

MAKING A SOCIALLY RESPONSIBLE SOCIETY

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The selected problem and viewpoint

Based on the book INTRODUCTION TO THE POLITICAL ECONOMY OF A SOCIALLY RESPONSIBLE SOCIETY

By: Matjaž Mulej, Viljem Merhar, Viktor Žakelj, editors and authors; further authors: Mira Zore, Anita Hrast, Ludvik Toplak, Tadej Slapnik, Katja Rašič, Borut Ambrožič (Chapter 5)

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The socio-economic view: **social responsibility causes little costs**; social irresponsibility causes **enormous costs** and puts the humankind into **existential troubles**. → SR = unavoidable necessity of humankind – to be created

Introduction: Social responsibility is a socio-economic model

Adopted in 2010 – 2 years after the global socio-economic crisis of neoliberalism 2008 had been admitted =

Crisis – caused by:

- dominance of (especially businesses' and partly states') monopolies instead of the free market,
- by allowing irresponsible, narrow-minded and one-sided decisions that lead to more or less short-term benefits of only a tiny percentage of humankind →

Path of humanity out of the current global socio-economic crisis? → (corporate) social responsibility (ISO 2600)

**Social responsibility is one's
responsibility for one's impacts on
society → healthy society by systemic
behavior**

**The essence of social responsibility –
human values for end of neoliberalism
and war**

ISO 26000 (ISO, 2010) - seven content areas

- (1) organization, management and governance,
- (2) human rights,
- (3) labor practices,
- (4) environment,
- (5) fair operating practices,
- (6) consumer issues, and
- (7) community involvement and development.

Linked by: **interdependence** and **holism** → **responsibility**

Interdependence and holistic approach to social responsibility in ISO 26000

Social responsibility: 7 core subjects



ISO 26000: 7 principles

1. accountability,
2. transparency,
3. ethical behavior (honesty, equality, integrity),
4. respect for stakeholder interests,
5. respect for the rule of law,
6. respect for international norms of behavior, and
7. respect for human rights

→ Human basic attributes – individual, team, organization, society, humankind

This is a book about times beyond neoliberal times

After: book in four volumes: *Social responsibility beyond neoliberalism and charity* (Mulej and Dyck, ed., 2014), & book in three volumes: *Stop hating your children and grandchildren* (Mulej et al., 2016),

Books and articles on social responsibility are very many millions in world literature, but NO

INTRODUCTION TO POLITICAL ECONOMY OF A SOCIALLY RESPONSIBLE SOCIETY, or

Theory of socially responsible society

This book is a part of research on social responsibility replacing the current crisis - 1

In the theoretical part of this book, we briefly show

- - the essence of political economy as the fundamental economic theory of modern society (Merhar),
- - the link between the societal (indicative, mostly) plan and the market as societies' tools that implements the political economy of a socially responsible society (Žakelj),
- - the essence of social responsibility of corporations / organizations as significantly influential communities (Zore), and
- - social responsibility as an essential non-technological invention-innovation-diffusion process (Mulej).

This book is a part of research on social responsibility replacing the current crisis - 2

Added: various but complementary contributions on the

- European aspects of social responsibility (Hrast),
- Slovene strategy on social responsibility (Hrast, Mulej, Slapnik),
- measuring economic performance in a socially responsible society (Rašič, Ambrožič, Mulej),
- errors due to insufficient legal knowledge and insufficient social responsibility of very influential people in Slovenia today (Toplak),
- too little social responsibility of politicians and public media (Merhar),
- the essence of democracy as a web of values, not just formal political arrangements, in a socially responsible society (Mulej), and
- P.S., Nobel Prize for Economics 2018 confirms our work (Merhar).

This book is a part of research on social responsibility replacing the current crisis - 3

assertion of social responsibility as a **personal** characteristic aimed to become the **dominant characteristic and activity** of **organizations**, the entire **modern society and its organs**, in order for society to find the **way out** of the current global **socio-economic crisis**.

An alternative to this path is probably the **Third World War** and thus the **collapse of humanity, at least its current civilization**, pending since the **WAR ON TERRORISM**, pushing **hundred million people in migration** – for permanent members of the UNO SECURITY COUNCIL to earn **5 billion USD a day on weapons, while refusing migrants**.

Making a socially responsible society (SRS) – 1

Changing economic conditions → innovation → SRS

The prevailing market type (p. 205-206) - phases

Incidental exchange of products and services

Producers' market, monopolies/oligopolies, easy profit

Buyers' market, hardly any easy profit

State-supported buyers' market, even less easy profit, crisis of affluence for 15% of humankind, hard life for 85%

Socially responsible buyers' market, fighting the neoliberalism ruining the humankind and nature, fighting for human survival

Making a socially responsible society (SRS) – 2

Changing conditions after WW2 → SRS (p. 207-208)

1945 – **Supply**, life in dry and warm, dressed, not hungry

1950 – the same at a **good price**, no care for nature & quality

1960 – the same + **quality**, some warning about nature

1970 – the same + **choice**, more warning about nature

1980 – the same + **flexibility**, more choice and warning

1990 – the same + **uniqueness**, innovation!!!

