Doing Business with Animals

Moral Entrepreneurship and Ethical Room for Manoeuvre in Livestock Related Sector

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Thesis

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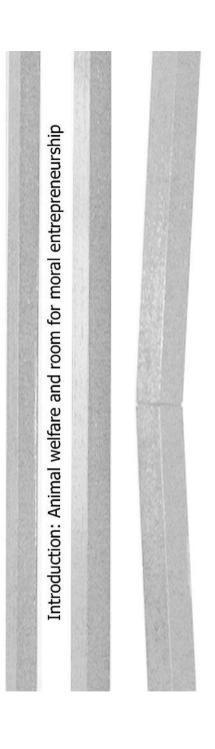
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1 Introduction: Animal welfare and room for moral entrepreneurship

Throughout history animals have been used mainly for food, science and company. Over the last decades, concerns about the quality of animal welfare have risen. Firstly, because modern phenomena as population growth, intensification of industry, rise of prosperity and individualisation of society are seen both as beneficial and as harmful for the wellbeing of humans, animals and nature. Secondly, concerns became more public due to the popularisation of animals and animal issues in the media, e.g. with programs as 'animal cops', and politics, with in the Netherlands a worldwide unique 'animal party' in parliament. The rise of interest is linked with a widespread and deeply felt conviction that a civilized culture must have moral duties towards animals in the sense of respect and care. Although these concerns are formalized in the Dutch Animal Health and Welfare Act, there are political and public calls for improvement of animal welfare in almost all fields in which animals are used (LNV 2007a). Concerning livestock keeping and meat consumption, the public majority has a long list of issues. These issues correspond with a set of demands, such as: more ability for the animals to express their natural behaviour; no physical and surgical interventions for husbandry purposes; shorter transports and better transport facilities; social transparency in the manner of farming and more publicly visible animals in and around the farm; more organic and animal friendly meat on the market; and, finally, more information for consumers to make a rational decision concerning the purchase of animal friendly and sustainable products.

The Dutch Ministry of Agriculture launched a program to stimulate integral innovation towards a livestock economy in which animal welfare, human health and sustainability are incorporated (LNV 2007b, Hopster 2010). The intention of the program is a multiple-stakeholder approach in which science, farmers, industry and retail jointly seek for possibilities to improve animal welfare. The main strategy for more sustainable animal production, besides legal and fiscal instruments, is the transfer of knowledge through development, utilisation and dissemination. In this approach three scientific disciplines are leading; welfare science, livestock science and business science. Welfare Science is developing reliable, science-driven, on-farm welfare assessment systems for poultry, pigs and cattle. The objective is to improve the welfare of animals beyond the international legal minimum level. The EU Welfare Quality® project addresses this task and developed so far a welfare system based on 4 principles, relating to feeding, housing, health and behaviour, and 12 criteria, related to hunger, thirst, comfort and movement. These principles and criteria are now in the process to become more technically and managerially applicable (Butterworth et al. 2009). Ultimately, the project wants to reach a standard to translate welfare measures univocally (EU) into product information. Livestock Science is designing animal production systems that are more sustainable not only regarding animal welfare but concerning environment and climate too. Government, science and NGOs aim for an animal farming system that can match market competition (level playing field) and respect the interests of animals and humans with their environmental and rural (landscape) dimensions. New forms of production systems are in development as well as improvement of the current techniques regarding breeding, rearing, transporting and killing animals. At this moment, October 2010, a project called Laying Hen Husbandry (Houden van Hennen) is in its final stage and the modernization of the husbandry of cows and pigs is on its way with projects called the 'Power of Cows' (Kracht van Koeien) and 'Porktunities' (Varkansen)¹. Business Science is gaining insight into the market potential for more transparency regarding animal husbandry, animal welfare status and meat composition. Health aspects are linked to meat consumption, such as food energy in kilojoules, to fight obesity and reduce heart and diabetes related diseases. Also, price mechanisms in the farm-to-retailer chain are studied, in particular the acceptance of animal-friendly production methods and of an animal welfare index. This resulted in the recommendation to base the prices of products more on customer value, that is, on the customer's perception and willingness to pay, rather than the economic value of cost-based pricing, or the social value of government financial incentives (Ingebleek et al. 2006). The consumer value approach assumes that for partners in the livestock chain an animal welfare index can yield a profit or can improve one's marketing position. The difficulty with this approach is facing a general expectation in the chain that the introduction of the animal welfare index will generate extra costs without a 'level playing field'. Legislation, or in a milder form, covenants may be needed to 'force', all parties in the chain to further cooperation in developing and implementing a welfare index (de Vlieger 2005).

Although the ministry explicitly states that it does not want to arrange animal welfare from a blue-print approach, it seeks to reach reasonable agreement on the nature of animal welfare and on the way we keep and use animals. Nevertheless, the innovation program shows a top-down approach with a dominant role of science. Arrangements must start from developing fully redesigned farming systems. Then, the ministry will actively support the development of prototypes and subsidize early adaptors and secure turnovers. Finally, a covenant among parties in the chain must be instigated.

These top-down and science-driven activities with multiple-stakeholder input produced promising results to stimulate or to bring about moral changes (LNV 2008, Hopster 2010). Some farming systems are more in line with the needs of the

¹ Designs for System Innovation /Stepping stones towards sustainable livestock husbandry. http://www.duurzameveehouderij.wur.nl/UK/ visited August 2010

animals. There are alternative techniques in development for interventions as dehorning, pig tail docking, beak cutting as well as methods for killing. Some transport conditions are improved and animal welfare measures are more standardized. Finally, consumers are more aware of animal welfare issues and some covenants are signed between players in the food chain. All these results promoted the welfare conditions of farm animals and contributed to a more animal friendly society.

Despite these good results, there are some clear indications that animal issues turn out to be more complicated than expected and that moral change in the live-stock sector is modest. One of these indications is the lack of success of the Laying Hen Project (Pompe 2006). This project was written from a science-driven goal for interdisciplinary innovation, but the sector did not consider itself a partner in the project. In the project 'Monitoring Welfare of Calves', the cooperation between science and industry had a difficult start and was not smooth and productive on all sides. Project evaluations show (Potter 2009, Heeres 2008): little consensus at the start on the objectives and the requirements of the research; lack of ownership due to vagueness about whose product it was (science, industry or both); and a forecast from industry that the results will not be used, although the research itself was appreciated. These indications are common in other ethical debates with respect to food and agriculture and can be linked to the following features (cf. Korthals 2004, 2008).

- The one-sided focus on just one or two values. Mostly an issue is reduced to some key facets. In the Welfare Quality project animal welfare is the only value. It is all about defining and measuring that value directly on the animal in relation to its environment (housing). Ethical questions are related to that value only, in the sense of whether to measure the average or the worst state of welfare and to whether one criterion can be compensated by another (Veissier et al 2009). In business science ethical issues are presented as dilemmas between animal welfare versus the costs of production and between animal welfare versus the willingness of the consumer to pay (Ingenbleek 2006, Vlieger 2005).
- The assumption that values can have a stable quality. Many parties in society want clearness and distinctness especially regarding multi-interpretable concepts and diverse practices. The aim of the Welfare Project is to set a foundation for a European harmonisation of quality systems. (Butterworth et al. 2009, Bokma-Bakker & Munnichs. 2009). The reason for this endeavour is, according to Blokhuis (2009), the demand of European citizens for guarantees and transparent information on farm animal welfare. The Welfare Project aims to fix animal welfare in standards and procedures so new housing and husbandry systems can then be properly tested and evaluated. In addition, reaching a standard is sometimes seen as closing the debate.
- The limited opportunity for directly involved stakeholders. Agendas, procedures and results are often determined by academic experts of the project. In the

welfare quality project, the role of farmers and the public is marginal. One of the reasons to disregard the role of the public maybe that methods, as focus group discussions, consensus conferences, expert workshops and citizen juries, need some organization and the results have only a temporary character (cf. Miele 2009). This reality encourages a determination of the welfare principles, criteria and measures by animal welfare scientists as the best way to lead the project results to a change or modification of practice. There is a risk that the farmers' professional identity, practices and ethics as well as their knowledge and understanding of animals are insufficiently acknowledged. Bock (2009) concludes that many farmers in basic or top quality schemes, unlike the organic section, feel misunderstood when they are depicted as uncaring and guilty of ignoring animals' needs. Famers, therefore, do not always assess participation as sufficient (cf. Pompe 2006).

Reducing the number of values and limiting shareholder's participation may well serve scientific progress as well as the production of standards and innovative concepts. However, it is debatable whether this, science-driven, transfer of fixedness and strictness is efficacious in its contribution towards moral change. Science-driven arrangement may draw the perfect situation but may be too abstract and too distant from daily reality. There is room for exploring other pathways.

In this research I see the animal issue as a complex of intertwined dynamic values with the involvement of multiple stakeholders. It starts from the assumption that reality cannot be reduced to one or two values, values cannot be stripped from their dynamics and that substantial participation of those involved is needed to formulate value dilemmas and to propose new ethical-technological solutions. From this perspective, animal welfare issues call for an approach in which the pluralistic and dynamic world of values is not only a beginning and an endpoint but a mode of operation too. This approach grounds in the belief that social and technological change come from new practices more than from scientific knowledge.

Starting from practices is studying experience. The livestock chain with its different expertises, as farming, meat production, logistics, retailing and catering, share the practice of *entrepreneurship*. Entrepreneurs have in common the creative attribute to enter the new, to find sources of opportunities and to bring together unique packages' (Welsh 2009, Brenkert 2009). The European Commission (2003) links entrepreneurship with economic risk-taking, creativity and innovation with sound management within a new or an existing organization. Originally, entrepreneurship comes from the French *entreprendre*, which translates roughly as to undertake or to embark upon (cf. Pozen 2008). With this interpretation the primacy of doing over thinking can be emphasized.

All entrepreneurs in the meat chain can have a moral impact on the way animals are reared. Farmers can adapt technology that enhances welfare. Meat producers can add value by guaranteeing certain welfare qualities. Retailers and caterers can stimulate, through their marketing, welfare friendly consumption. Entrepreneurs can make a moral difference but it is rather unclear what abilities they need to do so. The moral role of entrepreneurs in livestock related business has never been treated properly. Farmers and businesses in the chain are seen as crucial in the realisation of sustainable use of cattle, but are not regarded as architects and developers of new practices. I regard this as an omission. The potential role of entrepreneurship in an ethical context, as the animal welfare issue, need further exploration in particular because those who focus on new opportunities for moral change may well bring animal welfare at a higher level and in a faster way than the current science-oriented approaches. This thought is shared by the Dutch Rathenau Institute, for ethics regarding science and technology. In its ethics policies agenda for the Ministry of Agriculture the institute concludes that a lot of public money is invested in the development of new forms of livestock production, but eventually private parties are not willing or able to bring the innovation into practice (Staman and Slob 2009). The institute further concluded that this state of affairs undermines the rationale for public-private partnerships. Moral entrepreneurship of farmers should therefore be an issue especially linked with the question: how can science and government help entrepreneurs to leave their defensive attitude and lead them to the moral agency that the public still ascribes to them? From the discipline of Applied Philosophy, this research will contribute to this theme not by focussing on farmers but on entrepreneurs in the whole animal production chain.

Research objective, issues and method

Seeing the multiple-level and multiple-stakeholder intertwined complexity of the 'Animal Welfare Issue' new impulses are desirable to stimulate active participation in the ethical debate. One of these impulses can come from practice in general and in particular from entrepreneurship. The overall objective of this dissertation is to study moral entrepreneurship within animal and business ethics in relation to moral change. In particular the current capability in bringing about moral change and its potential to do so.

This study addresses the following questions:

- 1. What kind of ethics fits moral entrepreneurship best?
- 2. What role does moral entrepreneurship play in livestock related business and what should it play?
- 3. What considerations are needed to enhance the ability of entrepreneurs to operate in an ethical context?

To address the questions, this research focuses, apart on relevant literature, on three case studies. The cases differ in types of entrepreneurs, in situations and in the aspects of the animal-related issues that are most salient. The cases are:

- Farmers in participating in a system innovation program of animal husbandry that has the ambition to become exemplary for other projects.
- The food service company Sodexo in trying to implement CSR aspirations including selling animal friendly products.
- The meat production company VanDrie Group and Dutch Society for the Protection of Animals in implementing an intermediary, welfare related, meat segment.

The choice of these cases is based on several reasons. First, I wanted to study an innovation recently undertaken with a systematic ambition in animal farming that was seen to become an example to be followed by other maybe less ambitious projects. The project 'Houden van Hennen' fulfilled this condition and a first study of this farmers case supported my intuition that the efficacy of this system innovation project in the laying hen sector was quite low. How was this possible? (Pompe, 2006). I found that this project was dominated by a concept-based over experiencebased innovation. The dominant position of the scientist and the small role of the entrepreneurial farmers in the design became clear. Documents of the project were studied and some members of the project team and the project board were interviewed. Secondly, on the basis of these findings I searched for a project to study explicitly the relation between entrepreneurship and moral change in system innovation. The *Sodexo* case was from the beginning of this research project in view. The reports on corporate social responsibility of this multinational catering company caught the attention. The Dutch branch of Sodexo was so kind to allow me to look into its kitchen and to let me learn about the difficulty of entrepreneurship in a moral complex and economic competitive world. Interviews with the 12 members of Sodexo-NL Corporate Citizen Team were held and analysed. This case study is elaborated in an internal business analysis report. Knowing that the role of entrepreneurs in moral change was in the farmers case somewhat rudimentary and in the Sodexo case rather limited, I finally actively searched for a case in which a positive relation between entrepreneurship and moral change had taken place in the animal issue. Such a case is the introduction of an intermediary segment regarding a one-star welfare hallmark meat, in particular yeal. The onset and course of the new meat segment is described and analysed in the case VanDrie Group and Dutch Society for the Protection of Animals (DSPA). The VanDrie Group, represented by the Director Corporate Affairs Henny Swinkels and the Head of R&D Jacques de Groot, and the DSPA, represented by senior policy maker Bert van den Berg, were so kind to cooperate with my study.

