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Title & Summary:

Eschatology of Capitalism and the Future of the Corporation.

Eschatology is defined as "the study of end times". This paper calls for more serious attention to the eschatology of capitalism which is particularly pertinent to the British Academy's *Future of the Corporation* project, launched in 2017. It presents a synthesis of eschatological literature, drawing on Streeck's (2016) essays on the "end of capitalism", Rifkin's (2014) account of the "eclipse of capitalism", and Fleming & Jones' (2013) treatise on the "end of CSR", all of which are related to "legacy pathologies" and associated disorders, stemming from mercantilism, that consecutive versions of liberalism, most recently neoliberalism, have failed to expunge. These pathologies have continually mutated, thwarting successive attempts to re-embed markets in the restraining fabric of society, by latching onto and subverting liberal principles of democracy, utilitarian pragmatic legitimacy and market justice. The resultant excessive commodification of Polanyi's "fictitious capitals" in ways that have exceeded the "moral limits of markets" (Sandel, 2013) and "planetary boundaries" under "corporate neoliberalism" (Crouch, 2016), has led to the realisation of Kay's (1997, p.426) prediction that "far from underpinning the market system, this...would bring it to its knees". Scherer & Palazzo's (2010) call for a restoration of moral and cognitive legitimacy is critically discussed in relation to both the future of the corporation and associated business school teaching. Building on Gond, Kang & Moon's (2011) path-dependent framework for institutionalising the "government of self-governance", CSR is reconceived as a "spiral dynamic" model to guide the transformational challenge of changing business mindsets/practices for which business schools are increasingly being called to account. Indeed, Elkington (2018) is now urging business schools to stop "turning out graduates for an economic paradigm that is not going to be the future" and "recalling" his triple-bottom-line concept to revitalise it as a spiral dynamic fractal of change for tomorrow's capitalism. The case for seriously "rethinking capitalism" (Jacobs & Mazzucato, 2016) in tandem with "rethinking liberalism" (Bellamy (2000) is now both compelling and necessary to prevent an eschatological crisis becoming an existential one.

Introduction

Understanding how pathologies of neoliberalism have disembedded business from society, why it needs to be re-embedded, and whether CSR has any useful contribution to make to this, is imperative for the British Academy's *Future of the Corporation* project, launched in 2017, because, as Schumpeter (1954) asserted, "nobody can hope to understand the economic phenomena of any, including the present, epoch who has not an adequate command of what may be described as historical experience". This paper links historical experience to recent evidence from UNCTAD's (2017) Trade and Development Report, in conjunction with insights of Polanyi (1957), Streeck (2016), Gond Kang & Moon (2011), and Scherer & Palazzo (2010). From an eschatological standpoint, it considers how CSR can be re-configured beyond "the end of CSR" (Fleming & Jones, 2013) and the "end of capitalism" (Streeck, 2016) in ways that can shape the future corporation for the coming "Collaborative Age" envisioned by Rifkin (2014), drawing on case studies of Haier Corporation at one end of the corporate spectrum and a community energy organisation at the other. It also addresses Parker's (2018) call to "shut down the business school" on the grounds that business school teaching valorises "knowledge about how to make capitalism and markets work" (p.37), justifying "a concentration of power, and naturalizes a particular set of economic and social relations" (p.39) while denying the way in which they have been "subverted by neoliberal economics and the financialization of everything" (p.14). Finally, it aims to answer the question "can CSR scholarship, and the business schools in which it is taught, contribute anything to restoring the moral and cognitive legitimacy of the future corporation in a digital age beset by existential challenges arising from inequality and unsustainability?"

Pathologies of the "Old Corruption"

Polanyi's (1957) concept of "embeddedness", whereby business and society are closely coupled, reflects contemporary notions of a "sharing", "inclusive" or "moral" economy. Polanyi explains why economic institutions (markets, corporations, etc) must be interwoven with the social, political and cultural institutional fabric of society to provide checks and balances (associated with regulative, normative and cognitive domains of institutional theory) necessary to restrain excessive commodification of "fictitious commodities" (land, labour, and money) that have intrinsic social value within the "moral limits of markets" (Sandel, 2013). Transgressing these limits creates "moral hazard", manifested in the 2008 financial crash since when growth has stagnated, productivity has atrophied and the doomsday clock has been advanced one minute closer to twelve, signalling the threat-level to humanity's ecosystem, the destruction of which is now "firmly in view" according to Streeck's (2016) eschatological analysis of how capitalism will end.

