

# **Business Firm Responsibilities in the Public Mind: Public Attitudes in a Swedish context**

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# Business Firm Responsibilities in the Public Mind

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## Introduction

For good or bad, major business firms are powerful actors in public life, and with major impact on the authoritative allocation of a society's values and recourses. A central challenge facing any political community is thus how to define what rights, obligations and responsibilities that apply to business firms – and major companies in particular – as part of society (Crouch 2011; Crane et al 2008; Brammer et al. 2012). Public debates around the socio-economic order of market capitalism have become more common within the mainstream against the backdrop of growing inequality and recent financial crisis. Such debates typically involve arguments questioning the legitimacy of a profit maximizing economy neglecting issues of social responsibility and sustainability. This article approaches this issue by the way of exploring what the masses of citizens take to be the roles and responsibilities of business firms as part of society.

This study approaches the economy as a negotiated order characterized by both cooperation and conflict. Predominant understandings and conceptions of business rights, obligations and responsibilities are thus to be understood forged within a contested terrain where different values and interests clash. Attitudes are therefore likely to demonstrate considerable variation within a population. This study hypothesizes that such variation is systematic in kind, varying across social groups. The article thus involves exploring how attitudes vary on the basis of social class, sector of employment and stock ownership.

The study utilizes Swedish survey data collected in 2011. The dataset is unique in its qualities since it involves questions on a wide-range of potential business purposes: profit making, law and tax compliance, product quality, work quality, structural employment, environmental sustainability, and social welfare.

## Theoretical framework

Most theoretical accounts put forward the spirit of profit making as a distinguishing feature of market capitalism as a social order. Business firms and market mechanisms are central organizational forms channelizing the spirit of profit making and giving it a structural foundation (Ingham 2008; Crouch & Streeck, 1997; Swedberg 2003). Studying attitudes toward business firms and their proper operations is thus about exploring how citizens view the proper properties of a socio-economic system, and the function of the profit motive within it.

Economic sociology views the spirit of profit making as embedded within logics and purposes that are non-economic in kind and which both function as to enable and constrain economic action. Central to this argument is the notion that structuralized forms of economic exchange and organization are not spontaneous in kind but are rather forged through “formal rules, compliance procedures, and standard operating practices” (Hall 1992: 96), i.e. *institutions*. This is reflected in considerable variation across societies – in both time and space –in how both business firms and markets are organized as part of the society (Crouch & Streeck 1997; Hollingsworth & Boyer 1997; Whitley 1999; Hall & Soskice 2001; Gospel & Pendleton 2004; Jackson & Deeg 2008).

Human action is not only guided by self interest but also by social norms and moral concerns (Mau 2006). Societal institutions thus also function as “mediators and facilitators of moral points of view” (Mau 2006:469; Rothstein 1998). One can thus speak of a *moral dimension* (Etzioni 1988) inherent to economic arrangements, expressed in normative standards which business firms have to incorporate in order to retrieve social legitimacy (Scott 2008; Höpner 2007). Such normative standards are forged as part of a *moral economy* “in which the mutual rights and obligations of the governed and the governing are collected and condensed” (Svallfors 2006:1). One can speak of a fundamental tension between two opposing normative principles as part of the moral economy: *social justice* and *market justice* (Streeck 2012):

“A central issue of political conflict is precisely how far efficiency may be allowed to govern social life and where the zone of protection begins in which social relations are to be governed by obligations rather than by contract, by responsibilities to others rather than to self, by collective duty rather than individual voluntarism, or by respect for the sacred as opposed to the maximization of individual utility” (Streeck 2012:14).

Principles of *market justice* get a normative foundation from Economic theory. Building upon the famous “invisible hand” argument of Adam Smith (1976) which stresses that public virtue is brought about by private vices. According to this perspective, a socioeconomic order consisting of multiple business firms, each seeking to realize its self-interest through the objective of profit making generates the greatest welfare for society as a whole due to the forces of competition. Profit maximization thus functions as a compass which, in a competitive environment, leads individual business firms to unintentionally create the greatest good for society as a whole as resources are allocated efficiently throughout the economy. Enterprises should thus adopt a business strategy which involves maximizing shareholder value as dictated by the stock market, and where firm relationships to employees and consumers take the form of market-based contractual relationships. This normative view of the firm – sometimes labeled the “shareholder business model” – thus stresses profit maximization as a driving motive and that firms become effective by being highly responsive to market dynamics.

