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### THE CSR OF THE ENTREPRENEURS OF AGUASCALIENTES, MEXICO: DISCURSIVE SIMULATION AND LABOR INCONGRUITY

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### ABSTRACT

In this article, it is exposed how The Corporate Social Responsibility (CSR) of the businesspersons in Aguascalientes, Mexico is seen by them and by the social local actors just as an ideology of principles of action and ethics. One in which the facts do not stop for being defined, implemented and respected by the ones who should execute it. On the contrary, it is utilized to dissemble work control mechanisms built by the ones who dominate The State to attain a bigger income and the reduction of working conflicts, thus, working stability in the state of the Mexican Republic. Collusions between the ones that domain the state: the government and labor unions amidst corporate forms. And by the ones who demand these services: the businesspersons. In other words, the principle *common benefit* that is framed in the principles of CSR, dead letter as it will be demonstrated ahead.

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### INTRODUCTION

This paper demonstrates how the simulation of the Corporate Social Responsibility (CSR) implementation by businessmen in Aguascalientes, Mexico, is due to the fact that this social actor has preferred to maintain the logic of controlling the workforce in the areas of labor conflict, over the conduct of respect for the rights of employees. This is so because such a social actor is an integral part of the corporate social relationship between the State, employers and unions, which has carried out a complete and iron domination against the workers of the State of Aguascalientes. Where the main logic is to avoid the existence of unions, collective bargaining and labor conflicts in the region. It is also shown that the meaning of CSR in this economic social actor is one that does not understand, understands and much less that it is one that regulates its conduct in adherence to ethics before its workers. Therefore, in this article, the reader will be able to corroborate, in a reconstructive way, this false and simulated sense of seeing Corporate Social Responsibility (CSR) by local entrepreneurs. En este trabajo se demuestra cómo es que la simulación del implemento de Responsabilidad Social Empresarial (RSE) por parte de empresarios en Aguascalientes, México, se debe a que este actor social ha preferido mantener la lógica de controlar a la

fuerza de trabajo en los rubros de conflictividad obrera, por sobre la conducta de respeto a los derechos de los empleados. Esto es así debido a que tal actor social forma parte integrante de la relación social corporativa entre Estado, empresarios y sindicatos, que ha llevado a cabo una dominación completa y férrea contra los trabajadores del Estado de Aguascalientes. En donde la lógica principal es evitar la existencia de sindicatos, negociación colectica y conflictos obreros en la región. Se demuestra, además, que el sentido de RSE en este actor social económico, es uno que no entiende, comprende y mucho menos que sea uno que norme su conducta en apego a ética ante sus trabajadores. Por lo tanto, en el presente artículo, el lector podrá corroborar, de forma reconstructiva este sentido falso y simulado de ver la Responsabilidad Social Empresarial (RSE) por parte de empresarios locales.

### **METHODS AND MATERIALS**

The methodology used in the article is known as articulated reconstruction that privileges the construction of contents and significances by the social actors interviewed (key informants); to acquire new concepts that articulately describe the phenomenon to be studied. And the techniques that were used for the elaboration of this article were preferably semi-structured interviews in depth. A technique that privileges the opinion of the social actors involved in the problem and that are the ones who act in the transformation of the reality that is being investigated.

### THEORETICAL DISCUSSION

The stakeholders and the stakeholding: the subordination of the collective by the individual: The concept of Corporate Social Responsibility is relatively recent. Its studies have been varied due to the almost endless attempt to define it during the course of the last 60 years. In all this time, it has been discussed about its definition, the thematic areas that are involved (economy, human resources, ecology and environment, ethics, public policy, production, business networks -suppliers and customers-, relations with other institutions -the labor unions-, among others). It has also been discussed about the impact of this business strategy on the internal and external of the company. The methodology to measure it, the dimensions where it is applied, and even, until having tried to build axiomatized theoretical models: Stakeholders Theory, Business Ethics Theory and the Corporate Citizenship. In general, it can be said that an attempt has been made to discuss everything that is related to companies: customers, suppliers, the community, the ecology, labor rights, ethics, among others. Everything that surrounds the company in a territory, etc., (Carroll, 1999). The proposal of the concept of Corporate Social Responsibility (CSR), is one that is presented by its theorists in terms of abstract notions, with attempts to verify its precepts by the onesthat affirm that they are guidelines in companies: limits; scope; conditions; ethical, normative and legal positions of the set of activities of businesspersons and corporations. But what are the most important precepts of CSR in the world?. One of these comes from the theory of the stakeholders that was born from the line of management strategy in which its main author is Richard Edward Freeman.

He mentions that a stakeholder is a " group or individual that may affect or be affected by the achievement of the objectives of the company", (González, 2007). The proposal is focused on understanding the reasons of the interest that stakeholders have in their actions as a company: seen as a plural company, with a moral contract with the ones who have a relation in an ethical sense (Ibid., 2007). This same author clarifies that to identify the stakeholders in the companyit must be proceeded through a certain dialogue, bearing in mind that it must be seen that there exist three types of interests: particular, group and generalizable universals. Also, that stakeholders must be seen as valid interlocutors; they have strategic and instrumental power, and the dialogue must be sincere, without exclusions, reciprocal and symmetrical. Therefore, the company must pursue the institutionalization and legitimization of stakeholders (Ibid.). As it can be noticed, the precepts of the theory of stakeholders are not homogeneous, especially for those who have tried to systematize it. For example, for theorists as José Luis Fernández Fernández and Anna Bajo Sanjuán (according to T. Donaldson and L. E. Preston), the proposal can be synthesized in three aspects: "the descriptive, the instrumental and the normative (Carrol, cited by Fernández and Bajo, 2012). Anyway, the authors conclude that their stakeholder proposal can be structured in four essential points: the type of interest that is at stake; the bases of the power of the different stakeholders; classification criteria; and the identity of the different interest groups (Ibid., 2012). As for the types of interest of the stakeholders, it can be mentioned that they are several: of a political material type -distribution and influence-, of relative affiliationtypereferring to the information, knowledge, opinions, data, relevant news, research results-, symbolic and metaphysicaltype -religious and / or philosophical values-. Where the bases of power are dimensioned around the: formal power (based on statutes, regulations and legislations), economic power (the lost profits of the company) and political power (political interest). And they can be classified into primary and secondary. The first represents the interested groups that, without them, the company does not operate nor act. And the second represents groups that are not directly involved with the company:

competitors (community in which the company resides), the media, members of civil society and third sector organizations. But also enter in the classification those of global type: activities of companies, Greenpeace, UN, NATO, or international terrorist groups, (Ibid.), The authors propose, a kind of topographic map where the interested groups stand out: those who enter the game and highlight the possible type of relations and coalitions.

But the theories above are not fully understood if the problem of ethics underlying the so-called CSR is not made explicit. This is a point that Elisa González Esteban fully develops in her work. She alludes to the fact that all CSR is placed under a proposal of Business Ethics and Dialogic Economics, based on the ethical theory of discourse, as understood by J. Habermas and K.-O. Apel (González, 2007). The author states that the factmentioned above only occurs if other dimensions are included, especially at a macro level: the economic, the sociocultural and political, appearing then, another term that describes it: stakeholding. This is a political concept, and it is not exclusively entrepreneurial. Thus, the author mentions that every stakeholder has a dimension as: stakeholder capitalism, stakeholder democracy, stakeholder company, stakeholder government, stakeholder community, stakeholder Europe, stakeholder society, stakeholder economy. Where its use has four properties: inclusion, cooperation, participation, and responsibility, (Ibid., 2007). In this case, the so-called stakeholding comes to be a mediation between the individual and the collective. The stakeholder is the expression of the individual, what each being feels to be part of a group: stake (in this concept its duality is expressed). Therefore, the term stakeholding is proposed as one that mediates between the individualist and the collectivist perspective, where an important role is granted to the State and the individual, since both are necessary, (Ibid.). But stakeholding can acquire particular connotations depending on the proposal, and this can be of different types: social stakeholding or the society of the stakeholders.

This affirmation leads us to consider that: "a Stakeholder society is one that recognizes the existence of different channels of theexercise of power. Thus, along with the political representation and labor unionrepresentation there are also free and voluntary associations that must have appropriate channels to be able to exercise their power in the decision-making that affects them and, in the elaboration, or reflection of policies in which their stake is involved." (Ibid.). The latter implies, among other things, that stakeholdings express in advance the legal status that prevails among those who maintain relations as a stake, regardless it is a company, labor union, or State. Above all, seen in this way from the moment of the exercise of power of each one of them, in which inclusion, cooperation, responsibility and legitimacy are implicit. This is something that is not necessarily fulfilled in reality, because in some cases legal relationships between the stakes involved in a certain social context are not executed. There is another proposal that, based on the mediation between the so-called stakeholders and society, it tries to explain the way in which the company is operationalized at an organizational level. This focuses on the concept of "common benefit" proposed by Hugo Alberto Rivera Rodríguez and Marley Natalia Malaver Rojas. Both of them share the idea that the so-called common benefit: "is a concept that has evolved from a centered approach focused on the material progress to the complete realization or development of the human being, in which the organization assumes a responsibility before the societies, understood as all those involved with whom it has a link. In this regard, (Steurer, quoted by the authors) says that the "common benefit" acts as the mediator of the stakeholder-company relation", (Rivera and Malaver, 2011).

