



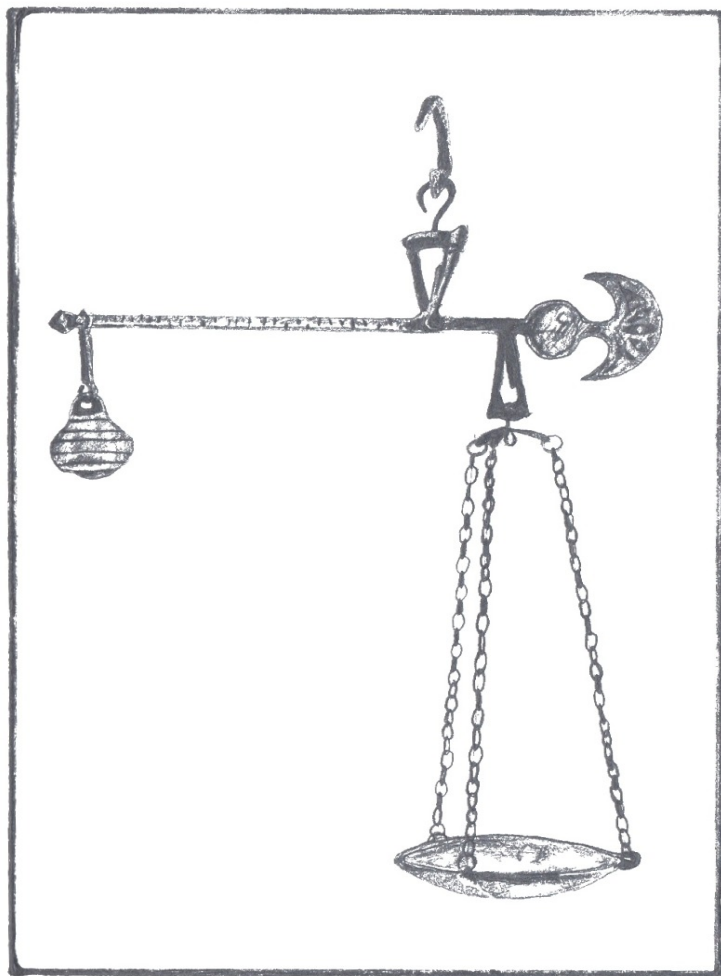
Utrecht University

Thesis MA Applied Ethics (Faculty of Humanities)

A Corporate Social Responsibility vs. a Relational Stakeholder Approach

by

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Abstract



In this thesis I present the case study of Fairtrade to recognise the way a stakeholder approach, based on Corporate Social Responsibility (CSR), has been adopted by institutions that are committed to global justice. It is my contention that the usage of this CSR stakeholder approach, by these global-justice institutions, can lead these institutions to confuse their pre-existing normative commitments. I will then question whether a relational stakeholder approach, inspired by the theories of an Afro-communitarian ethic and an ethic of care, might be more suitable for institutions committed to global justice. This relational stakeholder approach informs us that an institution can enhance the quality of their global-justice approach by displaying the norms of an “oath of care”, “good communication” and “appropriate action” in their relationships with the people they are committed to helping. I will then provide guidance on how this relational stakeholder approach can inform the way that an institution relates to their other various stakeholders too. Finally, I will assess whether this relational stakeholder approach is in fact more suitable for institutions committed to global justice, compared to a CSR stakeholder approach.

Contents



Chapters

Introduction	2
Chapter One: A Corporate Social Responsibility Stakeholder Approach for Global-Justice Institutions	5
Chapter Two: Approaching Global Justice Using a Relational Ethic	26
Chapter Three: Presenting and Defending a Relational Stakeholder Approach	49
Conclusion	63
Bibliography	66

Figures, Images & Tables

Figure. 1: Translating CSR Theory to CSR Practice	8
Table. 1: Cleavages within the Fairtrade Movement	17
Table. 2: An Ethical Matrix for Fairtrade Certification	55

Cover Image by Emmy Callaghan

Introduction



When a person has interests that can be affected by the way an institution acts, that person is a stakeholder to that institution. Every institution has its own way of responding to the interests of its stakeholders. Even an institution's choice to neglect its stakeholders constitutes an approach to stakeholder management (albeit a quite unproductive one). In this thesis, I emphasise the importance of stakeholder management specifically for institutions committed to global justice. When an institution is committed to global justice, their approach to stakeholder management can have a strong bearing on their ability to promote their normative commitments effectively. The importance of stakeholder management for these institutions is illuminated by my case study of Fairtrade. Specifically, I recognise that "mainstream" Fairtrade institutions have allowed norms of Corporate Social Responsibility (CSR) to influence their respective approaches to stakeholder management. The adoption of what I term a 'CSR stakeholder approach' by these institutions has led to normative failures within these institutions. Here, I refer to the "normative failures" of a CSR stakeholder approach *not* in the sense that a CSR stakeholder approach offers its own (ethically unsound) normative doctrine; rather, I will recognise that by adopting a CSR approach to stakeholder management, these global-justice institutions can confuse their pre-existing normative commitments. I will suggest that since a CSR stakeholder approach can impede an institution's global-justice approach, clearly this stakeholder approach is unsuitable for institutions that are committed to global justice.

My thesis will be devoted to assessing whether a *relational* stakeholder approach ought, ethically and practically, to be adopted by institutions committed to global justice, in place of a defective CSR stakeholder approach. This leads me to pose the following research question: *For institutions committed to global justice, can a relational stakeholder approach remedy the normative failures of a stakeholder*

approach based on Corporate Social Responsibility?

My first chapter is devoted to outlining what I take a CSR stakeholder approach to look like. I will show that this CSR stakeholder approach is being utilised by “mainstream” Fairtrade institutions, and I will highlight the impact that a CSR stakeholder approach has had on the ability of these institutions to promote their global-justice goals effectively.

In the second chapter, I will show how a relational ethic can be used to enhance the quality of an institution’s global-justice approach. That is, by applying this relational ethic, an institution will be able to promote their pre-existing normative commitments more effectively. This relational approach is inspired by the ethical theories of an Afro-communitarian ethic and an ethic of care. Firstly, I will show that by adopting the community values of an Afro-communitarian ethic, an institution can genuinely commit to the people they are seeking to help. Secondly, I will show that by adopting an ethic-of-care perspective, an institution can reach out to the people who are most in need of their interventionist support. For this relational ethic to enhance an institution’s global-justice approach, it will need to inform the way that an institution relates to the people they aim to help. In this relationship – between an institution and their global-justice beneficiaries – I will show that an institution can enhance the quality of their global-justice approach by displaying the norms of “an oath of care”, “good communication” and “appropriate action”.

In Chapter Three, I will translate these relational features into a relational stakeholder approach. Here, I recognise that a relational ethic cannot enhance an institution’s global-justice approach unless it can inform that institution’s broader approach to stakeholder management (providing guidance not only on how the institution should relate to those they are helping, but also on how these institutions should manage the interests of their other stakeholders too). I will provide a general ethical defence for why this stakeholder approach is ethically ideal (and this will supplement the relational defence that I provide, in my second chapter, in favour of this relational stakeholder approach). I will conclude

with a final reflection on whether, for these global-justice institutions, a relational stakeholder approach can indeed remedy the normative failures of a CSR stakeholder approach.

A brief word is necessary on the terminology used in this thesis. I use the term “institution” to describe professional organisations that have assembled in pursuit of a collective goal – in my thesis I focus on institutions that are committed to global justice. I am aware that the term “institution” can also be used more broadly to describe dominant systems of rules – whether formal or informal - that coordinate social behaviour¹. This usage of the term “institution” is, however, not my usage in this thesis.

In addition, I use the term “beneficiaries” to describe the people that an institution is committed to helping from a sense of global justice. While I take this term to succinctly describe the people that are of concern in an institution’s global-justice approach, I also recognise that the term “global-justice beneficiary” may seem condescending to some. I wish to clarify that, as used here, I attach no value assumptions to the people I refer to when I use the term “global-justice beneficiary”.

I now turn to my first chapter. By introducing my concept of a CSR stakeholder approach, I seek to emphasise the importance of stakeholder management for institutions committed to global justice.

¹ For this definition of “institution”, see: Hodgson, (2006), Pp.2-5

Chapter One: A Corporate Social Responsibility Stakeholder Approach for Global-Justice Institutions



I begin this thesis by recognising the way that institutions - those committed to global justice - have adopted a Corporate Social Responsibility (CSR) approach to stakeholder management. Ultimately, I will reject these institutions' use of this CSR stakeholder approach. To arrive here, I start with an introduction on CSR. I will analyse three layers of CSR. Namely, I will discuss CSR on a conceptual level, on the level of motivation, and I will then discern a practical nature for CSR – what I coin 'value-representing' CSR. From here I will outline what I take a CSR stakeholder approach to look like. Once this definition has been provided, I will introduce my case study of Fairtrade. My intention in doing so is to reveal the way that global-justice focused institutions have adopted a CSR stakeholder approach. I will then criticise this particular application of a CSR stakeholder approach. I will recognise that by using a CSR stakeholder approach, an institution's respective global-justice approach will fail to meet the requirements of "normativity" and "justifiability".

1. Introduction to Corporate Social Responsibility: Theory and motivation

What responsibilities do corporations have towards society? At a conceptual level, Corporate Social Responsibility (CSR) is best understood as an umbrella term covering various answers to this question. Garriga and Melé (2004), for instance, categorise four primary responses to this question, representing 'instrumental', 'political', 'integrative' and 'ethical' views on CSR respectively. I begin my discussion on CSR by elucidating these dominant theoretical approaches to CSR. Following this, I will discern a more practical nature of CSR behaviour. Interestingly, while CSR theories may interpret the relationship between the corporation and society differently, the corporation's

responsibilities to society are typically understood, on these views, to be economic, legal and ethical in character¹.

'Instrumental' CSR theories would represent an important exception to this rule. An instrumental view on CSR would embrace Milton Friedman's famous proclamation that "the [sole] social responsibility of business is to increase its profits"². Thus, beyond profit maximisation, the corporation has no further obligations toward society. An instrumental theory of CSR will quite possibly still promote the different economic, legal and ethical domains of CSR, but these standards will not be promoted because of a perceived duty of the corporation; rather, promoting these standards would be understood to increase the profitability of the corporation.

In stark contrast, the 'political', 'integrative' and 'ethical' views on CSR would collectively reject Friedman's characterisation of the corporation as a solely profit-maximising machine. Let us consider, broadly, how CSR is justified on these approaches:

Political CSR: Corporations yield a large amount of social power. Due to this power, responsibility is bequeathed onto corporations to promote political ends.

Integrative CSR: Since the corporation depends on society to function, the corporation is obliged to promote societal interests in their business operation.

Ethical CSR: Corporations are obliged to promote ethical goals for the good of society.³

¹ Schwartz, Carroll, (2003), Pp.508-513

² Friedman, (1970)

³ Garriga, Melé, (2004), Pp.55-62

Since these views do recognise that the corporation has a broader array of responsibilities towards society, it would follow that CSR would here be deemed intrinsically valuable – pursuing CSR, on these approaches, is seen simply as the right thing for the corporation to do.

That CSR has been theorised in these different ways would validate Adaeze Okoye’s claim that CSR is an “essentially contested concept”⁴. That is, there is a key disagreement among CSR advocates as to what the relationship between the corporation and society ought to look like. Any one of these CSR concepts, taken separately, would then have little authority when it comes to guiding all CSR behaviour in a normative direction. Each of these theories may have a practical utility when it comes to guiding the CSR approach of an *individual* corporate actor, but these CSR theories are less helpful when it comes to discerning a general vision of CSR in practice.

When turning our attention to how CSR functions on a more practical level, it follows that these ‘political’, ‘integrative’ and ‘ethical’ CSR concepts might then be better interpreted with reference to their common denominator – that these views suggest an intrinsic motivation for CSR. Indeed, Curtis Child (2015) compartmentalises CSR practice in terms of an actor’s underlying - intrinsic or extrinsic – motivation for pursuing CSR:

‘Value-based’ CSR: A corporate actor looks to align the corporation’s behaviour with his/her beliefs (intrinsic motivation).

‘Value-seeking’ CSR: A corporate actor seeks to promote social and environmental standards where doing so is expected to benefit financial performance (extrinsic motivation).⁵

For a visual illustration of how CSR theory is here translated into CSR practice, see Figure. 1. In the following section, I now question whether a focus on

⁴ Okoye, (2009), Pp.616

⁵ Child, (2015), Pp.608

motivation succeeds in revealing the true nature of CSR in practice. I will argue that it does not, and I will suggest an alternative way of interpreting CSR practice.