The "tragedy of the commons" preceding the first industrial revolution that fragmented society (i.e. by "de-coupling" or "dis-embedding" its institutions) is attributed to enclosure of the commons by landlords (particularly the monarch and nobility), depriving ordinary people of their livelihoods, compounded by subsequent (mis)appropriation of their means of production by industrialists. "Social reforms" justified on grounds of national productivity and efficiency, increased poverty and wealth for the poor and rich respectively. Pathologies of the "Old Corruption" (as the monarchy and undemocratic parliamentary elite, comprising landowners with vested interests to protect, was commonly known) animated mercantilism, luring *nouveau riche* merchant adventurers and capitalists (e.g. ship, factory, and later railway magnates) into its den of iniquity which Zingales (2017) describes as a "Medici vicious circle" whereby "power begets power". Adam Smith (1776) foresaw that the stampede for the "holy grail" of perpetual growth fuelled by possessive individualism would overrule "moral sentiments". Indeed, mercantilism's colonial subjugation, exploitation and expropriation, portrayed as "honourable" (setting a precedent for the misappropriation of CSR) in its quest for bullion to fund imperialist expansion, corrosively enmeshed itself in a tyrannical triangle, trading slaves, commodities and finished goods, and co-opted social Darwinian and utilitarian ethics to ameliorate public moral outrage. The moral legitimacy of socially embedded economic activities, institutionalised in the medieval guild system that ordered European society for almost six centuries, was thus displaced by pragmatic legitimacy, institutionalised in the mercantilist system according to rules of the game established by the self-interested individuals who largely benefited from it. Cognitive legitimacy in this new order derived from a conviction that emergence of dynamic markets would be capable of making the long-term investments necessary for economic growth and productivity leading to the material improvement of human welfare. King (2017), however, now contends that this "was in fact financial alchemy – the creation of extraordinary financial powers that defy reality and common sense (p.5)….for many centuries money and banking were seen as a source of strength when in fact they were the weak link of a capitalist economy" (p.369).

The appalling social consequences of mercantilism, which accelerated the elite's fear of revolution in the C18th, led to adoption of the alternative *laissez-faire* system, commended by classical welfare economists and social reformers such as Adam Smith and David Ricardo. Their classical theories of perfect competition/competitive advantage promised a more equitable distribution of wealth through the "trickle-down effect" whereby ordinary people would be lifted from poverty by the financial alchemy of the "invisible hand of the market". But, as Stiglitz (2016, p.144) explains, in reality "the income and wealth of those at the top comes at least partly at the expense of others – just the opposite conclusion from that which emerges from trickle-down economics."

Marginal productivity theory (which still "needs urgent rethinking" according to Stiglitz (2016, p.134)) thus enabled self-interested economic exchange by the rich to be ostensibly liberated from the institution of the "Old Corruption" which was re-purposed as the "visible hand of the state", redirected (and restricted) to ensuring efficient functioning of free markets, preventing monopolisation, and protecting citizens' property rights (including those of male workers previously too poor to participate in the market system who, following electoral reform, were permitted to vote if they had £10 or more to their name). However, the *laissez-faire* system then veered towards the opposite ideological pole of libertarianism, spawning new forms of corruption and exploitation resulting in economic anarchy and widespread social destruction, including devastating wars of independence and the Great Depression, exposing it as merely a "new wineskin" for pathologies of the "Old Corruption" (hereinafter referred to as "legacy pathologies") that previously orchestrated mercantilism. Although mass production methods of the industrial capitalist era dramatically improved productivity and national competitiveness, they were largely attributable to unsustainable fossil fuel–based energy systems, infrastructural investments funded from the public purse, and exploitation of the working classes.

Neoliberalism originated as another well-intentioned but ultimately futile attempt to harness and redirect legacy pathologies into serving the public good as well as their own ends (morally lauded as "enlightened self-interest"), by way of "managed" and "mixed" economies which aimed to re-embed markets in the fabric of a more democratic society and overcome the public-private goods divide through Keynsian interventionist policies which became the stuff of Roosevelt's New Deal. Fear of a "slippery slope" leading to extreme forms of nationalism (fascism) or socialism (communism) then reprieved the liberal order, once again unleashing the old legacy pathologies to invade and penetrate societal fabric ever more widely and deeply, endorsed by Chicago School "freshwater" neoliberal economists (e.g. Hayek and Friedman), in tandem with their political counterparts (Reagan and Thatcher). So now, according to Clegg et al. (2011, p.400), "it is doubtful that corporations, effectively instituted in a legacy of exploitative organizational behaviour and misbehaviour, can become wholly socially responsible, let alone socially accountable on their own." Furthermore, Scherer & Palazzo (2010, pp.915-6) observe that, "in the face of state and market failures and the negative side effects of market exchange and global businesses, scholars have started to fundamentally rethink the global capitalist system while criticizing corporations as the main protagonists of this system….this leads to a significant loss of cognitive legitimacy of the institutions of capitalism and liberal democracy and the corporate form of the firm."