From a perspective of *social justice*, it is often argued that (major) firms face certain obligations and responsibilities that involve transcending the logic of profit making in the narrow sense (Crouch 2004, 2011; Crane et al 2008; Brammer et al. 2012). As Robert Dahl puts it, “every large corporation should be thought of as a social enterprise; that is, as an entity whose existence and decisions can be justified only insofar as they serve public or social purposes” (Dahl 1972:17). This kind of perspective also contain a critique of the functioning of the market as such, arguing that business objectives of profit maximization generate a form of unhealthy “short-termism” that are detrimental to long-term socio-economic development (e.g. Vitols & Kluge 2011). It is put forward that the firm should be organized more as a collective enterprise, rooted in a form of strategic cooperation between multiple stakeholders (in particular large capital owners, management, and employees) in a form that are not reducible to – or specified as – market relationships (i.e. economic contracts) (cf. Vitols & Kluge 2011).

A common critique against forms of economic organization guided by profit maximization is thus that it stands in opposition to social values of sustainability and responsibility. Rather than focusing on profit maximization alone, firms should take “social” responsibilities that involve providing social and public goods which are not profitable or effective for the

survival of the *individual* firm in any immediate sense. This could be carrying out public policy in relation to structural employment and social welfare, or avoiding environmental degradation. Such measures of *Corporate Social Responsibility* (CSR) are typically motivated against a notion of actually existing markets as characterized by various forms of “market failure”, involving that certain goods and functions (human or environmental) are not priced properly, due to “markets” being characterized by monopoly situations or externalized costs (Crouch 2011). As a consequence, it is argued that conventional business strategy, oriented around profit maximization, does not necessarily add up to efficient resource utilization throughout society as a whole. By business firms adopting certain morals that restrain enterprises from exploiting such “market failure”, any “negative externalities” are lessened and, as a result, social welfare increase for society as a whole. Moreover, CSR is often argued for from a value-rational standpoint, i.e. that it should be a goal of any society in and of itself that all stakeholders affected by firm activity – also those without power resources to promote its cause – are acknowledged with an immediate say in business affairs.

Proponents of market justice criteria have answered this critique, arguing that economies in which business firms adopt other objectives than immediate profit making are characterized by “misguided virtue” (referring to the virtue of the invisible hand being constrained), resulting in sub-optimal economic performance (Henderson 2001). Adopting pursuits other than profit making is also put forward as immoral in the sense that the provision of “public goods” is argued to be the responsibility of a democratically elected government. Friedman (1970) thus drew the famous conclusion that the “social responsibility of business is to increase its profits” within the constraints set up by rule of law.

The analytical perspective taken in this article argues that the formation of normative business standards should be treated as a “contested terrain” with considerable struggle and negotiation between social groups holding different – and sometimes conflicting – interests and values. Arguments for and against Corporate Social Responsibility (CSR) are usually motivated by reference to vaguely defined “general interests”. This article oppose such an apolitical take on business firm organization and instead treats the issue of CSR – and the issue of business firm organization more generally – as a contested terrain in relationship to which different ideologies, rooted in social structure, clash against each other (Crouch 2011; Okoye 2009, Aguilera et al 2007; Jackson & Muellenborn 2012:491).

## Attitudes and Social cleavage

The organization of economic activity via business firms are deeply embedded in social structure and politics. Business firms are constituted by social relationships and societal solutions to issues of business firm organization thus come to impact the distribution of risks and resources between social groups in a society. The organization of economic activity into firms thus generates and channelizes economic conflicts and cooperative efforts as expressed in socio-political compromises between social groups (Fligstein 2001; Aguilera & Jackson 2003; Roe 2003; Gospel & Pendleton 2004; Korpi 1983).