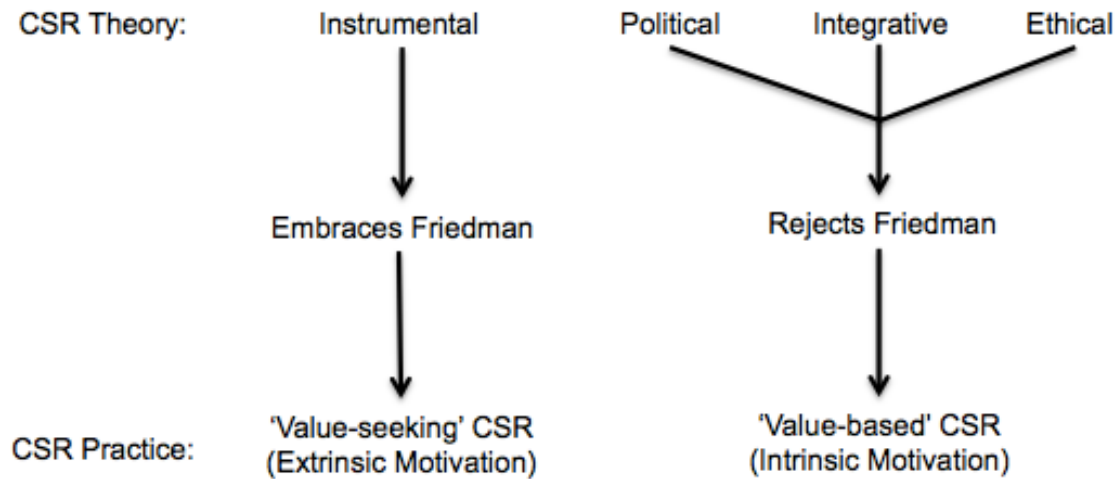


Figure. 1: Translating CSR Theory to CSR Practice

2. A hypothesis on CSR practice

There has been some empirical research devoted to the question of whether CSR is predominantly utilised as a ‘value-based’ or a ‘value-seeking’ concept. The aim of this research is to disclose more about how CSR functions in practice⁶. From an ethical perspective, however, it’s observable that this focus on CSR motivation may still fail to reveal what the important practical features of CSR are. For instance, in this thesis I analyse the impact that a CSR stakeholder approach has on institutions committed to global justice. Understanding whether CSR is predominantly intrinsically or extrinsically motivated will tell us little about the suitability of a CSR approach here. From a perspective of justice, what’s important is the way an institution acts, whether in terms of their expressed attitudes or in terms of the outcomes of their behaviour⁷. How an institution *intends* to act would seem less relevant here, since intentions do not guarantee

⁶ Examples of such empirical research include: Graafland, van de Ven, (2006) and Graafland, Mazereeuw-van de Duijn Schouten, (2012)

⁷ Here I reflect on both the distributive and the relational dimensions of justice outlined by Christian Schemmel. See: Schemmel, (2011), Pp.137-141

that an ethical outcome is actually achieved. It would then make more sense to focus on the way the CSR concept prompts corporations to act, since only then might we discern the suitability of CSR for achieving various ethical goals.

In searching for a more relevant underlying nature of CSR practice, I hypothesise that the outcome of CSR behaviour, *whether intrinsically or extrinsically motivated*, is to produce what I term in this thesis 'value-representing' CSR:

'Value-representing' CSR: In practice, CSR initiatives generally lead to corporations embodying the preferences of economically valuable stakeholders.

This hypothesis is immediately apparent in cases where CSR is being applied instrumentally; in 'instrumental CSR', the clear ulterior motive of the corporate actor is to maximise shareholder returns, and the most direct route the corporation can take to achieve this would be to conform to the wants of their most valuable stakeholders first. As I'll now argue, however, this 'value-representing' mechanism of CSR also applies in instances where a corporate actor might value CSR intrinsically. To be clear, I do not believe it has always been the case that CSR prompts corporations to echo the values of their economical stakeholders. Rather, 'value-representing' CSR might be understood as a more recent phenomenon. In our contemporary corporate setting, I now acknowledge that the rise of 'brand identity' has had a big influence on the way CSR leads corporations to act.

CSR emerged as an activist-led concept in the 1960s and 1970s. Prior to its spike in popularity in the 1990s, it was a relatively unknown idea⁸. During these early days of CSR, corporate actors would have been free to pursue CSR at their discretion. Since the corporation was not expected to pursue CSR, there would have been no constraints on what socially responsible goals could be pursued. Observably, however, this vision of the ethically exceptional CSR actor now seems like a distant memory. Since then, the marketplace has transformed

⁸ Child, (2015), Pp.607-608

significantly. Globalisation has accelerated at a rapid pace with the development of tariff-free zones, liberal trading policies and fewer market boundaries. This has led to a huge diversification of products available for purchase. In these modern times, corporations are therefore required to grow their 'brand identity' as a way of staying competitive. A 'brand identity' conveys trust, which is appealing to consumers in this increasingly congested global market⁹. By a corporation appearing reliable and ethical, they are able to build a strong brand identity, which can give that corporation an edge over their many competitors. However, while having a strong brand identity is more important to the corporation than ever before, Sushil Mohan notes that corporations are also more vulnerable than ever before to "image damage"¹⁰. This makes sense when we consider how social technology has developed since the 1990s. Information now flows freely and quickly, and, as is evident from big boycott campaigns against Nike and Nestlé in recent years¹¹, this has put the corporation at constant risk of having their brand identity attacked by slander campaigns, which describe attempts by the public to publically shame corporations for their questionable business practices. As a consequence, corporations are increasingly required to mitigate any financial risk by appearing ethical on all fronts. Now, more than ever before, CSR is a matter of business necessity - CSR helps the corporation both to preserve and promote their brand identity, which the corporation relies on to stay competitive. Susan Wamitu (2014) articulates this competitive nature of CSR rather astutely:

"The pressure on businesses to play a role in social issues is growing and over the last ten years, these institutions have grown in power and influence as they compete in playing CSR roles to a point where the public is forced to define a business by how much and how conspicuously it contributes towards CSR".¹²

Whilst CSR may previously have been adopted positively, as a way of achieving good outcomes for society, it is now increasingly being adopted negatively –

⁹ Kathman, (2002), Pp.24-25

¹⁰ Mohan, (2009), Pp.24

¹¹ Nicholls, Opal, (2005), Pp.69

¹² Wamitu, (2014), Pp.116

businesses cannot afford not to have a CSR agenda in place. Importantly, since CSR today is viewed more as a demanded activity, rather than a discretionary one, there are now certain constraints on what CSR agendas can be pursued. Ultimately, a corporation seeks to build a strong brand identity as a way of preserving the interest of economically valuable stakeholders. It would then only make sense that any subsequent CSR policy, adopted in order to boost a corporation's brand identity, consciously integrates the social preferences of these economically valued stakeholders. Whether a corporate actor sympathises with CSR intrinsically or extrinsically would then be beside the point; the external pressure that businesses now face make it in their best business interest to pursue a 'value-representing' CSR agenda. Only by pursuing this form of CSR can corporations appeal to those economic stakeholders on whom they rely to stay afloat.

My 'value-representing' hypothesis contends that CSR leads corporations to reproduce the values of their economically valuable stakeholders. I have defended this hypothesis by arguing that the modern corporation needs to appear ethical as a way of staying competitive, and this forces corporations to embody the preferences of those economic stakeholders they are trying to attract. It's worth clarifying that I understand my 'value-representing' hypothesis to describe only a general nature of CSR practice. Some corporations with a particularly strong 'brand identity' might, for instance, have a certain amount of discretionary power to pursue CSR initiatives that do not represent the interests of economically valuable stakeholders. Put simply, there will be exceptions to the rule. For example, ING Bank pledged to withdraw from all their tobacco contracts by 2023¹³. In their statement, ING recognised their duty here to "contribute to society's wellbeing"¹⁴. If we take ING at their word, then they were acting here from a perceived duty of the corporation to society. We might then reasonably understand ING's stance on tobacco to qualify as an instance of 'value-based' CSR. The tobacco industry is highly lucrative, and so it's clear that ING bank, in pursuing this CSR initiative, were not conforming to the preferences

¹³ ING Report, (2019a), Pp.9

¹⁴ ING, (2019b)

of their economical stakeholders. Nonetheless, I contend that cases like ING are nothing more than exceptions to the rule. By and large, corporations today face huge competitive pressure to preserve and build on their brand identity. As a result, the typical corporation ought, rationally, to be as 'value-representing' in their CSR agenda as they can.

Three different layers of CSR have been presented. I firstly analysed CSR at the two levels of theory and motivation. I then turned to a hypothesis on CSR practice. I argued that this practical, 'value-representing' tendency of CSR is useful when considering how the CSR concept might function in today's corporate setting. I will now use this knowledge to evaluate what a CSR stakeholder approach might look like.

3. A CSR stakeholder approach

The terms 'CSR' and 'Stakeholder Theory' have not always gone hand-in-hand. Indeed, they are often understood to be alternative strategies for enhancing a corporation's social performance¹⁵. To address what I mean by a CSR stakeholder approach, I will take a step back, to consider more broadly what we might understand 'stakeholder theory' to be.

Anyone who is affected by the activities of a particular corporation is a 'stakeholder' to that corporation. These stakeholder groups – be they customers, suppliers, or local communities – will then have a vested interest in how the corporation behaves. The interests of stakeholders will not always be in harmony. For instance, a consumer demand for low prices may put pressure on a business to lower their supply chain expenditure, and this can impact negatively on the financial interests of those 'supplier' stakeholders. This leads Davenport and Leitch (2016) to describe stakeholder management as the “never ending task of balancing and integrating multiple relationships and multiple objectives”¹⁶. As I understand the term here, a 'stakeholder theory' would then

¹⁵ Jamali, (2008), Pp.213-214

¹⁶ Davenport, Leitch, (2016), Pp.25

describe any organisational theory that provided guidance on how these different stakeholder relations should be managed by the corporation.

What is immediately observable is that the term 'stakeholder theory' is, by itself, devoid of meaning. In order to provide meaning, the approach needs to be nuanced by a normative theory that can offer exact guidance on how stakeholder relations should be managed. This is why Freeman et al. (2010) describe 'stakeholder theory' as a "genre of theories", rather than as a theory in its own right. Amongst their long list of particular stakeholder theories are 'Kantian Capitalism Stakeholder Theory', 'Integrative Social Contracts Theory' and 'Libertarian Stakeholder Theory'¹⁷. Now, in turning to a discussion of what a CSR approach to stakeholder management would look like, I opt to use the terminology of 'stakeholder *approach*', rather than 'stakeholder *theory*'. This is because, unlike the stakeholder theories that Freeman et al. enumerate above, the CSR approach to stakeholder management that I recognise is not a deliberate theoretical decision; instead, I recognise a particular stakeholder approach to have manifested from the 'value-representing' tendency of CSR that I have articulated earlier.

What, then, would this CSR stakeholder approach look like? Earlier we have seen that modern CSR leads corporations to be 'value-representing' of the preferences of their economically important stakeholders. This would translate to a stakeholder approach in the following way:

CSR Stakeholder Approach: A form of stakeholder management where a corporation values economically important stakeholders *prima facie* more than their less economical stakeholders.

This approach to stakeholder management is evident in a lot of corporate settings. For example, empirical research in the Netherlands would suggest that, for small enterprises, a CSR stakeholder approach might even be the default

¹⁷ Freeman et al., (2010), Pp.413-414

approach to stakeholder management¹⁸. In this thesis I argue that the application of this CSR stakeholder approach is surprisingly broad. That is, its usage transcends the boundaries of ‘for-profit’ corporations. I now turn to an analysis of my case study of Fairtrade. My intention in doing so is to reveal how institutions that are committed to global justice have adopted a CSR stakeholder approach. It is the adoption of a CSR stakeholder approach, by these global-justice-focussed institutions, that is the focal point of my further discussion.

4. A CSR stakeholder approach for global-justice institutions: The case of Fairtrade

In this section I will illustrate the way that modern Fairtrade has adopted a CSR stakeholder approach, and I will assess how this has affected Fairtrade’s normative commitment to global justice. I begin by providing an overview of Fairtrade’s history, and in particular I focus on how the movement has, due to mainstreaming, become divided in two. One branch of the movement - consisting of Alternative Trade Organisations (ATOs) – has maintained an oppositional stance towards conventional markets. In contrast to this ATO branch of Fairtrade, the more recent branch of Fairtrade – their ‘mainstreamed’ branch - seeks not to critique conventional market practice. Rather, the focus of ‘mainstream’ Fairtrade is to ensure that a “fair” price is paid to Third World farmers when their goods are sold in those conventional markets¹⁹. Following my introduction on Fairtrade, I will demonstrate the way that the ‘mainstream’ Fairtrade institutions have evidently managed their stakeholders using a CSR stakeholder approach.

i) Introducing Fairtrade: Origin and evolution

The term ‘Fairtrade’ was originally used to describe a series of Alternative Trading Organisations (ATOs) that were set up in Europe and North America

¹⁸ For this research, see: Uhlaner et al., 2004, Pp.189-193

¹⁹ Low, Davenport, (2006), Pp.321

from the 1950s²⁰. These ATOs were set up in response to conventional trade, with conventional trading circuits viewed by ATO actors as being inherently exploitative towards the poorest farmers and producers²¹. One reason for this is that information asymmetries, between poor producers and rich purchasers, are very common in conventional trade²². An information asymmetry occurs when one party to an economic transaction has more knowledge than the other party, and this allows the former party to get an unfair advantage from that economic exchange. In our context, these information asymmetries would allow purchasers to routinely pay farmers and producers far below the relative value of their product. ATOs are motivated by a sense that these trade relations are unjust²³.

We might interpret the ATO branch of Fairtrade to be a humanitarian and an activist movement. It is humanitarian because ATOs seek to offer development opportunities to farmers and producers who have likely lacked similar opportunities under the conventional market. It is also an activist movement since the establishment of ATOs allows for this branch of Fairtrade to be openly critical of conventional markets. Here, ATOs can offer their market model as a viable alternative. This alternative market is based around the pillars of “trust, charity and solidarity”²⁴. In practical terms, these values would translate into the following market features:

Charity: The products of farmers and producers will be sold by ATOs at a price above their market value²⁵.