All case studies are based on a triangulation of desk research, interviews with cross-reference and participant observation. The method of interview is *Responsive*

Dialogue by which practices are described and analysed by the experience of actors and narratives, in the light of social facts and pragmatic ethics, with the aim to enhance the understanding of a situation from a variety of perspectives (Abma & Widdershoven 2006, Widdershoven et al 2009). All interviews were recorded and a written summary was presented to the interviewees for approval. In addition, the design, the intermediates and the findings of this study have been discussed in presentations, participation in public lectures, conferences and in popular as well as peer reviewed articles².

Structure of the dissertation

This dissertation encompasses seven chapters (see figure 1.1). After this introduction the theoretical framework of this study is presented in the next chapter. In following chapters a reflection of types of ethics is given and the three cases are discussed separately. The final chapter reflects on the issues and the research questions in the light of the findings of this study.

• Eigendomsoverdracht: van overtuiging naar twijfel: deelevaluatieonderzoek Houden van Hennen". 2006. ASG 200610

Making Better Better: from What to How. Enhancing CSR/CC policy of Sodexo-NL through 'Ethical Room for Manoeuvre' internal business analysis report. 2008

Fast Food Version of Ethical Room for Manoeuvre: presentation at Buffet Pensant WUR, February 2008

Ethical Room for Manoeuvre: Implementation without principles. First European Conference Food Marketing and Ethics Today. Paris, December 3-4, 2009 (with M. Korthals)

Darwin's impact on Pragmatics and Ethics. Studium Generale Wageningen 6 June 2009

[•] Micro-ethiek in en van praktijken. *V-Focus.* 2009. 6/5. pp 40 - 41

^{• &}quot;Ethical Room for Manoeuvre: Playground for the Food Business" *Journal: Business and Society Review* 2010 115: 367–391. (with M. Korthals)

Minder Denken, Meer Doen. (Ethische) Ruimte om te Manoeuvreren in het Gemeentelijk Dierenwelzijnbeleid (Less thinking, More Action: (ethical) Room for Manoeuvre in Municipal Animal Welfare Policy), Baarn (NL) 14 October 2010

[•] Ethics and Entrepreneurship. Presentation NWO researcher program "Waardering van Dierenwelzijn" Lunteren 10 February 2011

Two pathways of innovation: Concept- and experience-oriented (with M. Korthals paper in progress)

[•] Entrepreneurship and Resource Based Ethics (paper in progress)

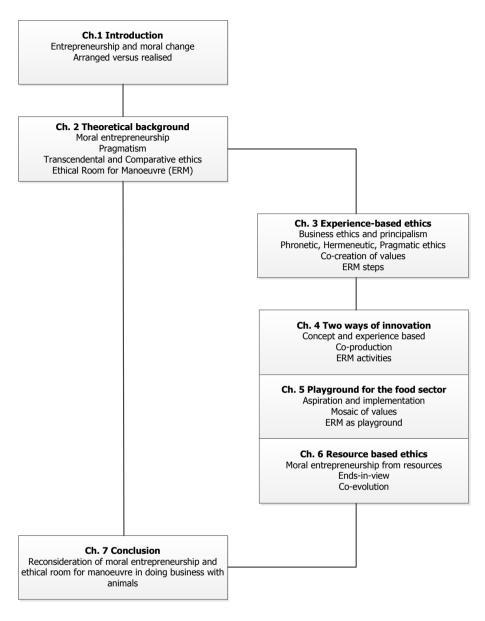


Figure 1.1 Outline structure dissertation

Chapter 2 sets out the framework of this study. It explains the term entrepreneurship and the way it is used in the context of animal and business ethics. It emphasizes the difference between transcendental or principalistic ethics and comparative or situational ethics. It also explicates American pragmatism as the philosophical background for the initiation of this study and the interpretation of the findings.

Entrepreneurship and pragmatism are connected to an ethics in which experience is dominant over reason and moral agency is not so much based on rationality as on the freedom to pursue a value. The complexity of animal issues is explained to demonstrate the need for more entrepreneurship in ethics. This chapter also explains the pragmatic method for ethical investigation as shaped by the concept and tool *Ethical Room for Manageuyre*.

Should the ethical approach for entrepreneurs be based on top-down deduction of principles or on bottom-up experience? Chapter 3 discusses three alternatives for mainstream ethics, collectively called experience-based ethics. These alternatives are the phronetic ethics of Aristotle, the hermeneutic ethics of Gadamer and the pragmatic ethics of Dewey. Experience-based ethics stimulates a process of inquiry and experimentation within the institution (intraplay) and with stakeholders (interplay). This chapter demonstrates that the capability to overcome conflicts is with regard to the conceptual world of principles, values, codes and standards overrated and with regard to the existential world of moral practice underrated. It elaborates the claim that principles and other types of moral standards are too rationalistic and generalistic to match everyday reality. Principle-oriented ethics, as a form of ethics of justification, can easily lead to simplification and confusion. To improve the connection between ethics and practice an ethics of discovery must come into view in which entrepreneurship is put centre stage. Ethics can be aimed at co-creating new values. Business and ethics are closely related if companies become aware of their Ethical Room for Manoeuvre (ERM). This is a process of inquiry and experimentation within the company (intraplay) and with stakeholders (interplay) to make morally desirable changes in business practices. This chapter claims that the animal and business ethics do not need a pull from principles but more a push from experience.

How much Ethical Room for Manoeuvre do entrepreneurs have in science-driven system innovation? Chapter 4 analyses a theory-to-practice approach of 'scientific experts' in animal welfare projects by focusing on the role of the farmers as entrepreneurs in system innovation, in particular the Laying Hen Project. This chapter elucidates the conflict between the desirable and possible world of the innovators and the experienced practice of the farmers as entrepreneurs. Here, the efficacy and effectiveness of the approach of the scientific experts are questioned. An alternative approach is analysed. One in which innovation is built on criteria as feasibility and recognisability in a process of participation and co-production. This is demonstrated by applying the concept Ethical Room for Manoeuvre. This chapter makes a distinction between two pathways: starting from social interactive innovation and working to (entrepreneurial) acceptance versus starting from entrepreneurial acceptance and working to socially desired innovation.

Chapter 5 elucidates the difference between 'I want' and 'I can' by showing the difficulty to implement aspirations. It sets out the case study of Sodexo as an entrepreneur with great CSR aspirations. This chapter discloses the gap between the company's moral ambitions and the actual achievement due to the company's overrating of its abilities to deal with the irrational and complex moral world of business. This chapter also shows the inefficacy of mainstream business ethics. Theory and practice are too far apart in the sense of simplicity of ethical principles in relation to the complexity of the real world. The Sodexo case demonstrates that it is difficult to deal with a mosaic of values and to make a moral difference when clients and consumers are diverse and erratic, when competition is hard and the internal organization structure is functionalistic. This chapter suggests a playground for inquiry and experimentation, as represented in the idea of Ethical Room for Manoeuvre. The playground can enhance the company's abilities to operate morally in the complex world and to meliorate business and society with more effectiveness.

Chapter 6 illustrates a resource-based ethics. It studies the relationship between two active entrepreneurs: the VanDrie Group and the Dutch Society for the Protection of Animals. These organizations found through dialogue and trust-building common ground to create a new market for more animal friendly products. The chapter describes and analyses the process of cooperation. The relationship is further analysed from the perspective of setting ends-in-view and co-evolution. This chapter sets out a resource-based ethics in which the abilities and opportunities concerning entrepreneurship are balanced in a societal and moral context.

In the final chapter the research questions are answered and conclusions are drawn. It reflects on the overall objective of this dissertation to study moral entrepreneurship within animal and business ethics in relation to moral change. This chapter discusses the considerations needed to do business with animals in the livestock related sector. It links the findings of the previous chapters with the ethics that fits entrepreneurship best and the role entrepreneurship can play in moral issues. A recapitulation of my enhancement of Ethical Room for Manoeuvre will form some insight on how to improve the ability of entrepreneurs to operate in an ethical context. This dissertation finishes with some recommendations concerning the role science, government and business can play in stimulating moral entrepreneurship and ethical room for manoeuvre in doing business with animals.

Theoretical Framework: Moral entrepreneurship and Pragmatism	
Theoretical Frame	

2 Theoretical Framework: Moral entrepreneurship and Pragmatism

The exploration of the moral entrepreneurial pathway for moral change in animal and business ethics will be guided, apart from the three cases, by a theoretical framework in which practice and ethics are the core concepts.

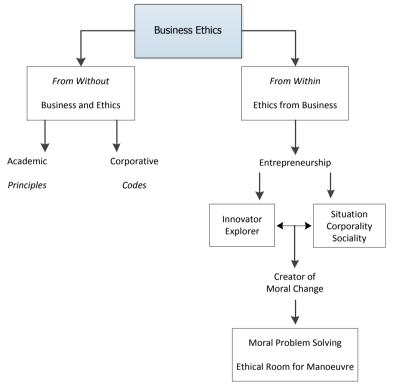


Figure 2.1 Conceptual outline theoretical framework

Such a framework entails obviously the concept of entrepreneurship and its possible dimensions for dealing with the moral world of business (see figure 2.1). It finds its philosophical support in American pragmatism with its focus on practical experience as the basis for ethics. ³ The framework also borrows concepts as 'transcendental'

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³ This research allies with other projects on Pragmatic Philosophy in the Netherlands. Keulartz et al. (2004) discussed our technological culture from a pragmatic perspective. Logister (2004) reconstructed, outstandingly, Dewey's empirical ethics in the concept of creative democracy. Kupper (2009) applied Pragmatism on the disagreements about values in the public debate and

and 'comparative' ethics to illustrate the contrast in approaching the animal welfare issue, as described in the introduction, between the arrangement-focussed approach of science and the realisation-focussed alternative of entrepreneurs.

This contrast forms the topic of this dissertation. The theoretical background of moral entrepreneurship and pragmatism compose ground for a concept *Ethical Room for Manoeuvre* as a tool for addressing the pluralistic world of values and bringing business and ethics closer together at a higher efficacious level.

Entrepreneurship and moral change

Concerns with business ethics

Business ethics is a well discussed item in society, science and in companies, but often with a negative denotation. For society, business ethics owes its prominent role because of the scandals some companies bring forward, as extravagant bonuses for top bankers in an economic crisis, disgraceful accountancy by Enron, Worldcom, Parmalat and Ahold, environmental spoils by Shell Oil and BP and health threat by Nestle regarding melamine contained dairy products in China. These scandals confirm the public belief that business still upholds its rational economic adage to maximize profits by minimising costs and even in such a way that business ends seem to justify the means. Scandals also confirm pejorative qualities of managers as antisocial, possessive, avaricious, greedy and hedonistic. The call from society to restore moral agency, in the sense of truthfulness, honesty and stewardship regarding employees, customers and environment, becomes louder.

Societal concerns are not the only issues confronting current business ethics. De George (2006) sees in the history of business ethics two strands: the academic and the corporate interests. In the academic strand, business ethics involves the research on concepts, foundations and decision-making tools. It entails the analysis of concepts such as autonomy, non-malificence, beneficence and justice in order to understand and control moral situations better (cf. Garriga and Melé, 2004). The result, however, is questionable, as De George notices. The academic strand of business ethics was, and maybe still is, not warmly received by managers because academic ethics was too much focused on a framework for an ethical evaluation of business and too critical of business practices regarding consumers' interests and environmental impact. These critiques stimulated a second strand, namely business ethics as a corporate movement. Companies themselves developed internal

political decision-making concerning biotechnology. Horstman (2010) is active on public health issues.

structures to stimulate or even enforce ethical conduct of their employees. This movement resulted in the definition of clear lines of responsibility, the formulation of corporate ethics codes, the setting up of ethics training programs and in some cases the appointment of a corporate ethics officer. According to De George these policies are means of transmitting values within the firm and maintaining a certain corporate culture. The ethical intentions and results are reported as part of the firm's Corporate Social Responsibility (CSR). However, also with this strand the corporate movement does not take away scepticism, from the public as well as from business competitors, since reports are often used for window dressing (cf. Porter and Kramer 2006).

Business ethics often evokes negative connotations. The public sees it as a tool to mitigate business harm. Companies use ethics for PR and marketing. Academic practitioners have difficulty developing business ethics that is useful for business. All this creates a rather bleak perspective for moral change. One explanation for the gloomy view is the separation of ethics from business. The three perspectives can illustrate that gap, or maybe a bifurcation, because it presents contrasts such as: society versus business market; moral philosophy versus companies; firms versus the stakeholders. Besides, ethics forces itself into the business sphere by societal pressure and legal power. Carroll's (1991) well-known (inverse) pyramid of corporate social responsibility appears to be still relevant. The importance of financial returns and competitiveness out weight in mostly all firms the moral duties. Companies regard their economic responsibility as a 'must' and their legal obligations as a 'have to'. The 'ought to' of ethics and the 'might to' of philanthropy are side-tasks.

