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Ethical Business in Your Town

A Conceptual Campaign for Grassroots Activism

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Overview ¹

This discussion brief lays out core concepts necessary to advance a grassroots campaign around the morality of business in our communities. It is intended to stimulate discussion that leads to on-the-ground actions in towns and cities across America.

This work was commissioned by Chuck Watts, CEO of the Empathy Surplus Campaign.² It stands as a testament that local advocates can contribute substance to national (and global) issues.

A Framework for Ethical Business

We need a clear set of principles for applying progressive values to the ethics of business. In *Corporations with a Conscience*, Fred Block explores a set of reforms that would dramatically shift the workings of corporations in society.³ His suggestions include changes like placing caps on executive salaries, enforcing higher standards for public health, and diversification of corporate boards to represent broader constituencies.

Changes like these are worthy of discussion. And they'll need to be accompanied by clear moral principles that guide how citizens feel businesses *should* behave in our communities. Here are two principles to consider:

The Principle of Human Dignity

Each person is imbued with inherent worth that demands a basic sense of respect and dignity in how they are treated. The institutions of society should be set up to reflect this core value of human well-being.

¹ This report was prepared by Joe Brewer, Director of Cognitive Policy Works. Joe can be reached at brewer@cognitivepolicyworks.com.

² The Empathy Surplus Campaign is a non-profit organization dedicated to promoting strong, empathetic precinct leadership in county party central/executive committees by encouraging responsibility for ourselves, and others. They are focused on identifying strong, empathetic and responsible public policy directions, organizing grassroots support for the policy directions and electing public servants to implement the policy directions. Find them at <http://www.empathysurplus.com>.

³ Fred Block is a professor of sociology at UC-Davis. His report can be downloaded at [http://www.longviewinstitute.org/projects/moral/Fred Block.pdf](http://www.longviewinstitute.org/projects/moral/Fred%20Block.pdf)

The Principle of the Common Good

The common good is necessary for individual well-being. Citizens bring together their common wealth in order to build infrastructure that benefits all and that contributes crucially to the pursuit of individual goals.

Applying these principles to the ethics of business would lead to a very different corporate form than what dominates society today.

The current paradigm for business that dictates the norms of society is the idea that *self-interest is the engine for social good*. At its core, this idea says that “greed is good” because wealth “trickles down” from those who seek to improve their lot in life. Contrast this with the idea that *human compassion preserves the sanctity of community*. Without recognition of the bonds that hold people together, the fabric of social responsibility disappears.

So how should businesses behave? What does it mean for a business to be ethical? Right now, our nation’s answer is that those companies that produce the greatest profits are the “exemplars of morality.” Our recent financial meltdown tells a different story. It tells us that we need an alternative set of norms that recognize human dignity and the importance of shared wealth for widespread security and prosperity.

A (Brief) Case Study - DHL and Job Loss in Wilmington, Ohio

How do these ideas play out in the context of issues for an American town? In Clinton County of Ohio, the town of Wilmington has been devastated by job losses when shipping giant DHL relocated its operations last year.⁴ How shall the ethics of this situation be weighed?

The Profit Motive

If we judge the pros and cons of relocating operations through the lens of profits, this was a wise thing to do. The company’s responsibilities are to its shareholders whose investments are more secure if DHL leaves the U.S. market and focuses on international opportunities.

⁴ <http://www.reuters.com/article/domesticNews/idUUSTRE4AA85Y20081111?pageNumber=1&virtualBrandChannel=0>

The Communal Bonds Motive

By the criteria of social cohesion, this relocation presents a worst-case scenario. A town of 12,000 people suffers the loss of 7,000 jobs.⁵ The community is devastated. Parents no longer have the money to send their kids to college. Small businesses close down as their patrons go away. And a huge void appears in the lives of people who no longer have work. The company is seen as having no ties to the community, no sense of responsibility to maintain the sacred trust between a large company and its impact -for good or ill - on the future of an entire town.

This example shows that the social norms of business transcend the particular nature of products and services of any individual company. In cities and towns across America, there is a need for discussions of what should be deemed appropriate ethical frameworks for making a business “good.”

Discussion Questions

The ethics of business will shape the future of your community. As you ponder how to engage in economic discussions about your city or town, it will be helpful to think through the values that reflect your identity. Here are a few questions to consider:

- ◆ What moral principles should guide the growth of business in my town?
- ◆ What social norms should shape how businesses operate?
- ◆ What kind of people are we - and how is this reflected in the businesses we chose to invest ourselves in?
- ◆ How do we go about building consensus on the ethics of business as a community?

Answers to questions like these will help shape the future of business in America.

⁵ http://www.nytimes.com/2008/11/11/business/11dhl.html?_r=1

About Cognitive Policy Works



**COGNITIVE
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Cognitive Policy Works is both an educational center that provides professional training to people in politics and a research/consulting firm that analyzes the workings of the political mind for non-profits and social businesses. We're a team of experts in political behavior and social change with a powerful combination of skills ranging from psychology and linguistics to media studies and strategic planning.

At the heart of our work is an understanding of human thought and behavior. We analyze cognitive frames, conceptual metaphors, moral worldviews, cultural narratives, and other aspects of political thought to demonstrate the significance of understanding how the mind works in social and political contexts. Unlike other organizations that work in this area, we seek to share our knowledge in the form of practical steps taken by practitioners to incorporate these insights into their daily work. In other words, we focus on the process (how to change what you're doing) instead of merely providing products (in the form of reports and articles). This sets us apart from the standard think tank or consulting firm.

We seek to empower non-profit leaders and grassroots activists alike, through innovative marketing models inspired by the open source software movement. Our goal is to develop new "best practices" and make them widely available to advocates of progressive social change as they face the major challenges of the 21st Century.

Find us online at <http://www.cognitivepolicyworks.com>.