On the other hand, there is another theory proposed by José Luis Retolaza and Leire San-José about the stakeholders, in which, moving away from a proposal of a management theory (as the set of proposals reviewed in the previous lines have done), proposes that it should be seen and analyzed through the *firm*. He believes that the company should be understood by its relations of power and the type of decisions it makes. Thus, under this new approach, the proposal is based on considering that the firm and its responsible action must be

measured in terms of the common benefit, (Retolaza and San-José, 2013). The proposal itself attempts to make economic approaches such as the market economy, the planned economy and the social economy. It is in these three angles where the company and its organization (the firm) must be analyzed (Ibid., 2013). When moving the discussion to this level, its authors redefine the concept of the common benefit, as the set of the stakeholders. Thus, the term is closer to any participating agent; and which, therefore, leads to the limitation of the interests at stake, (Ibid.). Well, the theories about stakeholders (interest groups) and the term stakeholdingare two concepts in which he facts confront and take importance when they are compared in specific local cases, such as those of workers' domination in the factories and at the level of industrial relations: reduction of worker conflicts to generate higher productivity. Both are confronted and analyzed in different ways according to the cases involved in the common benefit, and the correspondence and reflection with the reality they try to represent. The problem here is to see how far these concepts represent the actions of those who refer to specific contexts, in this case, the one of the employers and all those with whom, this stakeholder, relates: the workers and the government. Hereunder, the results of interviews applied to various business stakeholders (understood in a similar way of agency or social actor) are exposed, in order to reconstruct the meaning, in them, of CSR. And, also, to see if this meaning is equivalent to what they call 'social peace' and 'labor peace' in the case of Aguascalientes, Mexico. To then see if it exists or not, if it is applied or not, what theorists call "common benefit" in entrepreneursof Aguascalientes in relation to their workers

### RESULTS

The stakeholder business from Aguascalientes: its discourse, its ethics and its CSR perspective in the face of the 'social peace' and 'labor peace' that it has built and that influences it: In the case of Aguascalientes, Mexico and the rest of the country, the different dominant interest groups in the territory are grouped in a corporate way, either entrepreneurial by an industrial branch that they represent; or, where appropriate, at the trade union level where they can be grouped by workers' centers. Given this situation, a referencemust be made with the term stakeholderparticularly for each of the social actors involved in the process of corporate relation, whether it is the Government stake (through the heads of both local and federal secretariaries), organizations of business groups stake (according to the industrial branch) and the stake of the union representations (local and federal labor unions). Where it has to be specified that stakeholder organizations are being described, corresponding to what is known as the stakeholder's society, since they carry out the exercise of power as in the case of government and the stake of labor unions organizations. So far, the differentiated proposed concepts of stakeholder sound logical, coherent and descriptive with regard to the existing specific organizations in the Mexican reality. But will this be the same case with regard to the actions of each one of them? and with regard to the criteria underlying it? The issue becomes critical when such stakeholders are analyzed with regard to criteria such as "common benefit", legitimacy, legality and ethics. For example, with regard to the first term, the theory expresses that it is an approach focused on material progress to the full realization or development of the human being, in which the organization assumes a responsibility in the face of societies, this understood as one in which all those involved act in a responsible and respectful manner with those who have some link. And if, in this case, the three boldedcharacteristics become the objectives to evaluate of the actions of a company or its managements. This would be desirable to see in each one of the entrepreneurs, to give an example. Even the same notion would imply seeing if thebusiness interest groups and their objectives of common benefit have materialized inreality as mediators of the stakeholdercompany relation. If so, it can be affirmed, in advance, that all actions of the diverse interest groups involved in a specific relationship would acquire a certain legitimacy in the face of society (due to the legality in which they carry out their tasks). This would be, then, what theorists call stakeholding. The issue is, are the above conditions

really achieved and allthose cases that have been enunciated by the supporters of the conception of CSR too? This is something that must be corroborated with empirical evidence, otherwise it becomes just a logically well-structured hypothetical statement.

Coming up next, empirical evidence is exposed of what some interest groups understand by the term CSR (entrepreneurs stakeholder leaders of business chambers, stakeholder leaders of labor unions and stakeholders professionals who were part, for some time, in the structure of the government in the State of Aguascalientes specifically in the regulatory institution of labor issues- at the level of stakeholding); and, what is its true action towards the achievement of the term of "common benefit" in relation to the rights of its counterpart: the working stakeholder. Now, starting with the review of the interviews, is cited below the one that was applied to the leader of the CANAIVE Aguascalientes (National Chamber of the Clothing Industry), Mr. Mariano Rojas de Loera. When this business leader was asked about his knowledge of CSR, he answered pure general concepts. He referred to documents (which he did not show), to some opinions of himself and, chiefly, to how the services that entrepreneurs offer (the culture of CSR) must be, and so on. In general, for this stakeholder the concept of CSR was reduced to carrying out only actions of responsibility (in a simplistic sense) before its members of the chamber and with regard to the workers of his company. Denoting lack of structured meanings such as those embodied in official CSR documents. Of course, he only makes reference to aspects of innovation and transformation processes that are experienced nowadays, to give an example.

## Mr. Mariano, do you know the term "corporate social responsibility"?

Look, yes, I do have knowledge, I do know what is a responsibility, I am going to refer a little bit to this business organism that the union members depends on me, and this "chamber" [business chamber of the clothing industry] that depends onthis business organism where we have to give a series of results and in the same way we have to give a service to the clothing branch, here in Aguascalientes

### In this sense, do you understand by the term as the responsibility that the "camera" has?

Yes, I do have the knowledge and the responsibility that we have to give the results as a business organism to the partners of this organism.

That would be, then, the social-corporate responsibility that you understand, as an authority, is that what you are telling me?

Yes

# I ask you now, on the other hand, is there in Aguascalientes a culture among entrepreneurs and in their productive branch, particularly, about the "corporate social responsibility"?

Yes, there is a culture even here in Aguascalientes, I will refer a little to the branch of clothing, I believe it has a main essence of many years that has been transcending, then, I do believe that we do have that culture here in Aguascalientes. Although nowadays there are many innovations already, but I believe that *several businesspersons are accepting the new innovation and transformation* of how it comes to be in these times.

(Interview conducted in 2017 to Mr. Mariano Rojas Loera president of CANAIVE Aguascalientes).

Also, it was possible to see how this stakeholder expresses a similar opinion regarding the issue of business ethics, where this -just as the members of his interest group- is primitive or null with regard to the notions of CSR mentioned to by the experts.

#### What do you understand, by "business ethics"?

Look, business ethicsI think is: the demeanor that we must follow in our companies. We have to adapt to the changes that are coming, both in culture and in movements inside our companies that will lead us to a good ending in ourwork.

Do you apply any form of "business ethics" in your "chamber" and in your company?

Yes, look, I think that I do apply it, or I have already started to apply it because if not, we become obsolete

#### When and in what way?

Look, I believe that the main thing right now is that we have to work a lot with the workers, we have to train them, we have to prepare them and as a "chamber" as well, also the partners of the "chamber" I believe that we have to give them the confidence and service to be credible.

### Does in Aguascalientes permeates a practice of "business ethics"?

Look, yes, it exists here in Aguascalientes, why? Because right now nowadays, everyone begins to prepare, everyone begins to train with this new transformation of ideas of culture and innovation of equipment and machinery that already exist here.

## In this case, do you affirm that "business ethics" is linked to issues of technological innovation?

Yes, they also have to be linked.

#### Why?

Look, I believe that they have to be linked because we have to prepare, we have to be trained. The old methods, even, I'm going to refer a little to work, they are already out of fashion and if we do not update, we are going to be out of the market (Interview conducted in 2017 with Mr. Mariano Rojas Loera president of CANAIVE, Aguascalientes)

As it can be seen, the concept of business ethics for this stakeholderis referred to describe training actions for his employees, to carry out actions of adaptations to recent changes in his locality: cultural changes, new services that they offer, andto assume a new form of adaptation to technological innovation. What he does makeclear is hisfinal goal of gaining trust and credibility with his customers, especially for the type of services they offer. In general, it can be said that the notion of CSR and business ethics expressed by the leading group of business interest of the clothing industry is limited and lacking structure of meanings. Rather, it moves in the logic of common sense, plagued with confusing notions in both terms.

