to case and, given the notion of last resort in the Kew Gardens Principle (discussed earlier), can only be valid if some other party can do the job better. Secondly, there is the claim that corporations do not know what is good for society and some other institution, such as government, knows better. But "a corporation's alleged lack of insight into the nature of the good is not a reason for objecting to its social activities unless they are deliberately coercive" (161). Thirdly, the claim that incompetent attempts to resolve social issues waste shareholders' money. But, suggest Simon et al, this is only true if management acts in accord with its own predilections, in which case management needs to be made more accountable to the shareholders. Alternatively, such a claim could be countered by pointing to the separation of ownership and control and the role of the professional manager. These factors notwithstanding, the argument of competence can only be applicable to affirmative actions, there is still, as Simon et al note, the moral minimum of the negative injunction against social injury, for which competence cannot be an issue.

Bradshaw, a practitioner writing in this area (as President of Atlantic Richfield Company), does point out that corporations cannot cure all social ills:

"... it must be obvious that corporations cannot cure all social ills and, indeed, in many areas should not even try. Corporations are special-purpose economic institutions, and part of my thesis will be that they depart from that purpose at their own peril. This nation is richly endowed with many and varied institutions. Social change is, I believe, accomplished through these many institutions and not through any one" (162).

He goes on to argue that the businessman should "stick to his own competencies," but, bearing in mind his observation (noted earlier) that the rules of the game are changing, work "within those competencies (and) become a prime mover for change at the rule-making level, whether it is in national government, regional areas or states." Similarly, Silk and Vogel report the comments of the executives at the Conference Board meetings who contended that if they try to operate outside their special area of competence they will invariably get into trouble: "We shouldn't accept responsibility for what we don't know about" (163).

Elsewhere, Vogel observes that many social issues do not present much scope for solution by business: "There are decided limits to what social efforts we can expect of business ... many of the most critical social problems confronting our economy are not subject to the discretion of senior management; they involve issues of government policy that are outside the control of any individual firm." He then continues by observing that it is certainly not realistic to expect the business community to assume a leading role in balancing social needs with economic imperatives, because it would be inconsistent with the political views of business:

"For at least a century, the overwhelming majority of the business community has held political and social views located well

on the right of the political spectrum ... not only in the United States but in every other capitalist democracy ... The social reforms whose enactment have so dramatically improved the lot of the average American over the last 75 years mostly were adopted in spite of business lobbying, not because of it ... it has been outside pressures - by journalists, academics, trade unionists and public-interest organisations - that have played an absolutely indispensable role in challenging corporate complacency. The corporate role is inherently a conservative one; if business is to perform as well as it can, it requires pressure from those outside it" (164).

So on the competency argument one must conclude that while there is the 'moral minimum', social actions beyond this are constrained by what business is able, competent and willing to do. And as Rockefeller notes:

"... no one sector of our society is competent to deal with these problems - not business, not government, not labor, not the nonprofit organizations. The only answer is that all sections must become involved, each in its own distinctive way, but in full and collaborative relationship with the others" (165).

4.5.4 Fairness - Domination by Business

Friedman asks "Is it tolerable that these public functions of taxation, expenditure, and control be exercised by the people who happen at the moment to be in charge of particular enterprises, chosen for those posts by strictly private groups?" (166). This is the fairness argument against corporate social responsibility. Heilbroner's concern about corporations playing God has already been noted (section 4.3.4). In a similar vein, Davis and Blomstrom comment:

"... business already has enough social power ... society should not take any steps which give it more power ... business is one of the two or three most powerful institutions in society at the present time. Business influence is felt throughout society ... in education, in government, in the home, and in the marketplace. It molds many social values. The process of combining social activities with the established economic activities of business would give business an excessive concentration of power ... (which) would threaten the pluralistic division of powers which we now have among institutions, probably reducing the viability of our free society" (167).

And as Levitt notes "The corporation would eventually invest itself with all-embracing duties, obligations, and finally powers - ministering to the whole man and molding him and society in the image of the corporation's narrow ambitions and its essentially unsocial needs" (168). It is a problem of power without accountability: "The issue of fairness refers to the contention that corporate moral and social decisions will have coercive effect and that such coercion, operating without legal safeguards, may be arbitrary and unfair" (169). Big business acting in accord with notions of social responsibility, gives managers more discretionary power over the lives of

others in three ways, as Simon et al observe: by political action (lobbying), the creation of private government (within the organisation), and by a smothering effect - domination by business values.

However, they counter, if business does have this power then the problem is to control it, not think it presents a problem only in the social policy context. One must also consider what is worse, a lack of self-regulation may be more arbitrary in its effects:

"We grant that even corporate self-regulation may have some spill-over effect - that the attempt to avoid or correct a self-caused social injury may have some influence on the freedom of action of others. Such effects will, we think, be relatively insignificant when compared to the benefits of self-correction" (170).

Moreover, they ask that even if affirmative modes of corporate social responsibility involve manipulation, should one fault genuine efforts to help? Besides which, the distinction between leadership and manipulation is a fine one. They conclude on this issue:

"In sum, we are convinced that the type of corporate self-regulation we have proposed will help to limit the arbitrary and oppressive impact of corporate activity, rather than the opposite, and therefore does not present a fairness problem" (171).

4.5.5 Legitimacy - The Role of Government

The final principal argument against corporate social responsibility is legitimacy: social issues are the concern of government. Or, as one executive commented at the Conference Board meetings: "We pay the government well. It should do its job and leave us alone to do ours" (172). As Silk and Vogel comment, the businessperson feels "non business" contributions should be voluntary and government has legitimate social concerns which business supports in the payment of taxes.

Simon et al identify three positions in this argument. Firstly, unless business acts then government will, with all the attendant disadvantages of government intervention cited by critics of government encroachment in private spheres. Moreover, corporate social problem-solving may be preferable because it is pluralistic and is therefore likely to be preferred by the people. This position seeks to minimise the role of government. Secondly, as Levitt and Friedman suggest, corporate involvement in social problems is likely to be bungled, which in itself will lead to government intervention. This has the disadvantages of both government and business interference in private spheres. Again, a position which seeks to minimise government's role. The third position claims only government can deal with market imperfections. This is because some encroachment is viewed as necessary (the mixed market position) and there needs to be an orderly division of labour.

Simon et al counter that again these positions against corporate social responsibility reflect only on the affirmative duty and not on

the negative injunction against social injury. In any event, there is still a case for self-regulation because the duplication of effort cannot in itself be harmful, federal agencies tend to represent industry interests anyway and much corporate activity is overseas and outside government jurisdiction (though the recent attempts to make the Sullivan Rules on South Africa statutory, seem to go against this).

They conclude on these five principal arguments against corporate social responsibility:

"... these points do carry weight with respect to some affirmative modes of corporate social action, but we find these objections unpersuasive in application to self-regulating activity. Whatever debate there may be over more expansive notions of corporate responsibility, a self-policing attempt to take into account the social consequences of business activity and at least attempt to avoid or correct social injury represents a basic obligation" (173).

The problem of competing claims, competitive disadvantage, competency, fairness and legitimacy are the principal arguments against corporate social responsibility. Other arguments include, the public being misled about who bears the cost of corporate social action, believing it to be free; the problem of determining benefits, costs and priorities; the weakened international balance of payments, reduced efficiency raises costs and may put companies at a competitive disadvantage internationally; and the lack of a broad base of support among all groups in society (174). Also, as Beesley and Evans observe, Friedman's argument must be seen within the context in which it is presented:

"It was part of an argument holding that property rights, as for instance manifest in company shareholding, and, more fundamentally, the right to engage freely in economic activity are necessary (but admittedly not sufficient) conditions for the maintenance of Western-style political freedom. Capitalism is to be defended not so much because of its superior economic performance ... but because it helps to sustain a uniquely favourable framework for individual expression" (175).

This is the argument about political freedom considered in Chapter Three. Essentially this argument, the others briefly mentioned, and the principal arguments, have been answered and found to be lacking. This is due mainly to their dependence on an inappropriate socio-economic model of contemporary society, and their failure to account for social costs and the moral minimum of the negative injunction against social injury.

The arguments for corporate social responsibility are implied above. They emphasise changes in public expectations of business, enlightened self-interest, the avoidance of government intervention, the extent of corporate power and the need to balance this with responsibility in self-regulation, and business resources (176). It is worth concluding this chapter by quoting Steiner and Steiner's summary in review of the arguments for and against corporate social responsibility:

"Business decision-making today is a mixture of altruism, self-interest, and good citizenship. Managers do take actions that are in the social interest even though there is a cost involved and the connection with long-range profits is quite remote. These actions traditionally were considered to be in the category of "good deeds". The issue today is that some people expect - and some managers wonder whether they should respond to the expectation - that business should assume a central role in resolving major social problems of the day in the name of social responsibility ... Business cannot do this, nor should it try. Larger corporations, however, clearly feel that the old-fashioned single-minded lust for profits tempered with a few "good deeds" must be modified in favor of a new social concern. Society also expects its business leaders to be concerned. The issue is not whether business has social responsibilities. It has them. The fundamental issue is to identify them for business in general and for the individual company" (177).

The identification of these responsibilities and ensuring they are met - as well as the continuing problem of corporate power ignored by Steiner and Steiner - demands social control of business. The mechanisms for this, including the market, are considered in the next chapter.

Notes and References

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18. Contradiction of this claim is evident in Heilbroner's 1972 paper 'Controlling the Corporation' (op.cit. (note 12)), for example. But for support, consider Bradshaw, Thornton F and David Vogel (ed.), Corporations and Their Critics: Issues and Answers to the Problems of Corporate Social Responsibility (New York, McGraw-Hill, 1981); Powers and Vogel, op.cit. (note 4); Beesley, Michael and Tom Evans, Corporate Social Responsibility: A Reassessment (London, Croom Helm, 1978).
19. Steiner and Steiner, op.cit. (note 6), p. 16. And Preston, Lee E, writes that there is no integrating concept, in 'Teaching Materials in Business and Society', California Management Review, Vol. XXV, No. 3 (Spring 1983), pp. 158-173.
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22. Jones, op.cit. (note 3).
23. It could be claimed on the basis of this that the thesis might be better described as a business and society rather than a marketing thesis. But as noted earlier, such disciplinary distinctions are often arbitrary and the thesis is essentially multi-disciplinary. It still seems appropriate to describe it as a marketing thesis because of its origins and the claim that marketing is to do with markets (see Chapter Two), and, as the subsequent discussion indicates, markets are a social control mechanism.
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25. In the discussion of research methods in Chapter Two, it was noted that one method employed was the scanning of newspapers for evidence and to enable the researcher to come to some understanding of the issues in the research as they occur in the real world. One category of articles collected was 'General Social Responsibility Issues/Possibilities for Boycott Action'. The instances of business digressions are too numerous to list here - and this was merely over a period of 18 months. They include environmental pollution, such as the Love Canal case; the dumping of dangerous products on the Third World, such as clothes containing the potentially carcinogenic flame retardant TRIS, withdrawn from the US market; product defects, such as the

withdrawal of Persil Automatic and its replacement with New System Persil Automatic when the former was the only powder on the market that could be safely used by eczema sufferers (the old powder has now been relaunched in response to public pressure); and health and safety at work, such as the problems faced by Turner and Newall over their use of asbestos. However, as this section shows, business digressions are both problematic as an argument for the social control of business and avoid the real issue: corporate power. Yet by identifying such digressions, the researcher's understanding of this was enhanced.

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78. Ibid., p. 22.
79. Consideration must, however, be given to the issue of purity versus effectiveness. Is it better not to invest at all in com-

panies who have links with South Africa, or to invest and work for change from within? Simon et al prefer the latter (*ibid.*, pp. 25-26 and p. 53); though this is an issue of ethical philosophy for which there is no solution, each individual needs to adopt a personal position. It is a question of whether the ends justify the means. This will be considered further in the analysis of the Barclays case.

80. *Ibid.*, p. 27.
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CHAPTER FIVESOCIAL CONTROL OF BUSINESS : FROM RESPONSIBILITY AND PHILANTHROPY TO ACCOUNTABILITY

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Preview

You think you are helping the economic system by your well-meaning laws and interferences. You are not. Let it be. The oil of self-interest will keep the gears working in almost miraculous fashion. No one need plan. No sovereign need rule. The market will answer all things.

Paul A Samuelson (1)

Today the grounds of legitimacy for corporate power are shifting. The impact of corporations on their social and physical environments has become too great for the exercise of managerial power to be justified by the legal rights of property ownership alone. The conception of the marketplace as a sphere of activity where an impersonal mechanism would hold power accountable is a slim fiction for critics.

George A Steiner and John F Steiner (2)

Samuelson's precis of Adam Smith's message is a statement of how the market operates as a social control mechanism, or, at least, how it works within the competitive model of capitalism. The quotation from Steiner and Steiner is a suitable riposte. No longer it seems is the market an adequate control, as discussed in the previous two chapters. Yet is the corporation's social role limited to its own attempts at self-regulation and benevolent gestures? The claim here is that there are other social control mechanisms as well as self-regulation, and there is still a vital role played by the market - a role which gives credibility to the notion of ethical purchase behaviour as an attempt to make business socially responsible.

Benevolent gestures in the form of donations to charity and other arbitrary measures might be business' view of social responsibility. This is not, however, social responsibility as defined in Chapter Four; it is philanthropy. This, as a consequence of self-regulation, is insufficient. Moreover, the problem of corporate power is not resolved without accountability. Hence this chapter develops the argument by moving from responsibility and particularly responsibility as philanthropy, to accountability. The question now posed is 'How may social responsibility in business be ensured?' Or, 'How may business be made accountable for its actions?' The answer lies in an examination of the mechanisms for the social control of business.

The problem of corporate power is not new. Concern about monopoly distortions reducing efficiency and the treatment of labour both gave rise to proposals for improving social control of business. Current concern, however, is far greater, focusing on the very legitimacy of corporate power. Many solutions to the problem of corporate power have been proposed but they all, it is claimed here, involve government intervention, market control or self-regulation. Radical solutions involving an end to the market economy are not relevant here, but those which would maintain the market economy include breaking up the larger firms, nationalisation and market socialism. Yet none

offers an effective solution because the problem of power stems from the economic requirement for large-scale organisations and operations.

Less radical, piecemeal solutions, seek either to achieve gradual change from within or from without. Solutions based on change from within seek changes in corporate governance. Solutions based on change from without emphasise increased disclosure, by legislation, social audits, ethical whistle-blowing and the activities of pressure groups. This, of course, is where the role of pressure groups in the marketing system and ethical purchase behaviour fit into the social control of business.

A simple model is proposed classifying the forms of social control of business according to the type of power involved: condign, compensatory or conditioned. Each corresponds to the forms of control, as identified above, of legislation, the market or moral obligation. Each is examined in turn and its strengths and weaknesses considered. Legislation can be effective but not always, and there are limits to its use. The market has already been shown to have many drawbacks as a social control mechanism, but it is not totally ineffective. Moral obligation resulting in self-regulation, while having some effect, seems 'unfair' in the creation of elites and insufficient as it does not involve accountability.

The conclusion is that if the legislation mechanism is overloaded and potentially damaging to market economies, and that moral obligation is inadequate or undesirable, then further social control of business must come from the market mechanism. This suggests a case for ethical purchase behaviour, for consumer boycotts and a role for pressure groups in the marketing system. It is also in keeping with the current politico-economic climate, in the UK and the United States at least, in arguing that one should 'let the market work'.

Chapter Six follows on from this chapter by examining pressure groups.

5.1 Solutions to the Problem of Corporate Power

5.1.1 Introduction

A great many different solutions to the problem of corporate power have been advocated. As the previous discussion of corporate social responsibility indicated, one solution is self-control by business. In other words, the practice of social responsibility by business. This will be considered further. The problem, however, as with all forms of social control of business, is ensuring accountability. For Medawar, power demands accountability: "... in a democracy, decision-makers should account for the use of their power ... their power should be used as far as possible with the consent and understanding of all concerned" (3). But as Silk and Vogel show, even the most socially responsible of the managerial creeds does not actively seek accountability. Having noted that the consent creed "seeks to apply to the corporation the legitimating concept of John Locke that a government rules only with the consent of the governed," they add a proviso:

"But the "consent creed" of business must be interpreted only analogically, not literally - for no American business executive really wants to hand over direct control of the corporation to the electorate ... They declare that they are prepared to be "accountable", but are not clear on what forms their "public accountability" should take or what social mechanisms should be used to insure it" (4).

The recognition of this does, of course, point to other solutions to the problem of corporate power. Many of these solutions are not directly relevant to this research and will therefore only be considered briefly.

The discussion of managerial creeds has reported the belief that many managers hold, and is a feature of the classical position: that the market is the mechanism by which the control of business is or can be realised. Traditionally, business was the servant of the market. A number of sources note that although the issue of social responsibility in business came to the fore in the 1960's, "the most turbulent years in the history of American society" (5), it is not a new concern. Originally, concern focused on ensuring competition, on keeping business as the servant of the market. Monopoly wastage through the assumed misallocation of resources was the issue. But as Heilbroner writes:

"I would say that until fairly recently, the misallocation-of-resources argument ... provided the main thrust of the effort to control corporate behaviour. Recently, however, technical studies by economists have considerably lessened fears about the degree of resource misallocation... the average percentage of profit on sales during the 1960s has been around 5 percent. This does not seem a piratical margin" (6).

He continues by suggesting that concern then moved on to the exploitation of labour, although now "it is difficult to believe that labour

relations was once a burning issue with respect to corporate responsibility" (7). He reminds the reader of the abuse of labour common at the turn of the century and later, and the anti-union position and activities of companies until government intervention, when "the unthinkable came to pass in the institution of collective bargaining" (8). Although labour exploitation is still an issue in some quarters, concern now centres on the legitimacy of corporate power.

This concern about competition and the later issue of labour exploitation was met with government intervention (which in itself limited the validity of the classical position). As Silk and Vogel note:

"The growth of the great corporations also brought in its train a much expanded role of government in the economy. Pressures from business interests concerned about insuring a greater degree of market stability and also from citizen and consumer interests concerned about the political dangers of unregulated monopoly forced the federal government, for the first time in American history, to systematically intervene in business affairs. By the time the Progressive Era had run its course, a variety of reforms and regulations covering rail transportation, food and drugs, trade, mergers and acquisitions, banking and much else had become accepted and integral parts of the American business setting" (9).

Government intervention and regulation is then another way in which the social control of business is realised. Thus far, three forms of social control of business have been identified: self-control in social responsibility, the market, and government intervention. Indeed, as part 5.2 shows, these are the major forms of social control of business and all other solutions to corporate power are either variations or are so radically different that they amount to a solution to the problem of corporate power that effectively does away with the problem by removing the corporation. In other words, they present an alternative economic system to capitalism.

Jacoby identifies a typology of corporate criticism, grouping business critics into three categories (10). Firstly, there are the 'reformist critics' "who accept the basic institutional framework of the contemporary American economy and society." Secondly, the 'leftist critics', who "seek to substitute authoritarian socialism for the capitalistic system of competitive private enterprise." Finally, the 'utopian critics', who "reject both capitalism and authoritarian socialism and seek to establish new social orders based upon different human values." The concern in this research is principally with the first category; not only because they are, as Jacoby notes, the majority, but also because the argument expressed here assumes a market based economy and would therefore be largely irrelevant to the changes sought by the latter two categories of critics. Unlike Jacoby, this is not an all-too-swift dismissal of the criticisms and aspirations of such critics, merely recognition that their proposed solutions to the problem of the social control of business go outside the status-quo and outside the scope of this work.

Jacoby identifies five major theses of the corporate critics, the reasons for the current concern about corporate power. He suggests big business corporations are alleged to:

1. Exercise concentrated economic power contrary to the public interest.
2. Exercise concentrated political power contrary to the public interest.
3. Be controlled by a self-perpetuating, irresponsible 'power elite'.
4. Exploit and dehumanise workers and consumers.
5. Degrade the environment and the quality of life.

He then examines these allegations in detail (11). The essence of their allegations, however, is that corporations have excessive power which is abused and requires some form of social control. This argument was presented in 4.2.

Many different solutions to this problem of corporate power have been proposed. The more prominent proposals will be considered in the next two sections. Firstly, the more radical solutions, which although maintaining the market economy would involve major change. (As already noted, solutions doing away with the market economy are not relevant here.) Then, secondly, the 'piecemeal' solutions.

5.1.2 Radical Solutions Within the Market Economy

Heilbroner, having considered the Friedman solution which he describes as "do nothing" (12) and has been amply covered, and the solution of self-control, which has been discussed and will be considered again later, then looks at other solutions. One approach might be to break up the big firms; after all, corporate power and the problems of corporate power have come about through the growth in big business (as reported earlier):

"... in many industries the minimum plant size to permit efficient operations is much smaller than the average firm size ... Hence the suggestion to fragment large companies into plant-size companies, retaining all the efficiencies of assembly-line production, but removing the agglomeration of financial strength from which corporate power emerges" (13).

This would be technically possible in the United States through the rigid application of the anti-trust laws. However, Heilbroner does identify two major drawbacks to this solution. Firstly, it is politically unacceptable: "it is clearly beyond the limits of any realistic economic reform ... a rejuvenated antitrust movement might go so far as to split General Motors ... But the possibility of splitting these (still immense) companies down to the size of a simple plant seems certain to encounter such a barrage of business opposition that its chances for political passage are nil" (14). Secondly, diminishing

size would not necessarily increase responsibility, if only because of the precondition of profit, as earlier discussed. The showpieces of the economy are, as Galbraith notes (and Schumpeter, but for different reasons) the large firms. Whereas "the models of powerlessness - the highly competitive textile or coal industries, for example - have also been the models of industrial backwardness, characterized by low research and development, low wages and long hours, antiunionism, company towns, etc." (15). And not only does Heilbroner accept a relationship between size and efficiency, and also profitability and responsibility, but he also sees, somewhat paradoxically, an advantage to corporate size for the social control of business:

"The power of the corporation to work social good or evil would not be lessened by fragmenting it. It would only be made less visible and hence, in the end, less accountable or controllable than by bringing it out into the open at the top" (16).

A third drawback to this solution - which Heilbroner doesn't mention - would be the loss of economies of scale in marketing and other operations. The proponents of this solution seem to assume economies of scale are only realised in production.

Beesley and Evans, in considering attempts to increase competition, note that not only does the regulator have the problem of being sure that such a move will necessarily benefit the consumer, but also that there is the difficulty of reconciling the interests of the other parties involved:

"... the control of the single, big monopoly company ... is much less amenable to direct formal control ... The consumer interest cannot be so easily equated with movements towards competition. The cost and benefits of reducing a specific company's market power are much less clear ... Also it is impossible in practice to confine the attention to the consumer ... the regulator inevitably concerns himself with other interests such as shareholders and employees" (17).

Galbraith's favoured solution to the problem of corporate power is nationalisation. Although he acknowledges that "In nearly all of the non-Communist world, socialism, meaning public ownership of industrial enterprises, is a spent slogan" (18), he does see advantages to this form of organisation:

"There is, in fact, more to the case for the autonomous public corporation than the modern socialist now sees. Public ownership increases the amenability of the firm to social goals. It may be required in those industries such as housing and rail transport where an effective technostucture does not develop" (19).

Both Galbraith and Heilbroner write approvingly of British nationalisation policies following World War II. They suggest it can provide the funds and management for failing industries and put them on an efficient footing, and a single nationalised firm can serve as a standard bearer for an industry when in competition with other private companies. So "the nationalisation of inefficient industries or of

individual misperforming firms may indeed serve as a means of raising the general level of social performance" (20). In this respect, Beesley and Evans suggest they "may even provide a model of social responsiveness for the private industrial sector" as their purposes are wider than the purely commercial. However, they also note that as models for managing social responsiveness, the nationalised industries are lacking because of their ambiguous and changeable relationship with government (21). For Heilbroner, there is a problem in that difference in ownership need not mean greater responsibility:

"The effect of nationalizing a firm is to transfer its effective "ownership" - i.e., the control over the disposition of its surplus, as well as the control over the nature of its operations - from a group of private individuals mixing their desire to make money with a confirmed set of social "ideals", to a group of public officials mixing their desires to make careers together with their confused ideas as to social ideals" (22).

There is also the inefficiency that seems to result from nationalisation:

"To be sure, the motive of social service or public service is preferable to that of private profit-seeking. On the other hand, the curbs over profit-seeking - in the form of competition or of displacement by dissatisfied power groups who "raid corporations" - probably provides more active controls over the efficiency of private enterprise than can be exercised over public enterprise" (23).

It is not that Heilbroner wishes to write off nationalisation as a misguided ideal, merely that he wishes to sound a note of caution: "It may be that the deficiencies of public ownership and operation are preferable to those of private enterprise ..." (24). However, he suggests it does not solve the problem of corporate responsibility "It merely makes explicit the ultimate nature of that problem, which is how to exert effective political control over an economic institution" (25).

Public ownership of corporations need not be restricted to the nationalisation of weak and/or strategic industries, as well as those that prove to be insufficiently socially responsive. Socialism, with the public ownership of all corporations, seems an attractive proposition. Lindblom writes:

"As an alternative to private enterprise, market socialism is, in principle at least, easy to establish. Merely remove top management from all existing corporations and put government officials in their places. Or put the same managers back in their jobs, but make them government officials. Instruct them to carry on as before: produce and sell whatever customers will buy, pay for whatever inputs are necessary, avoid losses, cover costs. An appropriate new rule might be: Make money but don't practice monopoly. Since corporate managers are already salaried bureaucrats, they should find it easy to operate under the new rules, very imperfectly, of course, as in any system" (26).

However, while some point to Sweden or Yugoslavia as illustrations of a form of socialism along these lines working effectively, many others have doubts. Obviously the merits of capitalism versus socialism and vice versa - even market socialism - cannot be considered here. But the essence of the argument against market socialism is as with nationalisation, but more so: the problem of inefficiency which results from removing or, at least, weakening market pressures, and the likelihood of the social responsibility of the organisation not being greatly enhanced anyway, especially when placed under the political shelter of the government. For Heilbroner, this solution to the problem of corporate power merely dodges the issue: "the corporation, with its vast powers at best half controlled, is a form of social organisation from which there will be no escape for many generations to follow" (27). Big organisations are required by the technology of the time. Hence, they cannot be avoided and neither can their consequences:

"... in all industrial societies, socialist as well as capitalist, something like the corporation dominates the economic process. That is, in all advanced societies we find semi-autonomous bureaucratic, profit-oriented (even in socialist nations) enterprises carrying out these vast technological operations - and bringing in their train an accumulation of power and influence that eludes effective control" (28).

Heilbroner concludes there is only the stark choice between big organisations operating through the "motives of acquisitiveness" or through "bureaucratic conformity." Either way, they exert dominion over men. He sees little escape from bigness:

"In small-scale communities, men cooperate. But men can no longer live in small communities on this crowded planet, even if they wanted to. In large communities, men contend; and some means must be found to concert their energies to the common needs of survival" (29).

Unfortunately for socialism, as a collectivist ethic, the only way in which this concert of energies seems to be achievable is in appeals to acquisitiveness or to patriotism.

Aside from these quite radical (within this context) solutions to the problem of corporate power: smaller economic units, nationalisation and socialism - as well as more radical solutions still, such as the corporate state or even communism - there are what might best be termed 'piecemeal' solutions. They either seek to change corporate governance and make management more accountable, or seek to apply some form of external control. Again, it is not possible or, indeed, appropriate to consider these solutions in any detail. But they do need to be noted and are therefore briefly considered in the following section. Moreover, ethical purchase behaviour and especially boycotts would most accurately be described as piecemeal solutions to the problem of corporate power.

5.1.3 Piecemeal Solutions

This section considers some of the less radical proposals for the solution of the problem of corporate power: changes in corporate governance, increased disclosure, ethical whistle-blowing and so on. These solutions would attempt to solve the problem gradually, by degrees.

Changes in corporate governance tend to focus on the inclusion of various stakeholders of the firm on the boards of directors: workers (30), for example, or consumer representatives, or minorities (31). However, not only is the solution viewed as impractical because of the inevitable conflicts of interest and the problem of identifying all significant interests (32), but it also assumes decision-making is at this level. A number of studies suggest the board may be merely a 'rubber-stamping authority', as Brookes reports (but questions) (33). Another suggested change in corporate governance is chartering, as favoured by Ralph Nader (34).

These and other piecemeal solutions seek to increase pressure for social responsibility from within the organisation. There are also other piecemeal solutions which seek to increase the pressure for social responsibility from without. One major category of solutions that falls within the latter group is the methods for increased disclosure.

Increased disclosure is favoured by many as a means for enhancing social control of business, both indirectly by allowing regulation of business to operate and to a lesser extent market control, and directly by embarrassing the firm into action. It can, then, enhance social control of business by all major forms of control: by regulation, by markets, and by moral obligation (self-control in social responsibility).

One way of increasing disclosure is the social audit: "a commitment to systematic assessment of and reporting on some meaningful, definable domain of a company's activities that have social impact" (35). Or, as Medawar puts it: "presenting the accounts of a company to show not what cash it spent or earned for itself - but what, in social terms, it cost or gave to the community" (36). However, the very notion of a social audit is flawed in the assumption that there are objective standards by which social performance can be measured (37). In principle, social audits are attractive. In practice they are problematic, if not impossible.

Sturdivant suggests the term social audit should not be used (quoting George Steiner) "because measurement of social performance does not now and probably never will approach in accuracy and acceptability the accountant's audit of economic performance" (38). He prefers the notion of a Social Assessment System. Whereas one executive at the Conference Board meetings reported by Silk and Vogel, observed: "The social audit is a device for consulting firms to make money" (39).

Another way of increasing disclosure is ethical whistle-blowing:

"An allegiance to one's employer should not, as corporations would have us believe, supercede that of an individual to society, or to a higher moral authority. This does not mean that an employee should subvert or be disloyal to his corporate employer. But if an employee brings a specific safety or health hazard to the attention of his superiors and it is ignored because profit is placed above public safety, it then becomes the employee's duty to go outside the corporate structure and reveal the hazard to the authorities or private citizens who are in a position to expose and correct the situation" (40).

However, this obviously presents problems for the whistle-blower, as Sturdivant points out (41), and as recent cases illustrate (42). Revealing corporate misdemeanours may also be ineffective if the authorities are partisan, as an event in the UK Sizewell Inquiry would seem to bear out (43).

Increased disclosure may also be realised through legislation, forcing corporations to report on hiring practices, antipollution measures and so on. This is one proposal advocated by Ralph Nader's Center for the Study of Responsive Law, and the Project for Corporate Responsibility (44). The problem here though is the selective nature of such an approach. As Beesley and Evans observe in considering enforced disclosure of the rate at which complaints are received:

"If disclosure results in coercive responses, then the possibility of unfair bias arises ... The number of complaints, for example, could be bolstered by an enthusiastic group of critics of the company, or depressed by the absence of an adequate complaints mechanism. A raw number of complaints would need to be related to the number of customers, the type of product and so on, to avoid bias. Though the obvious result of distortion is to penalise the company, it also runs against the consumer's interest, in that the information on which he is to make his judgement does not reflect the service which would actually be provided for him" (45).

These problems in state-organised disclosure are also found with the Code of Conduct for companies trading with South Africa, discussed later (Part Three).

Disclosure may also be realised by the actions of interested pressure groups. This in itself provides an argument for internal social audits, to either refute an allegation or check information a pressure group has obtained (46). One such group is the Council on Economic Priorities: "a non-profit organisation established to disseminate unbiased and detailed information on the practices of US corporations in areas that vitally affect society, including equal employment, environment quality, military production, political influence and consumer practices" (47). Commenting approvingly on their research, Heilbroner notes that the Council believes the most effective weapon against corporate irresponsibility is unfaultable research. It has the aim of making both managers and investors more aware of the social consequences of their actions:

"One (aim) is to make companies themselves self-conscious about (or simply conscious of) their actions as members of a society as well as of an economy. Directors do not like to be singled out as socially irresponsible citizens any more than anyone else; and at least some kinds of practices can be lessened simply by making the generals aware of what the troops are doing" (48).

The second aim, of course, is ethical investment. This involves either the sale of stock in 'bad' companies and the buying of stock in 'good' companies, or, and Simon et al suggest this is preferable, keeping stock in 'bad' companies but using it to demand greater social responsibility (49).

Of course, analogous to ethical investment is ethical purchase behaviour. Although no source has been found employing this term, a number of writers in the area have suggested it as a solution. So, for example, John Tepper Marlin advocates that the public should "support socially responsible businesses in the marketplace by taking into account social performance in its buying" (50). Other advocates of ethical purchase behaviour are considered in subsequent chapters, as well as those in Chapter One.

This examination of specific solutions to the problem of corporate power has considered some of the proposals advocated, from major changes in the economic system to making the current system work better through greater disclosure. Other solutions have been advocated, this examination has merely looked at some of the more frequently occurring proposals. The next part of this chapter examines the forms of social control of business, how control is currently realised and how it may be enhanced within the current system. As well as providing an answer to the question identified in the Preview - 'How may social responsibility in business be ensured?' - it provides a basis for classifying ethical purchase behaviour and boycotts as social control mechanisms, and for their comparison with other mechanisms.

5.2 Forms of Social Control of Business

5.2.1 Types of Power and a Model for Classifying Forms of Social Control of Business

Although unable to propose a paradigm for the business and society field, Jones does put forward an integrating framework for research in business and society. This is based on the methods of social control of business and is described as "an attempt to provide a research agenda for this emerging discipline" (51). This framework is given as a matrix in Table 5.1. The matrix categorises social control mechanisms along two dimensions: the level (or scope) of control and the mode (or philosophy) of control. Boycotts are identified by Jones under level 1, individual firm/industry and mode D, countervailing power; a categorisation which will subsequently be shown to be highly appropriate in its emphasis on countervailing power.

This model does have value, but a simpler model can be identified. The notion of social control of business implies that society has, or could have, some power over business. Power is a concept for which there is some debate on definition, principally because it can be studied in many different ways and in many different circumstances. Here Russell's definition of power is preferred to that of Mills quoted earlier, namely: "the production of intended effects" (52). Russell goes on to identify three kinds of power:

"The most important organizations are approximately distinguishable by the kind of power that they exert. The army and the police exercise coercive power over the body; economic organizations, in the main, use rewards and punishments as incentives and deterrents; schools, churches and political parties aim at influencing opinion. But these distinctions are not very clear-cut, since every organisation uses other forms of power in addition to the one which is most characteristic."

Most studies of power generally acknowledge three types of power in line with the above: force, inducement and manipulation. Etzioni has coercive, remunerative and normative power (53). Whereas Galbraith, in a more recent study, suggests condign, compensatory and conditioned power. Little difference between his categorisation and the many that have gone before somewhat belies his following observation:

"It is a measure of how slightly the subject of power has been analyzed that the three reasonably obvious instruments of its exercise do not have generally accepted names. These must be provided: I shall speak of condign, compensatory, and conditioned power" (54).

Of course, given the concerns expressed in Galbraith's earlier work, noted previously, it is not surprising that Galbraith writes in this book about corporate power and the absence of consumer sovereignty:

"... much exercise of power depends on a social conditioning that seeks to conceal it. The young are taught that in a democracy all power resides in the people. And that in a free enterprise

Table 5.1 : Methods of Social Control of Business

Level of Control:	1 Individual Firm/Industry (e.g., Holland Furnace, airlines, nuclear power plants)	2 Specific Practices (e.g., deceptive advertising, adulterated foods, toxic waste dumping)	3 Systemic (e.g., modify private ownership, alter economic structure, modify boards)
Mode of Control:			
A Restoring market control		Increasing information flows (public advertising)	Anti-trust Size limiting Disclosure requirements Deregulation
B Change behaviour of decision makers	Regulation Tax policy Subsidies and incentives	Regulation Legal controls Increased penalties Tax policy Subsidies and incentives	Corporate social responsi- bility Social performance reporting Affixing personal responsi- bility National economic planning Industrial policy
C Change persons who are making the decisions	Special public directors Special technical personnel	Special public directors Conglomeration, diversifi- cation Special technical personnel	Interest group representation Public directors Worker democracy Shareholder democracy Co-determination Public ownership
D Countervailing power	Proxy battles Boycotts Labour unions Campaign GM	Consumer groups Labour unions Minority groups Environmentalists	
E Ad hoc remedies	Stockholder suits Public interest law (class action suits) Proxy proposals		

Table 5.2 : Social Control of Business - A Simple Model

FORM OF CONTROL	TYPE OF POWER
1. Legislation (government intervention)	Coercive Force Condign
2. Market forces	Remunerative Inducement Compensatory
3. Moral obligation (self-regulation)	Normative Manipulation Conditioned

system all authority rests with the sovereign consumer operating through the impersonal mechanism of the market. Thus is hidden the public power of organization - of the Pentagon, the weapons firms, and other corporations and lobbyists. Similarly concealed by the mystique of the market and consumer sovereignty is the power of corporations to set or influence prices and costs, to suborn or subdue politicians and to manipulate consumer response. But eventually it becomes apparent ..." (55).

However, although the emphasis in Galbraith's work is on the power that business exerts over society, the three types of power can also, it is here proposed, be seen in the way in which society exerts power over business. This indicates a simpler model of the social control of business.

As Table 5.2 shows, and as the previous and following discussion supports, the social control of business is achieved by virtue of legislation, market forces and moral obligation; or, respectively, force, inducement and manipulation. This model will provide the basis for the analysis of ethical purchase behaviour, including boycotts, as a social control mechanism.

5.2.2 By Legislation: Condone Power

Legislation over business is society exerting power by force. Business has to act within the law or face sanctions. Recognition of this within society ensures legitimacy for the corporation providing it is generally believed that the legislature and judiciary are effective. That is, that there are suitable laws which are adequately enforced. As Beesley and Evans put it "Legislation is seen as achieving its effect through the serious prospect of enforcement" (56).

They also note that legislation may take the form of prescription or provide a framework for regulations "to guide and legitimise the detailed interventions of the regulators, and to make them accountable to enforceable terms of reference" (57). Furthermore, legislation can work in other ways. In particular, it can provide a framework within which people can regulate each other's activities without recourse to litigation.

Not surprisingly perhaps, business complains that there is excessive regulation of its activities. It complains that regulations "threaten the functioning of a 'free' economy and its ability to innovate and respond rapidly and creatively to economic opportunities" (58). Weidenbaum goes further and suggests there is a cause and effect relationship between government regulation of business and the diminution of business performance. He then identifies five costs of government regulation (59):

1. The cost to the taxpayer for supporting a galaxy of government regulators.
2. The cost to the consumer in the form of higher prices to cover the added expense of producing goods and services under government regulations.

3. The cost to the worker in the form of jobs eliminated by government regulation.
4. The cost to the economy resulting from the loss of small enterprises which cannot afford to meet the onerous burdens of government regulations.
5. The cost to society as a whole as a result of a reduced flow of new and better products and a less rapid rise in the standard of living.

Of course, in addition to ignoring the possible benefits of regulation, the above list does assume costs that will not occur in every case. Obviously business will seek to minimise the constraints within which it must act. But in so doing it can claim, through spokespersons such as Weidenbaum, and somewhat paradoxically, that it is helping society as a whole even though it is society that seeks to apply the constraint. As Weidenbaum explains: "a reversal of the current trend of ever-increasing government intervention in business is essential not so much from the viewpoint of business, but primarily from the viewpoint of enhancing the welfare of the individual citizen" (60). For similar reasons, Foxall pointed to the costs of consumerism in an attempt to introduce a sober and more balanced view of consumerism in contrast with the academic euphoria of the time (61).

However, for many of the critics of business, regulation is insufficient or inadequate. Medawar notes, in illustration, the inadequacy of the UK Canned Meat Products Regulations 1967. They do not require that the percentage of meat content should be declared, only that the percentage of meat content should correspond to one of the nine different descriptions that a tinned meat should be given. So while "chopped meat" must not contain less than 90% meat, "meat loaf" must not contain less than 65% meat (62). But 'poor' law is perhaps less of a problem than no law at all. In the Office of Fair Trading report for 1976, only about 14 percent of the 470,000 complaints referred by local authorities, Citizens Advice Bureaux and other sources were covered by existing criminal legislation (63).

Some of these complaints were probably covered by industry established and controlled voluntary codes. Such codes are often established in anticipation and, so the industry hopes, avoidance of legislation. The Press Council and the Advertising Standards Authority are two UK examples of bodies established to administer voluntary codes of conduct, both of which proclaim their independence and effectiveness, with great frequency, while their critics suggest they are self-serving watchdogs without teeth (64). Medawar suggests self-regulation of this sort fails to provide a clear frame of reference by which conformity with given standards can be judged, fails to define or enforce high enough standards and fails to gain general acceptance: "As such, many codes evolve and exist mainly as means of allowing business to proceed with minimum interference from outside" (65). For Medawar, the major problems with both legislation and voluntary codes are as follows (66):

1. By defining what is unacceptable, by implication everything else is acceptable: "you also provide a framework outside of which 'anything goes'."

2. Codes and laws only establish minimum levels of performance, identifying behaviour which falls short of the required level. They do not measure performance.
3. The associated costs (the point made by Foxall and Weidenbaum, referred to above).
4. The problem of defining corporate social responsibilities (as discussed in Chapter Four).

Added to these problems is the increasing belief in the ineffectiveness of government (67), which in turn limits the effectiveness of legislation for the social control of business. Partly in recognition of the limited effectiveness of government, there has been a movement (in the UK) towards letting the market work. The Conservative Party under Mrs Thatcher has - with a few exceptions - reaffirmed its faith in the market mechanism and as the party of government, sought a new approach to social policy that places greater emphasis on the market. Meanwhile, in the United States, the Reagan administration is attempting to implement a mandate to deregulate the economy (68); also, presumably, with the intention of letting the market work.

These moves towards letting the market work reflect a recognition of the limits to regulation and how it can impair the market mechanism. Beesley and Evans, in advocating self-regulation by business - "corporate social responsibility" - observe that society's control mechanisms are of limited capacity and substitutable. Hence self-regulation might be encouraged so as to reduce the load on legislative measures:

"... society employs a series of regulatory mechanisms, which are to some extent substitutable, and each of which has limited capacity or applicability ... So, corporate social responsibility can now be regarded as one of a package of mechanisms through which a pluralistic, self-regulating social strategy can be sustained" (69).

Similarly, Lord Limerick, as Parliamentary Under-Secretary of State at the Department of Trade and Industry (DTI), has pointed to the limited capacity of regulation:

"The community must not ... look on the DTI as an all-purpose fire brigade to be called in with their hoses whenever anything goes wrong. Still less is it realistic to expect that my Department will install automatically triggered sprinkler systems in companies up and down the land. The primary responsibility for exercising surveillance over companies in which they have an interest lies with its members themselves" (70).

This view, expressed at the BIM conference on social responsibility in reference to forthcoming legislation on activities such as 'insider trading' and 'warehousing', was no doubt heart-warming to the businesspeople attending. As the Chairman of the conference noted in response to a discussion on worker directors:

"Personally, I think it would suit the British scene better to do it on a more pragmatic basis. That may take several years ... But in the final analysis the board of directors must have the authority - not a false sense of power, but the authority - to make decisions and to manage" (71).

A typical example of how a powerful group in society can, when that power seems threatened, find justification for avoiding the issue? However, there are still very real limitations on the effectiveness of regulation.

Friedman and the Chicago School reiterate the classical position on regulation. They express the criticisms of government regulation as voiced by Weidenbaum earlier in this section. They argue that government's natural function is to make uniformly applicable rules within which markets can operate, and to serve as an umpire if these rules are violated. Other than that, governments only other concern as far as business is concerned should be with monopolies, externalities and the protection of those unable to protect themselves. Anything beyond this is considered an unreasonable intervention.

Their criticism of government intervention has an unusual ally. Consumer advocates are critical of government intervention not in theory, but in the form it takes in practice. Advocates are concerned more with equity than efficiency, but they are suspicious of regulatory agencies because as Marlin, for example, has noted, they tend not to serve the public, to raise prices and to reduce output, creating bureaucratic and unresponsive industries. Consequently, Marlin observes: "The concept of the agency itself as the representative of the public should in most cases be buried without further ceremony." His solution is "stop waiting for government" (72). These criticisms are in addition to those cited above by Medawar.

So, while regulation clearly does have a part to play in the social control of business, this can only be up to a point. Heilbroner writes:

"... the businessman ... is supposed to have a clear-cut mission - to make profits; and a clearly defined boundary of responsibility - to conduct a law-abiding business enterprise. As the legal profession will testify, this narrow authorization is difficult enough to delimit - there is an immense body of law as to what a business can and cannot "legally" do in its lawful quest for profit. But beyond this ill-defined economic domain stretches the much larger and still less clear domain of the social and political responsibilities that reside in the lawful conduct of a profit-making business" (73).

What happens, what forms of control can society apply Where the Law Ends? (74).

5.2.3 By Markets: Compensatory Power

The market as a mechanism for the social control of business is society exerting power by inducement. Simply stated, it is a method

by which society rewards corporate social responsibility with profits and irresponsibility with losses. If one accepts that the market can work in this way both in theory and in the 'real world', then one has a ready explanation for ethical purchase behaviour and boycotts in particular.

However, Chapter Three showed this view of the market to be unacceptably simplistic. It was shown that it must be examined as an ideology, for the market is more than merely "a technical device for discovering preferences," as the Institute of Economic Affairs claim. As Chapter Three has covered the way markets work in some depth, this section need only be brief, concerned only with markets as a form of social control of business.

Social responsibility by virtue of market forces assumes the exercise of purchase votes, as Gist puts it:

"A fundamental tenet of our economic system is that scarce economic resources are ultimately allocated by the preference patterns of final consumers; that is, we as consumers vote, as it were, for particular types of institutions and for particular types of products and services. We vote by purchasing things we wish to encourage in institutions we wish to encourage. We vote by not buying things we wish to discourage" (75).

As might be expected, given the earlier discussion of managerial creeds, Silk and Vogel found that businesspeople viewed the market as the arbiter for social responsibility:

"In the market place, every person gets a vote every day. The market is more democratic than the government" (76).

"Business is the most responsible institution by far. I resent Ralph Nader calling his organization a public service organization. My company is a public service institution. Critics of business claim to represent the public, but they have forgotten that business does what the public wants" (77).

Of course, the origin of this perspective lies in classical economics, and particularly Adam Smith, as revealed in the oft quoted passage about how individual greed is, through the market, transformed into collective good (quoted in the Preview to Chapter Three). For Smith and for Friedman, however, collective good or 'what the public wants' seems only to be material welfare. While this was no doubt reasonable in Smith's day, it is insufficient now given society's current affluence. Yet the market does provide a big incentive for business to do as people want.

"The fiction that business does not care about people because profit comes first should be exposed for the errant nonsense that it is. Business has all the incentives to take actions that result in improving human welfare. The reasons for doing so arise, of course, not out of benevolence but out of hard-nosed, practical and effective economic incentives. More purchases by willing customers do tend to generate more profits and greater accumulation of capital" (78).

Yet, despite this, and for all the reasons discussed in Chapter Three "The conception of the marketplace as a sphere of activity where an impersonal mechanism would hold power accountable is a slim fiction for critics" (79). To some extent, however, there is social control of business achieved through the market. As Lindblom observes and was noted in 3.7, the market is not dead. Control might only be limited to economic goals, as Friedman argues and clearly favours. Or it might extend to other goals as Gist implies above and as is a major thrust in this thesis - social control in ethical purchase behaviour, with a role for pressure groups in providing the necessary information for appropriate consumer choice. In either case though, the requirement for competition must be acknowledged.

5.2.4 By Moral Obligation: Conditioned Power

The social control of business by virtue of moral obligation is society exerting power through conditioning, resulting in self-regulation. As Berle writes "Corporate managements ... are constrained to work within a frame of surrounding conceptions which in time impose themselves" (80). There will inevitably be cultural precedents to business action. So Ackerman, for instance, has written about the requirement to institutionalise social responsiveness within the business organisation (81). While in the UK, the Confederation of British Industry has stated:

"While the law establishes the minimum standard of conduct with which a company must comply if it is to be allowed to exist and trade, a company, like a natural person, must be recognised as having functions, duties and moral obligations that go beyond the pursuit of profit and the specific requirements of legislation" (82).

This 'moral imperative' comes from the environment within which managers work. As one practitioner writes, they must be guided by the "consensus of opinion" (83). It is this that must guide managers in that area of discretion discussed earlier. Silk and Vogel note "The problem that has always troubled critics and would-be reformers of the modern corporation is by what criteria executives should make judgments about what is in the best interests of the various constituencies of the corporation or of society" (84). Again, the criteria are determined by what is socially expected. So, for example, even profit-maximising managers will maintain a respect for the rule of law and work within it.

Heilbroner - while recognising that "power is thrust irrevocably and inescapably into the hands of business management, who must exercise it according to some criteria" - notes that Berle's thesis of management guided by a 'corporate conscience' is elitist and "therefore places more confidence for social progress in the benevolence of the upper classes than in the common sense of the lower" (85). This is corporate social responsibility in the sense of self-regulation. Yet is it sufficient that management should be guided by what they think is best? Is this social control of business or a convenient (and elitist) ideology to mask naked self-interest?

These questions cannot be directly answered. They are probably also the wrong questions to ask. Firstly, managerial discretion on social issues is, as Chapter Four showed, unavoidable. Secondly, it is misleading to imply that this discretion is extensive, at least in all cases at all times. Limits on managerial discretion are quite considerable, as a little thought about any suitable issue and the stakeholders involved will indicate. Thirdly, and perhaps most importantly, as the term moral obligation implies, managers will be guided by social norms. Self-regulation involves more than conscious management decision-making on the basis of defined criteria. Self-regulation also involves, as Berle seems to convey but not to Heilbroner's satisfaction, the unconscious guidance of what society expects. Put crudely, managers, like all members of society, are conditioned in such a way that constrains their behaviour. So the extent to which they have discretion on social issues depends on circumstance and the social conditioning limitations on all human choice behaviour (86).

However, where there is discretion - and that is not denied - there will always be the argument that this power is 'unfair', or unwarranted. But if despite Friedman's arguments, there is nothing that can be done about it, if it is unavoidable, then efforts must be concentrated upon limiting the extent of that power and ensuring that those who exercise it, as Medawar and others have commented, do so under conditions of accountability.

Limiting the extent of corporate power involves restrictions on managerial discretion in decision-making on social issues. Yet as has been seen, the government, through legislation, can only do so much. The legislative mechanism can become over-burdened. It is also not always effective. Moreover, government intervention threatens the market economy system. An alternative approach might be to ensure that self-regulation operates more stringently by having, as Ackerman argues, institutionalised corporate social responsibility and as others have advocated, the professional manager. Professionalism, in this respect, would involve conformity with a code of ethics and other guidelines on social responsibility. But is such a notion realistic? It could never be meaningfully legislated and business would be unlikely to collectively act and institute, voluntarily, such a major constraint on its practices, even if the notion of professional practice could be defined.

Ensuring accountability is equally and similarly problematic. If even under the perhaps inaptly named consent creed, managers are not prepared to accept accountability, what likelihood is there of self-regulation ever producing accountability? Public outrage and condemnation at corporate atrocities such as Thalidomide or the Bhopal poison gas leak provide some measure of accountability, or at least the potential for accountability. But as was noted in Section 4.2.2, atrocities are not the central issue. It is not sufficient to argue that public displeasure following an atrocity amounts to true accountability, even when that displeasure may be supplemented with legal action against the corporation as a whole and its executives individually.

The mechanism of legislation seems overloaded, limited in effectiveness and potentially threatening to the market economy system. Self-regulation seems 'unfair' and also to be inadequate. The conclusion must then be that there is a requirement incumbent upon the market to play a greater role in the social control of business. The final part to this chapter considers a way in which this could be achieved.

5.3 Social Control of Business and Consumer Sovereignty

5.3.1 Purchase Votes and Social Responsibility in Business

If the market mechanism is to be effective in the social control of business in non-economic ways, as the previous section suggested, how can this be achieved? Put another way, can consumer sovereignty ensure social responsibility in business and in what way? The answer is in ethical purchase behaviour. But while such a claim as made here seems reasonable in theory, to what extent can it be realised and has it been realised, in practice?

The theoretical justification for the answer of ethical purchase behaviour has been given in Chapter Three. It is based in the competitive model of capitalism and the notion of consumer sovereignty. But how far removed from reality is the ideology? The quote by Samuelson in the Preview to this chapter suggested the market will answer all things. Its way of doing this is through consumer sovereignty: by providing purchase votes "We vote by purchasing things we wish to encourage in institutions we wish to encourage," as Gist was quoted earlier. If this doesn't happen one is without the rationale for capitalism.

In practice, however, consumer sovereignty will exist to varying degrees depending (principally) on choice through competition, and information. Consumer sovereignty in ethical purchase behaviour, as in all purchase behaviour, will depend on informed choice.

Social responsibility in business, it has been earlier noted, means different things to different people. At the risk of oversimplification, one could claim that the literature on social responsibility in business falls into one of two categories: either advocating corporate social responsibility, how to be a good corporate citizen; or criticism of business, how many firms fail to be good corporate citizens. The distinction is subtle. Both categories are normative, but one advocates a doctrine while the other identifies shortcomings. The former category seeks self-regulation while the latter typically seeks greater government intervention. So the notion of social responsibility can mean a form of self-control or it can mean saying what business should be doing, delineating a social role for business. (Here, in Chapter Four, neither category was adopted. Corporate social responsibility was recognised as a doctrine, but not advocated, only classified as one form of social control of business. And while no attempt has been made to say what business should do, making a value judgement on the social role of business, the options available to business have been identified, saying what business could do.)

Social responsibility may not only mean different things to practitioners and academics, it is likely also to mean different things to consumers, whose purchase behaviour is here to be harnessed to this vague, amorphous notion of social responsibility in business. Different people will have different ideas as to what is socially responsible. Consider, as a simple example, the production of contraceptives. One group of consumers may view this as socially respon-

sible, while another group may view it as socially irresponsible. Yet, this is not a disadvantage to the notion of ethical purchase behaviour, it is simply indicative of the essence of consumer sovereignty and the right to choose. Social responsibility in business will not and need not be defined here, by this author. It will be defined by the consumer in the marketplace.

Definitions by consumers of social responsibility will be the outcome of many factors and influences. However, the particular influence of concern here is the pressure group. The role of pressure groups in the marketing system is considered in the final section of this chapter.

5.3.2 A Role for Pressure Groups?

Ethical purchase behaviour requires choice and information. Choice will be largely a function of competition in the marketplace. However, the choice criteria employed by the consumer will depend partly on the information available. Ethical purchase behaviour is dependent on informed choice, on the consumer being aware of the ethical issue and it therefore acting as a potential influence on the purchase decision. While information on ethical issues can come from many sources, the concern here is with a source that is organised and directed towards providing such information, the pressure group.

The pressure group and its potential influence on purchase behaviour is examined in detail in the next chapter. Its role in the marketing system is considered more explicitly in Chapter Eight. Here the concern is to show why such groups are relevant to the social control of business.

In discussing the role of conditioning in the social control of business it was recognised that managers' decisions on social issues will be guided by their understanding of society's expectations. But what happens when these expectations change? Will managers necessarily recognise and accept changes in society's expectations of their behaviour? It is not certain that managers will acknowledge such changes, at least voluntarily. Pressure groups are often prominent in social change. They can attempt to alert managers to changes in society's expectations of corporate behaviour. Most likely, however, they will play a role in convincing or coercing managers into accepting change. They are for this reason likely to be a major force in providing the information necessary for ethical purchase behaviour, if not organising ethical purchase behaviour in boycott action. The pressure group seems likely to be a major influence in consumer definitions of social responsibility in business, which may subsequently emerge as ethical purchase behaviour.

Ultimately, whether business is socially responsible depends on the effectiveness of the three forms of social control of corporate power identified. All three forms have a part to play. When they are perceived as inadequate, corporate legitimacy is questioned. Pressure groups are likely to be evident in demonstrating the inadequacies of the social control mechanisms and seeking to enhance them. One way they go about this is in organising boycotts of business. Chapter

Six, which follows, examines pressure groups. Chapters Seven and Eight then turn to boycotts of business, very specific instances of ethical purchase behaviour, organised by pressure groups. This will to some extent answer the question at the start of 5.3.1 about the extent to which ethical purchase behaviour can and has been realised in practice. The case studies and survey research reported in Part Three answer the question more fully.

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42. Such as the prosecutions of the civil servants Sarah Tisdall and Clive Ponting. Also, in the corporate area, the case of Stanley Adams, who revealed the illegal trading activities of the Swiss drugs combine Hoffmann La Roche. His wife committed suicide after she was told he would be imprisoned for twenty years for industrial espionage.
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61. Foxall, Gordon, 'Towards a Balanced View of Consumerism', Cranfield Management Review, Vol. 2, No. 2 (1978).
62. Medawar, op.cit. (note 3), p. 13.
63. Ibid., p. 12.
64. See, for example, Macarthur, Brian, 'Newspaper folly', The Sunday Times, July 3 1983; or Robertson, Geoffrey, People Against the Press: An Inquiry into the Press Council (Quartet Books, 1983).
65. Medawar, op.cit. (note 3), p. 14.
66. Ibid., pp. 13-15.
67. Cited by various American sources including Vogel, David, Lobbying the Corporation: Citizen Challenges to Business Authority (New York, Basic Books, 1978), p. 5, 9, 232; Drucker, Peter F, 'The New Meaning of Corporate Social Responsibility', California Management Review, Vol. XXVI, No. 2 (Winter 1984); Silk and Vogel, op.cit. (note 4), p. 153. Professor Ralf Dahrendorf has similarly commented on the UK in his On Britain (BBC, 1982), as have other observers of the UK scene. Interesting in this regard, is one of Richard M Nixon's comments when President of the United States: "We have seen too many patterns of deception: in political life, impossible dreams; in advertising, extravagant claims; in business, shoddy deals ... pay more heed to one of the great cries of the young today ... their demand for honesty - intellectual honesty, personal honesty, public honesty" (quoted in Sethi, op.cit. (note 5), p. 377).
68. Reviewed in Weidenbaum, Murray L, 'Regulatory Reform: A Report Card for the Reagan Administration', California Management Review, Vol. XXVI, No. 1 (Fall, 1983).
68. Beesley and Evans, op.cit. (note 17), p. 31.
70. British Institute of Management, op.cit. (note 30), p. 8.
71. Ibid., p. 41.
72. Marlin, op.cit. (note 50), p. 348.

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74. Stone, C D, in Where the Law Ends (New York, Harper and Row, 1975), identifies the limits to legal control.
75. Gist, Ronald R, Marketing and Society: A Conceptual Introduction (New York, Holt Rinehart and Winston, 1971), p. 33.
76. Silk and Vogel, op.cit. (note 4), p. 49.
77. Ibid,, p. 131.
78. Weidenbaum, op.cit. (note 59), p. 145.
79. Steiner and Steiner, loc.cit. (note 2), as quoted in the Preview to this chapter.
80. Berle, Adolf A, Jr., The Twentieth Century Capitalist Revolution (New York, Harcourt Brace and Company, 1954), p. 188.
81. Ackerman, Robert W, The Social Challenge to Business (Cambridge, Harvard University Press, 1975).
82. Quoted in Brookes, op.cit. (note 33).
83. Corfield, Kenneth G, Business Responsibilities (London, Foundation for Business Responsibilities, 1972).
84. Silk and Vogel, op.cit. (note 4), p. 146.
85. Heilbroner, op.cit. (note 6), p. 242.
86. Writing in reference to consumer choice, Foxall quotes Skinner: "To exercise choice is simply to act, and the choice a person is capable of making is the act itself. The person requires freedom to make it in the sense that he can make it only if there are no restraints - either in the physical situation or in other conditions affecting his behaviour." This explanation of human choice, as Foxall explains "focuses on the act itself as the only 'choice' available, places the locus of control firmly outside the person" (Foxall, Gordon R, Consumer Choice (London, Macmillan, 1983), p. 9).

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Preview

The chief social values cherished by individuals in modern society are realised through groups ... the individual has meaning only in his relations with others.

Earl Latham (1)

There is more to democracy than the occasional vote, and there is more to democracy than political parties. Pressure groups, offering an alternative form of expression, are a healthy component of genuine democracy.

Des Wilson (2)

The previous chapters have examined consumer sovereignty under capitalism and the extent to which it may be employed, along with other mechanisms, for the social control of business. Choice and information have been shown to be vital for consumer sovereignty and it is suggested that pressure groups could be a principal source of the information required by consumers for ethical purchase behaviour. Consumer boycotts, the most manifest form of ethical purchase behaviour, are of course predominantly pressure group inspired. A role for pressure groups in the marketing system has therefore been identified, but little has yet been said about the nature of pressure groups. This chapter addresses the question 'What is a pressure group?' considering the pressure group role in the political process and pluralism.