Following the global financial crash of 2008, largely attributed to this "legacy of exploitative organizational behaviour", there has been a further resurgence of counterveiling calls for a revival of "moral sentiments" to re-socialise the future corporation, as evidenced by a stream of theories, reports and initiatives, e.g. Creating Shared Value (Porter & Kramer, 2011); Rewiring the Economy (Reynolds, 2015); Better Business Better World (Business & Sustainable Development Commission, 2016); the UN Sustainable Development Goals (2015); ISO26000 (2010); UNCTAD's Global New Deal (2017); "The Ethical Capitalist" (Richer, 2018). Most of these appeal to a Kantian sense of duty to exercise self-restraint within the prevailing liberal democratic social paradigm, valorising responsible/ethical capitalism (and its corollary sustainable development), associated with Kay's (1997) Mode 1 business type, and demonising irresponsible/unsustainable conduct associated with his Mode 2 business type, requiring institutionalisation of a combination of mainly regulative and normative checks and balances enshrined in "corporate governance" systems. The conflicting business ideologies of Kay's Mode 1 and Mode 2 surfaced in the failed takeover bid for Unilever by Kraft-Heinz in 2017, following which Unilever's CEO, Paul Polman, described it as "clearly a clash between a long-term sustainable business model for multiple stakeholders and a model that is entirely focused on shareholder primacy" (FT 2017, p.26). He also reiterated that "the reason I believe business should be around is to serve society". Similarly, Porter & Kramer (2011) propose "creating shared value" (CSV) as a plausible way to "re-connect business and society", and "re-legitimise capitalism" to "serve society again rather than the other way around" (UNCTAD, 2017).

Disorders of Capitalism

Streeck (2016), and critics of CSR (e.g. Fleming & Jones, 2013, p.7) and CSV (Crane et al, 2014), contend that the enduring systemic legacy pathologies underlying neoliberalism (traceable back to mercantilism's "political project of ruling elite interests"), which subordinate social justice to market justice (i.e. Streeck's "two diverging sets of normative principles"), will perpetually mutate and thwart attempts to "rebalance" and foment an "inclusive" or "sustainable" economy. Streeck identifies five systemic disorders (Table 1) of this "deformed style of capitalism" (Kay, 1997, p.26), compounded by the failure of transnational institutions to restrain "hyperglobalisation", which has resulted in "gridlock and pathological decision-making that has led to the breakdown of global cooperation" (Hale, et al, 2013). This is further corroborated by evidence in UNCTAD's (2017) Trade & Development Report which drives a stake into the heart of corporate neoliberalism by calling for a "Global New Deal" to restore the political and institutional safeguards "whose establishment had been the very condition for capitalism being allowed to return after the disasters of the first half of the 20th century", most of which neoliberalism "has effectively destroyed" (Streeck, 2016, p.235).

Disorder	Examples
Economic stagnation	Financialization diverting capital into unproductive ("fictitious") assets, e.g. toxic securities, IPR and rentierism, starving the "real" economy of investment
Oligarchic redistribution	Concentration of corporate power and private wealth; political lobbying aimed at deregulation or "regulative capture"
Plundering of the public domain	Public sector bailouts, privatization of public assets (e.g. PFIs and NPM), negative externalities and tax avoidance (evidenced by the Paradise Papers)
Corruption	Bribery; falsification of accounts and emissions tests; credit rating and interest rate (LIBOR) rigging; money laundering
Global anarchy	Cyber crime; geopolitical fragmentation; trade, resource and ideological wars

Table 1: Five Disorders of Neoliberal Capitalism (adapted from Streeck, 2016: 65).

Absence of trust in the neoliberal capitalist system, resulting from corporate misconduct, portrayed by Bakan (2005) as that of a "psychopath", even by companies espousing CSR (e.g. BP, VW, Tesco, Carillion), leads Streeck to conclude that "nobody believes any more in the moral revival of capitalism" (p.71). This is corroborated by Fleming & Jones' (2013) view that CSR itself has been co-opted into "the service of neoliberalism" (p31), particularly "the key capitalist pathology – consumerism" (p.26), valorising consumer "sovereignty" instead of consumer "citizenship" or "stewardship". Like Streeck, they conclude that under neoliberalism, capitalism (and CSR with it) is heading towards self-destruction, and that "ethical capitalism" (Bull et al, 2008), or "sustainable capitalism is not theoretically or practically viable under conditions of financial hegemony" (p.26), hence the need to "abandon the idea that business and ethics might someday be married" (p.99).

Hertz (2002) unravels the reverse logic of corporate neoliberalism, whereby the "silent takeover" of governments means that "blinded by the allure of the market, they now put corporate interests first. So it is left to us, through individual action, to take the lead…", and Streeck (2016, p.93) fears that "street riots and popular insurrection may be the last mode of political expression for those devoid of market power". Rodrik (2017) is particularly wary of how populist "moral sentiments" can be manipulated (associated with claims about Trump's election and the Brexit referendum), emphasising the need for education (also reflected in UNCTAD's (2014) call for business schools to take responsibility for "changing business mindsets") to surface and address the underlying pathologies and realities of the impending eschatological crisis. Streeck (2016, p.93), however, argues that the "battlefields on which the contradictions of democratic capitalism are fought out have become ever more complex, making it exceedingly difficult for anyone outside the political and financial elites to recognise the underlying interests and identify their own."