Trust: In this alternative market, farmers and producers can have faith that they will not be taken advantage of – both in regard to what is

²⁰ Mohan, (2010), Pp.24

²¹ Low, Davenport, (2006), Pp.316

²² Powell, Zwolinski, (2011), Pp.452

²³ Nicholls, Opal, (2005), Pp.76

²⁴ Mohan, (2010), Pp.24-25

²⁵ Ibid. Pp.24-25

expected of them during work, and in regard to their ultimate financial reward.

Solidarity: ATOs are more accessible for those disadvantaged farmers and producers who struggle to sell their products in conventional markets.

From the 1980s, a second branch of the Fairtrade movement began to materialise – the “mainstream” branch of Fairtrade. As the name indicates, the “mainstream” branch of Fairtrade has led to Fairtrade being sold in conventional trading circuits – those that the ATO branch of the movement stands to criticise. As a result, the “mainstream” branch of Fairtrade triggered a new era of unprecedented growth for the Fairtrade movement. For instance, between 2001 and 2011, revenue from Fairtrade sales had risen from €217 million to €5 billion²⁶.

The “mainstream” wing of Fairtrade took flight with the introduction of an international certification system for Fairtrade products; namely, the Fairtrade Labelling Organisation (FLO). The creation of the FLO label has led to Fairtrade developing a strong brand identity. As a result, consumers can have faith that by purchasing an FLO certified product, they are contributing to the Fairtrade mission. Fairtrade certification means that any retailer can sell their goods under the Fairtrade label, so long as *that particular product* is produced and sold according to Fairtrade certification standards²⁷. Mainstream retailers can then tap into the Fairtrade market without conforming to the values of Fairtrade in their wider operation – Fairtrade standards need only be applied down the supply chains of Fairtrade products. For instance, Fairtrade licenses have been given to Nestlé in Italy²⁸, while we might otherwise consider Nestlé to be the antithesis of Fairtrade – Nestlé have a track record of ethically dubious behaviour, including, but not limited to, cases of slavery down their supply

²⁶ Oosterveer et al., (2014), Pp.5-6

²⁷ Child, (2015), Pp.606

²⁸ Wilkinson, (2007), Pp.226

chains²⁹. For companies like Nestlé to sell their goods under the Fairtrade label, the main FLO standard they must abide by is a minimum price guarantee for farmers and producers on goods sold³⁰. Since “mainstream” Fairtrade are still committed to ensuring a better deal for poor farmers and producers, we might still understand this wing of Fairtrade to be committed to global justice. The scope of “mainstream” Fairtrade’s commitment to global justice is, however, a lot narrower than that of the ATO branch. For instance, while the ATO branch of Fairtrade are committed to a pact of solidarity with farmers and producers who have been marginalised by conventional trade, the “mainstream” branch of Fairtrade ensures a “fair” price only to those farmers who have been successful in tapping into the conventional market³¹.

Guaranteeing a “fair” price for farmers and producers is, however, not the only standard to have been incorporated into FLO certification. Other standards have gradually been adopted by the FLO too, and I now turn to assess the implications of these developments. Before proceeding, I wish to outline some key points of divergence between the ATO and “mainstream” wings of Fairtrade.

Fairtrade: ATO branch	Fairtrade: “Mainstream” branch
Critical of conventional trade	Embraces conventional trade
Emphasis on achieving “just” trading relations.	Emphasis on achieving a “fair” price for farmers and producers.
Emphasis on providing development opportunities for marginalised farmers and producers	
An activist and a humanitarian-driven movement	Driven by a CSR stakeholder approach

Table 1. “Cleavages within the Fairtrade movement.”

²⁹ Kelly, (2016)

³⁰ Griffiths, (2012), Pp.358

³¹ Low, Davenport, (2006), Pp.322-323

There are clear tensions between these two branches of Fairtrade. In Chapter 2, I will highlight some important relational features of the global justice approach pursued by the ATO wing of Fairtrade. For now, I will recognise the way that “mainstream” Fairtrade institutions have adopted a CSR stakeholder approach. Here I’ll show that Fairtrade’s economical stakeholders have had a much greater influence in determining the ethical standards being embedded into FLO certification than have Fairtrade’s (less economical) farmers and producer stakeholders.

ii) Fairtrade adopting a CSR stakeholder approach

I have recognised a CSR stakeholder approach to be a method of stakeholder management where the preferences of economical stakeholders are prioritised over the preferences of less-economic stakeholders. For Fairtrade to be utilising a CSR stakeholder approach, it would need to be the case that the FLO have based their certification requirements around the ethical values of consumers, more so than they have built those standards around the needs of their farmer and producers. To demonstrate that “mainstream” Fairtrade institutions have indeed adopted this CSR stakeholder approach, I now recognise the role that social movements play in mobilising consumer ‘signalling’. I will then reveal how Fairtrade, in developing their standards for FLO certification, have been primarily responsive to these ‘signalled’ values of consumers.

The most obvious way for an economic stakeholder to voice a preference to a retailer is to purchase in a certain way. Just as market exchanges can reveal the level of demand that consumers have for a particular good or service³², so too can market exchanges reveal how much demand consumers have for a particular ethical preference. It will not suffice, however, for an individual consumer to act alone in signalling a certain ethical preference through their market decisions. As Boris Holzer (2006) notes, consumers will only succeed in signalling an ethical preference if enough individual consumers act together by purchasing in the

³² Satz, (2010), Pp.18

same way³³. This makes sense when we consider that people purchase goods for a variety of different reasons. The expressed ethical preference of an individual, acting alone, will barely be distinguishable from these more general purchasing decisions. Only by enough people expressing the same purchasing preference can a clear ethical signal emerge from the rubble of these more convoluted purchasing choices. Importantly, in order to mobilise enough consumers to act together - in order to voice a tangible consumer preference - some underlying social mechanism is required. Guidance - as to what consumer preference is to be signalled - needs to come from somewhere.

As Holzer quite accurately notes, social movements are the driving force behind political consumerism³⁴. Social movements appeal to ethical values that people deem to be important. Accordingly, supporters will be motivated to act proactively in support of their social movement, for instance by expressing a particular purchasing preference. Also, social movements tend to be large enough in scale to be able to facilitate collective action here³⁵. The influence of social movements becomes clear when we consider Fairtrade as an example of one such social movement. There's a case to be made that the "mainstream" branch of Fairtrade might never have materialised, had it not been for the success of the ATO wing of Fairtrade in mobilising consumers to signal a clear ethical preference for Fairtrade products. Had no clear consumer preference for Fairtrade been signalled, then the expansion of Fairtrade into the mainstream might not have appeared as a viable business option.

We can then understand social movements to be the driving force behind political consumerism. Without social movements, consumers cannot coordinate their behaviour in the requisite way for a clear ethical preference to be signalled. I will now present three popular consumer preferences, driven by other social movements, that the FLO have adopted as certification requirements for Fairtrade. Insofar as these standards can be deemed counterproductive for

³³ Holzer, (2006), pp.406-407

³⁴ Ibid. Pp.407

³⁵ Michele Micheletti has coined this form of collective action "individualised collective action". See: Micheletti, M., (2003), P.24

Fairtrade's farmers and producers, I will demonstrate that the adoption of these standards demonstrates "mainstream" Fairtrade's usage of a CSR stakeholder approach – that is, in the planning of FLO standards, Fairtrade can be seen here to prioritise the ethical preferences of consumers over the preferences of their farmers and producers.

Firstly, Fairtrade have incorporated numerous organic standards into FLO certification. Most notably, FLO certification now requires that farmers and producers do not use genetically modified (GM) crops in the production of Fairtrade goods³⁶. The decision by the FLO to ban the use of GM technology can be seen as a response to a wave of consumer boycott campaigns during the 1990s. In the UK, for instance, this boycott campaign was spearheaded by several proponents of the organics movement, such as Friends of the Earth, the British Soil Association and the Women's Environmental Network³⁷. Now, GM technology provides poor farmers and producers with a cheap and effective way of producing good-quality crops³⁸. By the FLO prohibiting these technologies, farmers and producers will need to incur greater production costs in order to sell their goods as Fairtrade. This will naturally lead to the marginalisation of the poorest farmers from the Fairtrade market. If these poor farmers cannot cover the higher production costs associated with organic produce, they cannot be FLO certified. Even if farmers *can* cover these extra costs, however, their ultimate profit margins will be substantially lower than they would have been otherwise, had the use of GM technologies been permitted. The introduction of organic standards into Fairtrade can then clearly be seen to impede the development opportunities that Fairtrade can offer to poor farmers and producers. This would indicate that by introducing organic standards, the FLO acknowledged the preferences of consumers more than they acknowledged the preferences of their farmers.

³⁶ Mohan, (2010), Pp.65-66

³⁷ Stolle, Micheletti, (2013), Pp.141

³⁸ Mohan, (2010), Pp.65-66

Secondly, the emergence of green activism in the 1960s has led to a strong consumer preference for eco-labelled products³⁹. Eco-labelling provides consumers with a guarantee that a product has been produced according to rigorous environmental standards. Responding to this consumer demand for eco-labelled goods, the FLO have imposed restrictions on environmentally harmful production processes for Fairtrade goods. For instance, FLO certification requires that Fairtrade farmers and producers cannot use AZO dyes and pesticides, and the FLO have also put a limit on how much pollution can be emitted from resource extraction⁴⁰. As with the FLO's demand for organic produce, a demand for environmentally friendly production imposes extra costs on farmers and producers. After all, these restricted production practices would only have been selected in the first place because they are cheap to use. For lucky farmers and producers, their profit margins will be cut, while less fortunate farmers and producers would again be priced out of the Fairtrade market.

If a corporate actor has the discretionary power to adopt environmental standards down their product supply chains, that actor will be in a fairly privileged position. Transitioning to eco-friendly production methods comes at a cost, and the freedom to accept this cost implies a certain level of economic stability. Now, Simon Caney (2005) makes the argument that despite the risks of climate change, we might wish to allow the global poor to pollute more, since these groups are more financially dependent on environmentally harmful production methods in order to develop⁴¹. Unlike the affluent corporate actor, the cost of ameliorating production practices could be quite severe for Fairtrade's farmers and producers. By the FLO requiring that poor farmers and producers abide by the same environmental standards we might wish to hold big corporate actors to – those actors who *can* act in an environmentally friendly way – the FLO would seem to overlook the fact that poor farmers and producers have a greater need for these prohibited production methods. This oversight is due to the FLO being primarily responsive to a consumer demand for eco-

³⁹ Stolle, Micheletti, (2013), Pp.146-149

⁴⁰ Low, Davenport, (2006), Pp.318

⁴¹ Caney, (2005), Pp.763

labelled products. Since the consumer preference for eco-labelled products has been expressed by a very general market signal, this preference tells us nothing about when a certain global actor might excusably abstain from environmental compliance. Had the FLO instead been responsive to the needs of their farmers and producers, then FLO requirements regarding eco-labelling might have looked notably different.

Thirdly, an anti-sweatshop movement has received support from a typically Western demographic of consumers, who have stood aghast at the labour conditions permitted in Third World countries⁴². One labour condition that is opposed here is the use of child labour⁴³. Answering this call from consumers, the FLO have banned the use of child labour down the supply chains for Fairtrade goods⁴⁴. Now, a ban on child labour might be seen as a consequence of an ethnocentric value assumption held by Western societies. That is, while Western societies might view child labour as a matter of interdiction, child labour might actually be quite commonplace in some poorer Third World regions. In these regions, an extra margin of income – generated by child labour – can provide a family with valuable means to alleviate poverty⁴⁵. Here, children would be seen to be fulfilling a valuable role for the good of their desperate families. An FLO ban on the use of child labour then might be seen as counter-productive for these farmers and producer families, insofar as the FLO are again restricting the development opportunities available to these people. As Sushil Mohan argues, “it would be better if these problems were managed by poor families themselves rather than by impositions of Western consumers thousands of miles away”⁴⁶. A ban on the use of child labour is then also an instance of an FLO certification standard based on consumer preferences, rather than on farmer and producer needs.

⁴² Powell, Zwolinski, (2011), Pp.449-450

⁴³ Stolle, Micheletti, (2013), Pp.158

⁴⁴ Mohan, (2010), Pp.65

⁴⁵ Powell, Zwolinski, (2011), Pp.451

⁴⁶ Mohan, (2010), Pp.65

By outlining these three examples of organics, eco-labelling and child labour, my intention is not to argue that the FLO's certification standards are never justified. Instead, I have cited these examples to reveal how the FLO have clearly based their requirements more on the preferences of consumers than on the preferences of their farmers and producers. I then take these examples to demonstrate "mainstream" Fairtrade's usage of a CSR stakeholder approach. I now end the chapter by reflecting on the appropriateness of a CSR stakeholder approach for Fairtrade, as an institution committed to global justice.

5. Criticising a CSR stakeholder approach for global-justice institutions: 'Normativity' and 'Justifiability'

To be adequate, an institution's global-justice approach needs to have a normative commitment at its core. That is, an institution needs to approach global justice with a desirable standard in mind, which they should wish to bring about. By basing a global-justice approach around a normative commitment, an institution can be sure that their global-justice endeavour has an ultimate purpose. That normative framework then serves as a useful reference point – for instance, in ensuring that more particular global-justice strategies are sufficient in both their focus and their scope. In addition, an institution's global-justice approach needs to be justifiable. Since an institution's incentive for pursuing global justice should be to help people from a sense of ethical necessity, ethical necessity would require that we only pursue the best global-justice approaches available. An institution then ought to be able to demonstrate why their approach to global justice ought to be preferred to others. If a global-justice approach cannot be defended in this way, this would give us good reason to disregard that approach, and favour an alternative global-justice approach instead. In what follows, I will suggest that the use of a CSR stakeholder approach clearly interferes with an institution's normative commitment to global justice. In addition, if a CSR stakeholder approach leads an institution to adopt values that are incompatible with their normative focus, then we cannot justify that institutions' global-justice approach.

