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Social Accounting, Ethics and Solidarity

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Sommario - Abstract – 1. Introduction – 2. The aims of social accounting - 3. Social Accounting and business ethics – 4. The stakeholder approach – 5. The social doctrine of the Catholic Church – 6. Drawing up a company's social accounting – 7. Conclusion

Abstract

Nowadays social accounting is becoming ever more widespread, and as a result its principles and guidelines are coming under closer scrutiny. Social accounting and business ethics are closely interconnected. First of all this is because the ethical aspects of business and also social accounting both pose a series of specific ethical questions, such as transparency, neutrality and coherence in relation to all those involved in a business activity, secondly, because the objects of social accounting are often data and information 'with a high ethical content' such as, for example, standard business praxis or the attitude and behaviour of a company towards its employees and consumers. Social accountants often use stakeholders as a reference point. Indeed, the 'stakeholder approach' is commonly used, albeit acritically and without distinguishing between different approaches such as strategic, descriptive and ethical. For example, when senior management holds itself responsible to 'influential stakeholders' such as US consumers or large, established European trade unions, we must ask ourselves the following question: what criteria can we use to distinguish between the authentic application of ethical principles and the adoption of sophisticated business strategies?

The debate on 'managing stakeholders' also needs to clarify terminology: who really are stakeholders and what procedures should companies adopt to guarantee transparency in their dealings with them? An interesting debating point could be to relate the stakeholder approach with 'solidarity.' This concept centres on the primary importance of the human personality and can serve as a link with and between individual stakeholders and the wider aspects of the motivations for social accounting. It is in this context that the paper examines relations between the Social Doctrines of the Catholic Church (focusing on Social Encyclicals, in particular, 'Centesimus Annus') and business ethics and social accounting.

1 – Introduction

‘Social accounting’ is normally understood as a statement on how the company absolves its social ‘mission.’

In recent years social accounting of private business has developed widely. Multinationals, research institutes, professional associations, no-profit organizations and academics have undertaken and prepared specific studies with a practical orientation.

This present study seeks to examine the relationship between ethics and social accounting, and links to the Social Doctrine of the Catholic Church.

2 – The aims of social accounting

Companies are forever seeking an economic, financial and patrimonial equilibrium both in the short and long term which allows the company to satisfy financial requirements of its shareholders, employees, creditors, public administration and any other responsibilities.

Company accounts are regulated both by laws and the principles of professional associations. This is to ensure a ‘true and fair view’ of the economic, financial and patrimonial situation of a company¹. It is evident that persons other than shareholders are also taken into account when drawing up ‘the books.’ This is because a transparent company balance supplies useful information to creditors, employees, public authorities (local, national and international) etc. However, this information has the precise yet limited aim of supplying specific data on the profitability of a given company.

Everything which ‘escapes’ pure market evaluation cannot be considered within the realm of annual accounts. Obviously this is because company accounts cannot be ambiguous or eclectic, and certainly must not provide either unclear or imprecise data on a company’s market evolution or its general impact on society and the environment.

Let us consider the examples of pollution data and information on the life and work conditions of employees.

In the first example company accounts must limit themselves to indicate effective sustained costs, yet any evaluation on environmental damage are excluded; however, when considering environmental responsibility we must take into consideration not only the contents of the annual accounts but also the damage inflicted on the economy and society which are not contained within the ‘standard’ accounts.

In the second example the annual accounts can publish interesting information on the personnel, such as salary and welfare contributions. These statistics clearly do not indicate job satisfaction, stress factors or industrial accidents etc, other than that which can be actually measured in terms of costs, outlays or expenses for the company.

None of this is due to an intrinsic ‘myopia’ of a company’s account, but to the fact that its

¹ See the IV Directive of the European Economic Community, 25 July, 1978, on company annual accounts.

scope and aims have an extremely precise and specific finality. Hence the necessity to show the wider social role and impact of the company by means of a specific document called ‘social accounting’, which, according to the writer of this article, should always be attached to the published statement of accounts.

The typical contents of a social account are all the quantifiable activities which interact in the ambiances in and around the company such as: added value produced for the company’s shareholders, employees and government administration; social gains (the spread of know-how within the community) or losses (for example, pollution); the standard of living and work conditions of employees; customer satisfaction, attitudes and behaviour towards ethnic or religious minorities; company policy towards social problems such as deviancy or social alienation; ‘correctness’ as an active function of corporate culture; the role of company strategy on future generations etc.

