New relationships between public and private spheres – Socially responsible undertaking

André Nijsen

1 Introduction

A considerable gap yawns between the micro-experience of the world of small entrepreneurs and the more macro-oriented vision of politicians, policy makers and civil servants. But the government will have to be able to achieve its macro-oriented public goals while taking into account the micro behaviour of entrepreneurs. This paper deals with this problem.

Defining public goals through setting standards and controlling behaviour is an essential condition in a constitutional state for the legitimating of the regulation, but is not sufficient condition for achieving the public goals. For this it is necessary to supplement regulation with an adequate system of implementation and enforcement. In this paper, attention is paid to the implementation: how is regulation steered and what is the role of transfer of information obligations? We are, therefore, searching for instruments with which the government attempts to influence the behaviour of businesses to move towards the goals already determined by political decision-making. We shall see that, to an increasing extent, the government explicitly tries to find a connection with reference systems in businesses. Using this angle of approach we shall look more closely at the public and private spheres (section 2), the enterprise as a semi-autonomous social system (section 3) and the steering models used by the government to regulate the behaviour of businesses (section 4). Section 5 contains a conclusion.

2 Public and private spheres

Introduction

The fact that there are two distinct spheres in the social constitutional state cannot be denied. It is more difficult to indicate where the private sphere begins and ends and what characterises this sphere. The same applies for the public sphere. The answer is, however, of some importance for the problem we are addressing. How can we make decisions about the question concerning influencing the behaviour of businesses in the private sphere by regulations imposed from the public sphere, without knowing the fundamental characteristics of and the demarcation between the two spheres?

1 This paper is based on chapter 7 of Nijsen, A. F. M.: Information obligations in the policy chains of the Dutch Constitutional state. EIM, Zoetermeer 2002.
Two spheres

The private sphere is the oldest and forms the natural origin of humanity. The public sphere came into being when man, in his private sphere, found himself increasingly confronted with external threats, which he could not, or insufficiently, deal with on his own. This is how the process of collectivisation started and gave the first impetus for the existence of the public sphere. Combating these threats required collective decision making about common goals, choice of instruments, the financing and use of these instruments, implementing, supervising and enforcing compliance (De Swaan 1993). Decisive for the dividing line between private and public sphere is the answer to the question: on which matters do we, in the social constitutional state, make collective decisions and on which matters do we not? This question is answered in the political debate of the social constitutional state. As opinions and circumstances are ever changing, the answers to such questions will not always be the same everywhere. The dividing line between the private and public sphere is constantly shifting, depending on political preferences and ever-changing circumstances.

Two fields of tension

There are fields of tension between the public sphere and the private sphere. The given fact that the public sphere interferes with problems in the private sphere, which cannot be solved in the private sphere, can result in tension. A second source of tension could be the way in which the public sphere interferes in the private sphere: the choice of instruments and the way in which these are used.

Tension occurs as soon as imperative regulations are imposed from inside the public sphere on the private sphere. After all, undesirable behaviour or conditions – which it is impossible to deal with in the private sphere – are tackled or regulated from the public sphere. This tension is unavoidable because it is the government that has been asked to steer undesirable behaviour and conditions in the private sphere in the required directions. Public goals are anchored in the public sphere; they have to be realised and complied with in the private sphere. This is no simple assignment. It is, however, the case that the greater political agreement there is about, and wider social support for certain regulation the weaker the field of tension will be. Table 1 illustrates the tension that exists between private and public codes of behaviour in relation to a number of aspects.

<table>
<thead>
<tr>
<th>Private codes of behaviour</th>
<th>Public codes of behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emphasis on encouraging economic standards</td>
<td>Accent on safeguarding democratic principles</td>
</tr>
<tr>
<td>Serve primarily to protect organisation for</td>
<td>Serve primarily to protect citizens’ general interests and the</td>
</tr>
<tr>
<td>commercial reasons</td>
<td>correctness of public administration</td>
</tr>
<tr>
<td>Code of behaviour not intended for external use;</td>
<td>Active and passive provision of information to citizens is</td>
</tr>
<tr>
<td>confidentiality is rule</td>
<td>anchored in law</td>
</tr>
<tr>
<td>Great variety of ethical codes</td>
<td>Uniform standards</td>
</tr>
<tr>
<td>Flexible in accepting gifts</td>
<td>Accepting gifts ‘not done’</td>
</tr>
<tr>
<td>Wrongs kept within four walls</td>
<td>Offences are made public</td>
</tr>
</tbody>
</table>

Source: Van Vugt en Boet 1994, pp. 62–63; adapted by AN.