According to common wisdom in sociology, conceptions of societal institutions do not evolve in a vacuum but, rather, are nurtured from within particular locations within the social structure. There are no reasons to believe that attitudes toward firm responsibilities should be an exception. To the contrary, as market capitalism is a socio-economically stratified order and the business firm a fundamental organizational form within this economic structure, notions on how to properly organize firms should be influenced by location within socio-economic structure. Social groups can thus be expected to vary in the extent to which they perceive their various interests and values to be acknowledged and addressed within the context of an actually existing business regime.

This study hypothesize that “people who on the basis of their greater assets are the market winners will look upon the market’s transactions as more legitimate and be less inclined to redress market distributions than those who wield less power on the market” (Svallfors 2006:52; see also Streeck 2012). Social class thus appears an important variable for explaining attitude differences within the socioeconomic sphere (Svallfors 2006; Oesch 2006). In effect, market winners, that is social groups with marketable resources, low market risk-exposure (e.g. for unemployment) and considerable organizational powers, can be expected to favor business firms being organized in line with principles of “market justice”. Social groups which lack marketable resources, exposure to market-derived risks and lack organizational assets can be expected to prefer firms to be organized as a societal enterprise in accordance with principles of “social justice”. In effect, we expect social classes to differ in terms of conceptions of what it takes for a business firm to be considered “responsible” and legit.

As part of contemporary developments of market capitalism's "financialization" (Martin 2002; Glyn 2006; Krippner 2011), capital ownership are increasingly channelized via financial markets, involving that larger business firms are not typically controlled by a single or a few individual capitalists, but rather characterized by "anonymous"/institutional ownership and salaried management control. Moreover, a society's mutual savings – such as pension schemes – are increasingly tied up within stock markets, and individuals are also increasingly trading in stocks and stock funds. Besides studying class differences in attitudes, this study will therefore also explore to what extent attitudes differ between individuals who own and trade in stocks as compared to individuals who do not. The hypothesis is that ownership of stocks can be expected to transcend into (or maybe be a reflection of) support for principles of market justice.

Most previous research on political attitudes has been focused on the welfare state. A robust finding from such studies is that sector of employment (public vs. private) tends to impact welfare policy preferences. Such effects are typically explained by effects of selection and tertiary (i.e., sector-specific) socialization (Hoel & Knutsen 1989). As organizational attachment seem to influence attitudes in this respect, it seems an interesting empirical question to explore to what extent private sector employees, more directly exposed to the functioning of private enterprise within the sphere of production, differ in their attitudes as compared to public sector employees.

### Sweden as a case study

The "Swedish model" has been characterized by a stakeholder business model historically, rooted in a "social compromise" of conditional cooperation between social groups (the social classes in particular) on issues of socio-economic organization, settled at the "societal level". This "compromise" has come to involve a business model taking a "high-road" to capitalism based on "diversified quality production", rooted in considerable human capital investments and where profitability are assessed within the long-term, and where the different social groups invested in the firm all gets its "fair share" (Pontusson 1997). While Sweden do not practice economic democracy (an order that has not been questioned in the mainstream since the liquidation of the share-levy plans during the eighties), its production regime is characterized by considerable industrial democracy: Employees are represented

within the board of directors; have significant work autonomy; and there are regulations of health and safety in the workplace.

Sweden is often described as a consensus-based political community where the organized interests of capital and labor has come to agree on a division of institutional labor between the private and the public sector; involving that the state provide for “social” responsibilities such as labor market policy and extensive social welfare programs, while the private sector are oriented toward economic productivity and profitability (De Geer et al. 2009; Åmark 1991).

Previous attitude studies on the welfare state do however demonstrate large differences in attitudes between social groups – the social classes in particular – leading us to question whether such a “consensual spirit” can be traced at all within mass opinion. In fact, class differences in attitudes to redistribution tend to be more pronounced in Sweden than in other society where similar studies have been fielded. This has explained by the fact that class politics has been strong in Sweden historically, in particular on political issues of state redistribution and welfare policy. The organized interests, the labor unions in particular, have also been highly influential both in membership numbers and in terms of activity within political debate. This legacy has transcended into well-spread political interest and class identification among the citizenry (Svallfors 2006, Edlund 2007).

We can thus think of multiple possible scenarios in terms of attitude turnout. As a consequence of the properties of the Swedish production regime, we should expect strong support for normative standards of business behavior stretching beyond profit maximization in the narrowest sense, involving the acknowledgement of care for employees, consumers and state.