The social account can be drawn up in a variety of ways, and often using different methodological criteria and finality, but always with the common scope of highlighting all the effects of a company’s various activities on those who come into contact with it.

The need to review the global effects of a company on employees, society and environment has itself a specific origin in the seventies and eighties, a period in which the theoretical and methodological base was laid². The nineties saw an intensifying of the practical application of social accounting and the developing interest of management in its aims.

The need to regulate, standardise and harmonise a corpus principi of social accounting has noticeably increased in recent times, while direct legislative intervention is minimal³ perhaps partly because it is still not requested by the majority of analysts and practitioners. For this reason it is necessary to guarantee correctness and transparency – especially given the profound ethical implications connected to drawing up a company’s social account.

When looking at the contents and finality of the social account it would seem that ethics are directly connected to the document. However, it is possible to draw up a social account which corresponds to different ethical evaluations or which even contains no ethical judgements. Hence it is not always correct to identify completely social and ethical accounting. This is because the structure and finality of the social accounting and of a ‘purely ethical’ accountability may not actually coincide⁴.

Social accounting has anyway an intrinsic ethical value for the following reasons:

1. it stimulates competition for responsible social behaviour;
2. it allows us to develop a greater understanding of the relationships between a company and the society it operates in, this knowledge can be very useful when applying business

² On the numerous writings on social accounting see in particular: Bauer and Fenn (1972), Ramanathan (1976), Marques (1977), Maticena (1984), Rusconi (1988) and Zadek, Pruzan and Evans (editors) (1997).

³ See in particular the French law of July 12 1977, which however has been noticeably reduced, and limits itself to information and data on employees in large companies.

⁴ See Metzger, Dalton and Hill (1993), p. 28 and the note 11 p. 36, which proposes an ethical audit as an answer to new ethical and legislative needs of American companies, though they distinguish it from a social audit. On the relationship between ethical and social values see also Rusconi (1997), pp. 162-163.

ethics, and can also educate all those connected with business enterprises to more ethical business standards.

It is evident that by simply drawing up a social account ethical behaviour will not necessarily follow, as indeed the drawing up of a company's accounts does not in itself guarantee a valid business administration.

Let us now examine the general ethical conditions inherent in laying down a social account

3 – Social Accounting and business ethics

A company wishing to prepare an ethically correct social account is faced with a 3 basic problems:

1. being professionally honest and transparent in drawing up and presenting the social account;
2. establishing an unequivocal relationship between declared principles and the actual content of the social account;
3. how to evaluate and consider all participants in the company's activities.

At first sight point 1 would not seem to be a source of contention in that it draws upon a fundamental principle of professional ethics. Nevertheless, here it is not enough to simply declare a principle but rather a case of concretely enacting it. Hence the modality of communicating a social account actually becomes a form of expressing the principle in practice.

Presenting social accounting in fact implies reference to some form of 'book-keeping', and must not be confused with an advertising handout etc. If the social account is actually a form of public relations, or is being used for that purpose, then this should be made explicit. In this manner the principle of the neutrality⁵ of information is established.

Some researchers have pointed out the risk of the social account becoming a marketing weapon and not a means for guaranteeing accountability. Indeed, some academics have observed that recent developments in social accounting has been too 'captured' by management and business consultants, with the risk that the document, "... *could become monopolized by consultants and/or corporate management and hence amount to little more than a skilfully controlled public relations exercise.*"⁶. The above quoted authors sustain that this risk can be linked to the lack of any meaningful reform of company stakeholder participation. In the opinion of the writer of this article the problem effectively exists. However, an active participation of the ethics of human rights within a company's culture can be very important in order to avoid misleading social accounting.

⁵ The principle of neutrality is typical of annual accounts, but it is also fundamental for social accounts, above all because this document is almost always voluntary. The document of the Italian GBS affirms in particular that "*the social accounting must be impartial and independent of any private or coalition interests.*" GBS (2001), p.15. (translated from italian)

⁶ Owen, Swift, Humphrey and Bowerman (2000), p.81.

In fact it is ethically necessary that the drawing up of a social account' is in itself 'neutral:' that is, data and information presented are reliable and trustworthy, otherwise grave consequences follow, for example:

- a. an awareness of a 'guided' if not 'manipulated' social account eventually induces a growing mistrust in a company, and especially in the ethical criteria used in drawing it up;
- b. the widespread diffusion of biased 'bilancio sociale' eventually leads to a lowering of ethical standards in management.