While it has been claimed that pressure groups are a central feature in the political process, it soon becomes apparent that this is only true for a certain category of pressure group. There is a great diversity in the types of pressure group which may be found in terms of a number of dimensions, but particularly the subject of the group's concern, the way that concern is exhibited and the group's influence. A typology of pressure groups shows that promotional pressure groups with open membership and high political specialisation are of most relevance to this study.

Promotional pressure groups, despite the role which might be attributed to them in pluralistic models, do not seem to have the influence afforded to sectional pressure groups. Because of their limited resources, particularly their weak strategic location, they do not have 'insider' status and therefore must rely on public opinion as their primary avenue of pressure. The other avenues of pressure, the executive and parliament, are very often closed to them. However, a fourth avenue of pressure, often overlooked in the literature, might be corporations, especially given the acknowledgement of corporate power in the previous two chapters. Corporations may be an avenue of pressure as an ultimate target of pressure group activity in their own right - so as to change corporate behaviour. Alternatively, they may be an avenue of pressure intended to indirectly influence the public authorities, either by motivating public opinion or by employing the 'insider' status of business.

Corporations as a target of pressure group activity are most likely to be influenced by direct action tactics. One such tactic being the consumer boycott. This brings the argument full circle. Promotional pressure groups have grown rapidly in recent years offering the scope for greater political participation. However, they lack influence because they are rarely afforded 'insider' status and must therefore work outside the conventional channels. Direct action may compensate for their weak strategic location and the consumer boycott may indeed be a tactic which with a well supported pressure group suggests a stronger strategic location. Given the earlier argument about consumer sovereignty as the rationale for capitalism, it would be highly appropriate if the boycott tactic were to provide greater political participation. A potential for pluralism through direct action by pressure groups seems to be indicated.

While the previous chapters demonstrated the case for ethical purchase behaviour and the need for information provided by pressure groups, this chapter, in addition to identifying the nature of pressure groups, shows that promotional pressure groups are in need of effective tactics; the consumer boycott tactic seemingly particularly appropriate because (in an economic sense) it strengthens the group's strategic location and has the legitimacy of consumer sovereignty to justify it. Political participation can in this way be increased with the market at least attempting to 'answer all things'. Pressure groups may then wish to assume a role in the marketing system, for not only does ethical purchase behaviour need pressure groups, but pressure groups may need ethical purchase behaviour.

6.1 The Role of Pressure Groups

6.1.1 A Paradise of Groups

Pressure groups, at least within pluralistic interpretations, are an integral and legitimate part of the fabric of society and the political process. Indeed, one school of thought in political science (the 'group theorists') claims that understanding the role of groups in politics is essential to explanations of the political process, with Bentley going so far as to suggest, in an oft-quoted passage: "When the groups are adequately stated, everything is stated." For Bentley, the analysis of group activity offered a complete understanding of politics. And Earl Latham, building upon this, suggested that public policy is the equilibrium reached in the struggle to accommodate conflicts of group interest (3).

In The Governmental Process, in 1951, Truman observed that:

"Without some working conception of the political role of interest groups, their functions, and the ways in which their powers are exercised, we shall not be able adequately to understand the nature of the political process ... The puzzle cannot be solved if some of the pieces are virtually ignored."

Willetts, in quoting this passage, claims that it applies with equal force today (4).

This emphasis on the role of groups is the classical pluralist position. Kimber and Richardson, in presenting this in their introduction to Pressure Groups in Britain, are bound to concede that it is, at least for the moment, out of academic favour. They note that Crick is critical of the emphasis on politics as a process, and that for many it is too simplistic a view, taking no account of other factors such as reason, logic or - dare one say it - principles. Although for Kimber and Richardson, many such criticisms seem to be founded on value judgements which question the desirability of politics based on 'might is right'. They temper the group theorists' claim, that the constant and shifting struggle between competing groups in society is the central feature of the political system, by suggesting that although there may be more to it than this, the political process cannot be understood without giving serious attention to the role of pressure groups (5).

Pluralism is considered further, later on in this chapter. Of importance here is the point that political scientists, and those of a pluralistic disposition in particular, ascribe a major role to pressure groups in the political process.

Some pressure group analysts go further than this. Wootton's analysis of pressure politics in Britain starts by considering the role of groups in British society - all groups, including the subclass of pressure group. He quotes Sir Ernest Barker's reference to England as a "paradise of groups." He then claims that pressure groups are, like other groups or civil associations, an integral part of the fabric of society. In this respect he suggests that "pressure groups are essen-

tially the civil associations out to achieve some of their objectives by political means" (6, Wootton's emphasis).

Placing pressure groups within the context of all groups in society indicates the diversity of pressure groups, as well as their importance. The Directory of Pressure Groups and Representative Associations lists organisations "that exist to promote the interests of a particular group of people or to gain acceptance for a particular point of view," under seventeen major categories. Seemingly every aspect of society is represented by some group, be it the National Council for Civil Liberties (aims: to defend and extend civil liberties within the United Kingdom) or the British Goat Society (aims: to circulate knowledge and general information about goats). This list of six hundred groups must only be considered a starting point. Excluded are those for whom promotional or representational work is not their primary concern; and the many groups which quickly form because of a specific issue (such as the referendum on British membership of the EEC) and just as quickly disappear, one could not expect to be included, nor the multitude of local groups (7).

It is apparent from the above discussion that problems of definition are likely to abound. Groups have been shown to be a pervasive and central feature of British society and politics. Yet while this is a reasonable claim for the class of phenomena known as pressure groups, it is less meaningful to suggest this applies equally to all pressure groups. As can be seen from the above two examples, different types of pressure group exist. Not only is there a great diversity in terms of the subject of their concern, but also in the ways they exhibit that concern.

Before examining these definitional problems further, it is useful to consider political participation and the role of pressure groups. This, considered in the next section, while providing additional and less abstract evidence of the importance of pressure groups, will also point to the types of pressure group of most relevance to this study.

6.1.2 Political Participation and Pressure Groups

Political participation in Britain amounts, for the most part, to the grand act of casting a vote every five years or so. A gesture which may be particularly futile in all but marginal constituencies within an electoral system that lacks proportional representation. The vast majority of the population seems untroubled by political concerns or, at least, unable to directly participate in the decisions on such matters other than in the use of the ultimate sanction at the ballot-box. As Coxall reports on political participation in Britain:

"For most people, voting in elections is the sum total of their participation in politics. About three-quarters of the electorate (76 percent in 1979) votes in general elections and about 40 percent in local elections ... Only a small minority of the population have a greater political involvement: a mere 5 percent of the electorate are individual members of political parties and an even smaller proportion are party 'activists'" (8).

Yet this need not be considered as depressing as some commentators claim. As Coxall goes on to note, most people believe - including politicians - that elections make the government pay attention to public opinion. Moreover, the British political system as a parliamentary democracy (as opposed to a direct or populist democracy) provides essentially for indirect participation, notably through one's representative in parliament.

While such mechanisms for participation, both directly and indirectly, might exist, they do not dispel the impression of mass political apathy. However, in contrast to this, and somewhat refreshing, is the growth of pressure groups; a phenomenon welcomed by academics, other commentators and even party politicians such as Tony Benn.

In recent years involvement in political parties has declined. Coxall and others suggest many people have joined pressure groups instead, with the 1960's and 1970's witnessing what he describes as "an explosion of pressure group activity." This is significant in that, as he continues "for social reformers, protesters and for those who simply wanted to protect their own interests, pressure groups had become a genuine and attractive alternative to political parties" (9). Finer, using an electrical engineering analogy, has appropriately described pressure groups as "an auxiliary circuit of representation" (10).

There are, of course, some who express doubts about this type of political activity. Though as Wallace's historical analysis shows, it goes back at least as far as the eighteenth century (11), and as the previous section demonstrated, pressure groups are an integral part of British society. What is new however, is the growth in the number of pressure groups and pressure group activity in recent years. And as will be seen, it is a certain type of group which has grown in numbers and activity, with significant consequences for political participation. It is these groups in particular which are most relevant to this study.

The increase in the number of pressure groups would be difficult to quantify. Many groups are either too informal, too ephemeral, or too local to come to sufficient prominence for measurement. However, many writers in the area have commented on the increase in pressure group activity. Marsh observes that the last twenty years have seen "a rapid expansion" in the number of groups, particularly those that he terms 'ideological' groups. Referring to the first edition of the directory of pressure groups mentioned earlier, he notes that half of those organisations which gave a date of formation were formed after 1960. Moreover, given the concern of this section with political participation, he comments: "most of these new ideological groups are liberal, reformist and radical - that is, they advocate legislative change in a liberal direction. There are of course exceptions, for example the anti-abortion groups, but the overall pattern is clear." He suggests that the directory would indicate that no new 'economic' interest group was formed in the last twenty years which was not a merger of existing groups (12).

Pym has suggested that pressure groups have at least something to do with the changes of the late 1960's (including the legislation on

abortion and divorce) that caused journalists to write of Britain as the permissive society, even if the extent of that influence is difficult to estimate (13). While Wallace observes: "the emergence of new organisations alongside the established pressure groups of British politics has served to involve a great many new people in political activity at a time when activity through parties has been declining, and as such has contributed in itself to the democratic process" (14).

Writers on pressure groups in the United States have also observed an increase in pressure group activity. Milton Kotler writes of the power of organised citizen action, observing that the contributions received by pressure groups exceeds the legitimate support enjoyed by the national political parties (15). Whereas Berry, although not willing to attribute the disaffection from party politics to the growth of pressure groups, does observe that they represent constituencies that have been "chronically unrepresented or under-represented in American politics." He suggests that "in an increasing number of issue areas, public interest groups have become part of the political environment, and thus part of the equation that explains public policy outcomes" (16).

Writers in the management area have also commented on an increase in pressure group activity, such as Sadler (17); and the European Societal Strategy Project, under Ansoff, predicted further increases (18). Although this latter group, if the observations by Kenny are anything to go by, would seem to be less enthusiastic about the rise of pressure groups. Contrary to most writers in business and society (admittedly, it would seem, better informed), he suggests pressure groups are a threat to democracy rather than a vital stimulant and part to it (19).

Toffler attributes the widespread disaffection from political parties and ideologies, and the rise of "single-issue" groups devoted to special interests or commitments - abortion, nuclear war, feminism, racism, homosexual rights - to demassification. This is a rejection of mass society (20). Naisbitt also comments on the rise of groups and attributes it to similar causes in his work on megatrends (21). While at a more mundane and local level, the British government has recently extended the political curbs on the armed forces to include pressure groups, because "Ministers and senior officials are understood to be concerned about the growth of groups such as CND and Greenpeace, or even animal welfare organisations, which do not fit neatly into the description "political organisation or party" on which they have traditionally relied when defining limits to the activities of Crown servants and armed forces personnel" (22).

Finally, pressure group activists have also documented the increase in pressure group activity and the importance of this for political participation. Des Wilson, reputedly Britain's best-known, most experienced and effective campaigner, former Director of Shelter and involved with other prominent pressure groups (including CLEAR, Friends of the Earth and the 1984 Committee for Freedom of Information), has referred to the "mushrooming" of pressure group activities in the 1960's and subsequently, suggesting that the role of pressure groups is to 'guard the guards' (23).

The growth of direct political involvement through pressure group activity is generally welcomed by those favouring pluralism. However, before considering the implications of this growth in terms of pressure group influence in the marketplace, it is necessary to consider what is meant by the term pressure group and the types of pressure group that exist.

Pressure group terminology is examined in the next section together with the targets of pressure, for the terminology employed in the literature makes a somewhat suspect assumption on this. Part 6.2 then considers a typology of pressure groups, identifying the type of group most relevant to this study.

6.1.3 Pressure Group Terminology and Targets

Despite an established and long-standing role for pressure groups, the term pressure group carries unfortunate associations. It is popularly used in an emotional and derogatory way that denies the role of such groups. It is all but a term of abuse for the ill-informed - Kenny's denigration of pressure groups, referred to above, is an apt illustration of this.

Wootton, in noting the tendency of the term to raise hackles, refers to an instance where a leading TUC official objected to the TUC being referred to as a pressure group (24). Other writers in the area make similar observations, and Roberts attributes the "unsavoury overtones" associated with the term to the lurid exposures of the concealed influence of pressure groups on political decisions. Yet, he goes on to suggest "in attempting to describe and analyse the workings of the British political process, it is impossible to ignore the extent to which it relies on non-party groups, and it is almost equally difficult to avoid employment of the terms lobby, pressure-group and interest" (25).

The term and notion of a pressure group is particularly emotive and threatening to those of an individualist (rather than collectivist) disposition. Such a response is in fear of an organised group within society furthering its interests against the 'general will'. As Mackenzie notes in reference to Bentley, the term pressure is linked to power "repugnant to most people, if only because they believe that 'power' is always exercised by someone else, and never by themselves" (26). This view is expressed either in rejection or ignorance of pluralistic models of politics, in the belief that politics is or should be conducted by reason alone. As was observed in section 6.1.1, critics of pluralistic models object that such models do not allow much scope for reason playing a part in decision-making, but few would actually dispute the part played by interests or groups. Those opposed to pressure groups in fear of their subversion of the 'general will' (whatever that may be), must accept that such groups will exist and have influence, although such fears are accounted for in pluralism. Moreover, as the typology of pressure groups will reveal, many such critics are likely to belong to at least one pressure group. As Rose notes, approximately half the electorate belong to one or more organisations which sometimes seek to influence British government (27).

Hence, although pressure groups are a central feature of the political process and many of the population are members of pressure groups, they are viewed with suspicion. This writer would also suggest that some of the more recent antipathy towards the term and notion of pressure groups is related to, as Marsh has observed (and was noted in the previous section), the rise of 'ideological' groups of a liberal and radical disposition. Current popular usage of the term pressure group is more usually in reference to (and derision of) the 'woolly hat brigade' at Greenham Common, than the sober-suited gentlemen of the Confederation of British Industry. In a similar vein, Mrs Whitehouse has criticised the influence of pressure groups, not realising that her organisation, the National Viewers and Listeners' Association, is itself a pressure group.

The discussion of the scope and importance of pressure groups indicates the difficulty in providing a comprehensive definition that goes beyond the somewhat loose definitions taken from Wootton and Shipley and employed up to this point. Both authors do provide tighter definitions, but not definitions that prove satisfactory for this study. However, if only to add temporary clarity, it is worth giving Shipley's tighter definition here: "A pressure group ... is an association of individuals joined together by a common interest, belief, activity or purpose that seeks to achieve its objectives, further its interests and enhance its status in relation to other groups, by gaining the approval and co-operation of authority in the form of favourable policies, legislation and conditions" (28).

Yet the foregoing discussion has also revealed a multiplicity of terms used to describe such associations: pressure group, interest group, lobby, and public-interest group. Roberts distinguishes between lobby and pressure group by suggesting that the former is organised and operated solely for the purposes of political influence on a specific matter, whereas a pressure group has political functions alongside its other functions. This distinction is imprecise and the terms are often used interchangeably. Professor Finer, in his highly regarded but now dated work on pressure groups (Anonymous Empire), expresses a preference for the term lobby because it does not imply that some sanction will be applied if a demand is refused and because most groups, in contrast, simply make requests. Yet as others have noted, pressure can involve more than just the use of sanctions.

The term interest group suggests economic interests to an undue extent. While the term public-interest group implies the group is representative of the public as a whole, but as Weidenbaum and others have noted, this may be far from accurate (29). It also excludes groups based on economic interests. So the term employed here, and most widely used in the British context, is therefore pressure group; a term indicative of the role of the group (30). Lobby will be used as in Marsh to refer to a coalition of interests (including pressure groups), whereas pressure group refers to a specific formal organisation.

The term lobby is also particularly inappropriate here, in reference to an organisation, because of its association with group attempts to influence government. For the most part, the concern here is with

attempts to influence corporate behaviour. This points to a major weakness in much of the pressure group literature. While power in society may ultimately rest with government, it is in the first instance highly dispersed, and notably in the hands of business, as the previous two chapters demonstrated. Yet the notion that power exists outside government, and in corporations in particular, does not seem to have been appreciated by many political writers in this area (31). Consequently, the target for pressure group activity is in almost every case assumed to be government.

So Wootton defines pressure groups as "those (not counting political parties) that influence or attempt to influence the public authorities, mainly the central government" (32). Of course, the failing of such a definition - and it is not unique to Wootton (33) - is the assumption that such groups seek only to influence public authorities. As the evidence presented later shows, there are many groups that try to influence corporate behaviour and this is increasingly the case. Such an omission cannot be simply attributed to the recent growth in pressure group activity. Trade unions as pressure groups have long sought to influence business (employers), indeed it is their primary role. Yet this is seemingly not within the scope of definitions of pressure group activity (34). Moreover, while many pressure groups will wish to see their aims translated into action by government, they may still have aims which require influencing corporate behaviour or find it expedient to have corporations as a target in the short-term. Corporations may also be targets for pressure-group activity for publicity purposes, within a long-term aim of influencing government through the motivation of public opinion.

One notable exception to this failing in the literature is Kimber and Richardson. In their introduction, they emphasise that not all pressure group activity is directed towards influencing government policy. They cite, in illustration, the campaign waged by the parents of Thalidomide children directed primarily at the drug's manufacturers and the activities of Friends of the Earth over mining in Snowdonia directed at the Rio Tinto Zinc Corporation (35). It is also interesting to note that Nader, in the Foreword to Wilson's guide to pressure group activity, refers to action directed at corporate as well as governmental institutions, and parties (36). This reflects what seems to be a greater American awareness of power in society. Pressure group activity seems, at least for the moment, not only more prevalent in the United States, but also directed at a greater variety of targets than in Britain, as Vogel's work indicates (37).

Pressure group targets are considered further in 6.3. However, as yet, the definitional problems surrounding pressure groups have not been resolved. They can only be adequately dealt with, as far as this study is concerned, by considering a typology of pressure groups. This is the subject of Part 6.2.

6.2 A Typology of Pressure Groups

6.2.1 Sectional and Promotional Pressure Groups

The question 'What is a pressure group?' cannot be simply answered. A single definition is inadequate. The question can best be approached by considering the various types of groups - a taxonomy. This chapter may then focus on the characteristics of the particular types of pressure group relevant to the study.

Mackenzie observes that groups can be identified by the type of interest at stake, the type of body whose decision is influenced (the pressure group target), the internal structure of the organisation, and the methods it uses (38). However, the dominant criterion used is the type of interest at stake. This is perhaps because all the other criteria seem to stem from this.

Coxall distinguishes between two types of pressure group: the 'leading interest' or 'sectional' groups, and the 'promotional', 'cause' or 'attitude' groups. This distinction is found throughout the literature. In the former groups "membership is based on the performance of a specific economic role: for example, work as a miner or a company director. Sectional groups 'protect' the interests of their members." Whereas, promotional groups "are held together by a shared attitude; they seek to promote a particular cause; Shelter and the Child Poverty Action Group are good examples" (39). As Kimber and Richardson put it: "Sectional pressure groups seek to protect the interests of a particular section of society, while promotional pressure groups seek to promote causes arising from a given set of attitudes" (40, their emphasis).

This distinction, while found throughout the literature, is not always made employing the same terms. In his historical analysis of pressure groups, Wallace distinguishes between those moved by self-interest and those moved by idealism. He refers, in illustration, to the issues and groups organised over free trade and the right to combine in trade unions, as a nineteenth century example of the former category. Groups organised for the abolition of the slave trade is an eighteenth century example of the latter category. Such examples both support his claim about the long-standing nature of pressure group activity (he suggests many pressure group causes and methods would be familiar to a nineteenth century activist, only the context of group activity has changed), and this typological distinction in particular (41).

In Pressure Politics (a 1983 publication claimed to be the first full analysis for over a decade of the influence and importance of pressure groups in British politics), Marsh identifies similar historical origins and distinctions to pressure groups, although he employs a continuum of pressure group types from the powerful 'economic' groups such as the British Medical Association (BMA) and the National Farmers Union, to the single-issue 'ideological' groups, such as the abortion lobby. He writes "Economic interest groups protect and promote the specific economic interests of their members, while ideological groups promote or defend legislative or administrative change for ideological reasons rather than to forward their members' particular financial

interests." (Note again the restriction of pressure group activity to the influencing of public authorities.)

Of course, the typology falls down in the implication that groups such as the BMA are not in some sense ideological, but the notion of a continuum is useful even if one has to accept that the term economic or ideological only refers to the group's primary characteristic. It does at least avoid the artificial boundaries one has with discrete categories (42).

Marsh's typology differs little from the promotional/sectional distinction found elsewhere. But there are weaknesses to this. Recognising the inadequacy of this two-fold classification, R T Mckensie suggests three categories: sectional groups, promotional groups, and all other groups (43). A rather more helpful contribution is that by Willetts. He examines the role of pressure groups in the global system, suggesting they have a significant impact trans-nationally as well as nationally (44). In so doing, he offers a typology which employs the promotional/sectional distinction, but identifies different types of group within each category. There are eight ideal types (in the Weberian sense), three sectional groups:

1. Sectional economic groups, including companies, financial institutions and trade unions.
2. Professional associations, including the professional bodies of doctors, nurses, teachers, etc. (but not the CBI or TUC, who are included in the former category).
3. Recreational clubs, including, for example, the Boy Scouts World Bureau and the World Association of Girl Guides.

There are then five types of promotional pressure groups:

4. Welfare agencies, including charities (45), trusts, and foundations.
5. Religious organisations.
6. Communal groups, those that arise within a distinct segment of society, from the Welsh Language Society to women's groups.
7. Political parties, which he admits are normally considered distinct from pressure groups (because they do not seek to control government by contesting elections (46)), but includes because in practice the distinction belies the behaviour of such groups. Many groups claim to be political parties but have little chance of achieving office and essentially employ pressure group tactics, for example, the National Front.
8. Specific-issue promotional groups "the groups which most readily spring to mind when the term 'pressure group' is used," such as the Campaign for Nuclear Disarmament (47).

While this indicates the pervasiveness and diversity of pressure group activity, it is perhaps a little broad. In essence, Willetts includes

all civil associations. Many would reject this because of the inclusion of groups whose prime purpose is not political influence and who may only on occasion, if ever, have such a purpose. However, all these groups could indulge in pressure group activity and such an all-embracing typology no doubt provides support for his thesis about the transnational impact of pressure groups. Willetts concedes overlap between his categories but, for the most part, it is the groups within his last category that are of relevance here. His comments on such groups are worth noting:

By the nature of their work, specific-issue groups are likely to be challenging orthodoxy. Often they are either raising new issues, which have not before appeared on the political agenda, or are trying to change the way existing issues are handled. Thus they usually concentrate on influencing public opinion and the media and so they become household names" (48).

Again, there is perhaps an undue, if only implicit, emphasis on the public authorities as the ultimate target of pressure group activity. But the part played by public opinion in the achievement of pressure group aims is widely acknowledged and will be considered further in 6.3.

However, Willetts' typology, although more comprehensive than others considered (perhaps too comprehensive), is not particularly robust. Groups differ in the extent to which they are 'political', in particular. Some may only rarely, if at all, exert pressure and be pressure groups in that sense. This is not clear from Willetts' typology and definitional problems remain. The National Council for Civil Liberties and the British Goat Society, to refer to the earlier examples, would come under category eight but they are substantially different. It is such promotional groups as identified by this category which are of most interest here. Wootton's typology is required to resolve this issue of degree of political specialisation. This is examined in the next section.

6.2.2 Wootton's Typology

This typology is less inexact than that above, recognising that the political involvement of some groups may be greater than that of others. Wootton starts with the distinction between 'interest' and 'idea' groups, which he attributes to Harwood Childs of Princeton, and dates back to 1935. He then observes that Potter's late 1950s development of this is the most influential classification in Britain. This, again, is the promotional/sectional distinction: "sectional groups (whom one stands for), and programmatic or promotional groups (what one stands for) ... congruent not only with Childs' (distinction) ... but with the one drawn by the groups themselves between organizations of and organisations for" (49, Wootton's emphasis).

But the groups within each of these categories may not only differ in terms of political involvement (he contrasts, in illustration, the National Farmers Union and the Tomato and Cucumber Growers Association), but also some ostensibly promotional groups may have a distinctly sectional character. These are elsewhere referred to as

Figure 6.1 : Wootton's Typology of Pressure Groups

		P O L I T I C A L S P E C I A L I S A T I O N	
		<u>Low</u>	<u>High</u>
M E M B E R S H I P	<u>Closed</u>	<p>T & G NUR</p> <p>British Aircraft, Burmah Oil, London Rubber Industries, House of Fraser, Hill Samuel</p> <p>Law Society</p> <p>Townwomen's Guilds, Women's Institutes</p> <p>National Federation of Pakistani Associations</p> <p>Urdd Gobaith Cymru (Welsh League of Youth)</p> <p>Saffron Walden Countryside Association</p> <p>(operational)</p>	<p>TUC</p> <p>CBI, ABCC, NFU, British Road Federation</p> <p>British Legal Association</p> <p>National Joint Action Campaign for Women's Equal Rights</p> <p>League of Overseas Pakistanis (Tower Hamlets)</p> <p>Welsh Language Society</p> <p>Saffron Walden Anti-Airport Committee, Stansted Working Party (etc.), WARA</p> <p>(representative)</p>
	<u>Open</u>	<p>National Trust, Georgian Society, Ulster Architectural Heritage Society, Association for the Protection of Rural Scotland</p> <p>Friend</p> <p>Society of Individualists</p> <p>National Allotments and Garden Society</p> <p>Workers' Educational Association</p> <p>(expressive)</p>	<p>Conservation Society, FoE, Population Stabilisation</p> <p>Campaign for Homosexual Equality</p> <p>Justice, Amnesty, NCCL</p> <p>Child Poverty Action Group, Shelter</p> <p>CASE, FEVER, PRISE</p> <p>(propagational)</p>

'anchored', for although they may present themselves as promotional groups, they are grounded in and financed by sectional ones. Some groups are more discreet (misleading) about their anchorage than others, a prominent example being the Genetic Study Unit, found to be closely tied, to many people's surprise, to London Rubber Industries. Wootton's typology takes account of this.

His typology is expressed as a two by two matrix, as shown in Figure 6.1. One dimension accounts for the political involvement of the group, the degree of political specialisation. The other dimension accounts for whether the group is 'of' and 'for', or simply 'for', which is the degree of openness of membership. Examples of each category and a title for each category are shown in Figure 6.1.

Anchored groups are included with the parent group. So Transport 2000, for example, would be included with the National Union of Railwaymen (NUR) "on the assumption that those who pay the piper call the tune." Also worth noting is the inclusion of the Wing Airport Resistance Association (WARA) and the Welsh Language Society under cell two. Although this cell in its closed membership dimension approximates to the sectional group classification, these groups become included contrary to other analysts, because with distinctive local roots, and in defence of their territory they will be more like 'of' than 'for' groups (50).

Wootton refers to the groups in the bottom row as 'self-created', as opposed to the top row of 'given' groups. And, in confirmation of Marsh and Wallace, cited earlier, he suggests only cell three is a recent development, with the other types of groups existing at least as early as the end of the eighteenth century (51). He suggests cell three groups have arisen from the perceived solidary (intrinsic rather than instrumental) benefits.

Wootton's typology resolves the definitional problems which plagued much of the earlier discussion of pressure groups. It has been noted that the promotional or ideological type of group is of most concern here (though, as will later be seen, sectional groups also become involved in influencing purchase behaviour in the marketplace), and within Wootton's typology, it is particularly the groups that come under cell four. These groups he terms propagational. Having considered pressure groups in general, it is appropriate to consider the characteristics of the type of group relevant to this study, given that adequate distinctions can now be made. This is the subject of the next and last section in 6.2.

6.2.3 Promotional Pressure Groups

While sectional pressure groups will be seen to be of some relevance to the study, they do not warrant a detailed analysis. Of greater concern are the promotional pressure groups. Wootton's typology forms the basis for the study, but as an academic schema, it does not say a great deal about the groups' characteristics. Rather than refer to his discussion of groups in illustration of his typology, a rounder picture can be gained of the groups of interest here by considering Wilson's description of what he terms "our kind of group" (52).

Further detail on the characteristics of promotional pressure groups, and to a lesser extent, sectional pressure groups, will emerge throughout the remainder of the chapter.

Wilson makes it clear that Pressure is a 'how to do it' book. It is in this sense, in stark contrast to the academic material considered so far (53). But given his pedigree as a campaigner for nearly twenty years, and the nature of promotional pressure groups as a grass-roots phenomenon and therefore accessible to the populace at large, this work is appropriate for inclusion here. It is also well-written and while avoiding the excessive use of jargon in some of the academic analyses, confirms many of the points they make.

Wilson writes about and for promotional pressure groups. There are the groups which, as Willetts noted and was referred to above, spring most readily to mind when the term pressure group is used. They are the groups to which one is making reference when the term pressure group is used in everyday language. They are the groups which have become increasingly more numerous, more prominent and perhaps even more influential over the past twenty years. They are the groups which provide scope for political participation and to which an increasing number of the population are turning for this reason. And finally, they are the groups which tend to be lambasted by the popular press because of their liberal and sometimes radical position and, as this writer earlier suggested, figure largely in the current emotive response to the term pressure group because of this. It is perhaps because many of these groups are on the fringes of respectability that they are given less attention in the academic literature than the sectional groups. Although it seems more likely that this is due to the shortage of work on pressure groups in general in recent years (recall the claim made for Marsh's book earlier) - the period of ascendancy for promotional groups - and the greater influence of sectional groups (54).

Wilson makes the distinction between sectional and promotional groups, using these terms and others. His preference seems to be for the terms which indicate the former groups as 'bad' and the latter groups as 'good'. Although he is in keeping with Mackenzie in the use of the distinction 'selfish' and 'do-gooders' (55). This is indicative of what might be termed the caring characteristic of promotional groups. As Wilson puts it:

"Because when we talk of pressure groups we mean our kind, we speak of pressure groups approvingly and positively ... however, we are only one kind of pressure group and often we are the least effective. For it is not only the poor who have pressure groups - so do the rich; not only the environmentalists and conservationists - so do the polluters and the squanderers of resources; not only the civil libertarians - so do the forces of authoritarianism. Thus ... there are two kinds of pressure groups - those whose motivation is a concern for the health and wellbeing of the community, and who usually campaign to change or improve priorities or policies, and those with vested interests, whose cause is usually maintenance of the status-quo, or furtherance of policies beneficial to them, irrespective of the implications for the community (56, Wilson's emphasis).

This position, identifying the sectional groups as 'self-regarding' and the promotional groups as 'other-regarding' (57), although not usually expressed in such forthright terms, does find support within the academic literature. However, one must be wary of the claim of such groups - when self-appointed - to represent the community. In particular, there is the criticism of the middle-class bias of promotional groups. One must consider whether their campaigns to change priorities or policies are a reflection of community concern, or class interests and priorities. For example, conservation of green-belt areas may be at the loss of low-density housing; or the costs of the prevention of environmental pollution such as acid rain from coal-burning power stations, may in being passed on to all consumers have to be borne by those who would, voluntarily, have chosen to spend their money in other ways (58).

Wilson's preferred term for his kind of pressure group is 'community/cause' pressure group. Within this, he identifies three categories:

1. Single-issue pressure groups, having one objective or seeking to further one particular cause. For example, CLEAR, its sole aim is to reduce and if possible eliminate lead pollution.
2. Issues-in-context pressure groups, pursuing a number of objectives or issues but within an overall context. For example, Friends of the Earth.
3. Practice-based pressure groups, these may be either of the above categories but, in addition, have aid or direct service in their make-up. For example, a 'charity-cum-pressure group' such as Shelter, which provides direct assistance to the homeless in addition to campaigning (59).

This does not prove to be a robust classification, but it does indicate tendencies and is useful for this reason as will be seen.

In the earlier quote, Wilson makes the point about the limited effectiveness of promotional pressure groups. Later, he writes of the distinction between the 'Davids' and the 'Goliaths':

"The advantage, in terms of money, economic and relative strength, is heavily weighted to the powerful pressure groups. As a result, the pressure groups for whom this book is intended - those of and for the community - are more often than not the 'Davids' involved in an unequal fight with industrial or governmental 'Goliaths'" (60).

It is this limited effectiveness of promotional groups, and their part in political participation, which makes the consumer boycott tactic particularly worthy of study. It is argued in this study and elsewhere, that greater use could be made of this tactic, and it is especially appropriate for promotional groups with their limited resources. Given more such resources, promotional pressure groups could be more effective and contribute to political participation in the way Wilson suggests in the quote given in the Preview to this chapter (61).

Part 6.3, in looking at the avenues of pressure, will consider promotional pressure group effectiveness in more detail.

6.3 The Avenues of Pressure

6.3.1 'Insider' and 'Outsider' Status

The avenues available to pressure groups by which they may attempt to exert influence will vary according to the type of group. Group strategies and tactics will then vary in accord with this. As Roberts puts it: "leaders of groups act on the basis of a 'target structure', i.e., an appreciation of the most suitable parts of the political system on which to exert influence or 'pressure'" (62).

Of particular importance is whether the group has 'insider' or 'outsider' status. Pym suggests this is the most important dividing line between groups. She distinguishes between in-groups and out-groups as follows:

"Out-groups are out because they propagandise for unpopular causes or minority interests, or because they are judged unrepresentative of those they claim to speak for. In-groups, that is to say those readily and regularly admitted to consultations with government departments, may derive their legitimacy from their indispensability to the economy, because they speak for acceptable causes like animal or child welfare or because, like church groups, they have become over the years simply part of the British way of life" (63).

As a general rule, sectional groups have insider status, while promotional groups have outsider status. This difference in access to decision-makers is no doubt what prompts Wilson - as a spokesperson for outsider groups - to distinguish between the two types by saying that "the 'outsiders' threaten 'the system' itself, whereas the 'insiders' are more likely to wish to strengthen the status-quo." He goes on to refer to Benewick's three 'worlds' of pressure groups, where each 'world' has a different degree of access (64). It is more complex than this however.

Coxall refers to groups which are legitimised, that is recognised by government as having the right to be consulted. The basis of this recognition, he suggests, is the representativeness of the group and the cases of rival groups claiming to speak for the same interest. But in exchange for recognition, restraint and moderation is expected of the group. A rare exception to this being the National Union of Students, a group maintaining an aggressive and critical stance but still seen as legitimised. The benefits of recognition for the group are the opportunities to influence policy or, at least, gain advance information about governments' intentions. The government benefits from getting advice and information, acquiescence in, or even assent to, their proposals, and possibly assistance in the administration of policy (65).

Finer has suggested three principal avenues of pressure, approached by groups in sequence. These are the executive, parliament and public opinion. The sequence, it is suggested, is reversed for promotional groups. This is due to the insider/outsider status differences of sectional as against promotional groups, discussed above. Indeed, one

can rationalise such a sequence by presuming that while recognition for sectional groups is almost always automatically conferred because of the resources available to them (as examined in Part 6.4), promotional groups are required to demonstrate the need for recognition of their case by first mobilising public and then parliamentary opinion. According to such a model, promotional pressure groups thereby become legitimised and acquire insider status, and therefore potential influence with the executive. Sectional groups, on the other hand, need not necessarily lose their insider status when they turn from the executive, to parliament and then public opinion. While this is a possibility, the move may only be as a means of demonstrating support for their position in their dealings with the executive or perhaps done in concert with the executive, as critics of corporatism would presume, so as to maintain a show of democracy.

Yet again, however, the reality of pressure group activity is probably more complex than this, despite the face validity of such a model. Kimber and Richardson, having described Finer's model, contend that pressure group activity is generally much more complicated than this and that such a straightforward scheme only applies in some cases, with many groups trying to use several avenues simultaneously (66).

The model is based quite safely though, on the inevitable differences in status of pressure groups, and particularly promotional groups as compared with sectional groups. It can perhaps be most appropriately seen as a distinction between ease of access for any particular group, of different avenues of pressure. This may in turn influence the emphasis rather than the sequence of pressure group activity.

Yet, as the next section suggests, there may be another avenue of pressure worth considering.

6.3.2 Corporations as an Avenue of Pressure

Coxall observes, reaffirming the quote at the beginning of the last section from Roberts: "if they are to succeed, pressure groups must clearly understand how power is distributed in society" (67). Somewhat disconcerting, is that having made this remark, Coxall then refers solely to pressure group attempts to influence government. Business power, both independent of and in relation to government (68), goes unrecognised. Even Kimber and Richardson, although as previously noted, having recognised that business may be a target for pressure group activity, fail to provide any explanation or justification for such a target. Business power independent of government was adequately demonstrated in the previous two chapters. Hence, it is proposed here that there are four principal avenues of pressure: the executive, the legislature (parliament), public opinion and corporations (69).

Corporations are an avenue of pressure in the sense that action involving corporations may spur them in to acting in support of legislative demands by lobbying on behalf of the group, or by lobbying on the group's behalf as a complement to the group's own lobbying activities. So the groups employ the insider status of business (see 8.1.4 and the discussion of American civil rights and anti-war pro-

tests, for example). Alternatively, of course, corporations are a target of pressure group activity not so as to realise any indirect influence with the executive (as an ultimate target), but simply to achieve changes in corporate behaviour. That is, the corporation is both the avenue and ultimate target of pressure group activity.

Having the corporation as an avenue for pressure group activity is due not only to its independent power and its potential influence, but also to the limited access available for most promotional groups to other avenues. Marsh observes that the late 1960's and early 1970's saw a formalisation of interest group representation with a distinct move away from the use of parliament, and parties in particular, as the channel of access to government. This, he suggests (and is supported by Des Wilson in this), is due to disappointment with the Labour Party. This period of rapid growth in the number of promotional pressure groups seems, at least in part, attributable to the failings of the Labour Party to implement policies promised on various 'causes'. (Although pressure groups try to avoid being too closely linked with any particular party, so that they may try to have dealings with whichever party is in government, the tendency is to have closer links with the Labour Party because of the greater compatibility on the whole of promotional pressure group causes and Labour Party policy (70).) While it may be incorrect to suggest access was limited, it seems reasonable to claim that influence was limited. But if radical policies cannot be achieved through parties directly, can they be achieved via pressure groups?

The problem is that radical groups are unlikely to be afforded insider status. Moreover, they may not even want it, in fear of being co-opted or, as Marsh puts it "concerned about the possible emasculation of their radicalism if they become too closely involved with government." He suggests this leaves little alternative but to try and influence public, or rather elite opinion, "a strategy which in most cases had limited effect" (71).

This discussion of the avenues of pressure seems depressing from the promotional pressure group perspective. Of the three principal avenues of pressure traditionally identified, they seem for the most part, to be able only to rely on public opinion. While government action may be influenced by public opinion, this is not always the case, as shown in the abolition of capital punishment and the lifting of restrictions on homosexual relations - both without the support at least initially of the majority of the public (72) - and, more recently, the siting of cruise missiles in this country (discussed in Part Three of the thesis). The identification of corporations as a fourth principal avenue of pressure may be a cause for some optimism. It could be that the increasing emphasis on pressure group activity directed at corporations reflects both a recognition of their power but also the access difficulties with the other avenues.

The limited influence of promotional pressure groups is a function of their resources. This is the subject of Part 6.4.

6.4 Pressure Group Resources

6.4.1 Commitment, Cohesion and Strategic Location

The executive is the ultimate target of pressure group activity in most analyses of pressure group behaviour. It is there that the most important decisions are taken, and although some pressure groups have achieved their aims through parliament directly, as in the use of private members' bills, this is often subject to the assistance or at least passive approval of the executive (known as 'withinput'), as illustrated by the 1967 legislation on abortion and homosexual relations (73). The avenues of parliament and public opinion are primarily employed to bring pressure to bear on the executive indirectly. Access to these avenues of pressure depends upon pressure group resources.

Rose identifies three major resources of pressure groups: commitment, organisational cohesion, and strategic location. Commitment of members is one of a pressure group's most important resources because the greater it is "the more confident a group's leaders can be that they speak with a united membership behind them and that any bargain reached with government will be accepted by the group itself." Cohesion is important because the "more durable, the more frequent, the more numerous, and the more intense the contacts among individuals, the easier they are to organise for cohesive political action." The cohesive groups are preferred by Whitehall for this reason.

Commitment and cohesion can be influenced by the group's efforts. Strategic location, however, depends on the group's activities. "An organisation occupies a strong strategic position if it commands resources - energy, money or food - that are indispensable to the conduct of a society." Various factors affect the degree of strength of the group's position, notably whether it is a monopoly in the provision of a service (contrast, for example, the railway workers and the power workers), and whether it provides a professional service with professional norms which may inhibit exploitation of its monopoly position, as with doctors, nurses and teachers. (Though professional groups can at least claim a monopoly of knowledge on matters of their professional concern, knowing more than generalist politicians and civil servants) (74).

Rose suggests the resources of money, votes and publicity "are of relatively limited importance in England," an assertion which is certainly contentious, if not naive. He accepts that money can ensure that an organisation exists and is necessary to employ experts to present the group's case with technical issues, but argues that money does not buy favours from parties or MP's "it is given openly in recognition of mutual interests." This is a reasonable position on first inspection, but questionable when examined more closely. Putting aside the issue of monetary influence of parties and MP's (if the relationship between the Labour Party and the trade union movement isn't sufficient in itself to dismiss such an argument), Rose quite simply understates the importance of money for effective pressure group organisation, research and activities. This is particularly the case with promotional pressure groups as Wilson, and others have

argued (75). Of course, the welfare activities of the practice-based pressure groups are entirely dependent on income, but as the anti-nuclear power lobby has found, advancing a particular argument may also depend on financial resources, especially at public inquiries (76).

As for votes, Marsh and Chambers show that, at least for the anti-abortion lobby, while publishing a list of the past voting records on the issue of MP's standing for re-election had a minor effect on election voting patterns at most, it did at least politicise MP's on the issue and possibly incline wavering MP's to abstain or vote for amending legislation on the issue when elected (77). However, it is Rose's dismissal of publicity which is most suspect (and, of course, money plays a part in this). Promotional pressure groups, as shown, have frequently little option but to attempt to influence public opinion, for which publicity is required. The section 6.4.3, which examines the role of public opinion, cites case studies of pressure group activity where publicity was shown to be vital to pressure group success.

Before considering in more detail public opinion as an avenue of pressure, it is useful to look further at pressure group resources. In particular, it is worth considering the disparity between sectional groups and promotional groups. This lends weight to the discussion about the importance of public opinion and the potential importance of corporations as an avenue of pressure, and is the subject of the next section.

6.4.2 Sectional and Promotional Groups Compared

Pressure group commitment and cohesion, as resources over which the group may have some influence, are worth considering together. There is a substantial body of literature exploring the benefits of pressure group membership. Olson, in what is commonly regarded as a seminal work, questions why people join pressure groups when there are costs associated with membership but the benefits are collective and will be received by the individual, as a member or otherwise. He argues that the logic of collective action is such that,

"... unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests. In other words, even if all of the individuals in a large group are rational and self-interested, and would gain if, as a group, they acted to achieve their common interest or objective, they will still not voluntarily act to achieve that common or group interest" (78, Olson's emphasis).

This, of course, contradicts the conventional wisdom that groups of individuals with common interests usually attempt to further those common interests. As Olson shows, this argument is based on the assumption that individuals in groups act out of self-interest, but is flawed in presuming that groups will act in their self-interest as a consequence. Such a presumption is dubious because all the indivi-

duals in a group would gain if the group objective were achieved, regardless of the input by any specific individual. Hence "The notion that groups of individuals will act to achieve their common or group interests, far from being a logical implication of the assumption that the individuals in a group will rationally further their individual interests, is in fact inconsistent with that assumption" (79).

Obviously groups do act to further group interests. Olson's explanation for this behaviour is that the motivation lies not in the recognition of group interests, but in the selective incentives also offered by groups. However "The only organizations that have "selective incentives" available are those that (1) have the authority and capacity to be coercive, or (2) have a source of positive inducements that they can offer the individuals in a latent group" (80). Such incentives are available to pressure groups such as unions, the large economic groups. Indeed, understanding of Olson's argument reveals the importance to unions of closed shop agreements and the extent of the threat to union power posed by current moves to end such agreements (Olson suggests some form of compulsory membership is indispensable to union survival in most cases).

Few such incentives are available to what Olson terms the 'forgotten groups' ...

"... the unorganized group - the group that has no lobby and takes no action. Groups of this kind fit the main argument of this book best of all. They illustrate its central point: that large or latent groups have no tendency voluntarily to act to further their common interests" (81).

Such groups, he claims, are amongst the largest groups in the nation and with the most vital common interests, while exerting no pressure. He cites in illustration taxpayers, consumers and the "multitudes with an interest in peace." The weakness of consumers in this respect is particularly important within the context of this thesis and is explored in detail later. Suffice to note here, Olson's general observation on these groups: "Only when groups are small, or when they are fortunate enough to have an independent source of selective incentives, will they organize or act to achieve their objectives" (82).

While it is apparent that not all promotional groups are 'forgotten groups', there is a great disparity between sectional and promotional groups in terms of the selective incentives - which Olson claims are essential for survival - available to them. Pressure group resources of commitment and cohesion are therefore influenced by such incentives. On the basis of this analysis, the commitment and cohesion in promotional pressure groups must rely on three factors: solidary incentives, small group size and altruism.

Solidary incentives are the benefits derived by individual members as an intrinsic rather than instrumental function of membership, for example, regular association with others sharing similar attitudes. As Forbes notes in reference to Moe, Olson restricted his assessment of benefits solely to economic returns (83).

Olson recognises that small groups may act voluntarily in support of group interests, although he suggests such action will be sub-optimal. Of course, small groups by virtue of their size are likely to be less influential, if only because they are seen as unrepresentative. However, organisations may be structured in a way that exploits small group benefits, by having relatively autonomous tiers. So this may be why CND, for example, is organised on a local, area and national basis. Similarly FOE Ltd. is successful in having local groups that are relatively autonomous provided they adhere to a few basic principles, as well as a national organisation (84).

Olson's argument refers only to the action of individuals acting out of self-interest, altruism may be a powerful motivator for promotional groups. As Colby observes in a recent paper, many public interest groups are similar to social movements, which suggests a modification of Olson's argument because of the role of altruism with, for example, staff who "may well "work cheap" because of their own belief in the cause." Colby suggests purposive and solidary incentives, the use of material incentives to support lobbying as a by-product of other activities, and the role of organisational entrepreneurs supported by new technology (especially computerised mailing lists) have contributed to the effectiveness of public-interest groups, in modification of Olson's argument (85). Yet it must be concluded that in general, collective action by promotional pressure groups is influenced by this restriction on the resources of commitment and cohesion.

When organised and with a membership willing to act on behalf of group interests, promotional pressure groups then face the problem of their weak strategic location. What sanctions can promotional pressure groups employ in support of their demands? Sectional groups use their structural position in the economy, promotional groups can use only certain types of direct action (or the threat of it) if their argument is insufficient.

Typically, such actions are designed to appeal to public opinion via meetings, rallies, marches or demonstrations. Though there are types of direct action which are intended to be, at least in part, a solution to the demands of the group. The release of animals involved in laboratory experiments is a good case in point.

Consumer boycotts are another type of direct action seeking a more immediate solution as well as possible publicity benefits. Here, however, there is potentially an attempt to utilise the structural position in the economy of the group's members and supporters. This, when considered alongside the earlier arguments about consumer sovereignty, is indicative of the latent promise of consumer boycotts for promotional pressure groups. In contrast with the acts of animal rights and anti-vivisectionist groups which have been violent and patently illegal, boycotts are a form of Non Violent Direct Action (NVDA) which may be technically illegal (although they need not be, as discussed later) but are unlikely to result in prosecution because of the interests of the companies involved.

In sum then, promotional pressure groups are at a disadvantage vis-a-vis sectional groups in terms of resources. Commitment and cohesion

will be difficult to realise and maintain without selective incentives. More importantly, given an organised group that is committed and cohesive, the weak strategic location of the promotional group is likely to mean that with failure of their argument to convince the powers that be, there are then few effective sanctions at their disposal for more forceful persuasion. Despite Rose's claims to the contrary, publicity (and, therefore, money) is seen as vital to promotional pressure groups - surely Rose was thinking only of sectional groups. Publicity can, by influencing public opinion, strengthen a group's argument. It is, moreover, both necessary for and an aim of direct action.

The next section considers the role of public opinion in more detail. This concludes part 6.4. It is then possible to look at promotional pressure group strategies and tactics.

6.4.3 The Role of Public Opinion

In fairness to Rose, his argument about publicity should be given in more detail. The use of publicity by some pressure groups and the value of the media in this is recognised here:

"Pressure groups with a weak strategic position and few other organizational resources may turn to the media. Media publicity gives the appearance of mass support by the multiplying effect of mass circulation. The simplest and cheapest publicity device is to issue a press release or write a letter to The Times signed by prominent persons, for names make news."

However, he continues: "But any publicity, even free publicity, is of little avail, in so far as it is a sign that the group in question is unable to advance its claims through quiet negotiations in Whitehall" (86). Does this mean that groups without insider status are then without influence or, for that matter, deserve to be without influence?

Rose, of course, assumes that the pressure group seeks only some action by government (subsumed from the dominant idea within politics about the location of power in society), and that pressure group action cannot in itself produce a direct solution (a possibility discussed later in relation to direct action). Essentially his claim is a variation on the supposed truism that once an issue is on the streets it is lost. Shipley, in expressing the same supposed truism, makes an important qualification in reference to attempts to appeal to public opinion: "The less sympathy a group has in Whitehall, the more likely it is to embark upon a mass campaign ... When an interest with established access to official circles sets itself on such a course, it is usually a sign that the normal channels have failed" (87). This suggests that while such a claim may be true for established pressure groups normally afforded insider status, it does not necessarily hold for the outsider groups.

One must ask what alternative there is for the outsider group other than to attempt to influence public opinion. To gain access to the executive or even the legislature, it must demonstrate public support.

This is particularly true of promotional groups because their representativeness cannot be demonstrated by referring to a clearly identifiable membership (as recognised in Wootton's typology). Their supporters are drawn from the public at large, public support is necessary to endorse the group's demands. Direct action is the only other alternative but this is even more of a last resort, as is later shown.

Public opinion, as Roberts eloquently puts it, creates "a climate of possibility" (88). Even if it does not provide the group with an input on decision-making, it can at least put the issue on the political agenda, as Ward claims for the anti-nuclear lobby (89). Many writers in the area emphasise the importance of expert pressure group use of the media. Wallace writes, echoing Rose: "Politicians ... easily mistake Press agitation for aroused public opinion" (90). Wilson writes extensively on the use of the media and his CLEAR case study provides a good example of pressure group use of the media and public opinion to achieve its aims, by prompting appropriate government action (91).

There are drawbacks to attempts to mobilise public opinion in support of the pressure group. Coxall identifies two forms of public campaign. Firstly, there are long-term educational and propaganda campaigns intended to produce significant shifts in public opinion. Secondly, there are short campaigns designed to mobilise public opinion against a specific threat and, if possible, avert it. In the former case, there is the distinct likelihood of counter-groups being formed to oppose the campaign. With short campaigns, a hostile public reaction might ensue because most people's minds are already made up. These problems are in addition to any that may result from upsetting a relationship the group may have with government, as a consequence of going public (92).

Public opinion also tends to be conservative, which severely restricts the possibilities for mobilising mass public support for the radical pressure group. Indeed, this provides such groups with a major incentive to use direct action (discussed further in 6.5). Coxall suggests attempting to influence informed rather than mass opinion, a strategy found effective by the Abortion Law Reform Association and Homosexual Law Reform Society (93). In a similar vein, Klein identifies the paradox that "it is precisely those who want the greatest social changes who should be most elitist in their approach." Though general public opinion might be more effective for some pressure groups, as he continues: "Populism could be an effective ally of a right-wing radicalism: this would exploit public opinion on such issues as immigration and hanging and flogging" (94).

All of this discussion, of course, assumes public opinion does in fact influence government policy. Returning again to the issue of capital punishment serves as a reminder that this is not always the case (95).

6.5 Promotional Pressure Group Strategies and Tactics and the Factors in Their Success

6.5.1 Appropriate Strategies and Tactics for Promotional Pressure Groups

The previous parts to this chapter have identified the characteristics of promotional pressure groups (the type of pressure group of most relevance to this study), and the avenues of pressure and pressure group resources. On the basis of this, certain strategies and tactics are indicated for promotional pressure groups, which will be reviewed here. The apparent weakness of promotional pressure groups has somewhat called in to question the earlier claims about the role of such groups in the political process and the likelihood of the growth in these groups increasing political participation. While few would suggest that promotional groups are entirely without influence, it is accepted that their influence is, in general, far less than that of the sectional groups. This has been shown to be attributable to their lack of resources and, for most promotional groups, their outsider status. Because of this, promotional pressure groups have to adopt particular strategies and tactics both within the conventional political process and outside it. Corporations may then become a target of promotional pressure group activity as these groups seek ways to enhance their position, as well as being a target because of perceived abuse of corporate power.

It is worth repeating the observation earlier that much of the pressure group literature concentrates solely on pressure group influence of public authorities (and for the most part, sectional group influence). Hence, this part will initially consider the strategies and tactics for promotional pressure groups seeking only to influence public authorities, turning later to the influence of corporations. In keeping with the earlier discussion and much of the literature, this analysis will consider the pressure group role within a pluralistic model of the political process, although as 6.7 shows, there are other models.

Colman suggests the individualistic conception of democracy, as espoused by Rousseau and most philosophers of the classical liberal tradition, gave way to pluralism with the increasing scale and complexity of the governmental process following the industrial revolution. He refers to Wolff's description of the modern 'vector-sum' conception of democracy:

"... which views the government as a pivotal point of forces exerted on it by pressure groups throughout the nation, its function being to resolve these conflicting forces into a single balanced policy. As the relative weights of the various groups change, the fulcrum of government swings about, in sympathy with the drift of public opinion. Instead of being jostled by a bewildering array of inarticulate private citizens, the government can weigh up the various interests of a manageable and clearly distinguishable set of organized pressure groups, in which all significant interests in the nation are represented, and dispense political, social and economic goodies to each in rough proportion to its relative size and intensity" (96).

This does not occur for a number of reasons. As Colman observes, and perhaps most importantly, governments are motivated by principles as well as interests. For some issues, such as capital punishment, principles may be indivisible, denying scope for give-and-take. A pressure group faced with principled government policy on the issue at hand and seeking to change that policy, can either induce the government to modify the principles which guide the existing policy or modify the policy in spite of the principles, in the interests of expediency. The former course is open to any pressure group, involving persuasive attitude change directed at the decision-makers or the public at large. However, it is the latter course which is more frequently successful, but which is only available to groups possessing some measure of power over the government through, for example, their control over resources which the government depends upon. This involves an exercise in bargaining. While these are ideal types, contrast, for example, the National Union of Mineworkers, the Provisional IRA or the British Medical Association, with Friends of the Earth or the Campaign for Nuclear Disarmament (97).

While Colman is guilty of generalisation and over-simplification - the earlier discussion has shown the picture to be far more complex than he suggests - and many would dispute the notion of a government trying desperately to adhere to principles in the face of coercion, his description of pressure group influence on policy seems basically accurate. In other words, to summarise the earlier discussion in this chapter and Colman's observations above, promotional pressure groups, because of their weak strategic location, must rely on persuasive attitude change. Promotional pressure group strategy is based on the need to change public and informed opinion. But Colman is not very optimistic about such an approach:

"Successful attempts by pressure groups to change government policy by mere persuasion, either directly or through mobilisation of mass support, are comparatively rare ... Pressure groups which command the necessary resources to engage the government in genuine bargaining are, on the other hand, much better placed to influence decisions, and not infrequently achieve their goals relatively quickly and easily" (98).

The bulk of his paper is a review of attitude change research (considering source, message, audience and channel variables) and bargaining strategy. Although relevant to pressure group tactics, this cannot be dealt with in any detail here. Colman concludes by declaring the importance of persuasive appeals:

"Pressure groups which do not command the necessary resources to bargain directly, which is the case with most promotional or cause groups, are ... bound to restrict their efforts to attempts at persuasion ... they cannot bargain, because the government does not depend upon them in any concrete sense. The success of their campaigns therefore rests solely on the effectiveness of their persuasive appeals" (99).

This is correct insofar as it refers to groups working only within the conventional political process. Promotional groups do, though, work

outside it, employing direct action. While direct action (including boycotts) may be intended to gain publicity and influence opinion, it may also be intended to seek a more immediate solution on the issue. However, before considering direct action of this sort, it is useful to look at the types of strategies and tactics available to promotional pressure groups seeking to change public or informed opinion. This is the subject of the next two sections.

6.5.2 Mobilisation of Legitimacy for the Cause

Willetts suggests pressure groups are formed and then work through a process of changing perceptions, socialisation, and recruitment (100). Their ability to apply pressure is through the "mobilisation of legitimacy for their cause." As he observes:

"Winning support by changing people's perceptions of the issues is done by presenting arguments and information. An argument that there must be sanctions against South Africa because the regime is oppressive, or that nuclear power cannot be used because it is dangerous, depends upon convincing people that South Africa is oppressive or nuclear power is dangerous. Both topics may seem very remote from the everyday lives of those who are not immediately involved" (101).

If promotional groups are to rely on their argument they require sound information. So Wilson counsels: "Whatever you do, don't economise on research" (102). Because of the importance of source credibility in influencing opinion and the likelihood of a pressure group being considered biased, reliable information is vital. As Willetts notes:

"Governments can give false information to the public or to pressure groups without necessarily damaging their overall credibility. Thus, contrary to popular assumptions, pressure group activists should often be regarded as being more reliable in presenting information ... Processing of information is always a major activity of pressure groups and often it is overwhelmingly the most important activity" (103).

Government dependence on information for its decisions may even mean that the pressure group acquires insider status, or is at least consulted by government, once it has established a reputation for reliability. It becomes, in Mackenzie's words, of "administrative necessity." He suggests the appeal to reason is the most effective of all techniques, but it is necessary to ensure the information "is what the best people believe to be best." Civil servants may, as he notes, be generalists, but they can at least assess the reliability of information (104).

Pressure groups will then be concerned not only with influencing public opinion, but also elite opinion. They compete for the public's attention through the media, by publishing literature, and by setting out their case at meetings, conferences and demonstrations. Their information is of two sorts: that for mass communication - press conferences and releases, advertising, newspapers, magazines, pamphlets and through spokespersons and interviews on radio and television; and

that for specialist requirements - research documents, background information, briefing materials, technical journals and giving advice (105). The former is intended to influence public opinion, possibly targetted on opinion leaders in society given the two-step model of the flow of information (106), while the latter is aimed at informed and influential opinion, principally government, though some may usefully reach opinion leaders in the public at large.

Willetts is careful not to attribute too great a part to pressure groups in changes in public opinion and consequent changes in government policy: "... we must be careful not to attribute too much influence directly to the pressure groups. They do help to mould attitudes within society, but at the same time they are a reflection of society. If a cause is totally at variance with the prevailing social norms, it would be unlikely that any group could be formed or that it could obtain much publicity." Hence, public support is vital for the group to become organised. He does, however, continue by recognising the role of public opinion in influencing government and other targets: "If, nevertheless, a group is formed which cannot evoke a response in the wider society, even if by pressure group standards it achieves a large membership, then governments and other targets will usually be able to afford to ignore it" (107). Presumably then, governments cannot afford to ignore widespread public support for pressure groups.

It is worth noting at this point that the size of a pressure group's membership is not indicative of the group's representativeness or support. This of course relates to the comment above about the pressure group as a reflection of society. While with sectional groups, the membership comprises for the most part the bulk of the group's supporters, this is unlikely to be the case with promotional groups. This is conveyed in the preferred American term for promotional groups: public interest groups. By definition, promotional groups do not represent a definable social or economic interest (ignoring the issue of middle-class bias), theoretically - recalling Wootton's openness of membership criterion - the whole population could join them. Most promotional groups will claim to speak for the interests of society at large, even if their opponents dispute such a claim they will at least acknowledge that the extent of the group's support goes beyond the fee-paying membership. This point is made throughout the literature, with Willetts, for example, noting that the influence of the Anti-Apartheid Movement in Britain is out of all proportion to its tiny membership of 2,500. The group's newspaper has a print run of 7,000 copies and 44 per cent of the public in May 1961 thought Britain should oppose apartheid in the United Nations, while 50 per cent in 1970 thought Britain should not supply arms to South Africa (108). A similar disparity will later be shown to exist between the size of CND's membership and public support.

Wilson rather neatly describes "our kind" of pressure groups as "advocates in the court of public opinion" (109). This captures the view of promotional pressure groups as representatives of the public, but also, in order to be both effective and truly representative in this role, the requirement to gain popular support.