In terms of attitude differences between social groups, we can formulate contracting expectations. If it were the case that the component of “consensual spirit” characterizing the Swedish production regime have transcended into mass opinion, we would expect only marginal group differences in attitudes. On the other hand, if it is assumed that the political articulation of political actors and organizations inform mass opinions, we can suspect that the strong tradition of class politics give rise to significant attitude differences across social groups, especially in regard to issues with a clear “class profile”.



## A summary of the argument

To summarize the argument being made:

- Business firms organization contain social relationships that generate both cooperation and conflict between social groups
- The issue of business firm organization are thus to be treated as a political variable
- Normative standards of proper behavior and responsibility should be seen as reflecting a *moral economy* which constitutes a powerful force in shaping societal arrangements
- There is a fundamental tension between principles of *market justice* and principles of *social justice* in relationship to the issue of business firm organization, as expressed in lively academic and public debate.
- We hypothesize the moral economy as stratified in that the respective principles of market justice and social justice can be expected to appeal to different social groups. Social class appear as a key stratification mechanism.
- Sweden is an interesting case study due to its institutional and political history. Its history of a production regime characterized by “stakeholder capitalism” lead us to expect that such a model should possess legitimacy and popular support in Sweden. We are less clear, however, what to expect in terms of attitude differences between social groups. There are arguments both pointing towards and against expecting considerable attitude differences between groups.

## Data and variables

The data used in this study are taken from the *Employment, Material Resources, And Political Preferences survey* (EMRAPP). Data was collected 2011, involving a sample of 2642 respondents, drawn from the Swedish population aged 25-64.

This study deploys the following survey battery for measuring attitudes toward business firms and their responsibilities:

*There are different opinions about which objectives private firms should prioritize in order to be considered “doing the right thing”. A number of tasks are listed below. Specify for each of them if you think that a private firm in general should give priority to the objective or not.*

- a. *Follow laws and regulation*
- b. *Contribute to public goods through taxes and fees*
- c. *Make as much money as possible*
- d. *Offer goods and services of highest possible quality*
- e. *Care for the working conditions of employees*
- f. *Ensure a job for everyone who wants one*
- g. *Solve societal problems (such as environmental degradation)*
- h. *Maximize the short-term profit of the firm*
- i. *Donate to charity and the like*

The respondent is asked to give responses to each of the nine items and where possible answers are: *“Yes, should absolutely be a priority”*; *“Yes, should probably be a priority”*; *“No, should probably not be a priority”*; *“No, should definitely not be a priority”*.

These items have been designed to cover large parts of the spectrum within contemporary debates. Items (c) (money making) and (h) (short-term profit maximization) ask specifically about the importance and desirability of profit making. Items (a) (law) and (b) (taxes) ask about relationship to the state. Items ‘d’ (product quality) and ‘e’ (employment conditions) covers conventional forms of stakeholder management. Items (f) (employment), (g) (societal problems), and (i) (charity) asks about more explicit “social responsibilities”.

Class positions are distinguished on the basis of employment relationships, level of marketable skills, and insertion within the division of labor (Erikson & Goldthorpe 1992, Wright 1997, Oesch 2006). The class schema of Oesch (2006) is used in this study, and individuals are being assigned to class categories on the basis of their occupation (ISCO88) and employment status (employer, self-employed, or employee). The benefits of this schema are that it allows for a horizontal dimension of class differentiation based on organizational work logic, alongside a conventional hierarchical dimension. This is necessary for the analytical approach taken here since we expect “work situation” and organizational attachment (as well as “market situation”) to be an important factor structuring attitude formation.

As shown in Table 1, eight different class categories are distinguished. Employers and self-employed are distinguished on the basis of them owning the means of production. Among

employees, Classes are differentiated “hierarchically” on the basis of levels of marketable skills, and “horizontally” on the basis of organizational logic.