Going onto point 2, it calls into question the principle of coherence. *This means that 'an explicit declaration must be provided of the conformity of managerial strategy and policy to declared principles'*⁷. More simply, if the author of a social account more or less explicitly affirms to have supplied a balanced picture of all spheres of activity of the company, this in itself must mean that he or she has not deliberately misled the reader or even 'forget' to mention conflict areas involving participants in the social account.

The principle of coherency underlines and reinforces the principle of neutrality. The 'social account is in fact ethically correct not only if it is accurate and does not become only part of an advertisement campaign, but also if gives a clear account of the actual results of company's social strategy.

Both points 1 and 2 concern behavioural ethics towards all those connected or involved in a company. It should be remembered that there exists a possibility in social accounting of exclusion. That is, the social account seems to be transparent, neutral and coherent, but the fact is someone has been considered of scarce importance, overlooked or even completely excluded from the social account.

The principle of *inclusion* requires that voice is given to all those identified as having an interest in a company, and that the methodological basis of any research or enquiries is revealed, and that the criteria for exclusion or limitation are made explicit.

It is evident that *a fundamental ethical problem of social accounting* is to identify *why and in what measure* a specific person has the right to be informed about the contents of a social account.

4 – The stakeholder approach

For the above reasons the concept of stakeholder becomes central to clarifying the ethical problems involved in social accounting.

The term *stakeholder* began appearing in organisational and management studies at the beginning of the eighties⁸, to be then successively expanded, developed and variously applied.

⁷ GBS, p.15. However, the observance of this principle can be ascertained after a close and attentive reading of a social accounting. Hence the violation of this norm is less damaging than others.

⁸ Even in 1963 at the Stanford Research Institute (SRI) the concept "stakeholder" was in the air. In its research centre in 1977 the Wharton School began research on "project stakeholder." However, the fundamental works which introduced this concept in the field of managerial studies are Freeman and Reed (1983), Freeman (1984).

The term *stakeholder* refers to all those who have a vested interest or ‘stake’ in a company. The nature of the ‘stake’ itself provide the premises to identify the receivers of the social accounting and their respective rights on data and information.

Without entering into an in-depth analysis of the semantic and methodological problems involved in an unequivocal definition of the *stakeholder approach*, it is possible to identify three widely applied variations: *strategic*, *descriptive* and *ethical*.

These classifications serve to show how different basic motivations of choice of the stakeholder approach sometimes are.

In the first case top management study the expectations of stakeholders to elaborate an efficacious, long-term⁹ managerial strategy . The descriptive approach examines empirically the relationship between company and shareholder¹⁰. Third is the ethical (or normative) approach¹¹. This study does not enter into the respective merits of these approaches, nor does it consider the various attempts to connect them¹².

This study only considers the third concept of the stakeholder approach. According to this theory, stakeholders have recognisable rights which they can claim to be recognised by management¹³.

Identifying those entitled to information rights, and specifying the nature and limits of these rights, is the most problematic point in the ethical interpretation of the *stakeholder approach* connected to social accounting. One reason for this problematic is that, at least in theory, the ethical interpretation also lends itself to fundamental critiques of the current political-legal-social structure¹⁴. Other theories tend to highlight the individual or extremely specific nature of the

⁹ “From the (strategic) point of view it means identifying all those external pressure groups (favourable or contrary) that can in some way influence the life of a company, with the aim of having an accurate plan of how much and in what way diverse interlocutors influence company strategy.” Rusconi (1988), p.36 (translated from Italian). Here the “instrumental approach” is mentioned. See Donaldson and Preston (1995), p.71. This strategic vision of the stakeholder is not in itself unethical, indeed, it is the consequence of a healthy profitability (with all the positive social consequences). The stakeholder approach can have a positive value for all those who are not prejudiced against companies and markets, but it must operate in a context respectful of ethical limits. The point is that the strategy sees ethics as a limit which is perhaps even right and fair. This while the ethical approach to stakeholders sees rights as the essential essence of both the stakeholder and the formulation of a Social Account. The two approaches are not necessarily counterposed, but are qualitatively diverse even when operating in parallel.

¹⁰ “The theory is used to describe, and sometimes to explain, specific corporate characteristics and behaviour.” Donaldson and Preston (1995), p.70.

¹¹ “The normative base of the theory – which includes the modern theory of property rights – is fundamental,” p.65, Donaldson and Preston (1995). On the other hand the use of the stakeholder approach is much present in organisational – managerial disciplines, yet without a specific ethical orientation.

¹² Jones and Wicks (1999) believe that between these different approaches a “convergent theory” is possible, though Freeman (1999) is decidedly opposed to this.