Wilson describes at length, from A to Z, a great number of tactics of pressure, too numerous for mention here (110). Other (academic) writers tend to refer to tactics only in passing - always assuming the reference to promotional groups is more than a passing one. The case studies used by Wootton, Frost, Marsh and others all identify tactics but do not attempt to evaluate and compare, or even classify. Perhaps this, and the lack of literature on promotional groups in general, is indicative of the ineffectiveness of such tactics. The difference between American and British politics has entailed the use of predominantly British sources in this chapter on pressure groups; it is perhaps because of the greater effectiveness of pressure group tactics in America that an American source must now be employed to present a reasonable categorisation of pressure group strategies and tactics.

6.5.3 Berry's Categorisation of Strategies and Tactics

The more open American political process presents, it is argued, greater opportunity for pressure group influence. It is not possible to consider this issue here, but it is widely accepted that the British political process is relatively closed with much criticism of the inadequacy of disclosure in this country (111). Shipley suggests interest groups in Britain have, in comparison with the United States, "cultivated closer, more effective contacts with government departments." (This, as later discussed, is sometimes viewed as corporatist.) The closer relationship between pressure groups and the executive is counter-balanced in the United States by pressure group influence with the legislature: "individual Congressmen are more susceptible to the rival demands of pressure groups than the British Member of Parliament who is protected by a more tightly drawn party organisation and the traditions of parliamentary privilege" (112). Elsewhere, it is suggested that "because of the different constitutional system, pressure groups concentrate their efforts as much on the legislature (Congress) as on the executive (the White House) ... because, in the US, individual congressmen have more power than individual MP's do in Britain" (113). (A number of writers in the area have referred to a diminishing role for Parliament (114).)

These differences between the United States and Britain both point to a greater influence for promotional pressure groups and a greater effectiveness of promotional group tactics in the United States, but also the difficulties likely to be encountered by an outsider, promotional group in Britain. Yet the strategies and tactics employed by American and British groups would not seem to differ greatly. Indeed, as Marsh observes, many British promotional groups are influenced in their strategies and tactics by the experiences of their American and continental counterparts (115).

Berry defines strategy as "broad plans of attack, or general approaches to lobbying," and tactics as "the specific actions taken to advocate certain policy positions" (116). His categorisation of pressure group strategies and tactics is based on interview research with staff lobbyists in 83 public interest groups, which he claims to be "an extremely high percentage - surely above 80% - of the true number of public interest groups that existed at the time of the interviewing (September 1972 to June 1973)" (117).

He identifies three categories of tactics. Firstly, those techniques that are characterised by direct communication between lobbyists and government officials, such as personal presentations. Secondly, methods by which groups lobby through their constituents, such as political protests (demonstrations, picketing, sit-ins) and letter writing. Finally, trying to change governmental policy by influencing elections or altering public opinion, the techniques of indirect lobbying, such as releasing research results and public relations. Table 6.1 shows Berry's assessment of the various tactics he considered.

It is not clear as to how this list was compiled, but Berry does accept that it is incomplete, referring to shareholders' actions and whistle-blowing. This perhaps reflects his emphasis on pressure group attempts to influence the public authorities rather than corporations, the prime purpose of shareholder actions as he acknowledges. He makes no reference to consumer boycotts. His categorisation is, however, a reasonable attempt given the difficulties in classifying the great variety of pressure group tactics, and his emphasis on influencing the public authorities.

He suggests the large support for personal presentation (over half the sample viewing it as "very effective" or "effective") is in keeping with earlier studies by Milbrath and others, which show personal contact to be the most highly regarded tactic. But it would seem likely that not only should lobbyists views of tactic effectiveness be judged with caution, as Berry later concedes, but also the notion of taking any tactic in isolation from the rest is suspect because any outcome will be the consequence of the totality of pressure - that is, all the tactics employed - and moreover, is unlikely to be solely attributable to the pressure group's activities. As Berry notes in his conclusion (but not, unfortunately, in qualification of his claims about tactic effectiveness) "the problems of distinguishing the influence of interest groups upon policy makers, as distinct from other influences such as the press, general public opinion, and other political elites, remain rather substantial" (119). Perhaps British analysts of pressure groups have been wise in avoiding evaluations of pressure group tactics! His study should be seen to be primarily of value in its attempt to categorise pressure group tactics rather than assess their effectiveness.

This comment also applies to pressure group strategies, although it seems likely that groups have less discretion on their choice of strategy and often, indeed, employ more than one of the four strategies Berry identifies. These are: the use of the law, embarrassment and confrontation, information, and constituency influence and pressure. They are given in Berry's decision-making framework, Figure 6.2. This he describes as "a simplification of an extremely complex decision-making process," and is largely self-explanatory.

His determinants of strategy - goals and capabilities, and structure of the environment - are in keeping with British writers in the area who refer to organisational and environmental determinants of strategy. Some refer only to environmental considerations, largely in recognition of the great constraints faced by promotional groups, as

Table 6.1 : The Tactics of Advocacy (118)

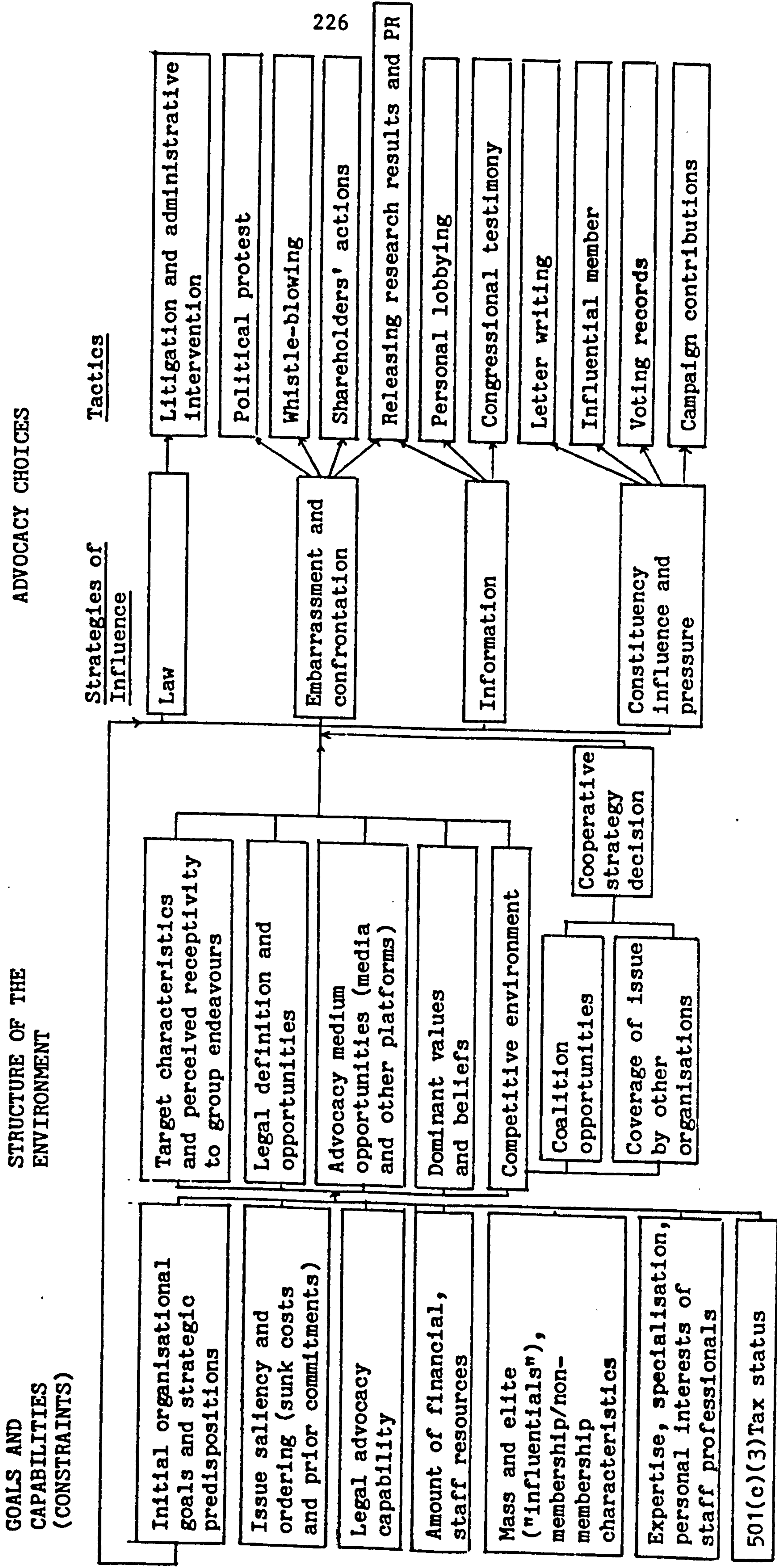
EFFECTIVENESS TYPE	Very Effective; Effective	Effective With Qualifications*	Not Effective	Use But Cannot Evaluate	Do Not Use	Total
<u>1 Direct Lobbying</u>						
Personal presentation	53%	14%	7%	10%	16%	100%
Testifying at congressional hearing	20%	16%	42%	10%	12%	100%
Litigation	29%	12%	5%	5%	49%	100%
<u>2 Lobbying Through Constituents</u>						
Letter writing	47%	8%	4%	9%	32%	100%
Contact by influential member or constituent	34%	11%	1%	16%	38%	100%
Political demonstrations	8%	5%	5%	6%	77%	101%**
<u>3 Indirect Lobbying</u>						
Contributing money to candidates	6%	-	-	-	94%	100%
Publishing voting records	18%	6%	4%	4%	68%	100%
Releasing research	30%	15%	6%	17%	31%	99%**
Public relations	24%	6%	-	9%	62%	101%**

* For example, "Sometimes yes, sometimes no"

** Rounding error

N = 83

Figure 6.2 : Strategies and Tactics: A Decision-Making Framework (120)



Willetts writes: "The choice of what strategy to adopt is made pragmatically on an estimate of what is more likely to be successful" (121). Others acknowledge organisational as well as environmental considerations (122), including Berry. He even questions whether pressure groups assess different possible strategies and their subsequent effect: "To them, admitting their ineffectiveness was not an acknowledgement of their organisations' failures, but a reaffirmation of their commitment to the cause" (123). He suggests the most important decision on a given issue is not the selection of strategy or choice of tactics, but the decision to become active on the issue in the first place: "Because the decision to use a specific strategy is strongly influenced by organisational characteristics and situational variables, the most critical step a lobby takes is when it moves to take on a new issue and commit significant organisational resources to such efforts" (124).

So, to return to the earlier emphasis on the mobilisation of legitimacy and to conclude this section, pressure group strategies and tactics are a consequence of the type of group and the circumstances in which it finds itself; which, for promotional groups and particularly in Britain, entails a dependence on influencing public opinion. Without insider status and with a greater emphasis on the executive rather than the legislature in the political process, they are obliged to adopt the strategies and tactics that will affect public opinion on the issue. For some types of group this may mean direct action and possibly violence; or accepting that they may never realise influence.

Berry does not pay great attention to the insider/outsider status issue, perhaps because it is of less significance within the American system. However, its importance for British groups is apparent from his discussion of the four types of pressure group strategy. Without considering them in detail (for, as with tactics, space does not permit), some of his comments are worth noting (125).

Those groups employing legal strategies see the law "as a way to work within the system without having to "stoop to politics"." Many of these groups have "great faith in the fairness of the law." For others though law tends to be a back-up strategy, it will not always be appropriate. It receives little attention in Britain, probably because there is considerably less scope for the use of legal remedies, and for cost reasons.

The strategy of constituency influence and pressure, although employed in Britain, does assume parliamentary power, its focus being on the legislature. This, as earlier noted, is also less applicable and useful in the British system. Berry notes that organisations characterised by this strategy may come closest to fitting the image of a "pressure" group: "This is much more a strategy of persuading than informing. The "pressure" aspect of this strategy is more evident because the groups' sanctions are more conspicuous. Most of the lobbies that rely on this strategy are primarily concerned with the Congress."

This strategy is used in Britain and has proved effective in achieving legislation on 'conscience' issues via private members' bills. It

does, however, suffer from the diminished role of Parliament and the strength and importance of party allegiances. Although Marsh identifies recent attempts by pressure groups to use this strategy with the Labour Party and to try and "piggy-back" on the economic power of the trade unions, this represents a move back after a period of disillusionment following the noticeable failure of earlier attempts to use this strategy (such as Labour's infamous about-turn on promises to CND made at the Party Conference in 1960). Marsh suggests this may be associated with the recent leftward move of the Labour Party, which would seem further indication of the likelihood of such a strategy proving again inadequate on the election of a Labour government (126). However, as with other strategies and tactics as will later be seen, such a strategy may be effective if the promotional pressure group can realise effective sanctions.

Berry's information strategy he recognises to be one appropriate to groups with, or aspiring to, insider status:

"It is much more an "inside" strategy - one that depends on the goodwill of officials and their staffs. Sympathetic people in government are expected to fight for the "right" policies in a conflictual, but reasonable political arena ... This strategy of information places groups in less of a permanent adversary position. Although they have not been coopted by the policy makers with which they deal, they have established themselves as eager participants in cooperative activity with staff and officials."

Many groups would, as earlier noted, be less confident of not being coopted than Berry suggests. Interestingly though, and perhaps this is an indication of the more substantial promotional pressure group resources and influence in America, Berry later suggests the government agency rather than the pressure group may become coopted (127).

Hence for British outsider groups, the greatest hope lies in the embarrassment and confrontation strategy. While such a strategy still requires the effective use of information by the pressure group, it is used as a weapon against the public authorities rather than as a tool employed in cooperation with government. It is premised on the belief that "sufficient exposure of bad policy will act to stimulate governmental officials to change such policy ... if a minimum of publicity can reveal what people in government are doing, those same people will find themselves under a new set of circumstances for future actions in that their behaviour will be critically scrutinised." The group works to sustain controversy on the issue making the official or department respond to the group's charges, which in turn gives the group greater legitimacy, as Wilson also notes (128). Berry attributes this strategy, indirectly, to outsider status:

"Groups imbued with this strategy have a rather hostile, untrusting view of government. Of the variables previously discussed, the one that is probably most important in pushing a group toward this strategy is the perceived receptivity of targets. Groups adopting this strategy have long accepted that they are not going to be institutionalized into the policy-making

process. Rather, they must force people in government to listen to them through protests, news leaks, whistle-blowing, and other similar tactics."

Additionally, of course, the force of public opinion. However, it is this strategy of embarrassment and confrontation and these tactics that force government to listen, which are also employed against corporations. They have within their perceived role as private institutions, no recognised obligation to listen to pressure groups and are unlikely to be receptive targets of pressure group criticism. These tactics are considered in the next section.

6.5.4 Protest Tactics and the Corporation

The notion of corporations as 'private governments', referred to in section 4.4.2, might in itself suggest a comparability between pressure group attempts to influence the corporation with attempts to influence government. Regardless of whether the corporation is viewed as a political institution in this way, the limited access to corporate decision-making for the promotional pressure group at least suggests that it is reasonable to view the promotional group's position vis-a-vis the corporation as comparable to that of the outsider group vis-a-vis government. Given the paucity of literature on pressure group activities directed against corporations (129), this perspective can provide some useful insights. Moreover, not only will the corporation be a target for pressure group activity because of perceived abuse of corporate power, but also to strike indirectly at government. As seen earlier, the limited opportunities available to many promotional groups oblige them to consider any possible target (130).

The visibility of corporations and their concern for the corporate image suggests they are particularly susceptible to protest tactics, especially corporations in consumer markets (contrast, for example, RTZ's limited concern over criticism of their involvement in Namibia with that expressed by Barclays). While the use of information and particularly the release of research results will play an essential part, protest tactics will often be employed to draw attention to alleged corporate misdemeanours.

Before considering protest tactics in detail (131), it is important to recognise that there is a distinction, which is rarely made in the literature and is not always clear, between protest tactics and direct action. Direct action is discussed in Part 6.6. For this section it will be sufficient to observe that direct action is the pressure group actually doing something to solve the problem directly. Although direct action has this specialised meaning, it is used in some of the literature to refer to protest tactics, such as demonstrations, which are for publicity purposes. Of course some, if not all direct action, is intended to be partly for publicity purposes, hence the confusion. The pressure group itself may be uncertain, divided, or not have given any thought to the purpose of a particular action. Consumer boycotts are a case in point. They may be a protest tactic used solely for publicity purposes, a direct action, or both. In this section, the concern is only with actions intended for publicity purposes within a strategy of changing public and/or informed opinion.

The intention of protest tactics to obtain publicity, demands that they should be of interest to the media. Such tactics will, as earlier noted, indicate that the normal channels, if ever available to the group, have failed. They must then maximise the publicity in a way that enhances the group by demonstrating and increasing public support. With good tactics "the argument is in the action" (132), such as demonstrations outside a London shop selling furs, by protesters dressed in safari suits holding a sign saying 'help exterminate species - shop here'.

Such action should be good-humoured, or public opinion may be alienated, and by being original both in itself and in conveying the message of the group, will capture media attention. As Shipley writes "To find its way into the mass media a story must have impact: the dramatic, unusual or controversial will catch the eyes of news editor and reader alike. In this competitive world pressure through publicity is subject to commercial rather than strictly moral criteria" (133). The need for innovation and originality becomes ever greater the more protest actions there are. Berry's comment that demonstrations generally decrease in newsworthiness the more they occur (134), seems applicable to all protest tactics. Des Wilson, in his work with Shelter in particular, has shown himself to be remarkably adept at producing interesting events, and conveys the importance of this and the ways in which such an effect can be achieved throughout his book.

Meetings, rallies, marches and demonstrations are direct methods of appealing to public opinion if the more passive methods referred to earlier, such as press releases, advertising, and so on, prove ineffective. Etzioni, in his study of demonstrations, suggests they are a legitimate form of political expression. His conclusion that they are necessary because other avenues of pressure are closed is in keeping with the argument presented here and probably applies to all protest tactics:

"They are not to replace existing democratic instruments but to complement them ... demonstration's democratize in that they increase the equality of political opportunity by providing a tool with a built in advantage for those for whom the other tools of democracy are somewhat unwieldy and, not infrequently, relatively inaccessible" (135, Etzioni's emphasis).

For protest tactics not only appeal to public opinion but also provide political leverage. As Berry writes, the strategy behind demonstrations is threefold: to expand public awareness of an issue through press coverage, to make government officials more sensitive and cognizant of a particular point of view on an issue, and finally by press coverage "strengthen the group's hand and give it more leverage in the political process" (136). Elsewhere, Michael Lipsky has referred to protest as a political resource along the same lines as Etzioni: "protest is correctly conceived as a strategy utilised by relatively powerless groups in order to increase their bargaining ability" (137). And commenting on the tactics of Saul Alinsky, Bailey writes "To compensate for the absence of power resources that depend upon either wealth or special access, protest is used," and subsequently, in explanation:

"In order to negotiate with established institutions for increases in political and economic allocations, a group needs power resources. The resource most readily available to community organisations is the threat of protest activity" (138).

Alinsky's tactics are principally direct action and this point about leverage applies even more forcefully to direct action, as 6.6 shows, and particularly with direct action involving corporations.

Political leverage achieved by protest tactics is far more likely if there is violence involved. As Etzioni recognises and Hain noted in Stop the Seventies Tour, both media and political attention increases with violence. Governments at least take note if there is 'fighting in the streets'. Fortunately, many groups are ideologically opposed to the use of violence and employ non-violent direct action (NVDA), as discussed in Chapter Seven. (Boycotts are a type of NVDA.) However, the temptation to use violence must be great because of its leverage value, even though it may alienate public opinion. Violence and Etzioni's study will be considered further in 6.6.

Political leverage may result without violence, possibly because the authorities fear that demonstrations may become violent. The Stop the Seventies Tour (STST) group while adhering to NVDA could not prevent violence being used by rugby stewards in coordination with the police (139). The authorities may even deliberately provoke violence, not to provide the group with political leverage but to deny it popular support (140). There is then the threat of violence even with a non-violent group, because of violence from its opponents or, of course, minority elements within the group or troublemakers. This threat will provide some political leverage, but also the level of support for the action will be indicative itself of popular support and to some extent the representativeness of the group. Though mass demonstrations are unlikely to result in a group achieving insider status.

So, in conclusion to Part 6.5, it can be seen that the factors in the success of pressure groups and the circumstances faced by promotional groups, point them towards certain strategies and tactics. As the latter discussion indicates, this may mean direct action and even violence if their attempts to change public and/or informed opinion - the only strategy likely to have any chance of success for most promotional groups - are unsuccessful. As the next section shows, this would seem to also apply to actions against corporations. While the lack of opportunity to influence government may make corporations a target for pressure groups so as to strike indirectly at government.

However, before turning to direct action, it is worth concluding with some promotional pressure group strengths, in contrast with the weaknesses considered so far.

Willetts, in his analysis of the impact of promotional pressure groups on global politics, recognises these groups are "typically understaffed, overworked, short of finance and faced with more questions they would like to tackle than they can cope with" (141). But he does go on to acknowledge some strengths. There is the intense personal commitment on the part of their members, producing a dedica-

tion to hard work and a loyalty of individuals to the cause which will usually be much stronger than that to political parties or governments. There is the fact that their leaders become specialists, putting them in a stronger position than governments. Thirdly, their lack of a well-structured bureaucracy means that they can in times of emergency or crisis respond with speed and flexibility.

Yet even these strengths can be weaknesses in certain circumstances. The dependence on personal commitment and specialist skills means that the group may be less effective in some localities if the organiser there is weak; and groups bound by commitment rather than economic interest are dependent upon consensus, unable to enforce decisions, and so divisions within groups and the formation of splinter groups often occur (142).

6.6 Direct Action

6.6.1 Direct Action or Publicity Stunts?

If the only avenue of pressure available to a pressure group is (campaigning to change and mobilise) public opinion, and that has proved either unsuccessful or been achieved and ignored, then the pressure group may turn to direct action. For radical groups, popular support may be particularly difficult to obtain in view of the conservative tendencies of the majority. Popular support on an issue is likely also to be difficult to sustain for any length of time and governments will often tend to wait for it to wane so that the issue effectively goes away. In these circumstances, direct action seems the only possible route for the pressure group. It may also appeal for ideological reasons.

Direct action is not a term used unambiguously in the literature. Benewick and Smith, in a study entirely concerned with the relationship between direct action and democratic politics, refrain from offering or (as they put it) imposing any definition of direct action. They do, however, give credence to direct action, and in a way that provides some indication as to the meaning of the term:

"Direct action is a traditional and legitimate form of political behaviour in a democratic State. Ruling groups have rarely released or shared their power with others voluntarily. Institutional changes have seldom occurred in the absence of pressure. New policies and programmes have been introduced frequently by means outside the conventional boundaries of Parliamentary politics. As new demands and needs arise, their advocates have resorted to direct action in order to achieve recognition, participation and acceptance in the political system. When more established groups perceive the system as unresponsive or ineffective, they may well adopt more militant tactics to articulate their grievances ... it is often through forms of direct action that the moral basis of politics is kept before the government and the public" (143).

Direct action refers to actions outside and probably in conflict with conventional democratic processes. All pressure groups will attempt to act directly on the established authorities, but as Drewry observes:

"... such groups have already won the right, to a varying extent, to be ranked alongside parties as respectable representative institutions: conflict between pressure groups and parties tends to be confined to matters of demarcation, or to involve narrow issues of administration or substantive policy. The phrase 'direct action' connotes something much more positive and much less constitutionally conventional than lobbying or negotiation ... Direct action is used when negotiations have failed or where the use of conventional methods seems pointless: it entails to a varying degree, a rejection of the efficacy or even the morality of the 'usual channels'" (144).

He is, at least, able to offer a flexible (broad) definition of direct action: "various forms of activity, violent or non-violent, which signify a rejection of established political methods or institutions" (145). Significantly, he goes on to exclude many forms of demonstrations and rallies as but an extension of the lobbying process rather than a rejection of such processes. Mass demonstrations are, he suggests, intended by definition to demonstrate that a particular point of view enjoys wide support. They have therefore become an accepted form of political activity, rather than a form of direct action.

There is then a distinction between direct action and publicity stunts. However, as the previous section indicated, much direct action is for publicity purposes. A good case in point is the return of non-returnable bottles to Schweppes, dumped in a colossal pile outside the Schweppes office by supporters of Friends of the Earth (FOE). Wilson describes this as a classic piece of direct action, but notes that it was also an effective media event. It did, of course, involve a corporation as a target. Direct action and corporations is the subject of the next section.

6.6.2 Direct Action and the Corporation

The corporation can become the target of direct action because of some perceived corporate misdemeanour (and plenty of examples of such actions are considered later involving boycotts); because it is tangentially involved in some activity, but the real target is government, which although seen as being responsible cannot be reached directly; and, finally, because the corporation is a handy target. As will be shown later, the choice of the corporation and any specific corporation may be entirely arbitrary, or simply on the basis of prominence, susceptibility and accessibility, rather than any perceived assessment of corporate 'guilt'.

This section will consider the reasons for direct action and the increasing preference for its use, with the likelihood that corporations will be subject to direct action ever more frequently in the future. Some recent examples of direct action involving corporations are given. However, the discussion of direct action will be kept brief because it is the non-violent form of direct action which is of more importance to this study and is considered in the next chapter.

Etzioni's study of demonstrations, referred to earlier, is particularly concerned with the part played by violence. He suggests that violence has often proved necessary to achieve certain social changes because of the recognition that such changes were required if peace and stability were to be maintained. Demonstrations are often a prelude to violence and are in this sense a useful warning mechanism. As Etzioni concludes:

"Ultimately, a society which fails to respond effectively to its members, especially when the neglect of the needs of some of them has been accumulating and has been repeatedly called to its attention, will have little choice except between anarchy and tyranny. Demonstrations are a useful though potentially volatile

warning mechanism. Muffling their sound will not prevent the explosion" (146).

It is, for most groups, this intransigence of the authorities to a pressure group's case which prompts demonstrations, direct action, and possibly violent direct action. With most groups, direct action is viewed as a last resort.

FOE, for example, are reluctant to use direct action and have refrained so far, on the nuclear power issue. Ward identifies a threefold strategy at work: to bring issues directly to the attention of the public by the activities of local groups and the publication of high quality publicity material; to influence the public through well-organised media events; and finally, by direct access in lobbying parliament and giving testimony to Royal Commissions and public inquiries. It is this faith in being 'incorporated' that has militated against the use of direct action. Although, admittedly, there have not been the opportunities available recently in the way that there has been in the United States and the continent. This reluctance to use direct action has led to many activists forming local anti-nuclear groups and affiliating to the Anti-Nuclear Campaign. And while Ward suggests FOE's activities have put the issue of nuclear power firmly on the political agenda, FOE have never really obtained insider status, but acted as a "legitimizing gloss on corporatist politics" (147).

Ward's case study was written in 1983. In late 1983 and early 1984, Greenpeace, who see involvement in public inquiries as largely futile, successfully employed direct action against the nuclear power industry. While attempting to 'cap' a pipe discharging radioactive material from Sellafield (Windscale) into the sea, they came across an extremely high level of discharge, well in excess of the level permitted by the government and which Greenpeace were (illegally) trying to prevent. There was a government investigation of this accident which blamed the Sellafield management, making 23 recommendations for improvements. The outcome, in addition to the mobilisation of public opinion, was promises by British Nuclear Fuels Ltd. to reorganise its management, discipline some employees, spend an extra £12 million to improve safety, and accelerate plans to reduce radioactive discharges into the sea. Greenpeace observed that this accident may not have been the first and still sought an end to all radioactive discharges. They could at least claim a partial success and the likelihood of a complete success in the near future is considerably enhanced. Greenpeace had used the conventional channels to no avail. Obligated to use direct action, they were relatively successful (148). Similar successes have been achieved by Greenpeace, using direct action, over the dumping of hazardous chemicals at sea and whaling.

Marsh suggests there are "certain signs that direct action may increase." Although direct action is alien to the British tradition, he notes that the influence of American and continental experiences is prompting many British promotional groups in that direction, particularly as some, such as FOE, are American off-shoots (149).

Promotional groups may find governments intransigent and unresponsive. There may also be little governments can do, particularly as regards

multi-national companies, or at least little they would wish to do, because of their fear of offending them. This is particularly true of governments in the Third World (150). Promotional groups must then act directly against the cause of their complaint. This will often be business.

Another interesting instance of direct action against a corporation is the (falsely) claimed poisoning of Mars chocolate bars by the Animal Liberation Front, over the alleged involvement of Mars in experiments on animals. This supports the claim about how intransigent, unresponsive, or ineffective government behaviour on an issue may push the group into direct action, and how corporations may increasingly come under attack. The year 1984 witnessed a number of direct actions against firms by this group, justified in this way: "The traditional animal welfare movement has been around for decades, and it has not been very effective. It is only through direct action that people can see something has been achieved." The group also recognises ethical purchase behaviour as "Notes slipped into the wrappers said the Front did not wish to harm human life, but people eating "cruelty-based products" should be responsible for their own actions" (151). It seems, however, that they would wish to deny people the right to choose in their purchase behaviour.

Direct action and the corporation will be further considered in the next chapter. This chapter concludes with a brief examination of pressure groups and pluralism and the role of direct action in this.

6.7 Promotional Pressure Groups and the Potential for Pluralism

6.7.1 Pluralism and Corporatism

Both pluralism and corporatism were defined and previously discussed in Chapter Three. These concepts have also been referred to throughout this chapter. Discussion of pressure groups cannot be meaningful without reference to these terms as they indicate forms of policy decision-making and the role of pressure groups within them. It is beyond the scope of this study to provide a full treatment of pluralism and corporatism and consequent roles for pressure groups. However, some useful observations can and should be made.

Making very simple generalisations, pluralism is usually preferred to corporatism because with the latter there are only a limited number of groups involved in decision-making (a tri-partite model of labour, employers and state, is typically offered), and because the links between these groups and the state are very close, decision-making is effectively closed. Many portrayals of corporatism envisage a one-party state. However, corporatism as discussed in the literature is rarely in reference to a political philosophy but is close to a damnation of policy decision-making, in its reference to the system of government within Italy in the late 1920's.

Both pluralism and corporatism can most usefully be seen as ideal types. Decision-making in practice may be characterised by pluralist or corporatist tendencies. It follows that the former is viewed more favourably than the latter, as a more open and participative form. Britain is not widely viewed as a corporatist state, but elements of corporatism can be identified. This, of course, is unlikely to be in the interests of promotional pressure groups. Ward, for example, refers to the closed relationship and limited participation in decision-making in the nuclear power industry as 'micro-corporatism'. Decisions on nuclear power are, to all intents and purposes, made solely between the CEGB, government, and GEC: "nuclear power policy is formed within a micro-corporatist context in which one fraction of capital and certain elements within the state interact to their mutual advantage" (152).

The conclusions that follow from this study point to certain observations on pluralism and corporatism as discussed in Chapter Twelve. While the next, and final, section to this chapter considers the role of direct action in pluralism.

6.7.2 Pluralism Through Direct Action?

If public policy is to be the equilibrium reached in the struggle to accommodate conflicts of group interest, how may promotional pressure groups play a part? Their limited resources and consequent limited influence would seem to militate against the pluralistic ideal. There are many interests which, because of their weak strategic location or because they are not organised, have no opportunity for participation in the political process.

Interests which are not organised must, it would seem, rely on their particular concerns being recognised and accommodated by the

authorities. For organised interests, however, a number of solutions seem to present themselves on the basis of the analysis here. If these interests are organised as a promotional pressure group they will find it unlikely that they are able to influence the authorities directly, by involvement in decision-making. Even if they desire insider status and achieve it, only rarely do such groups have much influence. They lack the sanctions by which they can make demands in the way that is available to the sectional groups. They must then rely on the mobilisation of legitimacy for their cause by gaining popular support, and/or the support of influential people. Alternatively, or additionally if possible, they must attempt to improve their strategic location so that their demands may be backed by sanctions or coercion.

The strategies and tactics for influencing public and elite opinion have been discussed. They include the consumer boycott as a protest tactic. This approach may be unsuccessful, however. Groups are then placed in the position of waiting for a more amenable administration - perhaps indefinitely - or using direct action.

Direct action is a last resort for a number of reasons. It may alienate some of the popular support for the group and probably any support that may exist within government. It may be illegal and violent. As a form of coercion it may offend some groups' preferences for what they view as democratic procedures; although one might question whether coercion by a promotional group is any different to the coercion previously exerted by a variety of sectional groups from the National Union of Mineworkers to the British Medical Association. More coercive tactics may also entail loss of control for the group's leadership as action in support of the cause gets out of hand. Hence, there are risks associated with direct action.

Direct action may be preferred by some groups for ideological reasons. The activities of the Irish Republican Army (IRA) are an extreme example, in their rejection of the legitimacy of British rule.

The imbalance in the pluralistic model in favour of sectional groups may, potentially, be redressed by direct action. All the possible forms and the desirability of this cannot be explored here. However, one particular form is considered, with good reason to assume it may be desirable. This is non-violent direct action in consumer boycotts, assumed to be desirable because of the employment of consumer sovereignty. That is, such a tactic of direct action is legitimated by the role of consumer sovereignty as the rationale for capitalism (as discussed in Chapter Three). If consumer sovereignty provides the customer with a 'purchase vote', then it may appropriately be used as a form of political participation.

The outcome of this form of ethical purchase behaviour may provide political participation in three ways. Firstly, as a form of direct action, the boycott may by putting pressure on the firm, stop a corporate digression. Secondly, and particularly if the firm has little control over the digression, it can put pressure on government via the firm, to meet the groups' demands. It will provide political leverage for the group, perhaps even enhancing the strategic location of the

group by giving it some degree of economic power. Thirdly, as a protest tactic, it can at least mobilise and express public opinion, which may also provide political leverage and even insider status and influence.

Corporations may then become involved in pressure group activity both because of their perceived abuses of power, but also because they represent a convenient target which can be employed to put pressure on government. The previous chapters have shown that further social control of business may be approached by the market, indicating a role in the marketing system for pressure groups. This chapter, in addition to examining the nature of pressure groups, has shown that promotional groups may not only wish to employ the market to correct corporate digressions, but also to improve their weak strategic location in their dealings with government. In other words, by using the boycott provide sanctions which may support their demands and possibly even coercion to force them in extreme cases. Some pressure groups would not even differentiate between the government and some corporations. In such instances, the distinction above is artificial. The 'military-industrial-complex' and the close relationship between the government, the CEGB and the nuclear power equipment manufacturers are cases in point.

Promotional groups are rarely the sole cause of changes in public policy or corporate behaviour. Public policy changes are usually the result of a number of influences, possibly including promotional pressure groups. Of those promotional groups that can claim to be successful, few can seriously suggest they have done more than put the issue on the political agenda. Influencing corporate behaviour, while also the result of a number of forces, may be easier and perhaps more appropriate. The American corporate accountability movement, dissatisfied with government efforts, attacked corporations directly, including the use of direct action. Pressure groups in this country may do likewise. The increased use of direct action will, in itself, mean corporations are more likely to be the targets of pressure group activity.

Do boycotts represent a form of direct action likely to be successful? Chapter Three would suggest, in their basis in consumer sovereignty, that they are a legitimate tactic. The next chapter considers boycotts as a tactic in detail.

Notes and References

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9. Ibid., p. 109.
10. Quoted in 'Pressure Groups', New Society, April 26 1979, p. iv.
11. Wallace, William, 'The Pressure Group Phenomenon', in Frost, Brian (ed.), The Tactics of Pressure: A Critical Review of Six British Pressure Groups (London, Galliard, 1975), pp. 92-95.
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23. Wilson, op.cit. (note 2).
24. Wootton, op.cit. (note 6), p. 22.
25. Roberts, Geoffrey K, Political Parties and Pressure Groups in Britain (London, Weidenfeld and Nicholson, 1970), p. 78.
26. Mackenzie, W J H, 'Pressure Groups in British Government', in Rose, Richard (ed.), Studies in British Politics: A Reader in Political Sociology (London, Macmillan, 1976 (third edition)), pp. 340-341.
27. Rose, op.cit. (note 26), p. 335.
28. Shipley, Peter (ed.), The Guardian Directory of Pressure Groups and Representative Associations (London, Wilton House, 1976), p. 3.
29. Weidenbaum, Murray L, The Future of Business Regulation: Private Action and Public Demand (New York, AMACOM, 1979).
30. Kimber and Richardson, op.cit. (note 3), pp. 1-2.
31. Vogel makes a similar point about American political scientists. He quotes March: "Political scientists have generally defined their field in a relatively modest way, limiting their attention to phenomena that occur in, or in close conjunction with, explicitly governmental institutions ... By any reasonably descriptive definition of political science, the business firm is outside the domain." This seems equally true in Britain. See Vogel, David, 'The Corporation as Government: Challenges and Dilemmas', Polity, Vol. 8, No. 1 (1975), pp. 5-37.
32. Wootton, op.cit. (note 6), p. 13.
33. See, for example, Pym, op.cit. (note 13), p. 11; Kimber and Richardson, op.cit. (note 3), pp. 2-3; Anon. (New Society), op.cit. (note 10), p. 1.

34. This perhaps reflects the point made under note 31 about the limited scope of political science and the more general point in Chapter Three about the artificiality of disciplinary boundaries (note 6). This criticism, however, is equally true of business and society. Many writers in this discipline would benefit from closer acquaintance with the politics literature, particularly that on pressure groups.
35. Kimber and Richardson, *op.cit.* (note 3).
36. Wilson, *op.cit.* (note 2), p. ix.
37. Vogel, David, Lobbying the Corporation: Citizen Challenges to Business Authority (New York, Basic Books, 1978).
38. Mackenzie, *op.cit.* (note 26), p. 344 ff.
39. Coxall, *op.cit.* (note 8), pp. 10-11.
40. Kimber and Richardson, *op.cit.* (note 3), p. 3.
41. Wallace, *loc.cit.* (note 11).
42. Marsh, *op.cit.* (note 12), pp. 3-4.
43. Mckensie, R T, 'Parties, Pressure Groups and the British Political Process', in Kimber and Richardson, *op.cit.* (note 3), pp. 281-282.
44. Willetts, *op.cit.* (note 4). Transnationalism is concerned with the "relations between different societies across country boundaries, which bypass governments" (p. 1). It is interesting to note that Willetts also points to the abundance of terms used to describe pressure groups, mentioning 'lobby', 'interest groups' and 'Non-Governmental Organisations' ('NGO's'), the latter being the standard piece of jargon in the world of diplomacy. He thinks the term 'interest groups' unduly emphasises economic interests, preferring the term 'pressure group', as employed here, because "this emphasises our concern with the way such groups seek to exercise influence." Furthermore, he does recognise that the targets of this pressure may be more than public authorities: "They may try to bring about social change by the direct effect of their actions on other individuals, by their impact upon other groups or by affecting government policy" (p. 1).
45. This is a poor and contentious distinction. Various concessions are given to groups who have charitable status. However, under British law, to have charitable status a group cannot be 'political', it may therefore relieve some of the symptoms of human need but not tackle the underlying causes. See Wilson, *op.cit.* (note 2), pp. 39-43; Shipley, *op.cit.* (note 28), pp. 9-10; and others.
46. Rose, Richard, Politics in England: An Interpretation for the 1980s (London, Faber and Faber, 1980 (third edition)), p. 226.

47. Willetts, Peter, 'Pressure Groups as Transnational Actors', in Willetts, op.cit. (note 4), pp. 2-9.
48. Ibid., p. 8.
49. Wootton, op.cit. (note 6), p. 18.
50. Ibid., pp. 19-22.
51. For a detailed historical study of British pressure groups see Wootton, Graham, Pressure Groups in Britain, 1720-1970 (London, Allen Lane, 1975).
52. Wilson, op.cit. (note 2).
53. Another good 'how to do it' book - and possibly the only other book of this type - is Hall, Christopher, How to Run a Pressure Group (London, Dent, 1974). In contrast to Wilson, the emphasis in this book is toward the local rather than national group.
54. The paucity of work on pressure groups in recent years may be attributable to pluralistic models being out of fashion at the moment. Interest seemed to peak in the mid 1970's when there was a great deal of interest in corporatism, but this of course didn't involve promotional pressure groups. Greater interest in sectional groups may not only reflect their influence but also be due to promotional groups having 'outsider' rather than 'insider' status and therefore also tending to be outside the domain of political scientists (Insider/outsider status is discussed in more detail in 6.3).
55. Mackenzie, op.cit. (note 26), p. 346.
56. Wilson, op.cit. (note 2), p. 2.
57. Mackenzie, loc.cit. (note 55).
58. Kimber and Richardson claim, in contrast to most other writers in the area, that class bias on environmental issues is doubtful "though evidence on either count is rather limited." Kimber, Richard and J J Richardson (ed.), Campaigning for the Environment (London, Routledge and Kegan Paul, 1974), p. 2.
59. Wilson, op.cit. (note 2), p. 27. Shipley (op.cit. (note 28), pp. 6-7), makes a less clear distinction along similar lines. He identifies: 'ad hoc groups' "that spring up in reaction to a specific situation and may combine a number of differently motivated sections for a limited time and for a clearly defined objective;" organisations ostensibly concerned with single issues that acquire a permanent structure because the problems remain or because the 'cause' represents a broader set of problems; and groups which are welfare as well as issue centred.
60. Wilson, op.cit. (note 2), p. 7. Interestingly, Berry, in referring to the American situation, uses the same terms (op.cit. (note 16)).

61. Wilson, op.cit. (note 2), p. 21.
62. Roberts, op.cit. (note 25), p. 96.
63. Pym, op.cit. (note 13), p. 19.
64. Wilson, op.cit. (note 2), pp. 2-3.
65. Coxall, op.cit. (note 8), pp. 86-87.
66. Kimber and Richardson, op.cit. (note 3), p. 13. Willetts (op.cit. (note 4), p. 182), comes to a similar conclusion.
67. Coxall, op.cit. (note 8), p. 84.
68. Marsh and Locksley describe the influence of business interest groups over government (not, however, business power elsewhere in society), remarking their surprise at the little previous work done in the area. Although, given the observations above about the limited domain of politics, this omission does not seem greatly surprising. They note, in reference to Lindblom, that capital (a term they use in preference to business for semantic reasons) is different from other interests because it exercises power or influence in two ways: directly, through interest groups, and structurally, as a constraint, because of its position in control of production, investment and employment decisions which shape the economic and political environment within which government makes policy. See Marsh, D and G Locksley, 'Capital: The Neglected Face of Power?' in Marsh (ed.), op.cit. (note 12). Also see Ward, H, 'The Anti-Nuclear Lobby: An Unequal Struggle' (in *ibid.*), for a case study illustrating business power in society at large and over government, and especially p. 194 and p. 207.
69. There are other avenues such as local government, particularly important for pressure groups addressing a local issue, and EEC or United Nations' bodies.
70. There seems to be a greater emphasis of late on promotional pressure group influence of the Labour Party, which may reflect recognition of the need to try and employ all avenues of pressure. It is interesting to note here that Vogel has observed (of the American scene) an increase in pressure group activity involving corporations with right-wing governments (see Vogel, David, 'Trends in Shareholder Activism: 1970-1982', California Management Review, Vol. XXV, No. 3 (Spring 1983), p. 83).
71. Marsh, op.cit. (note 12), pp. 5-6.
72. Christoph, James B, 'Capital Punishment and British Politics: The Role of Pressure Groups', in Kimber and Richardson (ed.) op.cit. (note 3). Grey, Anthony, 'Homosexual Law Reform', in Frost (ed.), op.cit. (note 11).
73. Wootton, op.cit. (note 6), pp. 40-50. Although Marsh and Chambers, while noting "it is assumed, quite rightly, that most

policy is made by ministers and civil servants and merely legitimised by Parliament," suggest this is not the case with so-called conscience issues "where the government coyly steps aside and allows MP's to introduce legislation under the Private Member's Bill procedure and to make up their own minds how to vote in subsequent divisions ... (and) Parliamentary lobbying thus comes into its own." See Marsh D and J Chambers, 'The Abortion Lobby: Pluralism at Work?', in Marsh (ed.), op.cit. (note 12), p. 144.

74. Rose, op.cit. (note 46), pp. 229-232.
75. Wilson, op.cit. (note 2).
76. Ward (op.cit. (note 68), pp. 191-192), notes that Friends of the Earth Ltd. had a total budget of £250,000 in 1980, whereas the Nuclear Power Information Group (set up by the nuclear industry in 1979 to promote nuclear energy and funded, in the last resort, from public money) spent £5m. on pro-nuclear information in the same year.
77. Marsh and Chambers, op.cit. (note 73).
78. Olson, Mancur, The Logic of Collective Action: Public Goods and the Theory of Groups (Cambridge, Harvard University Press, 1965), p. 2. Also see Berry, op.cit. (note 16), p. 21 and p. 37 ff.
79. Olson, loc.cit. (note 78).
80. Ibid., p. 132.
81. Ibid., p. 165.
82. Ibid., p. 167.
83. Forbes, J D, 'Are Consumer Advocacy Groups Political Pressure Groups?' in Proceedings of the Tenth International Research Seminar in Marketing, June 7-10 1983 (Aix-en-Provence; Institut d'Administration des Entreprises, Universite d'Aix-Marseille III; 1983).
84. Ward, op.cit. (note 68).
85. Colby, Peter W, 'The Organisation of Public Interest Groups', Policy Studies Journal, Vol. 11, No. 4 (1983), pp. 699-708.
86. Rose, op.cit. (note 46), p. 233.
87. Shipley, op.cit. (note 28), p. 16.
88. Roberts, op.cit. (note 25), p. 97.
89. Ward, op.cit. (note 76).
90. Wallace, op.cit. (note 11), p. 104.

91. Wilson, op.cit. (note 2).
92. Coxall, op.cit. (note 8), pp. 91-92. These drawbacks are also noted in Rose, op.cit. (note 46), p. 232, and Marsh and Chambers, op.cit. (note 73).
93. Coxall, loc.cit. (note 92).
94. Klein, Rudolf, 'The Case for Elitism: Public Opinion and Public Policy', in Rose (ed.), op.cit. (note 26), p. 334.
95. An article in New Society notes "Political interest groups have two main choices of strategy to influence policy. They can apply direct pressure by contacting legislators and administrators - or they can use indirect channels, mobilising other groups, or public opinion at large, to use their own independent access to power holders." However, it continues "direct pressure by groups concerned with foreign policy suggests that it has only rarely had an impact on government actions." It then reports research by Trice on whether if public opinion can be influenced so it shows up in opinion polls, government may then think there is main support for a policy. His research on the activities of pro-Israeli and pro-Arab groups suggests the public may be more responsive to cues from their government leaders than to the activities of pressure groups, and are perhaps insensitive to the latter. "The indirect strategy, then, shows up as no more successful than the direct strategy for foreign policy pressure groups, who may be spitting into the wind" ('Pressure groups flop', New Society, January 11 1979).
96. Colman, Andrew, 'The Psychology of Influence', in Frost (ed.), op.cit. (note 11), p. 11.
97. Ibid., pp. 11-13.
98. Ibid., p. 19.
99. Ibid., p. 24.
100. Willetts, Peter, 'The Impact of Promotional Pressure Groups on Global Politics', in Willetts (ed.), op.cit. (note 4), p. 181 and 195.
101. Ibid., pp. 186-187.
102. Wilson, op.cit. (note 2), p. 116.
103. Willetts, op.cit. (note 100), p. 187.
104. Mackenzie, op.cit. (note 26), pp. 352-354.
105. Shipley, op.cit. (note 28), p. 14.
106. Colman, op.cit. (note 96), p. 19. The two-step model, proposed by Lazerfeld in the late 1940's, suggests mass media appeals ini-

tially persuade a small minority of opinion leaders who in turn influence large numbers of others in face to face encounters.

107. Willetts, op.cit. (note 100), pp. 192-193.
108. Ibid., p. 193.
109. Wilson, op.cit. (note 2), p. 18.
110. Ibid., pp. 49-135.
111. See, for example, Wilson, Des (ed.), The Secrets File: The Case for Freedom of Information in Britain Today (London, Heinemann, 1984), or Robertson, Geoffrey, 'Freedom that deserves better than piecemeal judgement', The Guardian, November 12 1984. Des Wilson writes: "Excessive secrecy undermines our democracy - the sources of power and influence are obscured, public servants are not properly accountable, public participation is seriously hampered, justice is not seen to be done, and inefficiency and error are made more likely. Freedom of information legislation is essential" (New Statesman, February 24 1984, p. I).
112. Shipley, op.cit. (note 28), p. 19.
113. Anon. (New Society), op.cit. (note 10).
114. See, for example, Wootton, op.cit. (note 6), p. 14.
115. Marsh, op.cit. (note 12), p. 7.
116. Berry, op.cit. (note 16), p. 212.
117. Ibid., pp. 14-15. It is worth noting that Berry also comments on the paucity of literature: "... there is no real body of scholarly literature on public interest groups" (p. 301).
118. Ibid., p. 214.
119. Ibid., p. 285.
120. Ibid., p. 263.
121. Willetts, op.cit. (note 100), p. 182.
122. See Wootton, op.cit. (note 6), p. 171.
123. Berry, op.cit. (note 16), p. 276. Also, he later writes: "Few mentioned strategic or tactical mistakes in such a way as to leave the impression that they had any individual responsibility for the failure on a particular issue" (p. 278).
124. Ibid., p. 271.
125. Ibid., p. 267-270.

126. Marsh, op.cit. (note 12), pp. 5-6.
127. Berry, op.cit. (note 16), p. 284.
128. Wilson, op.cit. (note 2), pp. 18-19.
129. Vogel's work is an exception, especially Lobbying The Corporation, but he makes the same observation.
130. Some groups see 'the establishment' as their target, included in which are the corporations.
131. But excluding the corporate accountability literature here.
132. Wootton, op.cit. (note 6), p. 35.
133. Shipley, op.cit. (note 28), p. 15.
134. Berry, op.cit. (note 16), p. 233.
135. Etzioni, Amitai, Demonstration Democracy (New York, Gordon and Breach, 1970), p. 45.
136. Berry, op.cit. (note 16), pp. 232-233.
137. Lipsky, Michael, 'Protest as a Political Resource', in Zisk (ed.), op.cit. (note 1), p. 270.
138. Bailey, Robert, Radicals in Urban Politics: The Alinsky Approach (Chicago, University of Chicago Press, 1974), pp. 83-84.
139. Hain, Peter, 'Direct Action and the Springbok Tours', in Benewick, Robert and Trevor Smith (ed.), Direct Action and Democratic Politics (London, George Allen and Unwin, 1972), p. 194.
140. As alleged about the role of the police in the 1984 miner's dispute by Sheffield Policewatch on the BBC programme 'Taking Liberties', November 8 1983 (and as reviewed by Hebert, Hugh, in 'Law out of order', The Guardian, November 9 1984). The point is also made throughout the literature on NVDA (see, for example, Hare, A Paul and Herbert H Blumberg (ed.) Nonviolent Direct Action: American Cases: Social Psychological Analyses (Washington, Corpus Books, 1968)). See also Etzioni (op.cit. (note 135), pp. 31-35), on the police as a "trigger" for violence in demonstrations.
141. Willetts, op.cit. (note 100), p. 183.
142. Ibid., pp. 185-188.
143. Benewick and Smith (ed.), op.cit. (note 139), p. 13.
144. Drewry, Gavin, 'Political Parties and Members of Parliament', in Benewick and Smith (ed.), op.cit. (note 139), p. 249.

145. Ibid.
146. Etzioni, op.cit. (note 135), p. 57.
147. Ward, op.cit. (note 68).
148. Brown, Paul and Colin Brown, 'Government blames Sellafield chiefs for leak', The Guardian, February 15 1984.
149. Marsh, op.cit. (note 12), pp.7-8.
150. Turner, Louis, 'There's No Love Lost Between Multinational Companies and the Third World', in Heilbroner, Robert L and Paul London (ed.), Corporate Social Policy (Reading, Addison-Wesley, 1975).
151. Hearst, David, ''Spiked' sweet eaters unscathed', The Guardian, November 19 1984.
152. Ward, op.cit. (note 68), p. 194.

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Preview

... ahimsa ... is not merely a negative state of harmlessness but it is a positive state of love, of doing good even to the evil-doer. But it does not mean helping the evil-doer to continue the wrong or tolerating it by passive acquiescence. On the contrary, love, the active state of ahimsa, requires you to resist the wrong-doer by dissociating yourself from him even though it may offend him or injure him physically.

Mahatma K Gandhi (1)

This great reform, as you can see, can be achieved without shedding a drop of blood, without violence, without breaking any law - English, human or divine. But if a man does take a farm from which a poor tenant has been evicted, I conjure you to do him no bodily harm ... Act toward him as the Queen of England to you ... She would not regard you nor your wife nor your children as her equals. Now imitate the Queen of England, and don't speak to a landgrabber nor a landgrabber's wife nor to a landgrabber's children ... If a landgrabber comes to town and wants to sell anything, don't do him any bodily harm ... If you see a landgrabber going to a shop to buy bread, or clothing, or even whiskey, go you to the shopkeeper at once, don't threaten him ... Just say to him that under British law he has the undoubted right to sell his goods to anyone, but that there is no British law to compel you to buy another penny's worth from him, and that you will never do it as long as you live.

James Redpath, in 1880 (2)

Chapters Three, Four and Five have put forward the case for ethical purchase behaviour: its apparent basis in consumer sovereignty (at least insofar as the concept is employed in marketing) and its actual and potential role as a mechanism for the social control of business. An information role was identified for pressure groups. The previous chapter examined pressure groups, showing that not only may ethical purchase behaviour require pressure groups, but also that pressure groups may need ethical purchase behaviour. Promotional pressure groups are in need of effective tactics, one possible tactic which they could usefully use may be the consumer boycott. This chapter examines the boycott tactic, including the consumer boycott, the most manifest form of ethical purchase behaviour and the form of principal concern to this study, and a tactic which may enhance the strategic location of promotional pressure groups.

Ahimsa is the term Gandhi employed to describe non-violent direct action. In keeping with this, Gandhi organised consumer boycotts of salt and British cloth. For Gandhi, this philosophy of non-violence was a way of life, and it later brought him into conflict with those who thought of it simply as a strategy. NVDA has proved effective both when used within a non-violent philosophy and simply as a strategy alone. It is adopted by promotional pressure groups for ideological reasons, but probably also because it is the more acceptable

form of direct action. It would seem likely that if direct action is to increase, as the previous chapter suggested, then NVDA may become commonplace.

Consumer boycotts, a non-cooperation tactic, are the form of NVDA considered in this study. The term boycott originates in the ostracism of an Irish land agent, Captain Boycott. It was first written by Redpath, who describes the tactic above. As this quote shows, the term boycott refers to more than not buying from an unfavourably viewed seller. Various types of boycott are identified here, including the form of international economic sanctions such as the Arab boycott.

This examination of the boycott tactic is not restricted entirely to the consumer boycott, as the consumer boycott needs to be seen within the context of all boycott tactics, the tactics of non-cooperation, and NVDA. Other types of boycott also suggest implications for the use of the consumer boycott and management response. The Arab boycott is a case in point; it is also useful in illustrating ethical purchase behaviour and the complexity of managerial decision-making on social responsibility issues. Chapter Eight continues this examination of the boycott tactic, restricted to the consumer boycott alone.

7.1 Non-Violent Direct Action

7.1.1 NVDA and Boycotts of Business

The above quote about ahimsa reveals the underlying philosophical basis to NVDA. This is important because, as was noted in the previous chapter, direct action can appeal for ideological reasons and the use of NVDA and boycotts in particular can reflect this. The IRA's use of violent direct action is at least in part ideological, for its justification is that it is fighting a war, with the British troops in Northern Ireland seen as an army of occupation. Similarly, the use of NVDA by other pressure groups is ideological, in the rejection of the legitimacy of violence. In some cases, consumer boycotts involve not only the avoidance of certain products but also the welcoming of others, in the embracing of a more appropriate subculture or 'alternative' society.

However, before considering this philosophical basis to NVDA, it is worth summarising the main points about direct action as a pressure group strategy and as they relate to boycotts of business, as indicated in the pressure group literature and discussed in the last chapter. Firstly, and most importantly, direct action is a last resort for the majority of pressure groups. It would be incorrect and misleading to suggest the following discussion of NVDA as a philosophy, represents the outlook of all or even most pressure groups. Yet it is becoming increasingly prevalent among promotional groups faced with intransigent and unresponsive authorities.

The second point is that direct action is likely to increase as more groups find their demands not being met or ignored, in addition to those groups employing direct action for ideological reasons. Those groups in the former category are likely to prefer NVDA because the weapons used by a group to advance its cause must be appropriate to the character of its aims. An obvious example is CND. As a pacifist organisation, it could not possibly endorse violent direct action. So NVDA is likely to become more commonplace.

A further point is that corporations will be increasingly involved. They are attractive targets either as contributors to the wrong which the group is striving to right, or perhaps even as valuable potential allies to be won over, particularly given their insider status.

Finally, direct action may be symbolic, designed to gain public attention (but possibly losing public sympathy) and demonstrate strength of feeling or breadth of support. In so doing, the group has the sense of being active and morale is raised and maintained. Alternatively, or additionally, direct action may be designed to achieve concrete results in itself. The actions by Greenpeace referred to in the last chapter and the advocacy of squatting by groups for the homeless are typical examples of direct action with both symbolic and concrete intentions. The symbolic forms of direct action, however, may be more accurately described as publicity stunts or protest tactics. Demonstrations and perhaps even strikes are a recognised part of the political process and should not perhaps be described as direct action, as the earlier discussion of definitions indicated (3).

However, the distinction can be difficult to make. If it must be made, actions which are symbolic alone cannot really count as direct action, though many sources would reject this exclusion.

In sum then, promotional pressure groups often find themselves obliged to turn to direct action in the last resort, because of their relative powerlessness. Corporations are likely to become increasingly involved and, given the probable preference for non-violent direct action, this involvement could well feature consumer boycotts.

This chapter examines the boycott tactic including boycotts of business, an examination which continues in Chapter Eight, the concluding chapter to Part Two. Firstly, however, it is necessary to look at non-violent direct action as the incorporating philosophy and strategy for boycotts.

7.1.2 The Philosophy of NVDA

This section briefly considers the philosophy of non-violent direct action, or rather, the various perspectives on non-violent direct action. The use of NVDA may be principled, but the principles involved may differ with different people, and its use may even be purely pragmatic.

Non-violent direct action provides groups with a particular form of power. It gives the group and its supporters moral superiority. This is where the distinction between violent direct action and non-violent direct action becomes most apparent. (Though this may be more often in theory than in practice, and not always in the public's perception of events.) Violent direct action employs violence. However, NVDA involves more than the refusal to employ violence. A non-violent action requires the participants to neither use violence initially nor respond with it when provoked, or even when it is used by the authorities. Moreover, the participants must not retreat in the face of violence as this would show that violence always succeeds. In so doing, as Gandhi found, the non-violent protester achieves moral superiority over the opponent (4). This is described by Richard Gregg as moral jiu-jitsu:

"The nonviolence and good will of the victim act in the same way that the lack of physical opposition by the user of physical jiu-jitsu does, causing the attacker to lose his moral balance. He suddenly and unexpectedly loses the moral support which the usual violent resistance of most victims would render him. He plunges forward, as it were, into a new world of values. He feels insecure because of the novelty of the situation and his ignorance of how to handle it ... The user of nonviolent resistance, knowing what he is doing and having a more creative purpose, keeps his moral balance. He uses the leverage of a superior wisdom to subdue the rough direct force of his opponent" (5).

The successes of the American civil rights movement under Martin Luther King are generally attributed to his adherence to the principle of non-violence. He wrote "I had come to see early that the Christian doctrine of love operating through the Gandhian method of nonviolence

was one of the most potent weapons available to the Negro in his struggle for freedom" (6). Yet this should not give the impression that Gandhi's use of non-violence was entirely pragmatic. For Gandhi, ends and means were coincident. His use of non-violence was both because he realised it was an effective conflict technique, and also because of his preference for it as a way of life, rooted in his moral and religious beliefs.

Gandhi's philosophy and his use of NVDA is described in detail in Joan Bondurant's Conquest of Violence (7). It cannot be considered here, although it is worth noting in support of the above comment that she suggests the method of satyagraha, the name Gandhi used to describe his actions, is the key to understanding his political thought. Her work is a widely acknowledged classic on NVDA, but is only part of an extensive literature. Blumberg provides an annotated bibliography (8) and Sharp's bibliography, for his three-volume work The Politics of Nonviolent Action, runs to over five hundred references (9). This treatise on NVDA, published in 1973, is probably still "... the most comprehensive attempt thus far to examine the nature of non-violent struggle as a social and political technique, including its view of power, its specific methods of action, its dynamics in conflict and the conditions for success or failure in its use" (10). The politics of NVDA can only be considered in summary here, but they should be seen as the essential back-drop to boycotts. Appropriately then, Sharp's study will form the basis for this overview of NVDA.