The same can be seen in the interview applied to the former leader of the business chamber of the CANACO (National Chamber of Commerce) of Aguascalientes, Mr. Salvador Esqueda Esqueda. In this stakeholder, therecan be found notions of CSR principles, especially when it expresses the term "common benefit". Highlighting the care that must existregarding to the social environment: workers, the community, and the environment.

### Mr. Salvador, do you know the term corporate or corporate social responsibility?

Yes, I do know it.

#### What do you understand by this term?

Well, mainly that entrepreneurs and people who have a little more ease to contribute to society as a whole, starting with their social environment that are the workers, but also with the *ecologic environment* where we have a great responsibility because the environment belongs to all of us and it is an obligation to conserve it and take care of it in the possible way, and obviously, as I said before, to *support the social environment, not only with the workers, but also with the community.* 

#### Could you mention if there is currently a culture in Aguascalientes, among the entrepreneurs of the Chamber, where you are a representative, of corporate social responsibility?

Yes, I mean, unfortunately not in all companies, but the culture already exists, because I insist, I think this is an amalgam, the fact that we all do well, itgenerates safe steps.

### This business culture in Aguascalientes of Corporate Social Responsibility, how would you define it?

Well, I insist, I believe that here we have to ensure the common benefit, without political issues, let alone partisan issues, I believe that speaking from the social point of view just as it should be, everyone is beneficiatedfrom what I already explained, I mean, the worker is happy with the benefits, with the income he has and if our environment is happy with the work carried out by the company, and if we take care of the environment, I insist, in the end we all win. So, I think that's where the issue goes.

# In this case, always when we talk about corporate social responsibility, we also talk about a business ethics. What do you understand by business ethics?

Well, first of all, that we must do things 100% honest inside the company and I mean that we just have to ensure that is paid fairly to those who work inside the company, that they are trained and supported, and obviously, that there has to be taken care of the common benefit of the mainsocial environment to the clients, and those who somehow surround us.

#### Do you apply any form of business ethics in your company?

Yes. Yes, firstly, *zero corruption*, I think that is a point that we sometimes forget, *honesty*: we have to be 100% honest, where it is paidfairly for the services provided. *That the fair amount is paid for the work done and that we must take care of*, *I insist, that we must take care of the environment*. How? Well, recycling the materials that can be recycled, which is also a culture, and trying not to harm the environment.

#### Are there manuals on corporate social responsibility and business ethics in your company and in your chamber?

Yes, there are. There is a small little manual where there is pointed out precisely this of the *common benefit*. (Interview made in 2017 to Mr. Salvador Esqueda Esqueda secretary of CANACO Aguascalientes and former president of this same business chamber).

Unlike the previous businessman, this one does show knowledge of the term "common benefit" (a typical term of CSR and business ethics), especially when he refers to actions related to the care of workers, their salaries, their benefits or income, the care of the environment, customers and honesty, as factors that combat corruption: "that it is paid fairly for the services provided"<sup>11</sup>. In this set of elements, corresponding to the topic of CSR in the discourse of the business stakeholder representing the interest group of the commerce branch, it is noted that this actor understands what his

<sup>&</sup>lt;sup>1</sup>This phrase might refer to cases where the entrepreneur charges more than he should. In Mexico, if a company wants to carry out a public work, they have to submit to abiding contest, and incase their project wins it charges the fair to municipaland state governments

group must do in this matter. Very convincing vision on his part: attached to the principles and ethics of Social Responsibility. It can even be found in this same interview that the stakeholder is worried about the type of action and direction followed by the municipal and state authorities regarding the principles of CSR, something that seems to be quitepraiseworthy on his part.

#### What things are missing in the state that are necessary to promote in terms of corporate social responsibility and business ethics? Which ones would be according to your opinion?

I believe that we must have a constant campaign, both *inside the companies and on the street*, a constant campaign where we take care, first, maybe, of the simplest acts such as not littering ... I think that's a very important point, that we instill in everyone to take care of... very simple things, *not parking [cars] in forbidden places, taking care of the plants, the trees* ... I mean, all this, I insist, as internally, as at home and as in the company.

#### Besides from you, what other actors in Aguascalientes have attached to the principles of *business ethics*: local authorities, public servants, labor unions?

Well, I think this is everyone's task. So, in the case of the authorities, well, we have conversations, there are constant conversations in which we expose what we see and also, we point out when something is not right, in a way that the necessary actions are taken to be all well. So, I think that's where we're pointing out, and I insist that a clean city is not the one that is swept the most but the one that gets dirty the least just like a house or company.

#### Specifically, with whom have you spoken about these issues?

With the Mayor, we have talked to her, with...

#### **Teresa Jimenez?**

Yes, with Mrs. Teresa Jiménez, with her directly we have already spoken and obviously, with her work team we also have had conversations, and there has been some approach with the Governor, although the case there is different because the municipal presidents are the ones in charge of cleanness the cities.

#### In the case of Governor Martín Orozco Sandoval, have there been any approaches to address these issues?

S: Yes, yes, although in this case with him, it has been mentioned more to take care that there is no corruption, on the one hand, and on the other hand, he has a program of sanitation of theSan Pedro River that for too long time we have been insisting as private initiative that we all take care of it since it is a very important part, and hopefully we will achieve it.

#### Do you consider that business ethics should only be promoted by entrepreneurs or by all actors in the society?

I believe that it is by the whole of society doing what corresponds to each one of us, starting with the authorities, followed by the entrepreneurs, then the schools, in the institutions, but mainly at home. Why? because in home you get educated, in an academic institution you get prepared, and I think it is important that education comes from home and in the sense of the *common benefit*. (Interview made in 2017 to Mr. Salvador Esqueda Esqueda Secretary of CANACO Aguascalientes and former president of this same business chamber). In general, in the whole interview, the stakeholder representative of the entrepreneurs of commerce in Aguascalientes, clearly shows enough knowledge of the principle of the term "common benefit" corresponding to CSR, insisting on the desire to bring and connect such principles and initiatives of actions to other stakeholders with whom he

relates, such as: municipal and state authorities. And of whom such actions should be sanitation of the city (as in the case of the San Pedro River<sup>2</sup>), main and polluted river of the city. Continuing with this interview, it could befound that the businessman considers that the labor unions can also carry out CSR actions or what would be social labor union responsibilities. False consideration, since at the local level there are nounions in most of the companies installed in the city<sup>3</sup>, due to the use of the so-called collective protection agreements of foreign business stakeholders and also the ones from Aguascalientes, which are registered by the stakeholder labor unions in the Local Conciliation and Arbitration Boards in the State. This is carried out to protect the interests of the first entrepreneurs behind the backs of the workers. Situation, that, for the case of the Mexican and the Aguascalientes' people, turns out to be an aberration in the work lifeand in the labor union life of the worker stakeholders<sup>4</sup>.

Continuing with the interview, the business stakeholder states that CSR must even be extended among companies and labor unions, something that results to be partially objective. Above all, with regard to the relationship between stakeholder entrepreneurs and stakeholders' unions, as it has already been clarified.

#### Continuing on that point, do you consider that CANACO [National Chamber of Commerce] must assume a social responsibility, not only with customers, but with suppliers, workers and their labor unions?

That's right.

#### Why? What would be the reason?

Because it is the only way to replicate and multiply the sense of the common benefit.

# Well. Somehow, I ask you: In the case of the labor unions of Aguascalientes, how have they fed back this policy? How have they received this?

Well, well, because I think that when we realize that if the rest of society does well, I will do well and that, if we take care that the rest of society is doing well, my children will be at ease and they will develop in a healthier and quieter environment.

### Would you say that in some way they are promoting a kind of social-labor union responsibility?

Yes, that's right.

(Interview conducted in 2017 to Mr. Salvador Esqueda Esqueda secretary of CANACO Aguascalientes and former president of this same business chamber)

The interviewee made an assertion that is pertinent to explain the true meaning of CSR entrepreneurs in Aguascalientes, regarding the socalled 'social peace' and 'labor peace' existing in the state as a product, according to him, of the principles of the "common benefit". In this case, the stakeholder related both concepts to the role played by the State so that it turns out to be an objective social construct, especially to make that FDI locates in the state and that these detect, in turn, that the problem with workers has been solved in terms of labor conflicts: labor tranquility and the health problem in the region (the latter was exemplified by the interviewee).

<sup>&</sup>lt;sup>2</sup>A stream that crosses the entire city from north to south of Aguascalientes.
<sup>3</sup>See book Corporativismo y Contratos de Protección en Aguascalientes, 2006
<sup>9</sup> <sup>2</sup> <sup>5</sup> <sup>2</sup> <sup>6</sup>

<sup>&</sup>lt;sup>4</sup>See the books Democracia y cambio sindical en México, 2001 p. 242 and the book La construcción del control obrero e industrialización en Aguascalientes: Contribución al Análisis de la Localización Industrial, p. 198-199.