Using a CSR stakeholder approach can lead an institution, committed to global justice, to lose their normative focus. As the case study of Fairtrade demonstrates, a CSR stakeholder approach can lead an institution to promote a cluster of consumer-driven standards, and there is no reason to assume that these standards will be compatible with that institution's normative focus. For instance, Fairtrade's adoption of organic standards – a consumer-driven preference – has evidently obstructed Fairtrade's normative commitment to poor farmers and producers. This is clear if we consider the case of Comercio Justo - a Fairtrade network exclusive to South America. Comercio Justo didn't deem it in their farmers' interests to cover the greater production costs associated with organics. Comercio Justo recognised that by forming their own Fairtrade network exclusive to the South, they would not be constrained by this product preference of Western consumers⁴⁷. Thus, rejecting the consumer-driven preference for organics was understood to be the only way for Comercio Justo to retain their commitment to Fairtrade's normative values of 'trust', 'charity' and 'solidarity'. This example reveals that consumer standards can easily be in tension with an institution's global-justice focus. By an institution using a CSR stakeholder approach, and thereby adopting these consumer standards, that institution can then clearly confuse their pre-existing normative focus.

In addition, a global-justice approach that has been informed by a CSR stakeholder approach will seldom be justifiable. If an institution's normative mission is challenged by the standards that the institution has adopted – from using a CSR stakeholder approach – then there are strong grounds for doubting the efficacy of that institution's entire global-justice approach. In these cases, we would have good reason for supporting a more adequately focussed global-justice incentive instead. For instance, "mainstream" Fairtrade have adopted consumer standards that have clearly hindered their commitment to poor farmers and producers, so why not favour an alternative global-justice approach that is not riddled with these self-defeating standards? An institution could only

⁴⁷ Jaffe et al., (2004), Pp.184

avoid this trap by reflecting critically on the ethical standards they adopt. Though by using a CSR stakeholder approach, an institution would be adopting norms without reflecting on their suitability; instead, those standards would be adopted for the rather arbitrary reason that they are popular among a certain consumer demographic. While these consumer-driven ethical concerns might not be invalid *per se* – whether they are or not is an empirical matter - they might be misinformed once we measure those standards against an institution’s normative mission. If these standards are at odds with an institution’s normative focus, then we cannot justify these standards, nor can we justify the broader global-justice approach that these misinformed standards have a bearing on. Since any global-justice approach - influenced by a CSR ‘stakeholder’ approach – is then unlikely to be justifiable in this way, we have another reason to reject the suitability of a CSR stakeholder approach for institutions committed to global justice.

The following two chapters of this thesis are dedicated to assessing what a more ideal approach to stakeholder management would look like, for institutions committed to global justice. In the following chapter, I outline some advantages of approaching global justice using a relational ethic. By adopting this relational ethic, I will show that institution can promote their normative mission more effectively. In my final chapter, I will then use this ethic to build a relational stakeholder approach. I will argue that this relational stakeholder approach can enhance, rather than impede, an institution’s ability to promote their global-justice goals effectively.

Chapter Two: Approaching Global Justice Using a Relational Ethic



In the last chapter I recognised that a CSR stakeholder approach will lead an institution to embody the ethical preferences of their economically valuable stakeholders. From the outside, the use of a CSR stakeholder approach might help an institution to present themselves in a perfect light – an institution can use a CSR stakeholder approach to constantly expand their ethical focus, and in doing so, that institution can portray themselves as moving ever closer to an ethical utopia. In practice, however, by adopting a set of disparate consumer standards, an institution can radically oversimplify a complex ethical arena. A CSR stakeholder approach can lead an institution to pursue too many ethical goals, and often these goals will contradict each other. As I have argued up to now, a CSR stakeholder approach is particularly problematic for institutions committed to global justice. By these institutions using a CSR stakeholder approach, these institutions can adopt certain standards that interfere with their foundational global-justice commitments. For these institutions, a CSR stakeholder approach is then a particularly unsuitable approach to stakeholder management.

The remaining space of this thesis is devoted to developing a stakeholder approach that *is* suitable for institutions committed to global justice. I will ultimately present a relational stakeholder approach as being the suitable candidate here. I'll argue that this approach to stakeholder management can enhance, not hinder, an institutions' ability to promote their existing normative goals. In this chapter, I begin by highlighting some advantages of approaching global justice in relational terms. I will focus on the global-justice approach advocated by the ATO wing of Fairtrade, and I will analyse some important relational standards that are promoted by this approach. I will end the chapter by highlighting the way that these relational standards can be used to enhance

the quality of an institution's global-justice approach. These standards will offer guidance on how an institution ought to relate to those they are committed to helping. Here I will introduce the relational norms of an "oath of care", "good communication" and "appropriate action". In Chapter Three, I will use this relational ethic to construct a relational stakeholder approach. I will contend that institutions, when they are committed to global justice, ought to use this relational stakeholder approach in place of a CSR stakeholder approach. I begin, then, by elucidating the global justice approach advocated by Fairtrade's ATO wing – their particular approach of a 'solidarity economy'.

1. Fairtrade's ATO wing: A 'solidarity economy' approach to global justice

Fairtrade's Alternative Trading Organisations (ATOs) were established in response to conventional markets in the wake of globalisation. One particular feature of the conventional market that ATOs sought to rectify was its exclusionary nature. In the conventional market, the high level of competition between sellers in the Third World naturally results in the exclusion of the very poorest farmers and producers from commercial opportunities. Compared to the relatively affluent farmers and producers in those Third World regions, poor farmers and producers will, by and large, have less access to the income and knowledge necessary to produce a high-quality product¹. These poorer farmers and producers will then struggle to compete in the conventional market. Barring a huge disparity in price, it would be highly surprising for a purchaser not to favour the highest-quality products available. Yet even when poor farmers and producers *can* compete in the conventional market, the economic benefits will be so small that they will tend to preclude any development opportunities from opening up for those farmers and producers. A frequent charge made against conventional markets is that they cannot guarantee poor farmers and producers a subsistence wage, and nor can they always guarantee long-term employment contracts for poor farmers and producers². Thus, the conventional market might be seen as exclusionary in a double sense – it is difficult for farmers and

¹ Jaffe et al., (2004), Pp.183

² Nicholls, Opal, (2005), Pp.67-68

producers to even sell their goods in the conventional market, and, when they do, the economic benefits will typically be small and unstable.

In response to the exclusionary conventional market, ATOs endeavoured to provide poor farmers and producers with an alternative, socially inclusive commercial platform³. Hence, the global-justice approach of a 'solidarity economy' was formed⁴. The 'solidarity economy' is an endeavour by ATOs to connect with farmers and producers who have been excluded from the conventional market. The simple goal here is to provide these people with valuable development opportunities through trade⁵ – those opportunities that the conventional market has been less able to offer. ATOs have sought to achieve this by “growing the market”⁶; that is, by appealing to a new base of ethical consumers who are willing to pay above market value for the products of poor farmers and producers. The “mainstream” branch of Fairtrade likewise appeals to the ethical consumer willing to pay a premium to help poor farmers and producers. However, as we saw in the last chapter, the demanding quality requirements of the Fairtrade Labelling Organisation (FLO) can prevent the poorest farmers and producers from accessing the “mainstream” Fairtrade market. Through the 'solidarity economy', the ATO branch of Fairtrade differs here, since their focus is on helping the *poorest* farmers and producers in the Third World, not just the *relatively poor* Third World farmers – those who “mainstream” Fairtrade are in a position to help. John Wilkinson (2007) confirms this much when he recognises marginalised farmers and producers to be “the *raison d'être* of Fairtrade”⁷. By embracing these marginalised farmer and producers, ATOs commit to 'solidarity' with many more farmers and producers than can “mainstream” Fairtrade.

³ Wilkinson, (2007), Pp.223

⁴ In the context of Fairtrade, the term 'solidarity economy' was popularised by: Wilkinson, (2007)

⁵ Mohan, (2009), Pp.22

⁶ Wilkinson, (2007), Pp.223

⁷ Ibid. Pp.229

This 'solidarity economy' approach to global justice is promoted on a global level. In Europe, institutional actors like IDEAS, Artisans du Monde and Ctm Altromercato - in Spain, France and Italy respectively - identify themselves as solidarity-economy actors⁸. In addition, the South American Comercio Justo can also be seen to advocate a 'solidarity economy' approach to global justice. As Jaffe et al. (2004) recognise, Comercio Justo's focus is on:

"transforming the very purpose of markets, reordering them to benefit the most disadvantaged members of society and creating un mercado donde todos quepamos - "a market where we all fit""⁹.

The establishment of ATOs across different global regions has the advantage that each ATO can recognise a particular region as being their catchment area for promoting a solidarity economy. This is advantageous since culturally and socio-politically distinct regions require different strategies in order to promote a solidarity-economy goal effectively. By the solidarity-economy project being divided between these geographically distinct ATOs, each ATO can pursue their own solidarity-economy approach, one that is suited to the particular region being targeted. For example, the Cooperation for Fair Trade in Africa (COFTA) have coordinated domestically-focused ATOs in countries like Tanzania, Kenya and Zimbabwe. COFTA's justification for doing so was "to address the particular needs of specific regions around the world"¹⁰.

Having outlined some essential elements of the solidarity-economy approach to global justice, I now analyse the way Fairtrade's ATO wing, through this focus, promote an important relational ethic. Following this, I will outline the way these relational standards can be used to enhance an institution's global-justice approach.

⁸ Wilkinson, (2007), Pp.226

⁹ Jaffe et al., (2004), Pp.192

¹⁰ Valiente-Riedl, (2013), Pp.67

2. Relational features of Fairtrade's solidarity-economy approach

Through their 'solidarity economy' focus, ATOs promote certain relational standards that are particularly valuable to a global-justice approach. That is, when an institution frames global justice in relational terms, they are able to promote their normative global-justice commitments more effectively than they otherwise might. To demonstrate this, I will outline and sympathise with three relational standards that ATOs here promote. Firstly, I'll argue that by emphasising 'solidarity' and 'identity', ATOs promote communal ties that are particularly helpful for people fighting poverty. Secondly, the missionary focus of the 'solidarity economy' is on providing communal ties to farmers and producers who might otherwise have lacked a supporting network. By recognising disconnection as being ethically problematic for farmers and producers, ATOs have directed their support to the people who are most in need of it. Thirdly, by opposing Fairtrade's turn to mainstreaming, ATOs have remained loyal to their existing ties with farmers and producers. I'll contend that being loyal, to those one has reached out to from a sense of global justice, is a prerequisite to an effective global-justice approach. To defend these relational standards, I will utilise the theories of an Afro-communitarian ethic and an ethic of care.

The relational ethic I will present – informed by both an Afro-communitarian ethic and an ethic of care – notably departs from the Western tradition of ethics, which emphasises the supreme value of individuality. This onus on individuality is evident in the writings of key proponents of Western ethics. Immanuel Kant, for instance, recognises that human's have special moral status on account of their ability to reason and act independently¹¹. John Stewart Mill, in a similar stead, asserts that individual choice is essential for the development of one's human nature¹². Hence, the Western ethical tradition has typically appealed to a set of negative duties – duties of non-interference – as a way of preserving individuality (and its perceived benefits). On this Western ethic, the value of each individual, independent from others, is asserted. Now, the relational theories I

¹¹ Timmons, (2013), Pp.210-211

¹² Wolff, (2006), Pp.122

refer to do not deny the relative importance of individuality. However, they *do* advocate a move away from a rather atomistic understanding of identity that this Western ethic seems to prescribe. On both these relational approaches, one's identity is determined, in part, by one's relationships with others. Accordingly, these relational approaches then tend to supplement Western negative duties with more positive duties, which are intended to reinforce an individual's collective identity with others. For instance, Segun Gbadegesin, an Afro-communitarian philosopher, recognises how individuals are expected to "play an appropriate role towards achieving the good of all [their community]"¹³. Regarding an ethic-of-care perspective, the "mature" individual is generally conceived as one who exhibits the same level of care to their relationships with others as they do to themselves¹⁴. In a view of global justice, I sympathise with both these relational approaches. The positive, community-reinforcing duties that both these approaches advocate can be used to ensure that an institution will support the victims of global injustice they have reached out to. Since a Western ethic tends to overlook these community-reinforcing duties, we would, by working from a Western ethic, be less able to provide these same assurances to victims of global injustice. This gives us good reason to frame global justice around these characteristically non-Western approaches instead. I begin, then, by highlighting the assurances that a relational approach can bring to global poor people.

i) Solidarity and Identity

When the ATO wing of Fairtrade commits to solidarity with poor farmers and producers, what is implied here? Thaddeus Metz (2013a) describes a commitment to solidarity as being an investment in the good of a person that one has formed a pact of solidarity with. This investment has both a practical and an affective component. On the level of practice, one is to be committed to behaving in a way that is expected to benefit the other. On the level of affection, one will be

¹³ Metz, (2013b), Pp.81

¹⁴ Gilligan, (1982), Pp.90

positively disposed towards the person they have pledged solidarity with¹⁵. Both of these aspects of ‘solidarity’ are clearly embodied by ATOs in the relationships they form with farmers and producers. On the level of practice, by emphasising “trade not aid”, ATOs clearly expect a solidarity-economy focus to help farmers and producers alleviate poverty far more effectively than alternative approaches of aid provision, which are feared to nurture the dependency of aid recipients¹⁶. On the level of affection, Curtis Child (2015) recognises how the values of ATO actors are influenced by those “fair traders’ relationships with the communities they are impacting”¹⁷. If ATO actors are indeed susceptible to having their values informed by farmer and producer communities – by those communities that an ATO has pledged solidarity towards – then this would indicate that these ATO actors are, to a degree, invested in these people’s way of life too. I now turn to an analysis of an Afro-communitarian ethic. My intention here is to highlight the way that ATOs, by engaging in this way with their farmers and producers, promote a relational ethic that is valuable to have in a global-justice approach.

