INTERNATIONAL CONFERENCE

ISSUES OF LEGITIMACY:
Entrepreneurial Culture, Corporate Responsibility and Urban Development

Naples, Italy, 10-14 September 2012

Convened by:
IUAES Commissions on *Urban Anthropology* and on *Enterprise Anthropology*

With the Collaboration of:
University of Naples Federico II; University of Naples 2; Media Group *Il Denaro*;
Brazilian Anthropological Association; Centro de Investigationes y Estudios Superiores en
Antropologia Social, Mexico; China Union of Anthropological and Ethnological Sciences; China
Commission on Urban Anthropology; Colegio de Etnólogos y Antropologos Sociales, Mexico; Indian
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Commission on Anthropology of Women
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General Outline

Over the last three decades, the crisis, and subsequent de-legitimization, of polarized political
ideologies which had characterized international politics since the Second World War has apparently
brought about the supremacy of economics over politics, and an acceleration of economic
globalization. While it has became gradually clear that, cross-culturally, such supremacy and
acceleration are not overarching phenomena and their predominance cannot be taken for granted, it
has also become clear that in such a climate national policies struggle to take on board individual and
corporate interests, demands from local communities and, most problematically, international
regulations. To complicate matters further, all too often such international regulations prove to be
inspired by concepts that are ambiguous, elusive, badly defined or impossible to apply, thus
compounding on the perceived weak legitimacy of governance and the law in the broader society.

In today's increasingly competitive global economic scenario, urban settings are a dominant form of
associated life that encapsulate the socio-economic impact of increasingly significant international
regulations and flows of capital and people. By and large, governance and the law have generally
failed to meet constructively the challenge posed by the complexities and implications of this world-
wide phenomenon, thus raising a critical problematic of both legitimacy and legitimation.

If our understanding of human beings in society is to share the responsibility of a complex view, we
must take very seriously the interplay between personal morality and belief and civic responsibility,
and between value and action. This requires, in the first place, an informed awareness of the vanity of
the monist approach to the complex ways in which people merge social morality and personal choice
into practices that observably recognize more than the self. We are invited to distinguish individual
action that, motivated by selfish instrumentalism, has no civic value from individual action that fulfils
personal interest on a practical *and* moral level. In this second case we must ask whether individual-

oriented necessarily means individualistic. An astute answer to this question needs to steer well away from the cultural determinism of the conceptual opposition of the individual to society that forces the Hegelian concept of plurality — to be human is to be part of the human community, alone one is inexistent — into an ideological opposition between being *in* community (i.e., belonging to) and being *cum* community (i.e., being together with). This kind of strong perspectivism about morality and rational choice informs the dominant definition of membership of society and, classically, of non-membership, or indeed undeserving membership. It is based on a circular argument obnoxious to reason and observation — a begged question, in fact a succession of begged questions. Broadly recognizing that in today's world individual action generally takes place in a context marked by imperfect competition, constraints and inequality, it would be difficult to argue that these conditions are pre-determined, through culture or formal location in terms of production and consumption; nor could they be described as fixed and self-perpetuating, may be with people's unwitting complicity.

Anthropological analysis of diverse ethnographies has brought to light strong entrepreneurial cultures firmly rooted in the morality and ramifications, in practical life, of a *strong continuous interaction* between the material and the non material. A major task of this Conference will be to reflect on the significance, ramifications and impact, or potential impact, on the broader society of such an empirical *sine qua non*. The key role that the varied forms of individual and collective entrepreneurialism, and the attendant culture and social impact, have to play in such a scenario is much too often frustrated by the aforementioned perspectivism. Eschewing confusion between individuality and individualism, anthropologists have highlighted key aspects of entrepreneurialism that point to the naivety of the economic maximization view. They have demonstrated the moral and cultural complexity of individual action, bringing out the social value of entrepreneurialism. They have also demonstrated how misplaced or instrumentally selective moralities in policy and in the production and enforcement of the law both play a critical role in such a failure, encourage exclusion, and are key in the widening gap between governance and the governed across the world. It is critical, however, to move further.