#### On the other hand, youcomment me about the issue of socialcorporate responsibility, but about the issue of social peace and labor peace not yet. What would you say?

I think we still have a lot to do; the truth, I believethat we still need to do more. However, I think we are on a good path where if we become aware that everyone does well, I will do well too. Iwill try to be a little more specific: if I know that my neighbor does nothave problems taking the bite [daily food] today and tomorrow, I mean, that he has something to eat and that he is at ease I know that *this generates him peace and peace for everyone*. Why? Because someone who has no income, someone who is in a difficult situation is more vulnerable to commit crime and that, I insist, if I know that at least he is at ease about that aspect, this generates us *social peace*.

You told me in another interview that part of the social peace and labor peace in Aguascalientes, with 40 years without strikes, as a result of a very good relationship between unions, labor unions specifically, business chambers, leaders of business chambers and government authorities, has led to attract FDI in the State.

#### That's right

#### That this has made that in the last 15- and 20-years Aguascalientes is one of the most dynamic states in terms of attracting foreign direct investment

That's right. Now when a foreign company wants to invest its money they are concerned, on the one hand, about *social tranquility*, and, on the other hand, something that at times seems insignificant, and it is very common for a foreign entrepreneur when they plan to make a large investment, to ask about the *medical services we have*. What is the reason? That the people who are going to come from abroad to live in the city have social tranquility and good quality medical service. And they also ask other things likehow many hotel rooms do we have and other things, but *Aguascalientes has been able to answer all of this, of having on the one hand ... the jewel in the crown, which is labor peace and, on the other hand, would be to be able to offer good quality services.* 

#### Is it part of an approach of entrepreneurs, now that they come from abroad of bringing policies of corporate social responsibility and business ethics in the state?

#### Yes

#### How has this been carried out?

Well, in the case of the bigautomotive companies that are the ones that have settled here, firstly on the one hand, *the care of the environment with the care of water recycling, they recycle the most part,or 100% of the water* they use. On the other hand, having their own nurseries for reforestation, that also helps. In addition to culture and *training*oftheir employees. So, I think that is also where a lot of social responsibility goes... and, well... *they also support other social causes such as CRIT*<sup>5</sup> and others, they are also the ones who support.

#### Now, according to the three actors that have been mentioned, obviously it comes to my mind to know what is the role of governors regarding the corporate social responsibility in Aguascalientes?

Well, what does the state government do? it generates the conditions for you *to see the working conditions*, that is the first step. The second, once the actors are already working and the branches are working, *when a conflict might arise it works as a* 

mediating entity that seeks agreements and that has generated that the strikes have not arouse in 45 or 49 years. Because when it has been necessary an intervention from them for a negotiation, they have had a good participation. So, the three parts have worked very well for us: the business part, the labor union part and the government part. (Interview made in 2017 to Mr. Salvador Esqueda Esqueda secretary of CANACO Aguascalientes and former president of this same business chamber)

With the previously mentioned, it is demonstrated that the CSR principles expressed by the stakeholder are only discursive elements, since, in labor aspects, the State has been characterized for not respecting the rights of workers, the right to strike and unionization. In this aspect, at the end of the quote of the interview it is observed how the government has acted in relation to these issues, where businesspersons like this leader, have been part of the workers' control in the State. With this last fact, it is shown that the employers discursively simulate, with the term "common benefit", what they actually carry out: avoid the process of collective negotiation and the experience of workers' conflicts in their factories; where, statistically, this fact has exceeded 40 years of not having arouseone single strike in the State. Thus, when this stakeholder mentions that it is important thatthe FDI see that in Aguascalientes they will have guaranteed, 'social peace' and 'labor peace', this means that they will not have the need to implement the principle of "common benefit" in relation to their workers (due to the absence of labor unions in their productive plants); but, rather, that with this condition they are assured that their productive activity will be carried out discretionally in terms of the use of labor strength in their company. Leaving aside the principles of CSR. On the other side, when resuming the interview of the business representative of the chamber of clothing regarding the issue of 'social peace' and 'labor peace' in the entity, he affirms the same as the previous employer, since he states that the labor unions must assume positions of social responsibility towards their workers, and, that theyalso, must contribute so that the employers carry out their CSR policies in the best way. He even affirms that the role of the labor unions must be as a mediator between employer and worker; otherwise, the company may disappear. As we all know, this task does not fall to the labor unions, but in fact it is carried out (in Mexico), since there are only few companies in our country that have labor union representation. This vision expresses the other function assumed by the labor unions in Aguascalientes towards theirmembers. One that does not correspond to the classic representation of union interests, and that, rather, has protected the employers of Aguascalientes from workers' conflicts for years. What is meant is that the mediation of interests is not a task that should be carried out by the labor unions, but rather by the labor authorities. But this mediation, suggested by the business leader, demonstrates inreality the authentic mechanism of workers' control carried out by labor unions and labor authorities for the benefit of the businesspersons, leaving aside any meaning related to the term of the common benefit.

#### Do you consider that the labor unions of Aguascalientes should assume policies of "social-corporate responsibility" with their workers?

Of course, they must, I believe that *right now we all have to team up with this new transformation we all have to go hand in hand:laborunions, companies, organisms, government,* we all have to be hand in hand,to make it work well for our companies. In the case of the "labor union" of the companydo they contribute to the development of the corporate social responsibility policy? Look, I think the unions do contribute in some way.

#### How do they do it?

Look, it depends on the labor unions. *There are unions that work in coordination with the workers and with the company they have to mediate, too. If a union gets very hard with the company, the company will go bankrupt and if it goes to the side of the worker, then it is not shareable, I believe that a union must mediate on one side and the other and see the adequate way to have a good* 

<sup>&</sup>lt;sup>5</sup>Rehabilitation and Inclusion Center for Children Teleton, Aguascalientes, Mexico

functioning for both parts. (Interview conducted in 2017 with Mr. Mariano Rojas Loera president of CANAIVE Aguascalientes).

The latterproposal is complemented with the next part of the interview. Especially when he was asked if the labor union leaders are aware of the business need to implement CSR policies and strategies in their favor; and, if the governmentis aware of carrying out the public policy of workers' control to benefit the bosses of Aguascalientes, as part of a vision of CSR that is complemented by the discourses of "social and labor peace".

Do you think that the labor union leaders in Aguascalientes are aware of the need to apply policies of "corporate social responsibility", now, with their company?

Look, I believethey are, they are aware.

#### Why?

They are aware, because in the past, I was pressured a lot by the labor unions, but I believe right now there is a transformation and a change that we have to be aligned with, as I mentioned youpreviously, we have to be balanced as a company, as a worker because if a union is oppressing too much over a company, -what does it do?- itcloses or leaves -and what happens?- That they take away the source of jobs. So, I think that it is not convenient for a labor union to put much pressure on a company including the Secretary of Labor as well. If the Secretary of Labor puts a lot of pressure on us, then the source of work disappears.... So, I believe that right now we must support a lot of this type of companies, micro, small and medium that are going to be the point of the rise for new generations.

#### To the State Government, how far could you say that this interest group moves with a logic at the same levelof what are the policies of social-corporate responsibility?

Look, I think that here, in this aspect, we live in a transplantation of policies and agreements that must sometimes be made with the society, the labor unions have to be happy with the government and the government has to be happy with the labor union, so I believe that this has a political transformation, and right now we need to form an adequate teamwith government, with labor unions, and companies, we must have that link. (Interview conducted in 2017 with Mr. Mariano Rojas Loera president of CANAIVE Aguascalientes)

The information presented by the interviewee about how it is that the unions are aligned for CSR to succeed, is an essential part of demonstrating what is happening in Aguascalientes around the relationship between it and the labor unions. The term alignment is explained quite well when he states that unions must have a good relationship with the government and with them: good coordination. A situation that represents a fact that does not necessarily have to be that way, since a laborunion representation must ensure the interest of its members, something that would hardly correspond to the employers' interests. In the following, this same author accepts to be part of the relationship between the labor unions-state and businesspersons (of corporate type element of the reproduction of the 'social peace' and 'labor peace' in the entity), in the CSR in the state. Giving light to the authentic CSR policy on the part of the businesspersons in the entity: one that works as a discursive simulation of the true control that is applied over the workers. Chiefly, when he expresses that an employer must give the labor union stakeholder a share to be with them and another sharegiven by the workers<sup>6</sup>. The objective is that the business stakeholder enjoys a mediation that benefits them, in detriment of the worker's stake. This fact has not only served the clothing industry, but also for all those productive branches existing in the state: the automotive, electronics, etc., as it is expressed by the representative of the chamber of clothing. Where he highlights that the medication is not only carried out by the labor unions before any institution butit has also been carried out by the same rulers in the face of conflicts with the labor unions and with the workers.