2000 – the same + care for **healthy nature**, documents CSR

2010 - the same + influence of **care for CSR** on business success & end of crisis of affluence / global crisis

Making a socially responsible society (SRS) – 3

Basis of competitiveness → SRS (p. 208-209)

Owning natural resources → colonies, wars, limited SR

Investment to better use of resources → the same + charity

Innovation to better use investment → the highest ever standard of living, legal support to some SR for more profit

Affluence (for 15%) → hard work less needed, cult of free time, tourism, drugs, support needed, societal decline;
awareness of the growing need for SR for economic reasons

SR of all influential persons & organizations = awareness of dependence of humankind's survival on **SR as a non-technological innovation**

Making a socially responsible society (SRS) – 4

Innovation process phases → SRS (p. 210-211)

Creation of **ideas**, especially **inventions** (= promising ideas)

Creation of **suggestions** = noted inventions

Possible **diffusion of suggestions** (sold / given up / put in RD)

Creation of **potential innovations** from suggestions (usable, but not yet used, as patents, know-how etc.)

Possible **diffusion of potential innovations**

Creation of **innovations** from potential innovations

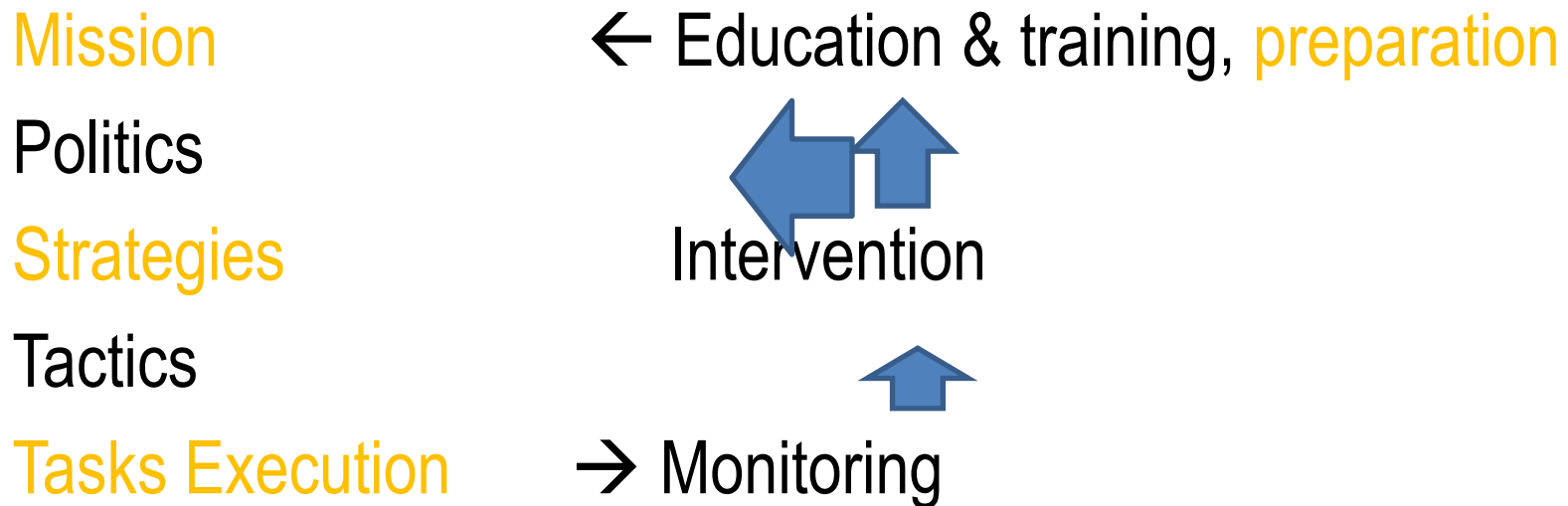
Possible **diffusion of innovations** → new routine → new ideas etc.

Making a socially responsible society (SRS) – 5

Innovation of management → SRS (p. 212-215)

Manager is either democratic or overburdened; **with more SR less overburdened in any team or organization.**

Management phases (on SR too):



Making a socially responsible society (SRS) – 5

Innovation preconditions → SRS (p. 215-221)

Innovation ← systemic behavior (via SR), for SRS too

← Creativity X successful routine without routinism X
invention X entrepreneurial spirit & entrepreneurship X
requisite holism X management and leading X coworkers X
innovation-friendly values, culture, ethics & norms X
suppliers X customers X social environment X natural
environment X incidental events / good luck

This applies to SRS, too. **Honesty pays better than strikes and crises**, all way to world wars as the worst crises.

THANK YOU FOR ATTENTION, WORRY AND ACTION!