An Afro-communitarian ethical approach presents a model of ‘community’, based on an archetypical sub-Saharan African community, as being an ideal way for members in a group to relate to each other. In this idealised community, each member of a community will take the necessary steps to ensure the welfare of the community’s other members¹⁸. For these Afro-communitarians, the welfare of the community’s members is promoted *if those members commit to ‘identity’ with each other* – one community member will recognise their fellow’s way of life as being *their* way of life too. In addition, *the members of a community will demonstrate solidarity with each other* – that is, members of the ideal community will commit to the ‘practical’ and ‘affective’ dimensions of solidarity that I have recognised in Fairtrade’s approach¹⁹. I have just shown that ATOs commit to the right sort of solidarity with their farmers and producers. It is also apparent that ATO actors foster the kind of group identity that an Afro-communitarian ethic

¹⁵ Metz, (2013a), Pp.241

¹⁶ Nicholls, Opal, (2005), Pp.81

¹⁷ Child, (2015), Pp.610

¹⁸ Metz, (2013b), Pp.81

¹⁹ Metz, (2013a), Pp.239-241

encourages too. Anne Tallontire (2000) notes that ATOs base their partnerships on 'shared objectives', 'mutual commitment' and 'mutual trust'²⁰. When a farmer or producer joins an ATO network, they then become integrated into a group that uniformly promotes these community goals and, hence, farmers and producers will commit to a shared way of life with their respective ATO. In what follows, I will explain the way these two Afro-communitarian values – of 'identity' and 'solidarity' – are valuable for a global-justice approach. By forming an identity with the global poor, and by committing to solidarity with these people too, an institution can reproduce the more personal support networks that can support an individual facing misfortune.

By having a strong support network – access to friends and family – an individual forms a sort of risk-pooling arrangement. A 'risk-pool' describes a situation where an individual can rely on others for protection when misfortune strikes. In the event of misfortune, the parties in a risk-pooling arrangement can be relied on to support a victim. The 'risk-pooling' concept is usually used to describe formal arrangements, such as insurance schemes²¹. In these cases, the parties in a risk-pooling arrangement will be legally required to fulfil their obligations. Despite this common usage of the term, I utilise this term here to describe the informal risk-pooling arrangements that ensue from an individual's natural bonds with others. Say, for instance, that Michelle's house is unexpectedly seized from her. Assuming Michelle has an adequate support network, she may have a number of places she can stay instead – at her mother's, or at her friend's house – while she finds a solution to her problem. To the extent that Michelle has these people to support her when disaster strikes, she has tacitly formed a (informal) risk-pooling arrangement with those people she is connected to.

For Michelle's informal risk-pooling arrangement to be effective, it is necessary for those in Michelle's network have an appropriate investment in her wellbeing. Informal risk-pools will only be effective if the members in the arrangement

²⁰ Tallontire, (2000), Pp.172

²¹ For the common usage of the 'risk-pooling' term, see: Heath, (2006a), Pp.322-324

exhibit a caring commitment to each other, in lieu of any legal obligations. By Michelle having people invested in her on this personal level, she is far more protected than she would be, had she no social basis of support. Now, it is precisely this more personal connection that ATOs are able to reproduce for their farmers and producers. By committing to these people on the basis of 'solidarity' and 'identity, ATOs appear to reproduce the more personal bonds – those that sustain Michelle - for these farmers and producers. Like Michelle, a Fairtrade farmer can count on their ATO to provide a personal basis of support when misfortune strikes. Here, the ATO will be practically and affectively committed to protecting that farmer from misfortune – since the ATO has committed to 'solidarity' and 'identity' with that farmer. For example, ATO actors in the USA have been known to constantly visit Fairtrade coffee farms, and to form friendly relations with the people they are seeking to help²². By promoting these bonds, ATOs reproduce risk-pooling benefits for their farmers and producers.

I now turn my focus to a second relational feature that ATOs promote by their solidarity-economy focus. This is the related point that ATOs seek to establish communal ties specifically for those poor farmers and producers who otherwise lack these ties. Here I will refer to an ethic-of-care perspective to recognise the way that ATOs, by recognising disconnection as a key problem of global poverty, seem to approach global justice in a particularly proactive way.

ii) Recognising disconnection

By fostering communal ties for the global poor, one can provide a risk-pooling arrangement for those people. This risk-pooling arrangement can, ultimately, help to protect the global poor from the most severe harms of global poverty. However, for these communal relationships to be valuable for the global poor, it would need to be the case that these bonds were promoted specifically to those people who otherwise lack a sufficient risk-pooling network. That is, communal ties are particularly valuable for poor people who are at risk of human

²² Child, (2015), Pp.610

abandonment.

Human abandonment describes a situation where people lack adequate bonds with others. To the extent that these people have no support network to rely upon when disaster strikes, these people will be particularly vulnerable to suffering and death due to poverty. Clearly, these people would benefit most from having a risk-pooling arrangement in place. An ethic of care, in the tradition of Carol Gilligan (1982), is helpful here, since it encourages us to interpret moral problems as being problems of disconnection and abandonment. In so doing, a care approach dissuades us from perceiving of moral problems as solely being problems of rights violation²³. Applying this care perspective to our context, it follows that human abandonment would be deemed *the* normative failure that a global-justice approach ought to rectify. I contend that this care perspective can guide an agent to approach global justice more proactively. If we were approaching global justice with a sole focus on (typically Western) abstract rights, an ethical agent might recognise quite a large number of poor people as being entitled to interventionist support. A care approach is advantageous since it allows us to determine who, amongst these people, is *most* in need of support. That is, a care perspective would point us, rather accurately, towards helping the most abandoned people first.

Inspired by this ethic-of-care perspective, ATOs have clearly understood the exclusion of farmers and producers from the conventional market to be *the* key justice failure in need of a remedy. With a strategic onus on social inclusivity²⁴, the 'solidarity economy' is a conscious effort to connect specifically with farmers and producers facing disconnection. ATOs, through their solidarity-economy focus, can then clearly be seen to utilise this important care-perspective in their global-justice approach. Importantly, if this care perspective frames human abandonment as the key global-justice problem in need of resolution, it follows that an effective response, from a care perspective, would be one that provides valuable relationships for these displaced people. As Carol Gilligan succinctly

²³ Timmons, (2013), Pp.283

²⁴ Wilkinson, (2007), Pp.229

puts it, “morality lies in recognising connection”²⁵. That is, our motivation for helping the global poor should stem from a desire to provide these people with supportive relationships, those that may otherwise be missing from their lives.

I now turn to assess the third key relational standard that ATOs have promoted in their global-justice approach. I will recognise that by rejecting Fairtrade’s turn to mainstreaming, ATOs have remained loyal to their existing ties with farmers and producers. I will content that being loyal to those one has reached out to, from a sense of global justice, is ethically required.

iii) Loyalty to established relationships

Fairtrade’s turn to mainstreaming has evidently had the consequence of marginalising poor farmers and producers from the Fairtrade market. Catherine Dolan (2009) notes, for instance, how mainstreaming has led to Fairtrade companies “engendering formidable new barriers to entry” into the Fairtrade market, courtesy of increased product standards, quality requirements and certification procedures²⁶. These new entry barriers have subsequently made “mainstream” Fairtrade less accessible for the poorest farmers and producers²⁷ – those people Fairtrade have traditionally reached out to. To the extent that many Fairtrade ATOs have resisted the pressures of mainstreaming, these ATOs can be seen to reinforce their existent ties with poor farmers and producers. Let us consider the resistance of Italy’s solidarity-economy-focused Ctm Altromercato. In the 1990s, Ctm Altromercato was similar in size and influence to Traidcraft, who are a Fairtrade organisation in the UK. While Traidcraft elected to go down the mainstreaming route, Ctm Altromercato retained their ATO commitments. Ctm Altromercato did so at the cost of substantial growth. By 2013, Ctm Altromercato had made €49 million from sales of Fairtrade-labelled goods, relative to Traidcraft’s €1,343 million. All in all, Traidcraft has since grown at a

²⁵ Gilligan, (1982), Pp.59

²⁶ Dolan, (2009), Pp.35

²⁷ Wilkinson, (2007), Pp.229

speed 15 times greater than Ctm Altromercato²⁸. Let us now consider why, despite this cost, Ctm Altromercato's loyalty to their existing ties was ethically required.

If an institutional agent commits to helping someone from a sense of global justice, that agent then has a duty to fulfil that commitment. This is because a failure to fulfil a pledge to the global poor can impose further harms on these already disadvantaged people. Earlier, for instance, we saw that the promotion of Afro-communitarian ties can help to protect poor people from the severe effects of poverty. These bonds foster a communal sense of "we-ness"²⁹, whereby one's community will be committed to promoting the good of their members. If an institutional actor then fails to commit to these bonds – premised on 'identity' and 'solidarity' - the actual relationship that actor establishes with the global poor will be a superficial one. People who rely on these communal ties, for risk-pooling purposes, may ultimately find that their community is unable, or unwilling, to protect them against the harms of extreme poverty. Moreover, since these people would have falsely understood themselves to be part of a risk-pooling arrangement, they will not have devoted the necessary attention towards sourcing a more adequate basis of support. The superficial relationship that is here established with vulnerable people can then lull these people into a false sense of security, and this can make these groups supremely vulnerable to the harms of poverty.

On a practical level, an institution can only remain loyal to their existing ties by prioritising those relationships over other relationships, which they have the mere potential to form. To demonstrate this, I return again to my case study of Fairtrade. Fairtrade's ATO wing traditionally appealed to 'activists' to purchase Fairtrade goods. These targeted purchasers, as Sushil Mohan (2009) notes, were encouraged to "base decisions on trust and charity rather than solely on market competition"³⁰. ATOs then hoped that when people purchased Fairtrade, these

²⁸ Doherty et al., (2013), Pp.169-170

²⁹ Metz, (2013a), Pp.244

³⁰ Mohan, (2009), Pp.22

purchasers would base their decisions around what one can *give* by buying Fairtrade, as opposed to what one can *gain* from that purchase. The Fairtrade arena has since changed. Nicholls and Opal (2005) recognise Fairtrade, as it is today, to be both an activist- and a consumer-driven movement³¹. For both of these target groups, there is a certain appeal to purchasing Fairtrade goods – the ‘activist’ purchases Fairtrade with the intention of aiding poor farmers and producers, while the ‘consumer’ purchases Fairtrade with the expectation of a high-quality product (albeit perhaps supplemented by a salving of the conscience.) Since increasing the quality of Fairtrade goods has been shown to marginalise poor farmers and producers, the interests of the ‘activist’ and ‘consumer’ groups are, to a degree, incompatible. Clearly, mainstream Fairtrade have been unable to retain their former commitment to solidarity with farmers and producers. This is because, with an increased onus on product quality, Fairtrade have chosen to prioritise new relationships instead – those with a ‘consumer’ demographic. In regards to our preferred Afro-communitarian ethic, Thaddeus Metz (2013a) recognises how “one’s own existent ties have a priority over merely possible bonds one could have”³². As the case study of Fairtrade demonstrates, only by prioritising one’s existent ties can an institutional agent ensure their commitment to ‘solidarity’ and ‘identity’ with those people the agent has reached out to.

I have extracted three relational features from Fairtrade’s solidarity-economy approach to global justice. Firstly, I recognised that certain risk-pooling benefits can ensue from fostering communal ties with the global poor. I then argued that we should seek to provide these communal ties to the most abandoned poor people first. Finally, I have recognised that an institutional agent is obliged to remain loyal to their existing ties with the global poor, whenever those ties were established due to a motive of global justice. If an institution can promote these relational standards in their global-justice approach, I then contend that this will enhance the quality of that institution’s global-justice approach.

³¹ Nicholls, Opal, (2005), Pp.68

³² Metz, (2013a), Pp.245

I have defended these relational standards using both an Afro-communitarian ethic and an ethic of care. Now, these theories typically seek to guide *individual* conduct in a normative direction. Consequently, the relational features I am advocating have an overtly personal nature. Since I am recognising the benefits of reproducing these personal relationships for victims of global injustice, it would be advantageous to abstract the key features of these committed relationships, and see to it that *institutions* – such as Fairtrade – were then able to embody these features in their respective global-justice approaches. If an institution were able to coordinate their behaviour, so as to consistently promote these relational standards, then that institution could qualify as a suitable moral agent for the global poor³³. That is, an institution applying these relational standards can form a truly beneficial relationship with their global-justice beneficiaries. In the final section of this chapter, I now provide a checklist of relational desiderata that we should want an institution to promote, in the relationships they form with their beneficiaries. If an institution is able to display these standards in these relationships, then that institution can promote their normative mission more effectively.

3. A relationship with victims of global injustice – Key desiderata

When an institution reaches out to poor people from a sense of global justice, there are certain desirable standards we should want to feature in these relationships. I end this chapter by presenting three such standards: an “oath of care”, “good communication”, and “appropriate action”. I begin by addressing the standard of an “oath of care”.