In view of the foregoing, it will be interesting to see how the *Future of the Corporation* project addresses the dilemma of whether to continue investing "time and energy in developing responsible ideas as to how responsible governments may repair the system", as Gond Kang & Moon (2011) have, or "instead begin seriously to think about alternatives to it" (Streeck, 2016, p.235).

Reconfiguring CSR

Polanyi's contention that markets cannot survive without some level of "institutional embeddedness within broader systems of governance that reflect social relations as well as the national legal and political governance systems" is seized on by Gond, Kang & Moon (2011) as promising leverage for reform. The compelling business case for this, appealing to even hard-nosed neoliberals' self-interest, is that without it corporations will hasten capitalism's self-destruction thereby "killing the goose that lays their golden egg". Gond et al.'s "path-dependent" framework of CSR configurations (Fig.1 and Table 2), embracing aspects of both Kantian and Institutional theory, offers some hope that toxic government and business relations, which oscillate between adversarialism and collusion, might be reconceptualised and reconciled though "political CSR", acknowledging criticisms of CSR without resorting to a counsel of despair.

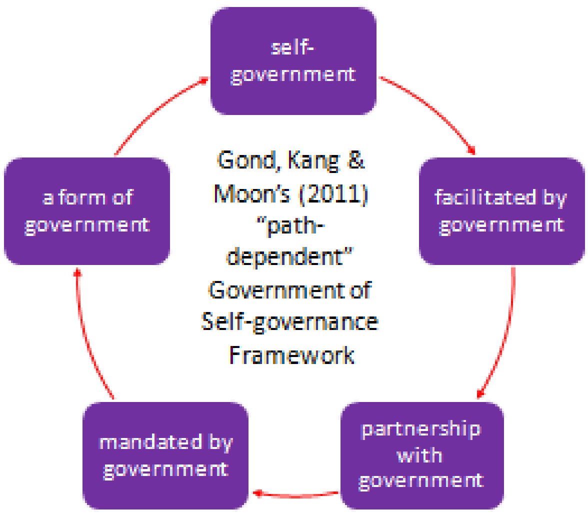

Fig. 1: Gond et al.'s (2011) Government of Self-governance Framework

Gond et al.'s starting point is a Kantian appeal to self-restraint (temperance), underpinned by values and principles (e.g. practical wisdom and social justice) that are diametrically opposed to those of possessive vertical individualism which valorise excessive accumulation of private wealth and "externalization of the costs of private pleasure-seeking to the rest of the world" and, more particularly, future generations. According to Kantian logic, this necessitates personal transformation (i.e. development of a "principled conscience" or "moral compass") at the individual level which can then be scaled-up to moral responsibility at corporate and system levels. Governments can advance this indirectly through educational outcomes, particularly (i) ethical and relational resources necessary for the trust and commitment building capabilities that Johanson & Vahlne (2009, p.1412) now regard as pre-conditions of business internationalisation and successful learning, and (ii) freedom of speech, and the courage needed to "speak truth to power" (King, 2017, p.350).

CSR Configuration	Institutional & Moral Development Imperatives	Managerial Implications
Self-government	**Cognitive:** principled conscience and Kantian self restraint – changing business mindset through education & public moral discourse: moral responsibility& accountability	Corporate governance reform – crowding in virtue; administration of duty (duties of rights & virtue); awareness raising & education
Facilitated by government	**Disruptive**: rethinking the corporate form and its relationship to society (e.g. Mode 1 Type) through CSR discourse: stakeholder responsibility & accountability	Responsible mgt incentives (dis-incentivising irresponsible mgt); ranking people before profit; stakeholder engagement; socialization of ownership/control
Partnership with government (and NGOs)	**Normative**: social conscience & social justice - creating shared/social value, reconnecting business and society (reciprocity): partnership responsibility & accountability	Multi-sector partnerships & collective impact coalitions; shared/communal contribution collaborations; orchestrating a 'big push' for investment in UN SDGS
Mandated by government	**Regulative**: rule compliance & institutional reform: institution-based & industry-based engagement to break up oligopoly structures and ensure that markets serve society: democratic responsibility & accountability	ISO26000 compliance & industry-wide mandatory sustainability reporting; B2B regulation; social accounting; regulating excessive commodification (financialization), tax avoidance and corruption
A form of government	**Transformative**: speak truth to power; retrieve the non-marketized commons; create an inclusive/sharing economy: community responsibility & accountability	Sustainability coalitions; value-chain network governance (e.g. VCIs); hybridization; social innovation; micro-enterprise; interactive social capital platforms.