# Specifically, has this social and labor peace influenced in the type of "social-corporate responsibility" of the entrepreneurs and people of Aguascalientes?

Yes, it has. In what way, Engineer?

Look, I think it has influenced, for example, a labor union with us, as a company we have to give them a share so that the union is in the company's side[they are the so-called Igualas, economic remuneration for having a collective protection labor agreement], the worker also gives a share to the labor union, then, it is a way to solve their expenses. So, it's a way of how to mediate companyworker. Now, I think that speaking as government, they have an arrangement as government, but at some point, a labor union betrays the government and brings from behind, well, a series of unionized people, that the government at some point does not suit the strikes. Nowadays, very few companies are known to be on strike, even, sometimes, when there are technical stoppages there is an arrangement with the Secretary of Laborand the companies continue operating. And this, in particular, happens a lot with the automotive companies, electronics that if at any time they have technical stoppages, well, they are the first ones to be beneficiated, that they help us, although here that most part, that resource must be reflected in the micro, small and medium companies.

#### Let's see, then, to see if I understood you, in this case, these agreements that exist between employers, unions and government, give strengthto the development of this "socialcorporate responsibility", then?

Yes, that is right.

Would we say that to the extent that there is a kind of business and worker development and good coexistence in the State, would that be?

Yes, look, I believe that here Aguascalientes I believe that the peace is maintained, so far, yes, there is and there has been that social peace pro-government, right now.

And would that be, then, a translation of social-corporate peace responsibility, to a certain extent, how would you see it? Yes, I think so. Even, I think that weas businesspersons, I'm going to talk to you a little about a labor union, sometimes as an employer we have seen ourselves in drastic situations where we have to talk to the*labor union* – *help me to mediate*, *help me fix* – *in certain sectors or government institutions with the union also help us mediate*. I think it is good to have labor unions, but that the balance is not tilted to one side or the other. (Interview conducted in 2017 with Mr. Mariano Rojas Loera, president of CANAIVE Aguascalientes).

The version of this entrepreneur becomes one more proof of the existing collusion between the State-businesspersons and labor unions to subdue the working class of Aguascalientes, where CSR is only a bad articulated discourse among the entrepreneurs. Hereunder, there are exposed the interviews of the labor union stakeholders in reference to business CSR, and how they conceive these principles and the ethics of the employers.

<sup>&</sup>lt;sup>6</sup>In this case, it is highlighted that the businesspersons do not give economic resources to the labor unions, and if so, it was because it resulted from an agreement signed between labor unions and employers, process that must have been through the product of a collective negotiation, something that does not happen in Aguascalientes because there are no labor unions in the companies for the use of the collective protection agreements. Ibidem, 2006.

Aguascalientes' union stakeholders: their discourse, their ethics and their CSR perspective in the face of the social and labor peace they have built.

#### Introduction

In this section it is shown the type of conception and the supposed attach to the principles of CSR by one of the main leaders of workers' unions in Aguascalientes: Revolutionary Confederation of Workers and Peasants, (CROC of Aguascalientes for its acronym in Spanish). In which it is highlighted how the union stakeholder tries to assume a conception of CSR and ethics that he does not understand and, in appearance, is institutional and legal. Where the supposed attachment to those principles is overshadowed by the simulation of union representation that it carries out with its represented members. In short, it is a section in which the reader can see that this key social actor is one of the key pieces of the understanding of the so-called Labor Stability in Aguascalientes (the foundation of the so-called social peace and labor peace in the State).

# The Aguascalientes' style of the union stakeholderand the job stability: one that unmasks the CSR of businesspersons in Aguascalientes.

One of the most interesting interviews of this work was the one that was carried out to Mr. José Refugio Marín Ruiz, leader of the CROC Aguascalientes. He is a labor union stakeholder that has remained for years in the representation of his organization. One who has renewed his position as leader every time his statutes demand it. Being this way almost two decades of his leadership. The main characteristic of this union stakeholder, regardinghis particular conception of CSR, is that it is very similar to that of businesspersons and managers of human relations. That is, when he was asked about his idea of CSR, he responded by stating that it was the relation between company and labor unions and their essential product: wage payment. This is, for this union stakeholder, the conception of CSR refers to the type of human relations implemented by the business stakeholder (carried out by management). And that, therefore, he sees that capital and labor are one, when seeking the common benefit, through collective negotiation and wage payment.

## What do you understand by the concept of corporate social responsibility?

: Well, I think it's a basic concept in *human relations. In human relations because otherwise we are talking about the society, when we talk about society, we are talking about the part that we have to represent, which is the working class.* And well, in these concepts of human relations we must not give up, there is no work without a company, nor a company without workers.

And do the labor unions somehow act like this in this idea of yours? Are they attached with what you claim?: Of course, we are in a modern era, but work has always existed, and it will always exist and that is why the importance of capital and labor, when they are together, well, they give different expressions, right now we conductone, in those years blindly, when the labor unions were not formed yet, the famous Mutual Cooperative Societies of workers, well, the Aztec system of slaves and collectors, and so on. I believe that the cultures, their progress or their decline interfere a lot in the working class. They used to be slaves, and now we already have a minimum wage, right? (Interview conducted to labor union leader J. Refugio Marín Ruiz, 2017)

Continuing with the interview, this social actor expresses that the idea of CSR represents theaccomplishment of what the Federal Labor Law establishes regarding the labor rights of employees. He mentions that it represents the accomplishment of the payment of contributions towards the Social Security (health care system in Mexico), the INFONAVIT (institution that provides housing to workers) and the AFORES (retirement funds). Adding that entrepreneurs are socially responsible because they have known how to survive the competition, and for having innovated the market.

## In this case, how would you define the corporate culture of Aguascalientes of corporate social responsibility?

Responsibility comes together with their social rights called social benefits; social security, better known as payment of Social Security; the right to housing, better known as payment to INFONAVIT. When I say: – there is a business culture of responsibility – it is because the institutions that I already mentioned such as INFONAVIT, the Social Security, well, we do not have the non-payment problem or lack of responsibility in terms of other states. I feel that the entrepreneurs here, in the different branches, they have known how to accomplish and have known how to face, and very importantly, they have known how to remain in the market, they have innovated the market. And this, then, gives a label that the businesspersons from Aguascalientes are very responsible.

### In this case, Mr. Refugio, would we be talking about a responsibility that is restricted to what the law states?

That's right. The law gives us a parameter of the minimum that an entrepreneur must pay, but there are very conscious entrepreneurs, we must not forget what several entrepreneurs do here in the state, because it is merely the factory, the crafts, the famous weaving, the brocade, the fraying, of course, now the machines come to substitute that great labor that the women did (without leavingaside the handmade workshops) and come to replace. But I feel that the business culture, I do not defend them, but the law tells us - entrepreneur, you must pay that at least - and from there until as far as you can. (Interview conducted with labor union leader J. Refugio Marín Ruiz, 2017)

This conception demonstrates the very limited concept of Social Responsibility that this social actor has about what entrepreneurs must carry out in their companies. Showing that this type of thinking does not have any merit, because in Mexico the employers' obligations are minimal. Which indicates that the fulfillment of such social responsibilities of the businesspersons of Aguascalientes with the workers does not lead to conclude that the employers assume such principles. Chiefly, because it is known that in Aguascalientes there are about 35% of outsource workers who do not receive any of the aforementioned benefits, and even they have no written contract to the employers (according to data from INEGI[National Institute of Statistics, Geography and Informatics], Mexico)<sup>7</sup>. On the other hand, it should not be forgotten that in Mexico and Aguascalientes free unionization does not exist due to the use of so-called protection agreements<sup>8</sup>. Therefore, we are facing a Non-Corporate Social Responsibilityby the employers of Aguascalientes with regard to the trade union rights of their workers. Alternatively, continuing with the theme of business ethics, according to the vision of this labor leader, they seek the "growth of their plants". Nonetheless, he does not make clear what kind of ethics they must follow to achieve that goal. He only states that employers should not only think about "not exploiting" or "subduing the worker", but that they should assume other behaviors in this regard.

Another basic question: What do you understand by Business Ethics?: Well, I have that Ethics, we would understand it this way: an employer, whatever it is called (I use the term employer because it is still used by the Law). I believe that an employer who is responsible for his actions of the growth of his company, if he does not use his ethics of recruiting personnel, well, it would be missing in the first place. Because trying to steal a few cents

<sup>&</sup>lt;sup>7</sup>See statistical yearbooks of INEGI in the labor category.