¹³ “The theory is used to interpret the function of the corporation, including the identification of moral or philosophical guidelines for the operation and management of corporations.” Donaldson and Preston (1995), p.71.

¹⁴ Mention has been also made of a “metaphysical director,” who “...would be responsible for convincing both stakeholders and management that a certain course of action was in the interests of the long-term health of the corporation, especially when that action implies the sacrifice of the interests of all.” Evan and Freeman (1993), p.83.

relationship of one or more stakeholders with a company, with the explicit¹⁵ or implicit¹⁶ result that the very ethical concept ‘stakeholder’ is revised.

The ethical approach, with its recognition of a multiplicity of rights unconnected to the market, may well be refused by many. Certainly by those who consider the ethical and social duty of a company residing entirely in obtaining profits for shareholders in a competitive market operating respecting the laws and within the ethics of current social customs¹⁷. It could be proffered that a long-term strategy of stakeholders is not necessarily incompatible with the specific interests of shareholders as understood by top management. The problem consists of the ethical nature of the behaviour and not the specific results flowing from it.

What does emerge from this debate is that the ethical concept of stakeholder needs a basis which is provided by current business ethics and the various interpretations given by them.

There are different ethical visions employed in considering business activity. Here we consider the contribution offered by the Social Doctrine of the Catholic Church in drawing up.

5 – The social doctrine of the Catholic Church

On the tenth anniversary of the encyclical “Centesimus Annus” we here briefly examine how the Social Doctrine of the Catholic Church and in particular its view of solidarity, can help develop a theoretical basis to the ethics of the stakeholder approach. The starting point is the relationship between common good, solidarity and the stakeholder.

Argandona (1998) compares Friedman (1970) and the stakeholder approach and affirms that,

*“The stakeholder theory of the social responsibility of business is the more appealing of the two from an ethical point of view, at least if we understand ethics in a broad sense. And yet it lacks a solid philosophical, sociological and economic foundation that would be acceptable to a variety of schools of thought.”*¹⁸

¹⁵ Ambler and Wilson (1995) propose the distinction between “participants” with “active involvement, rights and obligations” and “non-participants.” “*Stakeholder rights thus have to be earned through the exercise of responsibilities towards the company*”, p.34; the “non-participants”, like local community, “will be satisfied, not because they have a right to be, but when the purpose of the participants are so served”, *ibidem*. This is, in fact, a drastic redimensioning of the stakeholder theory which is considered “*directionally right*” but which “*went too far*”, *ibidem*.

¹⁶ In this “revision” of the concept “multifiduciary” stakeholder we distinguish between “fiduciary duties” (towards shareholders) and “non fiduciary duties” (towards all others), in that the relationship with shareholders is that of a principal-agent. This does not exist in the case of other stakeholders and constitutes the base of the existence of private companies. “*It can be argued that multi-fiduciary stakeholder analysis is simply incompatible with widely-held moral convictions about the special fiduciary obligations owed by management to stockholders. At the center of the objection is the belief that the obligations of agents to principals are stronger or different in kind from those of agents to third parties*”. Goodpaster (1991), p. 63.

¹⁷ Friedman (1970), p.56. The reference to current ethics anyway implies the necessity of analysis and accountability of company behaviour when an ethical code is not immediately evident. It is here worth remembering that nowadays we are moving towards an evermore pluralistic society.

¹⁸ Argandona (1998), p. 1093.

Then the concept of the doctrine of the common good¹⁹ is then proposed as the basis to the stakeholder approach . The reasoning is that humans are essentially a social being that, “*needs a social life*” and “*...needs others to satisfy his own needs....improves himself (becomes “more human”, exercises and develops his capacities) in his relationships with others.*”²⁰.

The natural sociability of humans, “*...leads to the existence of society , not only as a group of individuals, but also as an organic bond between them, as a unifying principle that goes beyond each individual.*”²¹

This is an intermediate solution between individualism, where society is viewed as an agglomerate of individuals, and collectivism with its conception of the individual as, “*a molecule of the social organism*”, in which “*...society fulfil the needs that the individual cannot fulfil on his own, and because it allows individuals to develop as human beings far beyond what they could manage on their own,*”²² by allowing “ *... the different groups and their members to achieve their own perfection more fully and more easily.*”²³

Here the difference between *social welfare* and ‘common good’ must be clarified. The former is understood as an equilibrating strategy or policy aimed at individual and/or common *interests* while the latter is based on inviolable human rights²⁴. Certainly, both social welfare and the ‘common good’ share the conception of the interacting role of the individual with society. Ideally the two standpoints should perceive themselves as having together the promotion of social and individual well-being within a framework of established rights.