Provisional sketch of a business ethics 'from within'

There is room for a fourth perspective on business ethics, one which represents an 'ethics from within'. An ethics that is intelligent enough to stimulate co-evolution between business and society as a process for interrelated change. A strand in which 'must' and 'ought', as in Carrol's terms, are in close proximity. I want to research the room for an ethics based on moral entrepreneurship. This perspective will be different from a business movement that formalizes good conduct into codes. It differs also from the entrepreneurial ethics that focuses on decision-making and business dilemmas (cf. Harris et al. 2009). This perspective, which I connote as positive and sanguine, starts not from what business should do but more from what it *already does*. It must become an ethics that enhances entrepreneurial competences to create moral change or contribute to it.

Entrepreneurs, small-medium size enterprises (SME) and large complex enterprises (LCE), are commonly associated with new opportunities or innovation in business. Literature emphasizes these practical dimensions. Shane and Venkataraman, (2000) see entrepreneurs as a source of opportunities with gueries on how to discover,

evaluate, and exploit opportunities. This opinion of the entrepreneur as innovator is more prominent in Schumpeter (1934). He stresses that economy is not a stationary process but a system that would of itself disrupt any equilibrium. In this process the entrepreneur is an innovator who implements change within markets through carrying out new combinations. These combinations can be either in the form of a new good, a new method of production, new market, new source of supply, new materials or parts and new organization (p84). A later author, Drucker (1985: 25-27) also links entrepreneurship with innovation. Entrepreneurs always search for change, respond to it, and exploit it as opportunities. Drucker stresses that it is a behaviour that can be learned rather than a personal trait as intuitions. He also emphasizes that new wealth-producing capacity comes from endowing existing resources. To roundup, whether an entrepreneur is an innovator, opportunity explorer or a source, he or she is someone who puts his or her plans successfully into practice. This notion is important, because it distinguishes the inventor from the innovator and science from business.

In the studies on entrepreneurship two models of human actions are predominant in both economics and ethics: the rational action model, in which the ratio or correspondence between means and ends is centred and the *normatively oriented* action in which a given standard determines the deed (Khalil 2003a, Kraaijenbrink, 2008). These models face critique because their dominance suppresses the creative ability of action. A third model, one "that emphasizes the creative character of human action" (Joas 1996: 4), may bring a new understanding of entrepreneurship and its moral aspects. According to Joas, human action in general, and in particular regarding creativity, is bound to three characteristics, situation, corporality and sociality (1969: ch3). An action does not take place in a situation but the situation itself determines the action. Each situation induces experience, shapes our perceptions and understandings of the world, which makes to revise our actions in our response: "it is not sufficient to consider human actions as being *contingent* on the situation, but it should also be recognized that the situation is constitutive of action" (Joas 1996: 160). A situation is, hence, not a pre-established means-ends framework, as in the rational action theory, but a state of learning in which generated actions continually are revised. Regarding the corporality, perception and action are rooted in a body with its sensory, locomotive and communicative powers. We experience and control the world we live in corporately. According to Joas, "Given that the fundamental forms of our capacity for action lie in the intentional movement of our body in connection with locomotion, object-manipulation and communication, our world is initially structured according to these dimensions" (1996: 158). Joas emphasizes that beings are embodied beings and therefore that moral agents are *embodied moral agents*. Joas view on human action reflects Merleau-Ponty's workspaces as "one's being-in-the-world through one's own lived body" (1962/1945: 151). It is maybe philosophically problematic to extend the biological meaning of the concept body to a more industrial or economic significance.

However, the concept 'body' has an aggregative sense, as something that embodies or gives concrete reality (cf. Webster dictionary). In my view this interpretation can be linked with Joas' corporality. The employees of a firm can have a collective perspective, knowledge and skill and their organized capability is what embodies business. Therefore understanding any action, whether individual or collective, creative, rational or normative, comes from an embodied (collective) mind with a background of former experiences. This constitutive principle applies also to sociality, as humans are social beings and social actors, which means they do not just happen to be social but sociality is inextricably part their agency. Joas defines sociality as "a structure of common action which initially consists solely of our interaction with other bodies" (184). The sociality of action links clearly to Bourdieu's 'logic of practice' in which practices are submitted to hidden structures and dynamics (Bourdieu and Wacquant, 1992). Practice is not a pure intelligent product, but a result of agents socialized in a 'field' of roles and relationships with various forms of social and financial 'capital' as competitive resources. From the views of Joas and Bourdieu, entrepreneurship, and its moral dimensions, can be analysed from the facilities and constraints that stimulate and restrict opportunities and innovations. This latter perspective is a key point of this thesis and will return in all chapters.

Definitions of moral entrepreneurship

The connection between entrepreneurship and ethics is normally expressed by the term 'moral entrepreneurship'. Adam Smith noted in the 18th centuries, in his Theory of Moral Sentiments (1776 / 1976), that self-love and self-interest are, apart from market-place attitudes, not the only motivation human beings have. Sympathy, generosity and public spirit belong also to the nature of the businessman. A moral entrepreneur is commonly regarded as a person who seeks to influence a group to adopt or maintain a norm. Becker (1963) differentiates two types: the rule creator and the rule enforcer. Rule creators are moral crusaders whose focus is to persuade others successfully about the importance of the issue and of an acceptable solution. They do this by means of employing social power, public support and by generating public awareness (142). Rule enforcers are not that concerned with the content of the rule but the effectiveness. They feel the need to impose the rule from a professional motive (156). Pozen (2008) defines a moral entrepreneur as someone with the power to change moral intuitions by appealing to self-interest and emotions and to teach us to love or hate what he or she loves or hates (people, cultures, animals and nature). The interpretations of Becker and Pozen make clear that 'moral entrepreneurship' is about change but not from the perspective of discovery and innovation but from one's own beliefs and persuasive power. A moral entrepreneur operates with an 'absolute ethic', of which, according to Pozen, Jesus Christ as well as Adolf Hitler can be seen as examples. The meaning of moral entrepreneur is in

this sense too narrow and therefore not fit enough to cover entrepreneurship confronted with animal and business ethics that I have in mind.

Other modern interpretations of entrepreneurship may broaden the moral meaning. In the classical view entrepreneurs were strong-willed, success-oriented persons who drove the process of economic growth. In more recent social science literature new types of entrepreneurs have come to the fore that may also operate beyond the economic sphere. Pozen distinguishes social entrepreneurs, policy entrepreneurs and norm-oriented entrepreneurs (Pozen 2008). These are terms that are associated with behaving in a good manner, upholding values and perusing ideals. Being a social entrepreneur is, according to Pozen, aiming at public change with groundbreaking scale and effect, as many NGO try to do. A successful example of a social is Muhammad Yunus with his micro-credits. entrepreneurship one promotes innovative ideas to the public sector in the hope for support or new ideas. Finally, one can speak of a norm entrepreneurship when the actor aims to create a 'norm bandwagon' to change social norms whereby small shifts in norms lead to rapid revision of its prevailing norms, as seen by the collapse of apartheid, through Nelson Mandela, and of the cold war, by the effort of Ronald Regan.

Pozen's disclosure of the different functions of new entrepreneurs matches the diversity and complexity of the 'market' with its continuous call for change. But also, this pluralistic makeup is a need to redefine moral entrepreneurship. All types of entrepreneurship can be relevant in making a moral change and therefore should be taken into account when defining the meaning of moral entrepreneurship. Projecting the need for redefinition on the animal issue, as described in the introduction, moral change is maybe more likely to come from social and policy entrepreneurship than from the moral and norm types. The adjective 'moral' must, therefore, be broadened by letting it refer to *all* versions of entrepreneurship including the economic one, since what makes someone a moral entrepreneur is the moral change he or she brings about and not so much the motive from which the action started. This unlike the (neo)Kantian perspective of moral responsibility (Dubbink & van Liedekerke, 2009). Therefore, conjoining the social, policy, norm and economic related attributes, I define a *moral entrepreneur* as *a creator of effective moral change*.

In order to create more room for *an ethics from within*, the broadened definition of moral entrepreneurship can shift the discussion from what business achieves to what it *can do*. It also opens the entrepreneur's potentiality to be active with changing a situation for the moral good even when the main outcome is an economic result. Terms as 'can do', 'from within' and 'potentialities' direct the moral debate towards the capabilities for change and less towards change itself as Amartya Sen (2009) stresses in the debate on global justice. In his *capability* perspective, freedom to achieve is more important than actual achievements (Sen 2009, p238). Sen's idea is

that to estimate a moral condition one must not so much look on what the involved have but on what they *can do or be* in society. Sen expresses the opportunity aspect of freedom by given the 'comprehensive outcome', the way the person reaches the outcome, e.g. by his own choice or by the dictation of others, a higher importance than the 'culmination outcome', that what a person ends up with. With putting process over outcome, Sen defines capability as to do things he or she has reason to value (231) and intertwines it with agency. Respecting agency means creating social arrangements to expand capabilities, that is, freedom to undertake or achieve valuable doings and beings. This form of agency is useful for elaborating an ethics from within and will be linked in chapter 4 with executive ownership in the innovation process and further discussed in the final chapter.

The position of resources in entrepreneurial practice is more dominant than the economic end, as Sarasvathy enfolds. In her model of entrepreneurship, the meansdriven activity is key because it ultimately assesses the effectuation of efforts. This point will be demonstrated in chapter 6 with the VanDrie / DSPA case. For Sarasvathy the "question is 'What can we do?' with our means rather than 'What should we do?' given our environment" (2008: 248). Moral entrepreneurship is strongly linked with the ability to perform. In that sense the dynamic is more important than the available resources. However, Sen's contrast between resourcebased and capability (freedom)-based approach is highly relevant for rethinking global justice (cf. 2009, 231). Conversely, for business ethics the distinction has another importance. In global justice, to provide resources is only the minor part of the relief, while giving opportunities to use resources is more crucial. In First World business ethics, though, the weight of ends over means reverses. In a world of plenty, ends can become somewhat overabundant as we can create as many as we want. The key for business is, therefore, realizing the ends with the means at hand. This is often underestimated as aspiration will not automatically lead to implementation as I will illustrate and analyse with the Sodexo case in chapter 5. Capabilities, agent's freedom, must not be seen as functionalistic regarding econometric targets but more as interpretative in the light of co-creation of values. Business opportunities for moral change are, hence, resources in combination with capabilities, something I will further explain in chapter 6 on resource-based ethics.

Practice as the base for ethics

Sen's elaborated ideas on capability and agency, which shed some new light on business ethics and moral entrepreneurship is not the only fresh item that he presents. In his promotion of a new idea on justice, Sen sharply distinguishes two forms of ethics, *transcendental* and *comparative* ethics, which I shall use to reconstruct moral entrepreneurship and to redirect ethics.

In the introduction of this thesis I outlined the situation from which this research has emerged. The efficacy of government and science to (re)arrange the world for more animal welfare is questionable. Their knowledge and science-driven approaches contrast the practice approach found in entrepreneurship. Sen's intellectual contrast between the arrangement-approach and the realisation-approach may not only bring new light into the idea on justice but on the animal welfare issue too.

The history of the philosophy of justice consists, according to Sen, two traditions. One he calls 'transcendental institutionalism', which examines the nature of ethical phenomena, as 'the just', the 'the free' and the 'harm and the good', in order to find or outline the perfect institutions guidelines for change. This tradition has Rawls, Dworkin, Nozick, Gauthier as contemporary representatives and Hobbes, Locke, Rousseau, and Kant as the historical ones. The other tradition is labelled by Sen as 'realisation-focused and comparative approach' with himself as representative and Smith, Bentham, Marx and Mill, as his predecessors (2009: 9-12). This stream compares different social realisations and tries to find some criteria to determine what makes one situation 'less unjust' than another. In short, the transcendental approach founds its ideas on abstraction while the comparative stream grounds its thoughts on experience and observation. The contrast between arrangement versus realisation, transcendental versus comparative and abstract versus experience, forms the story line of this dissertation, and is most visible in chapter 4 where this polemic is, implicitly, illustrated by concept- and experience-based innovation. One of the main messages of this thesis is to shift towards a more realisation, comparative, experience approach of ethics in the pursuit to change the livestock chain to a higher animal welfare level.

Ethics is, in my view, seen by many as a transcendental-oriented approach. It is commonly understood as a philosophical discipline that deals with values and norms in relation with good and bad and that systematizes, defends, and recommends concepts of right and wrong behaviour. Applied to business, ethics addresses moral beliefs, attitude and conduct related to economic and commercial activities. This form of ethics is strongly rationalistic and top-down. The emphasis on meta-ethics and normative ethics by Frankena (1973) illustrates this character. Ethics is on a meta-level about moral theories, as utilitarianism and deontology, and moral concepts, as justice, autonomy, wellbeing. On a normative and applied field it determines the best course of moral action by translating or applying ethical principles to a particular context or practical case (cf. Beauchamp & Childress 1994).