³³ If an institution can demonstrate its intention to behave in a particular way – for instance, through a codified internal decision structure – then that institution can qualify as a moral agent (an agent distinct from the individual agents who together form the institution). See: French, (1984), Pp.39-40

Desideratum 1: An 'Oath' of care

Earlier I recognised issues of global injustice to be exacerbated whenever poor people lack a social basis of support. By doing so, I emphasized the need for global-justice institutions to be motivated by a desire to form needed relationships with abandoned poor people. A key requirement of this relationship, on the part of the institutional agent, is a commitment to achieving a substantial benefit for these global poor people. This is important since we are seeking to reproduce the benefits that ensue from an individual's natural, personal bonds with others. As with the example of Michelle, informal risk-pooling arrangements are not legally binding. For Michelle to be able to rely on the support of her friends and family, it is important that those people have a particular investment in the good of Michelle. Likewise, for these risk-pooling benefits to be reproduced by institutions, those institutions would need to demonstrate a similar commitment towards the good of their global beneficiaries. The necessary attitude that an institution must convey here is described in the ethics-of-care literature as "caring about" their beneficiaries. In other words, beyond having a mere interest in these people, or a perceived duty to help them, an institution needs to be genuinely invested in the wellbeing of these people they are seeking to help³⁴.

Surprisingly, this relational commitment is absent in many approaches towards global justice. For instance, Peter Singer (2015) appeals to impartiality when ascribing people's moral duties towards global justice. "If we accept any principle of impartiality, universalizability, equality", he contends, "we cannot discriminate against someone merely because he is far away from us"³⁵. Singer's intention here is to move us beyond a relational morality where we accord stronger moral duties to people we are closer to, spatially. I too advocate moving beyond this view, since, from a perspective of global justice, it would lead to passivity and inaction. Earlier I have advocated a need to nurture a different kind of relational approach. We need to be affectively disposed *not* to those who are

³⁴ Timmons, (2013), Pp.283

³⁵ Singer, (2015), Pp.7-8

more local to us, but rather, to those who lack a social basis of support.

By advocating a turn to impartiality, Singer requires that we become detached from our emotions and, accordingly, that we alienate ourselves from the poor people whom we have duties towards. I argue that by appealing to impartiality, Singer does not motivate people to promote global justice in the right way. Appealing to impartiality is the wrong approach here, since duties – those premised on impartiality - would lead to an agent overlooking the need to “care about” the people they are seeking to help. Only if an agent “cares about” their intended beneficiaries can they ensure a genuine commitment to the welfare of those people. Duties – both partial and impartial – have a cut-off point, beyond which an agent has no further obligation to assist in promoting global justice. Unless that agent demonstrates a vested interest in the wellbeing of the people being helped, this cut-off point may occur before a substantial benefit for these people is achieved. We should then talk about “duty” only insofar as we are focusing on a duty of care - that is, a duty to “care about” our subjects of global justice. By focusing on a duty of care, we align the cut-off point of our interventionist duties with the point at which a substantial benefit, for the global poor, is achieved.

As an example, between 1991 and 1992, many foreign-aid givers in Kenya evidently failed to align their humanitarian duties with the point at which a substantial benefit was achieved for the people they were helping. In agreement with the Kenyan state, these aid-givers consented to distribute their foreign aid evenly amongst Kenya’s different ethnic populations. This resulted in a series of “destructive aid policies”. The Kenyan government was here using foreign aid not as a tool for development, but as a tool to retain their political power. Distributing foreign aid between these different populations was a way for the Kenyan state to retain the loyalty of these different ethnic populations³⁶. Here, the point at which these aid-givers’ humanitarian duties ceased was the point at which their aid had been impartially distributed between Kenya’s different ethnic groups (and *not* at the point where development goals were achieved).

³⁶ Elayah, (2016), Pp.92-93

Had these aid-givers instead demonstrated their commitment to “caring about” Kenya’s population, they would have insisted instead on a pattern of aid distribution that was notably uneven. This is because the cut-off point of these aid-givers’ duties would have occurred only once development goals were achieved, and for these development goals to be achieved, foreign aid would need to be distributed unevenly, according to where it was needed.

Practically, then, it is undoubtedly beneficial if an actor can demonstrate their commitment to “caring about” their beneficiaries in their global-justice approach. I now wish to take a stronger stance. I propose that when an institution commits to helping someone from a sense of global justice, they implicitly make an oath to help that person, which they are then obliged to fulfil. It is useful to conceive of such a commitment as an “oath”, as something that is ethically binding, since any relationship that is formed here is premised on the understanding that the moral agent is motivated by an attitude of beneficence. As I have highlighted in regard to Fairtrade’s mainstreaming, there can be repercussions for poor people if an institution’s pledge of help is left unfulfilled. The idea that an “oath” is pledged here seems reasonable. With Afro-communitarian philosopher Thaddeus Metz describing an oath as a “commitment to solidarity with the person one has formed a relationship with”³⁷, the term seems to encapsulate what the ethically relevant features of this newly formed connection are.

As I have understood the concept, an ‘oath’ of care describes not so much an action *per se*, but an agent’s investment in the welfare of their beneficiary. At this point, one might wonder how easy it is to evaluate an agent’s true motivation. I am, after all, proposing that we hold institutions by this standard, while institutional motives can often be difficult to discern. In response, I take an oath of care to be demonstrated by the meeting of the following two desiderata: “good communication” and “appropriate action”.

³⁷ Metz, (2013b), Pp.243

ii) Desideratum 2: Good communication

By promoting global justice, an institutional agent forms a relationship with the people they are seeking to help. This relationship binds institutions to an oath of care towards these people, whereby an institution is obliged to genuinely commit to helping the people they have reached out to. This oath would require that an institution communicates with the people they are seeking to help, in order to understand what global-justice action these people deem to be appropriate for them.

An ethic-of-care perspective informs us here that decision-making gains in legitimacy if the perspectives of the relevant parties have been taken on board³⁸. This would make sense in the planning of a global-justice approach. If we are measuring the legitimacy of an institution's global-justice approach by the extent it achieves its desired outcome – which is to help the global poor – then being receptive to the perspectives of the global poor would be vital. Shivakoti and Ostrom (2002) raise the point that intervention strategies, to be effective, must embrace the knowledge contributions of the people those projects concern³⁹. With the example of Fairtrade, the knowledge contributions of farmers and producers can allow for ATOs to promote their solidarity-economy focus more effectively. For example, in India, many marginalised farmers are situated in rural areas far away from India's economically prosperous urban hubs⁴⁰. The efficacy of a solidarity-economy approach in India could then only be assured if a respective ATO provided trading platforms that were accessible for farmers belonging to these more sparsely populated rural communities. Communicating with these farmers, in order to unearth these local challenges, would then help an ATO to ensure that their solidarity-economy approach is as informed as it can be.

³⁸ Wicks et al., (1994), Pp.489-490

³⁹ Standley, (2002), Pp.225

⁴⁰ Mazumdar-Shaw, (2019)

I use the term ‘good communication’ to describe communication that successfully reveals what global-justice action is agreeable to the people an institution is trying to help. To illustrate what good communication requires, I now turn to my supporting methodology: Yong Huan’s (2006) ‘hermeneutics for human solidarity’. Doing so will reveal some important layers of good communication.

Hermeneutics is usually conceived of in the tradition of Hans-Georg Gadamer. On this understanding, hermeneutics serves the purpose of producing a cultivated understanding of a particular phenomenon. An individual will engage in that phenomenon with one or more interlocutors, and the interpretations of those interlocutors will be used to enhance how one had previously interpreted the phenomenon in question⁴¹. Huan’s hermeneutics for human solidarity differs here, since the intention, when engaging with another person, is not to cultivate one’s own perspective of a phenomenon; rather, we are seeking to understand, as best we can, the exact way that our interlocutor perceives that phenomenon. Since we are looking to understand our interlocutor *from their eyes*⁴², a successful application of a hermeneutics for human solidarity would see us depart from any assumptions we might have had previously, towards the person we are seeking to understand. In developing a global-justice approach, our intention in utilising good communication would then be to understand what our beneficiaries understand to be a just outcome for them, rather than to assume, in a global-justice approach, what constitutes a just outcome for these people.

Institutions seeking to promote global justice will face the inevitable challenge that different cultures will understand global justice differently. For instance, in Indonesia people have been historically hostile towards global-justice approaches that are rooted in claims of abstract rights. For these people, the discourse on human rights is a symptom of a Western imperialism they are trying to refute. Accordingly, many people in Indonesia insist on global-justice

⁴¹ McCaffrey et al., (2012), Pp.217

⁴² Huan, (2006), Pp.190-193

approaches being framed around a discourse on 'duties' instead⁴³. A hermeneutics for human solidarity would allow an institution to overcome these challenges of interpretation. An institution could use this methodological tool to develop a more nuanced approach to global justice - one that is well adapted to the region being targeted.

Institutions can then use good communication to enhance the legitimacy of their global-justice approach – good communication can help an institution to promote, as best they can, global justice on terms that are agreeable to the people being helped. To ensure the legitimacy of a global-justice approach, however, good communication will need to be tempered by “appropriate action”. Appropriate action is the final standard I wish to promote in an institution’s relationship with the global poor, and I now turn to a reflection on what “appropriate action” requires.

iii) Desideratum 3: Appropriate action

By emphasising the need for good communication, I have argued that an institutional agent should seek, as best they can, to promote global justice on terms that are agreeable to the people they are helping. There will be instances, however, where an institutional agent might excusably deviate from the terms of justice set by their intended beneficiaries. In this section I recognise two such instances – cases where the global poor demand too much, and cases where the global poor do not demand enough. In these cases, appropriate action towards global justice will be action that does not conform to the justice preferences of the poor people being helped.

I begin by analysing cases where a poor person’s ideals of justice will ask too much of the institution coming to their aid. The most obvious reason an institution might excusably abstain from their beneficiaries’ claims to justice will be if those claims simply cannot be met. Immanuel Kant’s famous claim that “ought implies can” comes in handy here. Kant plainly recognises that it is

⁴³ Locher-Scholten, (1999), Pp.54

nonsensical to ascribe duties to an agent when those duties cannot be fulfilled⁴⁴. In addition, it must be conceded that people's ideals of justice may lead to supererogatory demands on the institutional agent trying to help. In these cases it *is* possible for an institution to satisfy their beneficiaries' justice preferences; however, the institution might still excusably deviate from those preferences. Let us imagine that a typical poor person, in a target region, is estimated to need €2,000 to comfortably escape poverty. An institutional agent, when engaging in good communication with people from that region, discovers that these people feel entitled to €10,000 each, as a matter of justice. During this communication, however, it becomes apparent that these poor people cannot properly explain their need for the additional €8,000 they feel entitled to. To the extent that investing €2,000 towards each person is enough to satisfy the needs that these people *were* able to justify during this communication, the agent might reasonably invest €2,000 towards each beneficiary. After all, by investing this sum, rather than the full €10,000, an institution could reasonably expect to fulfil their oaths of care towards these people – €2,000 was the amount needed to overcome the barriers to justice that these poor people were able to identify. On occasions such as these, the institutional agent might knowingly go against their beneficiaries' sense of justice, since doing so will not undermine that agent's ability to promote their global-justice focus. Finally, a person's claim to justice might be outright unreasonable. If a poor person, as a matter of justice, feels entitled to a brand-new Mercedes-Benz and a holiday to Sardinia, then clearly an institutional agent should not be expected to conform to that person's standards of justice either.

In addition to cases where poor people expect too much in the name of justice, there will be instances where poor people do not expect enough. This can occur if poor people have adapted their preferences as a way of acclimatising to their disadvantaged position. Adaptive preferences describe instances where an individual cannot satisfy a certain preference. In order to cope, that individual adjusts their preference to something they feel they can reasonably expect instead. As an ultimate example, philosophers often cite the 'contented slave'.

⁴⁴ Kohl, (2015)

The contented slave is the slave who responds to their lack of freedom by denying they wanted it to begin with⁴⁵. In the context of global justice, adaptive preferences might occur if a poor person, rather fatalistically, accepts their current position in life as being their fixed position in life. In his seminal *One-Dimensional Man*, Herbert Marcuse (1964) recognises the way that the institutional and social context one is born into can precondition one's own desires and aspirations⁴⁶. If a poor person is this way embedded into their disadvantaged context, they might struggle to imagine the possibilities and freedoms that might exist outside this current context. Since this person cannot imagine the extent of the possibilities open to them, they will not expect to realise those possibilities as a matter of justice either. When engaging in good communication with the institutional agent coming to their aid, these people might then understate their true justice entitlements. Since an institutional agent will tend to be more alert to these beneficiaries' true claims to justice, that agent might justifiably deviate from these people's more marginal justice preferences. Here, the institutional agent would be seeking to provide their beneficiaries with more than they expect.

By practising good communication, an institution can enhance the legitimacy of their global-justice approach. Good communication allows an agent to understand their beneficiaries' sense of justice, and, with this information, that agent can try, as best they can, to promote justice on terms that are agreeable to the people they are helping. As I have here clarified in my emphasis on appropriate action, I am not saying that institutions are obliged to accommodate all of the justice preferences that their beneficiaries might hold. Rather, a final judgement must be made, on the part of the institution, as to what action towards these people would be appropriate. If an institution demonstrates these two features in their relationship with global poor – “good communication” and “appropriate action” - then that institution's oath of care, to their global-justice beneficiaries, will be fulfilled.