A fundamental rule/law is that the common good, “*does not exclude the pursuit of private ends as such; it only excludes the pursuit of private ends to the detriment of the common good, using the common good as an instrument for private ends.*”²⁵

A further important point is that the concept of ‘common good’ is dynamic, and thus cannot be tailored to local needs or restricted to specific quantitative or qualitative factors such as “*... a family, a company, a union, the local community, a nation, or the whole of human society.*”²⁶

As a consequence in both a company as well as a community the ‘common good’ is the basis of the ethical concept of stakeholder. This also because all those who participate in the life of a company must operate within it such so as “*...to guarantee the conditions in which each*

¹⁹ From the philosophical point of view the theory of the common good has been elaborated above all in the field of the politics of Aristotle and deepened by the Christian philosophers such as Saint Agustin, Saint Tommaso and others. See also Argandona (1998), note 4.

²⁰ Ibidem, p. 1094.

²¹ Ibidem.

²² Ibidem.

²³ Ibidem p. 1095. Argandona recalls the definition n. 26 of the Concilio Ecumenico Vaticano Secondo, IX session, 7 December, 1965.

²⁴ In the context of the common good, social welfare cannot be had at the price of damaging another human being, even the weakest and most uninfluential, whose unalienable personal rights are worth “all the riches the world contains.” “*Contemporarily grows the conscience of the dignity that belongs to human beings, which is superior to everything, whose rights and duties are universal and inviolable*”. Concilio Ecumenico Vaticano Secondo, already cited. (translated from italian).

²⁵ Argandona (1998), p. 1096.

²⁶ Ibidem, p1097.

participant receives from the company what he or she can reasonably expect.”²⁷

This formulation:

1. guarantees that no fundamental right of a stakeholder can be overlooked, neglected or ignored in favour of the development of a company, for example by sacrificing personal morality in the name of profit making;
2. greatly widens the category of stakeholders to embrace all those involved in a company's activity, and obviously increases the solidarity between stakeholders.²⁸

The aspiration towards the common good is indissolubly linked to the concept of solidarity.

If this were not so, the stakeholder approach would risk becoming simply one of many forms of company development, with the possibility that weaker interlocutors being ignored.

This situation could be also considered negative or unhelpful even at the level of a company with a farsighted policy. However, on a moral level the refusal to consider the rights of a stakeholder constitute an unacceptable violation of rights.

In the “Centesimus Annus” the Social Doctrine of the Catholic Church affirms “...*the correct conception of the human being and his unique value....*” and that, “*man....on earth is the only creature that God wanted for himself*”. 38 *In him God carved his image and likeness (Genesis 1,26), thus conferring upon man an incomparable dignity, a point which the Encyclical insists upon several times.*”²⁹

The very nature of Human beings, understood in the context of their uniqueness and inviolable dignity, imposes solidarity as an essential requisite of the common good. It then gives that if someone is excluded then the premises of the common good itself are undermined:

“...*each single human being is and must be the base, the end and the object of all the institutions in or through which social life expresses and actuates itself: in this way each single human being is seen both for what he is, as well as his intrinsic social nature and also as part of the plans of Providence to be elevated to a supernatural order.*”³⁰ “*Practising solidarity within a society is valid when each member recognises each other as a human being.*”³¹

When comparing this vision with that of the contractualists³², we can see that solidarity:

1) is an ethical principle with its own intrinsic merits regardless of any social contract, however implicit or explicit.

2) has as its base the fundamental recognition of the absolute value of human beings as such,

²⁷ Ibidem.

²⁸ Nobody can be excluded from the common good, not even the future generations, or those who have no voice, “...*if the common good comes from human sociability, all the company's relationships will carry an element of common good....until it encompasses all men of the times, by the virtue of the unity of the human family,*” Ibidem, p. 1099.

²⁹ Giovanni Paolo II, Centesimus Annus (1991), point 11. (translated from italian)

³⁰ Giovanni XXIII, Mater et magistra (1961), point 203. (translated from italian)

³¹ Giovanni Paolo II, Sollicitudo Rei Socialis (1987), point 39. (translated from italian)

³² See: Gauthier (1986), Donaldson (1989), Donaldson and Dunfee (1994), Donaldson and Dunfee (1995) and Dunfee (1991).

and that this value cannot be subordinated to any other social, political or economic principle.