Table 1: Differences between private and public behaviour code
The second field of tension that can be influenced to a greater extent is the choice of instruments; the tools the public sphere uses to communicate with the private sphere. As the private sphere is the source and the desired change in behaviour has to take place there, it may be assumed that the instruments chosen for this communication will be tuned, as far as possible, to the characteristics and acceptance of the actors in the private sector, the enterprises. The same requirement also applies, of course, to the content and design of the transfer of information obligations imposed on businesses.

Adapting classical steering axioms

The problem of the tension between the private and public spheres was recognised quite some time ago (Snellen 1987, pp. 11–30). Snellen argued in favour of a shift in the paradigm in the classical axioms concerning steering in conformance with the conceptions of Administrative Law at that time. Briefly summarised, these axioms applied to the following aspects. First and foremost, the government in its role of steering body (subject) in relation to social organisations (object) as steered systems. This steering is based on information about the actual situation (for the actors in society) and models of the desired situation. If the correct steering signals are given and the right steering instruments are used society will react in the desired way. This is the government’s vision of steering requirements, which led to the “underestimation and insufficient use of the steering capacity of society itself” (Snellen 1987, pp. 76–77). The approach that resulted from this view – in combination with high steering ambitions – led to disappointing results and increasing bureaucracy. At that time, Snellen was of the opinion that the axioms needed to be adapted in two ways.

First, the government is not the central steering point in society. The assumed subject-object relationship between government and the actors in society needs to be changed to a subject-subject relationship. Steering by the government and self-steering, in our case by businesses, are complementary. The second element that needs to be changed is what is called “the simple open-system approach” to social systems. This means that public steering of the private sector often takes place under the assumption that the public and private spheres are one and the same. This assumption is “a condition to allow steering signals and steering impulses from the steering body to work effectively on the steered system” (Snellen 1987, p. 19). The enterprise will recognise external signals only if they are linked to its own frame of references. Such self-referring organisations are called autopoietic systems. This will not say that those social systems are isolated from their environment but that they have contact with their environment as autonomous entities. This phenomenon in such social systems is termed ‘semi-autonomous’ in anthropology (Moore 1973).

3 The enterprise: a semi-autonomous social system

Introduction

The public sector interacts with enterprises in the private sphere by imposing obligations. Adequate interaction demands – in this case – that the sender (the public sphere)
transmits on the frequency of the receiving party, the enterprise. The problems that the sender can come up against while doing so are the subject of this section.

_Semi-autonomous systems_

Anthropologists have known autonomous entities for a long time. They call them Semi Autonomous Social Fields (SASF). Semi-autonomous indicates that the field is capable of generating its own rules, decisions and symbols. At the same time, however, it is also vulnerable to rules and decisions and other influences from its environment (Moore 1973, p. 720). The SASF problem is always, and very emphatically, present when imposing public behaviour regulations, including information obligations on private enterprises. No government can permit itself to ignore this fact.

Weber also recognised the phenomenon of the enterprise as SASF, although he never called it that. Speaking about the problems when successfully imposing legal coercion on economic fields within the private sphere he says: “…the inclination to forego economic opportunity simply in order to act legally is obviously slight, unless circumvention of the formal law is strongly disapproved by a powerful convention…” (Stone 1975, p. 67).

Weber was also very conscious of the risk of non-compliance with legislation and regulation by businesses (Weber 1954, p. 38).

Within the SASF enterprise Bentham’s utilitarianism is the motor of the most defining activity, the process of production or service. According to Bentham, usefulness is the sole criterion for moral human actions. Activities no longer have any intrinsic moral value, but their value must be weighed against their effect, in this case the expected external usefulness in the form of an external demand for the results of the activities. As long as there is sufficient demand for a certain product or service then – within the SASF enterprise – the criterion of moral human action in the spirit of usefulness has been met. Ethics and business economics have, therefore, been made independent but have also disconnected from each other. Ethics and morality threaten to become a purely public matter. Such a way of thinking can easily result into the assumption that enterprises no longer exist in the public interest (Kimman 2001, D29–D30).

The government, when involved in regulating the behaviour of businesses and imposing transfer of information obligations, must be very conscious of this field of tension. Entrepreneurs and their staff operate within two systems each with its own values: that of the private domain of the enterprise with continuity and profit as dominant values and that of the public domain with its many public goals. “The success of law enforcement ultimately depends on its consistency with and reinforcement from other vectors, the organization’s rules for advancement and reward, its customs, conventions and morals” (Stone 1975, p. 67).