⁴⁵ Kymlicka, (2002), Pp.15-16

⁴⁶ Korolev, (2015), Pp.29

In this chapter I have recognised that by approaching global justice in relational terms, an institution can enhance the efficacy of their global-justice approach. By connecting with global poor people on a more personal level, an institution can better protect those people from the harms of poverty. I then outlined three desiderata of this personalised relationship with the global poor. If an institution is able to demonstrate these three desirable standards – of an oath of care, good communication, and appropriate action – in the bonds they form with their beneficiaries, then that institution can ensure their global-justice approach will be effective for those people. In the final chapter of this thesis, I will use the relational themes of this chapter to build a relational stakeholder approach. While in this chapter I provided guidance on how an institution should relate to their global-justice beneficiaries, I will recognise that these relational benefits cannot ensue unless this relational ethic can inform an institution’s broader approach to stakeholder management.

Chapter Three: Presenting and Defending a Relational Stakeholder Approach



By approaching global justice in relational terms, an institution can significantly enhance the efficacy of their global-justice approach. On this relational approach, inspired by an Afro-communitarian ethic, an institution will commit to a pact of solidarity and identity with the people they are trying to help. By the institution being this way invested in their beneficiaries, the institution aligns the cut-off point of their interventionist duties with the point when a substantial benefit, for these poor people, is achieved. I have suggested that when an institution engages in a relationship with these poor people, that institution has made an ethically binding promise – an oath of care – to commit to their beneficiaries on this relational level. An institution can fulfil this oath by demonstrating the norms of “good communication” and “appropriate action” in this relationship. Finally, through an ethic-of-care perspective, we also saw that these bonds, personal in nature, are particularly valuable to people who are otherwise lacking a social basis of support. By prioritising these abandoned poor people first, an institution can ensure that its global-justice approach is able to target those people most in need of interventionist support.

For the final chapter of this thesis, I will translate these relational standards into a relational stakeholder approach. My motivation for doing so rests on the recognition that a relational global-justice approach, to be effective, will need to inform an institution’s broader approach to stakeholder management. Through the case of “mainstream” Fairtrade, we saw that when institutions fail to handle their stakeholders in a way that is consistent with their normative commitments, that institution’s global-justice endeavour will be undermined. The relational features I have advocated can enhance an institution’s normative commitment to their *beneficiary stakeholders*. Enforcing these standards will entail prioritising the interests of these stakeholders over the interests of other stakeholders to

that institution. For example, we saw that Fairtrade's Ctm Atromercato could only fulfil their oath of care to poor farmers and producers – their beneficiary stakeholders – by rejecting the commercial demands of retailer and consumer stakeholders¹. A relational stakeholder approach would then be a handy tool for an institution to use. As a methodological tool, it would allow an institution to determine the validity of their competing stakeholder claims, by measuring those claims against that institution's normative core.

I will present and defend three important layers of this relational stakeholder approach. Firstly, I will argue that institutions committed to global justice are required to prioritise the interests of their 'beneficiary' stakeholders over their 'operational' stakeholders. To defend this premise, I will introduce the term "fiduciary duties", and I will ask what these duties entail for an institution with a global-justice orientation. Then, with regard to an institution's beneficiary stakeholders, I will argue that more abandoned people in this stakeholder group should be prioritised in an institution's global-justice approach. Finally, I will assert that an institution's oath of care, to their beneficiary stakeholders, can provide a basis for resolving conflicts between an institution's operational stakeholders.

1. Ranking Stakeholder Groups

Three main categories of stakeholder can be identified for institutions committed to global justice - beneficiary stakeholders, operational stakeholders, and local stakeholders. Let us consider these stakeholder groupings.

Beneficiary stakeholders: These are people that an institution has reached out to from a sense of global justice. Having reached out to this group, an institution is ethically obliged to commit to their pledges towards these people.

¹ Doherty et al., (2013), Pp.170

Operational stakeholders: These are stakeholders whose activity has a bearing on the effectiveness of an institution's global-justice approach. Stakeholders in this group include consumers, retailers and suppliers².

Local stakeholders: These are stakeholders, like local communities, who have no significant (positive or negative) influence on an institution's global-justice approach. Since these stakeholders are of no concern to my research question, I have omitted these stakeholders from my discussion.

Since the purpose of any global-justice endeavour is to help a set of (self-defined) beneficiary stakeholders, it is only reasonable to judge a global-justice approach by how much it has benefited these people in particular. Prioritising the interests of these people is then the first standard worth cementing in my relational stakeholder approach:

Relational Stakeholder Approach (RSA) - Layer One: When institutions are committed to global justice, they have an ethical obligation to prioritise the legitimate interests of their beneficiary stakeholders over the interests of their operational stakeholders.

With this standard, my relational stakeholder approach differs greatly from the CSR stakeholder approach I outlined earlier. A CSR stakeholder approach will lead an institution to value their economically valuable stakeholders more than their beneficiary stakeholders, and here the opposite is true. Indeed, descriptive approaches to stakeholder theory, which seek to reveal how stakeholders are *de facto* managed in practice, suggest that institutions will commonly measure their stakeholders' claims against those stakeholders' relative value to the institution. For example, Reynolds et al. (2006) provide the descriptive claim that

² Traditional stakeholder approaches have tended to consider the stakeholders in the 'operational' stakeholder group individually. Since, for global-justice institutions, these stakeholders can all threaten an institution's pre-existing normative mission (as a CSR stakeholder approach demonstrates), I deem it worthwhile to refer to these operational stakeholders as a collective. For a traditional stakeholder approach, see: de Colle, (2005), Pp.305-307

institutions are typically influenced by the “power, legitimacy, and urgency” of their stakeholders’ interests, when deciding how to resolve stakeholder conflicts³. From an ethical perspective, I refute this idea that institutions, committed to global justice, should be influenced by the *power* of their stakeholders when deciding which stakeholder interests to prioritise. To show that my relational stakeholder approach has an ethical edge over these approaches, I will now reflect on the ethical duties – the ‘fiduciary’ duties – an institution has to its stakeholders. In light of these duties, I will show that the claims of an institution’s beneficiary stakeholders will typically be more ethically stringent than the claims of an institution’s operational stakeholders (regardless of the relative power of these operational stakeholders). Now, the simple fact that an institution has pledged an oath of care to their beneficiary stakeholders, and not their operational stakeholders, already provides an institution with a relational basis for prioritising the interests of their beneficiary stakeholders. Since a relational approach to global justice is not yet widespread, I deem it worthwhile to provide an even broader ethical basis for why institutions, committed to global justice, will have an obligation to prioritise their beneficiary stakeholders.

i) Fiduciary duties to stakeholders

In this section I defend the idea that, in light of the fiduciary duties an institution has to its stakeholders, institutions are obliged to prioritise the interests of their beneficiary stakeholders in a global-justice approach. I begin by outlining the notion of fiduciary duties, and I will assess the nature of an institution’s fiduciary duties to its stakeholders.

If an agent has a fiduciary duty to another person, that agent has a duty to act in that person’s best interest⁴. For example, when a parking valet takes a car from a client, that valet has a fiduciary duty to that client, and this duty will be to protect

³ Reynolds et al., (2006), Pp.288

⁴ To trace the origin of the term “fiduciary duty”, see: Sandberg, (2010), Pp.145-148

that client's car from harm. The valet would be violating his fiduciary duty to the client if, after taking the keys, he decided to take the car for a joyride – this clearly would not be in the client's best interest. The term 'fiduciary duty' is commonly used in the context of the question "whose best interests do institutions have the duty to promote?" For instance, the question of whether an institution is obliged to promote the best interests of their stakeholders (in addition to their shareholders) has sparked a fierce debate in the business-ethics literature⁵. I have already supported the idea that when an institution commits to global justice, the institution has the fiduciary duty to promote the best interests of their beneficiary stakeholders, since I argued that these institutions have made an ethically binding oath of care to this stakeholder group. Whether or not an institution is able to fulfil their pledges to these beneficiary stakeholders can have a strong bearing on the lives of these disadvantaged people, for instance in determining their ability to meet their basic needs. Since an institution's behaviour can determine which way the pendulum of fate swings for these people (and since those institutions have made an oath of care to these people), these institutions clearly have fiduciary duties towards these stakeholders.

While I have defended the idea that institutions committed to global justice have certain fiduciary duties to their stakeholders, it is worth pausing to reflect on the ethical grounding of these duties. In this thesis I have recognised an institution to have fiduciary duties to their stakeholders on the basis that *an institution's behaviour impacts those stakeholders' lives*. This being the case, I challenge the idea that a stakeholder's power – conceived here as economic power – should influence the stringency of a stakeholder's claims on an institution. For the power of a stakeholder to have a bearing on the stringency of their interests, an institution would need to have fiduciary duties to those stakeholders *not* on the basis that the institution's behaviour impacts those stakeholders, but on the basis that those stakeholders' behaviour impacts the institution. I have provided no ethical basis for this latter claim. Indeed, Simone de Colle (2005) affirms my own account of fiduciary duties towards stakeholders. He argues that:

⁵ For an elaboration on this debate, see: Heath, (2006b), Pp.367

*“Stakeholders have legitimate interests in the firm, not because of their financial investments, but because they have rights that are ‘at stake’ in the management of the firm and their well-being can be affected by the activities of the firm.”*⁶

When evaluating the ethical validity of a stakeholder’s claim on an institution, a stakeholder’s *power* over that institution would then seem a quite arbitrary detail. This being the case, I propose that we modify Reynolds et al.’s *descriptive* claim – that institutions will tend to rank their stakeholders according to the ‘power’, ‘legitimacy’ and ‘urgency’ of those stakeholder interests – to the *normative* claim that institutions, committed to global justice, ought to prioritise those stakeholders who have the most ‘urgent’ and ‘legitimate’ interests. Through the lens of this normative approach, it is clearly an institution’s beneficiary stakeholders who should be prioritised in an institution’s global-justice approach – if an institution ought, ethically, to evaluate their stakeholders on the legitimacy and urgency of their interests alone, it is clearly these stakeholders who have the most stringent interests. To demonstrate this, I now turn to the decision-supporting tool of the Ethical Matrix.

The Ethical Matrix is a conceptual tool designed to aid ethical decision-making. When different stakeholder groups stand to be affected by a particular issue, the Ethical Matrix can help to reveal the ethical interests that are at stake for each group. By mapping these ethical interests in one place, the tool can allow for an ethicist to make a sound judgement about the relative stringency of these different stakeholders’ interests⁷. In attempting to abstract all of the relevant ethical values at stake for each stakeholder, the Ethical Matrix attributes three *prima facie* values to each group. These values are ‘respect for wellbeing’, ‘autonomy’, and ‘justice’⁸. I will now demonstrate that, for institutions committed to global justice, beneficiary stakeholders will tend to have the most legitimate and urgent interests – and therefore the most ethically valid interests. Here I will

⁶ de Colle, (2005), Pp.300-301

⁷ Kaiser et al., (2006), Pp.68-70

⁸ Mepham et al., (2006), Pp.9

apply the Ethical Matrix to my case study of Fairtrade. The particular issue I focus on is “whose values should Fairtrade prioritise in developing their standards for certification?” Since the influential drivers of these Fairtrade standards can be recognised as retailers⁹ and their consumers (who inform a retailer’s ethical beliefs)¹⁰, I will focus on the stakes that these groups have in Fairtrade certification, in addition to Fairtrade’s farmers and producers (their beneficiary stakeholders).

<i>Which stakeholder values should Fairtrade prioritise in developing their certification standards?</i>			
	Wellbeing	Autonomy	Justice
Retailers	Increased revenue from Fairtrade sales	Strong influence on Fairtrade’s agenda	Treated fairly as an institutional agent
Consumers	Benefit from better-quality product	Able to engage in political participation through consumer signalling	Consumers have their purchasing preferences validated
Farmers & Producers	An ability to meet basic subsistence and development needs	Empowered as ends-in-themselves through their relationship with Fairtrade	Farmers and producers are able to reduce their inequality

Table 2. An Ethical Matrix for Fairtrade certification

From this Ethical Matrix, we can clearly see that the interests of an institution’s beneficiary stakeholders will typically be more stringent than those of their operational stakeholders - judged by the legitimacy and urgency of those stakeholders’ claims. A correct understanding of an institution’s fiduciary duties

⁹ Nicholls, Opal, (2005), Pp.130-131

¹⁰ Rawwas et al., (2005), Pp.183

to their stakeholders will then reinforce the first aspect of my relational stakeholder approach - that institutions committed to global justice are obliged to prioritise the legitimate interests of their relational stakeholders over their operational stakeholders.

At this point, one might object that an institution is still ethically required to prioritise the interests of their more powerful stakeholders, on account of the institution's fiduciary duties to its *shareholders*. I will now outline and refute the soundness of this counterargument.

ii) Fiduciary duties to shareholders

When academics defend the idea that the institution has ethical obligations to society, they argue that we should *extend* our understanding of an institution's fiduciary duties to include stakeholders *as well as shareholders*¹¹. The idea that the institutional has fiduciary duties to its shareholders is then a quite uncontroversial premise, and with good reason. When an individual joins an institution, that individual is entrusted to act in their shareholders' best interests¹². By accepting this responsibility, that individual makes an oath to promote the best interests of their shareholders. This oath, being similar in essence to an institution's oath of care to its global-justice beneficiaries, carries ethical weight¹³.