Table 2: Leveraging CSR Configurations (adapted from Gond, Kang & Moon, 2011)

Gond et al. then envisage governments directly facilitating a process of rethinking the values and principles that have led to the current eschatological crisis concerning the role of business in society and its relationship to government. Theresa May (2017) herself acknowledges that "politicians have been talking the language of social justice….for years" while their efforts to institutionalise CSR (e.g. the CSR Academy, the Sustainable Development Commission, the Big Society Project) have all been systematically exterminated. She undertook to redress this by "building a shared society", but this too has now met its nemesis at the neoliberal guillotine, even prompting a mass protest resignation by her own Social Mobility Commission in December 2017. The British Academy's *Future of the Corporation* project risks a similar fate as it confronts the reality that "no amount of orthodox strategy, innovation or competition – all premised on economic harm – can help businesses, countries, economies, or the world reignite prosperity in the twenty-first century" (Haque, 2011, p.24), and faces up to Fleming & Jones' (2013, p.103) conclusion that "whether the discourse of CSR is being practiced in business schools…, government agencies or in the corporation itself, some kind of rupture with current orthodoxy is required.” Scherer and Palazzo (2010, p.922) further clarify the scale of this rupture, necessitating radical reconsideration of “the primacy of property rights, the belief in self-regulating markets, and the assumption that the pursuit of private interests automatically promotes the common good.” Likewise, Jacobs and Mazzucato (2016, p.23) conclude that “a more innovative, sustainable and inclusive system is possible. But it will require fundamental changes in our understanding of how capitalism works, and how public policy can help create and shape a different economic future.” So, we need to consider whether CSR has the potential to be a driver of such radical change and how it might be relevant to the future corporation.

From an institutional perspective, Campbell (2007, p.948) argues that CSR is mediated by “public and private regulation, the presence of non-governmental and other independent organizations that monitor corporate behavior, [and] institutionalized norms regarding corporate behavior”. Indeed, multi-sector corporate partnerships with governments and NGOs are a cornerstone of strategies for both the UN’s SDGs and creating shared value (Kramer & Pfitzer, 2016), but Scheyvens et al. (2016) fear they will founder on the irreconcilable incompatibilities of Streeck’s (2016, p.213) “two diverging sets of normative principles”: social justice vs market justice, and thus expose the true extent of corporate neoliberalism’s distaste for anything beyond instrumental sustainability. Gond et al., like other critics, imply that CSR is a “lame duck” without appropriate regulatory intervention, not only to address the symptoms of corporate irresponsibility but also to disempower legacy pathologies from continually mutating and reframing the “rules of the game” in favour of private property accumulation, commodification, and concentration of power and control (Fleming & Jones, 2013, p.97), hence the need for “CSR mandated by government”. Fleming & Jones (2013, p.106) call for regulatory intervention to “roll-back corporate hegemony, retrieve the non-marketized commons, de-privatize what remains of the public sphere, and put a reanimated and potentially more independent state to work, breaking up local, national and global oligopoly structures.” New formidable challenges spawned by the digital revolution, e.g. the dark net, are also now coming into play, and it is naive to imagine that the digital ecosystem can operate without regulation, so both governments and corporations are being forced into significantly upgrading their regulatory capacities to manage them. Although voluntaristic self-regulation in the form of soft laws and codes of practice, commonly associated with CSR, have their place, Vogel (2010) asserts that they are no substitute for state regulation, whether in a national or international context, which is anathema to neoliberalism.

Gond et al.’s final configuration, “CSR as government”, provides a framework for integrating all three exogenous domains of institutional theory (regulative, normative, and cognitive) with all three endogenous stages of cognitive moral development: rule compliance, social conscience and principled conscience (Steare & Stamboulides, 2008). The relevance of this to the future corporation is further demonstrated by Delmas & Pekovic’s (2017) finding that changes in thinking about (exogenous) organizational norms, values and beliefs gives employees a more holistic picture of their organization, which improves coordination and creates a sense of common purpose that leads to higher commitment, while their engagement with (endogenous) dispositions enhances citizenship behaviour, from which they conclude that these can “reinforce each other to enhance both competencies and citizenship behaviour, both leading to greater productivity.” Since “linear thinking… is time expired” (Elkington et al, 2016), the proposed model for conceptualising this (Fig.2) draws on “spiral dynamics” (Beck & Cowan, 1996), informed by “complex responsive process theory” (Stacey, 2003) that has disruptive and transformative potential to truly liberate business from legacy pathologies and restore moral legitimacy by “crowding in virtues” (Moore, 2012), such as practical wisdom, social justice, courage (to speak truth to power) and temperance (self-regulation). This also coincides with Elkington’s (2018) decision to rethink his triple bottom-line concept because, despite its widespread adoption grounded in pragmatic legitimacy, it has largely failed to achieve the “deeper thinking about capitalism” grounded in moral legitimacy that it was intended to provoke, leading to system change and “the transformation of capitalism.” He is therefore “recalling” it with the intention of revitalising it as a spiral dynamic (“triple-helix”) fractal of change for tomorrow’s capitalism and, at the same time, urging business schools to stop “turning out graduates for an economic paradigm that is not going to be the future.”