This rationalistic and top-down nature is still present in contemporary textbooks. Solomon (2007) describes in his 'Introduction of Ethics' ethics as a study of values and justification as well as the actual values and rules of conduct by which we live (12). For Solomon, "ethics is not just a varied collection of 'do's and don'ts' but a system of values and principles which tie together in a reasonable and coherent way

in order to make our society and our lives as 'civilized' and as happy as possible" (13). An example of coherently tying principles and values together is the, so-called, ethical matrix of Mepham (1996, 2000). This conceptual tool is designed to assist reaching sound judgements or decisions about the ethical acceptability of action and policies. It cross-links prima facie principles, referring to wellbeing, autonomy and justice, borrowed from Beauchamp and Childress (1996), with selected interest groups. Mepham's idea is that through the application of ethical principles on the interests of stakeholders, ethical problems can be identified and appropriate responses can be guided. The dominance of principles in analysing moral situations is also present in business ethics. Zimmerli and Assländer (2007) suggest a hierarchy starting from principles at the top, regional (time and place related) standards and professional code of conduct as sub-layers and at the bottom material values. They suggests that each conduct or business policy should be first and ex ante evaluated with ethical principles to see whether it can be forbidden, permitted or needs further clarification. Only if a decision on a higher level cannot be made, does a lower level come into play. This process must prevent that decisions are made on material, economic or hedonistic reasons only. Zimmerli and Assländer claim that their model is problem oriented and meets the requirements for dealing with the pluralism of values as seen in market economies.

The dominant position of rationally conceptualized principles in ethics is a target for philosophers who regard practice, and the experience from it, as the leading attribute of ethics. Many of these belong to American pragmatism. For pragmatism in general, experience is eminent for truth and knowledge, especially in the work of John Dewey (McDermott, 1981). Truth is determined by the practical consequences of a proposition, in the sense whether it works satisfactorily. For Rescher (2000: 13) the concept experience is prominent in the basic forms of pragmatism: the meaning of a term consists in its use (semantic pragmatism); the truth depends on its successful implementation (epistemic pragmatism); and all understanding is a product of doing, which gives practice the primacy over theory (ontological pragmatism). Pragmatism keeps in touch with daily life and regards, therefore, philosophy as merely an instrument to reconstruct daily practice critically in order to ameliorate experienced problems. Pragmatism does not discard rationality and theory since they can be essential instruments for dealing with problems. The warning from pragmatism is not to overstretch reason as it may lead to a separation from experience. This deficiency is likely to occur in an ethics where principles are the starting point for ethical deliberation. Chapter 3, on experience-based ethics, will elaborate this point of concern and discuss forms of ethics, apart from the pragmatic version, that are more based on practical wisdom (phronèsis) and fusion of different thoughts (hermeneutics).

The dominance of principles and the subordination of material values is what make pragmatism sceptical towards classical ethics. It stresses that values and principles

are formed out of the practice. Stuhr (2000) equals pragmatism with radical empiricism because of the claim that the experiencing subject and the experienced object form a relational unity that cannot be separated. For ethics this implies, according to Dewey, not to put effort in separating experience from reality, but rather 'blind, slavish, meaningless action' from 'action that is free, significant, directed and responsible' (cf. Stuhr p.5). Rorty follows this line of thought in a debate about applied ethics (2006a) by stating that ethics should not aim its effort at the iustification of principles and standards but should focus on analysing cases and revealing relevant differences (2006b). For Rorty, the task for ethics is not to construct coherence but to find in practical situations consistency and with that predictability. Posner (2004) demonstrates his scepticism on principles in the philosophical discourse on animal rights. The debate between Utilitarianism, Romanticism and (normative) Darwinism on the interpretation of animal rights remains inconclusive. The moral position of animals is, what Posner calls, a humancentric issue, in the sense that it is our empathic response to animal suffering how much rights we give them. In a wider context Sullivan and Solove (2003) summarize strikingly Posner thoughts on democracy (2003) and that of pragmatism in general with "We don't look to theory to tell us what "democracy," "justice," "equality," and "freedom" mean. We look to our experience of past practices" (701).

The message from pragmatism on ethics is clear: values and principles are not imperatives but are hypotheses, emerged from the past with its record of success and tested in a new situation (Dewey 1929, Buchholz and Rosenthal 2005). Ethics must, therefore, not be a contemplative but an experimental discipline. All ideas need to be tested by experience to measure how valuable that idea is, since reality changes constantly. For ethics this means all solutions are temporary solutions and the making of a better world for oneself and others is an ongoing creation. Keulartz et al. (2002) formulate the difference between principle-oriented ethics and pragmatism in terms of justification and discovery. An ethics of justification defends a moral outcome or course of action by arguments or good reasons, while the pragmatist's idea of ethics is an ethics of discovery that seeks purposely for heterogenic confrontations in order to grow from the experience of dealing with or overcoming conflicts. The distinction between justification and discovery corresponds with Sen's transcendental and comparative division. For justification a reference point is essential, preferably an absolute one which is not bounded to time and situation. Some believe that such a beacon must come from transcendental effort. Discovery, on the other hand, is an explorative action initiated by comparing situations and observing unwanted dissimilarities. Exploration is the onset for restoring a misbalance or omission. Restoring a frustrated situation is a deed that forms the pragmatic core of ethics and makes it melioristic. For pragmatism, ethics is melioristic because it is based on the belief that it is worthwhile to put effort in advancing the common good. It is, according to Koopman (2010), the heart of pragmatism and stands for an attitude of improvement, progress and betterment. Koopman

formulates the central idea of meliorism as a philosophically robust concept of hope that can function as a guide for critique and inquiry (15).

Ethics itself does not need to have its focus on justification of intention and conduct. It may well explore the *discovery of new values* for a breakthrough towards moral change or improvement. In that case ethics and entrepreneurship become closely related. According to Bucholz and Roosenthal (2005) both fields need the same management properties as *thoughtfulness* regarding understanding concrete human existence in its richness, diversity, and complexity, *imagination* to see authentic possibilities and *creative intelligence* to reorganize and order capabilities (cf. Hannafey 2003). Pragmatic ethics and business are both about dealing with a social and a physical environment, events that are inseparable and transactional (cf. Dewey and Bentley, 1949), and about changing these realities for the good by overcoming problems. Both aim at modifying or innovating a practice for which social mindedness, change orientation, imagination, creativity and the ability to exploit the new are pivotal competences (cf. Werhane 1999).

This study does not want to exclude science and ethical principles from the animal issue. Science is needed to order knowledge and to develop new technology. Ethical principles have a heuristic function for thinking about the good world and the behaviours it needs. But, on the imaginary axis between rational principles and moral experience, I operate in the latter area. I follow Rorty (2006b) in his wisdom that "theory is a good servant but a bad master". This, not only because I believe that past experience dictates more the future than reason, but, pragmatically, that with the term 'moral experience' I can improve the connection between entrepreneurship and ethics and set them on a course along the pathway towards moral change.

Ethical Room for Manoeuvre to enhance moral change

So far the theoretical framework is built on the notions that the current strands of business ethics, academic and corporative, have negative connotations due to the separation of business and ethics. An ethics from within is the alternative to be studied. This study opposes transcendental and principalistic forms of ethics, because of their rationalistic and top-down nature. As reaction I embrace comparative and pragmatic ethics, since I believe that bottom-up experience is the best ground for bringing about moral change. Moral entrepreneurship can be seen as a potential phenomenon to realize, in the theme of this research, higher levels of animal welfare in the livestock chain. Moral entrepreneurship is defined in a broad sense - as a creator of effective moral change – and literature shows that entrepreneurship refers to a person as a source and that it can be learned. This last point leads to the intention of this thesis to develop a concept in which the entrepreneurial, the comparative, the explorative and the moral dimensions are processed in a practical

tool for approaching and dealing with complex issues as animal welfare in the production chain. This concept and tool is called *Ethical Room for Manoeuvre (ERM)*.

Before discussing the instrumental aspects of ERM, I want to enfold the theoretical complexity of the animal welfare issue a bit more. In chapter 1, I described the science-driven arrangement towards more animal welfare and classified drawing a future husbandry as too abstract and too distant from daily reality. In contrast with the main policy regarding animal welfare issues - reducing the number of values, fixation of values and limiting shareholder's participation - bringing about moral change means that entrepreneurship has to deal with some complicated features (cf. Korthals 2004, 2008).

- Issues are commonly embedded in a mosaic of values. Animal welfare is not an isolated value but an important element of a mosaic of values and hence a factor of different practices. The farmer, the scientist, the legislature, the veterinarian, the environmental official, the food manufacturer, animal protectors, the butchers, supermarkets and consumers all have an effect on how the animal is kept. Livestock, farms, food business and society constitute each other like organisms form the environment and vice versa. Considering animal welfare means taking into account other values or concerns too, as food safety, food quality and conditions regarding income, labour and environment. Sometimes, aesthetical and cultural value of landscapes, biodiversity, climate change and global justice are part of the web of animal welfare (cf. Beekman 2006). Values are interwoven in the sense that one determines the other (Korthals 2004, Rosenthal & Bucholz 2000). Consequently, isolating a value for research and policy-making may lead to naivety.
- Values are contingent and dynamic. Values express an importance or worth of something for someone. This importance is context-dependent. For welfare, it depends on the various practices in which human-animal interactions take place (Korthals, 2002). The assessment of animal welfare and the permission to harm (or to promote) it differ in contexts as farming, bio-medical science and at home. The situational distinctions link with pluralistic and multiple-interpretable concerns. In addition, values and concerns are dynamic and contingent. New political, economic and technical challenges change the moral status of animals, and normative directives attached to it, continuously. As practices change, values attached can change with it. Values contain uncertainties not only in daily practice but even in the field of natural science. In science, animal welfare is still attached to major questions on different levels (Sandøe 2004, de Jonge & Spruit 2005, Pompe 2009) such as: can animals experience their state of wellbeing (ontological uncertainty)?; how to find out what these experiences are like (epistemological uncertainty)?; how to define and classify these experiences in terms of wants and needs, stress and suffering (conceptual uncertainty)?; how to design an experiment that provides scientific evidence (methodological uncertainty)? The uncertainties, the contingency and dynamics make it hardly

- possible to research (any) value or concern objectively and, consequently, there is room to reach consensus based on intuition and sympathy. The success or acceptance of a value is only warranted for the time being as long as the interpretation is socially valid. Besides, values have, in their essence, an experimental nature, since the content and the impact can only be revealed in practice, i.e. through experience.
- Issues involve multiple stakeholders. In general, societal and economic problems are not simple two-fold dilemmas but multiple conflicts involving multiple stakeholders at multiple levels. Improving situations cannot be a one-party affair. Besides, the usual distinction between roles and practices appears to fade (Grin et al 2004). Those who are directly *involved* in the production chain (breeders, fatteners, retailers, process industry) and those who are heavily interested in the chain, due to strong views and eagerness for steering (government, consumers, NGOs like animal protection movement) are sometimes difficult to separate. Problems and solutions are not any longer a matter for those who possess expert knowledge and theoretical understanding. The importance shifts to those who bear the problem and seek to overcome it. Professionals cannot simply develop plans or things in the hope stakeholders accept them and stakeholders cannot simply accept them under the assumption or in the hope they are rightfully, lawfully and morally developed. The meaning of a value and the function of a rule are context dependent, so ethics should emerge from the practice where it wants to be successful. This means that stakeholders should not only be part of the process of inquiry but moreover of setting the agenda (Scharpf 1999). Since change has to be experienced, it requires directly involved stakeholders to define their problems and solutions.

The features of the animal issue support my assumption that bringing animal welfare to a higher moral level in the economic chain is more a task for business than for science. It is in the nature of business: a) to work in a mosaic of values, as e.g. expressed in consumer demand, legal requirements and market forces; b) to cope with the dynamic of values, due to changing demands, trends and hypes; c) to involve stakeholders from the chain and consumers areas; and d) to be future minded due to the constant call for innovation. Again, the nature of entrepreneurship has the potential for making moral changes.

As mentioned, key for moral conduct is, according to Sen, the capability to do things the person in question has reason to value. The concept agency, constituted by capabilities, refers to freedom to do valuable activities. To bring entrepreneurs more in the realm of ethics, more attention should be given to the capabilities they have to be or become a moral agent. I prefer to replace the concept capabilities with *ethical room for manoeuvre* (ERM) in the sense of 'free space' for *deliberation* and *inquiry* to produce solutions. Korthals already developed a concept *Ethical Room for Manoeuvre* (ERM) for food issues. He regards it as a tool for taking into account the multiple-

interpretable, conflicting and dynamic character of concerns (Korthals 2004, 2007, cf. Beekman et al. 2008). For Korthals ERM seeks for co-production as the simultaneous production of knowledge and social order (Jasanoff, 1996, 2004). ERM facilitates communicative and participatory processes for those directly involved to become coproducers of knowledge and values. Substantive concerns as considerations regarding the consequences or impacts of a plan or a product can be addressed. Also procedural concerns, as information sharing, feedback and listening procedures, participatory methods and co-production, need proper attention. For entrepreneurs this means that capability, to address the complexity of the moral world with its conflicting values, depends on the room available or created for manoeuvre. This room means, according to the Cambridge Dictionary, the opportunity to change plans or choose between different ways of doing something. To illustrate the dimensions, this room for manoeuvre can have, in my perspective when translated to the real world, physical, social and mental meanings and be linked to Joas' concepts of situational, corporality sociality. In a physical world, room for manoeuvre is limited by physical objects, for instance the space to park your car in a car-park when an adjacent car is double parked. There may not be 'enough room' to manoeuvre. In a social world, room for manoeuvre refers to an opportunity or permissibility to act within a social structure. Room may be limited by the power and interests of others or by the personal negative consequences if 'the line is crossed'. Room for manoeuvre in this sense can be dictated by codes of conduct or etiquettes. In a mental world, room for manoeuvre refers to creative thinking. This type of room may be limited by the fixed meaning of concepts or by the lack of alternative ideas. The importance of these distinctions is to show the different competences needed to 'increase the room'. In the physical world competence refers to the ability of the body, or the physical resources, as a means to act upon objects. Room in the social world can be increased by competences as leadership and diplomacy and in mental world creativity is the source. In my version of ERM I emphasize the experimental nature of ethics, with its physical/resource, social/participative and mental/creative dimensions and support my intention not only to bring animal welfare and economic practices closer together but to entwine them even more.