Now, Milton Friedman (1970) recognises that the fiduciary duty, which an institutional actor has to shareholders, will typically be the duty to maximise the returns on those shareholders' investment in the institution¹⁴. If an institution has an obligation to make a profit for their shareholders, then this would provide ethical grounds for the institution to prioritise the interests of their valuable

¹¹ de Colle, (2005), Pp.301

¹² Friedman, (1970), Pp.180

¹³ While different in degree, both of these oaths build a relationship of trust between two parties, and an agent's failure to fulfil this oath can frustrate the legitimate goals of the other agent. See: Metz, (2013a), Pp.244

¹⁴ Friedman, (1970), Pp.180

stakeholders first. In response, Friedman might accurately cite the fiduciary duties that 'for-profit' institutions have to shareholders. These duties will differ, however, when an institution is committed to global justice. Here, the best interests of those shareholders will not be to maximise their profits, but rather, it will be in those shareholders' best interests for their institution to promote its normative mission as efficiently as possible. One could still object that maximising profits will be the most efficient way for an institution to promote their global-justice focus, but, as I have demonstrated in regard to a CSR stakeholder approach, this claim is untenable. We saw that by "mainstream" Fairtrade using this approach, and therefore prioritising their powerful stakeholders, they became detached from their normative core. As I have argued, an institution can only ensure the efficacy of their global-justice approach if they prioritise the interests of their beneficiary stakeholders. By asserting the primacy of this stakeholder group, an institution's ethical obligations to its shareholders will, I contend, be fulfilled.

2. Ranking beneficiary stakeholders

I have just provided a quite broad ethical defence for why institutions, when they are committed to global justice, have an obligation to prioritise the legitimate interests of their beneficiary stakeholders. Practically, an institution can enhance the effectiveness of its global-justice approach by being responsive to the needs of those they are helping. By managing their stakeholders in this way, the institution then fulfils its shareholder obligations. Regarding an institution's duties to its stakeholders, we saw that institutions are ethically obliged to prioritise stakeholders with the most urgent and legitimate claims – these stakeholders' claims will typically be the most valid, ethically.

If we are ranking stakeholder claims by the legitimacy and urgency of those claims, it would seem that *within* the beneficiary stakeholder group, the interests of more abandoned people would warrant priority. While all of an institution's beneficiary stakeholders will have similarly legitimate claims - these people all have a legitimate interest in escaping poverty and leading a better life – the

claims of the more abandoned stakeholders within this group will be the more urgent. This forms the second layer of my relational stakeholder approach:

RSA - Layer Two: From amongst an institution's beneficiary stakeholder groups, an institution is obliged to accommodate the preferences of their most abandoned stakeholders first.

An ethic-of-care perspective helps to reveal exactly why the interests of an institution's abandoned beneficiaries will be the more urgent. Carol Gilligan recognises that when one person has a special relationship with another person, this relationship will be grounded both in the positive duty to exhibit care to that person, and the negative duty to avoid harming that person. In light of this, Gilligan recognises that harm is not only caused by the violation of negative duties. In these special relationships, "harm can also be caused *by a violation of the obligation to positive duties*"¹⁵. Put simply, harms ensue when someone is not cared for. While Gilligan refers to psychological harms - for instance, the harm caused from a loss of belonging¹⁶ - it is clear that for victims of global injustice, a lack of care can increase the risk of physical harm too. To demonstrate this, let us consider the risks that this stakeholder group face from poverty. Peter Singer lists "lack of food, shelter, and medical care" as being ills that are caused by global poverty¹⁷. While global poverty may be considered the ultimate cause of these ills, it is observable that these ills will be more likely when people lack special relationships with others. By having a special relationship - where both parties to this relationship fulfil their positive, caring duties to each other - a poor person will already have someone to reach out to when the risks Singer lists - lack of food, shelter and medical care - become severe. These people's need for an *additional* caring relationship - the relationship pledged by the institution coming to their aid - would then be less urgent, compared to the more abandoned people in this stakeholder group. These abandoned people's need for interventionist care will be more urgent, since these people have no one

¹⁵ Pettersen, (2008), Pp.153. Emphasis added.

¹⁶ Idem. Pp.152

¹⁷ Singer, (2015), Pp.5-6

else to care for them – making these people particularly vulnerable to the harms of poverty.

I now turn to the final layer of my relational stakeholder approach. I will argue that when the interests of beneficiary and operational stakeholders collide, certain conflicts can be resolved in a way that is satisfactory to both parties.

3. Harmonising stakeholder interests

When an institution commits to global justice, that institution makes an oath of care to their beneficiary stakeholders. On account of this oath, the institution is duty-bound to promote its normative mission in the most efficient known way¹⁸. Let us then imagine that an institution, after demonstrating the norms of ‘good communication’ and ‘appropriate action’, is able to discern the most effective global-justice route to take. If this approach then conflicted with the interests of their operational stakeholder, that institution would have little room to compromise on that approach. If the institution were to compromise on their approach, to accommodate the interests of their operational stakeholder, that institution would then be violating their oath of care towards their beneficiary stakeholders – by changing their global-justice approach, the institution would no longer be pursuing the most effective global-justice approach possible.

These conflicts are resolvable, however, *if the institution can bring the interests of their operation stakeholders in line with their own interests*. Whether or not this is possible depends on the values that a stakeholder endorses. If these values are in conflict with the institutions’ on a fundamental basis – meaning there are key disagreements concerning the ultimate goals that the institution should promote – then these stakeholders’ interests could not be easily reconciled. When an institution is committed to global justice, however, many of their operational stakeholders will tend to support the institution’s normative mission. Examples of these operational stakeholders would include consumers, activists and

¹⁸ In non-relational terms, an institution is obliged to promote its global-justice goals as effectively as possible anyway, due to fiduciary duties to shareholders.

governments. It is then likely that conflicts in the interests of these stakeholders will be non-fundamental - while these stakeholders may ultimately sympathise with the institution's normative focus, they may disagree with that institution on how their normative goal will be best brought about¹⁹.

When non-fundamental disagreements occur – between the preferences of an institution and their operational stakeholders - these disagreements can be resolved if the institution engages in the right sort of dialogue with these stakeholders. In this dialogue, the requirements stemming from an institution's oath of care to their beneficiary stakeholders can inform the preferences of these operational stakeholders (aligning those preferences with the preferences of the institution):

RSA – Layer Three: An institution's oath of care to their beneficiary stakeholders provides a basis for resolving conflicts with the institution's operational stakeholders.

If an institution is truly committed to their oath of care, towards their beneficiary stakeholders, then that institution will tend to be far more informed about their global-justice approach than will their operational stakeholders. By truly committing to this oath, that institution will have engaged in good communication with their beneficiary stakeholders. Here, those stakeholders will have disclosed valuable information to the institution, and this information can give the institution a much clearer picture of what global-justice action is appropriate. In cases where there is a non-fundamental disagreement between an institution and their operational stakeholder, it is then much more likely that the preference of the operational stakeholder will be less informed. By these stakeholders lacking access to the same information as the institution – for instance, information that has been disclosed by good communication – these stakeholders can suffer here from 'epistemic isolation'. Kidd and Carel (2016) coin the term 'epistemic isolation' to describe situations where one party in a

¹⁹ For the distinction between fundamental and non-fundamental disagreement, see: Timmons, (2013), Pp.51-52

discourse lacks the same access to information as the other party. In these cases, the former party will be at a disadvantage when it comes to accurately interpreting a particular phenomenon²⁰.

Importantly, if an information asymmetry is the source of this non-fundamental disagreement – between the institution and their operational stakeholder – then this disagreement could be resolved if the institution manages to bridge this gap in interpretive resources. Here, the institution will engage hermeneutically with their operational stakeholder. By engaging with these stakeholders, and by applying their broader base of knowledge to this exchange, the institution would seek to cultivate the global-justice perspective of their operational stakeholder. It is hoped that this stakeholder’s then broader understanding of global justice would resolve the non-fundamental disagreement that existed between that stakeholder and the global-justice institution – the stakeholder’s more cultivated understanding of global justice would be in tune with the institution’s own understanding. Thus, while I applied Yong Huan’s “hermeneutics for human solidarity” in my definition of good communication, this hermeneutical activity would be closer to a hermeneutics in the tradition of Hans-Georg Gadamer. In Gadamer’s hermeneutics, the purpose of a hermeneutical exchange is to enlarge one’s understanding of a particular phenomenon. Both interlocutors in this exchange will share their interpretive resources, and this will lead to one or both parties benefiting from gaining a broader perspective of that phenomenon²¹. If this hermeneutical activity can resolve non-fundamental disagreements between an institution and a stakeholder – by bringing the stakeholders interest in line with the institutions’ - then the institution could promote its global-justice mission effectively, without putting unnecessary strain on their stakeholders in the process.

I have now presented the different dimensions of my relational stakeholder approach, to be adopted by institutions committed to global justice. In Chapter Two I provided guidance on how institutions, using a relational ethic, should

²⁰ Kidd, Carel, (2016), Pp.183-184

²¹ Huan, (2006), Pp.199-200

relate to their beneficiary stakeholders – by displaying the norms of “an oath of care”, “good communication” and “appropriate action”. In this chapter I then translated this relational ethic into a fully-fledged relational stakeholder approach. My intention here has been to show how an institution might promote this relational ethic, even when doing so conflicts with the interests of other stakeholders. Firstly I recognised that, for a relational ethic to enhance an institution’s global-justice approach, an institution must prioritise the legitimate interests of their beneficiary stakeholders over those of their operational stakeholders. Then, within the beneficiary stakeholder group, I argued that an institution’s more abandoned global-justice beneficiaries should be prioritised. Finally, I suggested that when an institution’s relational approach does create tension with an operational stakeholder, many of these conflicts can be resolved in dialogue, and with reference to an institution’s oath of care to their beneficiary stakeholder group.

Having outlined some reasons why a relational stakeholder approach might be preferred to a CSR stakeholder approach, I now conclude by returning again to my research question – for institutions committed to global justice, can a relational stakeholder approach remedy the normative failures of a stakeholder approach based on Corporate Social Responsibility? Here I will identify again the normative failures that a CSR stakeholder approach seems to perpetuate for global-justice institutions. I will then consider how successfully a relational stakeholder approach manages to overcome these normative failures.

Conclusion



In Chapter One I advised against the use of a CSR stakeholder approach by institutions committed to global justice. When these institutions adopt a CSR stakeholder approach, normative failures can ensue. Firstly, by adopting a CSR stakeholder approach, these institutions can confuse their pre-existing normative commitments. This is because a CSR stakeholder approach can lead an institution to adopt ethical standards that have no bearing on that institution's normative mission, and these standards can even obstruct that normative mission. In addition, a CSR stakeholder approach will lead an institution to adopt ethical values *as a way of appearing ethical* – an institution will adopt ethical standards to enhance their brand identity, thereby making the institution more attractive for their economical stakeholders. The values that a CSR stakeholder approach will prompt an institution to adopt will then not be properly scrutinised in regard to their ethical content. For institutions using a CSR stakeholder approach, whether or not an ethical value is appropriate for global justice is, at best, a secondary consideration. Since these norms – produced by a CSR stakeholder approach – will not have been evaluated properly in regard to their appropriateness, any global-justice approach that has been influenced by a CSR stakeholder approach is unlikely to be justifiable. As I have contended, a global-justice approach can only be justified if it can be considered as the most effective approach in a given context.

For institutions committed to global justice, can a relational stakeholder approach then remedy these normative failures of a CSR stakeholder approach? It is my contention that a relational stakeholder approach certainly can. Firstly, a relational stakeholder approach would pass the standard of “normativity” with flying colours. This stakeholder approach asserts the priority of an institution's beneficiary stakeholders over their operational stakeholders. An institution using this relational stakeholder approach will then never let the interests of

their operational stakeholders interfere with the legitimate interests of those beneficiary stakeholders – no matter how economically powerful those operational stakeholders are. If subjected to pressure from other stakeholders, an institution can then use a relational stakeholder approach to retain their pre-existing global-justice commitments.

I now turn to the second standard of “justifiability”. For an institution’s global-justice approach to be justifiable, it needs to be clear that the institution is promoting their normative goal as efficiently as they can. I argue that a relational stakeholder approach can inform an institution of the best global-justice approach to take here. A relational stakeholder approach would guide an institution to exhibit the norms of an “oath of care”, “good communication” and “appropriate action” towards their global-justice beneficiaries. The whole purpose of these standards is to ensure that an institution can achieve a substantial good for these people. While an oath of care can ensure that an institution will be committed to finding a global-justice approach that meets the standard of “justifiability”, the norms of good communication and appropriate action will help an institution to discern what global-justice approach is most justifiable. In addition, by a relational stakeholder approach pointing towards the most abandoned beneficiary stakeholders first, this stakeholder approach can guide an institution to promote their normative mission as efficiently as possible. By adopting a relational stakeholder approach, institutions can then ensure that their global-justice approach will be justifiable, in the sense sought after here.

A relational stakeholder approach is then to be advised for institutions committed to global justice. Ethically and practically, I have shown that this relational stakeholder approach has an edge over a CSR stakeholder approach. While a CSR stakeholder approach can obstruct an institution’s normative focus, a relational stakeholder approach can guide that institution towards promoting their normative focus more effectively.

In this thesis I have shown that a relational ethic can inform the way a global-justice institution manages their stakeholders. Further research would be recommended, however, to explore the way that a relational ethic can also inform the stakeholder approaches of other institutions, such as profit-maximising institutions. By emphasising the importance of positive, community-reinforcing duties, this relational ethic can offer an interesting new lens from which to interpret the ethical responsibilities that 'for-profit' institutions might have to their various stakeholders, and to society more broadly.

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