In an earlier paper (11), Sharp identified six types of principled nonviolence, belief systems which involve the rejection of violence on principle:

1. Non-resistance: used by groups concerned with being true to their beliefs and maintaining their own integrity while refusing to resist any attack.
2. Active reconciliation: used in the belief that active good will and reconciliation can bring about social change.
3. Moral resistance: used by those that feel evil should be resisted but only by peaceful and moral means.
4. Selective nonviolence: used by groups who refuse to participate in particular violent conflicts, usually international wars.
5. Satyagraha: developed by Gandhi, who sought truth through love and right action while reconstructing society and combatting political evils.
6. Nonviolent revolution: a belief held by those who feel that only a revolution carried on by nonviolent, cooperative, and egalitarian methods can solve the major social problems of the world.

This indicates three important points about NVDA (which are also shown to be relevant in the analysis of the CND case to follow). Firstly, not all those that reject violence on principle will use non-violent direct action. Sharp suggests Gandhi discarded the term passive

resistance in preference for satyagraha, because it implied weakness and inaction. Secondly, of those that do use non-violent direct action, they will have different ideas as to the types of action that are acceptable. Thirdly, and somewhat indirectly, it also follows that some who use NVDA may not be opposed to violence on principle, but may simply view it as an effective strategy, or the only one appropriate. This latter point is developed by Judith Stiehm in 'Nonviolence is Two?' (12). She distinguishes between 'conscientious nonviolence' and 'pragmatic nonviolence', although she misses the other two points by trying to unduly simplify the quite complex positions which may be adopted.

The three points can be illustrated by reference to the use of NVDA in this country by groups campaigning against nuclear arms in the late 1950's and early 1960's. The mass civil disobedience actions at this time - which included the prohibited demonstration in Trafalgar Square in September 1961 where more than thirteen hundred people were arrested - had their origins in a group called the Peace Pledge Union. This group did not support direct action; which is illustrative of the first point. However, some of the members of the Peace Pledge Union did support direct action and their Direct Action Committee (DAC) conceived the first Aldermaston March in 1958. According to Cadogan, but in conflict with some sources, the DAC then became the Committee of 100, which was committed to direct action (13).

The second point is illustrated by Cadogan's observations on the debates that took place about whether certain actions were non-violent. Could one, for example, use wire-cutters to get through barbed wire? (14). Regarding both points, what one has in essence is a group of people who may be loosely described as pacifist, some of whom do not feel they can justify direct action at all, and some of whom question the extents at which direct action remains non-violent in principle.

Finally, there are those, including Bertrand Russell who was highly prominent in the Committee, who see NVDA as simply an extremely effective strategy, justified by extenuating circumstances (the Bay of Pigs incident, the building of the Berlin Wall, the Cuban missile crisis and so on). As Cadogan writes "To Russell, it was a tactic, a device to secure necessary instant publicity and support in a dire emergency. Nevertheless, the general policy of the DAC prevailed on demonstrations" (15). So NVDA can be employed without adherence to any philosophical underpinning, simply as an effective strategy; although the 'rules' of non-violent action are necessary for it to suitably function (16).

Hence NVDA may be used as a strategy by pressure groups but may or may not be based on a principled rejection of violence, for which there are a number of different perspectives, such as in the philosophy of Gandhi. As earlier noted, Sharp's study will provide the basis for the overview here of the use of NVDA. This is the subject of the next section as the thrust within Sharp's study is toward non-violent action as a strategy. He does not attempt to convert the reader to a new faith, or to describe some non-violent philosophy. He is concerned with the effectiveness of NVDA in an attempt to find alternatives to violence.

7.1.3 NVDA as a Strategy

Before reviewing Sharp's study, some points of clarification must be made. Firstly, about civil disobedience, as this form of action has now been discussed. The term non-violent direct action is popularly used to describe civil disobedience (17). Indeed, the terms are often used interchangeably and one even finds that groups such as CND are uncertain about their meaning. However, civil disobedience need not necessarily be non-violent. Daniel Bell feels it is more accurately described as uncivil disobedience and whether such actions are non-violent depends partly on one's definition of violence (as earlier considered in note 14). Moreover, NVDA, as this chapter shows, encompasses more than civil disobedience.

One also finds the terms non-violent direct action and non-cooperation used interchangeably (18). Here the tactics of non-cooperation (including boycotts) are viewed as one form of NVDA. This is in keeping with Sharp's analysis.

Sharp suggests certain forms of civil disobedience may be NVDA, but he notes "Nonviolent action is just what it says: action which is non-violent, not inaction" (19, Sharp's emphasis). However, actions are not simply violent or non-violent, there is in effect a continuum of violence (20). The point is important because consumer boycotts are to be justified because they are non-violent. However, as a coercive action, they are most accurately seen as being on a point well towards, but not at, the non-violent extreme of this continuum.

If boycott actions are to be viewed preferentially for this reason, they can be seen to compare quite favourably with civil disobedience. Again, Etzioni's study is worth referring to (although he does not seem to be acquainted with the literature on non-violent action). He suggests civil disobedience actions command an interstitial position between violence and non-violence. He only finds (non-violent) civil disobedience acceptable under certain conditions: "... when due process has been exhausted, when democracy is only operative "on paper," and when the laws which are challenged are themselves undemocratic" (21). Boycotts are then presumably acceptable under less extreme conditions. His position on civil disobedience is similar to that adopted by others on NVDA, and will be considered further for this reason after the overview of Sharp's study.

The origins of Sharp's study lie in the view that alternatives to violence in meeting tyranny, aggression, injustice and oppression are needed. But Sharp recognises that the mere advocacy of non-violent alternatives will not be sufficient unless such alternatives are accurately perceived as being at least as effective as violence. "Therefore, a very careful examination of the nature, capacities and requirements of nonviolent struggle was necessary, which needed to be as objective as possible" (22).

Non-violent alternatives to violence need not be greatly different from violence in the way in which they operate. Professor Schelling comments:

"Political violence, like political nonviolence, usually has as its purpose making somebody do something or not do something or stop doing something. The aim is to influence behaviour. Violent action tries to do it mainly by intimidating people ... The violence does not directly make people behave or perform or participate; it can only make it hurt if they don't" (23).

He continues by pointing out that non-violent actions work in a similar way:

"The violent actions and the nonviolent are different methods of trying to make it unrewarding for people to do certain things, and safe or rewarding to do other things" (24).

Consequently, as he continues "Both can be misused, mishandled, or misapplied. Both can be used for evil or misguided purposes." The application and motives of either method may be incorrect or 'bad'. And such an observation is obviously true of the particular form of non-violent action of concern here; boycotts, and all types of ethical purchase behaviour, may be for 'good' or 'bad' motives. The user's intention is based on his or her perception of 'good' and 'bad' and may even be deliberately evil. As Vogel notes, one must be careful how one uses the term social responsibility in relation to boycotts, "In America, a number of boycotts have come from the right, not the left" (25).

Referring to consumer boycotts as a specific form of non-violent action and in comparison with other forms, one is obliged to recognise the coercive element in boycotts. They have, in this regard, much in common with violent actions, and far more than petitions, marches or even the hunger strike (26). Although, of course, they may be coercive in intent, but only symbolic, if that, in effect. As will be seen, few boycotts have resulted in severe economic loss.

The Politics of Nonviolent Action comes in three volumes. The first, Power and Struggle, examines political power and the characteristics and achievements of nonviolent struggle. Sharp shows that the assumption that power derives from violence and can be controlled only by greater violence is misplaced. He suggests power is derived from sources in the society which may be restricted or severed by withdrawal of cooperation by the populace. Nonviolent action is based on this insight. As Sharp puts it:

"... it is not true that violence is the only effective means of action in crucial conflict situations. Throughout history, under a variety of political systems, people in every part of the world have waged conflict and wielded undeniable power by using a very different technique of struggle ... Although it has been known by a variety of names, its basis has always been the same: the belief that the exercise of power depends on the consent of the ruled who, by withdrawing that consent, can control and even destroy the power of their opponent" (27).

Hence, he goes on to define non-violent action as "a technique used to control, combat and destroy the opponent's power by non-violent means of wielding power."

Sharp identifies a long history of non-violent action, from ancient Rome to the civil rights struggles in the United States. It has, however, remained largely unknown because of historians' concern for other matters. He specifically refers to non-violent action by working people in the late nineteenth and early twentieth centuries to improve conditions and gain greater power, using as later discussed, the strike in conjunction with the consumer boycott. So, while he describes Gandhi as "the outstanding strategist of nonviolent action," he recognises that non-violent action in various forms has been used by many others at many different times and not just by Gandhi, to whom the notion of non-violent action is so often attributed. Underlying and therefore uniting all these various actions is a particular perspective on power: "... implicitly or explicitly, all non-violent struggle has a basic assumption in common and this is its view of the nature of power and how to deal with it" (28).

Sharp argues that obedience is at the heart of political power, involving an element of reciprocity and mutual dependence. While there is no single self-sufficient explanation for obedience to rulers, he does identify seven prominent reasons:

1. Habit.
2. Fear of sanctions.
3. Moral obligation (arising from four considerations: the common good of society, suprahuman factors - such as the Divine Right of Kings, legitimacy of the command, and conformity of the command to accepted norms).
4. Self-interest.
5. Psychological identification with the ruler.
6. Zones of indifference.
7. The absence of self-confidence among subjects.

Obedience is then essentially voluntary as it rests on a combination of a fear of sanctions and free consent, the latter largely arising "from a more or less nonrational acceptance of the standards and ways of one's society, or from a more or less rational consideration of the merits of the regime and the reasons for obeying it" (29). Accordingly, if power rests on obedience, which is a consequence of both coercion and consent, that consent may be withdrawn if the legitimacy of the ruler is called into question and his or her power position threatened. This logic was employed by the American corporate accountability movement in regard to the power of corporations and is evident in the consent creed (earlier discussed).

This understanding of the potentially fragile nature of power led to Gandhi arguing the need for a psychological change away from passive submission to self-respect and courage, recognition by the subject that his assistance makes the regime possible, and the building of a determination to withdraw cooperation and obedience. Gandhi said his

speeches "are intended to create 'disaffection' as such, that people might consider it a shame to assist or cooperate with a government that had forfeited all title to respect or support" (30).

Sharp shows that the use of non-violent action has brought ordinary people higher wages, a breakdown in social barriers, changes in government policies, frustrated invaders, paralysed an empire and dissolved dictatorships.

In his second volume, Sharp examines 198 specific methods of non-violent action. These are considered in 7.2. However, before doing so, it is worth providing some further indication of the relevance of this both to contemporary Britain and corporations in particular, in case it is uncertain as to how this fits into the argument beyond providing background to the use of boycotts.

Firstly, to recap, it has been argued that the use of direct action is likely to increase in this country. There are a number of reasons for this, but principally it is attributed to the growing acceptance of its use - particularly given the examples set by pressure groups overseas - in the face of intransigent and unresponsive authorities. The likely prospect of a third term of Tory government lends further weight to this prediction (for reasons given in Chapter Six).

Increases in direct action are likely to have a disproportionate effect on the corporation. Many issues of concern to pressure groups involve business, and as groups attempt to solve the problem directly they will by-pass government and turn on the perceived perpetrator of the wrong. Corporations may also represent an easier target, or, given the argument about corporations as a 'private government', a more appropriate target.

The form of direct action employed by the pressure group must be appropriate to its aims and ideology. For many promotional pressure groups, this is likely to mean a preference for non-violent direct action. So the likelihood is that NVDA will be increasingly used in this country and will, with growing frequency, involve business.

Secondly, it is useful to consider a recent survey on direct action and the involvement of corporations. This is the subject of the next and last section to 7.1.

7.1.4 Direct Action and the Corporation

The likelihood of direct action being increasingly used in this country, involving the corporation with ever growing frequency, may be illustrated by reference to a recent survey. Boyle reports a Gallup opinion survey, specially commissioned for the BBC programme 'Inquiry - Protest and the Suburban Guerilla'. This found surprisingly high proportions prepared to break the law on issues where national interest could take precedence over their local needs. 55 per cent said they would be prepared to contemplate breaking the law to stop a motorway near their homes; 67 per cent regarded lawbreaking as a potentially legitimate tactic to stop a nuclear power station. These figures were presented within the context of a programme showing that

direct action tactics were no longer the prerogative of minority and unrepresentative pressure groups, but were also appropriate to:

"... middle-class folk who had already climbed the ladder of protest, found the system wanting, and were prepared to countenance hard-line direct action if all else failed. It was the improbability of the people involved that gave the programme its title and provided the common thread. Here were, and are, magistrates, medics, top management men - Telegraph-reading Conservative voters who never had cause to distrust democracy before, now learning the tactics of the pressure groups and rejecting the consultation processes they had blithely accepted for years" (31).

These people had found, as has been earlier noted with regard to many promotional pressure groups, that "it isn't any use complaining in the conventional way if no one's prepared to listen." The people and groups the programme referred to all fit into Wootton's 'representative' category of pressure groups, those that are 'of' and 'for', with a closed membership and high political specialisation. They are the people who are concerned about motorways being built near their homes, such as the people of Saltaire, or those that live near the Archway Road - the last public inquiry for which ended with the resignation of the inquiry inspector, Sir Michael Giddings, following disruptive and abusive tactics from protesters and even threats of violence. They also include people living near Stansted airport, which for more than twenty years has been seen as the potential third London airport, despite a public inquiry and a Royal Commission suggesting otherwise. The conclusion is that in these matters the public inquiry system is inadequate. It was described by one previous inspector as "a charade," because "Inquiries have become a means of allowing the public to let off steam after a decision affecting them has been made" (32). Accordingly, Sir John Garlick, a former Cabinet Office permanent secretary, commented "We must change the system quickly so that people do not have to take the law into their own hands" (33).

This, of course, not only points to the growing acceptance of direct action, but also to the much wider issues of political participation, disclosure and the role of pressure groups, considered in the last chapter. The Sizewell public inquiry (into the building of a pressurised water nuclear reactor), the longest and most expensive (£25m.) public inquiry to date, is seemingly another exercise in giving the public the opportunity to let off steam after a decision has been made (34). Or, to put it more eruditely, the provision of a pluralist gloss to corporatist politics. Commenting on the inquiry Garlick said:

"Pressure groups are getting more vocal and sophisticated. Individuals are getting more and more concerned about the way projects and public policies are being steam-rolled forward without there being adequate provision for the public and specialist bodies to put their point of view.

People must feel that their view is being considered in a proper and fair national forum. This does not happen now" (35).

One must accept that this type of television programme contains an element of sensationalism. However, the facts of events that have occurred at public inquiries (direct action), the opinion survey findings, and the views of former senior officials, should not be lightly dismissed.

Moreover, corporations are involved to various degrees from being a potential target when constructing motorways, to an active party lobbying for its own interests in conflict with local interests, such as the British Airports Authority at Stansted and the CEGB (et al) at Sizewell. To suggest that these latter two corporations are special cases because of their public ownership would be a poor argument, if only because under the current government they are potential candidates for privatisation.

Yet the programme also referred to privately owned corporations such as Conoco. Oil companies are hoping to drill in the Home Counties. This has led to the formation of a group called Save Our Surrey (SOS), who, until prevented by the Independent Broadcasting Authority, had an anti-advertisement featuring Conoco on the local radio station. This was at least partly intended to be pressure group influence on purchase behaviour. One protester commented "I used to think Friends of the Earth were a bunch of long-haired layabouts ... until I discovered Conoco!" (36).

So there seems to be some degree of popular support for direct action and the corporation is most definitely involved. Part 7.2, which follows, considers the methods of non-violent direct action and particularly the tactics of non-cooperation - including various types of boycott action.

7.2 NVDA Non-Cooperation Tactics

7.2.1 Sharp's Schema and the Consumer Boycott

Sharp identifies three forms of non-violent action: acts of omission, acts of commission, and a combination. The term is generic "covering dozens of specific methods of protest, non-cooperation and intervention, in all of which the actionists conduct the action by doing - or refusing to do - certain things without using physical violence" (37). There are then three broad classes of methods:

1. Symbolic actions
2. Withdrawal of cooperation
3. Direct intervention

Symbolic actions Sharp refers to as the methods of nonviolent protest and persuasion. He identifies ten different categories including formal statements such as public speeches or petitions, pressures on individuals as in fraternisation or vigils, and processions such as marches or parades. Direct intervention actions he terms nonviolent intervention. Five categories are identified including psychological intervention such as the hunger strike or nonviolent harassment, physical intervention as in the sit-in or pray-in, and economic intervention such as in the use of alternative economic institutions or alternative transportation systems.

Boycotts are classified under the second class of methods, withdrawal of cooperation. Three sub-classes are subsumed under this class, which Sharp refers to as noncooperation: social noncooperation, economic noncooperation and political noncooperation.

There are three categories of social noncooperation. The first is ostracism of persons and includes the social boycott, "a refusal to continue usual social relations with a person or group of persons," which he notes is referred to in modern England as being 'sent to Coventry' (38). The second category is noncooperation with social events, customs and institutions. This includes the suspension of social and sports activities and the withdrawal from social institutions. The final category of social noncooperation is withdrawal from the social system, as in total personal noncooperation.

There are six categories of political noncooperation: the rejection of authority, as in literature and speeches advocating resistance; citizens' noncooperation with government, as in the boycott of elections or the refusal of assistance to enforcement agents; citizens' alternatives to obedience, such as reluctant and slow compliance or civil disobedience of 'illegitimate' laws; action by government personnel, as in selective refusal of assistance by government aides or mutiny; domestic governmental action, such as quasi-legal evasions and delays; and, finally, international governmental action, such as severance of diplomatic relations or expulsion from international organisations.

Table 7.1 : Sharp's Categories of Economic Boycotts

1. Action by consumers:

- consumers' boycott
- nonconsumption of boycotted goods
- policy of austerity
- rent withholding
- refusal to rent
- national consumers' boycott
- international consumers' boycott

2. Action by workers and producers:

- workmen's boycott
- producers' boycott

3. Action by middlemen:

- suppliers' and handlers' boycott

4. Action by owners and management:

- traders' boycott
- refusal to let or sell property
- lockout
- refusal of industrial assistance
- merchants' 'general strike'

5. Action by holders of financial resources:

- withdrawal of bank deposits
- refusal to pay fees, dues and assessments
- refusal to pay debts or interest
- severance of funds and credit
- revenue refusal
- refusal of a government's money

6. Action by governments:

- domestic embargo
- blacklisting of traders
- international sellers' embargo
- international buyers' embargo
- international trade embargo

The methods of economic noncooperation Sharp divides into economic boycotts and strikes. He identifies seven categories of strike: symbolic strikes, agricultural strikes, strikes by special groups, the ordinary industrial strike, restricted strikes, multi-industry strikes, and the combination of strikes and economic closures. A full list of the categories and types of economic boycotts identified by Sharp is given in Table 7.1. This categorisation is referred to throughout the remainder of this chapter and elsewhere.

However, Sharp's categorisation of economic boycotts is not in itself adequate for direct application to this study. He includes actions which are beyond the scope of the investigation and interest here, such as the actions by governments. The concern here is restricted to actions by individual or organisational customers, not countries via their governments. Although such actions may be, arguably, ethical purchase behaviour. The distinction that is made is between all economic boycotts - "the refusal to continue or to undertake certain economic relationships, especially the buying, selling, or handling of goods and services" (39) - and the consumer boycott, defined as the organised exercising of consumer sovereignty by abstaining from purchase of an offering in order to exert influence on a matter of concern to the customer and over the institution making the offering.

The distinction is partly the result of the difference in perspectives. Sharp's concern is with all non-violent action, particularly in this case, that involving the withdrawal of cooperation in economic relationships. The concern here is with a specific form of non-violent action because it is a type of ethical purchase behaviour and is therefore based in consumer sovereignty. As Chapter One noted, this research is ultimately an investigation of the extent of consumer sovereignty.

All forms of consumer boycott would seem to be included in Sharp's schema. It may then be suggested that the consumer boycott is one type of economic boycott. However, it is not then possible to say that it is comparable to a specific category identified by Sharp. It is more than his category 1, action by consumers. It is, because of this difference in perspective, all actions identified in Sharp's schema where the participant is employing his or her power in the marketplace as a customer, that is, using consumer sovereignty (40).

Sharp's categories are not only too widely drawn for this study, but they are also too specific to be rigidly applied. This criticism seems to apply throughout his analysis. In his attempts to classify non-violent actions Sharp makes divisions that are not particularly fixed. For example, is it possible or even necessary to distinguish between agricultural strikes and strikes by special groups? If the latter category includes the craft strike and the professional strike, why can it not include the peasant strike or the farm workers' strike? Many of his categories overlap, or could be inappropriate.

But Sharp's analysis is obviously a sound starting-point. What is required to improve his classification are more suitable criteria for making distinctions. This study suggests that as far as economic boycotts are concerned, a more appropriate criterion would be consumer

sovereignty, for a particular sub-set of economic boycotts. Rather than the mere descriptive criteria employed by Sharp, the improved classification would then be using something closer to explanatory criteria. In other words, different actions would be distinguished less on the basis of a prima facie difference in events, and more on the basis of the reasoning behind particular types of actions. This would then move the schema from the realms of mere taxonomy to theory (in accordance with the positivist notion of social science). A likely consequence of this would be fewer distinctions (divisions) as the schema becomes more robust and more capable of generalisation.

In fairness to Sharp, it should be noted that he does acknowledge the weaknesses of his classification. He claims his schema is useful for understanding non-violent action as well as recognising that different types exist; it also provides a checklist of the main methods thus far practiced. (This list is not exhaustive however, as new methods may be developed or some may have been missed.) He does advise caution in attempting to use the classification too rigidly, suggesting it should be seen as "generally valid" - though this author does not agree with his suggestion that a more complicated classification system needs to be developed. As indicated above, it is not increased complexity that is required, but more appropriate criteria for the distinctions made (41).

The distinction between the various types of boycott will become more apparent in the remainder of this chapter, both in reference to Sharp's analysis and others.

To conclude part 7.2 and this brief examination of NVDA it is worth considering how NVDA may work, in the British context in particular, and the possible role of the consumer boycott in this. This is the subject of the next section.

7.2.2 NVDA in Britain and a Role For The Consumer Boycott

The third volume to Sharp's work is the Dynamics of Nonviolent Action. This cannot be considered in any detail here, but the basic points can be made. These points have implications for all tactics of non-cooperation and boycotts in particular, and as Sharp notes "Overwhelmingly, the methods of nonviolent action involve non-cooperation with the opponent" (42). Although this claim may be somewhat suspect when many seemingly noncooperation actions would be more accurately described as symbolic acts, when the outcome rather than intent is taken into account.

Sharp emphasises the importance of preparation for non-violent action, and the likelihood that the challenge will be repressed but that with solidarity and discipline (particularly in ensuring that actions remain non-violent in the face of violence) a form of jui-jitsu may operate, as earlier noted. He identifies three mechanisms by which non-violent action produces victory: by conversion, which he suggests is the least likely; by accommodation, where concessions are granted but the opponent is neither converted to the activists' point-of-view nor coerced into action; and, thirdly, by nonviolent coercion.

Sharp's analysis concludes with the claim that non-violent action can contribute to long-term social change by redistributing power. Power becomes diffused as non-violent action involves a decentralisation of power. This political ideal permeates Sharp's analysis but not, it seems, to its detriment. (It is hoped that such an observation is true of this study and the expressed concern for the slightly less ambitious ideal of greater political participation. Of course, this ideal is not altogether unrelated to that expressed by Sharp, except this author has greater faith in the more conventional methods of political activity, for this country and most others in the West at least. This view may also be more realistic, as Chapter Eight and Twelve bears witness.)

The classic non-violent action results from severe oppression, often stemming from the participants being unable to do anything else, as Gandhi recognised in India and South Africa. In such circumstances the requirement is as Lakey suggests: "The task of the nonviolent campaigners, then, is to get the opponent to see them as human beings" (43). Yet how relevant are such classic actions to contemporary Britain? As the case study reveals, the government may attempt to portray CND as 'crackpots', but they are still viewed - perhaps even by the government - as human beings. Blacks are relatively disadvantaged in this country, but - with the possible exception of a small extremist minority - they are still viewed as human beings and could not be reasonably described as heavily oppressed.

At the outset of this discussion of NVDA it was noted that its use may be for conscience or pragmatic reasons. It seems that another dichotomy is also necessary, based on the context of the action. Circumstances of severe oppression may dictate the use of NVDA. In such cases it may be possible to organise mass actions, producing the classic or 'grand' non-violent campaign - such as Gandhi's salt satyagraha (44). But there are few causes in this country, for the moment at least, that seem to either warrant such action - it is, after all, a last resort - or would command mass support. One may ask, for example, what happened to the mass civil disobedience that was promised on the arrival of cruise missiles? CND has one of the largest memberships, if not the largest membership (110,000 (45)) of any pressure group in this country, if they cannot fulfil such a promise over what they claim to be a life and death issue, who can? (This point will be pursued further in the case study analysis.)

The dichotomy suggested would distinguish between actions resulting from severe oppression and those that are more likely to be the actions of the promotional pressure group in this country, attempting to get the authorities (including corporations) to listen, by employing their last resort strategy. In the latter case, action is likely to be by a committed few, the inner core of the pressure group membership and those some may term fanatics. In the former case, the action is more likely to involve far greater numbers - the Montgomery bus boycott in the 1950's and the more recent Ciskei bus boycott in South Africa are good cases in point (both summarised in Appendix A). The dichotomy can then be one of scale. This and the earlier distinction suggest a grid for identifying NVDA actions, shown in Figure 7.2 Key Dimensions in Classifying Non-Violent Direct Action.

The vertical dimension employs the terms conscientious non-violence and pragmatic non-violence as used by Judith Stiehm, but recognises in having a continuum, the point made at the outset that different people may have different ideas about the extent to which actions remain non-violent (46).

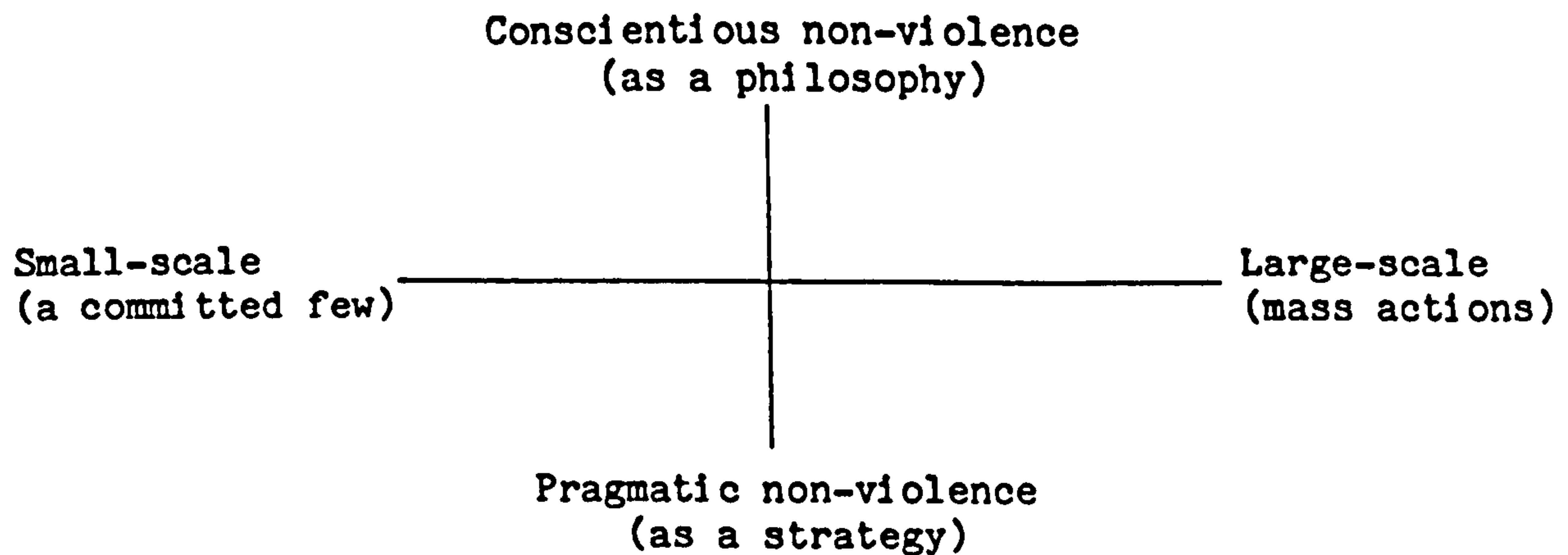


Figure 7.2 : Key Dimensions in Classifying Non-Violent Direct Action

The horizontal dimension refers to the support for the action. This is less straightforward than the vertical dimension as in application it assumes support will vary with the importance of the issue or the oppression associated with it. This need not always be the case. Moreover, Gandhi has suggested that it is quality not quantity in non-violent action that is important.

So the grid must only be seen as indicative of general tendencies and useful for distinguishing between different non-violent actions. In particular, and notably as far as this study is concerned, it provides a basis for differentiating between the classic non-violent actions organised by Gandhi or those over civil rights in the United States, and the more limited actions in this country of late. Yet in so doing, it is still recognised that one is a part of the other.

Having made this distinction, it is useful to illustrate it by considering the more typical non-violent action in this country. In so doing, it is worth noting the observation in the last chapter and repeated earlier in this chapter, that direct action may involve a symbolic element. It was suggested that direct actions might not be accurately so described if they were simply symbolic acts. Yet if one recognises that most non-violent actions in this country would be classified in the area towards the bottom left-hand corner of the grid - as small-scale pragmatic non-violence - one also acknowledges that they are largely symbolic. This is not claimed for all non-violent actions that have taken place in this country to date, nor will it, as a generalisation, necessarily apply to all future non-violent actions, even those in the near future (47). The point, however, is important for the assessment of consumer boycotts and will be considered further in Part Three; for are boycotts, as non-violent actions, to be judged by their economic effect when they are principally symbolic acts?

Wilson is not an advocate of conscientious non-violence. He does, however, suggest that no cause justifies the use of violence, in Britain. He therefore supports the use of pragmatic non-violence. In so doing, he offers six guidelines for direct action:

- If possible it should be relevant to the injustice so that a clear message emerges from the action;
- It should have imagination and humour;
- It should enlist the sympathy of people, not alienate them;
- It should be non-violent;
- It should be seen to be an expression of genuine injustice, and not the first but rather the last resort;
- Wherever possible it should be within the spirit of the law (48).

This captures the flavour of most NVDA by pressure groups in this country. Importantly, as will be seen in relation to boycotts, he also notes in support of these points that "Direct action can ... be justified in many circumstances although it becomes less effective the more it is employed and the earlier it is employed." And, further, that "Direct action, to be defensible, should always relate to the cause itself, and wherever possible, the only victims of it should be the perpetrators of the injustice."

The Stansted protesters referred to in the last section are intending to use civil disobedience within the law. They have in mind such actions as lying down in front of bulldozers. This is comparable to the frequent actions organised by groups such as Friends of the Earth to protect conservation areas (49).

The principal point made in 'Protest and the Suburban Guerilla' was that some of the more unlikely people are now becoming involved in such actions. This applies too to many of the current supporters of CND. This group is now prepared to use tactics that involve breaking the law. In June 1984, for the first time in a CND demonstration, there were (two thousand) people breaking the law. This, the programme suggested, was a product of the example set by Greenpeace and the Greenham Common protests. One CND demonstrator commented "I've tried everything else - done all the democratic things."

Yet for all the talk of guerilla action and law-breaking, it is unlikely that this is an indication of a growing radicalisation of the masses - not even the middle class masses.

Law-breaking is arguably morally justifiable when the law is 'wrong', illegitimate, or in extremis. As Wilson notes, the "police themselves tend to interpret the law differently on different occasions ... at their best, they seek to act "within the spirit of the law"" (50, Wilson's emphasis). This, he argues, should be the position adopted by pressure groups. In illustration, he suggests that if protesters were to breach the law of trespass as in the above example of the

defence of a Site of Special Scientific Interest (as well as presumably causing an obstruction), this would be within the spirit of the law as it would be to prevent the breach of what is perceived to be a more serious law.

The actions by the suffragette movement were similar in this respect. The law was breached to change the law. This example also shows that derision may well have to be suffered by those in the vanguard of social change. When (if) historians document the actions at the Greenham Common peace camps, will the participants be derided in the manner of the popular press today, or will they acquire the respectability now afforded to the suffragettes?

Boycotts as a pressure group tactic can be illegal. Yet, as with the sort of actions described above, they are minor breaches of the law. One might perhaps compare them to the breaches of Sunday trading laws. Laidler, in a study of the boycott in labour struggles, argued the law was wrong (in the US, in 1913) in making boycotts illegal (51). Protesters against nuclear arms might argue that because the issue is so vital to human survival, their minor breaches of the law are justifiably in extremis. Finally, and perhaps most convincing, is the claim that the law is illegitimate in certain circumstances. And this is why the case for NVDA must rest on such actions being a last resort.

This argument is not sophisticated, but it does seem acceptable. Returning to Etzioni, the most sensible position seems to be as he advocates, recognising and tolerating protest - including that which may be in minor breach of the law - as an important form of political expression. His position on civil disobedience is close to that proposed by Wilson and others on the most extreme forms of NVDA, and is worth mentioning.

Etzioni argues for the restoration of civil disobedience to a special status. He writes:

"Civil disobedience includes activities ranging from those which are completely non-violent (e.g., lunch counter sit-ins) to various degrees of obstruction, up to and including the violation of the rights of others (e.g., to free passage into a classroom). By definition, civil disobedience does not entail the use of force or intimidation against others; also by definition, such violent acts are not legal, at least according to local ordinances. Civil disobedience thus falls clearly between peaceful demonstrations and violent acts, and both its value and dangers emanate from this special interstitial position" (52, Etzioni's emphasis).

He claims that even the proponents of civil disobedience acknowledge that it is a measure of last resort. Four circumstances are identified where its use may be justifiable: when the law that is challenged is clearly illegitimate; when the injustice resulting from its enforcement is grave; when other forms of political expression are, in effect, not available (e.g., an effective right to vote); and when the failure of the authorities to respond is deep and prolonged.

In keeping with Wilson on all direct action, he recognises the danger that civil disobedience may be used too early, too often or in too extreme a form. This not only weakens its effectiveness, but also blurs the distinction between peaceful and violent protest. Civil disobedience, he argues, "ought to be restored to the status of an exceptional, extreme, moral act, when all else fails." This requires "legitimate and effective tools of peaceful political expression for all, not just an occasional election" (53).

On this basis, Etzioni defends peaceful demonstrations as a legitimate political act. It also seems a sound basis for defending consumer boycotts and - bearing in mind that NVDA is more than just civil disobedience - many other non-violent direct actions. As Etzioni puts it "When people have institutionalised channels to express themselves and channels which are effective, why should they take to the streets?" (54). Could consumer boycotts not work in a similar way for expressing concern about corporate misdemeanours?

Having examined boycotts as non-violent direct action, and what is meant by this, it is now appropriate to consider further various types of boycott. The remainder of this chapter considers the origin of the term boycott, the different types of boycott, the boycott in labour struggles (including the consumer boycott), the boycott as an international economic sanction and how the boycott can affect business. Chapter Eight continues with boycotts of business, focusing on the consumer boycott. The role for the consumer boycott as identified in the latter part of this section is considered further in that chapter.

7.3 Various Types of Boycott

7.3.1 Captain Charles Cunningham Boycott

The discussion of Sharp's work has revealed a great variety of boycotts, from social ostracism to consumer boycotts. Some are worth mentioning if only to show why they are excluded from this study in any detail.

The term boycott is attributed by the Oxford English Dictionary to Captain C C Boycott. Laidler, and Nelson and Prittie, explain the origins of the term (55).

The word is the surname of a notoriously severe rent collector of the Earl of Erne, Captain Charles Cunningham Boycott, of County Mayo, Ireland. The Irish peasantry had long been suffering from the excesses of the British landlord class. Lands had been confiscated, homes of the peasants destroyed, starvation wages paid. The famine of 1878 encouraged an increase in the number of evictions, for ever more trivial reasons. To oppose this move to clear the estates, the Land League was formed to represent the peasants. The situation demanded direct action.

In the summer of 1880, Boycott sent his tenants to the fields to cut oats. However, instead of offering the regular wage of 62 and 37 cents a day for men and women respectively, he offered only 32 and 24 cents. His tenants refused to work. The Boycott family and servants attempted to harvest the crop but gave up after a few hours. The tenants finally returned to work after pleas from Mrs Boycott, but on rent day they were served with eviction papers. The outraged workers held a meeting and secured pledges from those present, including the servants, herders and drivers, to cease all relations with Boycott and his family.

Boycott requested assistance, and a relief expedition of seven regiments and fifty hired men was rushed to the estate. The crops were gathered, but at a cost well in excess of their value. The term boycott was thought up three days after the decree of social ostracism, by James Redpath, an American journalist, and Father O'Malley, an Irish priest. It was first used publicly by Redpath in August 1880, in the village of Deenane. (Redpath's explanation of the device was quoted in the Preview to this chapter.)

On this occasion at least, the boycott proved successful. No one would work for Boycott, speak to him, or supply him with goods or services; ultimately he was driven out of his home, and out of Ireland. More importantly, the boycott action made many people in England and Ireland aware of grave injustices.

However, this was not the first use of the boycott tactic, even if it was the first so named. As Chapter Eight shows, there is a historical precedent for boycotts dating back well before 1880. But, as Vogel claims, the boycott has to date been most prominent in the labour struggles of this century (56). This use is the subject of 7.4. The next section, prior to that, considers the various types of boycott,

suggesting a continuum of boycotting, which is illustrated by the above case and those cases of the boycott in labour struggles which follow.

7.3.2 A Continuum of Boycotting

The boycott of Captain C C Boycott involved the ceasing of all relations with Boycott and his family. It included the social boycott and various types of economic boycott as identified by Sharp (see 7.2.1). However, the use of the boycott need not be so blunt, it may be more selective. While all the possible and various types of boycott were employed against Boycott, it is more usual to find a more restricted application of boycotts. So Wootton, in this regard, identifies a continuum of boycotting, from the most limited application to the most extensive (57).

Wootton defines the boycott as "abstaining from using, buying from, selling to or otherwise dealing with a person or institution in order to exert influence." His emphasis is on the use of the boycott by sectional groups. At one extreme he has political strikes, at the other, withdrawal of participation from voluntary schemes. He writes "Along the continuum many degrees of boycott might be distinguished, but in our period it seems useful to separate out three main types." These are the refusal to carry out part of an agreed service, such as the 1970 refusal by doctors to sign medical certificates in protest against the Government's refusal to refer their pay award to the Prices and Incomes Board, which might be read as a partial political strike. Secondly, the boycott of a total institution, such as the trade union boycott of the National Industrial Relations Court. And thirdly, to decline to continue cooperating in an important public policy, such as the CBI ceasing its voluntary operation of an early warning system on price increases (giving 28 days' notice) in protest at a bill to create a Commission for Industry and Manpower.

Wootton is not clear about the basis on which his continuum operates, whether it be the degree of ostracism involved (a boycott of a total institution or, say, one scheme operated by an institution) or the seriousness of the action - its effect and acceptability. It's possible that he views these two possible bases as being the same, though a little thought shows they are not (factors other than the degree of ostracism also influence effect and acceptability, such as the structural position of the group in the economy). However, he usefully illustrates how boycotts may differ and as far as this study is concerned, it seems sufficient to view the continuum of boycotting as being based on the degree of ostracism involved. Or to put it another way, the extent of non-cooperation (Wootton suggests non-cooperation is "the polite name for a boycott," although Sharp's schema would indicate otherwise.)

This uncertainty about the basis for Wootton's continuum is evident in his consideration of the acceptability of pressure group methods. There are four methods he has reservations about: surreptitious approaches, as employed, for example, in the setting-up of commercial television; the use of public relations, as used by the aircraft industry; the political strike, and the boycott. However, he accepts

the boycott in most cases: "there is nothing to be said in mitigation of surreptitious approaches or, in normal times, of the political strike. Accordingly, those forms of boycott that approximate to the political strike must also be regarded as reprehensible ... Otherwise the right to boycott a public institution, less startling if called a right to refrain from participation, probably has to be conceded." Presumably, he would include consumer boycotts as exercising an acceptable right to refrain from participation, providing further support to the argument expressed in 7.2.2 on the legitimacy of consumer boycotts.

This shows how boycott action extends beyond Sharp's categories of economic boycotts. A continuum can usefully be conceived along which various types of boycott may be found which represent greater or lesser non-cooperation. Other types of boycott are considered in the remainder of this chapter. The next part examines the boycott as employed in labour struggles.

7.4 Boycotts in Labour Struggles :

7.4.1 The Forms Taken

The boycott was of major importance in organising labour, in the United States at least. Historians writing of this period attribute a central, if not determining, role to boycotts in the labour struggles for unionisation. The basis for much of their accounts of the part played by boycotts lies in the analyses of two contemporary writers: Laidler, whose Boycotts and the Labor Struggle was first published in 1913; and Wolman, whose The Boycott in American Trade Unions was published in 1916. Their studies will be used directly here in a brief consideration of the role of the boycott in labour struggles and also in the next chapter as their examination of the mechanism of the boycott does not seem to have greatly suffered over time.

There is an appealing logic to the use of consumer boycotts in labour struggles, neatly expressed by Laidler:

"Labor on the economic field has thus far used effectively two main weapons ... The first is the strike, with its universal concomitant, picketing; the second, the boycott. The strike aims to gain better conditions for labor by depriving the 'unfair' employer of the labor power necessary to produce goods; the boycott, on the other hand, seeks these same ends by depriving the employer of the market for those goods which labor has created" (58).

Laidler argues that the boycott is a natural and necessary partner to the strike. However, before examining the role of the boycott in unionisation, it is important to clarify the meaning denoted by the term boycott. Wootton, as noted above, observes that where sectional pressure groups such as solicitors or teachers refer to a policy of non-cooperation, they are simply using the polite name for a boycott. He also refers to the political strike as being at one end of the continuum of boycotting, and given his definition of boycott, it would follow that industrial action such as strikes or working to rule are types of boycott. What then does Laidler mean when distinguishing, as above, between strikes and boycotts? Of course, the concern in this study is solely with the 'not buying from' types of boycotts, by customers (recall the definition of consumer boycott in 7.2.1). This too is Laidler's main concern, as the above quote would indicate, although he is insufficiently explicit in this respect.

Laidler defines boycotting as "an organised effort to withdraw and induce others to withdraw from social or business relations with another" (59). The basis for his subsequent classification of types of boycott is not, however, the source of power which the type of boycott seeks to employ - as in this study, in the reference to consumer sovereignty - but the group in society using the boycott. (A similar criticism applies to Sharp, as earlier noted.) So Laidler identifies the consumers' boycott "used chiefly as a protest against the high cost of living;" the employers' boycott "an organised effort of employers of labor and monied interests generally, to induce others of their class to cease business relations with those who, in their

opinion, are too active in the cause of labor;" a variety of the employers' boycott known as the blacklist "an agreement of employers to refuse employment to certain workmen obnoxious to them, generally on account of their activities in behalf of labor;" the trade boycott, where manufacturers who supply companies not part of the trade association are boycotted; the political boycott "involving the refusal to vote for those officials disapproved by labor;" and, finally, the international boycott "in which one nation has boycotted the commodities of another." Laidler also has a 'catch-all' category of other forms of boycott, such as boycotts by farmers or slave-trade abolitionists (60).

Having considered these various forms of boycott, Laidler turns his attention to the boycott used by labour:

"A boycott in labor disputes may be defined as a combination of workmen to cease all dealings with another, an employer or, at times, a fellow worker, and usually, also to induce or coerce third parties to cease such dealings, the purpose being to persuade or force such others to comply with some demand or to punish him for non-compliance in the past" (61).

Such a definition, of course, encompasses strike action, whereas Laidler seeks to distinguish between strikes and boycotts (further indication of how the reference to consumer sovereignty provides a more powerful and explanatory discriminator between different types of boycotts). The distinction centres upon whether labour withdraws its cooperation from an employer, and perhaps encourages others to do likewise, within product markets or labour markets. For the most part, Laidler concentrates on the boycott as employed in product markets, as the opening quote to this section on the logic of such action would indicate.

Wolman acknowledges and more satisfactorily resolves this problem of definition. He defines the boycott as "a combination formed for the purpose of restricting the markets of an individual or group of individuals." However, he goes on to exclude strikes and similar actions on the basis of the chronological priority of the terms already used to describe these actions, in spite of the demands of logic to include all such actions under the term boycott. Hence "the term boycott will be used to describe the efforts of labor combinations to restrict the markets of employers in the purchase and sale of economic goods, whether these goods be raw materials, materials in a partial state of completion, or finished products about to be sold to be ultimate consumer." In other words, he restricts the term to actions involving product markets rather than labour markets" (62).

(Attempts to restrict employers' purchases of goods is in the form of a boycott on materials, involving a disapproval of certain implements and materials with which men work. These boycotts stem from a desire to work (when work is threatened by prison-made goods, new technology or foreign products) or sympathy for fellow workers. They may be backward, forward, lateral or transportation boycotts. 'Material boycotts' are dealt with by Wolman in Chapter Three. In the following

chapter he deals with attempts to restrict employers' sales - in the 'commodities boycott'. This form of product market boycott is of most relevance here, but the discussion following applies to both material and commodity boycotts.)

Different types of boycott are identified as having been used in labour struggles, even when the term boycott is restricted to product markets. For the most part, these terms and their meanings are still current and can usefully be considered here. Both Laidler and Wolman refer to primary, secondary, tertiary and compound boycotts.

Laidler defines the primary boycott as "a simple combination of persons to suspend dealings with a party obnoxious to them, involving no attempt to persuade or coerce third parties to suspend dealings also" (63). Simply stated, this is where the employees of a firm abstain from purchasing the firm's products, probably in conjunction with strike action, but with no attempt to persuade others to do likewise. He suggests that this form is ineffective and consequently rare. However, his exclusion of attempts to influence third parties would probably have belied practice, although as will later be seen such boycotts would not be illegal whereas those involving attempts to influence third parties could be. This may explain his definition. It does, however, differ in this respect from Wolman's definition: "the action is directly against the offending employer, the members of the organisation simply withholding their patronage ... and inducing their fellows to do the same" (64). While this definition may include legal and illegal actions (the legality of boycotts is a complex issue), it would seem to better reflect practice and current usage.

Secondary boycotts involve attempts to get wider support, defined as "a combination of workmen to induce or persuade third parties to cease business relations with those against whom there is a grievance" (65, Laidler's emphasis). They become compound boycotts when coercive and intimidating measures are used, involving either threats of pecuniary injury or actual physical force and violence (66).

Laidler identifies three important points of attack against a boycotted employer in the use of the secondary and compound boycott. Firstly, by inducing or coercing his employees to quit working for him, perhaps using picketing. Secondly, to induce or coerce suppliers to stop providing supplies to the employer (and, as examples show, this may involve threatened or actual strike action at the suppliers). Thirdly, "the most important method of injury is the inducing or coercing of customers to withdraw their patronage from the obnoxious concern" (67). This may include suppliers of the initial target for attack, as well as the initial target; as is made clear in Wolman's definition.

Wolman defines secondary boycotts as "a combination to withdraw patronage from a person in order to force that person in turn to withdraw his patronage from that individual or firm with whom the union was primarily at odds" (68). They involve injury to those not directly involved in the dispute. He does not use the term compound boycott to refer to instances where pecuniary or physical injury is threatened, as Laidler, suggesting the terms secondary boycott and compound

boycott are synonymous. This again would seem to reflect practice, as a boycott without the threat of pecuniary or physical injury seems a rather abstract notion. Although again, Laidler's distinction seems geared towards accommodating different legal consequences of boycott action. Wolman suggests "it is perhaps better to use the expression compound boycott to describe boycotts against all persons not involved in the original dispute, whether these boycotts be secondary, tertiary or even of a higher order, whereas the primary boycott denotes that simple form in which the boycott is imposed directly upon the offending employer" (69). This reflects current usage, as 8.1.3 indicates, excepting the preference for the terms primary and secondary, rather than primary and compound.

Tertiary boycotts are somewhat loosely defined by Laidler as being the most indirect form, and "may be instituted against those citizens who continue to purchase from stores selling "unfair" supplies" (70). Essentially, as the previous quote from Wolman indicates, they are still further removed from the firm with which the union has a grievance. For reasons of simplicity and in keeping with current usage, it is preferable to include tertiary boycotts and those of a higher order under the term secondary boycott.

Boycotts can be negative or positive. Negative boycotts involve purchasing from recommended sources: "The primary purpose of negative boycotts is to secure for "fair" firms the patronage of labor and its friends. Indirectly, they divert trade from "unfair" employers." This involves the union label, placed on goods "as a guarantee to the trade unionists and to the public generally that the goods are produced under conditions favourable to the unions," exemplified in the California grape boycott case considered in Part Three. 'White' or 'fair' lists are also used (71). Wolman refers to negative boycotts as indirect boycotts.

The positive boycott involves the 'unfair' or the 'We Don't Patronise' list. The lists, Laidler notes, were published in trade union journals under these captions, or posted at trade union headquarters. He suggests they became of little importance after 1908 (and two important court rulings on boycott legality), but they are still employed today in boycott actions such as the Arab boycott (72) and the boycott of goods and services from companies associated with South Africa. This form of boycott Laidler describes as "the boycott proper," involving primary, secondary, tertiary and compound boycotts as defined. Wolman uses the term direct boycott.

The next section considers the importance of these boycotts in unionisation.

7.4.2 Boycott Effectiveness in Labour Struggles

Wolman claims the boycott to be "the most effective weapon of unionism" (73). Laidler also has a high regard for the boycott, arguing for its legalisation so that it might redress the imbalance of power between employers and employees. He writes that, in such a way "its future role is destined to be a potent one" (74). Yet in spite of this, trade union historians make little mention of its use other

than during the period examined by Wolman and Laidler of the late nineteenth and early twentieth century. This apparent demise of the consumer boycott would seem to go unexplained by the historians (75). Reference is made to the impact of legislation, but Wolman had indicated that legislation would simply involve the use of the boycott in secret and illegally.

Yet it is possible to speculate with some certainty on the decline in importance of the boycott, on the basis of Wolman and Laidler's analyses. For it seems that once organised, labour no longer required or was able to use the consumer boycott. However, according to Wolman and Laidler, it was in this organisation of labour (in the United States) that the boycott played such a vital role.

The detail of the use of the boycott at this time and the many cases recounted by Wolman and Laidler illustrating its effectiveness cannot be considered here. The classification system described in the last section and the principles emerging from their analysis on the use of the boycott, will, however, be included in Chapter Eight. In this section, some attempt will be made to briefly convey the importance and effectiveness of the (consumer) boycott in unionisation.

Both writers point to the historical precedent for boycott action (considered in 8.1.1). The adoption of the boycott by unions stemmed from the difficulties experienced in controlling labour supply when labour was unorganised. As Wolman writes: "The essence of trade union success is its ability to control the labor supply in particular trades" (76). Where this was not possible, the unions sought an alternative way of exerting pressure on employers, and thereby achieving organisation:

"Control of the labor supply in an industry, however, presupposes the power of union officials to organise the majority of the workmen in that industry, and this organisation is not always possible. When, therefore, the ordinary methods of organisation have failed, or are at the outset seen to be inoperative, the union must devise a supplementary resource. This resource has been, in this country, the boycott of the products of unfair firms" (77).

There was also the problem of the employment during a strike of non-unionised labour as strike-breakers. Laidler observes that certain conditions were necessary for a strike to be effective: "If labor is thoroughly organised, if every man in a certain trade or industry stands staunchly with his fellows in a labor struggle; if the army of the unemployed refuses to "scab," and if, finally, the workers' economic power to resist proves as great as that of the employer ..." (78). However,

"The unionist of the eighties in the United States discovered that these conditions but rarely existed ... in many instances a threat to strike failed greatly to disturb the employer, believing, as he did, that his one problem, in case of such a strike, was to obtain other workers, and that the condition of the labor market made that problem a comparatively simple one ...

The workers therefore came to realise that they had utterly neglected to use their power as consumers, in their struggles for improved conditions" (79).

There is of course a logic to such reasoning as indicated in the quote at the outset of the previous section and reaffirmed by Laidler here:

"Labor has a two-fold relationship with the employing class. It supplies that class with the labor power necessary to produce commodities. It also furnishes, to a considerable extent, a market for the commodities produced. In both relationships it can so conduct itself as vitally to affect the profits" (80).

Both Laidler and Wolman recognise that the importance of the boycott lay in the difficulties in using strike action. Wolman suggests two conditions under which the boycott is likely to emerge: where organisation of the labour force is impossible, and where organisation is fraught with such difficulties as to make it unlikely. In the first case he refers to boycotts upon prison products, and in the latter to the difficulties faced where employers used espionage to detect those employees recruited to the union and dismiss them, and where workers, particularly women and children, are indifferent or opposed to organisation. He goes on to identify specific reasons for the appearance and use of the boycott around 1880: the solidarity given to the trade union movement by the Knights of Labor, little recognition of the advantages of organisation and therefore limited support for strike action, insufficient funds to provide strike benefit and transport scabs away from the seat of strikes, and, finally, the ease of employing scab labour due to the growing concentration of the population in the cities. Consequently:

"Appearing, therefore, in 1879 and 1880 as a compact labor organisation, composed in the main of workmen ignorant of the difficulties and necessities of organisation; not oversupplied with funds; finding it necessary to employ spectacular and effective, but cheap methods of aggression; controlling, however, a not insignificant purchasing power, the Knights of Labor immediately seized in 1880 upon the boycott as a unique and logical sources of strength" (81).

Therein, however, lies the causes, it would seem, for the demise of the boycott; changes in the conditions described above - largely brought about through the effective use of the boycott - meant strike action or the threat of it could be used effectively. Many examples of the use of the boycott in both Wolman and Laidler illustrate the extent of its effectiveness. For example, during the boycott of D E Loewe and Company by the United Hatters' Union, sales fell for the year by \$160,000 - \$170,000, from \$400,000 in the previous year, a drop of 40 per cent (82).

Not surprisingly, boycotts were roundly condemned by the employers. They were described as blackmail and contrary to the American tradition of free trade - despite their use against Britain in the War of American Independence, and their use in one form or another by employers against employees. Eventually, the assistance of the courts was sought to outlaw boycotts.

Prominent in this action was the American Anti-Boycott Association. Both Laidler and Wolman suggest that the 1908 decisions against the Danbury Hatters and in the Bucks Stove case, represent a turning point. Public opposition was also growing. Laidler, writing prior to impending legislation on the legality of boycotts argued in favour of legalisation. Wolman, writing after legislation was passed severely restricting boycotts, suggested they would continue, but "no longer be employed with impunity" (83). Defending boycotts, he suggests they are "an indispensable resource of labor organisations" and goes on to refer in example to the Brewery Workmen's Union, where "the boycott laid the foundations for what was later to develop into one of the strongest labor organisations in this country." Yet recounting these successes, he suggests "Nor is it correct to assume that the need for the boycott as an organising agency has now passed ... there still remains whole sections of industries and individual establishments which it will be impossible to organise without the employment by the laborers of their combined purchasing power." He goes on to refer to a specific industry, reiterating his argument about the need for the boycott because of the problems in strike action: "... because of the lack of adequate defense funds and because of the ease with which strikers may be replaced, a strike is out of the question. Accordingly, a refusal to buy and a request to the friends of labor that they too shall refuse to buy are forced upon the union by the exigencies of the situation" (84).

Yet it seems he was wrong. Was there sufficient incentive for unions to risk litigation - with consequences for individual members - when their own industry was organised? Was the boycott necessary when labour reached a certain degree (critical mass) of organisation? Laidler notes the following reply by a union official to his questionnaire survey on the use of the boycott:

"We don't have to boycott any more. We control the skilled workers. Employers desiring skill must employ our members" (85).

And, despite his plea for the legalisation of boycotts, he unwittingly anticipated their demise as a union resource, writing at one point: "the thorough organisation of labor often renders boycotting unnecessary" (86).

The boycott was of the utmost importance in organising labour. Once that task had been largely achieved, it declined in importance. As Wolman remarks on more than one occasion, the use of the boycott was determined to a great extent by circumstances at the time, so "a popular form of pressure in one period of industry becomes obsolete in the succeeding period" (87).

This part has shown the importance of the boycott, and in particular the consumer boycott, in unionisation. It has demonstrated various types of boycott as employed by labour and also their effectiveness. Part 7.5 considers another type of boycott, the boycott as an international economic sanction. The importance of the boycott in unionisation and the way by which it proved so effective are considered further in Chapter Eight.

7.5 Boycotts as International Economic Sanctions

7.5.1 An Alternative to War

The enthusiasm for the boycott evident in the writings of Laidler and Wolman can also be found in writings of the same period about the economic boycott as a sanction used by governments. Just as Laidler and Wolman wrote of its potential in furthering labour's struggles, others advocated its use in preventing or replacing war.

Table 7.1, showing Sharp's categories of economic boycotts, included action by governments: domestic embargo, blacklisting of traders, international sellers' embargo, international buyers' embargo and international trade embargo. All these, as actions by governments and not individual consumers, are outside the scope of this study. Domestic embargo and the blacklisting of traders seem comparatively rare, Sharp's examples are drawn from Nazi Germany and from the United States during World War II (88). But the international trade embargo (which includes, quite obviously, the buyers' and sellers' embargoes, making such differentiation unnecessary) is more common. As noted in 7.4.1, Laidler identified international boycotts, but their use goes back a lot further. For this reason, they merit brief consideration here. Furthermore, as will become apparent, they are arguably ethical purchase behaviour by governments, or, at least, politically motivated purchase behaviour.

There are two further reasons for the inclusion of international economic sanctions here. Firstly, there are observations regarding the use of such sanctions which are common to consumer boycotts and boycotts in labour struggles, which point to general factors in boycott effectiveness, perhaps even principles or rules regarding the use of the boycott. Secondly, references to the boycott in the literature are predominantly concerned with the boycott as an international economic sanction. It is to such actions that the term economic boycott is usually applied, within the literature and abstracts (one reason for the preference here for the term consumer boycott to refer to the principal phenomenon studied). A large proportion of this material is devoted to the Arab boycott, which is therefore considered separately in part 7.6. (Economic sanctions against South Africa are considered in the case study on Barclays and South Africa.)

World War I, it will be recalled, was the war to end wars. Its horrors led to a renunciation of war:

"The 'balance of power', that fundamental concept of European diplomacy, was called by President Wilson 'the great game, now forever discredited'. Men spoke now of a 'Concert of Powers' and a 'League of Nations'. The limitation of armaments and the destruction of militarism were everywhere declared to be the aim" (89).

How could such a concert ensure peace without recourse to military action? The need for a coercive measure was not dismissed. Instead, an economic rather than a military weapon was to be employed if found necessary. This was expressed in the Covenant of the League of

Nations, which, at the insistence of President Woodrow Wilson, formed part of the peace treaty agreed at the end of the war (90). The sixteenth article of the Covenant contains the provisions that if any member of the League resorts to war in disregard of the Covenant it shall:

"... be deemed to have committed an act of war against all other members of the League, which hereby undertake immediately to subject it to the severance of all trade and financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking state, and the prevention of all financial, commercial, or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state ..." (91).

In short, a boycott. In explanation of this President Wilson said in 1919:

"If any member of the League breaks or ignores these promises with regard to arbitration and discussion, what happens? War? No, not war but something ... more tremendous than war ... Apply this economic, peaceful, silent, deadly remedy and there will be no need for force ... The boycott is what is substituted for war" (92).

Such a remedy was not new to American presidents, even if the term was. In 1793, Jefferson wrote that "nations may be brought to do justice by appeals to their interests as well as by appeals to arms," which would "relieve us too from the risks and horrors of cutting throats" (93). The use of the boycott in this way is neither recent nor redundant, but it seems that the greatest faith in such a weapon was held during the period following World War I. This is revealed in the writings of the time. John Foster Dulles, who became an American Secretary of State, wrote in 1932 in Boycotts and Peace:

"The great advantage of economic sanctions is that on the one hand they can be very potent, while on the other hand, they do not involve that resort to force which is repugnant to our objective of peace" (94).

While Remer, in A Study of Chinese Boycotts, justified his 1933 analysis by saying "in a world which has renounced war, it may be worthwhile to examine the efforts of the Chinese in the field of non-violent coercion" (95). This study is the subject of the following section.

7.5.2 The Chinese Boycotts

Remer's study is worthy of consideration for reasons other than historical interest, despite its age. It reveals not only the contemporary view of the great potential for peace through the use of the boycott, but also certain elements in its use which are relevant to current use of the boycott as an international economic sanction and in the form of the consumer boycott.