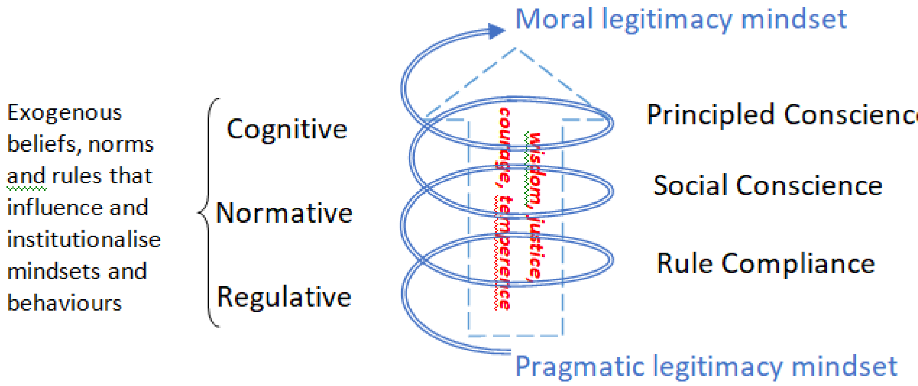

Fig. 2: Spiral Dynamic Model of CSR: from Pragmatic Legitimacy to Moral Legitimacy (after Scherer & Palazzo, 2010 p.914, and Steare & Stamboulides, 2008).

This thinking actually revalorises precepts of governance from classical antiquity's system of "deliberative democracy" that Scherer & Palazzo (2010 p.917) now advocate as a viable alternative to the "liberal approach to democracy" which has repeatedly succumbed to "the power of vested interests and lobby groups" (King, 2017 p.369). As Crouch (2016 p.168) explains, "capitalism and democracy are depicted as two sides of the same liberal coin and the main theories of liberal democracy have made it virtually analogous with the market….democracy and the market continue to be used as pragmatic legitimation of the evolving political system of dominant corporate power…where all forms of democracy continue, including the rule of law, but where the electorate has become largely passive and civil society too weak to challenge corporate interests…the corporate dominance involved in neoliberalism is incompatible with both market order and political democracy."

So, this alternative to "liberal democracy", i.e. "deliberative democracy" (or what Bellamy (2000) defines as "democratic liberalism") could trigger the "intellectual revolution" called for by King (2017, p.370), and re-embed corporate activities "in processes of democratic will-formation and control, and thus overcome the public-private divide" (Scherer & Palazzo, 2010, p.918) in ways that concur with Rifkin's (2014) vision of the future economic order as a "collaborative commons". This envisages investor-based capitalism, which focuses resources for immediate returns, being replaced by a more distributed and streamlined network-based capitalism, alongside a sharing economy governed by a high-tech global commons. As Bellamy (2000, p.199) explains, unlike liberal democracy aka market theory, democratic liberalism "does not treat individual or group interests and beliefs as mere subjective preferences but as objective forms of flourishing,..and regards competing viewpoints as providing an incentive…to engage in principled dialogue with others as to the arrangements that are to frame their lives."

"Big Bang Disruption": The Collaborative Age

According to Rifkin (2014), a new hybrid economic system will be enabled by the provision of solar, wind, and other renewable energy on demand, facilitated by innovations such as the Internet of Things (IoT) and blockchain. In the world he envisions, the digital revolution will also force down fixed and marginal costs in information and communications technology in an exponential way, producing and delivering an increasing array of goods and services, the marginal cost of which will fall to near zero. Classical economics theorises that productivity will increase in proportion to the level of investment in/accumulation of factors of production (physical and human capital) in response to growth in demand and marginal cost reductions associated with economies of scale which have historically accounted for approx. 14% of productivity gains. The remaining productivity gains have largely been attributable to improvements in aggregate efficiency in the management and organisation of economic activity which is a critical determinant of productivity growth. However, the limits to growth were reached by the beginning of the C21st (by which time the U.S. economy had reached 13% aggregate efficiency;

Germany 18.5%, and Japan 20%), and the ageing infrastructure of the era of industrial capitalism can no longer support further significant aggregate efficiency and productivity gains which is an underlying cause of stagnation in productivity growth.

