

‘Developing your listening skills’

Transcript: Extract from a lecture on Corporate Social Responsibility

Lecturer: Right, the topic for today’s lecture is corporate social responsibility or, in other words, the obligations of corporations to stakeholders that are over and above their obligations to their shareholders.

Now, modern corporations have actually come to dominate life in the societies that most of us live in. More than forty-five years ago, the Vice-President of the Ford Motor Company said that Ford was the dominant institution of American society. But, nowadays, of course, big corporations have an even greater influence. They produce not only most of the goods and the services that we buy, but they, in their ethos, permeate just about every aspect of social life, and that ranges from politics and communications to things like sport and entertainment. Um... and even their, even our individual relationships through the relationships that we have with others at work.

Now, their economic power is awesome when aggregated - when it’s all added together. But, even individually, some are so vast that they exercise influence over the whole of the societies in which they operate. Hundreds employ thousands of people and the largest employ hundreds of thousands. So, for in 1999, for example, General Motors employed around 650,000 people and had revenues of more than 170 billion dollars. Wal-Mart currently employs over a million people and annual revenues there are running at some 290 billion dollars. Now, to put that in some kind of perspective, the gross national product - which is the total market value of all goods and services produced in a country - so, the GNP, the Gross National Product of Sweden was around 189 billion dollars and Portugal was only 87 billion dollars. Now, California has got by far the biggest annual revenue of any of the United States’ states, but it’s only about two-thirds of what General Motors make.

And it’s the scope of these companies that’s staggering as well. Exxon, the oil company, they operate in nearly a hundred countries and their 195 ocean-going tankers make up a private navy that is actually larger than Britain’s, than the UK’s. And these corporations are also getting bigger. In 1960, the two hundred largest manufacturing firms in the United States owned 54% of US industrial asset and equipment, and by the 1980’s that share had jumped to 66% and it’s still going up. Today, the share is far higher.