Ethics is gifted with a substantial array of tools to guide or assist ethical decision making. Beekman (et al. 2006) present an almost complete survey of all sort of ethical tools and identified three categories: a) decision-making frameworks with types as Delphi method, ethical matrix and discourse ethics; b) tools for public consultation and involvement, including consensus conference and citizen's forum; c) and tools for value communication, as stakeholder analysis, ethical codes / guidelines and ethical accounting. For the purpose of business management Beekman (et al.) ordered the tools into a policy cycle. (See table 2.1).

Table 2.1 Application of the different tools in a toolkit version (from Beekman p.71)

Phase	Tool	Purpose
Preparing	Integrity check	To reveal organizational requirements and potential actors regarding internal ethical deliberation.
Preparing	Stakeholder salience map	To identify, characterize and prioritize stakeholders (power, legitimacy and urgency).
Mapping	Concerns map	To list Corporate values, Stakeholder values Mutual concerns (Stakeholder dialogue) and ethical reasons behind these concerns.
Mapping	Ethical matrix Approach	To translate the societal concerns into corporate and/or stakeholder values and illuminate the ethical principles behind these values.
Balancing	Value assessment	To structure values in a way that reflects the relationships between various values and their relative importance or weight.
Acting	Responsibility assessment	A method to define and assign responsibilities and actions to the appropriate persons or organizations Corporate values.
Evaluating	Reflection	To consider all 'ethical activities', especially fair treatment of stakeholders and Corporate awareness of political, economic and cultural constraints.

The result is a toolkit that is congruent with general management schemes as the Plan-Do-Check-Act.

This toolkit offers more than traditional ethics does. It takes into account the internal business organization and the position of the stakeholders. However, Beekman's toolkit is more for determining the company's moral quality than for overcoming business problems. Weston (2001) also sees the primacy of moral quality over problem-solving. For dealing with concrete situations the tripartite, goods, rights and virtues are leading and, consequently, justification dominates over discovery. Weston sees ethics as "reflection on how best to think about moral values and clarify, prioritize and/or integrate them" (2001: 12). Tools for this purpose must be mainly argumentative because feelings are inadequate to sort out carefully the different options and opinions. Utilitarian, deontological and virtue-based approaches along with dialogical methods do have sufficient potential to resolve moral conflicts. Toolkits, as those from Beekman and Weston, confirm the common notion of ethics 'that is all about debating'. This view makes ethics a matter of thinking and speaking

about values and not a subject of *doing*. This explains why tools are made to enhance the debate but not necessarily practice. The peculiar thing is that ethicists acknowledge this misbalance. As Weston puts it; "Ethical theories may debate with each other about hard cases, for example, but all agree that the point of ethics is finally to *act*." (238). However, this wisdom is not always explicitly acknowledged and made the basis of their analysis.

The toolkit of Beekman and Weston are particularly designed to address the pluralistic constellation of today's moral world. Their frameworks are, as Sen (2009) would say, 'Social Choice' focussed and implicitly underline some aspects of his framework of deliberation. All acknowledge the role of public reasoning and the diversity of interpretations and inputs. Sen wants to include in such an input impartial spectators to avoid parochialism of local perspectives. Other common aspects of contemporary tools are the recognition of the inescapable plurality of competing principles and the emphasis on precise articulation and reason. Even the aspect of the permissibility of partial resolutions and the facilitation of re/examination are elaborated in many tools. The aspect of evaluation is highly important for preventing "inflexible insistence on exacting and highly demanding rules" (2009: 107). What Sen's model accentuates, more than the others, is the comparative aspect of deliberation.

The comparative aspect of deliberation fits the innovative attitude of entrepreneurs and the pragmatic perspective of ethics. It brings ethics more in the realm of doing. And this is what ethics is ultimately all about: changing a reality for the good. In pragmatism, especially with Dewey, changing for the better is synonym for problemsolving, as a transformation from an old to a new situation. Dewey (1938) deals in his 'Logic: Theory of Inquiry' with the problem-solving nature of human existence. Problems occur but need to be acknowledged in order to induce a cognitive response. Biesta (1992) emphasizes the conceptual and existential world of 'problem awareness' and 'problem solving'. The existential world is the real situation: "referring directly to actual conditions as determined by experimental observation (Dewey 1938: 283). The conceptual world is the reflection on the real situation: "consisting of interrelated meanings ... which are applicable to existence through operations they represent as possibilities" (283-284). The conceptual operations are there to imagine the possible causes and the possible corresponding solutions. But, it is the existential world that contains the frustration of the problem and judges the effect of the 'solution'. For Dewey the process of inquiry is basically: a) feeling a difficulty, b) its location and definition, c) suggesting possible solutions, d) reasoning about the bearings of the suggestion and e) evaluation that leads to an acceptance or rejection (cf. Dewey 1910: 236-237) The whole logic of Deweyan inquiry is the controlled or directed transformation of an indeterminate situation into one that is so determinate ... as to convert the elements into a unified whole (Dewey 1938: 108). Experimental inquiry is not only functional to restore a disrupted situation but can also be the base for investigating opportunities and to create challenges, as Dalton extends Dewey's Logic (2004). By bringing ethics, through experimental inquiry, into the realm of doing, Dewey turns transcendental reason to a comparative action and therefore to engaged intelligence (cf. Fesmire 2003).

Dewey's process of inquiry, something that can be seen as essentially the same in moral and non-moral situations, is by Fesmire (2003) translated into concepts as: a) problem formulation, b) setting ends-in-view, c) tapping possibilities and writing scenarios, d) dramatic rehearsal and e) evaluation of the warranted success. These steps can make, for entrepreneurs as doers, moral deliberation more apparent and executive, because they centre the unification of the realm of 'thinking' (conceptual world) and 'doing' (existential world) (see figure 2.1).

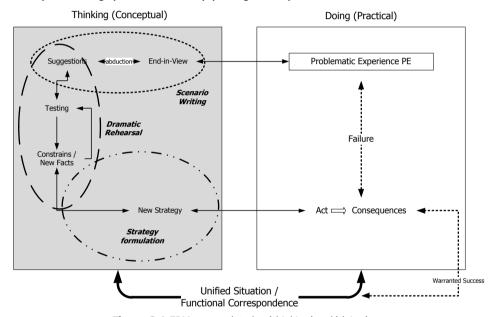


Figure 2.1 ERM steps related to 'thinking' and 'doing'

The unification, of the practical and the conceptual world, demands in the pursuit for moral change activities that stimulate and enhance the ethical room for manoeuvre. In this sense I will elaborate manoeuvring actions, such as to explore, to individualize, to socialize and to grow, in order to make ethical deliberation practical in conceptual as in existential perspective. In the following chapters I will elaborate ERM as playground for inquiry and experimentation in moral entrepreneurship. The activities to create room as well as the steps for inquiry are explained in chapter 3, on experience-based ethics, and in chapter 5, on business in the food sector. The chapters on innovation and resource-based ethics, chapter 4 and 6, will focus on the

actions alone and will describe the entrepreneurial and ethical competences of innovating, seeking for opportunities and discovering new values.

With pragmatism as a background and ERM as an end-in-view, I hope to present insight in an 'entrepreneurial ethics from within' by *finding new ways for practice to deal with ethics and for ethics to deal with practice.* For entrepreneurship this means enhancement of abilities to operate in the moral world and to meliorate business and society with more effectiveness.

	Ethical Room for Manoeuvre: Experience based management			
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3 Ethical Room for Manoeuvre: Experience based management

Abstract

This chapter⁴ deals with the question: should the ethical approach for entrepreneurs be based on top-down deduction from principles or on bottom-up experience? It reflects on the ongoing debate in business ethics on how to close the gap between theory and practice. This chapter contributes to the discussion by grounding ethics in the practice of business and by introducing a concept and tool called *Ethical Room for Manaeuvre*.

There is ambivalence in business ethics between a call for ethical principles and convergence of values, and an emphasis on practice with its divergences. Ethics still has the main connotation of principle guided thinking about the good and the unification of morality, but the critique that it cannot match the specific and complex daily-life practice becomes louder. Real problems are situational and demand tailor-made solutions. In this chapter I challenge both beliefs by claiming that: a) principles can contribute to ethical policy-making in a heuristic way but are not necessary for decision-making; b) daily-life practice intrinsically holds ethical values, intuitions and insights as an opportunity to change situations for the better.

Principle-oriented ethics, here identified as *ethics of justification*, is challenged regarding resolving the gap between aspirations (in the CSR reports) and implementation (actual realization). Alternatively, experience-based ethics, or *ethics of discovery*, is analysed in its phronetic, hermeneutic and pragmatic mode. Our thesis is that this type of ethics can stimulate profoundly the co-evolution between ethics and business.

This chapter explicates a managerial tool *Ethical Room for Manoeuvre* (ERM) for identifying relevant ethical issues, interpreting these and creating solutions. The ERM presents a moral entrepreneurial framework of experimental inquiry and collaboration to strengthen a firm's ability to deal with the complex and pluralistic world of business and society. We conclude that business ethics as a practice does not necessarily need a pull from principles but definitively a push from experience.

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⁴ This chapter is a revised version of the paper "Ethical Room for Manoeuvre: Implementation without principles". *First European Conference Food Marketing and Ethics Today.* Paris, December 3-4, 2009 (with M. Korthals) organized by IREMAS, Institut pour la Recherche en Marketing de l'Alimentation Santé, France

Introduction: ambivalence between principles and practice

Business and ethics are social endeavours that do not amalgamate easily. This issue is debated in many academic journals for already a long time (see Garriga & Melé, 2004; Waddock 2004a). More interestingly, this issue is increasingly a subject for debate in the practices of business and business related stakeholders as well. A good example is the European Multistakeholder Forum on Corporate Social Responsibility (CSR) held in 2004. A number of representatives of government, business & industry and NGOs from all fields discussed in a round table setting ways to foster CSR and to promote innovation, transparency and convergence of CSR practices and instruments. The reports from this forum give, in our view, a fine picture of the struggle to implement CSR in general and business ethics in particular (European commission, 2004). At this conference, and during the two years of preparation, representatives shared their moral concerns, ideas and worries. They listed internal and external drives to foster moral conduct, named the obstacles that hinder implementation and formulated critical success factors to achieve the objectives. The round table discussion also made clear that despite some good results on CSR, the whole implementation process still lacks essentials such as information exchange. skills, resources and experience, empirical research, consumer interest and clear standards on transparency. An extended list of recommendations was drawn up to boost activities, including improving knowledge, raising awareness of core values and key principles, and exchanging experience and good practices.

We notice that the reports display ambivalence throughout. There is a clear tension between ethical principles and the call for convergence, on the one side, and the emphasis on practice with its divergences, on the other. The reports indicate desire to establish common guiding principles like the guidelines, charters, declaration and bills that already express international agreement⁵. Additionally, they call for codes of practice, clear targets and performance standards, all to be reached by a systemic approach. Also wanted is convergence of frameworks to measure, audit, report, verify and benchmark the results. On the opposite side, the reports point out the character of practice as being situational and therefore divergent. All members of the round table recognize and advocate a bottom-up approach of communication, sharing experience, creating networks and building trust. In this ambivalence it appears that NGOs call more for principles and convergence than business and employers who are more focused on practice and divergence. The tension between top-down and bottom-up aspirations, linked with pull and push approaches, may well be the reason why implementation, if ever, is only partly realized. The reports

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⁵ such as OECD Guidelines for multinational enterprises, Council of Europe Social Charter, ILO core labour conventions and the International Bill of Human Rights. EU Charter of Fundamental Rio Declaration on Environment and Development Rights, Agenda 21, Johannesburg Declaration and its Action Plan for Implementation, UN guidelines on consumer protection.

contain numerous recommendations telling 'what' ought to be done but not 'how to do it'.