The reconfiguration of a sustainable non-linear CSR pathway (Fig.2) implies a radical departure from “strategic choice theory”, “shareholder primacy”, and “command-and-control” mindsets based on pragmatic legitimacy. Haier Corporation’s “big bang disruption” (Downes et al., 2016) business model provides genuine insight as to how this might be actualised and mainstreamed in future. In accord with Unilever’s Paul Polman ((FT 2017, p.26), and Richer Sounds’ Julian Richer (Richer, 2018), Haier’s CEO, Zhang Ruimin, emphasises that the corporation’s purpose is to serve society, and ensure that its “people truly feel they are valuable, the enterprise is socially responsible, and moral principles and ethical engagement are indispensable parts of the corporate culture” (Yong & Yazhou, 2017). Such examples offer some hope that stewardship theory may be applied to shaping a community-oriented, stakeholder-sharing, “inclusive” economy embedded in society, building on Porter & Kramer’s (2011) Creating Shared Value (CSV) concept and associated collective impact initiatives (Kramer & Pfitzer, 2016), involving a network of discourses with multiple stakeholders. From a deliberative democracy perspective, this could become the driving force for a recovery of moral legitimacy, corresponding to Sandel’s (2009) proposals for substantive “moral discourse”. Furthermore, Ruimin understands that a corporation with strong moral foundations (Haidt, 2012), and a commitment to organizational learning, endows its employees (and other stakeholders) with both moral and cognitive legitimacy which, in combination, leads to enhanced commitment to the organization. As Delmas & Pekovic’s (2017) research finds that both enhanced organizational learning and commitment positively impact on employee productivity. Hamel (cited by Milne, 2016), who “wants to wake people up from their moral slumber”, also applauds Haier’s success at “unclogging the arteries of business” through innovative management, and concludes that “when you can run a large, global business with 60,000 people into a portfolio of entrepreneurial businesses, there’s no reason why we can’t beat bureaucracy, the biggest barrier to productivity in business.”

Building on a foundation of cognitive and moral legitimacy, underpinned by his Daoist philosophy (Lewin et al, 2017), Ruimin believes that the digital revolution will reinvigorate aggregate efficiency gains through the Internet of Things. He envisages sensors and identification chips being embedded in trillions of devices (e.g. thermostats, assembly lines, appliances, warehouse equipment, etc.), all gathering data and interconnecting through the internet via IPv6 protocol. As Rifkin (2014) contends, “when intelligent technology is embedded in homes, offices, factories, and infrastructure, everyone will have a transparent picture of all the economic activity flowing through the economy, with the ability to mine it and use predictive analytics to improve thermodynamic efficiency and productivity while reducing the ecological footprint of economic activity”. Unlike the first industrial revolution in which infrastructures were centralized, proprietary, and vertically scaled, the digital economy will no longer be controlled by small groups of centralized, global, vertically integrated companies, so Ruimin is now transforming Haier into a border-free enterprise, with manager-free management and scale-free supply chains (Fig.3). He understands the potential of the 5G “intelligent life” dynamic platform infrastructure to release the greatest aggregate efficiency if it is distributed, open, transparent, crowd-sourced, and laterally scaled. Haier’s latest business model is therefore based on the premise that the more users there are on the network, the more everyone benefits and that any attempt to monopolize, control, or centralize it will be systemically managed through network governance to avoid diminishing aggregate efficiency and productivity.

Fig. 3: Haier's Prescription for the Future Corporation

Rifkin (2014, p.213) argues that although a cooperative business model, based on moral precepts such as "collaboration, equity and sustainability seems hopelessly impractical…in a world dominated by the capitalist market and its accompanying utilitarian ethos – which view human behaviour as competitive and self-interested", it is "the only business model that will work in a near zero marginal cost society" which he contends will pave the way for capitalism's replacement by the "collaborative commons" in the next industrial revolution (Fig.4). The cooperative form of business is being reinvigorated by the lateral scaling advantages made possible by a digitally interconnected global economy with near-zero marginal cost which is reflected in the latest stage of Haier's transformational business model, based on platform technologies that not only provides services for Haier itself, but which can potentially provide services for the whole of society. Opening up such facilities to, for example, community action platforms for energy (CAPEs), can put big data tools into the community domain enabling a local community to generate and manage its own energy, as illustrated by Dibb et al's (2018) case study of Community Energy for Milton Keynes which is a harbinger of Rifkin's "Collaborative Age".

Fig 4: Envisioning the Collaborative Commons in a Zero-Marginal Cost Society

According to Rifkin (2014), a billion and a half people work in cooperatives, in industries like agriculture, food production, housing, banking, and energy. Anticipating the future of the corporation as a cooperative entity is predicated on IT-based tools, such as blockchain, which can virtually eliminate transaction costs such that large corporations will no longer gain vertical scaling advantages, e.g. by internalizing their supply chains. Vahlne & Johanson (2013, p.191) already opine that "internalization theory is not needed", corroborating this view. Democratically managed cooperatives and micro-enterprises that create shared value, dividing profits between members/users as Haier's ZZYTs do, will particularly benefit from scale-free supply chains in a digitally interconnected global economy. Furthermore, the more diverse and distributed the networks and systems are, and the more resilient the infrastructure is, the less vulnerable they will be to cybercrime, cyberterrorism, or natural disasters resulting from climate change.