It is clear, however, that close cooperation is possible with contractualists who recognise the limits of any economic analysis or reasoning if it ignores human or individual rights. In this connection we can also add, “...*the doctrine of the common good cannot simply be translated into a list of rights and duties of citizens towards society (or any of the lesser societies within society).*”³³

The fact is that the ‘common good’ has to be studied “*case by case*”³⁴ and the rights and duties of stakeholders (top management included) must also be objects of close study. In doing so this widens the field of discussion to diverse theories, formulas and hypotheses within the framework of the ethical stakeholder approach. In this context the theory of the common good limits itself to providing a guiding base principle.

Given the above researchers with different ethical-religious perspectives can converge both in their analysis and practical proposals to promote the centrality of the human being without discrimination or exclusion of any type, neither in space nor in time.

Let us consider, for example, the theory of “Hypernorms” of Donaldson and Dunfee³⁵. They hypothesize facing up to the two major opposing moral risks: the first is ethical imperialism, which imposes on the world the ethical principles of the strongest culture; the second is moral relativism, which destroys every objective fundamental of moral behaviour and is itself prone to opportunism.

In reply to these extremes they propose a new type of social contract for companies operating on a multicultural level.

This contract is based on hypernorms, that is certain fundamental principles common to different religious, legal and philosophical world cultures and is called a ‘macrosocial contract’. This contract leaves all other social contracts - defined ‘microsocial contracts’ – to their specific cultural contexts³⁶.

The doctrine of solidarity and the common good can dialogue with this type of contractual approach in the measure in which they both accept common inalienable principles. They also share a basic conception of human rights, which is not a list regulating all aspects of human behaviour, but a series of fundamental principles.

The consensus between the Social Doctrine of the Catholic Church and contractual theoreticians can be developed based on the contents regarding solidarity and the common good,

³³ Argandona (1998), p1099.

³⁴ Ibidem.

³⁵ “Hypernorms, by definition, entail principles so fundamental to human existence that they serve as a guide in evaluating lower level moral norms: As such, we would expect them to be reflected in a convergence of religious, philosophical, and cultural beliefs, and such convergence is a handy clue to use in attempting to specify hypernorms....Hypernorms do not settle the question of whether Utilitarianism, kantian Deontology, or Aristotelian Eudamionism is the best theory, but rather provide room for and presume support from any or all acceptable theories of morality”, Donaldson T. and Dunfee T.W. (1994), p. 265. In this context see also Donaldson T. and Dunfee T.W. (1995).

³⁶ “In order to be obligatory, a microsocial contract norm must be compatible with hypernorms””. Ibidem

while the base of the accepted macronorms can be anthropologically and philosophically very diverse. However, the author retains that in taking as a base the Social Doctrine of the Catholic Church it is very important not to exchange for ‘microsocial contracts’ norms, praxis and rules which, though not directly violating fundamental human rights, nevertheless are in reality forms of domination.

6 – Drawing up a company’s social accounting

Thus we now come to the need to apply to the ethics of social accounting a theory of the stakeholder approach which is based on the doctrine of solidarity and the common good.

There must be a moral obligation to prepare social accounts in a transparent, truthful and coherent manner based on the imperative to orientate the company towards solidarity and the common good. Otherwise incorrect, partial or imprecise data and information simply lend themselves to exploitation or manipulation with the risk of abusing or ignoring stakeholder rights.

Obviously, the actual task of drawing up a social account is to be left to the professional. However, the ethical basis of a social accounting must be grounded within the concepts of solidarity and the common good.

In applying these principles we must inevitably expand and widen our ethical aims. This is somewhat difficult within the framework of merely strategical conceptions of the relationship between company and society. Here we are in a context in which the stakeholder rights of all those who have little or no access to instruments or means of exerting pressure risk being ignored or forgotten.

An example could be of a company operating in a poor or underdeveloped area or country with much lower salaries and/or living standards even for that country. It is obviously essential that basic stakeholder rights are not violated in favour of consumers, investors and/or employees of the richer area or country.

7 – Conclusion

The importance and growing diffusion of social accounting in companies invites an examination of the principles to follow when preparing this type of documents.

Having once examined the general criteria of ethical principles it would seem fundamental to identify *why and in what measure* stakeholders have information rights. In this context the ethical approach to stakeholders is useful.

The doctrine of common good and the subsequent ‘solidarity’ thus established, which has been elaborated within the social theories of the Catholic Church, can provide the conceptual basis of information access rights for stakeholders.

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