**Table 1. Class schema. Eight class categories, following Oesch (2006).**

<b>Emp rel.</b>	Self-employed	Employees		
<b>Work logic</b>	Independent	Technical	Organizational	Interpersonal
	<b>Employer</b>	<b>Technical experts</b>	<b>Managers</b>	<b>Sociocultural prof.</b>
	<b>Self-employed</b>	<b>Manual workers</b>	<b>Office workers</b>	<b>Service workers</b>

To measure sector of employment, we use a measure of whether the individual is located within the public or private sector in the current (or last) job. To measure financial market relationship, we use a self-reported measure on whether the individual trade in stock or not (Yes/No). The distributions for these three explanatory variables are presented in table 2.

**Table 2. Frequencies, explanatory variables**

Class		Sector of employment	
	%		%
Employer	3	Public	42
Self-employed	5	Private	58
Manager	19	<b>Financial relationship</b>	
Technical expert	11		%
Sociocultural prof.	20	Stock owner	32
Office worker	8	Not stock owner	68
Service worker	21		
Office worker	13		

## Empirical analysis

The empirical analysis is designed as a two-stage procedure. In a first stage, the general attitude patterns will be explored by the means of frequency analysis. In a second stage, attitude differences between social groups are explored by the means of regression analysis.

### Part I: General attitude patterns

The empirical analysis starts out with exploring attitudes at the aggregate level. Table 2 demonstrates the distribution of answers to the survey question fleshed out above.

Numbers represent the proportion of individuals choosing each answer on the scale. As an example, for item ‘a’, we find that 88 per cent of the individuals have answered *Yes, it should definitely be a priority that private firms follow laws and regulation*, 11 per cent has

answered that it *should probably be a priority*, whereas extremely few individuals has answered that it *should probably or definitely should not be a priority*. Skimming across all of the nine items indicate that, for most items, a majority of the respondents answer that the task should be a priority. There is, however, considerable variation across items in the *degree* to which the respective tasks should be considered a priority. This makes it possible to speak of a preference order when it comes to the priority of different tasks.

Comparing the answers across items, we see that *following laws and regulation* (a) is the task which gets the strongest support. The task which gets the second highest priority on average is the task of *caring for the working conditions of employees* (b), where 75 per cent consider it definitely a priority, whereas a negligible proportion consider it a sub-priority. Moreover, there is also strong consensus around the desirability of giving priority to *offering goods and services of highest possible quality* (d); and also for firms *contributing to public goods though taxes and fees* (b).

What do people think about profit making as a business objective? Looking at items (c) and (h) which both concerns the centrality of profit making demonstrate very different results. Whereas, a vast majority tends to acknowledge *making as much money as possible* as an important business objective, a vast *minority* favor *maximizing short-term profit* as a business objective.

The items of *ensure a job for everyone who wants one; solve societal problems (such as environmental degradation)*; and *donate to charity and the like* all cover various forms of “social responsibilities”. Respondents demonstrate considerable variation in terms of responses to these respective items. *Solving societal problems of environmental degradation* is supported by most, even though it is not labeled an absolute priority by a majority of the respondents. *Ensuring a job for everyone* receives weaker support, even though a majority of the respondents take it to be a priority (if yet to varying extent). *Donations to charity* are given relatively weak support as a business priority as only 38%% take it to be a priority of some extent.

Table 3. Attitudes toward Business firm responsibilities. Data from 2011, Percent						
There are different opinions about which objectives private firms should prioritize in order to be considered "doing the right thing".						
A number of tasks are listed below. Specify for each of them if you think that a private firm in general should give priority to the objective or not.			Yes, should definitely be a priority	Yes, should probably be a priority	No, should probably not be a priority	No, should definitely not be a priority
a. Follow laws and regulation			88	11	1	1
b. Contribute to public goods through taxes and fees			60	29	5	1
c. Make as much money as possible			18	51	26	5
d. Offer goods and services of highest possible quality			62	33	4	1
e. Care for the working conditions of employees			75	23	1	1
f. Ensure a job for everyone who wants one			29	32	31	8
g. Solve societal problems (such as environmental degradation)			31	48	18	3
h. Maximize the short-term profit of the firm			6	25	50	20
i. Donate to charity and the like			8	30	50	13

So what qualitative analysis can be drawn out from these results? There is strong consensus around firms abiding to laws and regulation and also for contributing to public goods via the tax bill. These results indicate that impartial procedures and transparency is central to the social legitimacy of business in society. Moreover, the immense support for the care of working conditions indicates that the public view employees as a core – if not *the* core – stakeholder and productive resource in contemporary business firms and production processes. High numbers are also demonstrated for the priority of product quality. This indicates that firms are considered to have certain obligations of fairness and impartiality in relationship to their customers and suppliers. Moreover, it hints that people view high quality production as a favorable business strategy within the context of the Swedish model.