Rather than define boycotts, he refers to the Chinese 1931 boycott of Japan: "The Chinese said, in effect, we will not buy Japanese goods until the Japanese do what we want them to do, or better, until they stop doing certain things which we do not want them to do," a simple statement in which "the nature of the boycott is revealed more clearly than it would be in any attempted definition." Remer then elaborates on what is involved:

"Such boycotts involve concerted action, the effect of which is to reach across an international boundary line. This action is in the economic field and always involves a refusal to buy the goods of the boycotted country. Boycotting may go beyond the economic field but action in this field is essential ... the boycott is always a means to an end and never an end in itself. It is a means of carrying on a dispute and the immediate purpose is to inflict injury, to subject the boycotted country to inconvenience and loss" (96).

Three end results sought are identified: publicity, punishment and a policy change within the boycotted country. The boycott is viewed as a weapon and assessed in this sense. In this assessment, the important distinction is made - which applies to all economic boycotts - between success and effectiveness: "for it is plain that a boycott may be effective in cutting off trade without being successful in bringing about the desired change in policy" (97). He continues by suggesting a boycott is not likely to be successful unless it is effective, although this must surely be less important where the end result sought is only publicity. (This issue of success and effectiveness is considered later in this part and elsewhere.)

His study examines Chinese boycotts between 1905 and 1932. However, it is important to note that these Chinese boycotts were not directly comparable to the boycotts envisaged by the League, as he notes, nor are they identical to the international economic sanctions employed today. The essential difference is that the Chinese boycotts were not the formal or official acts of the Chinese state. They are for this reason closer to consumer boycotts than international economic sanctions, as will become apparent.

Remer identifies four differences. Firstly, in contrast with the League boycott, one state alone (China) is boycotting one other. Secondly, the boycott is not the Chinese state in action: "It does not operate to prevent ships from clearing with cargoes for the boycotted state. Goods from the boycotted state are not, by the existence of the boycott, prevented from being landed or refused passage through the customhouses of China." In this way, Remer suggests the Chinese boycotts were, in contrast with the legally enforced boycotts of the League, more appropriately described as boycotts and "A League boycott may, therefore, be called the application of economic sanctions and the very use of the term boycott may be called into question." Thirdly, Chinese boycotts were determined without consultation as a unilateral and possibly spontaneous action. Finally, whereas League boycotts involved one step in a contemplated series, within what would now be described as an escalation of measures, the Chinese boycott was a measure by itself. Interestingly, he notes here that "the boycott

is now accepted by many Chinese as a substitute for military measures which they cannot effectively take or as a supplement to such military measures as may be taken" (98).

What form then did the Chinese boycotts take? It would appear from Remer's analysis that they involved an almost spontaneous reaction by many of the Chinese people against the goods of countries which aggrieved China. So, for example, the 1905 boycott against the United States followed American restrictions on Chinese immigration, and the 1931 boycott against Japan followed Japanese policies in Manchuria. Although in a sense spontaneous, they were not without organisation, yet this did not come from the government, at least in any official capacity. Their origin, organisation and possibly effectiveness have cultural explanations.

Passive resistance had long been practised by the Chinese against their governments and officials. Philosophically it was justified by the argument that the perceived failure of the Emperor allowed such action because it showed that his 'Mandate from Heaven' had been withdrawn. The effectiveness of this type of popular action in an autocracy was enhanced by the structure of Chinese society, which permitted groups, notably the guild and the family, power to discipline those offending group loyalties. This tradition of passive resistance and the structure of Chinese society provide the cultural precedents for the Chinese boycotts:

"In short, many features of Chinese life and many characteristics of the political, social and economic organization of China explain the facility with which the Chinese turn to this weapon. The Western student finds the roots of the boycott so deep in Chinese history and so far spread in the Chinese community that he is likely to refer to its use as "instinctive" and as arising from the very nature of the Chinese."

Remer suggests that the rise of Chinese nationalism in the early twentieth century led to the increasing use of passive resistance on international issues, in boycotts of foreign goods. However, only the international dimension to the use of the boycott was new "The boycott is a means of carrying on a dispute, a weapon, a technique, which has a long history in China." Chinese nationalism fulfilled two conditions necessary for boycotts to extend beyond domestic issues: "The feeling of solidarity which lies behind the boycott had to spread beyond family, village, guild, or association, to the whole Chinese community and the feeling that resistance was necessary had to spread from the desire to resist a group of foreign merchants or a particular governing body to a desire to resist a whole nation" (99).

Despite the remoteness of Chinese boycotts over fifty years ago, three important points can be made of relevance to current use of the boycott. Firstly, there is the historical precedent for consumer boycotts, discussed further in 8.1.1. Secondly, and more importantly perhaps, the requirement for organisation and solidarity is demonstrated, providing further support to the evidence provided in the discussion of the use of the boycott in labour struggles. In the current situation, it must be considered whether pressure groups can

provide the necessary level of organisation and solidarity. Thirdly, and this point is related, there is the issue of whether boycotts are culturally appropriate to Western society. Indeed, Remer makes the interesting point that passive resistance is more clearly characteristic of Eastern peoples than those in the West: "Whatever be the explanation, whether it lies in the recognition of some degree of helplessness or in religion and philosophic outlook, Eastern peoples seem to have greater experience with passive resistance than Western peoples and a greater skill in its use" (100).

Western disadvantages arising from little experience and (presumably as a consequence) little skill in the use of passive resistance, may perhaps be remedied by greater use of these techniques. Yet if they are highly culturally specific then it is possible that they may never become significant in the West. Alternatively, if the use of passive resistance in the East has more to do with pragmatic rather than cultural reasons, it may be that the West can adopt such techniques under similar circumstances and with success in their use learn how they can become most effective. In which case, it may be presumed that for passive resistance to become a major force in the West, a great cultural change is required (if possible), or there must be circumstances warranting use of these techniques which would be extenuating, with massive deprivation (as explained in 7.2.2).

It is probable that both cultural and pragmatic factors interact to stimulate passive resistance. However, Remer's analysis would seem to emphasise the importance of pragmatic factors in the use of the boycott, as a substitute for violence and military action (101). In other words, because of limited military resources, the Chinese could only respond in this way. This, of course, would be in contrast to the League boycotts and the current use of economic sanctions, which are actions by the powerful against the weak; as Galtung writes "economic sanctions as a source of power tend to preserve existing power structures" (102).

Remer suggests both League boycotts and Chinese boycotts would be best described under the general category of non-violent coercion. This recognises that they are NVDA as earlier described and discussed. The issues of cultural specificity and whether passive resistance is a technique for the weak or the strong (if not both), does then of course apply to boycotts as much as any other form of NVDA.

Remer's study of Chinese boycotts is instructive in many ways relevant to this study. Further detail would be inappropriate as consideration must be given to more recent analyses of international economic sanctions, but it is worth mentioning that the methods used in the enforcement of the boycott have a remarkable similarity to those used in labour struggles and current consumer boycotts. Remer observes that the early boycotts were enforced by the ordinary group methods familiar in China with the addition of some coercion from aroused public opinion. However, over time other methods were adopted: advertising and propaganda for the boycott by burning 'inferior' or 'enemy' goods, picketing, posters, public demonstrations and speeches, and extra-legal fines on merchants dealing in boycotted goods which resulted in them being paraded through the streets and even placed in cages in the

street. In some cases, and this is good illustration of the strength of cultural factors - if contradicting the claim of similarity - the death penalty was inflicted. Yet these punishments were imposed by organisations separate from the government and without formally delegated power from the government (103).

Remer notes that the boycott could be an expensive weapon, entailing deprivation for the boycotter as well as the boycotted. Yet as more recent analyses also indicate, there were benefits for domestic industries attempting to provide substitutes for boycotted goods. Indeed, there is the suggestion that Chinese boycotts were in part encouraged for protectionist reasons. Although, of course, the idea of the boycotter providing substitute goods through alternative institutions is emphasised in the writings on NVDA and particularly in Gandhi's philosophy, with his notion of transformation. This is exemplified in the salt satyagraha where alternative production facilities were established in disregard of the British legally prescribed monopoly (104).

Remer's conclusions on the boycott are that it can be both effective, in securing a restriction on trade (although this is not always immediately obvious from trade statistics), and successful, in producing policy changes. He anticipated increasing use, although he acknowledged disadvantages. He suggests the weapon is a blundering and awkward one, it leaves the initiative with the opposition, it is slow, it is costly and it is uneconomic, as losses fall on many who are not involved in the dispute. One contemporary commentator described it as "a double-edged knife which injured Chinese even more than Americans and other countries quite as much," in reference to the 1905 boycott against America (105). Yet not only can it be successful because of its economic effectiveness, but also because of its psychological or emotional effect (106). It is also an effective form of publicity "It brings to the attention of the world the acts of which the boycotters complain and the policy behind the acts against which the boycott is ultimately directed." Moreover, by employing passive resistance, the nation "is likely to secure, in addition to publicity, the sympathy of the rest of the world" (107). In the introduction it is asked whether the boycott is an effective weapon of retaliation or merely a theatrical sword. It seems that it may be both.

Fifty years later, this conclusion seems equally valid in the assessment of the current use of international economic sanctions. More recent examples and analyses are considered in the next section. Again there are observations which seem applicable to consumer boycotts, perhaps pointing to boycott principles.

7.5.3 More Recent Examples

Examples of the current use of international economic sanctions as boycotts are hardly required, its current use being quite extensive: Russia boycotted, by the United States in particular, over the invasion of Afghanistan; the boycott of Rhodesia over UDI (Unilateral Declaration of Independence); the oil and arms embargo against South Africa; to name but a few recent examples. Others are identified by Roberts (108).

Roberts suggests the view of the boycott as an effective alternative to war stems from its effectiveness within states, in consumer and other boycotts. However, he finds only limited evidence of the economic effectiveness of international boycotts: "Despite such hopes, the record of international economic boycotts is not particularly impressive." He attributes the failure of sanctions to the fact that foreign trade was not affected as much as might be expected, to the support given by non-boycotting states, and to the growth of solidarity within the receiver state. On this latter point, he identifies a similarity with "that other presumed ultimate weapon of 20th century international relations - strategic bombing:"

"Both economic sanctions and strategic bombing are characteristically the weapons of the larger and richer states. Both are seen as instruments of producing change by remote control, and at minimum cost to the sender. Both have tended - not always, but more often than not - to make citizens in the receiver country more dependent on their own government than they were before. And both have been much less successful than was widely expected."

Yet the use of economic sanctions continues. This, Roberts suggests, is not only because they are not entirely ineffective, but also because they have an expressive function. They convince the aggrieved state that it's 'not taking things lying down'.

This motive is criticised by Dekker as an irrational moralistic attitude. Finding that the boycott and embargo is unsuccessful in most cases, Dekker suggests success is probable only with an unstable regime and when the action is sudden and drastic (109).

However, not all analyses are so sceptical of the economic effectiveness of previous or future economic boycotts. Losman, on the basis of an analysis of boycotts against Cuba, Israel and Rhodesia, concludes that boycotts may be economically effective but are unlikely to be successful. He, like Remer, makes the important distinction between success and effectiveness:

"A successful boycott is one which results in the acceptance by the 'target state' of the conditions specified or implied by those applying the sanctions ... Effectiveness thus measures the degree of economic damage felt by the target state ... boycotts can be highly effective, yet still fail in terms of their basic political objectives. In short, effectiveness is a necessary but not a sufficient condition for success" (110).

Again like Remer, Losman insists that economic effectiveness is essential for political success. Losman identifies four types of economic effect. Direct costs "entail additional financial or real outlays immediately and directly related to the imposition of sanctions." For example, increased transport costs through having to trade with a more distant supplier, or the loss of traditional export revenues. Indirect costs are "due to the many domestic dislocations and slow-downs outside the foreign trade sector itself which result from a disruption of normal external relations." For example, costs of

storage for export goods unsold, or the impact on domestic industries of using possibly inferior and/or different spare parts and materials. Capital effects, a special kind of indirect cost, result when large parts of the country's capital stock are either produced abroad and require imported spare parts or depend upon specialised imports of materials. A disruption of imports thereby renders such assets worthless. Finally, there is the economic effect of foregone potential. This is the loss of probable future earnings, as in the disappearance of the Cuban tourist industry, geared to Americans, following the American boycott.

Vulnerability to boycotts, he suggests, is especially high if trade is concentrated with particular partners, if a country's imports are of great technical importance in the economy, as when there are no domestic sources of power, or its exports are concentrated in commodities, such as Cuban dependence on the export of sugar. Sanctions will also be more costly if there are many boycotting states and if they are geographically close.

Losman refers to a "realignment of resources" following economic sanctions. This includes the establishment of new trading relations, new patterns of production and, as Remer notes, perhaps even the unintended benefit of involuntary protection for infant industries. However, this realignment is probably only applicable to lengthy or what might be termed permanent boycotts, such as the three Losman analyses. He, also, points to the cost of boycotting for the sender, though he identifies circumstances where this will be minimal.

His conclusions on the Cuban boycott are that the cost of sanctions was great (for example, export earnings, 60 per cent of which was with the United States, fell from \$625m. in 1959 to \$167m. in 1961), but Cuba was rescued by the Soviets, with much of the cost being borne by Cuba's communist allies. The United States general economy was unaffected. Yet while the boycott was economically effective, Losman does not feel it was politically successful: "if it was Castro's 'communism' which led to the American embargo, today he is very much more a communist and a part of the communist bloc than he was before."

On the Arab boycott of Israel, Losman concludes that it has been most effective in the area of foregone potential, particularly in denying Israel the role of trading centre for the Middle East, which Palestine's pivotal location would have ideally suited. The Arab states have suffered through applying the boycott, which explains its uneven enforcement. The effects of blacklisting (discussed in detail in 7.6) are, he claims, completely indeterminable. Yet what is the outcome of the boycott? As Losman writes "In Israel, the population stands resolute in its determination to succeed, regardless of sanction-imposed difficulties." Presumably, the boycott gives the Arab states some sense of actually doing something, however futile it might seem.

Finally, on the Rhodesia boycott, events following the publication of his paper have to some extent weakened Losman's argument. His conclusion was that there was little internal political pressure upon the Smith regime to capitulate. The costs of economic sanctions were at

first quite heavy, particularly with the loss of export revenue from tobacco sales, but over time the state adapted and, in effect, the economy suffered "a 'one-shot' slow-down." Because the brunt was borne by tobacco farmers, staunch supporters of UDI, by the African population employed in the tobacco industry, and by business profits, political pressure was minimal. Losman saw little prospect for resolution of the Rhodesia situation: "sanctions and their associated difficulties have tended to reduce the influence of racial moderates and those most loyal to the Crown, at the same time encouraging a consolidation of opinion against externally-imposed solutions."

In all three cases, Losman thought it unlikely that success would materialise despite economic effectiveness. Yet he did introduce a caveat which was quite sensible in view of the Rhodesian sanctions subsequently proving not entirely unsuccessful:

"None of the three cases studied have so far achieved their political ends and it is highly unlikely that they will. If agreements are reached, the more probable causes will not be economic but changed political bases for compromise or the imminence of military, rather than strictly economic, warfare."

In other words, boycotts in themselves are inadequate. Galtung would largely support Losman's analysis, but see it as incomplete. His sophisticated and detailed analysis, which concentrates on the Rhodesia boycott, is still generally negative about the likelihood of success with economic boycotts, but identifies the conditions under which the boycott can be both effective and successful and recognises that success may be in terms other than the defeat of the regime of the boycotted state.

Galtung defines international economic sanctions as "actions initiated by one or more international actors (the "senders") against one or more others (the "receivers") with either or both of two purposes: to punish the receivers by depriving them of some value and/or to make the receivers comply with certain norms the senders deem important" (111). So, in contrast with Losman, Galtung recognises that the rationale behind economic sanctions may involve an attempt to punish as well as to coerce. This, of course, is closer to Remer's analysis, and Galtung comes closer still, as will be seen.

The view that punishment is a necessary condition for compliance is naive to Galtung, yet he acknowledges the prevalence of a punishment oriented attitude. The use of negative sanctions in politics has much to do with a desire for retribution, along the lines of "If compliance is not obtained, there is at least the gratification that derives from knowing (or believing) that the sinner gets his due." However, Galtung's analysis concentrates on the use of sanctions as a way of making other international actors comply.

Seven dimensions for classifying sanctions are identified. The concern here is with those that are negative (punishment for deviance, rather than positive, reward for compliance), collective (hitting the nation as a whole rather than responsible individuals), external (from outside), and economic (rather than diplomatic or communication sanctions). He suggests the 'theory' of economic sanctions is simple:

The input-output matrix of the economy of the receiving nation is inspected. The impact of partial or total boycott of selected imports or exports is calculated. As a matter of rational politics, maximum effect with minimum boycott is looked for ... The ideal case would be that of a system in which total boycott of one product alone would be sufficient, and oil is often held to be this product."

Galtung identifies eight ideal conditions, if the goal is to damage the economic system of the receiving nation without similarly damaging the sender. These conditions include imports having a high loading on important sectors of the economy of the receiver, no internal substitute and no external substitute (through a change in trade partners). These conditions are exemplified in the case of a small economic satellite of a major economic power, such as the situation of Cuba with respect to the United States prior to the boycott. The crucial concept is vulnerability and, in turn, concentration. The greater the concentration of trade the greater the vulnerability. Hence the greater the likelihood of effectiveness. It is on this basis that Galtung concludes that economic sanctions as a source of power tend to preserve existing power structures, as big powers are very different from smaller powers in external vulnerability.

Three counterstrategies are left for the receiver: to train itself in sacrifice by doing without certain commodities, and preferably even liking it; to restructure the national economy so as to absorb the shock of the boycott, by producing locally the imported commodities denied it, etc; and to organise changes of trade with or via third parties, or, if the boycott is truly universal, to engage in smuggling. This seems to be all the receiver can do, and where the ideal conditions are met and particularly if the boycott is extensively supported (but "the world has yet to see a universal boycott"), the situation seems bleak. Yet despite this survival has been shown to be possible.

Galtung suggests that the situation faced by the receiver is less bleak than it might appear. He identifies a naive theory of the process by which the boycott is intended to work. This postulates a goal of political disintegration of the enemy so that compliance is achieved, a goal realised by value deprivation. However, in economic warfare as in military warfare, deprivation is not necessarily directly proportional to political disintegration. Indeed, the theory is naive because value deprivation can initially lead to political integration and only later - perhaps much later or even never - to political disintegration. This is because of adaptation: "that which seems unacceptable at the beginning of the conflict becomes acceptable as one gets used to life under hardship."

The case of Rhodesia illustrates this well. Political disintegration did not prove to be a consequence of value deprivation, and it was also counteracted. Adaptation proved to be self-reinforcing, providing unintended benefits; sacrifice became desirable in the form of conspicuous sacrifice; while smuggling introduced an element of excitement into life. In such ways were economic effects minimised. While the moral criticism implied in sanctions was dealt with by acts

of transposition. For example, Prime Minister Wilson became viewed as a communist, while jokes served to ridicule the sanctions. Government action included partial censorship to promote pluralistic ignorance, as well as attempts to minimise economic effects and demonstrate the legitimacy of its position.

Galtung's conclusion is that what works at the individual level does not necessarily work at the level of interaction between nations. Yet this does not preclude success. Adaptation may not survive into the long term and the threat of boycott may often be sufficient. The point is that success depends on more than whether the sanctions were universal and therefore economically effective. Moreover, there is the punishment aspect: "the value of at least doing something." Galtung, after recognising the ways in which states minimise their vulnerability to boycotts, wonders if other types of sanctions such as positive, collective, external sanctions, might be more appropriate. He seems, however, somewhat optimistic in thinking they might be applied, given his identification of the dominance of a punishment oriented attitude in world politics.

Perhaps punishment is the most realistic of aims for economic boycotts. Or, in keeping with Remer, punishment and publicity. Such actions are not entirely futile. As Galtung writes:

"If the sanctions do not serve instrumental purposes they can at least have expressive functions. Thus, as a highly dramatic (and costly) way of reinforcing international morality, economic sanctions may be useful ..."

If the senders themselves are deprived, this purpose may be even better served: "we believe that this purpose is served still better if the senders deprive themselves of as much or even more value as the receivers are deprived of."

In looking at international economic sanctions one can, given the above conclusions, see evidence of ethical purchase behaviour. The Chinese boycotts, although considered under the heading of international economic sanctions, seem to have had a lot more in common with consumer boycotts. They also have important implications for consumer boycotts. Finally, the notion of boycotts as way of reinforcing morality, of having an expressive function, has been introduced. This approach is particularly attributable to Galtung, but the other analyses considered above have also contributed to the view that consumer boycotts cannot be assessed in terms of economic effectiveness alone.

It now seems important that in analysing consumer boycotts there should be the distinction made between success and effectiveness; between goals seeking compliance and those seeking only punishment and/or publicity; and between economic effect and psychological or emotional effect. In the latter case, it might well be that one can equate the 'hurt' felt by Japan at being boycotted, as identified by Remer, with the reaction of business to boycotts. This may in turn be as important a factor in success as economic effectiveness.

7.6 The Arab Boycott

7.6.1 History and Background

The Arab boycott is, as 7.5 indicated, the use of the boycott as an international economic sanction. Separate consideration of it here is justified by its predominance in the literature and, more importantly, because of its central feature of boycotts of business. It is probably the most significant boycott currently affecting business, as both the content and quantity of the literature and the survey questionnaire findings (see Chapter Nine) indicate. The Arab boycott also offers some support for the concept of ethical purchase behaviour, in its apparent futility and the nature of its administration, and also in the response it has engendered from Jewish organisations and others. Moreover, it is interesting to consider the issues of social responsibility in business raised by company compliance with boycott demands, and also the way in which companies responded to the boycott as a possible general indicator of management response to boycott action.

Much of the following is based on the comprehensive analysis of Nelson and Prittie, The Economic War Against the Jews. This study documents the history, background and events of the boycott in great detail, only an outline of which can be considered here. It must, however, be said, that this is written from the Jewish perspective, and while the writers may be duly incensed, their analysis suffers from a lack of balance and what seems in places to be a largely emotive response. Hotaling is less guilty in this respect and his study will also be used in an attempt to redress any imbalance.

An important point of difference between Hotaling and Nelson and Prittie, is whether the boycott is anti-Jewish or anti-Zionist, whether it is an action against all Jews or simply against the State of Israel. This difference has a bearing on where an attempt to recount the history of the boycott should commence. Nelson and Prittie are convinced it is anti-Jewish. Having referred to four attempts by the Arabs to defeat Israel on the battlefield, they write:

"Economic warfare is an essential component of total war; anti-Semitism is the ideological concomitant of the Arabs' total war against the Jewish state. Anti-Semitism imbues this economic war with hatreds which have historic roots within the Arab world; it is an endemic feature of the boycott, despite the Arab claim that they have a quarrel only with "Zionists," not with Jews" (112).

They claim a tradition of anti-Semitism in the Arab world, referring to the Koran, a long-perpetuated myth of ritual murder by Jews as described in the Protocols, Arab support for Nazi anti-Semitism, and the persecution of Jews before and after the State of Israel was established in 1948 (113). They note that the boycott of Israel began as a boycott of Jewish settlers in British-ruled Palestine, and that the Arab League boycott dates to before 1948 (114). On this basis, notwithstanding the anti-Jewish element to many actions perpetrated because of the boycott, they claim it to be anti-Jewish.

Hotaling seems undecided. He notes that it is a common assumption frequently reported without qualification in leading American newspapers such as the New York Times or The Wall Street Journal, that the Arab League's boycott regulations include specific anti-Jewish prohibitions. He suggests there is little documentary evidence of such official prohibitions and notes that Mahgoub, the Boycott Office's Commissioner-General, points out that Jewish-owned firms operate in Arab lands and insists the boycott is not anti-Jewish but anti-Zionist. Yet "the assumption to the contrary by many foreigners, and probably by a great many Arabs, no doubt encourages anti-Jewish discrimination in Middle East trade" (115). The end result, intended or otherwise, would seem to be anti-Jewish, as will become apparent.

Nelson and Prittie note that the Fifth Arab Congress called for all Arabs to boycott Jewish businesses in 1922. (It is perhaps on the basis of this that Winchester, in a recent article in The Sunday Times, claims incorrectly that the Arab boycott "was founded in the 1920's" (116).) Similar calls went out in 1929, 1931 and 1933. But "the forerunner of today's Arab Trade Boycott of the State of Israel, as well as the economic war against the Jews and all non-Jews who support Israel's right to exist" was the 1936 boycott of all Jewish products proclaimed by Haj Amin al-Husseini, the Grand Mufti and spiritual leader of all Moslems. They suggest this boycott may well have been copied from the contemporary Nazi model (117).

Hotaling suggests the precedent for the Arab boycott was a League of Nations boycott (of the type discussed in 7.5) against Italy in the 1930's. Both, however, confirm that the Arab boycott, as it is currently known, was set up by the League of Arab States in 1945. The Boycott Committee declared "Products of Palestinian Jews are to be considered undesirable in Arab countries. They should be prohibited and refused as long as their production in Palestine might lead to the realisation of Zionist political aims" (118). Boycott offices were established in League members' capitals with a central office established in 1946 in Cairo, which moved to Damascus where it is currently based in 1949.

In that year, following the proclamation of the State of Israel on May 14 1948, the Arabs closed their frontiers with Israel and declared themselves to be in a permanent state of war with that nation. While this prevented Israel from becoming a Middle East entrepot and created enormous difficulties, it was a partial blessing: "Total blockade of land frontiers forced Israel to build up the most complete social and economic fabric of any small nation in history - indeed, to begin the fulfilment of the Jewish dream ..." (119). Part of this blockade involved the closure of the Suez Canal to Israeli shipping, ultimately resulting in the 1956 Suez crisis.

It seems that in the early years the boycott was designed to enforce the blockade, a source in Hotaling suggests it was originally envisaged as a simple operation to prevent smuggling, noting that until 1951 the League's boycott programme was headed by an Egyptian coast guard officer. In the early 1950's, however, the boycott became more sophisticated, more organised and less haphazard. Around 1951, the Central Office for the Boycott of Israel began developing the boycott

regulations and the questionnaires intended to implement it. In 1952 the boycott was extended to foreign companies doing business in Israel. Over the next few years the task was clarified: "to monitor international trade and implement a primary boycott of Israel and a secondary boycott of foreign firms assisting Israel. It developed a tertiary boycott requiring foreign firms not to deal with other firms already on the blacklist. The tertiary boycott would also apply against businessmen and other individuals considered to be Zionists" (120).

During this period up to the mid-1950's, the Arab states were relatively weak. But over the following twenty years, particularly with Soviet support, there was greater aggressiveness. Initially, Hotaling writes "the secondary boycott took a small but telling toll of foreign firms." Twenty-two American companies were included in a 1957 list published in Business International. He suggests that at that time "fear of the boycott seemed as powerful a weapon sometimes as the boycott itself," citing the refusal in 1956 by Brown and Williamson to take orders from Israeli importers. The blacklist grew, with Business International claiming there were 53 American companies on the list in 1960, 134 in 1962, and by 1970 there were 1,500 American companies (including Sears Roebuck, Coca-Cola, Ford, Xerox and many other major companies) according to a list revealed five years later by a Senate committee (121).

The boycott resulted in discrimination against Jews in employment. The American Army Corps of Engineers admitted that on the Dhahran Airfield project in the early 1950's and on subsequent projects, American Jews had been barred. While in Britain, in the 1960's, the Jewish peer Lord Mancroft was forced to resign from the board of directors of Norwich Union because of company fears that the Arabs might blacklist shipping companies insured through them.

However, undoubtedly, if not inevitably, it was oil and the recognition of the power that it provided, that gave the boycott significance. Support for Israel by the West during the 1973 Yom Kippur War led to an oil embargo. Despite Arab fears of retaliation by the West there was disarray, and the relative unity of OPEC enabled the Arabs to demand massive increases in oil revenues. This oil wealth provided great purchasing power which, together with fears of further disruption in oil supplies, gave potency to the boycott. The "paper tiger," as it had been previously regarded, had acquired teeth (122).

There is some debate as to whether this increased purchasing power improved the efficacy of the boycott. Some of the additional revenue was invested overseas but much was needed for extensive development within the Arab states. Hotaling suggests that while some argued that increased trade and industrial development would force the boycotters to open up Arab markets to blacklisted firms, others argued that the oil wealth was behind the boycott "prompting multinational giants to collaborate with the boycotters by following their rules" (123). Nelson and Prittie have no doubt the latter applied in the majority of cases:

"That goal - Israel's destruction - remains the central and ultimate aim of the economic war. That has been intensified

immeasurably since 1973, when the Arabs began wielding their "oil weapon" against the world" (124).

Congressman Jonathan Bingham, who sponsored anti-boycott legislation, reports in the introduction to The Economic War Against the Jews, that in 1974 there were 785 business transactions involving the demand for boycott compliance by American firms. By September of 1975 there were 7,545 such transactions. Over the next six months there were 25,000 such transactions, with acquiescence by the American firms in 90 per cent of cases. "A minor nuisance had become a stink in the nostrils of democracy."

Figures for the number of firms on the blacklist vary because of the secrecy surrounding it. Reuters reported from Cairo at the end of 1975 that there were 10,000 American and European companies blacklisted. In early 1976, Pethot Information offered for sale a consolidated list of 5,000 companies in 88 countries, including 1,400 in the United States. Nelson and Prittie guess that there were 3,000 American and British firms on the list in 1976-1977 (125).

Hotaling claims the list he appends is probably very close to the list held in the Boycott Office at the time. He shows 5,000 firms blacklisted internationally in 1977, the US list the most extensive of all. The exact figure is unimportant, an idea as to the magnitude is all that is required. More recent newspaper reports (126) and the response to the survey questionnaire suggest the effects of the boycott remain at this level. This is despite anti-boycott legislation in America and France.

Having considered the history and background of the boycott it is now possible to look at how it works. This is the subject of the next section.

7.6.2 The Administration of the Boycott

The boycott operates from a central office in Damascus, Syria, and from branch offices within the other Arab states. An important point, which also distinguishes the Arab boycott from most other international economic sanctions, is that it is not centrally legislated (unlike a United Nations embargo for example). The Boycott Office recommends companies for listing or delisting on the basis of reports from commissioners in the branch offices, from diplomats in Arab embassies, bi-national business organisations such as the Arab-American chambers of commerce and even private individuals or governments passing on information about others. (Winchester illustrates this latter source in referring to Shell, who have not done business with Israel for nearly thirty years, backing out of a deal to supply a firm in Tel Aviv following a threat from the competing supplier that the Arab world would learn of the deal (127).) The Boycott Office also uses the media, including Lloyds Register to monitor ship movements (ships are also blacklisted), and the inquiries from companies and their responses to warnings from the Boycott Office.

Having made these recommendations, the Boycott Office does not have the power to enforce them. (Pressure has been applied where thought

necessary, as when Egypt considered allowing Ford to build a diesel assembly plant in 1975.) The individual sovereign member government of the League decides whether or not to boycott a company by law. Some governments simply review the blacklist issued by the central office and virtually rubber-stamp it. Others make changes, and some will even look the other way and trade with a company they have blacklisted. On the whole, however "with the exception of the Mahgreb countries of North Africa, where enforcement of the boycott frequently has been lax, the Arab League states have heeded the call to unity and generally adopted the Boycott Office's recommendations" (128). The boycott commissioners meet twice a year to review the blacklist.

The operation of the primary boycott is quite straightforward. The secondary and tertiary boycotts are more complicated because they function in a more convoluted fashion. As found in the boycotts in labour struggles, the further removed the boycott is from the grievance the more difficult it is to control and enforce. It also appears less legitimate. Consequently critics of the Arab boycott such as Nelson and Prittie accept the primary boycott against Israel - Arab states should be able to choose their trading partners - but view the secondary boycotts and particularly the tertiary boycotts as insidious. Yet despite the difficulties in imposing higher order boycotts experienced elsewhere, the Arabs seem remarkably successful. This success, as will be seen, seems to stem from their oil wealth derived purchasing power. But it must in part be due to effective organisation.

Effective organisation is difficult to recognise from the blacklist itself. As reprinted in Hotaling, it is messy, it contains duplications, misspellings and various other errors. It includes multinational conglomerates alongside obscure merchants, social organisations and private individuals. Inclusion and deletion seem to be arbitrary processes. Yet all this, while possibly reflecting the inefficiencies of administration in lesser developed countries, may be tactically advantageous. The Boycott Office is disorganised, and of course it is difficult to be certain of the relationships between firms. Yet as Hotaling writes:

"The boycotters veil of confusing propaganda is in the best Middle Eastern tradition of confusing the enemy even when you're confused yourself. It was explained further by Mahgoub ... "When you are in a war you don't tell the enemy about the size of your forces and how to deploy them"" (129).

At the same time, Mahgoub also explained why the list was not published. This was, he suggested, due to frequent changes in the list, attempts by con men to offer to get firms off the list, and because it made it possible for Israeli sympathizers to move against those not on the list. Of course, secrecy - as suggested in Wolman's analysis of the boycott in labour struggle - may be tactically advantageous, and following US anti-boycott legislation the Arabs promised secrecy to protect those complying with the boycott (130). Meanwhile, in explanation of the contradictions, anomalies, muddles and mistakes in the application of the boycott, and in confirmation of the Arab view of the boycott as a war, Adrian Khashoggi, the Arab financier, has said:

"When you are at war, when you are in the middle of a battle, you don't see right, you don't see left. This is a confused period. And how can the boycott office in Damascus really decide who is what?" (131).

Deciding who is what, is made considerably easier by the assistance given by firms involved in the Middle East. Three basic documents are required of a company under threat by the Arabs before it will be allowed to trade with the Arab world. Firstly, an affidavit signed by a company officer proclaiming that the company is not contravening the general principles or specific rules and regulations of the boycott offices. It must be authenticated by an Arab consulate, diplomatic mission, or Arab chamber of commerce. Secondly, the standard boycott office questionnaire, containing detailed questions about the firm's business and a warning that no Arab country or company will be permitted to trade with it if the firm violates boycott provisions. Sometimes a further questionnaire accompanies this relating specifically to the firm in question. Finally, there is the negative certificate of origin, certifying that goods shipped are not of Israeli origin and do not contain Israeli materials (132).

In a rare concession to the Arab case, Nelson and Prittie quote an extract from a letter by Mahgoub sent to a company which imports women's wear from Israel. The Arab case and their demands are essentially as follows:

"We believe that it is of mutual interest to both of us to draw your attention to the fact that the Arab countries are still in a state of war with Israel which usurped a dear part of the Arab homeland, dispersed its inhabitants, deprived them of their properties and possessions and failed to comply with any of the resolutions of the United Nations. Therefore, as a measure of self-defense and with the view of safe-guarding the rights and vital interests of the Arabs of Palestine, the Arab countries strictly adhere to a set of boycott rules directed at Israel.

In brief, these rules prohibit Arabs from entering into any sort of dealings with Israeli natural or artificial persons. They also prohibit dealings with foreign natural or artificial persons who contribute to the promotion of Israel's economy or war potential through any of the deeds defined by the Boycott Law and Regulations" (133).

Questions were also asked about the firm's activities in Israel. It should be noted that the boycott does not prohibit the sale of goods to Israel, as is commonly assumed. Winchester writes that the boycott "seeks to minimise trade with Israel by asking any firm that trades in Arabia to declare full details of its business with Israel. If the trade is significant, or if there are "known Zionists" on the firm's board, then the Arabs will not, in theory, do business" (134). This is only loosely speaking correct, and the implication that Shell would be in breach of the boycott provisions by selling to Tel Aviv is certainly not. A recent editorial in The Guardian seems more accurate:

"Arab states will trade with whom they wish to trade and there can be no principled objection to their refusal to trade with

Israel. The boycott, however, extends to third party suppliers and takes the form of a requirement that the companies concerned shall not have investments or partnership agreements in Israel and shall not use Israeli components in their exports. Occasionally the more intrusive question is asked about whether the foreign company has "Zionists" on its board" (135).

This is closer to the purpose of the boycott as revealed in the questionnaire, the letter by Mahgoub above and also a statement by him to a Beirut newspaper: "When a company undertakes any action which may strengthen the Israeli economy, or develop Israeli industry, or in any way increase Israel's military efficiency; or if a company is headed by a person known for his support of Zionism and his activities against Arab interests, or if a board of directors of a company includes such a person or persons, that company becomes eligible for inclusion in the Arab boycott list" (136). At one point Hotaling suggests that permitting the sale of goods to Israel was both to drain Israel's currency reserves and to allow certain key international service industries, such as hotels, to establish bases in Arab states when they might in preference choose Israel (137).

Nelson and Prittie also recognise that the boycott provisions do not preclude the sale of goods to Israel (138), but they balk at attempts to extend the boycott beyond military goods. Referring to the letter above, they note "it has nothing to do with goods of strategic military or economic value; it deals with women's wear, and is motivated by the thought that all Israeli exports strengthen Israel's economy and ought to be stopped" (139). Of course, their analysis is correct, but why should the boycott be restricted to military goods if the goal is as they recognise, the destruction of Israel?

In addition, the boycott provisions do not apply to Arab governments, who are exempt from the boycott. Some companies are only partially boycotted. While on occasion, if the need is sufficient, the blacklist would be ignored.

Enforcing secondary and tertiary boycotts demands strict policing or powerful disincentives to discourage breach of the boycott provisions. So powerful are the disincentives in this case that companies go out of their way to ensure that they remain 'clean'. Hotaling refers to a policy of self-regulation, noting that the conglomerate Inchcape and Co. has a total embargo on Israeli or Israeli-connected companies. Nelson and Prittie describe this as a voluntary boycott; not even waiting to be pressured by the Arabs, companies decline to do business with Israel: "They anticipate Arab objections and act without having received letters or questionnaires from Damascus or elsewhere; before they even make contact with potential Arab customers and clients, they make sure they are "clean" by Arab standards" (140).

British companies are particularly guilty of this it seems. They are described as 'the willing victims'. Arab boycott offices didn't need to tighten their regulations "British businessmen were ready to conform voluntarily with the Arab boycott, in spontaneous surrender." Companies such as Plessey, Gulf Oil, Thomas Cook, Costain and Fairey Aviation, are reported to have taken various actions to remain

suitably 'clean'. Barclays and GEC, however, refused to comply with boycott demands.

Britain, of course, has long been involved in the Middle East. It bears a great deal of the responsibility for the troubles there and sponsored the formation of the Arab League. It was for many years Israel's second trading partner, after the United States (141). Winchester reports that Britain's share of Israel's import market is currently 6 per cent, whereas it was 85 per cent thirty years ago. This is attributed to the boycott (142). And British complicity with the boycott is not restricted to companies, for the Foreign Office continues to authenticate negative certificates of origin (143).

These actions of the British government and those of British, American and other companies, and the organisation of the Arab boycott, have implications for consumer boycotts, ethical purchase behaviour and social responsibility in business. Having outlined the history, background and administration of the boycott, these implications can now be considered. They are the subject of the next two sections.

7.6.3 The Arab Boycott as Ethical Purchase Behaviour

The Arab boycott, although not a consumer boycott as defined here, does have a number of implications for the arguments proposed regarding consumer boycotts and also ethical purchase behaviour and social responsibility in business.

The use of the boycott in this way by the Arabs is arguably ethical purchase behaviour. Many of its characteristics point to this, but the vagueness and ideological approach to its administration and, perhaps above all, its apparent futility, are the strongest indicators. One might not support the Arabs' cause or admire their methods, but their purchase behaviour when guided by the boycott has to be recognised as being strongly influenced by ethical rather than commercial considerations. Of course, there have been occasions where the boycott provisions have been ignored for commercial reasons, but they are exceptions rather than the rule. Also, one could argue, the willingness to comply of the firms involved has reduced the sacrifice required, but there are still around 5,000 firms whose products in most cases the Arabs choose to deny themselves. One might say that given their oil wealth, it is easy for the Arabs to refuse to deal with what they view as tainted firms, just as it was earlier argued that social responsibility in business is easier when profits are high and very difficult when 'one's back is against the wall'. This is probably true, yet it does not make their purchase behaviour any the less ethical, it is that their ethical concerns in purchase behaviour are more easily accommodated.

Nelson and Prittie, although acknowledging its ambiguities, refer to the boycott as "ideologically doctrinaire" (144). Yet while they emphasise the use of the boycott as an economic weapon, its ethical dimensions seem to escape them. Although they identify some of the more ideological actions inspired by the boycott, such as the boycotting of films with 'Zionist' elements (actors, characters, symbols, etc.) or maps and books referring to Israel, they prefer to

ridicule rather than consider the meaning of this behaviour. The Arabs try not to recognise Israel in many ways, one such way is in their purchase behaviour.

The futility of this must be apparent. Losman, as noted in the previous section, refers to the determination of the people of Israel to succeed. As important, however, must be the support Israel receives from other countries, particularly the United States. The destruction of Israel, which is after all the goal of the boycott, would be politically unacceptable to the West. The actions of the Arabs are therefore in ethical condemnation. But to what end?

Although Britain's trade with Israel has fallen quite considerably, Israel's trade with the rest of the world has never stopped growing and Israel claims "the world's record in economic growth" (145). Losman's balance sheet approach, assessing the economic effect of boycotts, suggested that foregone potential was the most serious economic impact of the boycott. He also pointed to the suffering the Arabs had to tolerate in applying the boycott. However, his analysis was published in 1972, prior to the Arabs' realisation of the potential of oil sanctions. Even then, he did not dismiss the indirect costs of the boycott that result from the blacklisting.

As almost no part of Palestine's capital stock was produced in Arab countries there had been no capital effects, although Losman forgets or ignores possible capital effects resulting from spare parts having been unobtainable from blacklisted firms. He identified direct costs in increased transport charges and adverse movements in the terms of trade. He also suggested the loss of trade with the Arab states - particularly of relatively cheap foodstuffs and raw materials - was greater than often imagined. The Middle East as a whole had supplied 20 per cent of Palestine's imports and took 12 per cent of its exports, proportions that rose considerably during the artificial conditions of the second World War and immediately prior to the imposition of the Arab League boycott. Yet although there were direct costs these, he suggests, together with capital effects, may be dismissed.

Indirect costs are more difficult to estimate. Losman suggests that the indirect costs to Israel were few and limited in duration, with the exception of the Haifa refinery operating at far below capacity. The costs of blacklisting he chooses to consider separately, though within his schema, they can surely be considered as indirect costs. He suggests the influence of the blacklisting in denying Israel investment funds and vital goods is impossible to quantify. His survey of firms blacklisted found that half had experienced no loss of sales, generally because they had no dealings with Arab states. Yet this means that half had suffered some loss of sales, which is a large proportion, although Losman doesn't put it this way. He comments "Of those experiencing losses, the degree of harm varied; some firms continued their Israeli trade despite substantial losses (of either Arab customers, or, occasionally, non-Arab customers via a secondary boycott)." However, this only considers those firms that chose not to comply with the boycott. There are those that do comply. Of these, Losman comments:

"Since few firms which do capitulate to the boycott publicize the fact - instead, giving other reasons for ceasing Israeli connections - it is a moot question exactly how many firms have been discouraged. Further, to measure the economic impact one would also have to know what volume of trade could ordinarily have been expected and to what degree it was preferable to the substitutes obtained. There is no doubt that blacklisting has been successful in many instances, although to what extent is completely indeterminable" (146).

Although not quantifiable the effects are to some extent determinable, as the evidence presented in the last section shows. Much evidence of the effects came to light with the demands for and achievement of anti-boycott legislation. Losman was writing prior to the oil embargo and the evidence suggests an increase in boycott effectiveness following this. In short, the blacklist must entail losses to Israeli trade. Yet the costs of the boycott are also borne by others, as in other international economic sanctions. In this case business bears a lot, if not most of the costs.

No doubt this serves to discredit Israel, or at least provide a platform for Arab grievances. In this way the boycott has an expressive function, as with other international economic sanctions. But in its economic effectiveness it also seems an effective punishment of Israel and those viewed as its supporters. Yet this apparent effectiveness does not seem to give rise to success. The goal of the boycott seems impossible to achieve regardless of boycott effectiveness.

If this futility of the Arab boycott and its other characteristics seem an inadequate basis for claiming ethical purchase behaviour, one need only turn to the response to the boycott by Jewish organisations and their supporters for a more convincing example. The anti-Jewish aspects to the boycott particularly incensed Jewish feeling in the United States and in Europe. Attempts to fight the boycott were primarily aimed at securing anti-boycott legislation. This is documented in both Hotaling and Nelson and Prittie. Other actions were also initiated, no doubt with legislation as their long-term aim, these included counterboycotts and shareholder actions. Often, however, organised counterboycotts were unnecessary, as many consumers responded spontaneously in immediate rejection of the offerings of firms complying with the boycott.

So strong was the feeling that what for the Arabs was a blacklist, became for many a white list, a "roll of honor," with one American Jewish group "urging Jews to buy the products and patronize the services of companies blacklisted by the Arabs" (147). They created a 'negative' or 'indirect' boycott.

Counterboycotts were organised. The decision by Brown and Williamson, a subsidiary of British American Tobacco, not to sell its cigarettes to Israel led to the following widely distributed announcement:

"If you smoke Viceroy, Raleigh ... and other products of the British American Tobacco Company, YOU ARE SUPPORTING THE ARAB CAUSE ... The British American Tobacco Company, owners of Brown

and Williamson Tobacco Company, has knuckled under to Arab pressure ... Don't give them your support!!"

Individual Jews switched brands and the company's cigarettes were not distributed at community dinners and similar functions. Loss of sales resulted in a fall from fifth to tenth place in market share. This and being publicly pilloried resulted in a change of policy: "Today it sells to both Israel and the Arab states."

Similar action was taken against Coca-Cola for their reluctance to invest in Israel. Five million dollars worth of sales were lost within a week. Coca-Cola conceded, a plant was built outside Tel Aviv and Coca-Cola was blacklisted by the Arabs. Public protest was considered a more important factor in this than the effects of the counterboycott.

"The counterboycott, comments Uval Elizur, "is not the only, or even the most effective weapon to be used by friends of Israel. A display of public protest-hurting the company's reputation and pressing it to prove its integrity - achieves more."

Of course, concern for the company's reputation is not unrelated to sales. The distinction between boycott effects and corporate image effects, if one need and can be made, is simply the short term against the long term.

The action did not deny cola to the Arabs. Pepsi-Cola carefully avoided Israel, allegedly because of insufficient demand. This too resulted in consumer action (148).

One particularly active group was the American Jewish Congress (AJC). They organised a shareholder action reported by Hotaling and Nelson and Prittie, and considered in detail by Vogel because "it represented the largest shareholder campaign ever mounted. More importantly, it represented the first time that a mainstream liberal group, whose interest in business did not originate in the social movements of the sixties, attempted to use the proxy mechanism" (149). The precedents for the AJC's action were established by the Project on Corporate Responsibility and the Interfaith Center on Corporate Responsibility, as reported in Vogel. The proxy proposals, submitted to approximately 150 corporations, requested the firm report to their shareholders their participation and policy toward the Arab boycott. Maslow, the campaign's director, wrote:

"It is commonplace that business corporations ... have become enormously powerful institutions in our society, exercising a pervasive influence on our way of life beyond the immediate concerns of their shareholders, employees and consumers ... The impact of their activities ... inevitably give rise to moral and ethical issues concerning which shareholders have a legitimate concern."

This, of course, is fundamental to the position advocated here on the social responsibility of business.

The AJC action was primarily intended "to help place the issue on the agenda of the governmental process." Given the earlier discussion on the likely achievements of pressure groups this seems a realistic objective. The action succeeded in securing public attention and interest, as a consciousness-raising exercise, and also was directly successful in getting companies to change their policies. Probably most important though was, as Maslow commented, that "the millions of shares that were voted in support of our resolution helped create the national climate that resulted in overwhelming support in the House and Senate for strong anti-boycott legislation."

Examining the AJC action which, as shown, was stated in terms of corporate responsibility and accountability, leads directly into the social responsibility implications of the boycott. These are examined in the following section.

7.6.4 Corporate Social Responsibility and the Arab Boycott

What, one must ask, should a company do that wishes to trade in the Middle East and be a good corporate citizen?

Ignoring the role of 'baksheesh' in the Middle East and how a company should deal with that, one can take as a starting point the position that a good corporate citizen at home can be a good corporate citizen overseas by employing identical standards of behaviour (150). So the firm would not therefore discriminate between Arab and Israeli business in fear of being blacklisted, purely commercial criteria would prevail.

A company less willing or - to be generous - less able to conform to this standard, must then choose between staying clean (and avoiding any dealings with Israel, 'Zionists' or whatever) and taking some risks, with or without subterfuge. In other words, either avoiding the risk of being blacklisted altogether through voluntary boycott, or taking some risk and attempting to minimise it by various and possibly devious means.

Should the company then be approached by the Boycott Office, as a result of some misdemeanour coming to its attention, it must decide whether or not to comply. The good corporate citizen, on the basis of the standard established above, will not comply, perhaps throwing the boycott questionnaire into the wastepaper basket, or by writing back stating its position. Alternatively, the company can comply, either by demonstrating that it is clean or if, for example, it only sells to Israel, that it has not breached the boycott provisions. It may even cease trading with Israel in order to keep within the boycott provisions, as companies are allowed between three and six months to sever such ties. For the more pragmatic company the decision may amount to a cost-benefit analysis of its Arab and Israeli business.

Examples of these various options appear throughout Nelson and Prittie. A further consideration is the legality of the company action. However, before introducing this additional complexity, examples will be considered that ignore this, which is relatively easy because Nelson and Prittie was only published shortly after specific

anti-boycott legislation was introduced. Though it should be noted that in the United States at least, many acts of compliance with the boycott could be interpreted as conspiracies in restraint of trade and in breach of the Sherman anti-trust legislation referred to earlier (151).

Nelson and Prittie point out on a number of occasions that where Arab need for a particular product or service is great the boycott provisions and blacklist will be ignored. In such a case, it is easy for a company to be a good corporate citizen. So American Express, for example, had closed its operation in Israel apparently because of the boycott. Partly due to pressure from the Anti-Defamation League of B'nai B'rith (ADL), it reopened its Israeli offices despite Arab threats. The company suggested this was because "one's reputation in business still counts." The outcome? "Today, the company enjoys good relations with all parties, an indication again that the Arabs won't actually blacklist a company which ignores the regulations if they want what it offers" (152).

There was a risk attached to this move no doubt, perhaps American Express would have preferred to have remained clean, but succumbed to pressure and fears for the corporate image. More principled, but perhaps less risky, was the action by Hilton Hotels. Threatened with loss of business from the Arab world (secondary boycott) and from American businessmen with whom the Arabs deal (tertiary boycott), Hilton went ahead with plans to build a hotel in Tel Aviv. Conrad Hilton responded to this threat with a "polite yet masterly" letter noting "what the Committee proposes is absolutely counter to the principles we live by and which we hold most dear." Again, Arab threats proved empty, including the threat to seize the Nile Hilton in Cairo (153). An excellent example of the good corporate citizen, though one might be tempted to view the risks attached to such a principled position as being minimal given the Arab need for Hilton's services.

Some, however, have suffered from adopting such an approach. GEC, for example, claimed to have lost twenty million pounds worth of business in 1975, for "regarding it wrong to cut off profitable and legal trade with any customer" (154). Ford is another company that has suffered, because as Henry Ford II said in 1973, "We are more than willing to do business with any country, but we are unwilling to refrain from doing business with one country as a prerequisite to doing business with others" (155).

Less honourable is the case of British Leyland. It tried to continue dealing with Israel and deal with the Arabs by trying to deny the former (156). Others, such as Bulova, have tried to buy themselves off the blacklist (157). While others still have tried to get round the boycott, as in the case of Red Fox, who supplied goods to the Arabs under a different name (158), or by licensing a blacklisted firm which would then sublicense the Israelis (159). The majority it would seem, however, comply with the boycott provisions, either voluntarily or on request. Winchester recently observed that "British managers tend to appease the Arabs - with the result that Israel loses business with Britain." He identified Shell and a number of other companies as having complied with the boycott, commenting that "The list of firms falling victim to the system is endless" (160).

So the answer to the question posed above, about how the good corporate citizen should respond to the Arab boycott, would seem to be that it should ignore the boycott altogether, viewing it as unfair and unreasonable (if only in commercial terms) discrimination. It should also express this position if called upon by the Boycott Office to explain its Israeli connections. Indeed, to follow the line of argument earlier given on social responsibility in business, one might expect the good corporate citizen to lobby for legislation or an industry-wide agreement prohibiting compliance with the boycott.

Yet few companies seem able or willing to adopt this position. One must then inquire as to the basis on which they defend their compliance with the boycott. This is easily identified. It is a recognised position on a company's social responsibilities, if not the predominant or, at least, traditional position. It is based on the argument, thoroughly explored earlier in Part Two, that a company's sole social responsibility is to make a profit. As Nelson and Prittie put it, "commercial considerations" are paramount.

In analysing the Arab boycott the concern must be with the majority of companies, whose activities are less clear-cut than the principled exceptions referred to above. For the majority it is, in social responsibility terms, a more murky world. These are the companies which might usefully be described as more pragmatic. Their decisions might seem clear-cut when considered in the light of their relatively straightforward cost-benefit analyses, they are, however, when the strict economic parameters have been removed, complex if not exceedingly muddy.

If this behaviour is the norm, it should at least be acknowledged that it results from a feeling of being unable to afford less than pragmatic behaviour or perhaps, as Friedman would argue, not knowing nor having a mandate for other forms of behaviour. Of course, if this is the norm, one must also expect managers to feel bound to work within it. Yet should commercial considerations alone be allowed to prevail? On this particular issue Nelson and Prittie argue that the consequence is an anti-Semitic revival, for "Anti-Zionism has been a convenience to bigots, for it permits anti-Semites to pose as anti-Israeli, while denying any anti-Jewish bias. In much the same way, the Arab economic war against the Jews allows the "outside" world to pursue anti-Israeli and even anti-Jewish policies, while pleading that no anti-Semitism is intended, or that business considerations, remaining paramount, compel them to cooperate in this war against the Jews" (161).

It is interesting to note that despite Nelson and Prittie's evident venom toward the Arabs, their analysis shows the Arabs to be considerably more principled than many of their American and European trading partners. Yet as earlier acknowledged, the Arabs do permit their business decisions to be influenced by commercial criteria on occasions, as Nelson and Prittie observe, and as Justin Kornber, a Jewish businessman and chairman of the Anti-Boycott Coordination Committee comments: "The plain fact is that if an Arab wants to buy something badly enough, he'll buy it whether you trade with Israel or not" (162). Although, of course, this is the view one would expect Kornberg and Nelson and Prittie to encourage. While this may be the

case, there are examples of companies trading with both Arabs and Israelis. This influence of commercial considerations in the Arabs' largely principled purchase behaviour is explained in the argument proposed on the role of legitimacy in the marketing mix in the next chapter.

The argument that commercial considerations should dictate compliance or otherwise with the boycott have been both suggested to government in attempts to fight anti-boycott legislation, and suggested by government. A representative from the US Commerce Department told Congress that "American firms should not be restricted in their freedom to make economic decisions based on their own business interests" (163). While in Britain, in the House of Commons, a government spokesman said that the government deplored all trade boycotts other than those internationally supported and sanctioned by the United Nations, but "How firms should act in any particular case is a matter for the commercial judgement of the firm concerned" (164). It would appear that this continues to be the British government's position given the Foreign Office willingness to authenticate negative certificates of origin, as earlier noted. Nelson and Prittie suggest this is in part due to Britain's historic ties with and guilt feelings about the Arab world "But most operative, without doubt, is Britain's unwillingness to take a moral stand even on a boycott the government said it "abhorred," because of the desperate need to promote exports to the oil-rich Arab world." Although, in a later statement of the government's position following US anti-boycott legislation, it was noted that "It is important to bear in mind that the United States is far less dependent on exports" (165).

It was earlier argued that one approach for the firm in identifying a socially responsible position could be to follow the example of the government. Can this be advocated here given the British government's less than unequivocal stance on the boycott and, indeed, its actual complicity?

The United States and France have anti-boycott legislation. The substantial lobbying by American Jewish organisations and their supporters, earlier referred to, was no doubt of importance in the achieving of their goal, but it was also a consequence of the vagaries of American politics in a presidential election year. The history of this legislation cannot be considered here, though it is well documented by Hotaling and Nelson and Prittie. Neither can the complexities of it be considered here (see Sethi, and others (166)). The result of the 1977 anti-boycott legislation and that which followed is that compliance with the Arab boycott is in most cases illegal, removing any need to test the anti-trust legislation which may well not have applied to overseas agreements. There are loopholes however (167), and, of course, companies can simply pay the fines and continue compliance. Winchester reports that a firm in New Jersey was fined \$69,000 in 1984 for filling in a boycott questionnaire (168). He suggests this a "huge sum" but it may not have been in relation to the amount of business involved. Though if fines are not a sufficient deterrent there is an element of personal risk involved, with the possibility of imprisonment for responsible officers of the company.

The discussion above of the options facing a firm trading in the Middle East are given an additional dimension by the anti-boycott legislation. The argument that local business standards should dictate behaviour is weakened because the impact, if only by virtue of the legislation, is domestic as well as overseas. Many more issues are raised as compliance with the boycott could now entail breaking the law. Does the good corporate citizen exploit loopholes, or make an assessment as to whether the benefits of compliance outweigh the potential costs of fines as well as other costs previously considered?

Many other issues of social responsibility in business are raised by the Arab boycott. The above discussion is but an indication of the complexity of the situation facing the manager when the rules of the game have changed from the simple formulation expressed in the competitive model of capitalism, with its axiom of profit maximisation.

7.6.5 Conclusions on the Arab Boycott

To conclude on the Arab boycott, it seems that as an international economic sanction it is effective. As Nelson and Prittie write "hardly anything today restricts trade as much as does the economic war the Arabs are waging, nor are there worse examples of irregular (corporate) practices and improper conduct" (169). It is of interest here because it demonstrates an effective boycott that is primarily directed at business.

Yet the boycott cannot be credited as successful. Nor is it necessarily a peaceful form of coercion. Nelson and Prittie refer to the paper by Roberts, earlier cited, and show that with the Arab boycott Roberts is correct in suggesting "economic sanctions are not so much an alternative to war as a prelude or even accompaniment to it" (170). By example, they refer to the Suez crisis of 1956, as well as the various Arab-Israeli armed conflicts. The Middle East situation is widely viewed as a potential cause of world war, a view which seems supported by the examination here of the background to the Arab boycott.

Peace in the Middle East is in the interests of all. Nelson and Prittie suggest this will only come with the recognition of Israel. While this must be a long term goal, they do make more immediately useful suggestions, including, of course, strong anti-boycott legislation. This, they suggest, should restore competition, despite the claim by "anti-Israeli forces" that such legislation would put those complying with it at a competitive disadvantage in relation to those that comply with the boycott. Referring to this legislation they argue "Business people need this kind of "shield" to protect them, and such shields should be internationalised" (171). This, of course, is a familiar argument and was explored earlier in Part Two. (Suffice to note here as a reminder, Friedman would probably disagree with their argument.)

One could argue such legislation seeks to exclude ethical considerations from purchase behaviour - if that is what they are. Can competition ever be on the basis of commercial considerations alone, as Nelson and Prittie seem to advocate? Or will ethical con-

siderations always play a part and continued compliance with the boycott is not merely the failure of the legislation but 'the market winning through in the end'? One might argue, following Friedman's line, that the criteria which are important in a purchase decision remain despite legislation, if only in a covert form.

While Nelson and Prittie would wish to deny ethical purchase behaviour to the Arabs, they advocate it in the fight against the boycott:

"Public opinion could be mobilized far more than it is today. Lists of foreign companies that comply with the boycott could be widely publicized; American workers and consumers could, for example, be provided with periodic lists of imported products whose foreign manufacturers comply with the boycott and thereby endanger American jobs" (172).

Finally, to conclude on the implications of the Arab boycott for boycotts in general, it can be seen that the boycott will not be used only by those advancing 'good' causes, that submission to boycott demands may involve a breach of corporate social responsibilities. It is, when discussed by those who disagree with the boycotters' demands, a weapon of blackmail. Where then does this leave the firm? It must respond to demands from many sources which will often, as this case illustrates, be in conflict with each other. Should the firm act in accord with a pluralistic model, balancing various interests as if within a microcosm of the political process (at least as it is perceived by pluralists)? The response of business does seem to support such a model where decisions of this sort are made on the basis of which response will minimise damage to the corporate image and trading interests of the firm. Even the so-called principled firms may respond in a principled fashion because that is what is demanded when an assessment is made of the potential damage to corporate image and it is recognised that part of that image is based on an expectation of principled action. And, of course, all such dubious decisions need to be kept as far away from public scrutiny as possible. Meanwhile, the pressure groups seek to expose the corporate action because that is in their interests.

The final part to this chapter briefly considers what has been observed so far about the boycott tactic - as a form of non-violent direct action, as a pressure group tactic, in labour struggles and as an international economic sanction - and how it affects business.