Analysing the ambivalence from our perspective, it reflects two general beliefs. First, the idea that moral conduct can and should be guided by ethical principles and that the good can only be socially achieved when there is common ground or unification. Simply put, there is a wide spread assumption that principles are needed. Second, this type of principalistic ethics cannot match the specific and complex daily-life practice. Real problems are situational and demand tailor-made solutions. In this paper we challenge both beliefs. We read the ambivalence as a distinction between the conceptual world of principles and the existential world of practice or to put it more simply between thinking and doing (cf. Dewey 1938). We claim that the power to bring forward change is overrated regarding the conceptual (thinking) world of principles, values, codes and standards but underrated concerning the existential world (doing) of moral practice. With this statement we are in line with those who are trying to close the gap between theory and practice (cf. Bartlett 2003) and ally with pragmatists in business ethics as Ackoff 1987; Frederick, 2000; Hannafey, 2003; Buchholz & Rosenthal, 2005, 2006; Glegg et al. 2007 and Gita & Ashley 2008). We posit that: a) principles can contribute to ethical policy-making in a heuristic way but are not necessary for decision-making and b) daily-life practice intrinsically holds ethics as sufficient ground for changing situations.

We address the ambivalence by explaining and advocating a shift from a principle-oriented to an experience-based ethics. We hope that this shift in thinking boosts the ethical practice in business. We claim that ethics must become more a matter of acting upon internal drives, values and competences than complying with external forces and obligations. In this chapter we demonstrate that companies themselves can create more room to manoeuvre ethically and, consequently, hold less room to blame ethical shortcomings on others. With our effort we also contribute to the discussion on the upcoming topic 'Ethics and Entrepreneurship' (Harris et al. 2009; Brenkert, 2009; McVea, 2009)

In our pursuit we first analyse the limited power of mainstream principalistic ethics to deal with the pluralistic and uncertain world. Since implementation is all about realisation, we show that working from principles may well hinder the implementation of ethics. We discuss this on the basis of our research on Sodexo 6 in

⁶ Sodexo is a company that shows great interest in business ethics. It is an international holding in food-service (historically its core business), facility management and voucher service with sites on all the continents (80 countries) and it employs 320,000 people. See Sodexo reports: Annual activity report 2003-2004: "All you need to be the best"; Sodexho Alliance Annual Report 2005-2006; 2005 Corporate Responsibility and Sustainability Report: Making Every Day a Better Day"; Sodexo Alliance " Act as a corporate citizen" Sustainable Development Report 2005-2006; "Living our Values": Corporate Responsibility Report UK 2006"; Sodexho-NL: Sociaal

particular the firm's ability to improve its CSR policy. Then, we present three experience-based ethics: the phronetic ethics of Aristotle, the hermeneutic ethics of Gadamer and the pragmatic ethics of Dewey to support the ethical potency of practice. These perspectives express, respectively, the individual, the social and the practice side of ethics. Next, we will demonstrate that experience-based ethics and business are already in a co-evolution and that the future of business and ethics can be even brighter. We contribute to that future by presenting a tool called *Ethical Room for Manoeuvre* that makes implementation of ethics without dominating principles possible and that gives more support to effectuate the 'how' of moral aspirations.

Limitations of principle and value oriented ethics

People seek the right, the good and the virtuous. For businesses this means wanting to know what responsibility entails and what duties they ought to have towards improving of the quality of life of stakeholders and society. An ethical approach to support this quest is to set principles and core values from which practices can be directed or pulled. For that purpose Elkington, (1998) developed the 3P formulation, 'people, planet and profits' as the 'triple bottom line' for developing a framework. Wood (1991) elaborated on such a framework for business ethics (cf. Pierick et al. 2004). In her view, a company must begin with becoming aware of some principles of corporate social responsibility. These principles relate to the legitimacy from society, the responsibility for the firm's outcome and the moral quality of its agency. This awareness reflects ethical principles regarding beneficence, non-maleficence, autonomy and justice (Beauchamp and Childress 1994). Next, from these principles, business processes must be developed to set up corporate social responsiveness in the form of environmental assessment, stakeholder management and issues management. Finally, responsiveness must be activated into corporate social performance as social policies, programs and impacts. In this framework, for example, a firm's responsibility can be attached to the principle of non-maleficence which is, then, translated into norms as mitigate harm and into a rule as do not dump toxic waste in the environment.

To facilitate this kind of top-down framing Mepham (1996, 2000) developed the ethical matrix to create a formal structure with two goals: first, to identify parties, such as producers, consumers, animals and environment, whose interests are worthy

Jaarverslag 2006. Fiscal 2007 "Act as a Corporate Citizen" Report; Fiscal 2007 "Act as a Corporate Citizen" Focus; Fiscal 2007 "Act as a Corporate Citizen against Malnutrition and Hunger" Booklet; Fiscal 2007 "Act as a Corporate Citizen for the Planet" Booklet; Fiscal 2007 Human Resources Report.

of respect, and second, to analyse the reasons, derived from ethical principles, why these interest must be respected. Through this process one can become (more) aware that, for instance, animals have welfare and need behavioural freedom and that consumers have interest in safe food, choice and labelling.

Wood's implementation scheme and Mepham's matrix are examples of *principalism* (principlism). This form of ethics gains its strength by upholding three criteria of coherency: *logical consistency* by avoiding outright contradiction among judgments; *argumentative support* of a position with reasons; and *compatibility* with reasonable non-moral beliefs such as available empirical evidence and well established scientific theories (Beauchamp and DeGrazia 2004: 70, cf. Rawls 1971). Wood's and Mepham's principalistic efforts may well serve some clarification and heuristic purposes but we question the power of their top-down approaches to guide behaviour. It is debatable to what extent the ethical matrix furthers society in overcoming the problems of industrial farming, obesity, climate change and global injustice. By looking deeper in the complexity of the meaning and use of principles and values we reveal some weaknesses of principalism (cf. Korthals 2001, 2008).

Principles / values represent single issues while the world is complex

Reasoning from principles simplifies the issue since real life is more complex than the one or two values that are taken into account. Animal welfare, for example, is not solely about veterinarian conditions but also about farmers' economic and technological capabilities to realize it, public perception and legal requirements. Following just principles can lead to mono-ethics and one-issue management or politics as autonomy for consumers and companies, justice for developing countries, welfare for animals and non-maleficence towards nature. Mono-ethics contrasts the moral world in which people deal with a collection of desired instrumental, economic, social and moral states which often are interconnected (values) and, inextricably, mixed with the tangible and intangible aspects that hinder the realization of the desired states (constraints). Therefore, to understand an issue is not to grasp some values but to be aware of the *mosaic of values* and *set of constraints*. In food ethics such mosaic holds not only values as food safety, food quality, transparency, traceability, fair trade and ecological sustainability, but also profit and market position (Wade 2001, Busch 2003, Beekmans et. al. 2005: 66, Manning et al. 2006, Coff et al. 2008: 10). Besides, the realisation of values depends on available resources and tightness of legislation. For business this means that ethical enterprise has to be developed from the mosaic of the firm's SWOT (cf. Pompe 2008, Pompe and Korthals 2010).

Principles / values hold different meanings which cause confusion.

Ethics is about socially desired states. For scholars and laymen it is difficult to define such a state. Companies as Sodexo make clear that they are eager to sell more health food, organic food, animal friendly meat and fair trade products, but they

struggle with the adequate value interpretation of healthy, healthier, healthiest and the superlative degrees of fair (trade) and (animal) welfare. Besides, the meaning of a value is strongly attached to a practice or life style. Since practices become more fragmented, due to specialisation of production in the industrial chain (cf. Strate, 2008) and consumers' life and food styles become more differentiated, the interpretation (Korthals 2004, 17-20) of values get more diverse and therefore confusing. Fragmentation and differentiation are ongoing processes. Practices alienate from each other, as the connection between the cattle farmer and the meat consumers. Practices die out, as in the case of the milkman, and new ones emerge such as the production of 'insect-meat'. Difference in meaning and confusion do not have to be an insurmountable problem, but interpretations of given principles, norms and rules can create a jungle of concepts impenetrable for business and policy makers, as Waddock (2004a) demonstrates regarding CSR.

Principles / Values cause conflicts with other principles / values.

Analyses of food cases are likely to end up in distinct conflicts between e.g. autonomy (choice) versus wellbeing (health) or the interest of producers versus those of consumers versus nature. At Sodexo, for example, one struggles with the tension between the reduction of food miles by buying local versus the aspiration to buy fair trade. Another is the promotion of fair trade coffee with the awareness that every cup holds a fresh water footprint of 140 litres in coffee growing countries where fresh water is scarce and getting scarcer (Pompe 2008, cf. Hoekstra & Chapagain. 2007). Value conflicts are unavoidable but when there is no suitable way to resolve them, value analysis becomes powerless. The matrix and other principalistic tools have a strong tendency to produce dilemmas and multiple-stakeholder stalemates and kill the necessary dynamic of the debate.

Simple representation, confusions and conflicts may block proper implementation of values. In many businesses there appears to be a gap between aspirations and implementation or in other words between the wanted ideal (conceptual) world and the experienced (existential) real world. Firms' capabilities are likely to be overrated because of focusing on what principles and codes *want* without questioning *can we do it* (cf. Pompe 2008, 2010). Such a situation may lead to stasis, disconnection or minimalism. There can be *stationary* or immobility in the firm's development due to the fixedness of principles, standards and codes which limits the room for deviation. *Disconnection* of business from ethics can be the case because both fields become parallel universes with their own ethical concepts and value interpretations (Waddock 2004a). Most commonly, simple representation, confusions and conflicts may lead to a weak consensus on a complex issue and hence to *minimalism*. Covenants on, for instance, 'disposables' and 'obesity' represent the small areas of common ground that the different stakeholders hold. Multiple-party covenants on societal issues often express the least possible effort with freedom of obligation or an escape clause.

Ethical stasis, disconnection and minimalism can be, according to Porter and Kramer (2006), detected in the shallowness of the ethical reports of most multinational corporations. These reports have no strategic or operational content but are glossy marketing tools to gain a good ranking and to attract the public. They appear to be cosmetic by displaying uncoordinated initiatives and anecdotes of social and environmental good deeds.

Principle-oriented ethics corresponds with Sen's interpretation of 'transcendental institutionalism' in which the search for 'the just', 'the free' and 'the good' is regarded pivotal for outlining guidelines for change (Sen, 2009). Mainstream (business) ethics fail to see that the world is too complex, dynamic, pluralistic and uncertain to be ruled with, as Clegg et al. (2007) call it, the 'logic of theory' or 'theoretical normativism'. We do not live in a world with a particular set of values but in several worlds each with their own practices constituted by own rules, aims and executers. The uncertainty of everyday's life does not allow simple generalization of the ethical maxim beyond the particularity of the situation. Clegg suggest that the logic of theory must, therefore, be replaced by the 'logic of practice', in which morals are embedded in an active and contextual practice. Ethics based on experience and observation focuses more on comparing situation and on realising change than on putting forward principles and ideal situations (Cf. Sen 2009). In the next section, we present three forms of ethics that are experience-based and are a better match with the complex and pluralistic world.

Experience-based ethics in three forms

The ethical approaches that attempt match the logic of practice are phronetic, hermeneutical and pragmatic ethics. These forms of ethics share the aim to articulate and explore the various, sometimes conflicting, perspectives on a morally complex situation and to help participants to develop new and richer ways of dealing with actual moral problems (Widdershoven et al., 2009). The key aspect is experience, which is always situational and constituted by historically, socially and culturally based habits and conduct. Our demonstration of experience-based ethics makes clear that principles are not necessary for ethical policy-making and that daily-life practice intrinsically holds ethics as sufficient ground for changing situations.

Phronetic ethics

Aristotle understood the logic of practice more than many of his successors. Not only because of his *Ethica Nicomachea* in which he discusses morality as the basis of ethics, but of his vocation which appears to be more of a practiced biologist than a philosopher. To stress the importance of experience in judging the social goodness or badness of action, Aristotle concentrates his ethics around the concept of

phronèsis (EN 1976). Phronèsis, also called practical wisdom, is a form of deliberation about values with reference to variable context-dependent practice. It concerns how to act in particular situations. This type of deliberation is not based on learned knowledge but on experience guiding the insight and understanding of a moral situation. An experienced person has practical knowledge of what is good and bad in a concrete situation, especially in unforeseen ones. Phronèsis is one of Aristotle's intellectual virtues, along with epistêmê and technê. Epistêmê relates to general analytical rationality which seeks for universal, invariable and contextindependent knowledge. Technê stands for craft or art to produce. Unlike epistêmê and technê, phronèsis cannot be deduced from rules since morality requires insight into how rules ought to be applied. Being an experienced person and having practical knowledge means one is aware of the limitation of the application and, therefore, also of the improvements to be made (cf. Flyvbierg 2003). Aristotle links phronèsis. therefore, directly to the mode of action in order to deliver change, especially regarding the quality of life. Phronetic ethics centres the personal capabilities to act morally.

Hermeneutic ethics

Hermeneutic ethics aims at gaining a good understanding of a practice by exchanging concrete and detailed experiences and perspectives. This form of ethics stems from the philosophy of Gadamer who emphasizes the idea that experience is a real concrete source of moral wisdom from which one can learn by a process of interpretation and understanding. This process is essential for getting to know what the other mosaics of values and their 'horizons' entail. A horizon is the range of vision including everything that can be seen from a vantage point. Horizons can, therefore, be narrow, expanded and opened up for new ones (Gadamer 2004: 301). This cannot be done scientifically by reconstructing the thoughts that underlie the practice, but by exchanging thoughts and perspectives. For this one needs the good will to be an open interlocutor, since understanding is an integration of meaning, or as Gadamer put it: a fusion of horizons (305). It is this fusion, addressed and shaped by the participants in practice, that consequently give birth to new insights and make old ones obsolete. Hermeneutic ethics proved to be successful in psychiatry where a 'good practice' is set in a dialogical leaning process between nurses, doctors, patients, managers and family (Widdershoven et al. 2007, 2009). Hermeneutic ethics complements the individual capability of phronetic ethics with social practices with their interconnections and their processes of understanding. In this way it is heading for a differentiated way of transcending local particularities into heuristic rules, interpretations and learning impulses.