Going back to the profit making items, it could be treated as a contradictory result that large proportions of citizens embrace firms *making as much money as possible* while at the same time conceiving *short-term profit maximization* with disfavor. We do not, however, treat it as a contradiction. Rather, we interpret the results as demonstrating citizens as embracing business strategies that are indeed profitable but long-term oriented.

Moreover, the items covering more explicit “social responsibilities” are given limited priority in comparison with other stakeholder issues. For example, whereas 72 per cent view it as a definite priority to care for employees, only 26 per cent view it as a definite priority to provide a job for everyone who wants to work. This clearly indicates that at an aggregate attitude level, “insiders” (sometimes labeled “primary” stakeholders) tends to be granted greater rights than “outsiders” in relationship to the firm.

Another distinct result is the very weak support for priorities of charity work. It seems reasonable to interpret this result as an outcome of the Swedish welfare regime where social welfare is treated as a responsibility of the state, rather than the private sector. This result thus clearly demonstrates that there is considerable consensus that private charities are not an alternative to the welfare state. One can thus draw the conclusion that within a Swedish context, a “socially responsible” firm is not so much one devoted to social philanthropy as it is carrying for its primary stakeholders.

The collected results to be drawn at this stage of the analysis is thus that predominant normative business standards in Sweden share much resemblance with an ideal-typical stakeholder model: Business firms should be organized in line with the explicit purpose of acknowledging employee, consumer, and state interests, and business opportunities should be exploited as part of far-sighted business strategy. The citizenry is more divided when it comes to the desirability of more explicit “social responsibilities”. This result mirrors the division of institutional responsibility within the “Swedish model” with its distinguished characteristic with the private sector being only marginally involved in the provision of social welfare.

Another conclusion to be made from this analysis is that the business priorities receiving the strongest general support; law and tax compliance, product quality, environmental sustainability, and high quality work, can all be treated as *public goods* within the context of the Swedish model. Since these measures do not primarily involve altering the economic and power resource redistribution between social groups, they do not generate much resistance. Policies around profit making and structural employment are to the contrary more likely to impact the distribution of economic resources and power across social groups, implying also that the *market justice-vs.-social justice* conflict of *moral economy* is more pronounced in regard to these issues. For example, whereas principles of market justice stipulate employment opportunities as allocated according to merit and productive capacity as dictated by “free play of market forces” (Streeck 2011:3), principles of social justice stipulates employment as an entitlement that society as a collective has a responsibility to fulfill (Streeck 2011). It is therefore interesting that we find considerable attitude variation across individuals for the issue of job responsibilities. The topic of the next section is to explore to what extent such variation are rooted in social structure.

## Group differences in Attitudes

In the theoretical section, we raised the hypothesis that the *market justice-vs.-social justice* conflict inherent to the moral economy should be expressed in attitude cleavages between social groups: Social groups with larger market powers should prefer firms to be organized in line with market principles, whereas social groups lacking such power instead prefer firms to be organized as a social and political enterprise guided by concerns of social justice.

Regression models are specified and presented for each issue/attitude domain separately and by the means of regression analysis. A *probit* regression model is used in order to take into consideration the ordinal-scale characteristics of the attitude measurements which in this particular case since the attitude measures demonstrate skewed distributions (non-normality) in many cases. The logic of the *probit* regression model is that the measured variable reflects an “underlying” variable that is assumed normally distributed within the population. Effect sizes are interpreted relative to the standard deviation of the mean for this underlying variable (z-scores). As an example, an estimated effect of 0.5 would imply a group difference corresponding to half a standard deviation, and where a higher response implies giving higher priority to the respective task. Due to the qualitative nominal-scale character of the independent variables *class*, *sector*, and *stock ownership*, these variables are deployed as dummy variables in the models. This implies that the estimate for each category (e.g. *managers*) should always be interpreted relative to the estimated score for the reference category (*manual workers* in the case of class).