_Enterprises as monsters_

In addition to the closed attitude of enterprises to goals from the public area, there is another problem, which plays a role in the relationship public sphere and private sphere and enterprises in the social constitutional state. Conceptually enterprises do not exist in a democracy but in reality they do (Van Gunsteren 1994, p. 83). Free citizens, among them the director-owners and managers of large businesses, can – through
the electoral system – exert political influence; businesses on the other hand, as legal body, have no right to the vote. “Legal entities cannot marry, nor can they vote, they can be ‘murdered’ without fear of punishment (that is to say they can be liquidated) and they cannot make a will” (Bergamin 2000, p.89). The applicable constitutional terminology offers no place to legal bodies on the political stage. It is paradoxical that everyone realises that the fact that businesses act as legal bodies in the public sphere is unavoidable. Instead of the formal instrument ‘the vote’ which is available to the free citizen legal bodies have the informal instrument ‘the lobby’ (Nijsen 2000a, pp.49–51).

It is true, of course, that generally speaking business can exert influence via various national and international councils, for example through representation in the International Labour Organisation, the ILO.

In cultural anthropology phenomena, which do not fit into the valid classifications, are called ‘monsters’. Because businesses do not fit in the classification framework of the public and private sphere Van Gunsteren calls businesses ‘monsters’ within the public sphere. “They ‘should’ not exist but they are indispensable and do exist, thank goodness” (Van Gunsteren 1994, p.84). This dual position has advantages and disadvantages for businesses. On the one hand they have – formally – less authority in the public sphere than the free citizens and the government. On the other hand they can, if they are addressed unpleasantly in the public sphere, withdraw referring to their non-public status. We do not represent the public interest (Van Gunsteren 1994, p.87).

The personality of the entrepreneur

The term ‘monster’ applies mainly to larger businesses, the legal bodies that are managed from a managerial capitalism. However, the director-owner who does have access to the public sphere often has personal characteristics, which are often far from being in line with the requirements of the public sphere. To illustrate such problems Van Gunsteren uses Douglas’ and Wildavsky’s cultural theory. They developed a typology of 4 possible ways of life (see table 2). The variation of the involvement of an individual in social life – in our terminology the total of the public and private spheres – is replaced in this perception by two social dimensions: ‘group’ and ‘grid’. ‘Group’, the private sphere, concerns the extent to which an individual is embodied in a limited unit of people. The greater the incorporation the more the individual choice is subject to the decisions or standards of the group. ‘Grid’ the public sphere concerns the extent to which the life of the individual is limited by externally imposed alternatives. The more binding and extensive these are, the smaller is that part of life that is free for individual negotiation and choice.

<table>
<thead>
<tr>
<th>Group +</th>
<th>Group -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grid +</td>
<td>Hierarchical</td>
</tr>
<tr>
<td>Grid -</td>
<td>Egalitarian</td>
</tr>
</tbody>
</table>

Source: Van Gunsteren, 1994, p.150; adapted by AN.

Table 2: Way of living or social relationships

Individuals will attempt to match their culture (i.e. their way of perceiving, experiencing and their actions) to that of their social relations and vice versa. The comparison
between the anticipated situation and the real situation determines what man experiences and how this is accepted. The individuals – entrepreneurs are individualist par excellence, contrary to government authorities who can be placed more surely in the hierarchical quadrant – will not expect or wish to have a complete overview of the situation. The attitude ‘not necessary to acquire a complete overview of society’ – which, it is expected, will often be met with ‘smaller’ entrepreneurs – has as consequence the fact that problems which have been defined from the public sphere will not be seen by these smaller enterprises as being part of their own private world. There is, therefore, a discrepancy between the method of steering on one hand and the way of life of the entrepreneurs to be steered.

At this time the hierarchical steering method is most common. There are indications that at the turn of the 20th century the hierarchical form of administration – including the imposition of transfer of information obligations – is still the most common. When the government approaches entrepreneurs, with the intention to impose obligations, it would be wise to take their specific individualistic personal characteristics into account and chose for a less hierarchical style of government (Van Gunsteren 1994, pp. 150–152). It was Etzioni who, in his Theory of Compliance, referred to the existence of ‘relationship gearing’ with respect to more effective influencing. According to Etzioni the chance of exerting influence successfully increases as the extent to which the perspectives of the actor attempting to exert influence and those of the actor being influenced – the target – match each other. Etzioni developed his theory to explain the differences in the involvement of lower participants in the style used by the elite or representatives to exert influence within various organisations. Table 3 substantiates this (Mascini 1999, p. 109).