7.7 Business and the Boycott Tactic

This chapter has deliberately avoided concentration on the consumer boycott. The boycott tactic has been examined within the context of non-violent direct action and the non-cooperation form of NVDA in particular. Various types of boycott have been considered, especially the economic boycotts such as international economic sanctions and the boycotts used in labour struggles (including the consumer boycott). This has provided more than background and an introduction to the consumer boycott. It indicates what may be general principles applicable to all boycotts.

The preceding analysis of boycotts is taken further in Chapter Twelve. Some observations on business and the boycott tactic may usefully be made here.

The boycott tactic is a form of direct action. Although a last resort, the use of direct action by pressure groups seems likely to increase, especially NVDA. Corporations are likely to be increasingly involved and even if the economic effects may be small, because of the likelihood of mass actions being low in this country, the detriment to the corporate image in symbolic direct action may be sufficient to obtain corporate compliance. The three end results sought in international economic sanctions, as identified by Remer, probably apply equally to consumer boycotts: publicity, punishment and policy change. The distinction between success and effectiveness is also important. Though effectiveness, because of corporate image fears, may not be a necessary criterion for success, as some have suggested of international economic sanctions.

Publicity as a result of the consumer boycott may be sufficient for success, as a powerful theatrical sword. The Arab boycott illustrates this where companies choose not to comply with the boycott for fear of adverse publicity at home. If nothing else, the analysis of international economic sanctions suggests that perhaps all boycotts may have a useful expressive function. This is somewhat similar to Etzioni's observations, noted at the outset of this chapter, on demonstration democracy.

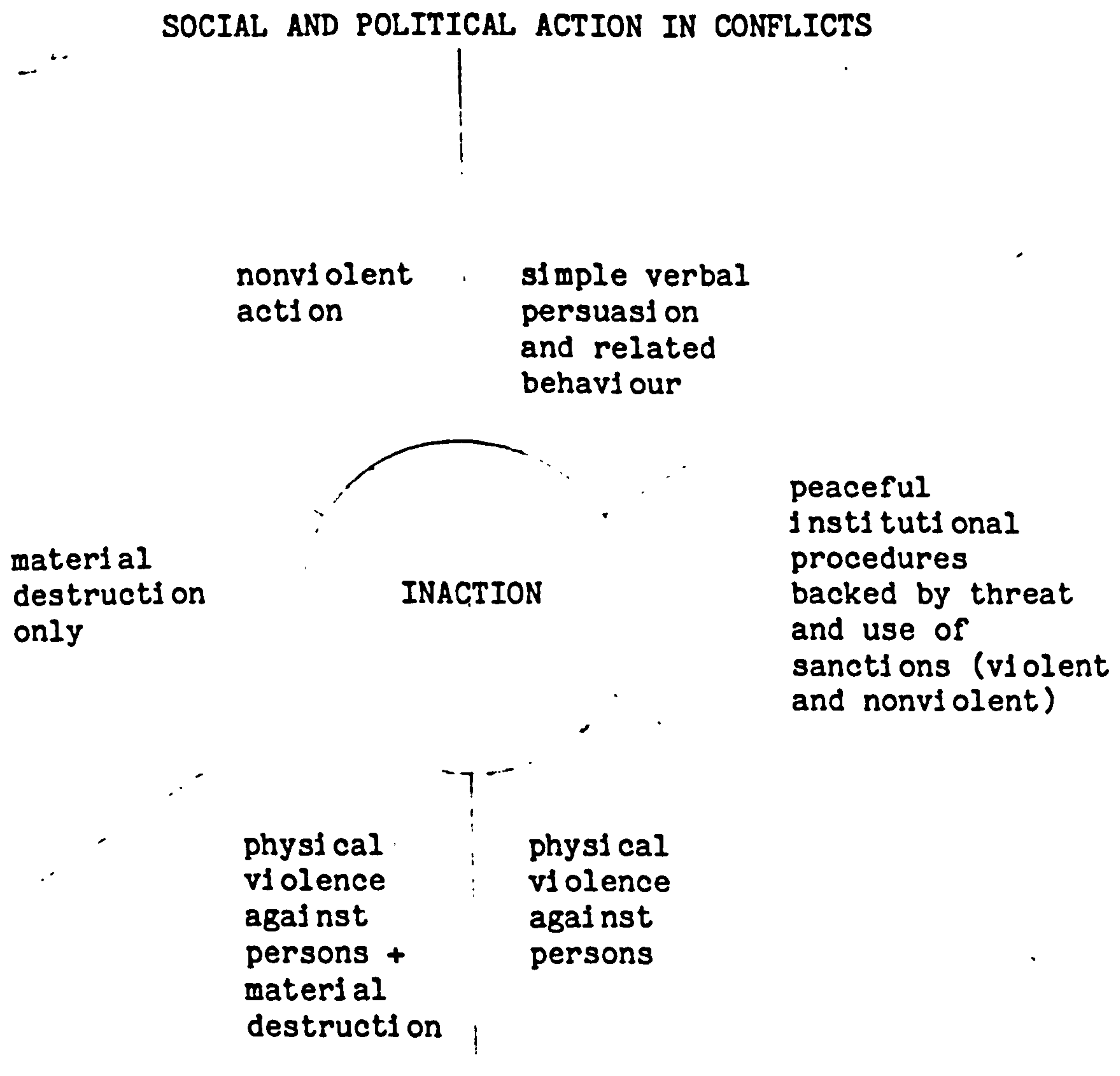
Chapter Eight considers the consumer boycott in more detail, including how it may work and the factors in its effectiveness. This chapter is the concluding chapter to Part Two and so it completes the theoretical argument for ethical purchase behaviour. A role for pressure groups in the marketing system is identified within a model that employs negative product augmentation and a legitimacy element in the marketing mix, to offer some explanation for ethical purchase behaviour at the micro level.

Notes and References

1. Quoted in Bondurant, Joan V, 'Ahimsa', in Hare, A Paul and Herbert H Blumberg (ed.), Nonviolent Direct Action: American Cases: Social-Psychological Analyses (Washington, Corpus Books, 1968), p. 315.
2. Quoted in Laidler, Harry W, Boycotts and the Labor Struggle: Economic and Legal Aspects (New York, Russell and Russell, 1963 (reissued, first published 1913)), pp. 25-26.
3. Etzioni's principal point in Demonstration Democracy is that (peaceful) demonstrations are "an integral part of democratic politics." See Etzioni, Amitai, Demonstration Democracy (New York, Gordon and Breach, 1970), p. 38.
4. It is interesting to note here that Bishop Desmond Tutu, the 1984 Nobel Prize winner and campaigner against apartheid in South Africa, has observed a weakness in this claim to moral superiority. This is because "Non-violence assumes a certain minimum moral standard among those it is directed against." Unfortunately for black South Africans, he suggests: "Afrikaners are ordinary, scared human beings, but they are also vicious human beings. I am not certain we can say we have that minimum moral level that could ensure that non-violence could succeed" (in Hawkes, Nigel, 'South Africa in a panic - Bishop Tutu', The Observer, November 18 1984).
5. Gregg, Richard, 'Moral Jiu-Jitsu', in Hare and Blumberg (ed.), op.cit. (note 1), pp. 330-331.
6. King, Martin Luther, Jr., 'The Montgomery Bus Boycott', in Hare and Blumberg (ed.), op.cit. (note 1), p. 77.
7. Bondurant, Joan V, The Conquest of Violence: The Gandhian Philosophy of Conflict (Berkeley, Univ. of California Press, 1965 (first published 1958)).
8. In Hare and Blumberg (ed.), op.cit. (note 1).
9. Sharp, Gene, The Politics of Nonviolent Action (Boston, Porter Sargent, 1973).
10. Ibid., p. v.
11. Sharp, Gene, 'Types of Principled Nonviolence', in Hare and Blumberg (ed.), op.cit. (note 1).
12. In Hare and Blumberg (ed.), op.cit. (note 1).
13. Cadogan was a secretary of the Committee. See Cadogan, Peter, 'From Civil Disobedience to Confrontation', in Benewick, Robert and Trevor Smith (ed.), Direct Action and Democratic Politics (London, George Allen and Unwin, 1972).

14. Damage to property is viewed by some as an act of violence. The American National Commission on the Causes and Prevention of Violence defined group violence as: "the unlawful threat or use of force by any group that results or is intended to result in the injury or forcible restraint or intimidation of persons, or the destruction or forcible seizure of property" (in Etzioni, op.cit. (note 3), p. 79).
15. Cadogan, op.cit. (note 13), p. 169.
16. Here it is worth noting, although it can only be as a point for conjecture, that perhaps the current use of NVDA by CND reflects less the presence of extenuating circumstances in the threat of imminent nuclear war, and more the perceived intransigence and unresponsiveness of the authorities leading to a requirement for a direct action as earlier hypothesised (perhaps also coupled with a growing acceptance of its use). In other words, it may be that the current use of NVDA has more to do with its acceptance as a strategy in the face of prolonged inaction from government, than any perceived threat as great as that perceived in the late 1950's and early 1960's. It would, of course, be difficult to substantiate such a proposition and CND would probably dispute it - citing the increases in nuclear arms since that period and other factors - though it has some bearing on the CND case as will be seen.
17. See, for example, Brown, Paul, 'Harder lines dig in round the peace camp fires', The Guardian, March 21 1984; or Cadogan's use of the term (op.cit. (note 13), p. 167).
18. King writes, for example, "This guiding principle has since been referred to variously as nonviolent resistance, noncooperation, and passive resistance" (op.cit. (note 6), p. 76).
19. Sharp, op.cit. (note 9), p. 67.
20. Sharp does not include acts against property as within the definition of violence (p. 608). His chart, Figure 7.1, showing six classes of action in conflicts is useful in classifying NVDA and approximates in part to the continuum discussed.
21. Etzioni, loc.cit. (note 3).
22. Sharp, op.cit. (note 9), p. vi.
23. Ibid., p. xx.
24. Ibid.
25. Letter to the author from Vogel, dated August 28 1984.
26. Sharp is writing about all non-violent actions. Hence marches and petitions are referred to here. However, they would not qualify as non-violent direct action under the definition earlier given, because they are generally part of conventional politics

Figure 7.1 : Six Classes of Action in Conflict (Sharp, op.cit. (note 9), p. 66).



and not therefore direct action. But, as previously noted, the use of the terms varies and the actions may in practice be difficult to categorise. The suggestion made in 7.1.1 that actions that are symbolic alone should not count as direct actions would be difficult to defend in any analysis of actual examples of supposed direct actions. The term direct action is obviously meant to indicate that not only is there action rather than inaction, but that such action is an attempt to directly find a solution to the issue. However, there are degrees of directness. For example, the attempt by Greenpeace to cap the radioactive discharge pipe at Sellafield (Windscale) was quite clearly non-violent direct action (accepting that violence can only relate to persons and not property). If, however, they had picketed the plant in an attempt to persuade or prevent its workers from going in to make the discharges, or alternatively, had dissuaded the carriers (perhaps via the unions) from delivering material for processing, would this qualify as non-violent direct action?

27. Sharp, op.cit. (note 9), p. 4.
28. Ibid., p. 6. For an explanation of the non-recognition of non-violent action see pp. 73-74.
29. Ibid., pp. 12-26.
30. Ibid., pp. 31-32.
31. Boyle, Ed, 'The Politics of Protest: Guerrilla Tactics to Keep Dallas Out of Dorking', The Listener, October 11 1984.
32. Quoted in a report on the programme by Tucker, Anthony, 'Majority Support Action on Nuclear Plants', The Guardian, October 9 1984.
33. Ibid. In Boyle, op.cit. (note 31), it was noted that public inquiries are not intended to deal with national questions. Consequently he comments "it is still very difficult for motorway objectors to raise fundamental national issue questions at local hearings. Ask the Ministry to justify its overall road strategy, and you can be ruled out of order."
34. In a letter this author wrote to The Guardian (published July 26 1984) it was pointed out that the inspector's reluctance to accept material produced other than by 'proper' disclosure - such as the recently leaked document which had revealed that a PWR at Somerset would be £10m. cheaper than one at Sizewell - was disturbing. This was but one of a number of factors which seem to point to a non-impartial and ineffectual quality of this inquiry. The particular incident referred to also raised important issues about disclosure, as earlier noted (Chapter Five, note 43).
35. Tucker, op.cit. (note 32).
36. Boyle, op.cit. (note 31). Interestingly, in view of the claim that pressure group support is related to a lack of faith in

government and the political parties, the Gallup survey found that 90 per cent had "little or no trust at all in politicians and public officials."

37. Sharp, op.cit. (note 9), p. 64.
38. Ibid., p. 184.
39. Ibid., p. 219.
40. As noted in Chapter One, the term consumer boycott is used even though customer boycott would be more accurate, because it is in keeping with the use of consumer in consumer sovereignty.
41. Sharp writes (op.cit. (note 9)) "The broad classification of the particular methods of action under the general categories of protest and persuasion, noncooperation, and intervention ought not to be regarded as rigid, but simply as generally valid. In particular circumstances one method may more correctly fall into a different category than the one under which it is classified in this study. In some situations one method may in the course of action develop into another, so there is no clear dividing line between them. Or two distinct methods may in a particular case be so closely combined as to be inseparable, even for analytical purposes" (p. 114). On his categorisation of strikes he comments: "The broad categories which must be used in classifying the many methods of non-violent action are too rigid to suit the reality ... Consequently in every general class and subclass - such as the strike - there are some methods which also have one or more characteristics of another class (or do so under certain conditions) or which differ in at least one respect from the general characteristics of its class. This is especially true in the case of the strike" (p. 258). He then goes on to suggest ways and limits to improvements in the schema: "One solution might be to develop a much more complicated classification system ... that indeed needs to be done, for there are many methods which have at least dual classifications" (p. 258). He then identifies other weaknesses and concedes, "This is instructive and humbling, for the reality of social dynamics is always more complex and flexible than the intellectual tools which we use in efforts to understand it."
42. Ibid., p. 183.
43. Lakey, George, 'Mechanisms of Nonviolent Action', in Hare and Blumberg (ed.), op.cit. (note 1), p. 388. This is related to the point made by Tutu in note 4. Non-violent action aiming at conversion relies on the opponent having human qualities and being converted to (or at least accommodating) the cause espoused. This involves the engendering of human compassion, therefore requiring that the opponent is capable of this and able to see the activists as being human also.
44. See Sharp, op.cit. (note 9), for the details of this action.

45. The Times, 10 December 1984.
46. This is not quite the same thing as the violence continuum discussed earlier. Here it is assumed that the adherence to non-violence varies according to the extent to which the action is principled, or vice-versa, pragmatic. This view of principles - the notion of degrees of principle - is, it is accepted, open to some philosophical debate.
47. Some might argue that mass actions at the Greenham Common airbase contradict this claim.
48. Wilson, Des, Pressure: The A to Z of Campaigning in Britain (London, Heinemann, 1984), p. 33.
49. See, for a typical example, Linton, Martin, 'Warbler heath escapes bulldozer', The Guardian, October 23 1984.
50. Wilson, op.cit. (note 48), p. 34. His discussion of the case for and against law-breaking by pressure groups is well reasoned (pp. 33-36).
51. Laidler, op.cit. (note 2).
52. Etzioni, op.cit. (note 3), p. 43.
53. Ibid., p. 44.
54. Ibid., p. 27.
55. Laidler, op.cit. (note 2), pp. 23-27; Nelson, Walter Henry and Terence C F Prittie, The Economic War Against the Jews (New York, Random House, 1977), p. 25.
56. "... it is worth noting that the most common use of consumer boycotts has been in support of unions, i.e., no crossing the picket line, the lettuce and grape boycotts in the US, etc. ..." Vogel, op.cit. (note 25).
57. Wootton, Graham, Pressure Politics in Contemporary Britain (Lexington, Lexington Books, 1978), pp. 168-171.
58. Laidler, op.cit. (note 2), p. 7.
59. Ibid., p. 27.
60. Ibid., pp. 31-55.
61. Ibid., p. 60.
62. Wolman, Leo, The Boycott in American Trade Unions (Baltimore, The Johns Hopkins Press, 1916), pp. 10-13. Yet as will be seen, even Wolman goes beyond the limited meaning of boycott as employed in this study, by including restrictions on employers' purchases of goods. This is where employees refuse to handle or use certain

goods, referred to then as a 'materials boycott' (as opposed to the 'consumption boycott') and known today as 'blacking'. The intention of the action is to put pressure on the supplier, but as any refusal to purchase that may result - if any - is largely involuntary on the employer's part and as those taking the action are not directly exercising their consumer sovereignty, it would not be classed here as a consumer boycott.

63. Laidler, op.cit. (note 2), p. 64. It is worth recording Laidler's explanation: "Thus, if workmen in one industry go on a strike against a firm and agree to refuse to purchase any product from that firm, with endeavouring to persuade others to do likewise, a primary boycott will be the result." This is illustrative of Laidler's use of the term boycott to refer primarily to actions involving product markets, as earlier commented, notwithstanding his failure to make this explicit within his rather verbose definitions and elsewhere.
64. Wolman, op.cit. (note 62), p. 13.
65. Laidler, op.cit. (note 2), p. 64.
66. Laidler observes that these three forms of boycott may be directed against fellow workers as well as employers. In cases where it is used against another worker it is known as the 'labor boycott'. He notes that efforts were made to prevent storekeepers from selling to 'scabs' (non-unionists), but avoids any great discussion of this as it involves the closed shop issue and is beyond the scope of his analysis.
67. Ibid., p. 65.
68. Wolman, op.cit. (note 62), p. 14.
69. Ibid., p. 14 (note).
70. Laidler, op.cit. (note 2), p. 67.
71. Ibid., pp. 60-63.
72. Hotaling, Edward, The Arab Blacklist Unveiled (Landia Publishing, 1977).
73. Wolman, op.cit. (note 62), p. 24.
74. Laidler, op.cit. (note 2), p. 7.
75. Types of boycott other than the consumer boycott continue to be used quite extensively by unions but generally go under other titles, such as 'a policy of noncooperation', or 'blacking'.
76. Wolman, op.cit. (note 62), p. 18.
77. Ibid., p. 19.

78. Laidler, op.cit. (note 2), p. 56.
79. Ibid., p. 57.
80. Ibid., p. 56.
81. Wolman, op.cit. (note 62), p. 26.
82. Ibid., p. 79.
83. Ibid., p. 135.
84. Ibid., pp. 138-139.
85. Laidler, op.cit. (note 2), p. 127.
86. Ibid., p. 132.
87. Wolman, op.cit. (note 62), p. 64. See also p. 98.
88. Sharp, op.cit. (note 9), pp. 244-245.
89. Grant, A J and Harold Temperley, Europe in the Nineteenth and Twentieth Centuries (London, Longman, 1927 (sixth edition, revised and edited by Lillian M Penson, 1952)), p. 428.
90. Ibid., pp. 428-429.
91. Quoted in Remer, C E, A Study of Chinese Boycotts: With Special Reference to Their Economic Effectiveness (Baltimore, The Johns Hopkins Press, 1933), pp. 3-4.
92. Quoted in Sharp, op.cit. (note 9), pp. 247-248.
93. Ibid., p. 247.
94. Ibid., p. 248.
95. Remer, op.cit. (note 91), p. 9. Sharp writes "China is often regarded as the classic home of the national consumers' boycott" (op.cit. (note 9), p. 229).
96. Ibid., pp. 1-2.
97. Ibid., p. 2.
98. Ibid., pp. 4-5.
99. Ibid., pp. 10-20.
100. Ibid., p. 8.
101. Remer adds some clarity here to the earlier discussion about the extent to which non-violent action remains non-violent, by observing that pacifist views may centre around coercion: "The

extreme pacifist is likely to hold that there is no distinction between violent and non-violent coercion. It is coercion which is morally to be condemned and the boycott is represented to be, if not a form of war, so similar to war that it falls under the same condemnation. The anti-pacifist on the other hand, holding that coercion is necessary and finding, in his turn, little difference between one sort of coercion and another, regards the distinction between war and the boycott as evidence of either weakness or hypocrisy or both" (ibid. p. 8). Remer suggests such views confuse the issue as the concern is to avoid war, an aim which may be achieved with non-violent coercion. The point as far as this study is concerned, is that the boycott is a coercive action and can therefore involve moral considerations and doubts about its use. This is considered further.

102. Galtung, Johan, 'On the Effects of International Economic Sanctions: With Examples from the Case of Rhodesia', World Politics, Vol. XIX, No. 3 (1967), pp. 378-416.
103. Remer, op.cit. (note 91), pp. 239-240.
104. Non-violent action need not be solely concerned with conflict. It may also have constructive aspects. For Gandhi, conflict and transformation were combined. Transforming social, economic and political conditions was a positive part of non-cooperation. It is evident in his establishing of alternative salt production facilities. It is also evident in more recent consumer boycotts where alternative institutions are proposed or established in preference to the boycotted institutions, as noted in 7.1.1.
105. Remer, op.cit. (note 91), p. 35.
106. Ibid., p. 246.
107. Ibid.
108. Roberts, Adam, 'Do economic boycotts ever work?', New Society, September 11 1975. Sethi writes "It is estimated that approximately ninety countries are boycotting at least one other country in the world at the present time" (Sethi, S Prakash (with Carl Swanson), 'United States Versus Bechtel Corporation', in Sethi, S Prakash, Up Against the Corporate Wall: Modern Corporations and Social Issues of the Eighties (Englewood Cliffs, Prentice-Hall, 1982), p. 49).
109. Dekker, P G, 'Economische Oorlogvoering: Enige Opmerkingen Over Boycot En Embargo' (Economic Warfare: A Note on Boycott and Embargo), De Economist (The Economist, Netherlands), Vol. 121, No. 4 (1973), (with summary in English).
110. Losman, Donald L, 'The Effects of Economic Boycotts', Lloyds Bank Review, No. 106 (October 1972).
111. Galtung, op.cit. (note 102).

112. Nelson and Prittie (note 55), p. 4. Anti-Semitism is used here and elsewhere in the anti-Jewish sense, although strictly speaking Arabs are Semitic.
113. Ibid., pp. 146-165.
114. Ibid., p. 41.
115. Hotaling, op.cit. (note 72), p. 10.
116. Winchester, Simon, 'How Britain gives in to pressures from Arab boycott', The Sunday Times, September 2 1984.
117. Nelson and Prittie, op.cit. (note 55), pp. 9-10.
118. Hotaling, op.cit. (note 72), p. 3.
119. Nelson and Prittie, op.cit. (note 55), p. 12.
120. Hotaling, op.cit. (note 72), p. 4.
121. Ibid., pp. 4-7.
122. Nelson and Prittie, op.cit. (note 55), pp. 18-24 and p. 27.
123. Hotaling, op.cit. (note 72), p. 14.
124. Nelson and Prittie, op.cit. (note 55), p. 18.
125. Ibid., p. 44.
126. Winchester, op.cit. (note 116), and The Guardian Editorial 'What price a boycott?', October 31 1984.
127. Ibid.
128. Hotaling, op.cit. (note 72), p. 8.
129. Ibid., p. 13.
130. Nelson and Prittie, op.cit. (note 55), pp. 205-206.
131. Ibid., p. 47.
132. Ibid., pp. 33-34. Full details of the boycott provisions are given in Sethi, op.cit. (note 108), pp. 52-55.
133. Nelson and Prittie, op.cit. (note 55), p. 29.
134. Winchester, op.cit. (note 116).
135. The Guardian, op.cit. (note 126). And (although in 1972) Losman (op.cit. (note 110)) wrote of the blacklisting: "while the official wording of the boycott in this respect is somewhat nebulous, almost any commercial transaction can result in blacklisting if

the Arabs so choose. Ordinarily, however, the simple sale of consumer goods is not prohibited; accordingly, at least 70 major American firms do business with both Arabs and Israelis. All forms of investments, licensing, provision of technical aid or the donation of funds automatically result in blacklisting. It should be stressed that a very thin line separates what is allowable trade and what is not."

136. Hotaling, op.cit. (note 72), p. 9.
137. Ibid., p. 5.
138. Nelson and Prittie, op.cit. (note 55), p. 42 and p. 172.
139. Ibid., p. 30.
140. Ibid., p. 47.
141. Ibid., pp. 6-11.
142. Winchester, op.cit. (note 116).
143. Ibid. and The Guardian, op.cit. (note 126).
144. Nelson and Prittie, op.cit. (note 55), p. 41.
145. Ibid., p. 26.
146. Losman, op.cit. (note 110).
147. Nelson and Prittie, op.cit. (note 55), pp. 173-174.
148. Ibid., pp. 51-56.
149. Vogel, David, Lobbying the Corporation: Citizen Challenges to Business Authority (New York, Basic Books, 1978), pp. 192-196.
150. Many companies would claim that different trading conditions demand different standards. Whether or not to resort to bribery in the form of baksheesh, even though it is commonplace in the Middle East, has been widely discussed. See, for example, Steiner, George A and John F Steiner, Business, Government and Society: A Managerial Perspective (New York, Random House, 1980), pp. 489-492. They write "the prevailing opinion now seems to be that payments are not necessary" (p. 491).
151. The difficulty here is whether they apply to business activities overseas, as Hotaling notes (op.cit. (note 72) p. 21). The 'United States Versus Bechtel Corporation' case in Sethi (op.cit. (note 108)) considers this issue in detail. A number of other references are also given for the Arab boycott.
152. Nelson and Prittie, op.cit. (note 55), p. 57.
153. Ibid., pp. 179-181.

154. Ibid., p. 135.
155. Ibid., p. 167.
156. Ibid., pp. 168-173.
157. Ibid., pp. 57-59.
158. Ibid., pp. 100-101.
159. Hotaling, op.cit. (note 72), p. 11.
160. Winchester, op.cit. (note 116).
161. Nelson and Prittie, op.cit. (note 55), p. 163. Later they note that Arab anti-Semitism has made the Arab world a "new and active centre for an international anti-Semitic revival," which might not have taken place had it not been for "Soviet and Third World espousal of "anti-Zionism," and for the economic war against the Jews" (p. 165).
162. Winchester, op.cit. (note 116). Nelson and Prittie (op.cit. (note 55), p. 207) write "In the words of major US Jewish organisations giving testimony before Congress early in 1977, "experience bears out that Arab boycotting countries will buy the best available product for the cheapest possible price in the shortest delivery time offered (and that) they are, first and foremost, businessmen (who) will trade with any nation on the face of the earth, except perhaps Israel itself."
163. Nelson and Prittie, op.cit. (note 55), p. 191.
164. Ibid., p. 211.
165. Ibid., p. 213.
166. Sethi writes "American businesses thus find themselves contending with the implications of the Bechtel consent decree, the 1977 amendments to the Export Administration Act of 1969, and the stringent provisions of the 1976 Tax Reform Act in doing business with the Middle East" (op.cit. (note 108), p. 43). Also see Teslik, Kennan Lee, Congress, the Executive Branch, and Special Interests: The American Response to the Arab Boycott of Israel (Westport, Greenwood Press, 1982); Clute, Norman Vander, The Middle East: A Legal Update and Legal Aspects of the Arab Boycott (New York, Practising Law Institute, 1978); Mersky, Roy M (ed.), Conference on Transnational Economic Boycotts and Coercion (New York, Oceana Publications, 1978); Timberg, Sigmund, 'Sovereign Immunity and Act of State Defenses: Transnational Boycotts and Economic Coercion', Texas Law Review, Vol. 55, No. 1 (December 1976).
167. Clute writes of the exceptions to the Export Administration Act amendments of 1977: "Two of the exceptions, providing for unilateral selection and compliance with local law, have been the sub-

ject of considerable controversy and interpretation. These : exceptions in effect set forth the terms by which many American firms can continue to conduct business in the Middle East" (ibid., p. 591). Essentially, unilateral selection means that if the Arab customers specify certain suppliers that the firm must deal with, even in accordance with the boycott, then the firm is exempt. Compliance with local laws is permitted and may of course include regulations governing imports, etc. Also see Sethi, ibid.

168. Winchester, op.cit. (note 116).
169. Nelson and Prittie, op.cit. (note 55), p. 226.
170. Ibid., p. 27.
171. Ibid., p. 223.
172. Ibid., pp. 227-228.

CHAPTER EIGHT**CONSUMER BOYCOTTS OF BUSINESS AND THE ROLE OF PRESSURE GROUPS IN THE
MARKETING SYSTEM**

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Preview

In the factory we make cosmetics. In the store we sell hope.

Charles Revson (1)

... every purchase of a product or service could become a 'vote' for a marginal change in the shape of society, as well as for the product purchased. For example, Procter and Gamble and Unilever share the detergent market in this country, and to all intents and purposes, despite differing advertising, their products are the same.

But the social impacts of these two companies differ substantially. If they chose, or were compelled to broadcast those social impacts, detergent buyers in their purchasing could vote for their preferred set of social impacts ...

Armed with social impact data, adequately presented by firms, the public at large could truly participate in shaping society by the exercise of purchase votes.

Raymond E Thomas (2)

This chapter continues the examination of the boycott tactic, but focuses specifically on the consumer boycott. Various types of boycott can be identified, depending on the relationship of the seller to the perceived misdemeanour. These are acknowledged in the literature. This is sparse, but it reveals historical precedents for consumer boycotts in other cultures and also in labour struggles, especially over unionisation (as indicated in Chapter Seven). Consumer boycotts can be illegal, but as with strikes, the firm is unlikely to take action.

The ascendancy of labour has diminished the importance of the consumer boycott in labour struggles in recent times, although it is used in the Third World and was employed (highly successfully) over the recognition of the United Farm Workers in the early 1970's in the United States. More recently, the consumer boycott has been employed over civil rights, the Vietnam War, and by the corporate accountability movement. This latter use, of course, returns the argument to the issue of the social control of business. Ethical purchase behaviour, in boycotts, has then played a part in the social control of business.

As yet, however, little attempt has been made to in some way explain ethical purchase behaviour at the micro level. Consumer sovereignty offers a justification for such behaviour but little in the way of explanation as to why any individual consumer would wish to so act. A proposition made here and explored in the empirical work is that there is negative product augmentation. Levitt has described how products may be augmented positively, referring to the quote by Revson above. It is here suggested that products may also be augmented negatively. This may be seen in terms of a legitimacy element in the marketing mix.

The quote above by Thomas calls for ethical purchase behaviour by suitably informed consumers exercising their purchase votes. His argument is for social impact data to be presented by firms. This is viewed here as somewhat Utopian, largely because of the acknowledged problems in social audits and, as Beesley and Evans show, the difficulties in making sensible comparisons between firms. However, this data could be presented by concerned pressure groups, in a way laudable to the advocates of pluralistic politics. This is advanced here in the form of a model of pressure groups in the marketing system. Management responses in this are considered.

This chapter concludes Part Two of the thesis by briefly considering some of the preliminary conclusions and propositions that have emerged.

8.1 Consumer Boycotts of Business

8.1.1 Historical Precedents for Consumer Boycotts

Vogel writes "Allowing political or moral preferences to influence one's purchase of products is not, of course, an idea that was invented in the sixties." Unwittingly he acknowledges ethical purchase behaviour. The concern here, however, is to stick with consumer boycotts, a specific form of ethical purchase behaviour. This is also Vogel's interest in his examination of the types of pressures on business in citizen challenges to business authority. He continues "Consumer boycotts played an important role in the American colonists' prerevolutionary struggle against England and have been used periodically both by and against various economic and ethnic groups throughout American history" (3). He refers to a tradition of boycotting citing an article in The New Republic, where the author comments "It has long been fashionable to avoid purchasing products that appear on idiosyncratically homemade blacklists" (4).

Chapter Seven referred to Laidler and Wolman's studies of consumer boycotts used by the American labour unions in the late nineteenth and early twentieth centuries. Laidler, although writing in 1913, refers to a lengthy past history to boycotts:

"Although the word "boycott" is of comparatively recent origin, the practice of boycotting, if we disassociate that term from any necessary connection with labour disputes, and define it for the time being as an organised effort to withdraw and induce others to withdraw from social or business relations with another, has been resorted to since the dawn of history. The Jews shunned the Samaritans ..." (5, Laidler's emphasis).

He later refers to its use "on a large scale" in the Revolutionary War against Britain: "Following the passage of the Stamp Act of March 1765, the Boston, New York and Philadelphia merchants resolved to cease importing British goods until this obnoxious measure should be repealed. Retail merchants refused to sell British goods, and customers to buy them." Other examples are referred to such as the boycott following the tax on tea, which of course culminated in the Boston Tea Party. He suggests these historical precedents provided justification for its use in labour disputes as they "indicate its thoroughly American character." He concludes his review of the past history of boycotts by saying it has been "a potent weapon for many centuries in the hands of state and church, organisations of the agrarian population and of political rebels, and, in fact, of all strata of the population" (6).

Wolman, for his part, also refers to boycotting in the Revolutionary War and earlier uses (citing Laidler). One particularly early use was the boycott imposed in 1327 by the citizens of Canterbury, England, on the monks of Christ's church, involving an agreement not to "buy, sell or exchange drinks or victuals with the monastery" (quoting R T Ely at this point). He also notes that boycotting of slave-made products was practiced by abolitionists. So consumer boycotts can hardly be described as a modern phenomenon! Most of Wolman's analysis of the

history of the boycott is devoted to its prior use in labour disputes. He suggests one of the first instances of a boycott on commodities "where the appeal was to the workman not as a producer but as a consumer," was a boycott imposed in 1833 in Baltimore on master hatters who'd cut the wages of their journeymen (7). This may be a more appropriate historical precedent than some of the others mentioned if by consumer boycott one is referring to a practice found in consumer societies, that is, under capitalism as it is currently known. In other words, given the definition in 7.2.1, which refers to the consumer boycott as the exercising of consumer sovereignty, historical precedents for consumer boycotts should perhaps be restricted to those actions found within capitalist society. As noted in Chapter Three, capitalist society, and therefore some degree of consumer sovereignty, is only to be found after the sixteenth century, and is probably most accurately seen as a nineteenth and twentieth century phenomenon.

Early examples of boycotts are, however, interesting. If they may not be correctly described as consumer boycotts, they are at least from the same class of action known as boycotts and have much in common. Wolman's section on the history of the boycott refers to many instances of consumer boycotts (8), and both the whole of Laidler and Wolman's works may be seen as accounts of historical precedents for current boycott actions, given their age. More recent consumer boycotts include those by the Nazi's against the Jews (9) and many more cited by Sharp (10) and included in Appendix A.

But, putting aside the definitional issue above, the consumer boycott is not unique to Western society. If anything, it is more appropriate to the East, as found in Chapter Seven when considering Remer's Study of Chinese Boycotts. The boycotts organised by Gandhi (described, for example, by Joan Bondurant and by Sharp) are of course classic examples of consumer boycotts and obvious historical precedents.

So to conclude, one can then refer to a tradition of boycotting both as a form of ostracism as practiced in all societies since "the dawn of history," and in the specific form of the consumer boycott in societies where there has been some degree of consumer sovereignty. Vogel suggests an increase in the use of the boycott most recently, in the United States at least:

"... over the last fifteen years, such consumer boycotts have become more frequent, better organized, and identified with a much broader range of issues. Scarcely a month now passes without the public being asked to boycott a particular product or company in order to express disagreement with some decision of the private sector. These decisions include bank lending practices in declining neighborhoods, popularly known as "redlining"; the employment practices of several local and national firms; the marketing of gold coins from South Africa; and the manufacture of various products held to be detrimental to the environment" (11).

Yet despite this claim of a recent increase in boycott activity and the many historical precedents referred to above, the literature on consumer boycotts is sparse. This is considered in the next section.

8.1.2 References to Consumer Boycotts in the Literature

References to consumer boycotts in the literature of course include many sources already considered: Vogel, Sharp, Wolman, Laidler and so on. Brief consideration should, however, be given to some other sources not yet mentioned. This will of necessity be brief, not only because of space constraints but also because of the paucity of literature on this topic. The reasons for this will also be given some attention.

This section can most usefully start by speculating as to where one might find literature on consumer boycotts. Despite their apparent prevalence over time and increased use most recently, they are only rarely shown as a topic in abstracts (12). Most references to consumer boycotts found by this author were the product of scanning the press (as referred to in Chapter Two) and what may best be described as serendipity, for systematic literature searches proved largely ineffective. References to boycotts in the press, including the more obscure publications such as Peace News and New Internationalist, are mainly about specific instances of boycott action. This source produced by far the most references to boycotts, but as they are about incidents rather than methods or explanations, they are considered separately in Appendix A.

One might expect that the pressure group literature would prove a useful source of references on boycotts and offer some analysis in itself. This was not the case. Excluding publications by or for pressure groups such as those referred to above, the pressure group literature offered little analysis of boycotts as a pressure group tactic and few specific references. This reflects the lack of material on promotional pressure groups in general and an emphasis on the role of such groups and their strategies. Sharp was cited but, as Chapter Six largely bears witness, the boycott tactic at best only received a mention in passing in the pressure group literature (13).

This comment is also true of the business and society literature. Vogel's works are on occasion cited and it is fair to say that his Lobbying the Corporation is a fairly comprehensive catalogue of boycotts in the United States since the 1950's. However, his concern (as 8.1.4 considers in more detail) is not with the boycott as a tactic, how it may be employed and how management should respond, but as a signal and symptom of citizen discontent with business authority. He does provide some useful references however. Business and society texts mention boycotts in passing in a similar way. They are of course almost entirely American (14), and yet despite this and Vogel's comment at the end of the last section on the prevalence of consumer boycotts, even the most recent editions have little to say about boycotts. One of the better texts in this respect is Social Issues in Business by Luthans, Hodgetts and Thompson. They refer to the Polaroid case (see Appendix A) by way of example. Other texts which are entirely or largely case studies also include boycott examples, such as Hay et al (15).

Luthans et al's comments on the boycott tactic, though brief, are worth mentioning here. They include "product or service boycotts"

under the general heading of individual social activism (the title of Chapter 15), giving little acknowledgement to the role of pressure groups. They do at least recognise that the boycott has been "successfully applied to a multitude of products," referring to Cesar Chavez organised boycotts of celery, grapes and grapefruit to improve conditions for migrant workers in California; boycotts of firms doing business in South Africa, though acknowledging that they haven't changed apartheid policies; union organised boycotts of companies such as J P Stevens, Farah and Coors because of their anti-union stance; and late 1970's boycotts of sugar, coffee and meats that led to a reduction in prices. They suggest in their third edition that "The key element in the boycott is to have enough consumer support to reduce demand, thereby effectively threatening the company's profits." They are more cautious in the fourth edition: "The key to a boycott is to have enough consumer support to reduce demand" (16). It is far more complex than this, however, as Chapters Six and Seven show and as 8.1.5 and 8.1.6 conclude.

The consumerism literature, which may be seen as in a category by itself or as a part of business and society, also mentions boycotts. Nadel, for example, refers to the American consumer boycotts over food price increases (17). Consumer boycotts are, as in Vogel, cited largely in illustration of consumer grievances. Some, however, advocate boycotts as a solution to some of the issues raised by consumerism. This study has been defined as being outside consumerism, as ethical purchase behaviour is not intended to redress the grievances of the buyer but of some other party (see Chapter One). However, not all writers on consumerism take this approach and the arguments advocating consumer boycotts over consumerist issues such as product defects are equally applicable to issues further removed from the product, such as investment in South Africa. Stern, for example, explores the possibilities for consumer protection via self-regulation by business. He argues that this is insufficient and that some enforcement power is necessary. One measure suggested is to "permit collective action among firms to boycott any firm whose products conform to neither the industry standards nor the labeling requirement" (for providing sufficient information for consumer choice), which would, as Chapter Seven indicated, be illegal under American law. In this way, he sees the tripod of government action, the activities of consumer advocates and business self-regulation made more balanced by the latter being more effective (18).

Boycotts are also advocated by Box, in a paper questioning whether consumerism has any future in an environment characterised by deregulation. This Dutch writer suggests "consumer organisations - as they are doing already sometimes - might exert pressure on certain firms selectively, and keep them under pressure in order to come to a solution for certain problems." It is recognised, however, as noted in Chapter Six, that consumers are not an organised group to the same extent as the unions say, which makes boycotts more difficult to institute. The overall line of Box's argument though is that consumerism has a future with consumer pressure groups trying to influence the market rather than seeking legal remedies: "consumer organisations could take stronger action as a market party, that is to say as an organisation of consumers in direct contact and negotiating

with their natural opponent, trade and industry" (19). This, of course, is analogous to the suggestion made at the end of 5.2.4, that the market could play a greater part in ensuring the social control of business.

In The Consumer Interest, George Smith reviews the state of consumerism in Britain and in Europe. Referring to boycotts, he suggests they could be used more often and with greater effect. Indeed, he sees the choice for European consumer groups as being between using boycotts and government influence to achieve their aims. He refers to a number of highly successful European boycotts to make his point. Some of these are worth mentioning here (although they are included in Appendix A), in particular, the boycotts organised by the French equivalent to the British Consumers Association (CA), the Union Federale de la Consommation (UFC), and those by the Swiss Federation Romande des Consommateurs.

The "dramatic results" achieved by boycotts organised by these two organisations contrasts with the sluggish progress in implementing the Common Market's consumer programme and the failure of the consultation machinery to improve matters. A UFC organised 1976 boycott of food with colourants, caused colourant-free alternatives to be introduced; a boycott of red wines contaminated with asbestos fibres from filtration processes prompted four companies to sue the UFC for £400,000, but they lost their case and were forced to promise not to use asbestos in future; and while Shell were more successful when their legal action forced the UFC to desist from calling for a boycott of their products following the Amoco Cadiz disaster, this was not until after suffering sales cut by ten per cent. This latter example is particularly interesting because it is closer to ethical purchase behaviour than those examples where the boycott is over some issue directly affecting the consumer in the consumption of the product. This also applies to the call for a boycott on aerosols (because they are hazardous, damaging to the environment and wasteful), which resulted in a ten per cent reduction in sales in France when they were rising elsewhere. More typical of the consumerist type of consumer boycott was the boycott of one brand of a company's tyres because they were four times more liable to blow-outs, and the 1980 boycott of veal in protest at the continued illegal use of hormones in fattening calves, which caused sales to fall by fifty per cent within seven days and reduced the price of a fatted calf in Britain from £75 to £26 in a week. The outcome was the promise by the EEC Council of Ministers of a complete ban on the use of hormones by the end of 1980.

The Swiss Federation's 1967 boycott of butter over successive government-sanctioned price increases proved so successful that the price of butter four years later remained lower than in 1967. While its 1977 boycott of food products not listing ingredients persuaded more food manufacturers to list ingredients and speeded up legislation. Smith notes, however, that its "boycotts of inflation (1971), polyphosphates in cooked meats (1972) and high-priced meat (1975) have been less successful" (20). So, even if different boycotts are not being organised every month, as Vogel suggests is the case in the United States, they are not uncommon in Europe. But how true is this of Britain?

Smith writes that the Friends of the Earth campaign against non-returnable bottles in the early 1970's "was the nearest UK consumer and allied organisations have come to organising an outright consumer boycott" (21). If the possible nuances of meaning implied by the word outright are ignored, Smith is plainly wrong, or at least using the term consumer boycott in a way different to its use here. There has been a UK consumer boycott of South African products since 1960 and the many calls for boycotts and boycotts organised that were noted when scanning the press, referred to in Appendix A, cannot be particular to the two year period surveyed. If one argues Friends of the Earth are a consumerist organisation but the Anti-Apartheid Movement is not, what of the Infant Formula Action Coalition (INFACT) organised boycott of Nestle over the marketing of baby milk, on behalf of millions of Third World consumers? His examples of French consumer boycotts show that boycotts organised over environmental issues qualify as consumer boycotts, even though they are not about what may be called narrowly defined consumerist issues, those affecting the consumer in consumption. A consumer boycott would then seem even in his terms to be about boycotts by consumers, rather than for consumers. It is therefore somewhat surprising that he should ignore consumer boycotts over, for example, the political issue of apartheid in South Africa. The most probable reason for this is confusion over the extent of consumerism. However, it must be acknowledged that boycotts do seem less common in Britain than in the United States, a point which will be considered further.

Smith writes that "Although Ralph Nader established 'consumerism' as a household word, he widened the definition of consumer until it was synonymous with 'citizen'. He is a moral crusader for the restoration of the participatory democracy ... in which power, whether in business or government, is decentralised, controlled and accountable" (22). It seems that, while offering this definition, Smith has not fully embraced it himself and is confused about the extent of consumerism.

Ralph Nader is also referred to in a comparison between the approach of the Consumers' Association and that of Nader's groups. Smith sees little to commend the CA, noting it has "settled for a relatively quiet life on the campaigning side" and "eschewed the aggressive tactics of Ralph Nader and some of their own counterparts in Europe." Perhaps in this context Smith's observation on boycotts in Britain can be understood - as a reference to the failure of the CA to employ boycotts. He concludes "The CA is now as much a part of the conformist British scene as the House of Lords, tea and the test match" (23). Yet pressure groups are in this country increasingly turning to direct action, as Chapter Six acknowledged, the likelihood would seem to be that the use of the boycott will increase. It was even recently suggested in the House of Commons as a means for securing compensation for British children from the Merrell drug company, manufacturers of Debendox (24).

Robin Wight's The Day the Pigs Refused to be Driven to Market is a journalistic but insightful account of some of the features of consumerism in the late sixties and early seventies. Indeed, a number of his theories are developed here: social responsibility as a consequence of consumer sovereignty, boycotts as an expression of con-

sumer sovereignty, and political participation through democracy in the marketplace; though he does not express them in this way. Wight too is critical of the Consumers' Association: "its sedate middle-class activity seems really rather out of touch" (25). He finds, in contrast, much to commend the Japanese consumer group, Shufuren, particularly because of its use of national boycotts which have "assailed everyone from rice growers charging excessive prices to canned food manufacturers whose labels conceal the truth" (26). Wight, again, is another source identifying boycotts, which are shown in Appendix A. In keeping with the other consumerist sources listed above his concern is to describe boycott incidents (suggesting, like Vogel, that they are symptomatic of consumer dissatisfaction) and implicitly advocates the use of the boycott. Some of his arguments are interesting, but as part of the boycott literature, he offers little by way of explanation of methods and analysis.

Interesting, but perhaps not surprising, is the acknowledgement of a place for boycotts by the Austrian economist Mises, an acknowledgement Wight might well endorse. This is interesting because it conflicts with Mises' emphasis on self-interest as the essential driving force for the efficient operation of the market. However, it is not surprising given his claims about the supremacy of the consumer and the freedom of the consumer to choose in a free market economy. So he writes "The consumers are free to boycott a purveyor provided they are ready to pay the costs" (27).

Another equally interesting contribution from economics on boycotts, is a paper by Rea (28). He asks: under what circumstances might a group of consumers benefit from a boycott? In his analysis the distinction is made between what he terms an economic boycott, where "the objective is to lower the price paid for a product," and a political boycott where "the objective is to punish the producers or to force the producers into taking some action." (Such intentions, of course, are identical to those identified by Galtung and others for international economic sanctions - see 7.5). Rea shows that in an economic boycott all consumers, those boycotting and those not boycotting, can benefit. The magnitude of the benefits depends on the elasticities of supply and demand, the length of the boycott, and the number of boycotters.

His argument rests on seeing the boycotters as having formed a buying cartel, so they can act like a monopsonist and increase their utility. He does recognise that overall there is a net loss, with a net cost on society as a whole in the loss of consumer surplus by boycotters, the loss that occurs because non-boycotters are consuming goods which have a lower value to them than the original equilibrium price, and a loss of producers' surplus resulting from the transfer of resources to less productive uses. In other words, there are costs to society because the boycotters consume too little, the nonboycotters consume too much and there are not enough resources devoted to the industry. Additionally, and this may be a further cost though Rea doesn't see it as such, there is likely to be an increase in the consumption of substitutes for the boycotted good. Their price will therefore rise, with a further loss of consumer surplus. (Rea assumes substitutes have a perfectly elastic supply.) Rea notes that social pressure on

consumers, to enforce the cartel, is crucial to boycott effectiveness. He suggests, in keeping with observations made in 3.3.1 Economics and the Real World, "The economist is likely to ignore the social pressure that enforces the boycott."

While Rea's economic analysis is restricted to what he terms the economic boycott, he does consider the implications for the political boycott. The economic effects of a political boycott - Rea suggests an example of which would be a boycott in support of a strike or a boycott of the products of a country whose policies are found disagreeable - would be the same as in the economic boycott. However, in the political boycott the boycotters do not consume any of the boycotted good and the benefits of the lower price go to those not boycotting. Hence there is a greater loss of consumer surplus by the boycotters, only compensated for if the boycott is successful - it alters the policy of the firm, industry or country being boycotted. Rea concludes "a boycott is not folly for a group of consumers, but as is true of most political activities, the fact that the benefits are a public good makes it folly from an individual's narrow point of view." (This, of course, is similar to the argument advanced in 6.4.2 in rejection of Olson's claim about the absence of suitable incentives in some pressure groups.) Rea also identifies factors in boycott effectiveness. These are considered in 8.1.6.

Occasional references to boycotts are made in New Society (29), while the New Republic article referred to in the last section, which identifies a number of contemporary boycotts, also comes from a publication of that ilk (30). No doubt other similar publications carry the odd article on boycotts, but they could not be easily traced and do not, in any case, offer much more than a description of boycott incidents. More useful is the article by Krieger in the Journal of Peace Research (31). This sort of publication, generally tending to be seen as outside mainstream academic publishing and ignored by abstracting services (though some contain quite reasonable work), may be a useful source of further articles on boycotts but it is difficult to say with any certainty because of the problems in tracing these publications.

Krieger describes the failure of the Another Mother for Peace (AMP) consumer campaign and offers some sound analysis. The AMP campaign was a threatened consumer boycott of the consumer products of manufacturers of war products. His analysis is considered in 8.1.6 Factors in Boycott Effectiveness.

The Krieger article was found via the pressure group literature, it was cited by Berry (32). As noted above, the pressure group literature offered few references on boycotts. This was also the case with the two sources (other than Laidler and Wolman) which examine boycotts in any detail, Vogel and Sharp. Vogel, in his Bibliographical Note, does indeed observe that "there has been no comprehensive scholarly treatment of direct political challenges to the corporation" (33), which is further support for the claim here about the paucity of literature on consumer boycotts. He goes on to note that his study had to rely considerably on information from activist organisations, and newspapers and magazines. Sharp proved useful in identifying references on international economic sanctions, but not consumer boycotts.

It seems reasonable to conclude that the literature on consumer boycotts is extremely limited. The next section considers types of consumer boycotts. This is based largely on the categorisation used by Wolman and Laidler seventy years ago. As they are extensively cited by Sharp, their analysis seems to not only have withstood the passage of time but also not been supplanted by any more recent or superior analyses.

8.1.3 Types of Consumer Boycott and Boycott Legality

The classification of consumer boycotts is based on the relationship of the seller to the perceived misdemeanour. As discussed at length in 7.2.1, Sharp's categories of economic boycotts cannot be employed here in whole or in part. But, as noted in 7.4.1, the terms employed by Laidler and Wolman can. The principal concern here is with the distinction between primary and secondary boycotts, and direct and indirect boycotts. Boycott legality is considered here because legality hinges on these distinctions.

The discussion of the Arab boycott in Chapter Seven showed the distinction between primary and secondary boycotts as used by Wolman still holds. Sethi writes (34):

"The primary boycott divides into two distinct constraints, a core primary boycott and an extended primary boycott. The first requires all Arab states and their nationals to refuse to trade with Israel or its nationals ... The extended primary boycott goes beyond a ban on trade between the Arab nations and Israel to prohibit the importation of Israeli goods into Arab countries or the reexporting of Arab products into Israel via a third country."

He continues by explaining the secondary and tertiary boycott. "At the secondary level, the Arab nations would refuse to do business with third parties that were significantly or materially contributing to the economic and military well-being of Israel ... implemented through a blacklist." While the tertiary boycott means "Firms that utilise, directly or indirectly, services, materials or equipment of a blacklisted firm will themselves be blacklisted."

Similarly, Nelson and Prittie write:

"The first - or "primary" - boycott consists of the refusal by the Arabs to trade with Israel in any way ...

The "secondary" boycott is aimed at companies that invest in or do business with Israel ... Even more insidious is the "tertiary" boycott, which also operates in "third countries" and which can threaten firms trading with anyone who does business with Israel - even with companies that have "Zionists" (read "Jews") on their boards or in executive positions" (35).

Examples then follow which illustrate these distinctions. The terms primary and secondary boycott are quite widely used (in the limited literature available). Tertiary boycott is more rare, probably, as

the latter quote indicates, because in application the term is more complex and potentially confusing: Is a boycott of a firm which does business with a firm with 'Zionists' on its board a third level boycott as claimed, or a fourth level boycott? Again, when a firm is boycotted for dealing in a 'third country' with another firm which does business with Israel, is this not a higher level boycott than where the deal does not take place in a 'third country'? And what if the firms involved are remote, or less remote, subsidiaries? There can be no hard and fast rules on determining the level of the boycott beyond the tertiary boycott or third level, and even this can be uncertain. It is perhaps better to go with Wolman's analysis and distinguish only between primary and higher level boycotts, which, as in practice, may be uniformly described as secondary boycotts (see 7.4.1).

So, in consumer boycotts, a primary boycott would be of the firm causing offense - involved in South Africa, manufacturing napalm or whatever, while a secondary boycott would be of firms dealing with this firm - typically, this would be a retail outlet or a supplier. To some extent the discussion of higher level boycotts is irrelevant to consumer boycotts, because the firm identified at higher levels is too far removed from the misdemeanour to be a legitimate target and therefore in practice such boycotts are rare anyway. This is less true of boycotts in labour struggles, where firms are more readily perceived as being 'tainted'; but Laidler and Wolman make a similar point, as noted in 8.1.6.

Sharp recognises primary and secondary boycotts but does not distinguish between them "because different criteria are used to distinguish the specific methods of economic boycotts" (36). He does, however, offer definitions: "The primary boycott is the direct suspension of dealings with the opponent or a refusal to buy, use, or handle his goods or services (sometimes accompanied by efforts to persuade others to do likewise). The secondary boycott is the economic boycott of third parties in an effort to induce them to join in the primary boycott against the opponent." By way of example, he refers to a boycott by the International Association of Machinists who, in 1921 in the United States, boycotted not only the Duplex Printing Co., with which it was in conflict, but also all those firms which continued to use the products made by that company. And when the Boston town meeting heard in May 1770 (prior to the American War of Independence) that traders in Newport, Rhode Island, were importing goods from both England and the East Indies, it voted to sever all commercial relations with that town (37).

A more recent example would be the California grape boycott. Not only were potential customers discouraged from buying Californian grapes, in support of the unionisation of farm workers, but also from shopping at stores selling this product.

"In each of the five boroughs, we organised neighborhood coalitions of church, labor, liberal and student groups. Then we began picketing A & P, the biggest chain in the city. For several months we had picket lines on about 25 to 30 stores and turned thousands of shoppers away ... In response to consumer

pressure, the store managers began to complain to their division heads, and soon they took the grapes out of all of their stores, 430 of them" (38).

This illustrates the primary and secondary boycott. It also indicates how secondary boycotts may be organised but remain legal. For most organisers to have called for a boycott of A & P would have been illegal. However, a de facto secondary boycott may be established simply by picketing the establishment and advancing the case for the primary boycott. By association (of the primary boycott with the picketed establishment) and/or intimidation, customers of the store are discouraged (39). The California grape boycott is included as a case study in Chapter Ten.

The issue of boycott legality and the California grape boycott is considered further in Chapters Ten and Eleven. However, other than in this case, it is difficult to ascertain the legal position on consumer boycotts. Limited experience of boycotts in Britain means there is very little to go on, although as the MAN-VW case shows in Chapter Ten, legal counsel can advise on when boycotts are illegal. In the United States, although there is more experience of boycotts, there is still uncertainty as to the legal position. This is due at least in part to the reluctance of companies to take legal action in fear of exacerbating the situation.

It seems that other than in the California grape boycott, labour use of the consumer boycott is now limited compared with its extensive use in Laidler and Wolman's day, when it was "the most effective weapon of unionism" and "There was no object so mean and no person so exalted as to escape its power" (40). This is attributed in Chapter Seven to the achievement of unionisation and the possibility therefore of effective strike action - making the boycott largely redundant. However, it is, accordingly, not surprising to find that the consumer boycott is quite widely used in labour disputes in the Third World. Yet despite this diminished use of the consumer boycott in labour disputes in the West, the literature on the legal aspects of industrial conflicts does have something to offer on boycott legality.

Generally speaking, primary boycotts are legal, whereas secondary boycotts are not. As Aaron writes:

"In the United States the boycott, which has been an important union weapon since the days of the Knights of Labor, has been accorded a wide variety of treatment by legislatures and the courts. At Common Law, state and Federal courts applied the terms 'primary' and 'secondary' to boycotts. These two adjectives did not really describe the nature of the boycott, but were merely shorthand terms for legal conclusions: 'primary' boycotts were lawful, 'secondary' boycotts were not" (41).

The suggestion that the terms primary and secondary are not accurately descriptive is misleading, however Aaron does go on to explain that, as concluded above, the term secondary tends to incorporate all higher level boycotts: "The chief objection to the word 'secondary' was and is that it lumps indiscriminately into one category both employers who

are truly 'strangers' to the dispute, or wholly neutral, and those who have a community of interest with the struck employer and who may, in fact, be his 'allies'."

Caution must be exercised here in applying Aaron's interpretation of the legal position. For unlike Wolman (to whom Aaron makes reference), the distinction is not clearly made between boycotts on materials, more usually referred to today as blacking, and the consumer boycott; though it is probably safe to assume that the legal position is the same in each case (42). It seems that the law seeks to protect neutral third parties, though there may be some debate as to their actual neutrality. In the California grape boycott both the materials boycott and the consumer boycott were employed with great success: "A long and bitter dispute between the Farm Workers Union and California grape growers was recently won by the union, largely as a result of the efficacy of its efforts to persuade both distributors and consumers not to handle or eat 'non-union' grapes" (43).

Referring to the legality of the boycott outside the United States, Aaron notes that "Britain has no legislation outlawing boycotts as such." However, in recent years "conduct that would be called a 'secondary' boycott in the United States has been declared unlawful by the British courts on several different grounds: that no trade dispute existed; that the conduct constituted a 'direct' inducement to breach a contract to the detriment of a third party; or that the conduct constituted an 'indirect' inducement by 'illegal means', namely the breach of individual contracts of employment outside the context of a labor dispute." He suggests the boycott is frequently used in Sweden, but hardly at all in France, not at all in Italy, and that in Germany "Boycotts of goods have 'practically disappeared' ... we are told by Ramm," because of the impossibility of boycotting goods of an enterprise which does not produce an end product (44). These observations should be seen as applying only to the use of the boycott in labour disputes.

Of course, outside labour disputes, the consumer boycott would be immune to labour relations legislation. Yet the general rule that primary boycotts are legal, secondary boycotts are not, still seems to apply - and again, it seems, on the basis that is unfair to involve neutral parties. In the United States, the Sherman anti-trust legislation could be employed, as in the Arab boycott (which is also supplemented by specific legislation intended to prevent compliance with the boycott) and discussed earlier (45). This legislation might, however, mean that any attempt by a pressure group to call a boycott (where, unlike a union there is no contractual arrangement) would be illegal - primary or secondary. This could well be the case in Britain too, as such a call might be construed as being in restraint of trade (46).

A 1984 paper by Harper (47) and another fairly recent paper by Harris (48) suggest that the law in the United States at least, is prepared to acknowledge a consumer right to boycott. Harris writes "Recognising that organised boycotts can bring about significant changes in governmental policies, business practices and product pricing, consumers today are placing even greater reliance on this

economic weapon. Despite the widespread incidence of consumer boycotts, however, only a few federal courts have decided whether consumers' concerted refusals to buy particular items or services violate the Sherman Act." Her lengthy paper examines the Sherman Act, the First Amendment and consumer boycotts, and case law. She concludes that, in the event of a court seeking to apply the Sherman Act, it would be unlikely to find a consumer boycott a violation. The reasons given are worthy of brief consideration.

Harris identifies four factors precluding the application of the Sherman Act to consumer boycotts. Firstly, as the historical background to the Act shows, Congress intended to reach only business combinations that restrain trade rather than to impede consumers' activities. Secondly, application of the Act would infringe consumers' rights under the First Amendment right of free speech: "Consumer boycotts are a form of expression, whether aimed at affecting the governmental process, changing the commercial practices of business entities, or lowering the prices of particular products." Thirdly, the Supreme Court has interpreted and applied the Sherman Act almost exclusively to commercial purpose activities. Consumer boycotts do not conform with the standard cases alleging anti-trust violations because their non-commercial purpose differs completely from the usual profit-maximising goals found to motivate violations of the Act. Finally, in the *Eastern Railroad Presidents Conference v. Noerr Motor Freight, Inc.* case, the Supreme Court specifically identified an exemption from the Sherman Act for at least some non-commercial purpose activities. However, Harris does comment that "The lack of a comprehensive Supreme Court opinion on consumer boycotts in an anti-trust context ... leaves this analysis in a less than conclusive state." For this reason, she explores how a consumer boycott might fare under traditional anti-trust analysis. She concludes that a court would be unlikely to find a violation for two reasons. Firstly, actual agreement among the boycotters to participate in the boycott dependent upon others' participation must be found, which would be difficult to establish in political and social boycotts where the boycotters' motives are personal and emotional. The participants' decision would likely also be viewed as independent in an economic boycott, even though self-interest of the participants is involved. Secondly, the inapplicability of the Sherman Act to non-commercial purpose boycotts and the relaxation of the per se approach with this legislation. Hence a court should conclude "The activity under attack is not an unreasonable restraint of trade."