The results from these multiple regressions models are presented in table 4. Putting a glance at this table indicate that there are statically significant group differences in attitudes for all items expect for item ‘d’, covering product quality. Starting by looking at the regressions for items (a) and (b) covering firm-state relationships, we see that Socio-cultural professionals deem this as more important than people in other class positions, except for the Managers who find it very important for firms to obey law and regulation. Neither sector of neither employment nor stock market ownership does have impact with this attitude dimension.

<b>Table 4. Differences in Attitudes between social groups. Swedes 25-65 years. Data: 2011. Probit regression. Effect sizes interpreted as changes in z-scores.</b>									
	a) Law	b) Taxes	c) Money	d) Product	e) Work	f) Employ	g) Soc prob	h) Short-term	i) Charity
<b>Class (Manual worker=ref)</b>									
Employer	-0,08	0,10	<b>0,54</b>	0,04	<b>-0,64</b>	<b>-0,64</b>	<b>-0,54</b>	-0,03	-0,06
Self-employed	-0,22	-0,23	0,25	0,04	-0,30	<b>-0,34</b>	-0,02	0,04	-0,07
Manager	<b>0,41</b>	0,03	<b>0,51</b>	-0,10	<b>-0,27</b>	<b>-0,72</b>	<b>-0,20</b>	-0,10	-0,05
Technical expert	0,22	-0,07	<b>0,33</b>	-0,20	-0,23	<b>-0,70</b>	-0,14	<b>-0,27</b>	-0,01
Sociocultural prof.	<b>0,32</b>	<b>0,21</b>	0,17	0,14	0,10	<b>-0,61</b>	0,03	<b>-0,28</b>	0,08
Office worker	0,16	-0,04	0,11	0,03	0,10	<b>-0,24</b>	-0,05	-0,14	-0,03
Service worker	0,09	0,01	-0,09	0,07	0,08	-0,06	0,09	0,10	0,16
<b>Sector (public= ref)</b>									
Private	0,03	-0,11	<b>0,25</b>	0,05	-0,03	<b>-0,13</b>	-0,07	0,05	-0,07
<b>Stocks (Not owner=ref)</b>									
Owner	-0,12	-0,04	<b>0,24</b>	-0,04	<b>-0,19</b>	<b>-0,28</b>	-0,10	<b>-0,11</b>	<b>-0,12</b>
Note: Statistically significant parameters ( $\alpha=.05$ ) are printed in bold.									



Turning to the model covering *money making* (c), we find marked group differences and for all three variables. Employers, managers and technical experts are more supportive than the working class groups. We also find that people who own stock are more supportive than those who do not. Additionally, private sector employees are more positive than public sector employees.

Looking at the item covering working conditions (e), the Employers stand out as being less supportive, as do Managers if not as much. We also find that the self-employed and the technical experts lean toward this pole, even though the differences relative to manual workers are not statistically significant.

Turning to item (f), covering firms' responsibilities for structural employment, we find considerable attitude differences in respect to all three variables. Social groups with more economic resources and closer organizational attachment to firms tend to treat responsibilities for employment as a sub-priority, whereas social groups lacking such resources and attachments are more prone to support such efforts.

Turning to societal problems (g) the cleavage found is that between employers and the other class categories (and with managers taking a position in between employers and the other employee categories). Cleavages within this attitude dimension are thus very similar to that found in relationship to working conditions.

In regard to short-term profit maximization (h), we find that technical experts and socio-cultural professionals are the least supportive, a class pattern very dissimilar as compared to the other items. In addition, when it comes to stock ownership, we find that stock owners are actually *less* supportive of this kind of profit maximization. Turning finally to the issue of charity work (i), we find no cleavages except for stock owners being slightly less supportive of such efforts.