Through empirically based analyses, this Conference will explore these complex issues widely, in Western and non-Western settings, in relation to five broad themes. They are:
1. *Access to Credit, Entrepreneurialism and the Law: Problematic Issues for Enterprise*;
2. *Cross Cultural and Ethnic Business in Mixed Cities*;
3. *Corporate Social Responsibility (CSR) and Urban Development*;
4. *Entrepreneurialism, Neo-Liberalism and Socio-Economic Policy*;
5. *Women Entrepreneurs: Between Socio-Cultural Hindrance, Challenged Integration and Economic Success*

Proposals for panels and papers are hereby invited.
- **Proposals for Panels** should include **Title and Abstract** (300 words max) of the Proposed Panel and, where applicable, **papers including titles and abstracts** (200 words max). **Proposals should be sent to Dr I. Pardo i.pardo@kent.ac.uk by 30 October 2011.**

- **Proposals for individual Papers including title and abstract (200 words max) should be sent to Dr Giuliana B. Prato g.b.prato@kent.ac.uk by 30 October 2011.**

Conference Themes

1. *Access to Credit, Entrepreneurialism and the Law: Problematic Issues for Enterprise*
The empirical investigation of small- and micro-scale business initiative in different ethnographic settings has repeatedly shown that they are informed by an entrepreneurial culture that, underreported and often officially frustrated, enjoys legitimacy at the grassroots, playing a major role

in people's managing existence beyond official employment and unemployment. The gradations of illegal or semi-legal entrepreneurialism examined by anthropologists at once draw on access to community resources beyond official allocation and defy attempts of the state to monitor, regulate and extract revenue from the production, circulation and consumption of goods. Empirical analysis has also suggested that in many cases we are not faced simply with a dual economy where the informal is complementary to the formal, but rather with complex interlinking and interacting sectors of one economy. An important aspect of 'informal' entrepreneurialism is that it often develops in more or less strong connection with the formal sector of the market and interacts significantly with it.

Anthropological analysis has amply shed light on the moral set up that informs the choices of those involved in such enterprises, suggesting that the injection of 'dirty money' put into circulation by criminals is not regarded as an asset among these people. Small and micro entrepreneurs recognise the advantage that such money may give in the expansion of business and in short-term competition, but they also are explicitly aware of the problematic and far-reaching implications in economic, social, moral and legal terms of such a way of raising capital. Thus, when, as it often happens, formal sources of credit are unavailable, insufficient or fraught with over-complicated procedures, people strive to raise capital through social networks. Only in the very last instance is capital raised borrowing from loan sharks, for such money comes at high interest; it tends therefore to be used only for exceptional investment which is expected to yield sufficient dividends in sufficiently short time to repay the loan before interest becomes crippling.

Anthropologists have addressed empirical realities of debt and repayment fraught with enormous difficulties that inform what appears to be a widening gap between the actual distribution of rights and access to them, and their ideal distribution and the attendant processes of inclusion and exclusion that determine factual membership of society. In many cases, small and micro entrepreneurs' access to credit is made exceedingly difficult by expensive banking services, patrimonial guarantees demanded by credit institutions, high interest rates on banking loans, over-complicated procedures and, last but not least, by lack of expert help and guidance from the lending bodies.

In the current competitive global economic climate it is imperative for the state to come to terms, well beyond prohibition and repression, with work and entrepreneurship that develops marginally or totally outside the law as it stands at the moment. Criminalisation has largely proved to be counterproductive and ineffectual, particularly in terms of extracting tax returns and in terms of the social benefits that can be extracted from successful enterprise. Credible ways must, instead, be found to encourage those who operate outside the law to bring their businesses in the realm of legality. New, simplified legislation is badly needed. It is equally imperative for political and financial institutions to develop an approach that is sophisticated and enlightened enough to match the sophistication and diversity of what goes on at the micro-level. Empirically-based anthropological analysis has an important contribution to make.

The Conference aims to encourage contributions that help to clarify further the listed issues and to bring to light credible ways both to address their complexity and to investigate the ways in which their social and moral value can be brought to bear in the broader society.

2. *Cross Cultural and Ethnic Business in Mixed Cities*
Major challenges are raised by the dynamics of the ethnic and cross-cultural enterprises in mixed cities, particularly as such enterprises become increasingly diversified. As both traditionally mixed cities – including various, established ethnic groups – and cities that have more recently become mixed through ever growing immigration are the focus of much anthropological attention, their empirical understanding raises important challenges to the views that inform established policies.