The political, social and economic boycotts referred to above are three types of consumer boycott identified by Harris. Her categorisation defines political boycotts as those "ultimately aimed at the government to enact or change legislation or revise policies or practices." She includes the Boston Tea Party, the anti-Nazi boycott prior to World War II, the boycott of the racially segregated Montgomery bus line, and the boycott of states which had not ratified the proposed Equal Rights Amendment (see Appendix A for details on these examples and those that follow). Social boycotts are "aimed at changing commercial practices of business entities because of the social impact of these practices." She includes here, the boycott of grapes and lettuce over unionisation, the Nestle boycott over the

marketing of baby milk to the Third World, and the boycott of Coors beer by civil rights and labour organisations over discrimination in hiring practices. Economic boycotts are "aimed at reducing prices paid by consumers," including boycotts of meat, eggs, bakery items, and others.

However, her categorisation, although on the face of it sound, does not stand up to closer examination. The social and political categories are not distinct. Many consumer boycotts have social and political aims as she defines them. In the boycotts of firms involved in South Africa, for example, the intention is to change both commercial and government practices and policies. Even her so-called economic boycotts might be described as social or political. Yet a bigger criticism would be not having identified the distinction between primary and secondary boycotts. It is uncertain as to whether her conclusions are applicable to both. Moreover, the involvement of pressure groups in consumer boycotts may invalidate the argument that there is no concerted refusal to deal, it may be easier to establish an element of agreement in restraint of trade. However, this article is a useful contribution to the limited literature on boycotts. It is valuable simply in its identification of boycott actions.

Harper concludes the consumer right to boycott "is a right consistent with the best democratic promises of our society." His paper, also quite lengthy, is particularly worthy of consideration here; not only because it adds some clarity to the issue of boycott legality (in the United States at least) but also because his argument has a number of similarities to that advanced in earlier chapters in justification of ethical purchase behaviour and boycotts. He finds that consumer boycotts are appropriate to market society:

"One justification for such a right comes from micro-economic welfare theory: consumers' full sovereignty over their decisions will help create the particular mix of production and consumption that maximises welfare for a given distribution of wealth and income. One of this theory's fundamental assumptions is that consumers' reasons for preferring a product should be valued equally. Thus, the reason for a consumer's decision not to purchase, whether a distaste for the social or political practices of the producer or an inferior product, should be irrelevant."

He cites Pigou, Pareto, Bator and Marshall in approbation. This argument about boycotts as an expression of consumer sovereignty and therefore particularly apt in capitalist systems has been asserted throughout the previous chapters. This section will concentrate on his examination of boycott legality.

Prior to the Supreme Court's decision in NAACP vs. Claiborne Hardware Co. in 1981 "the Court had indicated that legislatures, for rational economic policy reasons, could make peaceful consumer boycotts illegal." However, in this case "the Court asserted a new consumer right to engage in concerted refusals to patronize even if such refusals are economically disruptive." Although this assertion, while necessary to the Court's decision "did not rest squarely on any First

Amendment or other precedent," Harper shows that "a consumer right to boycott is nonetheless appropriate for our society, a right in accord with our social and constitutional values," and that this right "should be cast as a broad political right to influence social decision making." (He also considers the implications for labour law doctrines.)

Harper examines the Claiborne case, showing that it denies states the right to prohibit certain boycotts and thus upheld the right of an individual to agree not to patronize a business. This finding resulted because the judge argued that the boycott deserved First Amendment protection because the boycotters, through economic disruption, were petitioning the government for redress of grievances. Harper suggests that the First Amendment would be unlikely to uphold a right to boycott as a right to engage in expressive conduct (as proposed by Harris), nor as a right of autonomy, nor as a right of association. In each case, his principal reason for rejecting such arguments for a right to boycott is the overriding factor of the state's interest, especially in preventing economic disruption. Yet establishing the right to boycott as a right to petition the government protects the right to boycott because of its economic effects not in spite of them. However, the Claiborne case and the Noerr case (referred to by Harris and above) are viewed as insufficient protection of the right to boycott, so Harper goes on to suggest the grounds for ensuring such a right and elaborates on and defines the right to boycott as a political act, in a far broader way than the Court had in mind in the Claiborne case. Limitations to the right are considered, such as the exclusion of producer boycotts. Finally, Harper considers the implications of a consumer right to boycott for labour law, ultimately arguing against the statutory restrictions on boycotts (discussed above) in most cases. He does however accept the case for prohibiting secondary boycotts involving neutral parties.

So given the Claiborne decision and Harper's analysis, there does appear to be an emerging consumer right to boycott. The justification for such a right - in viewing the boycott as political action - seems appropriate to Britain as well as the United States. It is probable that, given the higher incidence of boycotts in the United States, the right to boycott will become recognised in law there fairly shortly. That is less likely here. However, it is worth noting that many companies might well choose not to seek legal redress in any case. The publicity surrounding an attempt to obtain an injunction against boycott organisers and perhaps damages, would likely harm the company more than other options.

In this respect, the consumer boycott is comparable to the strike. Contrary to popular belief, there is no right to strike in Britain. A strike is 'lawful' if sufficient notice has been given by workers or their bargaining representative. Sufficient notice is determined by the individual's contract of employment. However, if the worker subsequently returns to work he does so as a new employee, without any of the benefits he has accumulated in the course of his prior period of employment. Alternatively, if insufficient notice has been given, then strike action is 'unlawful' and constitutes breach of contract. The employer may then terminate employment contracts or sue for dama-

ges. In either case, whether the strike is 'lawful' or 'unlawful', the employer may refuse to take back workers who have been on strike because their contracts may be considered terminated. Such action though is highly exceptional. It is not in the employer's interests to do this, just as drawing attention to a consumer boycott in the courts is likely not to be in the interests of the boycotted firm (49).

Finally, should the consumer's right to boycott be denied, there is always the remedy of the indirect rather than the direct boycott. This form (defined in 7.4.1) is exemplified by the use of the union label, where consumers choose goods produced by union labour in preference to non-union labour and are able to do so because they find the union label on those goods.

The next section returns the argument to the issue of the social control of business, by considering the use of the consumer boycott by the corporate accountability movement.

8.1.4 The Corporate Accountability Movement and Boycotts

In establishing the right to boycott, Harper acknowledges the social impact of business. He writes:

"... boycotts as protected political acts should not be limited to those aimed at governmental decision making. Even boycotts aimed solely at private decision making should share the status of other political acts such as electoral voting, contributing money and time to an election or referendum campaign, and litigating for social purposes. All of these political actions can be viewed broadly as means by which citizens can influence important social decision making" (50).

He goes on to note that "casting the right to engage in concerted refusals to patronize as a right to attempt to affect social decisions clearly accords with the ends the Supreme Court has advanced in securing First Amendment rights;" and that "many important decisions in our society are made through private economic decisions." This, of course, has been earlier argued in Chapter Four. It is also the argument of the corporate accountability movement. This movement seeks to make corporations more accountable for the social impacts of their decisions. Harper obviously views the consumer boycott as an appropriate tactic for their efforts. This section will consider the use of the boycott in this way (51).

Detail on specific boycotts cannot be included, though many are referred to in Appendix A. Instead, the emphasis is on the aims and achievements of the movement. This is entirely based on Vogel's work and particularly Lobbying the Corporation - "the first to document thoroughly the origins and development of the movement" (52) - a comprehensive account and probably still the best source.

The term "corporate accountability movement" is used by Vogel to describe a collection of pressure groups seeking to increase corporate accountability. Perhaps the most important feature of their efforts

is that they are trying to achieve their aims through private mechanisms, acting directly on the corporation rather than through government. Hence the sub-title to Vogel's book: Citizen Challenges to Business Authority. This, Vogel suggests, is a new form of political expression, a form which he has participated in - refusing to buy Saran Wrap and non-union grapes (see Appendix A) - and which he favours: "Debate over the social and moral implications of corporate decisions is too important to be confined to the governmental process; it needs to be conducted in as many forums as possible" (53). Yet despite this professed bias his work is balanced. He is prepared to acknowledge that the achievements of the movement are limited and that firms have to act within the constraint of long term profitability.

The private mechanisms employed by the movement are consumer boycotts and activist shareholder actions (where concerned groups and individuals buy shares in a business and use their votes at Annual General Meetings and other rights to press for changes), coupled with efforts to increase corporate disclosure. Lobbying the Corporation is in three parts. Firstly, Vogel considers the politizing of the corporation as expressed in the works of Latham, Berle and Means, Dahl and others (mentioned in earlier chapters), interpreting the corporate accountability movement as an attempt to realise in practice what they argue in theory: "that corporations wield the power of governments and should, therefore, be treated like governments" (54). Secondly, and this is the largest part, is his case study and historical analysis (55). Here he looks at civil rights and anti-war protests, the resurgence of shareholder participation in activist shareholder actions, efforts to increase corporate disclosure to inform shareholders and the public in general, and protest at corporate conduct abroad - in South Africa, the marketing of baby milk to the Third World, and compliance with the Arab boycott. Finally, Vogel concludes with an assessment of the movement's efforts and achievements.

Vogel traces the origins of the corporate accountability movement back to the civil rights protests of the mid-fifties: "Both of the two critical events that sparked the civil rights struggle involved the efforts of black citizens to pressure business - one public and one privately owned - to end their policy of providing separate facilities for black and white consumers" (56). The black boycott of Montgomery City Line lasted a year and cost the bus company more than \$7,000 a day in lost revenue. The outcome, apart from the near bankruptcy of the bus company, was an end to bus segregation in Montgomery and other southern cities. The protest also marked the national debut of the civil rights movement's most influential national leader, the Reverend Martin Luther King, Jr. (Public transport boycotts have featured strongly in South Africa, where they have also been well supported - see the Ciskei bus boycott in Appendix A.) When a nationwide boycott of Woolworths and Kress followed their refusal to desegregate lunch counters, this too resulted in a significant loss of turnover and contributed to desegregation. While a consumer boycott of A & P stores under Operation Breadbasket, protesting A & P's black employment record, led to an agreement met by the company on black employment. However, as Vogel notes, in these and other civil rights protests involving business, there was not the anti-business flavour and demands for corporate accountability that characterised the later

protests against the Vietnam War: "business policies were not alleged to be the cause of racial inequalities, only an example of them ... it was the practices rather than the principles of corporate conduct that were at issue" (57).

The anti-war protests involved a different and more critical perception of business, such that "corporations were as responsible for the direction of US foreign policy as was the US government - indeed, perhaps more so" (58). Recognising that while only the government could end the war, it required the cooperation of American business to continue it, anti-war protesters demanded that corporations publicly refuse to supply military material to the Defense Department while their nation was at war. Two particularly prominent targets were Dow Chemical, who manufactured napalm, and Honeywell, who manufactured anti-personnel weapons. Both particularly objectionable products and "whose use personified the immoral conduct and continuation of the war itself" (59). Boycotts and activist shareholder actions were employed against these companies and others. Companies involved in the war were forced to take a stand on the morality of their actions. The executives of Honeywell were even accused of war crimes, on the basis of the principles applied at Nuremberg. At the 1973 Honeywell AGM, Binger, Honeywell's Chairman, was asked "Would the company accept a contract to build gas ovens for extermination?" (60). A question he couldn't answer, but which illustrates the issue of corporate social responsibility in a dramatic and profound way.

Vogel then turns to the attempts by the Project on Corporate Responsibility to make General Motors more accountable for its actions: "If blacks could get the vote in the south, why shouldn't the constituencies of General Motors also be enfranchised?" (61). Here, then, and in other similar campaigns, the focus is on corporations as private governments. The civil rights and anti-war protests involved pressure groups trying to utilise - as suggested in Chapter Six - the position of business, to ultimately put pressure on government. These later actions, mostly between 1967 and 1977, were concerned solely with changing corporate practices and policies. The tactic employed in Campaign GM was activist shareholder action through public interest proxy resolutions. This drew attention to the questionable legitimacy of GM's actions, but the main impact was in reestablishing the role of the shareholder, reasserting "the prerogatives of ownership." In this campaign and all the other public interest proxy resolutions Vogel considers, the pressure groups were unsuccessful in getting their resolution adopted, they were insufficiently supported. They did, however, get some response from corporations in a number of cases and considerably increased awareness of the issues.

Seen together, these protests and the others documented by Vogel, constitute a movement for corporate accountability, an attempt to restore social control of business given the corporation's "substantial immunity from the constraints of both the market and the state" (62). In many of these protests the consumer boycott tactic was used. Consumers asserted their sovereignty and used the market to express their dissatisfaction with some perceived failing of a business - its black employment record, its investments in South Africa, its compliance with the Arab boycott, or whatever. Consumers in the

marketplace were demanding socially responsible behaviour from the businesses boycotted.

Yet it has to be conceded that the achievements of the corporate accountability movement were limited, even though their demands were modest: "it has not succeeded in becoming a popular political movement capable of mobilizing the populace against the abuse of corporate power" (63); if only because "corporate accountability per se is too abstract an issue to capture the public's imagination" (64). Its greatest achievement was in increasing public awareness of the issues and thereby indirectly influencing corporate behaviour.

Of importance here is the recognition given to the boycott tactic, especially as it was employed in the social control of business. Recalling the distinction between success and effectiveness made in the last chapter, it is found that Vogel's documentation of citizen protests against corporations includes a number of effective and successful boycotts. However, Vogel comments on the boycott:

"With the exception of the early civil rights protests, virtually the only consumer boycotts that have apparently received widespread public support - and thus measurably affected company profits - have taken place as a supplement to union organizing drives. The successes of the United Farm Workers in organizing farm workers in Florida and California were largely made possible by one of the most extensive, well-organized, and lengthiest consumer boycotts in American history. A similar and equally successful nationwide consumer boycott was instrumental in forcing Farah Manufacturing Company to recognise the Amalgamated Clothing Workers Union" (65).

Unfortunately he does not make the distinction between effectiveness and success. As Appendix A shows, and in contradiction of Losman's claim (in 7.5.3), a number of boycotts described by Vogel proved successful, in realising the objectives of the pressure group, without having mass support and being affective in terms of influencing corporate profits. Boycotts can be successful without being effective.

Greater effectiveness and possibly therefore, greater likelihood of success, is dependent upon pressure group support and capabilities, it would seem. Which is why, unlike Vogel and partly in response to his study, an examination of the role of pressure groups was considered essential here. Vogel's Lobbying the Corporation and the corporate accountability movement provide examples of the use of the boycott as a mechanism for the social control of business. More use of boycotts in this way and increased accountability thereby would seem to depend on whether pressure groups continue to grow in number and influence. Whatever, the corporate accountability movement achieved some measure of success with the consumer boycott, and their boycotts and those over civil rights and the Vietnam war are prime examples of ethical purchase behaviour; though this is not recognised by Vogel, not even to the degree expressed by Harper at the outset of this section.

Factors in boycott effectiveness are considered in detail in 8.1.6. Before this, however, the mechanism of the boycott is examined, drawing on Vogel and other sources.

8.1.5 The Mechanism of the Boycott

Although the literature on the use of the boycott is sparse, it is possible to make some observations on the effective use of this tactic. Wolman and Laidler's studies of the boycott as used by early American trade unions are particularly useful in this respect, despite their age. These observations will be built upon and confirmed or dismissed following the case study analysis in Part Three.

Wolman suggests there are "a few general, if obvious, principles in the theory and practice of the boycott" (66). However, in practice, adhering to these principles could be difficult. Union control was weak and inadequate because in contrast to his role as worker, the member of a union in his capacity as a consumer was difficult to reach. Consequently enforcing boycotts was by persuasive rather than coercive measures. Appealing for support rather than insisting on it was the order of the day. For promotional pressure groups this would be even more likely as they do not have anything approaching the discipline commanded by unions or the possibility of resorting to powerful sanctions. Hence while there are certain principles for the effective use of the boycott, they do have to be tempered by the realisation that support and submission to control may be largely voluntary.

As a consequence, Wolman suggests the decision to boycott was made by judging each case on its merits. The use of the boycott became in this sense ad hoc. Once the decision to boycott had been made, each boycott generally followed a similar pattern.

However, prior to any decision to boycott, would be the threat of boycott. This is important. The union would claim that any boycott would have extensive support from that union, associated unions and other 'friends of labor'. But, if only because such support could not be guaranteed (although, of course, the employer might also realise this), it was important to only threaten the boycott first. With the impending boycott, the union could obtain important concessions. As Wolman writes: "the effectiveness of the boycott consists in its potential rather than in its actual accomplishments. The threat is often more effective than the fact" (67). As the next section shows, a high frequency of boycotts reduces their effectiveness, providing further incentive for emphasising the threat of boycott.

The first stage in the boycott process is therefore efforts at peaceful adjustment. Should these then fail, the next stage is the inauguration and endorsement of the boycott by the union. The boycott can then be launched, announcing the boycott to the purchasing public. Obviously notice of the boycott must be effective:

"Inasmuch as the success or the failure of this device depends upon the extent to which it can earn the sympathy of consumers, the importance of an effective boycott notice cannot be overestimated" (68).

The union then attempts to enlist as much support as possible, building the boycott until its demands are met. Finally, on agreement

and the ending of the boycott, the union may, in the case of a heavily supported action, extensively publicise the termination of the boycott. Following the end of the boycott of the Bucks Stove and Range Company "so deep rooted had been the passions aroused by the struggle that several official statements by President Gompers notifying union members that the boycott had been raised and that the newly organised firm was deserving of their patronage had to be issued for publication throughout the country before the boycott of the products of the firm was brought to an actual close" (69). There is of course good reason for this, though not acknowledged by Wolman: the effect of the boycott on the jobs of the employees if the boycott is not ended. The long term impact of boycotts surely makes them less attractive than strike action because of this.

On the basis of Wolman's study, a five-stage process can be identified:

1. Attempts at peaceful adjustment.
2. Inauguration and endorsement of the boycott.
3. Effective notice of the boycott.
4. Enlist support.
5. Conclude boycott when agreement reached and publicise settlement.

Attempts at peaceful adjustment and the importance of employing the threat of boycotts has been discussed. The inauguration and endorsement of the boycott is particularly appropriate to union actions because of the importance of procedure. However, this would also apply to a promotional pressure group that is responsible to a larger group, or where the group was part of an umbrella organisation which might provide funding and support but would therefore require consultation. In any group attempting this sort of action, there is at least the requirement for planning the organisation of the boycott, which would be either at this stage or before the threat of boycott action had been made.

An important method for providing effective notice of boycotts at this time was the 'We Don't Patronise' and 'unfair' lists published in American labor journals. There were drawbacks to this method, however. The problem of control earlier referred to applied not only to individual workers but also to unions within federations. Lists were published monthly in the American Federationist, the journal of the American Federation of Labor (AFL), and in the journals of national unions. Yet the AFL list alone has contained more than 125 firms. This in itself is too long, before any consideration is given to other lists. Too many boycotts at any one time dilutes their effect and too many boycotts per se reduces their impact (as discussed in the next section). The undue frequency of boycotts made the procedures of the previous stage vital. These procedures attempted to minimise the number of boycotts at any one time and in total.

The centralisation of authority to boycott was also important to contain the incidence of boycotts so that it didn't unduly affect workers

not in dispute. It was found that while workers might be in dispute in one locality, their counterparts in the same firm elsewhere were satisfied, which made a nationwide boycott of the firm unreasonable from their point of view. It was also found that boycotts might be called by one union in dispute with a firm when its members constituted a minority of the employees, the rest of whom were not in dispute. Again, a boycott would seem unreasonable.

'Unfair' lists were a way of the union providing notice and retaining some control. But notice of the boycott was also given in other ways. Word of mouth communication, public addresses and discussion was important, also notices in union offices, letters, circulars, parades and processions. During the boycott on a restaurant in San Francisco, a man was engaged to walk up and down outside the restaurant bearing a sandwich board advertising the boycott (70).

The 1908 court decisions meant that boycotts had to be secret. It was found necessary to discontinue publication of 'unfair' lists. But Wolman notes that this did not mean the cessation of all public notices of boycott:

"... in February 1910, the journals of the Metal Polishers, which after the Bucks Stove Company injunctions had stopped printing the unfair list, substituted a list of firms under the following caption: "Where our members have been or are now on strike and no adjustments have been made." The list contained the names of eight firms, one of which was the Bucks Stove and Range Company" (71).

Companies would also produce booklets outlining their grievances. But Laidler has doubts about this approach:

"As a feeble substitute at the present time, the labor periodicals now often call attention to and recite the facts of union struggle, leaving it to organised labor to "do the right thing" (72).

Despite these doubts held by Laidler, boycotting continued, and "an official of the American Federation of Labor admitted in 1913 that the boycotting activity of American trade unions was just as great at that time as during the publication of unfair lists." Although "there is little doubt that the average trade union member, inspired on the one hand by a feeling of awe for the power of the federal government and on the other by the fear of personal pecuniary loss, is now much less inclined to sanction a boycotting policy in his union ..." Trade unions also lobbied for exemption from the Sherman Anti-Trust Act, another indicator of both their concern and the success of the American Anti-Boycott Association (73).

An alternative to the 'unfair' list which was safe from litigation, was the 'fair' list and, hence, the indirect or negative boycott. This not only overcame legal objections but dealt with the problem of counter-boycotts, where those opposed to labour organisation "threw their custom to offset whatever might be lost through the observance of the boycott" (74). It also meant avoiding the requirement to find

a substitute commodity and involved less hostility. The institution of the indirect boycott through the union label however was a more satisfactory method. 'Fair' lists could show only passive supporters, those with whom the union did not currently have a grievance; there were entire industries without organised labour for which no or few recommendations could be made; to avoid offense the list would have to be as exhaustive as possible and therefore inevitably long and unwieldy; finally, there were problems in defining a fair firm (75).

Once notice of the boycott had been given, attempts were made to enlist the support of the customers of the firm. This involved district organisers of the AFL, special agents of national unions, boycott committees of the central labour bodies and the boycott committees of the local unions. The special agents would visit customers of the boycotted concern - perhaps retail outlets - and persuade them to put pressure on the firm to yield to the union demands, or to stop buying from the firm. However, they only stayed in a town for a short while, as their task was to organise the boycott over a wide area, while others dealt with details, notably the boycott committees. District organisers furthered boycotts in conjunction with their main and principal duties as union organisers.

The methods used to announce the boycott would continue to be used throughout the dispute. Trade unionists would be asked to give funds in aid of the boycott, to send their delegates to dealers in the boycotted articles and to write letters of protest to the 'unfair' establishments. The effectiveness of the boycott depended on the union's ability to force observance. So fines, in addition to publicity, would also be employed; although, of course, non-observance was difficult to effectively detect and sanction, in comparison with strike-breaking.

Approaches to customers were sophisticated, with the use of market segmentation:

"The officers of American trade unions by no means ignore the futility of making an appeal to the general consumer in all cases of boycotts or commodities and permitting their activities to end there. On the contrary, they are fully alive to the fact that for many commodities there are special groups of consumers whose cooperation and active support are essential to the success of a boycott. It is not uncommon, therefore, to find that many unions, instead of waging a general boycott, attempt first to enlist the support of such groups of consumers" (76).

Particularly important would be those supplied by the boycotted firm, that depended on public support in their trade, and feared a secondary boycott, especially if the boycotted firm was not dealing in finished products for the consumer market. This approach was highly successful for the print unions, for "No retailer is willing ... to pay a high price for advertisements whose only result is to drive hundreds of customers from his store" (77).

The above description of the mechanism of the boycott refers to actions conducted over seventy years ago. And yet, as the case stu-

dies reveal, many of the points made apply to actions today and can be considered perhaps as principles of boycott action. The five-stage process described above can also be found, as well as the methods used to give effective notice of the boycott and enlist support. Indeed, Remer even reports the use of the same methods in early twentieth century Chinese boycotts: posters, picketing and public demonstrations (see 7.5.2).

More recent sources make similar observations to those above on the mechanism of the boycott. Though, as remarked in 8.1.2, few other sources offer any analysis. Yet the more frequently occurring descriptions of boycotts conform in methods and process, so it seems that Wolman is correct in claiming there are general principles for boycotts. Principles that may be considered factors in boycott effectiveness are considered in the next section. The contributions from the more recent literature on the mechanism of the boycott - such that there are that actually add to Wolman and Laidler's analysis - are considered as follows.

Harper's description of the background to the Claiborne case shows that boycotts in the late 1970's differ little from those organised by labour unions nearly a hundred years previous. Technology may mean they can be more effectively promoted: in the UFW organised boycott of Lucky Supermarkets over sales of non-union lettuce, computers were employed (78). However, for the most part, they are identical. So in the Claiborne case "leaders urged others to join the boycott through public advocacy and personal solicitations, and they used written and oral statements to publicize the names of non-participants," and "Protesters peacefully picketed targeted businesses" (79). The actions described by Vogel and those listed in Appendix A also conformed to this approach (insofar as the sources provided sufficient description for this to be checked). Sharp provides only limited description of boycott incidents with no analysis.

Harris, surprisingly, offers some analysis of the mechanism of the boycott in considering boycott legality (80). She suggests consumer boycotts are composed of five distinct elements:

1. Consumers discussing their dissatisfaction with the boycott target in private.
2. Consumers reaching an agreement to withhold their patronage from the target.
3. Consumers actually withholding their patronage.
4. Consumers publicising their dissatisfaction with the target.
5. Consumers publicising the boycott itself and persuading others to join it.

Her purpose is, by considering each element, to consider boycotts as a form of expression and therefore protected by the First Amendment. This argument in defence of boycotts has, as earlier noted, been rejected by Harper. He argues that the right to freedom of expression

would be insufficient where other forms of expression that are less economically disruptive could be employed. But Harris' list does provide further confirmation of the current relevance of Laidler and Wolman's analysis.

Laidler and Wolman's analysis also features prominently in the next section, Factors in Boycott Effectiveness, where the principles of boycott action considered are more directly relevant to boycott effectiveness.

8.1.6 Factors in Boycott Effectiveness and Success

Laidler explicitly identifies factors in the effectiveness of boycotts as employed by the United States labour unions at the turn of the century (81). Again, despite its age, his analysis seems valid today. Sixteen "elements of success in boycotts" are identified:

1. Character of the market for the article.

It is important that those likely to support the boycott are in the market for the boycotted article. In this case, whether the market consisted primarily of unionists and sympathizers or of the employing class. "Bread, newspapers, hats, cigars, beer, stoves, shoes and other necessities and inexpensive luxuries have been very frequently and effectively boycotted ... of the 196 boycotts described in Bradstreet's ... 80% center around necessities." Laidler notes that boycotts of bread and cigars were particularly successful, whereas attempts to boycott commodities sold primarily to the upper middle and employing classes were generally unsuccessful. Moreover, they might even be detrimental: "Dealers in such articles certify that they have oftentimes been benefited by the boycott, as their well-to-do patrons have come to their rescue and frequently increased their orders on account of union opposition."

2. Whether the articles boycotted are purchased by men or by women.

Laidler writes: "It is unusual for the women of the family to feel the keenness of the trade union struggle, and to recognise the utility of inconveniencing themselves in order that other workers might be assisted thereby." Although he did acknowledge increasing interest.

3. Strong organisation among the employees of purchasers if the boycotted article is not sold directly to the mass of working people.

Articles sold to employers such as production materials or unfinished goods could not be subject to a consumer boycott by working people. Employing Wolman's distinction between commodities boycotts and materials boycotts, referred to earlier, these articles would demand the latter type of action. Hence "the threat of the solidly organised brewery workers to strike, should their employers continue to purchase non-union barrels and boilers, has time and again forced the unionising of a shop."

4. Frequency and regularity of consumption of boycotted article.

Laidler quotes the Bureau of Statistics of Labor in New York: "If it is an article which enters into daily consumption, and is of such a character that it can be made the subject of ordinary conversation, it will soon force the employer to spend money in advertising it, in order to counteract the silent influence of the boycott."

5. Character of the population in the locality of the firm.

Where boycotts were of a local nature and the boycotted firm was in the surrounding neighbourhood, the boycott had a greater chance of success if the neighbourhood was working class.

6. Strength and capital of the boycotted firm and the nationwide character of its sales.

Firms with nationwide distribution would require an extensive and costly campaign. Those with plenty of capital could more easily withstand the loss of sales entailed by boycotts.

7. Extent to which the boycotted firm is a monopoly.

Purchasers are loath to support a boycott when there is no duplicate of the goods manufactured by the boycotted firm, especially if the item is a necessity.

8. Degree to which the efforts of the entire labour body are concentrated on one or more important firms.

Unions recognised that this was "one of the greatest elements in the success of a boycott," and adopted a policy of concentration.

9. Amount of favourable publicity.

Although advertised in union journals, the public at large rarely heard of the existence of a boycott through the daily press unless something striking or unusual happened, as in the legal proceedings against the AFL in the Bucks Stove case.

10. Character of the distinguishing mark on the goods.

Without the union label, the task of identifying 'unfair' goods was particularly difficult, and is cited as one reason for the failure of the miners to boycott coal.

11. Character of the competition.

Purchasers would be unlikely to boycott goods where the alternative goods were undesirable, such as prison made goods.

12. Directness of the boycotting attacks.

The more remote the boycott from the grievance, the weaker it is likely to be: "At times citizens have been boycotted for

purchasing goods from stores whose owners rode in trolley cars during a car strike. However, such boycotts soon subside."

13. Causes leading to the boycott.

Society at large will not support causes with which it has no sympathy. "Boycotts based upon the employment of non-union men rarely succeed, because society is not prepared to assist either in driving men into unions or out of employment," wrote the Commissioner of Labor in Illinois. However, all eight boycotts in that state against prison made goods were successful and 99% of those against the reduction of wages. Appeals to organized labour were simply made on the basis that the boycotted firm had been 'unfair' to labour, the causes of the boycotts were less important. For this reason, the AFL placed greater emphasis on appealing to its members than the general public, unlike its forerunner the Knights of Labor.

14. Vigor with which the boycott is pushed at the outset.

The longer a boycott lasts the greater the likelihood of failure, as supporters lose enthusiasm for the boycott and the firm becomes more able to cope. Laidler suggests that vigor at the outset and the effectiveness of the methods employed during the first few weeks of the boycott "determine, to a very large extent, its ultimate outcome ... a large proportion of those local boycotts which succeeded came to a termination within a few weeks."

15. The attitude of the law.

Unionists were unlikely to be enthusiastic about supporting illegal boycotts if they might have to face civil or criminal proceedings.

16. Thorough deliberation and discrimination by the organisation in using the boycott.

Laidler argues that care in the use of the boycott would make it more powerful when resorted to.

Wolman does not explicitly identify factors in boycott effectiveness; not, at least, in such a deliberate fashion as Laidler. However, many factors can be culled from his analysis. Not surprisingly, they are similar to those identified by Laidler.

Wolman observes that the boycott "exhibits its greatest effectiveness under two conditions: first, when a large proportion of the product of the firm is consumed by communities of laborers, and secondly, where there are special groups of consumers who feel that labor can in turn bring to bear upon them effective pressure of a political or economic nature" (82). The first condition is the same as Laidler's character of the market for the article. Elsewhere, Wolman writes "Boycotts on commodities are, in general, effective only when imposed upon such goods as are consumed in large quantities by the working classes" (83).

The second condition is specific to the secondary boycott. Laidler's apparent uncertainty as to the distinction between primary and secondary boycotts, as earlier noted, results in a poor assessment of the differing factors in effectiveness in each case. Wolman, by more effectively distinguishing between primary and secondary (or compound) boycotts, has a number of important points to make about boycott effectiveness that apply only to secondary boycotts (see 8.1.3 for definitions). These points will become apparent as the various factors in effectiveness are considered. As far as the nature of the boycotted commodity is concerned, Wolman's second condition recognizes the importance of the secondary boycott where the firm with whom the union is in dispute does not deal in a commodity that can be effectively boycotted by labor because it is not a consumer product. So where a firm deals in materials, unfinished goods or industrial products, and therefore the customers are other employers, or where the firm deals in consumer goods supplied to the employing classes, the primary boycott would be ineffective, if not impossible. Consequently, efforts might be usefully made to institute a boycott of the goods of the customers of the firm with which the union is in dispute. Wolman writes:

"A boycott on commodities falls primarily upon the products of firms with whom some section of organized labor has had difficulties. In this form the boycott is simple. It does not, however, long retain its original simplicity, but soon acquires extensive ramifications. Persons who were not even remotely connected with the dispute at its inception are dragged in and become themselves subject to boycott" (84).

As this quote also indicates, secondary boycotts may simply develop as a supplement to the primary boycott and not just because of the difficulty or ineffectiveness of the primary boycott. As Wolman continues:

"This extension of a boycott upon an article of consumption usually emerges in the form of a boycott on the business that sells, among other things, the boycotted commodity. When a union, for example, boycotts hats, it does not content itself with refusing to buy of a haberdasher the commodity in question, but everything he sells becomes subject to boycott until he agrees to eliminate from his business the unfair product" (85).

In illustration of this, Wolman refers to the 1901 action by the Journeymen Bakers' and Confectioners' International Union which imposed a general boycott on all stores, restaurants and hotels that sold any of the products of the National Biscuit Company, which had itself been previously boycotted. In this way, the effectiveness of the boycott is considerably enhanced:

"Where the commodity boycotted is a foodstuff or an article of clothing that is usually sold in conjunction with other articles, as is particularly the case with many commodities sold in the general merchandise stores of small towns, the boycott on a business is a far more effective weapon" (86).

Wolman suggests two reasons for this. Firstly, that it is easier to teach the consumer to boycott a person than to boycott a commodity. Secondly, boycott of the business is more serious for the retailer than the boycotting of a single item. In the latter case, he may continue to stock the boycotted commodity in anticipation of the end of the boycott without his active participation, whereas the boycott of his entire business would probably cause him to reject the 'unfair' item.

The boycott might be extended in a variety of ways if the firm with which the union is in dispute is not itself a suitable target for boycott. Wolman writes:

"Occasionally the members of firms whose products are not susceptible to the boycott are at the same time interested in other industries whose products are easily boycotted ... a steel company of Pittsburgh refused to endorse the scale of the Amalgamated Association of Iron and Steel Workers. Inasmuch as the product of the company was such as not to enter into the budget of a laborer, it could not be effectively boycotted. A member of the firm of the steel company was, however, at the same time the joint owner of a large coffee plant. A boycott was therefore ordered on the product of this associated firm" (89).

Wolman's second condition for boycott effectiveness refers not only to economic pressure (via consumer boycotts) on groups of consumers of the firm with which the union is in dispute, but also political pressure. This presumably refers to the potential for strike action, or materials boycotts, therefore included in Laidler's third element, strong organisation among the employees of purchasers if the boycotted article is not sold directly to the mass of working people.

Another example of a boycott extended to a business associated with the one with which the union was in dispute, was that against the Jamestown Street Railway Company of Jamestown, New York. Here there could be no effective boycott because no competitive route existed which passengers could have used in preference to the boycotted route. However, patronage could be far more easily diverted from the amusement park which was also owned by the owners of the railway company. This also illustrates the need for a substitute commodity that can be bought by those boycotting an 'unfair' item. Laidler notes this above in reference to monopolies, and elsewhere (88), but Wolman's analysis is again superior. He writes that efforts were made to provide auxiliaries to the boycott under the Knights of Labor, and an adequate substitute for it under the AFL. This is because:

"... the boycott is in itself, in the last analysis, an incomplete weapon; to be completely effective it must be equipped with a complementary mechanism. Dissatisfaction with one firm implies satisfaction with another. Similarly, the boycott and the withdrawal of patronage from an unfair firm implies the throwing of that patronage to a fair firm. Furthermore, when a boycott is placed upon one commodity or business, it is necessary for those managing the boycott to have at hand a competitor where or a substitute which they can recommend to their friends and sympathizers" (89).

He later confirms this noting "Trade unions have generally recognised the fact that boycotts cannot be imposed upon commodities for which there is no adequate substitute" (90). However, there is an inherent danger in workers recommending a competitor's product as a substitute for the product they produce, that the firm may not regain the business lost during the boycott and their jobs will be at risk as a consequence. This was possibly not widely acknowledged or as important in Wolman's day, if only because the class war was preponderant and the divide between the classes so great that workers had a far greater sense of identification with their class than with their firm or even their industry. Yet Wolman does record the experiences of the stone cutters, who found to their cost that their materials boycott on stone cut by planers, in refusing to set such stone, led to the substitution for stone of other building materials such as concrete and terra cotta.

Substitute commodities would also be less desirable than the 'obnoxious' or 'unfair' item, as Wolman indicates above and as in Laidler's eleventh element. Substitutes might not be identifiable because the boycotted product is patented with no suitable alternative available. And as Wolman notes, there may be a difficulty in identifying substitute commodities when a monopoly is specifically created to defeat the boycott, in the formation of employers' associations (91).

Support for the boycott is of course of principal importance if the boycott is to be successful. This underlies all of Laidler's elements. However, this factor in boycott effectiveness can be more precisely described as solidarity, in the use of the boycott by trade unions at least. Laidler's eighth element touches upon this, but it is Wolman that comes closest to identifying this notion. He quotes Kirk:

"A trade union in any locality may cease purchasing an article without appreciably reducing its sale, since the proportion of consumers belonging to any single union is necessarily small; but an assembly of the Knights of Labor supported by a large part of the consumers in the vicinity wielded an influence proportional to the purchasing power of all members interested" (92).

Yet solidarity involves more than this. Wolman refers to the importance of the boycott being highly localised, concentrated within a community:

"... in order to act as an effective boycotting agency, union labor must be not only numerous, but also highly localised. The presence in a city of many union members, scattered as individuals in different sections of the community and surrounded by people who have neither sympathy with nor understanding of labor's grievances, prevents that close personal contact and that easy exchange and discussion of information - not to speak of the impossibility under such conditions of scrutinising the purchases of one's neighbor - which is essential to the success of a boycott" (93).

This is more than simply ensuring effective communication of the boycott and attempting to sanction behaviour that breaches it. There is recognition of the boycott as a collective action and the importance of a supportive culture: "Where the laboring community is a closely knit, intimate assembly, the boycott is waged by collective efforts impelled by a collective conscience ..." (94).

An important factor in support for boycotts is the low cost to the participant, relative to other forms of action such as strikes (95). Extensive support may also be less important in some secondary boycotts. As earlier noted, unionists were aware that some of a firm's customers were more important than others, and segmented the market accordingly (96). A strategy which also offered great cost effectiveness in the administration of the boycott.

Laidler refers to the directness of boycotts (element twelve), and how boycotts remote from the grievance are likely to be less successful. This factor in effectiveness is also considered by Wolman, particularly as it relates to his definition of secondary or compound boycotts and the issue of boycott legality. The extension of a boycott upon an article to any retailer selling that article say, has already been discussed in this section. What was not noted, however, was that the more boycotts are a result of this sort of extension, the less effective and less reasonable they seem to become. Boycotting a retailer who attempts to sell an 'unfair' item is justified on the basis that his business is, in effect, an agency of the boycotted firm and therefore automatically included in the original action. Yet how far can boycotts be effectively and reasonably extended? Wolman reports that the stone cutters of Bedford, Indiana, for example, boycotted the hotel at which scab stone cutters stayed and then threatened to boycott a theatrical performance because the actors stayed at the same hotel. He suggests:

"In their extension of boycotts to groups foreign to the original dispute, the theory of trade unions seems to be: first, that any one coming in contact in one capacity or another with a boycotted article countenances its sale and exposes himself to a boycott and, secondly, that under conditions where the boycott cannot be effective upon one object it is desirable to shift the ban to a closely or distantly related object" (97).

Yet the injury is still to what is arguably an innocent third party. In such remote cases, Wolman finds the boycott indefensible:

"Since the boycott of the retailer is indispensable to the waging of the original boycott, this simple form of the secondary boycott need not be distinguished in principle from the primary boycott. Where, however, the union imposes a secondary or tertiary boycott which is not essential to the original boycott ... the extension of the boycott is indefensible in theory and practice" (98).

This expresses both his view on boycott legality but also on effectiveness, for he quotes: "John Mitchell believes that "the further the boycott is removed from the original offender the less effective it

becomes," because such a boycott is less likely to receive public sympathy" (99).

There are two final factors for consideration, both of which are included in Laidler's last element, thorough deliberation and discrimination by the organisation in using the boycott. Firstly, there is the requirement for good organisation and control, the importance of which speaks for itself (100). Secondly, there is the relationship between boycott effectiveness and the frequency of its use. Wolman's historical study of the use of boycotts identifies three phases, where changes in the control and frequency of boycotts notably effected success (101). He records that this factor was recognised by the AFL and attempts were made to increase control. Yet this was not easily done:

"Labor organisations have early learned the wisdom of training the combined forces of their organisation upon a few firms instead of scattering their energies in the prosecution of numbers of boycotts. Because this knowledge has, however, not penetrated to the rank and file of the labor movement, it is constantly found necessary to enact rules designed to limit the number of boycotts" (102).

Essentially, boycott effectiveness is diminished because excessive frequency dilutes efforts and lowers impact. The point is emphasised by Laidler on a number of occasions, and he sees this point as "a vital truth" (103).

Remer's study of Chinese boycotts also identifies factors in boycott effectiveness. In keeping with Laidler and Wolman, he notes "boycotting is more powerful against identifiable goods than against such goods as easily lose their identity ... against consumers' goods than against goods that enter into industrial processes ... (and) ... against goods for which substitutes are produced within China than against other goods" (104). Remer also recognises the greater likelihood of failure the longer a boycott lasts (see Laidler's fourteenth factor in effectiveness) "a boycott brings results at once if it is to bring them at all" (105).

On the problem of identifying goods, Remer notes that ways round the boycott included remarking and repackaging goods in nearby territories (allegedly done to Argentinian corned beef in Brazil during the Falklands crisis) and smuggling. Yet Remer is keen to point out (as earlier noted) that economic effect is not the sole intention nor the only consequence of boycott action. Boycotts can have a psychological impact on the boycotted party and can produce valuable publicity. So economic effectiveness may not be necessary for boycotts to be successful, as also observed in 8.1.4.

The recent sources are slightly more forthcoming on factors in boycott effectiveness than on the mechanism of the boycott. As earlier noted, Luthans et al make the basic point that "the key to a boycott is to have enough consumer support to reduce demand" (106). Though this is too simple a perspective. Effectiveness is likely to improve the potential for success, but some boycotts may never be successful however effective. While in some cases effectiveness has not been necessary for success. Rea is a little more sophisticated:

"... in practice, the boycott will be effective only for certain kinds of goods. The consumers' cartel is held together by social pressure. The impact of the social pressure depends on four characteristics of the good: the visibility of its purchase, the visibility of its consumption, its durability, and its perishability" (107).

The importance of social pressure is of course recognised by Laidler and Wolman, with Laidler noting in particular the success of boycotts of food. Rea suggests food items lend themselves to boycott action because of their perishability and because they are purchased publicly, but have the drawback of not being consumed as publicly as clothing and durable goods. But with durable goods, such as cars, while the publicly consumed (conspicuous consumption) feature is strong "the fact that a consumer buys a car every 2.1 years instead of every 2 years is not readily observable." So nondurable goods and services, consumed frequently, are more likely candidates. The perishability feature is important not only for frequency of purchase but also because goods purchased publicly but consumed privately - such as toothpaste - might be hoarded in anticipation of a boycott. Mail order presents a problem because it is non-public purchasing and not amenable to picketing.

Rea claims "One can predict that the participation in a boycott will be greatest for goods which are purchased and consumed publicly, nondurable and perishable." He suggests the services of restaurants, theatres and other forms of entertainment are an appropriate target because they are purchased and consumed publicly and are totally perishable. Such a boycott would not only be easier to enforce, but also likely to have a more substantial effect on the target as the nature of service products prevents them from being stored for future use. Yet it must be acknowledged that "The number of goods that lend themselves to an enforceable boycott is limited because those goods which are most conspicuously consumed tend to be durable."

The New Republic article (108) is sceptical about whether consumer boycotts have a serious economic effect but "They are nevertheless a nuisance." It refers to Hunt Foods having to send out "hundreds" of letters disassociating it from H L Hunt, with one executive estimating the company loses \$1m. in sales a year due to the erroneous association of names. But this also illustrates the problem of computing effectiveness - it is unlikely to be disclosed in the annual report -and the difficulty of focusing on specific targets (as well as the injustice that entirely neutral third parties may accidentally suffer). Focusing on specific targets is particularly difficult when there are many consumer boycotts. So, after giving quite a lengthy list of contemporary boycotts, the author concludes:

"It is hard to know whom to boycott, for how long, or to compute the effect. There's nothing available like the Dow Jones morning comment or the racing form. And because there are so many disparate blacklists compiled for so many different reasons one needs an investment letter or some other expert guidance -perhaps a Trip-tic like the AAA puts out for drivers, showing the detours."

In other words, it seems that at the time this article was written, there was the same problem faced by the early labour sympathisers: far too many boycotts. If only for this reason, a pressure group need view the tactic as a last resort.

Computing effectiveness is important because of its part in motivating and maintaining the boycotters. This is noted by Laidler. Perceived consumer effectiveness is also recognised as important in one of the few sources that recognises some form of ethical purchase behaviour. Kinnear et al used, in predicting whether their respondents were ecologically concerned consumers, perceived consumer effectiveness: "a measure of the extent to which a respondent believes that an individual consumer can be effective in pollution abatement" (109). They suggest "The direct relationship between perceived consumer effectiveness and ecological concern indicates that the consumer's lack of belief that he can be effective in the abatement of pollution is indeed an effective deterrent to his becoming personally concerned about ecological issues in consumption." This comment would seem to be applicable to all forms of ethical purchase behaviour, including consumer boycotts.

The importance of picketing should not be understated. One of the rights Harper views as essential if the consumer's right to boycott is to be upheld, is the right to engage in associated peaceful picketing. Picketing on private property would not be defended by the First Amendment, but full protection should be afforded for picketing on public property "because public streets and ways traditionally have been considered among the most important of our public forums" (110). Harper recognises the significance of picketing for boycott effectiveness: "In the first place, boycott organisers have no alternative means of communication, such as newspaper or radio advertising, that are as cost effective as peaceful picketing in front of a business." The use of consumer segmentation and recognising that consumers are more likely to be interested immediately prior to purchase means "the best time to communicate with potential consumers is when a possible purchase is imminent." While other sites and methods are far inferior: "Although boycott organisers could communicate through leaflets without actually patrolling a business site, off-site hand-billing is more easily ignored and picketing may have a symbolic persuasiveness for some consumers that handbilling lacks." There is also, of course, the coercive element to picketing. This, suggests Harper, is insufficient for denying peaceful picketing, even though it may have an emotional and psychological element and may even amount to social ostracism.

Krieger, in analysing the causes of the failure of the Another Mother for Peace (AMP) consumer campaign suggests using only letter-writing was insufficient (111). The letter-writing should have been a supplement to an actual boycott supported by organised picketing and widespread distribution of literature. The grape boycott is the model of the type of action he envisages (see case study). Further, he suggests the AMP should have focused on one firm, rather than the eight corporations targetted, the firm which appeared to be most vulnerable to a consumer boycott. He suggests "If AMP could get just one half of its membership to seriously boycott one firm, this could

be a great enough cost to the firm to bring about a change of policy ... If the campaign were to prove successful against one large corporation, its threat potential would increase substantially, perhaps to the point of achieving policy change in other firms by negotiation rather than boycott" (Krieger's emphasis). His analysis confirms the earlier points about maximising impact by concentration of efforts and the role of picketing. It also emphasises the use of the threat of boycott action. A new factor is introduced by relating the concentration of efforts and the threatening of boycott action to recognise that success in previous boycotts is likely to make threats more effective.

The converse also applies. If boycotts are not supported and are ineffective and unsuccessful then subsequent threats of boycott action are unlikely to be effective. Not only is the reputation of the boycott tactic tarnished, but also that of the organisation promoting the boycott. So George Smith, after having shown how some European consumers' organisations achieved rapid and good results with the boycott, warns "Boycotts are a high-risk strategy. When successful they can have quick and dramatic results. Failure can be costly in terms both of the expense of lost law suits, which could disable financially vulnerable independent testing bodies, and loss of prestige." In the case of these particular organisations Smith wonders whether boycotts in the long term are more effective than quieter committee work. He notes that the Consumers Association and the majority of private testing bodies, as well as the EEC consumers' organisation, BEUC, have preferred the latter route. Yet he sees a place for boycotts: "Boycotts, which dramatise what are often technical matters, can therefore, if judiciously used, be seen as a useful support and complement to the day-to-day lobbying activities of BEUC." For many promotional pressure groups, which are, as Chapter Six noted, often outsider groups, committee work is not an alternative. Boycotts would therefore seem to be highly appropriate, on the basis of Smith's analysis (112). Sharp and Vogel have nothing to add on boycott effectiveness.

So, to conclude, it can be seen that there is support, long-established, for a number of factors in boycott effectiveness. Of particular importance are various characteristics of the product boycotted, the organisation and promotion of the boycott (including picketing), the frequency of boycott action, and the directness of the boycott - how remote it is from the grievance. Support in various ways is vital for effectiveness but not in itself sufficient and, on occasion, extensive support may not even be necessary for success.

This section concludes part 8.1 and the specific analysis of the boycott tactic. 8.2 considers why the individual consumer should contemplate ethical purchase behaviour, how such behaviour may be incorporated within the marketing system and possible management responses. Boycotts are considered within this part as but one form of ethical purchase behaviour which might be explained at the micro level, for the reasons given.

8.2 Pressure Groups in the Marketing System : A Model

8.2.1 Negative Product Augmentation

What is a product? Twenty years ago Fisk answered this question by defining a product as a cluster or "bundle of psychological satisfactions" (113). However, this is an observation long recognised in marketing thought. Bartels refers to the study of buying motives by psychologists at the turn of the century, the very beginning of what he considers to be marketing thought (114). A product then is more than the physical and most immediately tangible attributes of an offering, it is also the intangible attributes. For the consumer, the product is "a bundle of perceived benefits" (115). As Foxall puts it "a product is not simply a physical entity but a bundle of attributes which promise certain satisfactions, physical, social, psychological, economic, to the buyer ...". He suggests that although only one element within the marketing mix "it is of immense importance in that it encapsulates the great majority of the benefits expected by the customer" (116).

Foxall goes on to explain how the various attributes of a product can be conceived as dimensions in multidimensional space. If some of these attributes are absent - the salient attributes - then consumer perceptions of the product will alter. For example, elsewhere Foxall refers to an experiment on blindfolded beer drinkers which found that they were not capable of distinguishing brands of beer. Not surprisingly, given the conception of the product as a package or bundle of attributes, it was found that "labels and their associations did influence their evaluations" (117). So, as these, and many other sources show, the product is conceived within marketing as being a package of benefits or values; that are intangible as well as tangible, social-psychological and physical, or expressive and instrumental; and which the consumer expects to receive on purchase.

Levitt goes so far as to say "People don't buy products; they buy the expectation of benefits." His augmented product concept is the explicit recognition of the conception of the product described above. It is frequently cited and his articles describing it are widely republished (118). He writes:

"Whether the product is cold-rolled steel or hot cross buns, whether accountancy or delicacies, competitive effectiveness increasingly demands that the successful seller offer his prospect and his customer more than the generic product itself. He must surround his generic product with a cluster of value satisfactions that differentiates his total offering from his competitors'. He must provide a total proposition, the content of which exceeds what comes out at the end of the assembly line."

Hence his reference to the quote by Revson in the Preview to this chapter and his claim that despite factory sales of cosmetics in 1968 of \$3bn. "in 1968 not a single American woman bought a single penny's worth of cosmetics." Those cosmetics were, via product augmentation, transformed into something else: " "Hope" is the extra plus - the special promise of customer-satisfying benefits - that gives cosmetics

their special appeal. It is not with the generic product that Revlon addresses itself to the consumer, but with the special promise of differentiating glamour ... What is important is not so much what Revlon puts inside the compact as the ideas put inside the customer's head by luxurious packaging and imaginative advertising." Levitt goes on to explain how such an approach also applies to industrial products such as pressure valves or polypropylene, whereby product differentiation through augmentation can be equally important, even if glamour is not the added ingredient (119). As Levitt puts it "By augmenting his generic product with unsolicited extras that produce extra customer benefits, the seller produces for himself extra customers."

Levitt recognises that the marketing concept views the customer's purchasing activities as being problem-solving activities. His argument for product augmentation seeks to differentiate generic products by the provision of benefits or attributes that offer solutions to consumers' problems beyond those offered by the generic product alone. In this way, the producer acquires a 'competitive plus' - in other words, competitive advantage - in highly competitive markets. Yet although having written about this concept on a number of occasions and over a period of fifteen years, Levitt does not seem to have recognised that a producer can acquire a 'competitive minus', a competitive disadvantage, through the provision of attributes not sought by some customers.

The concern here is not with the planned provision of unsolicited extras that do not provide customer benefits but add to the cost, or detract from some other feature of the product. (Though this is a valid criticism, which, to be fair to Levitt, is acknowledged in The Marketing Imagination where he writes "Some customers may prefer lower prices to more augmentations. Some cannot use certain offered augmentations" (120).) The concern here is with the unintended provision of product attributes, or, at least, where product attributes result that are not the consequence of a deliberate attempt at product augmentation.

Consider, for example, the boycott of Saran Wrap, manufactured by Dow Chemical, over Dow's involvement in the Vietnam war in the supplying of napalm to the US military. The boycott of this product (a cling film for wrapping food) was promoted by the organisers distributing leaflets which informed shoppers: "If you buy Dow products, you help kill. Do not buy Dow products - buy substitutes as long as Dow makes napalm" (121, Vogel's emphasis). Saran Wrap was augmented in a way entirely unintended by Dow, it became, for some people at least, associated with charred infants (122). While the provision of this product attribute was not entirely unintended, in the sense that Dow made the decision to supply napalm despite possible ramifications for their other product lines (if they were aware of the possibility of ethical purchase behaviour), it was not a deliberate attempt to augment the product. Product augmentation, however, was the result.

Management may have less discretion or control over whether this form of product augmentation occurs. Manufacturers of goods in South Africa, that are South African companies, can do nothing about the origin of their goods short of entirely locating elsewhere. However,

importers and retailers have more discretion in that they can choose not to deal in South African goods because of the way they are, for some consumers, augmented with the imagery of brutal oppression and racial discrimination against the majority population in South Africa.

The product is a package, as Levitt puts it above: "a total proposition, the content of which exceeds what comes out at the end of the assembly line." Extending this concept further, it is possible to argue that the product is augmented in various ways whether the seller wants it or not. The augmented product may be augmented to the disadvantage of the seller. Levitt writes about how products may be deliberately and positively augmented. It is proposed here that products may be unintentionally and negatively augmented. This is negative product augmentation.

Negative product augmentation gives rise to a legitimacy element in the marketing mix. This is the subject of the next section.

8.2.2 The Legitimacy Element in the Marketing Mix

This author has elsewhere written about the legitimacy concept as an element in the marketing mix (123). Essentially, this paper expresses two ideas concerning the marketing mix. Firstly, the notion of legitimacy as a fifth element in the marketing mix in addition to the four P's. It is argued that, in certain circumstances, purchase behaviour may be influenced by the relative legitimacy of a company's offering to the market place. The would-be customer finds some component of the offering inappropriate (illegitimate) because he or she thinks it socially undesirable. Secondly, that the marketing mix should be defined from the customer's perspective, not the producer's. Adopting such a perspective would be in keeping with a consumer orientation rather than a producer orientation, reflects consumer practice, and would justify the incorporation of legitimacy in the marketing mix even where managerial discretion on this element was limited or non-existent.

Legitimacy is "the extent to which society has conferred approval on certain thought and behaviour, relative to other thought and behaviour." The legitimacy concept operating in purchase behaviour - and giving rise to ethical purchase behaviour - can be found where some prefer domestically produced goods. Many private and fleet car buyers continue to buy only British, for as British Leyland states in its advertising "British cars means British jobs" (124). Country of origin may affect the legitimacy element in other ways, such as some failing within the country of origin, apartheid in South Africa for example, or some action taken by the country of origin against the importing country. During the Falklands crisis, not only did sales of Argentinian goods suffer (particularly corned beef and wine) but also sales of Kerrygold Irish butter because of Ireland's refusal to support the British government.

It was argued that although in these cases legitimacy relates only to the product element in the mix, in cases such as the boycott of Nestle over their marketing of baby milk to the Third World or the boycott of products advertised in a sexist way, other elements are involved, or

the cases cannot be explained by any of the four P's. So, rather than view legitimacy as being part of the product element it was suggested that it should be viewed as a separate element in addition to those traditionally identified: price, product, promotion and place, for legitimacy could feature in any of the four P's or even independently. Moreover, as legitimacy was shown to have an interrelationship with the other elements - an example was given where a legitimacy failing was countered by a lower price - there was further support for viewing it as a separate element.

It was concluded that the legitimacy element is related to the other elements in the marketing mix, but it may be less flexible, less under the control of the company. And while it does impact upon short term decision-making, it is more likely to play a bigger part in long term, strategic, decision-making. This is because, more often than not, the concern will be with a lack of legitimacy which can only be rectified in the long term.

This paper was written some time before the full conceptualisation of the argument expressed here on ethical purchase behaviour. Indeed, before this term had been thought of. The debate about whether or not to include legitimacy as a separate element in the marketing mix alongside the four P's, or any other number and type of elements in the marketing mix that have been identified, seems on reflection irrelevant and pedantic. It is sufficient simply to recognise that there is a legitimacy element which may influence purchase behaviour. Further, the criticism of definitions of the marketing mix for emphasising the producer's concerns is naive. Kotler's definition typifies this emphasis: "The set of controllable marketing variables that the firm blends to produce the response it wants in the target market" (125). This definition is now accepted as appropriate, for although it could be argued that the marketing mix is the total proposition presented to (and therefore as perceived by) the consumer, this does not assist practitioners. The marketing mix is the term used by marketing teachers to explain to marketing practitioners how they may go about (which variables they may employ in) attempting to meet consumer needs. Legitimacy - which will inevitably be defined by the individual consumer - is one variable which practitioners may employ or have to take into account. As the Marks and Spencer example shows, practitioners may be able to enhance the legitimacy of their offering (126).

The four P's model of the marketing mix could hardly be described as robust. It is difficult to say where one element ends and another starts, what activities or variables would be included under one P rather than another. However, it is a very simple and useful framework for conveying an introduction to marketing practice and for teaching practitioners. It shouldn't be forgotten that for many people marketing is about doing and sophisticated models of the marketing process would just get in the way, even if they were more accurate. Within the four P's model and following the line of argument expressed in the last section about negative product augmentation, legitimacy is perhaps best seen as a part of the product P. Levitt has no qualms about referring to packaging as part of the augmented product, in the case of cosmetics. There should then be no

reason for not including legitimacy as well. Interestingly, in this regard, Baker refers to a paper by Stephenson entitled "What is a product?" (127). This paper defined a product as "Everything the purchaser gets in exchange for his money." This includes "extras" that were listed which were associated with the physical product, such as deliveries, credit terms and reputation. But each of these "extras" might also be alternatively and respectively considered part of the place, price and promotion P's, rather than the product P.

Again, debate about this is trivial and unnecessary. It is simply the consequence of the lack of sophistication of the four P's model. Suffice to say that from the consumer's perspective, negative product augmentation will result from perceived shortcomings in the legitimacy of the offering. From the producer's perspective, attempts to deal with this would involve manipulation of the legitimacy variable in the marketing mix. If the 4 P's model of the marketing mix is favoured, then this variable may be considered to be part of the product P. This would also be more consistent with the consumer perception of negative product augmentation. As Levitt writes, a product is "a synthesis of what the seller intends and the buyer perceives" (128).

One further and final conceptual contribution can be made here. It follows from the line of argument expressed in this and the previous section that the product is not just a bundle of benefits, as the product attributes may be seen as disadvantages as well as advantages by the consumer. The product is more accurately conceived as a package of benefits and costs. One cost may be a legitimacy shortcoming, as the quote from New Society (quoted earlier) aptly illustrates:

"Times are surely hard for the consumer with a conscience. That Chilean wine may have a military bouquet, but can we afford the alternative?" (129).

The next section considers negative product augmentation and legitimacy within a model of pressure group influenced ethical purchase behaviour.