<sup>&</sup>lt;sup>8</sup> Contracts signed between employers and leaders of labor unions to prevent the first from having unions in their company. With this fact, strikes called by other unions are avoided, and collective negotiation of workers is avoided.

from the worker, trying to exploit him, to subdue him, I believe that they would no longer be principles of ethics, but principles of a human being.

**Do you have collective agreement representation of some companies in these branches, textiles and clothing?:** A: Eh(...), of the clothing industry, mainly, of the little that still remains, I have one or two contracts of the little, the truth is, before they... it came the boom of the maquila,now it's gone, and now we see on the label "made in China", what a shame! But we try, in the collective, to apply according to... we would like somethingelse, but we also have parameters that the law sets. *But I believe that the code of ethics of a company is to have vision, growth, improvement, they can be the best concepts, but if they do not have ethics with the workers, even if itis the simplest, they do not apply it.* So, there are many concepts, there are entrepreneurs who are very ethical and very responsible and with vision of growth. (Interview conducted with the labor union leader J. Refugio Marín Ruiz, 2017)

As it could be seen, the idea of ethics of business stakeholders in the State, according to this labor leader, and the one that unionist stakeholdersmust have is one of non-respect for workers and citizens. One that simulates the authentic actions of the businessman and the labor union. The versionitself, is given only in discourse, being primitive and intuitive. One that at a certain moment, expresses a finished idea of ethics acceptable by the entrepreneur.

In this case, what do you think that should be the type of social responsibility for our case, in Aguascalientes?: I believe, without fear of being mistaken, social responsibility is to treat workers correctly, with absolute respect, respecting the workforce and not pretending to work and pretend as if you paid me. I think that now productivity models and competitiveness models, well, they are in vogue. We started from the bottom (before there was nothing), the labor unions and the businesspersons have to go hand in hand. One, labor unions can't be chargers offees, we have to approach people with different social programs. I think one of the basic principles: that they used to tellus. Hey, why are you going on strike? Well, go on strike- I've seen historical analysis. Well, there were when we (Inaudible) issues that were strong at the time. Today we, the peoplemight forget these issues, such as the right to health, the right to education, the 8 hours [working day], to have our food, respect minors. And well, I think that the employer who did not comply, at the time, he was breaking his own ethics and his own code of entrepreneur. (Interview with union leader J. Refugio Marín Ruiz, 2017)

In the next part of the interview, there is the first connection between the issue of CSR and who intervene in it in the State: corporatism as an instrument for solving labor problems in the entity. In this there are mentioned the places where are held meetings that deal with matters related to employers' problems with workers. Basically, reference is made to those labor institutions that are dedicated to the resolution of labor issues (Local Boards of Conciliation and Arbitration, in Mexico). The point here is *why does this labor leader mention that labor institutions and unions form a brotherhood with regard to the day-to-day problems of labor?* As he expresses it below.

#### Mr. Refugio, besides from you as a labor leader, what other social actors in Aguascalientes have adhered to corporate social responsibility policies? For example, local, federal authorities...

No, in this context I believe that the worker-employer relationship, as we know, the universe of work, is very broad, and when we talk about an entrepreneur, when we talk about an organization (whatever it was), we need the support of the institutions, both of a judicial nature, in this case we have the Local Board of Conciliation and Arbitration in the local, and we still have the federal for issues that the law tells us that are of a federal nature. And these two institutions that impart justice, together with their supports such as the Federal Labor

Prosecutor's Office, the Defense of Labor (both federal and local), the Secretary of Labor and Social Prevention and all the institutions make that in the universe of work we are forming a brotherhood of daily problems that are coming out day by day. And more importantly, in those institutions that are tripartite, both Social Security and INFONAVIT and in the boards themselves, so far, and I understand that this will continue this way, well, then let's participate with voice and vote.

(Interview with union leader J. Refugio Marín Ruiz, 2017)

The comment above denotes that there is something outside the legal framework in reference to labor issues in the State. Even more, the above hypothesis becomes more relevant when this same union stakeholder confirms that he can sit at the negotiating table with the entrepreneurs without this meaning that he is selling the workers. An act that is seen by other dominant social actors in Aguascalientes as an articulated dialogue to solve labor issues in the spaces of the offices of the Coparmex Aguascalientes (Employers' Confederation of the Mexican Republic or what is the same as the entrepreneur's union), through what the entrepreneurs call labor commission<sup>9</sup>. But what it truly means and represents is that in this space collusion takes place between those who attend in a corporate way: government (representative of the state apparatus), representatives of the business chambers (corresponding to the different industrial branches) and the workers' confederations (trade union organizations in the entity). In this case, if we analyze therole that this labor commission plays with regard to the principles of CSR, we find that they carry out actions that break such precepts. Even, agreements have been reached that violate the legality of workers' rights.

# Sure. Now as it is, should there be *corporate social responsibility* between the application of policies (*of corporate social responsibility*) with the trade union part, in this case?

Of course. I think that, since the rising last century and the beginning of this one, I think there was this antagonism that – *onelaborunion leader who sits with an entrepreneur, heis already selling the workers*, we are screwed! [expression that denotes contrary solution to particular interests], (they would say out there)- No, I think the concepts have changed, *I gladly sit down with the president of* COPARMEX [Employers Confederation of the Mexican Republic], they have "Coparmex en Movimiento", [Coparmex in Movement], I have Croc Movimiento [Croc Movement].*exchange situations in the world of work, activate social programs of improvements*, I believe that this is what makes Aguascalientes a different state, something that does not occur in the rest of the republic. Here it happens, fortunately... (Interview with union leader J. Refugio Marín Ruiz, 2017)

With this latest version, the type of CSR and professional ethics that this labor leader has in the State by the employers is clarified: it is based on the corporate relations created since the last century, in which there have been practices of collusion that end up materializing with agreements that affect the interests of the workers. The next part of the interview it is perfectly clarified what was stated in the previous paragraph. In it, all the arguments already mentioned in relation to the effect of corporatism can be detected, especially the one of business type with regard to the CSR of the entity. Reference is also made to the functions of 'social peace' and 'labor peace' in relation to CSR, with all its conceptual burden and with all the impact that this has on the new FDI that is located in the State. In this way, it is completely demonstrated that CSR in the entrepreneurs of

<sup>&</sup>lt;sup>9</sup>See the book La construccion del Control del Obrero e Industrialización en Aguascalientes, edited by Plaza Valdes Mexico. p: 161 in which the business leader of the Business Coordinating Council of Aguascalientes alludes to this matter. As well as how the subsecretary of the Economic Development of the State in the period of the governor Lis Armando Reynoso femat calls Contingency Committee. One that is integrated by those who are in the conflicts of the state. These might be businesspersons, representatives of INFONAVIT, Social Security, labor unions, etc. see p. 224.

Aguascalientes, are a complete simulation. That is, the local business community and foreign capital reach agreements with the labor unions (workers' confederations), to maintain workers' control that benefits them. Although it represents leaving aside any precept of CSR and ethics.

# Within of what is real, would you be of the opinion that the social peace built by employers, unions, workers and government, has impacted on the type of *corporate social responsibility*?

I think there is a very important factor here. One, *social peace is* not only achieved from one will, but from several wills and from several authorities. I am pleased that when I am outside the state they say: - The Universidad Autónoma de Aguascalientes has first-class professors - What do you mean? That there is a growth at the academic level, that maybe our academicians and teachers have prepared, because that reflection will be seen in the students of any major. This is the case with social peace in Aguascalientes, -I do not know where it is, but I have been assured that my investment will be safe, and the labor force will be assured- (it refers to the fact that foreign investments will not experience any workers' conflict). And what does the government do? It is the one that will be the facilitator of the X or Y factor, or X company that comes. I would say...

#### The promoter?

Exactly. I believe that an important part of the current governor, is this, to maintain this peace and tranquility of investment. We are more than 1,000,000, if we lost 15 or 20,000 jobs it would be a catastrophe, we already lived it! in the earthquake at the moment it came here, came the boom! of the maquiladora, the maquiladoras left and just see the newspapers after 15 days with notes of: higher rate of robberies, higher rate of prostitution, higher rate of consumption. I think it's one...

#### Was not there social peace?

#### Yes, there was ...

So, trying to summarize what you have just told me, are you of the opinion that this social peace and labor peace that has been brewing over time, in the case of Aguascalientes, is the one that has impacted the type of corporate social responsibility that is lived, basically, not the other way around?

That's right.