One key aspect in this context is the ever larger presence of immigrants, legal and illegal, in urban settings, which raises important issues of integration and exclusion in particular with in respect to the definition and perception of citizenship. The convenors of this Conference welcome ethnographic analyses that examine these issues at the local level and address their broader sociological relevance against the background of the role played by the wide range of local activities in and between the 'informal' and the formal sectors of the economy and by the attending culture. In such a context, anthropological investigation takes fully into account both the increasingly relevant role played by immigrants in the interstices between legal activities and illegal activities and their cultural relationships with traditional residents.

More broadly, in the face of changing patterns of entrepreneurialism in traditionally mixed settings, inter-ethnic cooperation often challenges rules and regulations. Important issues emerge, particularly in relation to 'the powerful' riding roughshod over grassroots moralities, culture and interests that, alongside misguided policies that engender marginalization of sections of society, seem to make more difficult the coexistence of different cultures.

The argument has been made that responsible governance must heed the motivations that underlie such negotiated activities, take stock of their practical results and recognize their right to full integration. The very legitimacy of those who have the responsibility to govern and the institute of governance itself are at stake. Such a task at once encompasses and goes beyond efficient economic and legal policy, for it links strongly and directly to the task of establishing, *and* maintaining, the kind of working, solid relationship between governance and the governed that is critical to the democratic contract.

Contributions will explore such a problematic looking at the complex ways in which it is negotiated in daily life. Recent anthropological literature has highlighted that what is dictated 'from above' makes little sense, or is seen as a hindrance to real life, and is accordingly disregarded. Instead, observable behaviours and the attendant choices appear to be consistent with local people's material and non-material interests and commitment to moral and normative order. In significantly comparable situations such behaviours and choices engender both economically influential ethnic enterprise and business based on various kinds of cooperative action. The different kinds of 'mixed' enterprises in mixed cities and their actual and potential contribution to society will be an important topic of discussion and debate in this Conference.

3. *Corporate Social Responsibility (CSR) and Urban Development*
1 November 2010 saw the launch of one of the most eagerly awaited ISO International Standards of recent years, ISO 26000, which provides guidance to both business and public sector organizations on social responsibility (SR) with particular reference to individual and public health and sustainability.

Pointing directly to the thorny issue of a 'moral economy', enterprise is not only a kind of economic activity, but also a kind of social and cultural activity. Notwithstanding early, unreported though eminent efforts, anthropology has recently moved in a significantly strong way into the study of modern corporations and business organizations. As it has emerged in Europe, North and South America and the Asia-Pacific Region since the 1990s, Corporate Social Responsibility (CSR) is an important issue that at once raises and more or less potentially addresses key issues of legitimacy and legitimation. There is as yet no widely agreed definition of CSR. CSR is a globally applicable concept but its interpretation varies from country to country, industry to industry and company to company, because of differing local situations and differing demands of stakeholders in different locations and industries. Although some believe that CSR is a culturally specific, Western, concept, it would be wrong to assume that CSR practices are less developed.

Anthropological analyses have highlighted significant cases in which enterprise is not driven merely by the need to maximize profit for shareholders and owners and surplus is reinvested both in the business and in the community. Whether, and to what extent, such instances enjoy recognition and legitimacy in society involves ongoing complex analytical assessment. Contributors will be encouraged to investigate and reflect on the implications brought out by such an assessment focusing specifically on the practical, legal and ethical issues raised by the principle of CSR and, more broadly, of the Social Responsibility of business and entrepreneurialism.

4. *Entrepreneurialism, Neo-Liberalism and Socio-Economic Policy*
This Conference aims at encouraging both reflection on the distinction between individual action and individualistic goals and debate on the relationship between the public and the private, and that between the rulers and the ruled, also raising issues of legitimacy and responsibility in socio-economic action and the management of political decision-making.