The collected results coming out from this analysis is that there is considerable variation across issues in terms of the kind and magnitude of social cleavage that we find. What stands out is that it is primarily in relationship to the issues of *money making* and *job responsibilities*, two issues clearly tapping onto the *market justice-vs.-social justice* conflict, that we find strong group differences, and on all of the three variables. Very interestingly,

we also find reversed preference orders in regard to these issues: Social groups which embrace profit making are less inclined to embrace firms taking responsibilities over job creation, whereas social groups who take firms to be responsible for providing jobs tend to view money making as less important. A very clear pattern is that social groups with considerable marketable resources and strong organizational attachment to the firm – employers/managers, private sector employees, stock owners – favor money before jobs. Social groups with less marketable resources and weaker firm attachment – workers, public sector employees, and citizens not owning stocks – prefer jobs before profits.

A couple of additional results should be commented as well. First, it is worth mentioning that employers and managers – the groups with the strongest power within the firm – tend to be less inclined to acknowledge immediate business responsibilities for employees and the environment.<sup>1</sup> Secondly, we find only marginal social cleavages in regard to the issue of *short-term profit maximization*, and the cleavages we find are very different from those found for the other topics. This result could come as a surprise given that the issue of “short-termism” is central to contemporary debates and a “leftist” critique of today’s capitalism, implying that we should find very strong political cleavages in this particular dimension. Our admittedly tentative interpretation of this lack of cleavage is that the results must be viewed within the context of the Swedish model. As demonstrated in the first empirical section, there is little reason to believe that Swedish citizens – dependent of political ideology – take short-term profit maximization to be a successful *business strategy*. In effect, also individuals well-invested in market and firm relationships seem to disfavor short-term profit maximization. This might also be key toward explaining why social groups relatively well equipped within markets in terms of financial capital (stock owners) and human capital (technical experts/professionals) – are actually *more* hostile toward free market principles of profit maximization. Short-termism is simply viewed as a bad route for getting returns on (human and financial) capital investments.

Thirdly, it is an interesting result that there are no clear social cleavages in attitudes in regard to firm’s responsibilities for social welfare (charity work). This result stand in vast contrast to studies covering attitudes toward state redistribution where considerable class

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<sup>1</sup> In Sweden, engineers (technical experts) are often functioning as “project leaders” with considerable authority within the organization of work, something which could explain why this class category tend to be similar to managers in many of the analyses.

differences are found in that “market winners” are less supportive of such measures as compared to social groups with less market-derived resources. Our results thus strongly indicate that political struggles over social welfare are strongly institutionalized within the sphere of the welfare *state* in Sweden.

## Conclusion

The objective of this article has been to depict the predominant normative standards expected from business firms as part of societal arrangements. The analytical approach argued for such normative standards as expressing an underlying *moral economy*. Due to the tradition of stakeholder capitalism in Sweden, it was hypothesized that the interests of multiple stakeholders – employees, consumers, suppliers, state, and capital owners – are conceived by citizens as immediate business responsibilities rather than as illegitimate special interests. This hypothesis got strong support in the empirical analysis as almost all respondents conceive firms as having responsibilities for following the law and for paying taxes, offering high product quality and good working conditions. Moreover, respondents strongly disfavor short-term profit maximization as a business strategy. An interesting question that is raised on the basis of these results is thus to what extent the Swedish production regime would face serious legitimacy issues and unrest if it would to transform further toward a “shareholder business model”?

Moreover, it was argued theoretically that there is a tension within the morally economy between principles of *market justice* and *social justice*. As a consequence, we can expect the moral economy to be socially stratified in the sense that social groups differ in their take on social arrangements. The empirical analysis favored this argument: Social groups equipped with considerable marketable resources and with strong organizational attachment to the firm – employers/managers, stock owners, private sector employees – tend to conceive of a responsible firm as an organization following the principles of the market in that profit comes before jobs. To the contrary, social groups equipped with less market resources and weak organizational attachment – workers, non-stock owners, public sector employees – put jobs before profit. The results coming out of this article thus demonstrate benefits of taking a political approach to issues of industrial organization and Corporate Social Responsibility.

To conclude, this study has demonstrated that normative standards of proper business behavior are fundamental components of a society's *moral economy*. Previous research exploring cross-national variation in attitudes as expressions of *moral economy* has focused on notions toward welfare state arrangements (e.g. Svallfors 2006, 2007; Mau 2003). We would therefore like to conclude with highlighting the great potential in future research that seeks to study variation in attitudes toward business firm responsibilities across national contexts and "varieties of capitalism".

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