<table>
<thead>
<tr>
<th>Types of involvement</th>
<th>Alienating (negative)</th>
<th>Calculating (neutral)</th>
<th>Moral (positive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coercion</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Exchange</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Consultation</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

*The involvement of the entrepreneur.

Table 3: Etzioni’s typology of tuning relations

In this context, entrepreneurs should be seen as ‘lower participants’ and the representatives of the enforcement institutions as ‘representatives’. The core of Etzioni’s theory is that the influence will be more effective as the form of involvement from, in our case, entrepreneurs is more in tune with the way in which the inspectors attempt to exert influence. Numbers 1, 5 and 9 are congruent numbers (Mascini 1999, p. 111).

Socially responsible undertaking

More recently, there have been signs that large businesses are looking for a renewed situation in relation to the public domain. The Netherlands Social Economic Council’s (SER) advice on socially responsible undertaking issued in 2000 is a good example. In the Council’s vision on socially responsible undertaking, the business is central and not
government policy. Emphasis is then on the fact that doing business is considered a
social activity. Also of importance is the fact that the council will make no sharp dis-
tinction between those business activities that are compulsory by law and the other
activities. “This distinction ignores the fact that an important impetus behind social
undertaking is the compliance by all parts of the business with legal obligations (such as
the prevention of fraud and ensuring safety). There is no discussion possible about the
question as to whether businesses have to comply with existing regulations.” The SER
is, however, of the opinion “that social undertaking is primarily the result of the (horiz-
ontal) relationships which the business builds with its social environment and the
(added) values ensuing from these (…). Social undertaking is a type of tailor-made
operation which is linked to the enterprise’s own core business and to specific envi-
ronmental factors. Legislation, therefore, is not an adequate instrument and can, in-
deed, be counter-productive because the imposition of more legal obligations could
reduce the space – and with it the willingness – for the enterprise to experience its own
responsibility and to realise this” (Sociaal Economische Raad 2000, pp. 12–13, 51).

4 Governmental steering

Introduction

The task and responsibility of achieving public goals within the private sphere has been
assigned to the government. Given the context of this paper the private sphere is re-
stricted to business. What steering models does the government have at its disposal and
to what extent do these take sufficient account of the characteristics of businesses? Does
the government deal with the explosive growth in public goals, the consequence of the
development of the social constitutional state? What specific policy instruments are
available to the government – given the steering model chosen – to enable it to influ-
ence the behaviour of businesses effectively?

Rationales of government policy

In addition to the central position of the connection to the system characteristics of
businesses there are also what Snellen has named ‘the rationales’ of government policy.
These are the political, legal, economic, technical and social rationales. The core of the
matter is that the government must continuously keep the balance between these four
during the policy process. The problem is – as long as this is viewed one-dimensionally
– that each rationale independently seems to offer sufficient arguments for decision-
making concerning adequate regulation. “These rationales displace each other and
sometimes even try to eliminate each other. The various spheres of existence seem to
have liberated themselves from the others.” (Snellen 1987, pp. 3–5)

Political rationale demands decision-making about which private problems require a
public approach. This question cannot be answered without taking into account the
other three types of rationales. The legal rationale requires that the government – based
on the political rationale selection – is able to safeguard public goals. Business and citi-
zens, of course, have to be able to rely on the law. This trust also involves the supervi-
sion and enforcement of the regulations in question. The (im)possibility of imposing transfer of information obligations on businesses can also influence decision-making. The economic rationale compels the government to make choices from the scarce means in the public sphere. Finally, the technical and social scientific rationales demand that what is wanted is also achievable in practice. First and foremost the public goal has to be feasible with the technology available at the time. The social-scientific rationale applies to knowledge and experience concerning the type of behaviour and the possibility of intervention in various sectors of society. This final item fits in well with the system characteristics of business.

**Classical steering models**

Given the stated rationales of the government policy, the government will have to choose its instruments – and this also applies to the extent and the way in which obligations are imposed – carefully to achieve its public goals with the co-operation of businesses. When choosing the instruments the main question must be how can the behaviour of businesses be steered in the direction required to realise public goals?

The government has three classic steering models available to steer regulations: the communicative, the legal and the economic model (van der Doelen 1993, pp. 17–31). These three steering models have in common that, by using them the government endeavours to achieve as great as possible compliance with legislation and regulation by businesses.