Pragmatic ethics

Pragmatic ethics, originated from American pragmatism and in particular John Dewey, focuses on the actions within practice to see whether some conduct has useful or successful qualities to overcome problematic situations. A basic assumption

in pragmatism is that reality is not a static thing but always in the making. Humans are not opposed to the reality-in-the-making, but they are part of it (Dewey 1908; 99), since we do not participate *in* the environment but we are *of* the environment. This means agent and environment, like a firm and its customers and partners, are not separate aspects but a *transactional* whole in which they reciprocally constitute each other (Dewey & Bentley, 1949). Just as business is part of the consumers and the consumers part of business, so is a company part of the social and natural environment and vice versa.

In pragmatism, values in the moral world are not (fixed) qualities but *relations* between an agent and its environment (Stuhr, 2003). To determine what is valuable, is to posit a thing or issue in a particular relation of interests and to find out in what situation a desire is experienced as *desirable* and the prized is *appraised* (Dewey 1930: 216-18)). Value judgements, like this is good or that is right, are practical and situational judgements and belong to the existential world since they require the activity of valuing. A bottle of Chateau Mouton-Rothschild 1945 appears to have a lot of value but only in some particular serving occasion and under defined conditions, which means not with breakfast and from the fridge. In the moral domain, one can imagine situations in which abortion, euthanasia and even warfare can be valued positively.

In an uncertain world a practice does not find certainty by seeking for correspondence with reality or coherency within a set of proposition, as principle-oriented ethics does, but by looking for 'what works', what proves to have instrumental value. Therefore, moral values are instrumental, but instrumental values need not to be moral. Trying values out and experience them serves the ethical purpose of growing morally in an ever-enduring process of perfecting, maturing and refining. This form of ethics, called *meliorism*, stands for the ongoing creation of a better world for oneself and others, in which individual and collective intelligence can discover means to remove obstacles blocking the promotion of the good (Dewey 1920: 180-182). Pragmatic ethics is therefore strongly future orientated in contrast with tradition focused philosophy like the hermeneutics of Gadamer (Craig 2001) and the Aristotelianism of McIntyre (Carden 2006). By putting action (experimental inquiry) paramount, pragmatic ethics also encompasses phronetic and hermeneutical ethics. It is thus the most comprehensive form of experience-based ethics.

Experience-based ethics makes clear that ethics is more than a principalistic collection of coherent arguments. Figure 3.1 displays an overview.

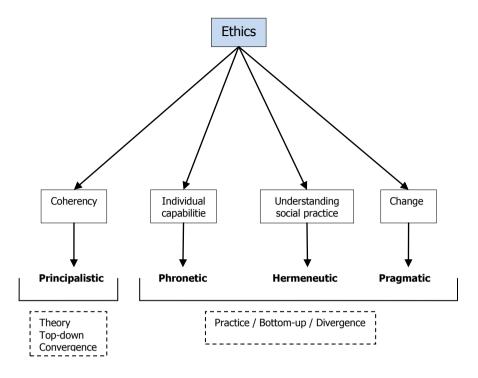


Figure 3.1 Overview of the forms of ethics

Experience includes attitude, cultural, historical perspectives and aesthetics. Grounded on the work of Aristotle, Gadamer and Dewey, we claim, alternatively, that business ethics should become less principalistic and more phronetic, hermeneutic and pragmatic. We emphasize the uniqueness of practices with their own language, habits and horizons which can fuse once we understand each other's worlds. Since reality is pluralistic and complex, it is pivotal in ethics to explore, by those involved, the various perspectives on a moral situation and to find new possibilities for experimentation in order to create a better, more successful, state of affairs. What is needed is more experience of different practices, rather than a common moral language out of values we experience as human beings in and outside business as Waddock (2004b) wants to formulate. For business ethics this means focussing on moral effectiveness as the ability of making ethics operational in a complex moral world, rather than on moral aspiration to comply with principles, standards and codes. In the following section we demonstrate that this line of thought can be fruitful in fusing business and ethics.

Ethics as co-evolution

The shift from an ethics of principles to an ethics of experience in business does not have to be a radical one. From pragmatism we learn there is no essential difference between instrumental and moral valuing, since both are problem solving and growth oriented. Business converts (scientific) knowledge and (technical) skills into a product for sale and evaluates the outcome in terms of economic value. Evaluating something economically or morally is basically the same process except the moral domain is much wider given the complex social dimension that has to be taken into account. The key is to find a way in which the instrumental aspect of business and ethics can co-evolve. For this process businesses have to modify their paradigm of self-control to one of co-creation and extend their functionalist management system with an interpretative mode.

Vargo & Lusch (2004, Lusch 2007) advocate a transformation from the old logic of self-control to the new dominant logic of co-creation. The old economic exchange is based on tangible resources and embedded value. Goods are seen as end-products of which the customer is the recipient. In this relationship the producer determines the value and the source of economic growth is one of owning, controlling and producing goods. The new logic is service-centred in which the matter of exchange is specialized competencies. Goods only have a role as appliances in value-creating processes. The source of economic growth, here, is the application and exchange of specialized knowledge and skills in which the role of firms is making propositions only. In this process the customer is co-producer of service. Values are perceived and determined by the customer on the basis of 'value in use'. Vargo & Lusch regard the old logic as *Market To* in which management is focused on customers & markets and they predict an era of Market With in which customers and partners collaborate to produce and sustain values. Prahalad (2004) also focuses on co-creation of value, but he emphasizes creation that is experience-based. Hippel (2005) shows some experience-based innovations with software, surgical and sports equipment, which are mainly developed by the users themselves and advocates open source development as a foundation for democratizing innovation. Apart from the shift to service logic and value-creation, more forces are operating at different levels in the external environment that must be understood in order to improve a more senseand-respond ability (Thomas & Gupta 2005) as is shown in table 3.1.

Table 3.1 Evolution of marketing

Shift	Old		New
Fundamental	Good centred	\rightarrow	Service centred
	Economic	\rightarrow	Social process
	Firm	\rightarrow	Customer
Focus	Value distribution	\rightarrow	Value co-creation
	Money exchange	\rightarrow	Relational exchange
Emphasis	Customer acquisition	\rightarrow	Customer retention
Scope	Outcome consumption	\rightarrow	Process consumption
	Competition	\rightarrow	Collaboration

The shifts in marketing clearly show a change from monologue to dialogue. Customers are not seen as an operan*d* resource, something to be acted on, but as an operan*t* resource of a collaborative partner who co-creates value with the firm (Vargo & Lusch 2004, Lusch et al. 2007).

In a world where practices are fragmented, due to specialisation and differentiation, dialogical business with partners in the chain and consumers may well open a mosaic of opportunities and a co-evolution between practices. Value-creation is a kind of coevolution between the interest of consumers or society and business. The Toyota Prius, LED lights and decomposable plastic are good results from such a process. Another example of co-evolution is the agreement in the Netherlands between the VanDrie Group, the largest veal producer of the world, and the Dutch Society for the Protection of Animals (DSPA) on the further improvement of the welfare of calves by embracing an acceptable blood iron level of the calves, more roughage, soft laying area and long distance transport in climate controlled transport vehicles (more about this agreement chapter 6). For the Dutch market VanDrie applies even stricter standards in order to join brands with the DSPA in a one-star Better Life hallmark. This initiative was born after both parties loosened their ideologies for the sake of creating something new. Although the welfare condition of the calves is still far from optimal and the motivation of VanDrie is market driven, this co-evolution shows it is possible to fuse the horizons of economy and animal welfare and to create a new value. This was by no means a simple linear progression. It took several years to soften prejudices, to understand each other's perspectives, goals and worries and to build trust. VanDrie and the DSPA have their own mosaics of values and set of constraints and the interaction was reciprocal to overcome uncertainties. Value confusion and conflicts had to be overcome to create a form of shared-ownership of process and results. Hopefully, this co-evolution will stay melioristic, because the improvement of animal welfare in industrial setting is a never-ending challenge. It must not stop with the one-star hallmark, but instead a two or even three-star hallmark must be an end-in-view.

The change from monologue to dialogue, from 'market to' to 'market with' demands a particular attitude and management system. For the hermeneutical activity, to 'read' the historical, cultural and idiosyncratic elements of customer's and partner's practices, a communication approach and skills are essential. Ballantyne &.Varey (2006a, 2006b) elaborated marketing communication for value co-creation. Communication *to* and *for* are functional for planned persuasive messages, but in the new dominant logic communication *with* and *between* are key for the interactional and participatory process of co-creating the customer's voice (Jaworski &. Kohli 2006) and working on bi-directionality of mutual satisfaction (Oliver 2006).

Besides the right attitude, the management system must fit the task of co-evolution. Value co-creation in general and ethics in particular require adequate management. The most common organizational structure is the *functionalist system approach* (Jackson 2000: 202-210) by which business organization is divided in parts with subparts, as departments, sections and task units. This system gives clarity on specializations and accountabilities throughout the company and is highly advantageous when goals are well defined and the pursuit is directed by *efficacy* and *efficiency*: using the right means with the minimal use of resources.

The functionalist system is, however, not suitable for value creation and co-evolution between business and ethics. This kind of system has a unitary view on reality and it regards the nature of the business objectives as unproblematic or self-evident. The functionalist system runs on facts and figures. Even the behaviour of consumers is regarded as social facts — "they do / don't like this product" — without a deeper interest in their motivation.

As demonstrated, specialization and differentiation along with the mosaic of values and the set of constraints make reality not unitary but highly pluralistic. In business ethics, as well as in the new dominant logic, the task is to deal more with the normative world of society and the subjective world of the individual than the objective world of economics. The hermeneutical perspective gets an elaboration with the *interpretative system approach* – also known as *Soft Systems*, which enables to cope with the uncertain moral world. In this system the key measures for success are not efficiency and efficacy but *effectiveness* and *elegance*: achieving what is wanted in an attractive way (Jackson, 2000: 281-290). The interpretative approach does not reduce complexity so it can be modelled for economic purpose, but instead seeks to explore it by working with multiple views of reality in order to reveal a *mosaic of opportunities*.

Developing and implementing value creation and co-evolution in a highly complex world demands more a debate about how to explore and translate moral objectives into a business practice, than a provision of simple instructions. Deliberating on what

is desirable and feasible is interpreting values to create alternatives before they can be applied. Therefore, in business ethics the interpretive system approach should precede the functionalist one. The diversity of desires and the complexity of constraints have to be solidified into a workable enterprise.

Pragmatic ethics and the 'new economy', which share experimental inquiry and collaboration and incorporates elements of phronetic and hermeneutic ethics, can merge into a new form of business ethics. The change from old to new is a shift from the tangible, discrete and static to the intangible, continuous, and dynamic. This may well open a window for a mosaic of moral opportunities and a better perspective to gain more competitive moral advantage. The fragmented world of specialized partners and differentiated consumers may by co-creation or co-evolution become richer with new moral practices.

Ethical Room for Manoeuvre: the learning playground

Working with different practices in an interpretative way requires new knowledge and skills that can face the uncertainty from the mosaics of values and set of constraints. These requirements are basically not different from what ordinary people already possess. Overcoming ethical problems is not different from dealing with other kinds of troublesome issues. The process of deliberation is the same: finding out what the various lines of possible action are really like (Dewey 1992, 132). Fesmire (2003) describes Dewey's deliberation process very well with the example of buying a house, which is not an armchair and a solitaire affair. Buying a house is considering several offers and relating these to the mortgage payments, repair costs, and other aspects as careers, economic circumstances, long-term goals, and socialpolitical priorities. It involves imagining what a day-to-day life in and around the house would be. The buying process requires also visits to the offered houses, research, consultation with specialists, and communication with family, relatives and friends. The deliberation process of buying a house is in its essence similar to an entrepreneurial endeavour or a consumer's build-up of a lifestyle or any other 'issue management'. The only difference between moral and non-moral conduct is the matter of interaction of a person with his social environment (Dewey 1992, 219)

Throughout this chapter we claim that ethics must become more a matter of acting upon internal drives, values and competences, than complying with external forces and obligations. A shift from principles to experience is moving from an *ethics of justification* towards an *ethics of discovery* (Keulartz et al 2002). In the former, one provides arguments or good reasons to defend a moral outcome or course of action along with structuring and safeguarding open and fair deliberation and decision making. Ethics of discovery, on the other hand, seeks purposely for heterogenic

confrontations in order to find or create new vocabulary, possibilities or means to overcome problems and therefore to grow.

To facilitate the discovery approach, we are developing a concept and tool called *Ethical Room for Manoeuvre* (ERM). We want to create an ethical facility in practices in which trial-and-error experience is more important than coherent argumentation. Also a facility that combines individual capabilities (phronèsis), dialogue (hermeneutics) and action (pragmatism) and most importantly that seeks to overcome conflicts. We designate ERM as a kind of *working place* as a kind of situation in which a company can experimentally discover moral interests and explore the possibilities to create more ability to meliorate the existence of itself and its stakeholders in the light of societal demands. ERM opens a *playground* in practices and pokes the dynamic with the comfort there are hardly prefabricated 'truth-false' or 'right-wrong' classifications and pressing moral principles. ERM creates free space, in the sense of opportunity, to survey the mosaic of values and set of constraints and to discover moral opportunities. In ERM the concept *Room* stands for place and space (situation and opportunity) and *Manoeuvre* is a metaphor for a range of human activities such as exploring, individualising, socialising, learning and growing.