Chouinard et al. (2011) explain how, even in the era of industrial capitalism, a "moral legitimacy mindset" (Fig.2) can also be effected through the institutionalisation of collaborative B2B network governance initiatives, e.g. the Sustainability Apparel Coalition, combining the regulative (soft-law to enforces rules and sanction deviant behaviour), normative (resetting standards and expectations of business behaviour), and cognitive (rethinking the relationship between business and society) dimensions of institutional theory to significantly improve sustainable development prospects for present and future generations. This perspective anticipates the emergence of a new economic order populated by "dispersed cooperative" micro-enterprises, and socially innovative forms of organization, that will subvert and transform existing business practices, reignite aggregate efficiency, and (perhaps rather optimistically) consign legacy pathologies to the annals of history. This is a "radically alternative, but potentially suicidal, pilgrimage" that only a few courageous corporate leaders, such as Haier's Zhang Ruimin, have yet had the foresight to embark on as a model for the future corporation.

Re-imagining the Business School

A similarly radically alternative transformation of the business school is called for by Parker (2018) who perceives it to be so toxically enmeshed with legacy pathologies that their destinies, along with that of CSR scholarship, are inextricably intermingled. Parker (2018, p.97) regards the business school as a "malign influence", perpetuating legacy pathologies by peddling "market managerial capitalism" and functioning as "a factory for producing employees for capitalist organizations, a machine for producing a very particular kind of future", in much the same way as the East India College honed mercantilist recruits for the British East India Company in the C19th. He accuses them of failing to challenge the "dominance of neoliberal accounts of people and markets...complicit in all sorts of social, economic and environmental problems" and calls for a fundamental transformation of business schools to serve the public good instead of being "a sort of utopia for the wealthy and powerful" in which it is "easier to imagine the end of the world than to imagine the end of capitalism" (p.165).

Both Parker (2018) and UNCTAD (2014) entreat business schools to change business mindsets, particularly by being honest about, and facing up to, the disorders and imbalances that they have contributed to creating which have now become "dangerous for the future political, social and environmental health of the planet" (UNCTAD, 2017). Business schools also need to take responsibility for preparing students for an era in which capitalist markets play a secondary role to the collaborative commons, and promote alternative ways of organizing the world (e.g. by breaking the "Medici vicious circle" (Zingales, 2017) and facilitating the "Global New Deal" (UNCAD, 2017)), and of making "business work better for society" (Richer, 2018), particularly in terms of taking the "horrors of the world seriously" (Parker, 2018, p.165), and making an effort to address them rather than "ignoring them in the practices of teaching and research" (Parker, 2018, p.158).

The eschatological perspectives considered in this paper range across Streeck's essays on the "end of capitalism", Rifkin's account of the "eclipse of capitalism", Fleming & Jones' treatise on the "end of

CSR”, and Parker’s (2018) call to “shut down the business school”. Streeck’s perspective pessimistically envisages corporations, driven by legacy pathologies, leading the world on a “march of doom” towards intensifying gridlock, distributional conflict, protectionism, and exploitation that will end capitalism and possibly “the very basis of life on earth as we know it” (p.248). In contrast, Rifkin (2014) and Scherer & Palazzo (2010) more optimistically envisage neoliberalism being overtaken by a revalorisation of virtues from classical antiquity such as the “collaborative commons” and value-/virtue-based governance systems based on new forms of “deliberative democracy”.

While the British Academy faces the daunting task of discerning which of these visions of the future corporation is most plausible, business schools can make a timely contribution by teaching students to re-conceptualise CSR, and the triple bottom-line, in terms of “spiral dynamics”, which Haigh (2011, p.10) describes as “one of the most sophisticated, comprehensive and influential theories of transformative education”. This “offers a unifying framework that makes genuinely holistic thinking and actions possible” (Beck & Cowan, 1996, p.30), by which a better understanding of how exogenous and endogenous influencers and institutions can be brought to bear on the challenge of transforming corporate behaviour, as suggested by Gond et al., and business mindsets, as called for by UNCTAD (2014), reflecting a shift from “pragmatic legitimacy to moral legitimacy” (Scherer & Palazzo, 2010).

In this way, business schools, particularly those with a commitment to the UN’s Principles of Responsible Management Education (PRME), can contribute to the “intellectual revolution” required to restore the moral and cognitive legitimacy of business by educating its future leaders according to precepts of “deliberative democracy”. The collaborative commons even opens up the possibility of a resurgence of the student-led model of some early medieval universities in which students taught one another and learnt collaboratively, perhaps foreshadowed by the current widespread interest in social entrepreneurship and innovation whereby students and university staff engage with their communities in ways that create positive community value.

Business schools can foster the dynamic capabilities required to unleash productivity and enable society to contemplate a more egalitarian, sustainable and collaborative destiny. Highly motivated and passionately committed corporate thought leaders (e.g. Polman, Ruimin, Richer, Elkington), combined with institutionally facilitated “government of self-governance” approaches, and responsible management education, need to join forces with other social and political actors. They then need to seize the opportunities provided by the digital revolution to transition the future corporation into a force for actualising a more just and sustainable world, in which markets are re-embedded and imbued with inclusive rules, norms and beliefs that institutionalise and integrate socialised corporate strategies aligned with transformative initiatives such as UNCTAD’s (2017) Global New Deal and the UN Sustainable Development Goals.

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