When using the communicative model the government attempts, by providing information and transfer knowledge about the behaviour of the actors in businesses, to steer this behaviour in the required direction. Businesses are free, if they so wish, to pay attention by showing the required behaviour. There are no sanctions or rewards for businesses for showing the desired behaviour or not. There could, however, be another form of social control such as positive or negative publicity. In fact, the communicative model relies on trust in the German ‘Enlightened Thinking’ in the human ratio. The communicative model is suitable for steering legislation and regulation for public goals, which have a high quality of morality. The communicative steering model, however, is not suitable for imposing transfer of information obligations.

When the economic steering model is selected the government primarily uses financial incentives to encourage businesses to comply with the relevant regulations. People, working in businesses, are addressed primarily as ‘homo economicus’ in the sense of Bentham’s utilitarianism. Here again the government does not put pressure on businesses. The business is free to choose whether to show the required behaviour or not. The major difference between this model and the communicative model is that, in this case showing the desired behaviour is rewarded, often through subsidies, and not exhibiting the desired behaviour is punished, usually in the form of a levy. Compliance – or not – with the regulations is no longer based on moral standards but much more on usefulness. Which behaviour yields the most benefit? The receipt of subsidies or payment of levies is always accompanied by transfer of information obligations.

Finally, the legal steering model is primarily coercive in nature. It involves command and control regulations. This is the oldest steering model and goes back to the time of
ancient Rome and Greece. Non-compliance with the regulations by businesses is usually punishable by sanctions. Whether or not these sanctions are actually imposed depends on the type of legislation chosen. The legal steering model also involves many transfers of information obligations for businesses.

The communicative steering model fits less well into the reference framework and the values of the SASF business. Apart from the signal indicating a more socially responsible entrepreneurship, it is still more the economic steering model that appeals to the value system of businesses. The economic steering model does, however, carry with it the risk that when complying with the regulations businesses will allow the maximum usefulness for their own business to prevail over the content obligation as desired by society. Such behaviour could lead to the incorrect use of subsidies. The legal model, finally, seems to be quite rigid and – in comparison with other steering models – takes little account of the specific situations within business or in the environment of the businesses.

Against the background of the upcoming social constitutional state with its explosive increase in regulations, the existence of an ‘administrative spiral’ is becoming increasingly clear. This spiral consists of two processes, which reinforce each other: the decreasing effectiveness of legislation and consequently increasing policy administration (in ‘t Veld 1982, pp. 13–14). Citizens and businesses have an almost natural tendency to prevent or divert policy burdens. In the course of time they learn to withdraw from the regulations (reflexive behaviour of calculating citizens), which undermines the purpose of the policy. Van Vugt calls this the law of decreasing effectiveness. Policy makers usually react by making more detailed rules and additional regulations: this is the law of policy accumulation. Based on new learning experience the governed citizens – at least if they are clever – will find new ways to ‘escape’ and again, this will lead to new regulations. Eventually the legislation instruments could sink under their own weight (Van Vugt 1994, pp. 79–80).

More horizontal relationship between government and businesses

In the relationship with businesses government actions have, for a long time, been one-sided and coercive. The legal steering model, and also elements of the economic model – for example levies – ruled. Such a one-sided relationship is called a vertical relationship. With the rise of the social constitutional state and the inherent explosive increase of public goals and the accompanying modifying regulations, the government was compelled to an increasing degree – using the communicative steering model and subsidies as element of the economic model – to appeal to the willingness of businesses to comply with legislation and regulation so that, together, they could achieve public goals. The disappointing results and the high costs of a command and control type of legal enforcement by the government have become more and more evident recently. Therefore, alternatives have been sought, such as the shift from criminal to administrative enforcement. A movement for more private law enforcement also started. Liability for damage or loss is the most important private law enforcement instrument. As a consequence of these developments the relationship between the government and
businesses has become more horizontal and the government, in general, has lost some power to businesses.

Coercive measure such as do’s and don’ts and also levies and propaganda are part of a vertical relationship. The desired behaviour is achieved by coercion i.e. the undesired behaviour is forbidden or punished. A horizontal relationship is characterised by stimulating measures. These stimulating measures invite businesses to show the desired behaviour and not to use undesirable behaviour. The legal and economic steering models – which fit within a vertical relationship between government and business – are also considered to be rational regulation models. These models fit into – what Van de Donk calls – the schematic approach to the policy process. The schematic approach originates from the economic approach to (social) decision-making, inspired mainly by the opinion founded in Enlightened Thinking (of the Scots – Smith and Bentham) of the human capability to (physically) scientifically control the world. A vertical relationship between government and businesses, therefore, assumes a utilitarian policymaker, who as homo economicus determines his choice only after he has complete information about all the alternatives (Van de Donk 1997, pp. 73–84).