8.2.3 The Model

One can refer to a marketing system, as Fisk and others have done (130). This is not currently fashionable, however; probably because it is not very useful in teaching practitioners, but also because of its positivistic implications and limited explanatory value. Accepting these drawbacks one can though refer to pressure groups in the marketing system.

A system is "any set of interacting variables" (131). One variable, it is argued here, which has a legitimate role in the marketing system, is the activities of pressure groups. The claim that pressure groups have a part to play in the marketing system is based on the need for information for consumer sovereignty, the power of business, and pluralistic interpretations of pressure group activity. In other words, the arguments advanced in earlier chapters. A model can now be proposed, on the basis of the concepts proposed in the last two sections and the analysis of boycotts of business, which describes how pressure groups influence purchase behaviour.

The model proposed is a simple one. Efforts could be made to incorporate communications theory and the psychology of influence (132), which would make it to some extent explanatory. But that would go beyond the parameters established for this study and is a direction for further research. The model proposed is a description of the process which results in pressure group influenced ethical purchase behaviour.

A five-stage model is proposed:

- Stage 1: Firm's marketing system stable. Firm (F1) is matching its resources with the wants of its customers. Promotional pressure group (P) is concerned about an issue (X).
- Stage 2: Pressure group awareness of firm's failing. P becomes aware of F1's undesirable (as judged by the pressure group) impact on X.
- Stage 3: Pressure group response. P approaches F1, other organisations (the media, government departments, etc.) and the customer, to seek an end to the impact by F1 on X.
- Stage 4: Firm's marketing system becomes unstable. The firm's customers become aware of the impact of F1 on X. This threatens the exchange process because X becomes a part of the organisation's offering to the customer through negative product augmentation.
- Stage 5: Ethical purchase behaviour. Some F1 customers, spontaneously or in response to a call for a boycott by P, take their custom to another firm (F2). F2, without the legitimacy shortcoming of impact on X, better matches its resources with those customers' wants.

Various other stages could follow, depending on management response. These are explored in the next section. The model is, of course, very simplistic. It does not, for example, account for the behaviour of customers concerned about X who remain with F1 but receive less utility as a consequence, or those that go to other firms. It does also assume brand loyalty, competitive market conditions and so on. However, on the basis of this and previous chapters, it is thought likely to describe the general pattern of events. Its validity is explored in Part Three.

8.2.4 Management Response

Management response to pressure groups in the marketing system can be considered in two ways. Firstly, anticipatory management action, where management recognises that pressure groups are a feature of the marketing environment and takes this into account in its decision-making. This suggests a proactive role for management. Secondly, management action in response to a pressure group action directed at the firm. This suggests a reactive role for management, although this may be inevitable where pressure group issues are fundamentally in conflict with some or all of the firm's activities (and possibly other

pressure groups, such as on the issues of contraception and abortion) or where the firm's proactive role was insufficient or inadequate.

Most of the relevant literature falls into the first category - how management can take preventative action. It need not be concerned solely with boycotts as the management task is essentially the same regardless of the specific form of the potential environmental threat. Management has been urged to scan the environment (133), to recognise and accept the role of pressure groups (134), to match performance with public expectations (135), and even to communicate and cooperate with pressure groups (136). In other words, management seeks to maintain the legitimacy of its offering. It recognises there is a legitimacy element in the marketing mix and does all it can to avoid shortcomings and perhaps even tries to enhance its performance on this variable.

Ackerman's work, referred to earlier, is useful in a general way in offering guidance on management response to social demands. He describes the process whereby response to social demands can become institutionalised, necessary because "Edicts from on high and staff activity don't affect change; it has to be institutionalised in the operating units" (137). There is then an important distinction between social responsibility decisions (presumably possibly including responses to pressure group demands) made at the corporate level and at the operating level. He argues for social responsiveness to be included within the organisation's reward and punishment system (138). Again, this is more concerned with preventative action rather than response to a specific demand.

One paper which does consider management response to a specific pressure group demand regarding the firm's products is by Ford and Vezeridis (139). They propose a six-stage model of environmental conflict:

1. Peace - "the products are marketed regularly."
2. Skirmish - "... little activity. An article may appear in a scientific magazine or on the inside pages of newspapers ..."
3. Conflict - escalation: "the issue receives increasing publicity ... the controversy is taken up by a social organisation which starts to pressurise companies."
4. Three possible outcomes to the previous conflict:
 - a. Company defeat - product completely withdrawn, voluntarily, under pressure, or as a result of legislation.
 - b. Tactical withdrawal - company makes modifications or concessions, voluntarily or by force of law.
 - c. Pressure defeat - pressure lifted because product shown to be harmless, discredit or failure of a pressure group, or external factors which mean that "the environmental costs of a product must be incurred."

5. Victory from defeat - follows from 4b - "company takes advantage of the changes in its products or methods which have been forced or have resulted ... "environmental safety" of the modified product becomes a positive feature of the company's marketing policy."
6. Pre-emptive strike - company learns its lesson: "products are designed to alleviate or at least not to exacerbate environmental problems."

The last stage of course is preventative action, management seeking to maintain the legitimacy of the offering. The three possible outcomes suggested at the fourth stage are those that may follow on from the model proposed in Section 8.2.3. The firm may give in to pressure group demands by withdrawing the product or by making all necessary modifications (or, as a compromise, some modifications only). Alternatively, it may fight the pressure group. Put in terms applicable to pressure group demands not relating to the environmental threat of the firm's product, the company may give in to the pressure group and cease and/or remedy the perceived grievance, or it may fight and attempt to justify its action (the grievance).

Again, Part Three will assess the validity of these claims. The Ford and Vezeridis paper will be returned to in Chapter Eleven.

8.3, the final part to this chapter, concludes Part Two by briefly stating some preliminary conclusions that have been derived from the argument expressed on ethical purchase behaviour, and some propositions which are considered in Part Three and which guided the survey and case study work.

8.3 Some Preliminary Conclusions and Propositions

8.3.1 The Societal Marketing Concept

The application of the concept of legitimacy to marketing is not without precedent, for Kotler writes of the importance of legitimacy in describing the "higher purpose of marketing:"

"Ultimately, the enlightened marketer is really trying to contribute to the quality of life ... Profits will still be a major test of business success in serving society. However ... profits are really a by-product of doing business well and not the moral aim of business. Business, like other institutions of society, prospers only by maintaining legitimacy in the eyes of consumers, employees and the general public. Legitimacy is grounded in the institution's commitment to serve higher moral aims" (140).

This perspective is reflected in his societal marketing concept (141); wherein there are three underlying premises:

1. Consumers' wants do not always coincide with their long-run interests or society's long-run interests.
2. Consumers will increasingly favour organisations which show a concern with meeting their wants, long-run interests, and society's long-run interests.
3. The organisation's task is to serve target markets in a way that produces not only want satisfaction but long-run individual and social benefit as the key to attracting and holding customers.

Kotler's societal marketing concept, particularly in the latter two underlying premises, implicitly recognises ethical purchase behaviour. He suggests consumers will be influenced in their purchase behaviour by social issues. Yet is all this talk of a higher purpose of marketing and a societal marketing concept simply empty rhetoric?

The answer to this question on the basis of the argument presented here would seem to be 'no'. A case for ethical purchase behaviour has been presented, based on the nature of consumer sovereignty, the requirement for social control of business via the marketplace, and the growing influence but need for effective tactics of promotional pressure groups. The use of the consumer boycott tactic, it is argued, represents an attempt to achieve ethical purchase and instances of this have already been considered. Further instances are examined in Part Three.

So the first and foremost conclusion at this point must be that there is a case for ethical purchase behaviour and some evidence of it. There are other preliminary conclusions. These can best be considered by taking each research question in turn. They are the subject therefore of the next three sections. Propositions to be explored in Part Three are also noted.

8.3.2 How May Pressure Groups Most Effectively Employ the Consumer Boycott Tactic and How Should Boycotted Businesses Respond?

Guidelines for action by pressure groups in employing the consumer boycott and management in responding have already been suggested on the basis of the pressure group literature and descriptions of previous boycotts. The validity of the description of the mechanism of the boycott in 8.1.5, together with the model in 8.2.3, will be assessed in Part Three. The factors in boycott effectiveness in 8.1.6 are also assessed in Part Three as propositions.

An important conclusion at this point is the recognition of the significance of popular support, both in consumer boycotts and pressure group success as a whole. It is worth recalling the observation in Chapter Six that consumers are not an organised group in the way that workers are. However, pressure groups have been successful - insofar as they've put issues on the political agenda - without mass support. Mass support for direct action seems unlikely in this country but consumer boycotts, a form of direct action, can still be successful even if they are not extensively supported.

A further preliminary conclusion must be that consumer boycotts are not widespread, in this country at least. There may, as Appendix A suggests, be many calls for boycotts. But it seems unlikely that there has been an effective consumer boycott, even if some have proved successful in achieving their aims. Consumer boycotts are more prevalent in the United States. There they have also been effective and successful. However, the paucity of literature on consumer boycotts would seem in itself to suggest that boycotts are not the effective instrument of pressure they were when employed by the American labour unions. Perhaps they have a latent potential. This potential may, however, only be realised under conditions of great deprivation. It might, as Chapter Seven suggested, be more likely in or more appropriate to Eastern cultures.

This research question is very much a practical one. The next question is a little more conceptual.

8.3.3 Can Consumer Sovereignty Ensure Social Responsibility in Business and in What Way?

The answer to this question lies in the argument for ethical purchase behaviour. The proposed model describing pressure group influence on purchase behaviour shows how pressure groups may enhance consumer sovereignty by providing information on social responsibility issues affecting businesses and of concern to some or all of their customers. Ethical purchase behaviour is the term used to describe the response by customers who choose to express their concern in the market. The outcome may then be social responsibility in business.

However, as the literature reveals, the term social responsibility in business means different things to different people. It is perhaps best used to describe voluntary action by business, that is self-regulation. The possibility of ethical purchase behaviour may of course prompt self-regulation by business. But it might be more

accurate to refer to ethical purchase behaviour as a mechanism for the social control of business.

An important preliminary conclusion was that society exerts control over business in three ways, in keeping with the three types of power: force, inducement and manipulation. Social control of business is achieved by legislation, the market and moral obligation. It seems that currently the market offers the most potential for increasing social control over business. This lends further support to the notion of ethical purchase behaviour. It may then be a public policy objective.

The most manifest form of ethical purchase behaviour is in organised boycott action. This is therefore the subject of investigation in the case studies in Part Three. Because boycotts are interpreted as ethical purchase behaviour, the case study analysis considers their function as social control mechanisms, in addition to the concerns referred to in the previous section. As noted, other forms of ethical purchase behaviour do occur but are less easy to empirically investigate. Ethical purchase behaviour need not necessarily be pressure group inspired, it may, as the model suggests (8.2.3), be a spontaneous consumer response, given information on social responsibility issues from other sources such as the media. This form of ethical purchase behaviour is more difficult to investigate and is therefore not included to any great extent in Part Three.

The model and the notions of negative product augmentation and the legitimacy concept as an element in the marketing mix, may be considered as propositions, which are explored in Part Three.

Another important conclusion at this point is the recognition that, given the requirement for information for consumer sovereignty, pressure groups have a legitimate role in the marketing system. Pressure groups in the marketing system can try to ensure social responsibility in business by making businesses as accountable to their markets on such issues. This information role for pressure groups, enhancing consumer sovereignty in this way, is a form of what Galbraith terms countervailing power. If the social control of business can be so realised, this may even reduce the requirement for legislative control and perhaps partly resolve the problem of private costs versus social costs, as the latter may become private costs if incorporated into the legitimacy element of the offering.

8.3.4 How Far Does Consumer Sovereignty Extend?

This thesis is about the decisions made in markets: whether decisions and what decisions are made by consumers. It is a study of the degree and extent of consumer sovereignty. The degree of consumer sovereignty refers to how much authority buyers (consumers) have as opposed to sellers. The extent of consumer sovereignty refers to the domain of that authority, the issues on which consumers may have influence by virtue of their purchase behaviour. Ethical purchase behaviour, exemplified in consumer boycotts, suggests an extension of consumer sovereignty beyond its mere technical meaning in economics to a more literal meaning. Part Three provides a limited assessment of the extent of consumer sovereignty.

The argument for ethical purchase behaviour assumes the competitive model of capitalism. The argument therefore becomes somewhat normative as the competitive model of capitalism is ideologically founded. Consumer sovereignty requires choice as well as information, so it may be less prevalent than the dominant ideology of the competitive model of capitalism suggests and is commonly supposed.

Consumer sovereignty is the rationale for capitalism, the political-economic system in the West. The legitimacy of such a system then rests on whether and what decisions are made in markets. The argument for ethical purchase behaviour becomes an argument for capitalism. An important conclusion is simply the recognition of the significance of asking this question about the extent of consumer sovereignty.

Of course, not all political decisions can or should be made in markets. But some could. Ethical purchase behaviour offers the potential for greater political participation.

Writers in the business and society literature refer to a politicising of the corporation. This suggests the corporation has only recently acquired political significance. This is misleading. The corporation has long had political significance because of its structural position in the economy and power. It is only recently that there has been public recognition of this. Ethical purchase behaviour is an expression of this recognition. It is also therefore a political act.

These ideas are considered further in Chapter Twelve, following the discussion of the survey research and case studies in Part Three. Part Two has provided an argument, integrated and concluded in this chapter. Part Three provides some further evidence to support the argument.

Notes and References

1. Quoted in Levitt, Theodore, 'The Augmented Product Concept', in Rothberg, Robert R (ed.), Corporate Strategy and Product Innovation (New York, The Free Press, 1976), p. 149.
2. Thomas, R E, 'Marketing a New Capitalism', CBI Review, Autumn 1974.
3. Vogel, David, Lobbying the Corporation: Citizen Challenges to Business Authority (New York, Basic Books, 1978), p. 4.
4. Anon. (New Republic), 'Black (Lists) and White', New Republic, October 26 1968, pp. 7-8.
5. Laidler, Harry W, Boycotts and the Labor Struggle: Economic and Legal Aspects (New York, Russell and Russell, 1968 (reissued, first published 1913)), p. 27.
6. Ibid., pp. 27-30.
7. Wolman, Leo, The Boycott in American Trade Unions (Baltimore, The Johns Hopkins Press, 1916), p. 23.
8. Ibid., pp. 16-42.
9. Nelson, Walter Henry and Terence C F Prittie, The Economic War Against the Jews (New York, Random House, 1977), pp. 9-10.
10. Sharp, Gene, The Politics of Nonviolent Action (Boston, Porter Sargent, 1973), pp. 221 ff.
11. Vogel, op.cit. (note 3), p. 5.
12. The computer databases BLAISE and SSCI (Social Science Citation Index) proved to be the most useful of the secondary sources/abstracts available. Even these sources, although at least including boycott as a topic, provided few references. The BLAISE search for listings under consumer, customer and economic boycotts identified 41 references. Most of these were about the Arab boycott. Only those about the use of the boycott by the American labour unions were about consumer boycotts. SSCI identified 11 articles on boycotts (again consumer, customer and economic), three of these were about consumer boycotts, two on boycott legality referred to in 8.1.3 and one by Rea on the economics of boycotts referred to later in 8.1.2.
13. Even Des Wilson's Pressure: The A to Z of Campaigning in Britain (London, Heinemann 1984) has little to say about boycotts. When questioned on this following the success of a threatened boycott, to be organised by the group CLEAR against paint manufacturers' use of lead in paint, Mr Wilson replied "... I've had little experience of the consumer boycott, although the mere threat of

it seemed to achieve our objective in the paint area. I agree with you that consumer boycotts are activities with very considerable potential" (letter to this author, December 3 1984).

14. There is a British business and society text but it is dated and out of print: Kempner, Thomas, Keith Macmillan and Kevin Hawkins, Business and Society: Tradition and Change (London, Allen Lane, 1974). Michael Beesley and Tom Evans' Corporate Social Responsibility: A Reassessment (London, Croom Helm, 1978) is more useful if one takes - as suggested in Chapter Four - the social control of business as the central issue in business and society.
15. Hay, Robert D, Edmund R Gray and James E Gates (ed.), Business and Society (Cincinnati, South-Western Publishing, 1976).
16. Luthans, Fred, Richard M Hodgetts and Kenneth R Thompson, Social Issues in Business: Strategic and Public Policy Perspectives (New York, Macmillan, 1984 (fourth edition)), p. 400.
17. Nadel, Mark V, The Politics of Consumer Protection (Indianapolis, Bobbs-Merril Company, 1971).
18. Stern, Louis L, 'Consumer Protection Via Self-Regulation', Journal of Marketing, Vol. 35 (July 1971), pp. 47-53.
19. Box, Jo M F, 'Consumerism In An Area of Decline: Does It Still Have a Future?' Paper presented at the Tenth International Research Seminar in Marketing, June 7-10 1983, Aix-en-Provence. Organised by Institut d'Administration des Entreprises and Universite d'Aix-Marseille III.
20. Smith, George, The Consumer Interest (London, John Martin, 1982), pp. 297-298.
21. Ibid., p. 290.
22. Ibid., p. 301.
23. Ibid., p. 290.
24. MP Jack Ashley suggested a selective boycott of Merrell by the Government using NHS purchasing powers, as although £92m compensation had been paid to American families, it had not been offered to British families. See The Guardian, July 17 1984.
25. Wight, Robin, The Day the Pigs Refused to be Driven to Market: Advertising and the Consumer Revolution (London, Hart Davis MacGibbon, 1972), p. 81.
26. Ibid., pp. 21-22.
27. Mises, Ludwig von, Human Action: A Treatise on Economics (London, William Hodge, 1949), p. 280.
28. Rea, Samuel A, Jr., 'The Economics of a Consumer Boycott', Journal of Economics and Business, Vol. 27, No. 1 (1974), pp. 89-92.

29. Such as 'Hard Bargains', New Society, August 14 1980.
30. Anon. (New Republic), op.cit. (note 4).
31. Krieger, David M, 'The Another Mother for Peace Consumer Campaign - A Campaign that Failed', Journal of Peace Research, Vol. 8 (1971), pp. 163-166.
32. Berry, Jeffrey M, Lobbying for the People: The Political Behaviour of Public Interest Groups (Princeton, Princeton University Press, 1977).
33. Vogel, op.cit. (note 3), p. 229. Furthermore, an SSCI search for articles citing Vogel failed to unearth anything specifically about boycotts, even though nearly 100 citations were generated. Some referred to the other tactic prominent in Lobbying the Corporation, activist shareholder actions, but most were about the social control of business in general rather than specific methods for the achievement of this.
34. Sethi, S Prakash (with Carl Swanson), 'United States Versus Bechtel Corporation' in Sethi, S Prakash, Up Against the Corporate Wall: Modern Corporations and Social Issues of the Eighties (Englewood Cliffs, Prentice-Hall, 1982), p. 35.
35. Nelson and Prittie, op.cit. (note 9), p. 28.
36. Sharp, op.cit. (note 10), p. 221.
37. Ibid., pp. 220-221.
38. Dolores Huerta, UFWOC (United Farm Workers of California) Vice-President and Chief Negotiator. Quoted in Brown, Jerald Barry, The United Farm Workers Grape Strike and Boycott, 1965-1970: An Evaluation of the Culture of Poverty Theory (thesis presented to the Faculty of the Graduate School of Cornell University for the Degree of Doctor of Philosophy, August 1972), p. 205.
39. John Bank, California grape boycott organiser, in interview, December 6 1983.
40. Wolman, op.cit. (note 7), p. 24.
41. Aaron, Benjamin, 'Methods of Industrial Action: Courts, Administrative Agencies, and Legislatures', in Aaron, Benjamin and K W Wedderburn (ed.), Industrial conflict: A comparative legal survey (London, Longman, 1972), p. 102.
42. See Chapter Seven note 62 for the distinction between materials boycotts and consumer boycotts. Hooberman is clearer on this. He writes (in reference to Britain) "The law relating to secondary boycotts or sympathetic action has become more complicated by reason of the registration provisions in the (1971) Act," and (in reference to the United States) "The Taft-Hartley Act of that year (1947) forbade the blacking of goods by secondary boycott or

picketing ..." (Hooberman, Ben, An Introduction to British Trade Unions (Harmondsworth, Penguin, 1974), p. 114 and p. 132). To heighten the confusion, Aaron has a section on 'hot cargo', noting "Another form of boycott practiced in the United States, Britain and Sweden is an embargo on 'hot', 'blacked' or 'infected' goods, that is those produced or handled by an employer whom the union has declared to be 'unfair'. In the United States so-called 'hot cargo' agreements, permitting workers to engage in this form of 'secondary' boycott, have been declared illegal and unenforceable ..." (ibid., p. 106). Yet his previous section on boycotts has already discussed such actions, for he writes in this section "Federal legislation restricting the use of the boycott made its appearance with the LMRA amendments to the NLRA in 1947. The statute did not define 'secondary boycott'; instead, it prohibited specific activities and objectives. The Congressional purpose, however, was clear: to prevent a union engaged in a 'primary' strike against employer A from putting pressure on him by inducing the employees of employer B to stop work with the object of compelling B to cease doing business with A." He goes on to refer to an amendment to the NLRA (National Labor Relations Act) which notes that unions are forbidden "to induce or encourage ... a refusal ... to use, manufacture, process, transport, or otherwise handle or work on any goods .." In other words, blacking. Aaron would benefit from trying to emulate Wolman's clarity of exposition. However, despite this confusion, his observations on boycott legality are thought to be correct, as it may be assumed that a union action to induce a secondary consumer boycott may be held as comparable, under the law, to an attempt to induce a materials boycott.

43. Ibid., p. 103. The UFW could employ the materials boycott tactic without being liable to prosecution under the NLRA as they were not covered by it. As Aaron observes (loc.cit.) "It is somewhat ironic that farm workers, who, for the most part, are not 'employees' covered by the NLRA and have been deprived of its guarantees of the right to organise and to bargain collectively, have recently profited by their freedom to engage in boycotts, which are illegal if conducted by employees covered by the Act."
44. Ibid., pp. 103-106.
45. See Sethi (op.cit. (note 34)) for the arguments used when the anti-trust legislation was employed against Bechtel, and 7.6 for more detail on boycott legality in the case of the Arab boycott.
46. Inevitably, this is merely a tentative observation. No legislation in Britain appears to specifically cover consumer boycotts and there does not seem to be any precedents established in case law. Further, no sources seem prepared to hazard an opinion or even give the matter consideration. This probably reflects the limited use of the boycott in Britain and the unwillingness of a boycotted firm to resort to the law in any case. In a Monopolies and Restrictive Practices Commission report, collective discrimination by buyers, referred to as a buyers' boycott, is viewed as against the public interest. The concern however, is with

exclusive-buying agreements within trades, such as those encouraged by the National Union of Retail Tobacconists against manufacturers, rather than consumer boycotts, but a similar view might be taken with consumer boycotts and particularly secondary boycotts (The Monopolies and Restrictive Practices Commission, Collective Discrimination: A Report on Exclusive Dealing, Collective Boycotts, Aggregated Rebates and Other Discriminatory Trade Practices, Cmd. 9504 (London, HMSO, 1955), pp. 64-68.

47. Harper, Michael C, 'The Consumer's Emerging Right to Boycott: NAACP vs. Claiborne Hardware and Its Implications for American Labor Law', The Yale Law Journal, Vol. 93, No. 3 (January 1984), pp. 409-454.
48. Harris, Margaret A, 'Political, Social and Economic Boycotts by Consumers: Do They Violate the Sherman Act?' Houston Law Review, Vol. 17, No. 4 (1980), pp. 775-833.
49. Aaron, op.cit. (note 41), p. 87.
50. Harper, op.cit. (note 47).
51. It's interesting to observe here that Harper notes that there should be a consumer right to boycott because corporations are private - a right which would presumably diminish if they became more public, i.e., publicly accountable: "Forcing consumers to support businesses' political and social practices of which they disapprove cannot be so justified because those businesses cannot in any way be characterised as the representatives of the consumers in any system insulated from the general society or polity" (ibid., note 77).
52. Blodgett, Timothy B, 'Review of Lobbying the Corporation', Harvard Business Review, July-August 1979. It need hardly be said that the following discussion of course describes events in the United States. However, the arguments about the role of business are almost directly applicable to Britain.
53. Vogel, op.cit. (note 3), Preface.
54. Ibid., p. 6.
55. An approach emulated here, in that Vogel's data is drawn largely from published sources and "approximately" thirty interviews in person and by phone (ibid. p. 230).
56. Ibid., p. 23.
57. Ibid., p. 41.
58. Ibid., p. 42.
59. Ibid.
60. Ibid., p. 61. The Honeywell case was that it was for government to decide these issues. This again, as in the Arab boycott, is a

case of determining what is socially responsible conduct by following the example of government. Again the approach is shown to be suspect. Is it anything other than 'passing the buck'?

61. Ibid., p. 73.
62. Ibid., p. 5.
63. Ibid., p. 212.
64. Ibid., p. 215.
65. Ibid., p. 216. Writing four years after Lobbying the Corporation, Vogel suggests "the issues of corporate responsibility and accountability have lost much of their previous sense of urgency; now the nation's dominant preoccupation with the large corporation is how to make it more productive and internationally competitive." This he attributes to a more conservative political climate: "The political agenda has since (1977) become recaptured by the concerns of business and its supporters: tax reform has given way before supply side economics, and a concern with corporate social abuses has been replaced by the drive for regulatory reform." See Vogel, David, 'Trends in Shareholder Activism: 1970-1982', California Management Review, Vol. XXV, No. 3, (Spring 1983).
66. Wolman, op.cit. (note 7), p. 100.
67. Ibid., p. 128.
68. IBid., p. 110.
69. Ibid., p. 82.
70. Ibid., pp. 119-120.
71. Ibid., pp. 112-113.
72. Laidler, op.cit. (note 5), pp. 67-68.
73. Wolman, op.cit. (note 7), pp. 134-135.
74. Ibid., p. 93.
75. Ibid., pp. 95-97.
76. Ibid., p. 84.
77. Ibid., p. 90.
78. Reed, Christopher, 'Computer in battle agaisnt supermarket', The Guardian, July 27 1983.
79. Harper, op.cit. (note 47).

80. Harris, op.cit. (note 48).
81. Laidler, op.cit. (note 5), Chapter X.
82. Wolman, op.cit. (note 7), p. 86.
83. Ibid., p. 78. Also see Laidler, op.cit. (note 5), p. 59, 122, 131, 132 and, finally, p. 81 where he talks about "the power wielded by labor as consumers of the product boycotted," consumer sovereignty.
84. Wolman, op.cit. (note 7), p. 86. It will be recalled that in 8.1.3 Ramm was referred to for having suggested the boycott has disappeared in Germany because of the problem of boycotting firms with no end product.
85. Ibid.
86. Ibid., pp. 86-87.
87. Ibid., p. 88.
88. Laidler, op.cit. (note 5), pp. 131-132.
89. Wolman, op.cit. (note 7), p. 92.
90. Ibid., p. 126.
91. Ibid., pp. 39-40, p. 127.
92. Ibid., p. 98.
93. Ibid., pp. 82-83.
94. Ibid., p. 83.
95. Ibid., p. 76 and p. 123 (where Wolman also notes the relatively low cost to the union of boycotts - unless there is litigation). Also Laidler, op.cit. (note 5), p. 58.
96. Wolman, op.cit. (note 7), pp. 84-85.
97. Ibid., pp. 87-88.
98. Ibid., p. 142.
99. Ibid. (note).
100. Ibid., p. 35. Also time and place considerations, p. 125.
101. Ibid., pp. 26-32, pp. 34-35.
102. Ibid., pp. 106-107, and see pp. 106-112.
103. Laidler, op.cit. (note 5), p. 86. Also, p. 77, 110, 111. Both he and Wolman emphasise the use of the boycott as a last resort,

Wolman's argument (*ibid.*, pp. 140-141) considering effectiveness but in addition the unreasonable use of the boycott and its possible illegality. It therefore is similar to arguments today about civil disobedience as a last resort, noted earlier.

104. Remer, C E, A Study of Chinese Boycotts: With Special Reference to Their Economic Effectiveness (Baltimore, The Johns Hopkins Press, 1933), p. 238.
105. *Ibid.*, p. 243.
106. Luthans et al, *loc.cit.* (note 16).
107. Rea, *op.cit.* (note 28).
108. Anon. (New Republic), *op.cit.* (note 4).
109. Kinnear, Thomas C, James R Taylor and Sadrudin A Ahmed, 'Ecologically Concerned Consumers: Who Are They?' Journal of Marketing, Vol. 38 (April 1974), pp. 20-24.
110. Harper, *op.cit.* (note 47), note 115.
111. Krieger, *op.cit.* (note 31).
112. Smith, *op.cit.* (note 20), pp. 298-299.
113. Fisk, George, Marketing Systems: An Introductory Analysis (London, Harper International, 1966), p. 506.
114. Bartels, Robert, The History of Marketing Thought (Columbus, Grid 1976 (second edition, first published 1962)).
115. Hughes, G David, Marketing Management: A Planning Approach (Reading, Addison-Wesley, 1978), p. 278.
116. Foxall, Gordon R, Strategic Marketing Management (London, Croom Helm, 1981), p. 71.
117. Foxall, Gordon R, Consumer Behaviour: A Practical Guide (London, Croom Helm, 1980), p. 33.
118. The version used here is Levitt, *op.cit.* (note 1). This is reprinted from The Marketing Mode (McGraw-Hill, 1969) by Levitt, pp. 1-27. Another, virtually identical version, appears in Kotler, Philip and Keith K Cox (ed.) Readings in Marketing Management (Englewood Cliffs, Prentice-Hall, 1972). This is entitled 'Improving Sales Through Product Augmentation', and is reprinted from European Business, April 1969, pp. 5-12. In his recent book The Marketing Imagination (New York, The Free Press, 1983), Levitt also writes about the augmented product concept. He distinguishes in this later work between the generic product - "for a producer of chemical food stocks it is those food stocks themselves," the expected product - "the customer's minimal expectations," the augmented product - "more than what he thinks

he needs or has become accustomed to expect," and, finally, the potential product - "everything potentially feasible to attract and hold customers" (pp. 78-85). Other than this minor development, however, the augmented product concept remains the same even if different words are used on this occasion. It seems that Levitt, although an advocate of product differentiation, does not believe such an approach is applicable to marketing scholarship. Perhaps the justification for so much repetition (and there may be more) lies in the strength or validity of the concept and Levitt's desire to communicate it to practitioners as well as academics. Or is it because he's the Edward W Carter Professor of Business Administration at Harvard Business School?

119. By way of example of product augmentation in industrial markets, Levitt refers to computer manufacturers augmenting their products with application aids, programming services, information-systems advice, and training programmes for their customers. One might wonder as to whether product augmentation isn't just another way of saying added value - or extra added value.
120. Levitt, The Marketing Imagination, op.cit. (note 118), pp. 82-83. This problem may be resolved by benefit segmentation in most cases, the problem of concern here, as will be seen, cannot always be so resolved (see 8.2.4).
121. Vogel, op.cit. (note 3), p. 45.
122. Ibid., pp. 44-49.
123. Smith, Craig, 'The Legitimacy Concept - A Fifth Element in the Marketing Mix?' in Christopher, Martin, Malcolm McDonald and Angela Rushton (ed.), Back to Basics: The 4 P's Revisited, Proceedings of the Marketing Education Group 16th Annual Conference at Cranfield School of Management, July 1983.
124. Ibid.
125. Ibid.
126. Ibid. (Marks and Spencer are enhancing the legitimacy of their offering by telling the customer that over 90 per cent of their goods are British).
127. Baker, Michael J, Marketing: An Introductory Text (London, Macmillan, 1974 (second edition, first published 1971)), p. 53.
128. Levitt, op.cit. (note 1), p. 161.
129. Anon. (New Society), op.cit. (note 29).
130. Fisk, op.cit. (note 113); Lewis, Richard J and Leo G Erickson, 'Marketing Functions and Marketing Systems: A Synthesis', Journal of Marketing, Vol. 33 (July 1969), pp. 10-14; Bartels, Robert, 'The General Theory of Marketing', Journal of Marketing, Vol. 32 (January 1968), pp. 29-33; and others of this era. Bartels

(op.cit. (note 114), pp. 202-206) examines the contributions to marketing of marketing systems approaches. He suggests "through systems analysis, marketing thought has been infused with a wider dimension of management strategy, better understanding of influences shaping marketing structure as a whole, and keener appreciation of the countervailing forces playing within and around the marketing systems" (p. 206). Also see Foxall, op.cit. (note 116), p. 13 ff.

131. Fisk, op.cit. (note 113), p. 12.
132. Such as the work by Katz and Lazerfeld, on the role of opinion leaders; Shannon and Weaver, on the communications model of source, message, channel, receiver; Rogers and Shoemaker on the diffusion of ideas; et al.
133. Such as King, William R and David I Cleland, 'Environmental Information Systems for Strategic Marketing Planning', Journal of Marketing, Vol 38 (October 1974), pp. 35-40; and others in the tradition of Aguilar.
134. For example, Purcell, Theodore V, 'Reprise of the 'ethical investors'', Harvard Business Review, March-April 1980; idem., 'Management and the 'ethical' investors', Harvard Business Review September-October 1979; Henderson, Hazel, 'Toward managing social conflict', Harvard Business Review, May-June 1971.
135. Such as Nolan, Joseph, 'Protect your public image with performance', Harvard Business Review, March-April 1975.
136. Rapoport, Carla, 'Why executives must learn to live with pressure groups', Financial Times, February 4 1983, p. 12.
137. Ackerman, Robert W, 'How companies respond to social demands', Harvard Business Review, July-August 1973.
138. Idem., The Social Challenge to Business (Cambridge, Harvard University Press, 1975).
139. Ford, D and B Vezeridis, 'Ecological Pressures on The Firm: Cases and Conclusions', Cranfield Management Review, Vol. 2, No. 2 (1978).
140. Kotler, Philip, Marketing Management: Analysis, Planning and Control (Englewood Cliffs, Prentice-Hall, 1980 (fourth edition)), p. 16. The sociologist Berger has also written about corporate legitimacy, see Berger, Peter L, 'New attack on the legitimacy of business', Harvard Business Review, September-October 1981, pp. 82-89.
141. Ibid., pp. 33-36. Also see Chapter One, section 1.1.3 and note 29.

SUMMARY TO PART TWO

Part Two has presented the theoretical argument for ethical purchase behaviour.

Chapter Three, in exploring the nature of capitalism and consumer sovereignty from an economic and political perspective, provides a philosophical basis for ethical purchase behaviour. Consumer sovereignty is shown to be the rationale for capitalism, its expression in ethical purchase behaviour is therefore appropriate to market societies. Yet consumer sovereignty may in practice be limited, which raises doubts about the competitive model of capitalism, the marketing concept, and the likelihood of ethical purchase behaviour.

Political-economic systems are distinguished by their dependence on the market mechanism. In market societies decision-making is decentralised and power can be said to lie with consumers in the form of consumer sovereignty. By looking at the origins of capitalism it can be seen that market society brings with it the benefits of material progress and freedom. Economic and political freedom is said to accrue, though this depends on an interpretation in accordance with the philosophy of individualism. This philosophy forms the basis for the competitive model of capitalism, first advanced by the classical economists, and subsequently by business and the neo-classical economists.

The material progress under capitalism is not disputed, but the competitive model of capitalism, although constituting the dominant ideology, is not always preferred or considered to be accurate. Marx, Keynes, Schmitter and others have offered different interpretations, particularly the crisis, compromise and corporatist models of capitalism. The freedom of individualism may, for example, result in alienation.

Economic systems may be assessed by the criteria of efficiency, freedom, equity and altruism. The competitive model of capitalism, although impaired by market imperfections such as externalities and imperfect information, does rate highly on the criterion of efficiency. Within acceptance of the philosophy of individualism it also rates highly on the criterion of freedom. It is on the criteria of equity and altruism, which almost seem in conflict with efficiency and freedom, that it may be most criticised, especially in an affluent society. Accordingly, the suggestion that 'the market will answer all things', is disputed. Capitalism may have brought material progress but this may no longer be the most important social goal. There is also increasing concern over the associated social costs (externalities). Yet, it is argued here, consumer sovereignty may be employed to address these failings.

Critics of the competitive model of capitalism have differed preferences or priorities to its adherents, but they also highlight its inaccuracies, particularly the notion of consumer sovereignty. Galbraith's Revised Sequence, for example, refers to a producer sovereignty. In mixed markets it is more accurate to refer to degrees

of consumer sovereignty dependent, most notably, on choice through competition, information, actions by the state, and individual wealth. So two forms of consumer sovereignty emerge, an absolute form as found in the competitive model of capitalism, and a more restricted form where consumer sovereignty is viewed as a technical term to refer to degrees of consumer authority.

The marketing discipline subscribes to the competitive model of capitalism. Consumer sovereignty may even be a paradigm for marketing. Yet as a feature of perfect competition it is theoretically irreconcilable with marketing strategies. Perfect competition does not exist in the 'real' world and, if it did, there couldn't be marketing strategies. The centrality of consumer sovereignty to marketing points to the ideological nature of marketing thought. Marketing's response to consumerism is one illustration of this.

So Chapter Three shows that, while ethical purchase behaviour as an expression of consumer sovereignty is in keeping with the competitive model of capitalism and marketing, it may be restricted by the limited degree of consumer sovereignty. Moreover, how does society control business is not through the market?

Chapters Four and Five consider the social control of business. The limits to society's control over business by the market were indicated above. Ethical purchase behaviour, especially in consumer boycotts, is an attempt at the social control of business via the market. It may result from externalities or a difference in priorities - equity or altruism preferred to efficiency. Whatever, social goals other than material progress are sought.

Chapter Four examines the social role of business - what society might expect from business and, in corporate social responsibility, what it receives. Business and society is the discipline concerned with business' social role. Its analysis of the relationship between business and society, however, provides few certain answers; the issue is complicated, particularly by the different ideological positions that may be brought to its analysis. Yet by approaching the issue in terms of the social control of business, a meaningful focus may be adopted which brings clarity and reduces ideological bias.

Business digressions, such as ITT's involvement in an attempted coup in Chile, emphasise the need for social control of business. They reveal corporate power without accountability. Yet all corporate actions may be so criticised, for the exercise of power by business lacks legitimacy. Claims to property rights are no longer sufficient given the separation of ownership and control. Though the extent of corporate power is considerable, business essentially identifies the issues for which it is responsible and the priorities to be attached to them. This exercise of power is defended by reference to corporate social responsibility - to the self-regulation of business.

Corporate social responsibility has become something of a shibboleth; all firms practice corporate social responsibility. Beyond the rhetoric however, if firms have a social role, then clearly they have responsibilities. In which case, how may these responsibilities be

defined or identified? How does management determine their relative priority? How far does corporate social responsibility extend? And, how does management actually act in practice?

Corporate responsibilities may be identified by looking at the social costs created by the firm, externalities for which it could assume responsibility as it has caused them. But social costs are not always immediately apparent or readily acknowledged. Responsibilities may also be identified by examining the impact of the firm's activities on its stakeholders. But this method also is problematical. The firm may not be aware of all its stakeholders and some, such as the shareholders and the community, may be in conflict. Business is therefore still left with determining priorities even when it has identified its responsibilities.

Related to the priorities problem, is the question of the extent of corporate social responsibility: How far should business go in helping to resolve the problems of our society? Four positions are identified in a model proposed here, which combines corporate goals and responsibilities: profit maximisation and social irresponsibility; profit maximisation tempered by the 'moral minimum' through self-regulation; profit as a necessary but not sufficient goal, with affirmative action extending beyond self-regulation; and, finally, going beyond this to include the championing of political and moral causes unrelated to the corporation's business activities, as long as profitability permits. Many, however, would argue against social responsibility of any form beyond profit maximisation. Yet such a position, the 'Friedman misconception', is founded in the competitive model of capitalism with all its flaws, and, in particular, ignores the reality of managerial discretion on social issues.

Management practices and perspectives on social responsibility may be considered in terms of managerial creeds or ideologies. One may distinguish between profit maximising management, trusteeship management, and "quality of life" management; of which the second type is said to be predominant. The third type, equating to the fourth position in the model on the extent of corporate responsibility, might be becoming more popular. Similarly, one may refer to classical, managerial, and consent creeds, or to the classical ideology and the modern socioeconomic managerial ideology. The creeds to which managers adhere will determine their response on social issues. While there may be a trend towards adopting greater responsibilities, it is thought likely that the majority of managers are still only at the second position in the model, of profit maximisation tempered by the 'moral minimum' through self-regulation.

Business practices and perspectives on social responsibility are then largely in keeping with Friedman's admonitions. Yet profit maximisation as the sole social responsibility of business should not be simply dismissed as self-serving. A closer analysis of Friedman's case reveals five principal arguments against corporate social responsibility: competing claims (the role of profit), competitive disadvantage, competence, fairness (domination by business), and legitimacy (the role of government). However, while important, the counter arguments are considered more so. They acknowledge the inac-

curacies of Friedman's model of capitalism, managerial discretion, the extent of corporate power, the 'moral minimum', and the relationship between enlightened self-interest and the long-term profitability of the firm.

So social responsibility may be a doctrine to which management adheres in the absence of any other basis for action. Yet corporate social responsibilities may be identified and even addressed by management. The doctrine of corporate social responsibility is a form of social control of business. There are other forms that seek more direct corporate accountability. Chapter Five examines the social control of business mechanisms, turning from the doctrine of corporate social responsibility and philanthropy to corporate accountability.

Various solutions to the problem of corporate power have been advanced over many years. Those solutions which would maintain market society include radical solutions, such as nationalisation, and more piecemeal solutions. They involve pressure from within the organisation for social responsibility such as changes in corporate governance, and pressure from outside the organisation through increased disclosure by, for example, social audits or ethical whistle-blowing. Ethical purchase behaviour, particularly in consumer boycotts, constitutes a piecemeal solution involving pressure from outside the organisation. Despite the great number and variety of solutions proposed to the problem of corporate power those, at least, that would maintain the market system, may be said to involve three forms of control over business: legislation, the market, and self-control.

According to this analysis, a simple model may be proposed corresponding to the type of power involved. Studies of power generally acknowledge three types: force, inducement and manipulation. Galbraith, in looking at the types of power business exerts over society, identifies condign, compensatory, and conditioned power. Yet, it is claimed here, society exerts power over business in a similar way. Condign power or force operates through legislation. Compensatory power or inducement operates through the market. Conditioned power or manipulation operates through moral obligation and self-regulation. All three types have strengths and weaknesses. Legislation may not always work and there are limits beyond which it cannot be sensibly applied. It may also threaten the market system. The market, as Chapter Three concluded, is in itself insufficient. While moral obligation, in self-regulation, has in Chapter Four's examination of the doctrine of corporate responsibility been shown to be problematical. It is, in particular, elitist and does not involve direct accountability. Though it is acknowledged that this form of control amounts to more than conscious efforts by the firm to endorse social responsibility, as it incorporates social conditioning - management action in accordance with social norms.

The conclusion reached on the social control of business is that further control is required and this may be achieved, perhaps necessarily, through the market. So it is argued that consumer sovereignty could attempt to ensure social responsibility in business. This would be in keeping with, or at least only a slight distortion of, the competitive model of capitalism. In 'letting the market work'

it would also be appropriate to the current politico-economic climate in the West. But while ethical purchase behaviour sounds a good solution, in practice it may be difficult. It demands informed choice. Only then could consumers vote in the marketplace on those social responsibility issues about which they are concerned. Choice requires competition. While information on social issues may be provided by organisations specially concerned with those issues: pressure groups.

So Chapter Five has examined the mechanisms for the social control of business, proposed a model within which they may be incorporated, and found them lacking. The market, perhaps overlooked by business and society analysts, may offer further potential for the social control of business in ethical purchase behaviour. But given the already acknowledged limitations to consumer sovereignty, this solution is not without its drawbacks. Pressure groups, however, who are already acting on business and on social responsibility issues, might serve to enhance consumer sovereignty. Chapter Six examines pressure groups and their potential in this respect.

Pressure groups have an important role in the political process and society. They have been described as an "auxiliary circuit of representation." Yet there are many different types of pressure group, some having more influence than others. In particular, there is the distinction between groups that are 'of', the sectional groups, and groups that are 'for', the promotional groups. Within this distinction, there is also a difference in their degree of political specialisation - in how political they are. The concern here is largely with promotional pressure groups of high political specialisation, such as the Campaign for Nuclear Disarmament. They are the groups which have grown in numbers and influence over recent years and, for advocates of pluralism, are therefore viewed favourably and as contributing to political participation.

Promotional pressure groups, however, are often of limited effectiveness because they lack the necessary resources. Three principal avenues of pressure are traditionally identified: the executive, parliament, and public opinion. But few promotional groups achieve 'insider' status, even if they desire it, and have largely to rely on public opinion. This reflects and exacerbates their absence of resources, especially their weak strategic location, problems in ensuring commitment and cohesion - they are dependent on solidary incentives, small group size and altruism, and their limited finances. Public support endorses a group's demands but may not be forthcoming for more radical groups. The only alternative then is direct action.

The politics literature tends to ignore corporate power and, perhaps accordingly, the literature on pressure groups focuses on pressure group action against governments rather than business. Yet business may be a fourth avenue of pressure. Pressure groups may seek to change corporate behaviour or, alternatively, use business as an avenue of pressure to indirectly influence the public authorities, motivating public opinion or employing the 'insider' status of business. An increasing pressure group emphasis on corporations may be in recognition of corporate power but also because of limited access to the other avenues of pressure.

Promotional groups, for the most part, operate by mobilising legitimacy for their cause. They do this by providing information; directly, in the form of reports or their literature, but also in their actions, such as demonstrations. They hope thereby to influence public and elite opinion. Different groups and different environments demand different strategies and tactics. Strategies include the use of the law, embarrassment and confrontation, information and constituency influence and pressure. There are many tactics, from letter writing to sit-ins.

The strategy of embarrassment and confrontation is most likely to be used against the firm, for although it may be conceived as a 'private government', not all strategies and tactics employed against the public authorities are appropriate. The prime concern here is with pressure group use of the consumer boycott tactic against business. But the pressure group literature has little to contribute on this. Of importance, however, is that the factors in pressure group success and the circumstances promotional groups find themselves in, push these groups towards particular strategies and tactics. As they are largely tied to public opinion and this may be difficult to influence or ignored by the authorities, then the increasing number of promotional groups will be ever more likely to seek direct solutions to the issues they address. Business will then become increasingly involved and, given its visibility and consequent vulnerability to embarrassment and confrontation strategies, protest tactics and direct action employed. This may happen regardless of corporate 'guilt', simply because corporations constitute a convenient target.

The consumer boycott may take the form of a protest tactic, merely to gain media attention. But it is more appropriately seen as direct action. Direct action is a last resort, deservedly so in its extreme forms. Consumer boycotts as a form of non-violent direct action (NVDA) and legitimised by their basis in consumer sovereignty, may provide promotional pressure groups with an effective and attractive tactic where their other efforts are frustrated. So Chapter Six shows that while ethical purchase behaviour requires the provision of the necessary information, pressure groups, whose role is to provide such information, are in need of effective pressure tactics. Pressure groups may then seek a role in the marketing system. In doing so, political participation may be increased and the exercise of power in society becomes more diluted.

Chapter Seven examines the boycott tactic in detail, as a form of non-violent direct action and as it is used by pressure groups and others. Features of the boycott and principles in its use and response to it emerge as common, whether it takes the form of the consumer boycott or as an international economic sanction. In particular, it is an expression of disassociation with some repugnant thing - a moral act - and can be symbolic as well as effective.

The increase in direct action by promotional groups is likely to be in NVDA. Direct action appeals to some groups for ideological reasons. In consumer boycotts, products may be avoided because they are seen as tainted; NVDA may be more appropriate to most promotional groups' aims, as a rejection of violence. Yet its use may be pragmatic as

well as principled, for NVDA has proved highly effective. It provides power through moral superiority. The exercise of power depends on obedience. NVDA recognises and challenges that obedience, taking power away from immoral authorities and giving it to their critics. This may involve the firm when acting in concert with government, such as Tarmac in its involvement in cruise missile silo construction (see CND case), or independently, with the firm seen as a 'private government'. A Gallup survey confirms the conclusion that direct action is set to increase, with business ever more involved. This is most likely to be in NVDA, including consumer boycotts.

Sharp's comprehensive study of NVDA identifies three classes of action, the withdrawal of cooperation being the most prevalent. Economic boycotts are classified under economic non-cooperation and Sharp offers a typology which includes the consumers' boycott as one action by consumers. There are weaknesses to his analysis, however, and an alternative definition of consumer boycott is proposed which emphasises consumer sovereignty. So, a consumer boycott is the organised exercising of consumer sovereignty by abstaining from purchase of an offering in order to exert influence on a matter of concern to the customer and over the institution making the offering. Sharp suggests NVDA is successful by achieving conversion of the opponent; though this is less likely than accommodation or non-violent coercion. It has to be acknowledged that the consumer boycott, although non-violent, does have coercive features. Sharp favours NVDA as it can achieve a redistribution of power.

Yet how relevant is NVDA to Britain? Much of the literature concentrates on the classic actions over civil rights or by Gandhi. A grid is proposed identifying key dimensions in the classification of NVDA. This distinguishes between principled or conscientious non-violence and pragmatic non-violence, and small-scale non-violence and the large-scale, classic action. Though only indicative of general tendencies, it is suggested that in accordance with this, most NVDA in Britain is small-scale pragmatic non-violence and likely to remain as such. In which case, a role for the consumer boycott is again indicated. More importantly, the issue is raised as to whether boycotts should be judged by their economic effects when in this country they are likely to be principally symbolic acts. The likely illegality of many common forms of NVDA, including consumer boycotts, is dismissed, as they amount to only a minor breach of the law comparable to breaches of Sunday trading laws and tolerable as a valuable form of political expression. With consumer boycotts in particular, their appropriateness to market society reinforces this judgement.

The term boycott originated in 1880 with the ostracism of Captain C C Boycott, an Irish land agent, over the treatment of his tenants. He, and his supporters, were boycotted in a number of ways. A continuum of boycotting may then be identified according to the extent of the ostracism involved and, because of this, and the many different parties that may use or be subject to the boycott, there is considerable variety in the types of boycott that may be found. Some types are more extreme and less acceptable than others. While some boycott actions are not referred to as such, strikes or 'blacking', for example. The concern here is with the 'not buying from' types of

boycott. Although strikes or blacking are more commonly used by unions today, consumer boycotts were more important before labour, in the United States at least, became organised. Consumer boycotts appear to have been the key to unionisation. When this goal was achieved they were no longer necessary as the union could more effectively use the strike. Though where unions are weak, as in Third World countries or the grape boycott case, the consumer boycott is still used. The use of the consumer boycott by unions - and its effectiveness - is evidence of the use of the market to control business.

The international economic sanction is another type of boycott and often referred to as an economic boycott. It achieved considerable prominence under the League of Nations following World War I, when it was considered an effective alternative to war. Hopes for the boycott in such a role were not fulfilled, but economic sanctions continue to be used and have proved effective and successful.

An interesting variant is to be found in Remer's study of Chinese boycotts. The Chinese boycotts, although international in scope, were not officially organised by the government and were said to be largely a spontaneous reaction by the Chinese people. In this way, they are more like consumer boycotts than international economic sanctions and so have some particularly useful contributions to make here. The methods in their enforcement and promotion, such as picketing and posters, were to be found in the labour boycotts reported and in more recent consumer boycotts.

Remer suggests their objectives may be publicity, punishment, and policy change. Their outcome may be effectiveness and success, though psychological impact may be as important in success as economic effectiveness. (He makes the distinction, found elsewhere, between economic effectiveness and the achievement of objectives, success.) A boycott may be useful in bringing publicity and, as a passive measure, sympathy. Accordingly, it may be both a weapon of retaliation and a theatrical sword. As an international action, there can be protectionist benefits as a spin-off.

Drawbacks to the boycott are, however, identified. It may be a double-edged sword, with costs for the boycotter. It can also be slow and cumbersome. Moreover, organisation and solidarity are identified as important in its effectiveness, perhaps more easily achieved in China. Sharp describes China as the "classic home of the national consumers' boycott" and Remer refers to a long history of boycotts in China, before the term, indeed, was conceived. There is then the question as to the boycott's cultural appropriateness to the West. The origins, organisation and effectiveness of the Chinese boycotts have cultural explanations, particularly the cultural precedents of a passive resistance tradition and a highly structured society. But Western boycotts, later considered, somewhat allay these doubts.

The Chinese boycotts, and Remer's analysis, point to principles in the use of the boycott and common features. They are found to be of applicability to both consumer boycotts and more recent examples of international economic sanctions considered, such as those over UDI in

Rhodesia. Analysis of these boycotts also highlights target vulnerability and the role of sanctions to reinforce morality. Boycotts may not be futile because of this latter point, even if they are not effective. They can be used to punish, having an expressive function. Some sources suggest effectiveness may not be necessary for success, especially when success has more to do with punishment and showing that things are not being taken lying down than policy changes. Responses are principally in the form of adaptation, economic restructuring, and trading with or through other countries. It's suggested that boycotts may in themselves be inadequate.

The Arab boycott is an international economic sanction, probably the most significant and costly boycott involving business, and also, in the Jewish response, involves consumer boycotts. It demonstrates boycott effectiveness, but not success; unless the punishment of Israel is viewed as a sufficient, if costly, success. In its expressive role - as moral condemnation of Israel and its supporters - it is an example of ethical purchase behaviour. The Jewish response, spontaneous and organised counter-boycotts, is also ethical purchase behaviour. Boycott methods are indicated and factors in their effectiveness, for example, boycotts are difficult to control the further they are removed from the grievance.

More than this, the Arab boycott is also about social responsibility in business and management response to boycotts. Compliance with the boycott has been condemned - even where firms appear to be following the government line - and resulted in counter-boycotts. Some firms ended their compliance partly as a result of the economic effect of these boycotts but also because of the publicity. The conclusion about boycotts in general being successful without being effective seems particularly true in the case of consumer boycotts. This, of course, harks back to observation in Chapter Six on pressure group strategies and tactics and the visibility of firms. Moreover, in the achievement of anti-boycott legislation by Jewish groups, it shows how pressure groups most often achieve success, by putting issues on the political agenda. Their consumer boycotts, as well as publicity and shareholder actions, played an important part in this.

So, Chapter Seven is a thorough examination of the boycott tactic, acknowledging the similarities between different types of boycott as well as its origin and its basis in NVDA. The distinction and relationship between effectiveness and success and the expressive function of boycotts has been emphasised. Boycotts need not achieve policy changes to be successful, punishment may have been the intention. Boycotts may only be symbolic, theatrical - but perhaps double-edged - swords. Examples of consumer boycotts were considered in China and over the Arab boycott, and, in the latter case, involved social responsibility issues in business - illustrating their complexity.

Chapter Eight concentrates on consumer boycotts and, as the final chapter in Part Two, integrates the theoretical argument. An important part of this is showing how ethical purchase behaviour operates at the micro level by referring to the legitimacy concept and negative product augmentation. A model proposed identifies a role for pressure groups in the marketing system and incorporates these concepts.

There are historical precedents for consumer boycotts - and, therefore, ethical purchase behaviour - with one source identifying a consumer boycott in mediaeval England. Yet the literature on the topic is sparse. Boycotts, however, seem less common in Britain than in the United States. Consumer boycotts may be classified according to the relationship of the seller to the perceived misdemeanour, giving rise to primary and secondary boycotts. This tends to affect their legality. Though while recourse to legal action might be available, firms are loathe to use it because of the associated publicity. Interestingly, two American reviews of consumer boycott legality consider the action as a form of political expression; Harper suggests there is an emerging right to boycott. Should a firm obtain an injunction prohibiting a boycott, this may be overcome by merely citing the grievance and thereby implying appropriate action by consumers, or by using the indirect boycott.

The use of the consumer boycott by the corporate accountability movement, directly relates this examination of the boycott to the idea of consumer sovereignty to ensure social responsibility in business and the theoretical argument. Vogel's work identifies the efforts by pressure groups to achieve social control of business via the market. He considers their achievements limited, but he fails to distinguish between success and effectiveness in the use of the boycott and the boycott is shown to have some impact as a social control mechanism. The examples cited are, like other consumer boycotts referred to, evidence of ethical purchase behaviour.

The mechanism of the boycott involves a five stage process: attempts at peaceful adjustment, inauguration and endorsement of the boycott, effective notice of the boycott, enlist support, and conclude boycott when agreement reached and publicise settlement. The importance of first threatening the boycott was noted, as were control problems and the use of market segmentation in directing boycott efforts. Factors in boycott effectiveness and success include various characteristics of the product boycotted, the organisation and promotion of the boycott, the frequency of boycott action, its remoteness from the grievance, and support.

Reference to consumer sovereignty might offer a theoretical explanation or justification for ethical purchase behaviour. But it doesn't explain why the individual consumer would wish to participate in a consumer boycott or ethical purchase behaviour generally. It's advanced here that there may be negative product augmentation, the unintended provision of unattractive product attributes. Dow's Saran Wrap, for example, became associated with charred infants because of Dow's manufacture of napalm. This suggests there may be a legitimacy element in the marketing mix.

These concepts can be incorporated in a five-stage model describing the process which results in pressure group influenced ethical purchase behaviour: firm's marketing system stable; pressure group awareness of firm's failing; pressure group response; firm's marketing system becomes unstable - through negative product augmentation; and, finally, ethical purchase behaviour - customers seek an alternative firm's product without the legitimacy shortcoming. Management

response may involve defeat at the hands of the pressure group or a tactical withdrawal, assuming the pressure group itself isn't defeated. Management may take anticipatory action and recognise pressure groups as a feature of the environment in which they operate, accounting for this by sustaining legitimacy within the marketing mix.

Chapter Eight ends by identifying some preliminary conclusions. Notably that there is support for the ethical purchase behaviour concept and evidence of it, and support for the societal marketing concept. Popular support is important in boycott actions and because of this, and their limited use in Britain to date, they may be more accurately referred to as having a latent potential in the social control of business. Pressure groups may operate as a countervailing power and seem, therefore, particularly in their enhancement of consumer sovereignty, to have a legitimate role in the marketing system. They may, in organising consumer boycotts transpose social costs into private costs. Finally, the study shows consumer sovereignty may have two dimensions: extent or domain, as well as degree. In turn, ethical purchase behaviour, in the recognition of this, offers the potential for greater political participation. Though not all political issues can be decided on in markets.

So, to conclude. In keeping with the research questions, three dominant themes have emerged in Part Two, the presentation of the case for ethical purchase behaviour and the examination of consumer boycotts, one form of this.

Firstly, on consumer sovereignty and its extent. It was established as the rationale for capitalism and hence of great importance to market societies. It is identified here as having two dimensions: degree, the amount of consumer authority in the marketplace; and extent, the jurisdiction of that authority. The latter dimension constitutes a radical perspective on consumer sovereignty and is in acknowledgement of consumer interest in purchase beyond the more immediate characteristics of the product, as shown in ethical purchase behaviour. Yet despite the significance of consumer sovereignty, it may be limited on both of these dimensions.

The second theme concerns the social control of business and the role of the market in this. Classical economic theory, still predominant in business ideologies, suggests 'the market will answer all things', including the problem of the control of business. While such a role for the market is advanced here, it is in a different way to that envisaged by the classical and neo-classical economists and their adherents. Their belief in the market's capacity to deal with social issues falls down most notably on two points: in externalities (social costs), and in assuming efficiency and freedom more important than equity or altruism as the criteria by which the market's performance should be assessed. On the latter point, it was noted that material progress may have been the most important social goal in the classical economist's day, but its relevance for affluent society is questioned. Moreover, within their argument, there is the assumption of a substantial degree of consumer sovereignty, which may not always exist. Here it is suggested that, by acknowledging the extent of consumer sovereignty dimension and ethical purchase behaviour, the market may

assume some responsibility for social issues and the social control of business in affluent society - in a way not envisaged by classical economists.

The third theme concerns the part to be played by pressure groups in this schema, by politicising the market and having an impact on the firm's legitimacy element in the marketing mix. The shortcomings in consumer sovereignty - at least in its extent - may be remedied by pressure groups. They may function to enhance consumer sovereignty by providing information on grievances of concern to consumers and involving business. Such a role would be in keeping with pluralist models of politics and, in the form of the consumer boycott, may provide promotional pressure groups with a much needed and effective tactic. The pressure group role also involves the identification of firms' responsibilities (a problem raised in Chapter Four) and, in a pluralistic fashion, their priorities and the extent of corporate responsibility. Firms may also need be less concerned about their undesirable externalities, as these social costs may be converted into private costs.

Part Three provides further evidence for the argument in the survey research and case studies. The case studies highlight factors in boycott effectiveness and other conclusions on the boycott and the role of pressure groups. Though the social control of business and consumer sovereignty themes are most definitely also evident.