Political ideologies, such as Socialism and Liberalism, have influenced notions of citizenship and the ways in which people's participation in the decision-making process has been either encouraged or frustrated. Classical Liberalism advocates the individual's entrepreneurial role in the political, cultural and economic development of society. It has been concerned with urban problems, such as poverty, housing and education, arguing for minimum state intervention to give individuals an opportunity to develop their potentialities and improve their social position, thus benefiting society.

Since the 1970s most of the democratic world governments have focused on the primacy of economic individual rights, rules of law and roles of the governments in moderating relative free trade. The geo-political events of the late-twentieth century have brought about a resurgence of Liberal approaches based on tolerance, pluralism, individual freedom and opportunity for all. However, not always such Liberal ideals have produced positive results. In many cases, the neo-Liberal demand for a flexible labour market and global restructuring have both produced uncertainty and precariousness and failed to encourage equal opportunities and inclusive growth. Infamously, transformations of urban life and systems as a result of neoliberalism, have boosted urban unemployment, informal employment, urban inequality, poverty and crime. Regions such as Latin America and India encapsulate such effects exemplifying the differential impact these policies have had on the living standards of the well-to-do and on the livelihood of the vast masses of the poor.

In short, not always has the global restructuring that marks neo-Liberal policies stimulated healthy competition between communities, regions and countries; the implications of trade liberalization, fiscal policy and deregulation remain problematic and hotly debated.

Parallels have been noted between neoliberal principles, governance, development and market capitalism, particularly though not only in post-socialist societies with their background of social engineering and education of the masses. Transformation, as opposed to transition, in such settings is a key problematic raised by the shift from state to market, particularly in urban settings, and the attendant changes in governance. Such a problematic and its complex ramifications has been addressed by anthropologists but not taken widely on board in disciplinary debates.

Given the necessary condition of distinguishing conceptually between socially, morally and economically oriented individual action and individualism, case studies from Western countries and from the emerging economies of China, India and parts of Latin America show that this complex situation increasingly affects urban and national life across the world and needs to be urgently understood and addressed specifically and comparatively. Given their commitment to in-depth and detailed empirical research, anthropologists are particularly well suited to offer invaluable insights

into such a complexity. Ethnographically varied contributions will help to build up an informed comparative understanding.

5. *Women Entrepreneurs: Between Socio-Cultural Hindrance, Challenged Integration and Economic Success*
Women are present in increasingly significant ways in the formal and informal sectors of the entrepreneurial world, their role encapsulating complex (often unresolved) issues of legitimacy and, to paraphrase Olympe de Gouges, of equal citizenship rights. Empirical studies have brought out women's contribution to entrepreneurialism, often against the odds. In particular, while taking fully into account the socio-cultural instances which in too many cases continue to hinder women's full integration into social and economic life, anthropological analysis has moved away from a narrow focus on 'exploited women' in the 'black economy', whereby they played a subservient social and economic role, the latter supposedly limited to contributing to the survival of the downtrodden. There is a growing body of literature pointing to the active and constructive role that women often play in the running, establishment and development of enterprises. In many cases, both as immigrants and in their own countries women entrepreneurs account for a sizeable part of the economy.

This Conference intends to stimulate the development of an analysis that takes fully into account women's economic role across the spectrum, from micro- and small-level businesses to medium- and large-scale companies that, in a number of cases, have global impact. Women entrepreneurs play a significant role in this field. Classic anthropological literature, for example on Igbo women of Nigeria, alerted us to women's economic role both in the market and in events of geo-political importance. The Italian cases of the Tuscan textile enterprises and companies such as, to mention only a few well-known cases, Fendi, Chanel, The Bodyshop, Laura Ashley and Benetton offer diverse examples of such a role in the formal sector. Examples of a similar role in the informal sector and in the interstices between the two sectors abound and need appropriate attention against the background of the listed issues and difficulties. In many instances, women have achieved top positions in business institutions and associations. However, even in developed capitalistic countries, women still generally struggle to break through the 'glass ceiling', the invisible barrier that prevents them from reaching high managerial positions. The introduction of 'quotas' for women has proved to be a false solution, often engendering negative ramifications. Given the aforementioned dependence of the legitimacy of governance on an in-depth understanding of what actually goes on in this field and on a correspondent 'enlightened' legislation, understanding the economic and social significance, and ramifications, of such a role is imperative in today's global scenario.