(Interview with union leader J. Refugio Marín Ruiz, 2017)

With the latter, it is shown that corporatism in the State and its consequent 'social peace' and 'labor peace', according to the vision of this labor leader, is the factor that shapes the set of CSR expressions: a very particular one in which the business stakeholders of Aguascalientespretend to assume such principles; but, in fact, it degrades the workers and their working conditions in their establishments. Finally, the following section reviews a series of empirical data that correspond to labor professionals. Each of them has been part of the staff that worked at the Local Conciliation and Arbitration Board of Aguascalientes as high-level officials for more than 20 years. These labor legal professionals in Mexico are precisely who have had the responsibility of regulating and mediating labor disputes in the State. And they are precisely responsible, operationally speaking, for maintaining labor peace in the entity understood as workers' domination and control. Well, since these legal professionals have seen and operated on behalf of entrepreneurs for a long time in the Local Conciliation and Arbitration Board, they requested anonymity in each of their interviews. So, it was chosen to call them Labor Lawyer # 1 and Labor Lawyer # 2 in order to avoid any action against them by oligarchic groups in the State.

## The professional stakeholder of the labor in Aguascalientes: CSR and work ethic of the Local Conciliation and Arbitration Board

#### Introduction`

This section exposes how the public officials who work or have worked in the Local Conciliation and Arbitration Board: professional stakeholder or labor legal interest group, became the one in charge of resolving the demands of workers' conflicts towards the employers' stakeholders. And it is highlighted that this professional social actor is key in the understanding of workers' control in the State and its expression labor peace or labor stability (spurious union registrations, processes of trial agreements disadvantageous to workers, simulated strike subpoenas, simulated individual conflicts, controlled collective conflicts and strike processes dissolved in the State), since through it can be understood and made visible that the definitive type of CSR implemented by the business stakeholders in the State is a complete simulation and ethical incongruity in the saying and doing.

Professional stakeholder or labor legal interest group: its vision of Social Responsibility and ethics in matters of labor conflicts in Aguascalientes: The conception of CSR of the labor legal interest group in Aguascalientes, specifically the ones who have been public servants in theLocal Conciliation and Arbitration Board, is one that is supported by experiences on how they contributed to prevent the various labor conflicts in the state from thriving in favor of the workers. Especially since these highlight the fact that they followed orders from their superiors and those who are part of the government structure of the State: governors, government secretaries, presidents of the Local Board of Conciliation and Arbitration and secretaries of labor, to maintain control over the workers' conflicts in the State. Therefore, it starts with the interview version of the employment lawyer #1. This social actor was asked about the meaning of CSR and the meaning of ethics and how it should be applied by entrepreneurs. In general, this professional stakeholder expressed that: "it is a culture that has not become completely generalized and that it is only restricted to issues of the productive, the social environment, ecology and people, in a limited way."

#### Do you know the term social or corporate responsibility?

Yes, in general terms.

#### In general terms. What do you understand by this concept?

Well, I understand it as that... way of acting of the company that being acts aware of its environment, both from the point of view, it can be ecological and of the natural environment, even of its own members, right? of the reality of its own members; attentive of the proper functioning of the families that work with them, as well as the environment they impact.

## According to you, is there a culture among entrepreneurs of corporate social responsibility in Aguascalientes at the moment?

I don't think so.

#### Why?

I think it is not, [...], generalized, I cannot say that there is none at one hundred percent; but it seems to me that the environment is not generalized, [...], in my personal experience is that companies, in general, are concerned about their productive issue and not all of them are concerned about the... its social and natural environment.

#### On the other hand, what do you understand by business ethics?

Well, by business ethics, well it is a company that acts with values, it is a company that is clear about the importance of itself in the social environment ... not only from the point of view of being a jobs source... and asource of products or services, right? within a wider vision of everything that it impacts. (Interview applied to Labor Lawyer #1 in 2017).

When applying the same questions to labor lawyer # 2 his answers were similar, except in the point referred to whether there is a culture of CSR among entrepreneurs. It was in that aspect that he expressed that this conception of culture is only utilized as an image among entrepreneurs (understanding the term as discourse) and that it does not get to be expressed in the dimensions where this business philosophy must be applied: productive, social environment, ecological, etcetera.

#### Mr., do you know the term corporate social responsibility?

Well, it's a term I've heard. It is not something that I have untangled or perhaps even the perception that I have about itself is wrong, but I understand that part of the assumption that companies are in a social environment, that the actions what they do or stop doing have consequences towards that, towards that society; and well, what it is about is to focus it on matters that is beneficial for that environment, from my point of view, perhaps, of the ecological matter, of the social matter, of the socioeconomic matter, we would say.

#### To some extent, can we say that there is a culture among entrepreneurs of corporate social responsibility, nowadays?

[...], as something generalized, Idon't think so. Well, I think there are companies, that even promote it, right?[laughs]. But, well, without knowing too much about the subject, the impression it gives me, more as a spectator, is that it is more a matter, it is more a matter, of [...] *image than a real concern for, for this.* 

## This would lead us to ask: do you know, or do you understand, now, the concept of business ethics?

Well, like knowing it, rather I try to understand it, right? and I think it is, well, to act, to seek to act within a series of values talking about internal processes andabout the productive matter and to the competitive matter with other companies and to frame it inside a value system, basically, how much is given to it? well, it would be necessary to question.

## Could you mention something about whether there is or not a business ethic among entrepreneurs of Aguascalientes today?

What happens is that we have to see, [...], well, those different aspects of what would be business ethics. I believe, for example, that in the competitive matter in the matter this (...), of (...) ... among entrepreneurs, well, in... we would say it in informal terms in not poking each other's eyes[deceiving each other]. I think there is something more or less understandable. Where it seems to me that there are more failures is in the matter, in the relations towards the workers, many phenomena are occurring... (...), more or less generalized is making workers sign their resignation (...) as a condition to hire them. Well,(...), trying many times to disguise the employment relationship fornot entering into litigation, in a situation of disadvantages that the labor law gives them. So, like there are... there are a number of issues where I don't think that a very ethical behaviorexists. In one case... that I have to see more or less frequently, I advise a labor union of urban transport workers, I think that the worst bosses who believe that they are still in the Middle Ages, are that type of employers, (...), that the conditions they give to their workers we cannot call that they are precisely ethical.

#### (Interview applied to labor lawyer #2 in 2017)

In this second version, the interviewee discovers the lack of ethics of business stakeholders in the State. Where, rather, he claimed, that they carry out, and in an almost generalized way, retrograde acts. Comparing them as those acts carried out in the Middle Ages, since employers of Aguascalientes have used unfair practices such as the early signing of resignations by workers as a condition of employment and the simulation of hiring to avoid litigation of workers' demands. In summary, the interviewee expressed a strong criticism of the businesspersons of Aguascalientes regarding the little CSR and the null ethics they assume. Above all, when he gave as an example the precarious conditions of urban transport workers, in which business ethics are non-existent. Looking at the opinion of Labor Lawyer #1, all of the above is confirmed, but now, describing the precarious working conditions of workers in the textile and clothing industry.

## Can it be said that in Aguascalientes there is a culture of business ethics among our entrepreneurs, in general?

*My* experience is that it is not generalized, I would insist again, because I do know groups of entrepreneurs who are concerned about that, we can put the case of USEM [The Social Union of Entrepreneurs], which does have an ethical vision of, of theirdemeanor and a social vision, but not (mmm) everyone sees it.

#### Now, should there be a business ethic?

Of course.

In what form? In what sense?

Eh(...), of course, and (...), it must... It is a matter of values, it is a very broad issue, we can even reach ambiguity. If we just try to go around, but because of the idea of values, because there will be then those who say that there are good values for some and that they are not for some others. But should the company be managed with values? Yes, we must think about protecting the environment, we must think about protecting the dignity of your employees, you must think about, about the family life, about bringing sustenance in a dignified way to workers, their families, it is very broad; and of course, the aspects that a company must have cannot be a company, as we already know in the examples, I think that in the XIX and early XX centuries they are very clear and there are still many examples of it, but let's say, more commonly, where the company only sought profit and benefit only for the one who held the ownership of the company and not of the workers.

#### Of course. Specifically, in the case of the textile industry: Could it be said that it is in the same conditions as the rest of the productive branches, in these areas, of corporate social responsibility and business ethics?

I have some time since I was involved with the textile issue. But I can tell you that my experience is that since some years ago is that, well, the conditions are precarious, the conditions of the employees, so we could not necessarily talk about an ethic, eh(...), the policies, even governmental, existed only with the intention of generating jobs in which the worker could satisfy his minimum living conditions: minimal, very minimal. Understood those minimums, barely, because with being able to have food, clothing and education, well, because the state provides it, but from then on, there was no possibility of great advances. Well, but it is true that policies have also changed when trying to look for jobs not so... with not so bad benefits, although obviously this is a global issue, not only of Mexico. (Interview applied to labor lawyer #1 in 2017).