Towards new steering relationships

The fact that policy processes in general do not run according to the ideal intention and that they are not deterministic was known at the end of the sixties from various empirical studies of policy making and policy implementation (Van de Donk 1997, p. 86). The WRR (Netherlands Scientific Council for Government Policy) also gave clear legitimacy to a new steering paradigm: “attempting to limit all activities through the rules of public law will, in time, affect the basic principle of the present social system i.e. the freedom to act providing this is not forbidden, and turns this around to read: prohibiting action unless this is approved by the government from the environmental point of view.” (WRR 1992, p. 57).

The ‘failure’ of the schematic approach has resulted in policy processes being redesigned and the relationship between the government and businesses becoming more horizontal. The communicative model, also called call planned institutionalising, was paid more attention. Planned institutionalising is characterised by the setting of standards with the goal to internalize standards. The accent, therefore, shifts from the Scottish (Smith, Bentham) to the German (Kant) Enlightened Thinking. Understanding increases for the fact that effective steering from the government requires inter-active policy. And Van de Donk describes this as ‘policy as an arena’. While the schematic approach consisted of ‘inventing pictures’ the arena approach can be described as ‘policy as inter-action’ (Van de Donk 1997, p. 73 and 86). Determinism is replaced by contingency. The arena model aims at the greatest possible usefulness by several parties. Essential in the arena approach is weighing up the interests of all the parties involved. The arena offers this space to both governing bodies and businesses, which, in turn, creates space for self-regulation. If necessary government rules will offer a framework and the eventual self-regulation can be monitored by a quality test made later. This is called legally structured and standardised self-regulation.
Self-regulation and the stimulation of behaviour in compliance with the regulations—in order to achieve public goals—may not be voluntary. This means that at all times, in some way or other, the government must be informed of the extent to which businesses comply with the rules of behaviour linked to the relevant public goals. It is, of course, feasible that the nature and character of this transfer of information obligation could change e.g. less frequent or no longer directly to the government but to other institutions recognised by the government. The punitive element—or the threat of such—remains. If necessary business must be compelled to take self-regulation and consultation seriously. If government enforcers are not able—because of conflict of interests—or organisations use self-regulation merely as window dressing then the Public Prosecutor, as independent enforcer, should impose punishment. In other words, self-regulation always takes place ‘under the shadow of (criminal) law’ (Huisman 1994, pp. 36–37).

The government stimulates such developments towards self-regulation. Self-regulation is also stimulated in fields such as environment, labour and safety and the monitoring of financial transactions. Instruments of self-regulation include codes of behaviour, covenants, certification, internal business environmental systems, labour and/or quality assurance system, environmental and forensic auditing, appointing ‘compliance officers’. The idea behind self-regulation is that compliance with regulations is better if it is in accordance with the internal standards and conditions of the social field in which these regulations should apply (Moore 1973).

5 Conclusion

As the government has to safeguard public goals, self-regulation will always take place ‘under the shadow of criminal law’. The government always remains responsible for the public goal with which it is entrusted and, therefore, always needs to be informed about compliance with the content obligations involved. Therefore, even with self-regulation the imposition of some direct or indirect form of transfer of information obligations on businesses will be inevitable. Table 4 contains a synthesis and also shows the legal means used by the government for each combination of steering model and legal means.

<table>
<thead>
<tr>
<th>Steering model</th>
<th>Horizontal relationship</th>
<th>Vertical relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicative</td>
<td>Information</td>
<td>Propaganda</td>
</tr>
<tr>
<td>Economic</td>
<td>Subsidy</td>
<td>Levy</td>
</tr>
<tr>
<td>Legal</td>
<td>Agreement</td>
<td>Command, ban</td>
</tr>
<tr>
<td>Arena*</td>
<td>Covenant, Collective Labour Agreement</td>
<td>-</td>
</tr>
</tbody>
</table>

* Addition AN.

Source: Van der Doelen 1993, p. 21.

Table 4: Steering models and examples of specific legal means in the relationship government-businesses

The arena model has been added to the three classical models. Each model is combined with the way in which the government shapes its relationship with businesses, stimu-
lating or repressive. Stimulating means fit into a horizontal relationship. Repressive means are found when the there is a vertical relationship with the government.

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