

Civil Society's Engagement with Business in Search of Common Good: An Experience in Global South

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Introduction

Interdependence among civil society, business and government for common good is encouraged across the democratic world. However, business that act against social interests has emerged in developing world where state power too has diminished over business. Therefore, Civil Society engagement; an attempt to define and shape business conduct through deliberation has become imperative. Nevertheless, in Sri Lanka, despite availability of mechanisms to engage, evidence suggests of Civil Society's failure to engage with business in shaping the business conduct towards mutually acceptable outcomes. Moreover, contemporary knowledge domain postulate civil society's ability to address social problems, does not adequately explain the circumstances in failures. Therefore, this study aims to understand civil society's failure to engage with business in shaping business conduct, and attempts to explain why, how and under what conditions it initiates engagement. Study deploys Habermas' Deliberative Democracy Theory (DDT), that support civil society's role in bringing social issues to public sphere and deliberation towards reaching moral agreement, as the theoretical lens. DDT further explains public opinion with right deliberative process generates social power, possibility one has to assert his own will and interests, even against the opposition of others. In mitigating adverse impact of business Habermas proposes to define the role of business that meet ethical and moral yardsticks through deliberation in public sphere. However, this theory does not sufficiently explain why civil society fails to engage and what conditions facilitate engagement, thus such are viewed through social movement theory.

Civil society activism in Sri Lanka heightened in recent past emphasizing on human rights, democracy and economic development, however hardly on business and/or consumer protection despite being urged by many. Meanwhile, upsurge of incidents where social problems are created by business, and civil society's failure to engage with those issues are reported frequently, thus justifies the study undertaken.

Literature identifies relevance of mobilization (process in which social units gain rapid control of resources) and social connectedness (the experience of belongingness and relatedness between people) in civil society acquiring social power. Meanwhile literature suggests Business performs a proper role in society, if sustainable societal **Value** is achieved, with appropriate **Balance** in stakeholder interest, demonstrating sufficient **Accountability** (*VBA Model*). Business and Society, social entities are subject to power interplay. Therefore, it is proposed civil society with enhanced social power formed with deliberation would be able to interpret business activities in terms of VBA. Hence this study contributes by drawing civil society perspective and explaining conditions attributable to engagement, how it engages with business in creating common good;

social arrangements that are conducive for justifiable aspirations of majority. Thereby study expands DDT and enriches VBA by adding civil society perspective. It enables practitioners to be cognizant of civil society interests and power centres, thereby steer business towards stability with broader social acceptance.

To understand and explain the phenomena, study engages qualitative research approach with multiple case study, two case sites selected based on purposive sampling. Data was gathered through multiplesources including focusgroups, interviews, archives, document reviews, videos and analyzed through coding and themes. Thereafter cross case analysis was carried out for comparative purposes.

Case A, is a global leader in surgical gloves production. Community around the factory complained that their drinking water source; wells, were polluted due to effluent from the factory, tests confirmed water was unsuitable for drinking. Factory took the stand operations comply with all regulatory standards and cause for pollution was natural conditions of the soil. Disgruntled people in thousands came to streets causing civil disobedience, forcing factory to close down, ended up with three deaths and dozens injured. Company was compelled to cease operations for months until a new factory was setup elsewhere, lost billions of rupees, in addition to damaging brand image, public confidence and respect.

Allegation was that company polluted “our” well water (‘ape wathura’); attached a heritage and pride to the cause. It was evident from the media and displays too that “*Our Water*”, “*Life*” and “*Children*” were the themes prominently stressed. Further the village priest’s fast unto death to may have prompted people formation. In addition, feeling of togetherness demonstrated by “*we are closely knitted village from the time of our ancestors*” too have encouraged collective engagement.

Case B, national water distribution grid was contaminated by oil discharged from a beverage factory and that prevailed for 3-4 days. Authorities suspended the license issued to the factory yet restored within weeks. Millions of people underwent tremendous hardships, health hazards owing to their only source of water becoming contaminated, compelled them for alternative water sources. Company viewed it as an industrial accident and claimed all possible remedial action were taken to minimize recurrence. Authorities including political leadership viewed this as an accident, company meeting the cost of repairing damaged machinery of the water distributing authority was concluded as an adequate solution. However, for public inconveniences and damages caused with contaminated water were not compensated. Neither public/ consumers demanded any, largely kept silent.

Affected public considered contaminated water distribution was serious threat to life and caused inconvenience to their daily lives, many had incurred additional expenses to buy water. Families with children had moved to relatives’ places in other localities with safe water. Despite adverse experience majority civil society kept limited engagement, viewed as commercial transactions. Nevertheless, ownership attached to the water in this case was insignificant, water given to us (‘apita dunna watura’) a case “supplier letting down the consumer”, thus an economic loss not as a social issue require collective action.

Therein the case B too, as theory suggests, people have spoken to neighbors and created a “bundled” opinion that water received by them would have health concerns. However, bundled opinion was not strong enough to create a significant social power due to lack of value attached to the cause that was only seen as a transaction. In addition, mobilization and social connectedness was diluted due to spatial spread of affected people and the temporal limitation.

Sri Lankan society places high admiration and preciousness to water and its precedence to life. Case A, it can suggest, with pride and heritage is attached to water it gained identity, thus contamination of that water was seen as serious threat to pride and dignity in addition to life. Thus, brought stronger public opinion leading to collective action thereby greater social power. This robust social power enabled engagement with business that could deliberate and define the conduct of business in terms acceptable to majority; common good. However, in Case B water represented as an individual transaction could not promote collective public opinion to gain adequate social power thereby failed to engage with business in deliberation with strength that led to business dominating the situation at the cost of public. Therefore, it can suggest that where “values” are threaten civil society inclined to engage more than in conditions “loss of value”.

Keywords: Business; Civil Society, Social Power, Social Problems, CSR

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