The interview is clear, since it makes visible the precariousness in which the described employees live, due to a business ethics that simulate values of respect towardsthe workers in their companies. Above all, when he mentions that should be applied to the workers a certain dose of principles of responsibility and ethics; but that, in the real life, they do not comply with anything of this aspect. Rather, this interviewee mentions that businesspersons have their workers in the textile and clothing sector in "minimal, very minimal" living conditions. Manifesting the absence of such principles and a minimum business ethics that dignify it. On the other hand, when asking this same interviewee about the ethics of public servants, and specifically those belonging to the Local Board of Conciliation and Arbitration, he answered that ethical actions are not developed in general terms.

#### I was talking a little more about, our local conciliation and arbitration boards, our secretaries of labor, our secretaries of economic development, in any way, do they adhere to the guidelines of social responsibility?

Oh, well [...] I believe that the boards as a court are ethical and, in their ethics, obviously ... It will spread the rest of, of those who come to them to obtain, the legal part of the justice, the organizations of work, I think they too, and labor relations offices. But now I don't know if the secretaries of economic development that instances are, let's say, that are causing the investments that generate more sources of employment (...) they could not give you all the variables, because at least, in the ecological issue, I don't know. Well, and not in the ecological issue because it is very frequent for companies to be involved in outrages of an environmental impact matter, polluting water discharges, incorrect security measures within the company, and then, they have an impact, and very frequently, they have an impact on the environment, diseases on their employees and an environmental impact. I have experienced that in very specific cases, where even the government has moved its... (...) its government efforts to cover a company to keep it alive; and yet there are people who are having lung problems, for example.

(Interview withLabor Lawyer #1 in 2017).

In this case, this professional stakeholder states that the authorities of the Local Board of Conciliation and Arbitration do develop ethical behaviors, not is the case of those secretariats of the State such as the Secretariat of Economic Development where companies that have been involved in ecological problems, the government stakeholder prevents these companies from being sanctioned or even closed due to the degradation of the environment. The incongruity in this discourse comes to question the supposed ethics assumed by the authorities of the Local Board of Conciliation and Arbitration, since this interviewee when alluding to other government secretariats of the State, especially those of ecology, he states that in these there is no such condition of ethics among its servants. This is something that usually happens with the interviewees, due to sometimes the social actors do not want to affect another servant with their statement; but they are statements that usually fall into discursive falsehoods or incongruity. Especially when compared to other versions of interviews. For example, the interviewee labor lawyer # 2, considers that the labor authorities act partially for the benefit of the capital (not ethical and), assuring them the tranquility that their SO companiesdemands. Normally they carry out actions of obstacles to the demands of the workers so that their companies do not have to go through: "strike subpoenasfor review, for shift, for collective agreement, fornon-compliance" (non-compliance of the collective agreement] and they put obstaclesto accept it". Obstacles that result in the reduction of workers' conflict in the whole State.

Some time ago, when I worked on a board [at the Local Board of Conciliation and Arbitration] we had a case with a company of American origin, for somereason, they did not like the labor union they had and with which they had a collective agreement and... this [...], their decision was this: "I don't want a labor union, I don't want a collective agreement", and "if it is not possible to undo that collective agreement and remove the union from here, I will close and we will leave". What happened?? In the Secretary of Government, they were talking to the labor union, and they agreed that: "... you know what? the company is leaving us", "an agreement was made, ... the collective agreement was undone", the labor union withdrew from there and the company continues to operate so far without a labor union. This happened... 13, 14 years ago, more or less.

# Is it a practice that has been repeated with the companies that come to the State?

Of course, so that they arrive... [for them to locate in the State], you have to give them a series of guarantees, from fiscal issues, from (...) labor issues, to ensure them a tranquility [job stability].

## That there is going to be a social peace and labor peace, that they are not going to have strikes?

Ehmm... I have seen [...] currently, well since the last six-year term, *the conciliation board, you put a subpoena for review, for turn of collective agreement, or for non-compliance and they put a series of obstacles to accept it.* No, you know what? you can't put so many subpoenas. Wait... you have an average of fifty, fifty-five subpoena from a year ago, I mean, how many are there? Compare it with, I don't know, with Jalisco that, I don't know how they are currently doing, but based on three or four years in a [statistical] data, in which I think there reach more than 5,000 subpoenas, in a year. (Interview applied to AL2 in 2017)

With this other version, the professional stakeholder contradicts the version of the labor lawyer #1 in the sense that the local board carries out unethical actions, lacking Corporate Social Responsibility, by carrying out legal tricks to hinder workers' demands for subpoenas for strikes. And, with this last empirical data, two things are demonstrated: one, the absence of CSR in the same FDI located in the entity, by the fact of hiring a labor union to register the ownership of the collective agreement of its workers without there being a labor union in the company (known in Mexico collective protection agreement); and two, that the labor authorities take unethical measures at the moment when they admit a collective labor agreement in a legal way, when in fact, there is no labor union in the company. Acts promoted by corrupt official labor unions that prevent the employer from having a labor union in the company, collective negotiation and they suppress, at the same time, the rights of employees. Well, with the latter, it can be seen the complete form of articulations that are necessary and / or built by businesspersons in the offices of Coparmex, to solve all aspects related to the issue of work. Articulations that place the issue of CSR in the stakeholders of entrepreneurs in Aguascalientes and their ethics, in a criticizable status. Above all, because they maintain in the facts a job stability that is detrimental to the supposed common benefit that intends to promote and is also promoted by the precepts of CSR in the world in relation to the respect for the rights of workers, among others. Articulations that demonstrate, objectively, the true historical action of collusion by thestakeholder government, labor unions and stakeholder entrepreneurs, to achieve interests created in their favor, to the detriment of the working class of Aguascalientes. Apparently, and without exhaustively seeking the verification of CSR and ethics in the entrepreneurs of Aguascalientes in their environment, it can be said that these do not exist and that it is placed in the plane of simulation. In other words, local and international entrepreneurs (business stakeholder FDI), see Aguascalientes as an opportunity for profits under the curtain of corporate social responsibilities.

### CONCLUSION

The concepts of stakeholder in general and the term "common benefit" that underlies the principles of CSR, are analytical terms, that by themselves, manifest ideal qualities among the social factors that could follow themor carry them out. The problem is that both categories contradict the real social actions that are carried out in concrete realities, as in the case of Aguascalientes, Mexico, by the social actors that intervene in the construction of controls over the working class. In this case, the political discourses referring to labor peace and those others framed in the CSR end up complementing each other. Both reinforce and refer to the labor stability built by the dominant groups in Aguascalientes. On the other hand, the concepts of stakeholder and common benefits are only terms, that, despite they can replace at a certain time and, in an analytical way the social actor and / or social subject (and those actions performed by them aimed toseek respect for the rights of the man that interacts with each other), they do not manage to explain everything that moves them: particular interests. The same happens with the category of Corporate Social

Responsibility, which, with its load of principles, tries to regulate the conduct and action of entrepreneurs in the companies. But that, all it achieves, is the structured pronouncement of what should be business conduct and ethics. An ideal construct of discursive use of capitals to simulate the true actions of seeking profit. Well, if this happens with the alluded terms, what is left with regard to the ethics that must be followed by those who manage companies and public institutions that respond to the interests of the first? The answer is simple, the incongruity.

Ethics in these cases is only a criteria of value that is far from being part of the subjective criteria of entrepreneurs. This is so, since as it was demonstrated in the case of Aguascalientes, Mexico, the employers have sought to prefer to give continuity to the statistics of workers' control (workers' conflict): more than 40 years without existing strikes in the entity. The ethics of entrepreneurs, in these cases, have been set aside, and/or preserved to be used as the front of a beautiful house, but messy inside. Therefore, the principles of CSR in entrepreneurship of Aguascalientes, the category of stakeholder described by its theorists and the principle of common benefit, are only analytical instruments that are used by managers as discursive elements of a supposed business action, to hide the predatory part of the human and natural resources of the Aguascalientes territory. Thus, following and using this business terminology, it can also be concluded that for each stakeholder analyzed in this article (entrepreneurs, public servants and labor unions), it could be found that they have distorted notions of what CSR represents. Only one of these stakeholders could deduce, by common sense, some characteristic elements of the CSR. That is, the stakeholders analyzed have not managed to construct subjective conceptual structures of this term. What remains to be researched is if the CSR in business stakeholders has been expressed in the areas of production, suppliercustomer relationship and quality management. Task that will result in further investigations. On the other hand, it is clear that many of the actions of business stakeholders of Aguascalientes and their CSR are that they are not applied or are simply carried out in a simulated way; especially when they are analyzed according to the obligations they have before federal and local institutions: IMSS (Mexican Social

Security Institute), INFONAVIT (institution that provides housing to workers), SERMANAT (Secretariat of Environment and Natural Resources), JLCA (Local Board of Conciliation and Arbitration), Afores (funds for retirement in Mexico), among others. What has been detected in other studies and official statistics is that they have sought to evade their obligations before such institutions.

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