- Exploring the room is to discover, by experimental inquiry, the situative moral
 world of a practice and one's current position with its possibilities and limitations
 [cf. Pragmatism]. In this activity it is essential that organizational and economic
 constraints become transparent in order to make them deliberative and 'moral'
 rather than dominating (Cf. Lachelier, 2001).
- Individualising the room is to emphasize one's conviction and to colour one's agency [cf. Phronèsis]. Pluralism of perspectives and multiple-interpretable values ipso facto give room for idiosyncrasy. Principles are accepted not on their intellectual validity but 'by the heart' or the beliefs and actions they inspire (James 1896: 729-30). In a world with many moral practices there is room to express one's morality. Idiosyncrasy is, therefore, normal and should be encouraged as long as it is transparent and discussable.
- Socialising the room is to stimulate participative deliberation and mutual learning [cf. Hermeneutics]. This action is highly desirable for building trust. Participative action is for learning more effective than reasoning from principles or constructing solid argumentations. Participative deliberation means all opinions, beliefs, wants and solutions should be examined equally and never be excluded, as good ideas are only warranted for the time being and odd ideas can be useful in the future after all. Important in such participative deliberation is a proper input-throughput-output scheme (Scharpf, 1999). The input, being the objectives and relevant agenda, must be set ex ante and in collaboration with those involved. The throughput, being the pathway and process of deliberation, must be based on equity and fair representation of those involved. Finally, regarding the output, the result of co-creation or co-evolution must not be only evaluated on its substantive content but on its procedure too.

• Increasing the room is to grow (learn) morally [cf. Pragmatism]. Business itself, and not only society, can decide on ends and facilitate routes to get there. There are no excuses for hiding behind professional ethicists and claiming that businesses do not have the proper abilities to deal with the moral world. The problems encountered on those routes can be seen as challenges for a learning process. Pro-actively working on business ethics will increase foremost the company's understanding of the world it operates in and additionally its social and possibly its economic capital (cf. Orlitzky et al. 2003). Strong self-regulation may well result in more moral awareness (Cf. Bryant 2009).

To create and use free space for discovery and melioration, ERM guides the deliberation process with six aspects, abstracted from Dewey's "Logic: Theory of Inquiry" (Dewey 1938: 41ff, and an elaborated version of Buchholz and Rosenthal's (2005)). These aspects may have a conceptual order but are chaotic and highly iterative, as in real life experience.

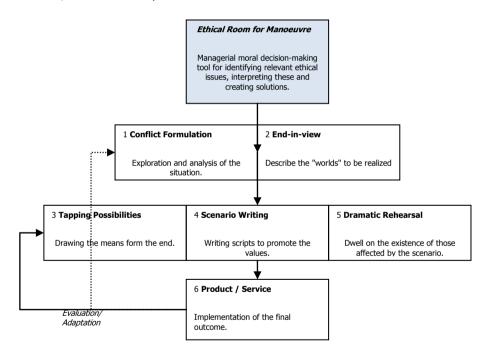


Figure 3.2 An overview of the ERM steps in a scheme

Step 1 is common in all policy-making. It is just exploring and analysing the situation to find out 'what is going on'. *Conflict formulation* is pinpointing adequately the core of the problem in a pluralistic situation with questions such as: what are the issues; what are the mosaics of values and the set of constraints (cf. Flyvbjerg 2003); what

is the initial Room for Manoeuvre? This step does not need to be about problems. For those firms who take a melioristic stand it also appeals to the sense for opportunities (Dalton, 2004).

Setting ends-in-view is the step to discover possible worlds in which the named conflicts do not exist and to explore ways to create such worlds (Cf. McGillivray 2004 on politics, Bromley 2006 on economic institutions). An end-in-view creates an imaginary world-in-the-making that is believed to be better than the current one, and automatically sets the aim for melioration. Setting an end-in-view is a matter of empathetic projection in the sense of amplifying one's perception beyond the immediate environment by regarding the aspirations, interests and worries of others (Fesmire, 2003: 65ff, cf. McVea 2009). For business this would mean not only stating a strategic intent in which the industry's future is envisioned (Hamel & Prahalad, 1994) but to give proper attention to those involved in the issue and to present them a world to look forward to.

From the imaginary world one *taps* in step 3 creatively the *possibilities* by a process named *projectual abduction* (Tuzet, 2006). These imaginative possibilities guide actions on how to get to the end-in-view (cf. chapter 6). Abduction, drawing the means from the end, can be *ordinary* when dealing with an already-known meansend relation or *extraordinary* when to guess what means will be effective for an end. In the latter, abduction creates new hypotheses and therefore new means-end relations (Bromley 2006: 96-100).

In order to convert the different alternatives into a dynamic story, in which possible events and actions in the future are described, one writes scenarios in step 4. By writing scenarios, an approach developed by Shell, one generates ideas on how to deal with an uncertain and uncontrollable world (Peterson et al. 2003). It will bring forward questions to be answered, such as how to profile values, how to get around constraints and also how strong is the desire to change course to make the unmanageable manageable. Scenarios may lead to new ways to adjust the current situation or to generate completely fresh innovations. They may also deal with pitfalls hindering improvement, such as fractured decision making and the tendency to consider only external variables (Chermack, 2004, 2005).

The heart of deliberation is according to pragmatism the *Dramatic Rehearsal* to find out the consequences of the scenarios (Dewey, 1932: 275). It is a *rehearsal*, since one practises several outcomes with the intention to see whether the projected results are satisfactory. A rehearsal automatically illuminates current situations and opens them up, so new ways of thinking can be perceived. The *dramatic* meaning in the rehearsal is to make sure that one acts from the stakeholder's position and that one imagines how the line of melioration will affect them. Dramatic rehearsal is paying attention to all the bearings that could be foreseen and taking proper interest

in knowing what is going on (Fesmire, 2003: 74, cf. McVea, 2007). When the turnouts are unfavourable, one has to rewrite the script to see whether the adverse situation can be avoided or ameliorated.

The final step 6 is about *implementation* of the outcome, which means seeing how warranted the product (policy, service) stands in the real world. When the implemented intention becomes unwarranted, due to new or remaining conflicts, the ERM process starts from the beginning. The issue has to be reformulated, values have to be rebalanced. This aspect evaluates the new moral reality after the chosen solutions are implemented.

The six aspects of inquiry make our ERM model a non-linear tool with which moral hypotheses and proposals can be generated, tested and assessed. We claim that it is an appropriate tool to discover the hidden and unclear dimension of one's own practice, to seek contact with other practices and to create new practices. Undoubtedly, ERM is a potential tool for *interplay* between business to business and business to consumers. It stimulates network creation and mutual understanding of interests. An underexposed aspect, and maybe more important, are the practices within the organization. Departments can have their own rules, attitude, culture and pride etc. ERM can facilitate *intraplay* to improve collaboration, trust, and generate new habits within the organization (Pompe, 2008, Pompe and Korthals, 2010).

To clarify the ERM model even further we contrast it with Multi Stakeholders Process (Platform or Partnership) (MSP). Both models support moral decision-making by recognizing the complex world with technological, economic and social change and facilitate dialogue, joint learning and collaborative action to create better understanding and new directions. However, ERM has essential characteristics that make it a different kind of tool. First, there is a formal versus informal difference. MSP is described as "a decision-making body (voluntary or statutory) comprising different stakeholders who perceive the same resource management problem, realize their interdependence for solving it, and come together to agree on action strategies for solving the problem" (Steins and Edwards, 1999: 244). MSP is often initiated and regulated by a governmental or institutional body, like the EU Round Table Forum on CSR, who stresses the importance that participants agree on the process of discussions, such as rules of conference, schedules and time setting for decisionmaking (Faysse 2006). It is therefore a rather formal tool in contrast to the informal ERM in which experimental inquiry does not require officials neither present rules to keep things orderly. Second, there is a difference between *multi and stake*. MSP is particularly multi-oriented by focusing on the identity and representation of the usual stakeholders (Simpungwe 2006). Participants are supposed to represent their interests groups. ERM, on the other hand, is more stake-oriented as its aim is to overcome a problem. Consequently, it is looking for the problem in which (new) publics and stakeholders are directly involved. Third, there is the dissimilarity hidden versus open. In MSP certain issues are not openly discussed such as power relationships, composition of the platform, individual agendas of the representatives and their capability to participate meaningfully in the debates. This makes MSP often more a process of negotiation than of communication (Faysse 2006, Simpungwe 2006). In an ERM setting tangible and intangible constraints must be mentioned and investigated, since values can only be created when some of these constraints are overcome. Besides, ERM ideally needs participants who are not hindered by agendas, who are socially intelligent creators, out of the box thinkers and can work on a mission called *make it happen*. Final, there is the *convergence versus divergence* contrast. MSP has a strong tendency towards convergence in bringing about a consensus or a compromise among the different perspectives of the participants. ERM encourages divergence, because it is about testing different proposals and selecting those which can match the desired situation. Divergence may, at the end, well lead to convergence as learning from each other's results means incorporating each other's strengths.

To recap, ERM is a tool in development to increase the awareness of the possibilities for co-evolving business and ethics AND to enhance the abilities to improve the interaction and dynamics between business and society. ERM is an intermediary that professionals and stakeholders alike can use to find existing opportunities and create new ones to improve situations. ERM is all about enhancing daily-life competences in order to work for a moral end-in-view.

Conclusion: ERM as experience based management

Ethical policy-making is often being burdened with the tension between ethical principles and practice, convergence and divergence, pull and push and between justification and discovery. We demonstrated that the strength of the conceptual (thinking) world of principles, values, codes and standards to overcome conflicts is overrated. The pluralistic and complex world, with its mosaics of values and set of constraints, will bounce off any mainstream principalistic ethics because it simplifies, confuses and generates conflicts without answers. We also showed that the capability of existential (doing) world of moral practice to approach conflicts and create opportunities is underrated. With the three forms of experience based ethics phronetic, hermeneutic and pragmatic ethics- we illustrated that there is plenty ground for ethical change to be found in daily-life practice. Experience-based ethics and business can easily co-evolve by creating new values, provided a participatory attitude and interpretative management systems are operational. Ethical Room for Manoeuvre is concept and tool for experimental inquiry and discovery, which makes implementation of ethics without a pull from principles possible and supports the effectuation of moral aspirations.

Further research into the fruitfulness of ERM is necessary and the next chapters will contribute to that. The influence of ethical principles on the formulation of aspirations is not the issue. Research should focus on the weight principles have in the implementation process. Second, operational research (OR) on participative and interpretive management systems regarding ethical issues, and in particular creating new moral practices, is still in a pioneer stage. Action research in this special form of OR may well lift it to higher lever. Third, substantial and procedural deconstruction of already co-created values will reveal insights for the improvement of the ERM model.

Principles and value analysis have a heuristic function and can shed light on the foundations of the problem and be complementary with experience-based ethics (Musschenga, 2005). Principles and experience must have a functional correspondence just like the conceptual and the existential world, as Dewey proclaims. For ethics we strongly emphasize action and we maintain with Aristotle that practice precedes science, with Gadamer that dialogue precedes understanding and with Dewey that doing precedes thinking. These insights can be used to (re)define moral entrepreneurship.

Two pathways of innovation: Concept- and experience-based	
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4 Two pathways of innovation: Concept- and experience-based

Abstract

This chapter focuses on the Ethical Room for Manoeuvre entrepreneurs have in a science-driven system innovation, such as the Laying Hen Project⁷. The nature of the project is concept-based, starting with defining the multiple-domain and multiple-actor problem and abstracting demands in order to constitute new concepts of animal husbandry. The role of the farmers as entrepreneurs is empirically and conceptually studied. For the farmers there appears to be limited room for early involvement in the project and their position is only consultative. From this result the efficacy and effectiveness of the science-driven approach is questioned. An alternative approach is enfolded in which criteria like feasibility and recognisability are leading. The background of this perspective is experience-based pragmatism with the focus on participation and co-production.

This chapter provides empirical and conceptual insight into the pathways of innovation: starting from social interactive innovation and working to acceptance versus starting from acceptance and working to socially desired innovation. The difference of the pathways elucidates the conflict between the desirable and possible world of the innovators and the experienced practice of the farmers as entrepreneurs. These pathways illustrate also the contrast between arrangement-focused versus realisation-focused approaches of change.

To elaborate the realisation route of innovation a new balancing and negotiating concept and tool Ethical Room for Manoeuvre is applied. Innovations should be more an enhancement of experience than a social construct. If social arrangements are provided, they ought to facilitate capabilities, i.e. agency and executive ownership, by enhancing freedom to undertake valuable doings. Innovation then becomes moral entrepreneurship

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 $^{^{7}}$ This chapter is based on the paper "Two pathways of innovation: Concept- and experience-oriented" (with M. Korthals and in progress)

Introduction: two ways of innovating the animal husbandry sector

Today's societies have a complex fabric. They are cultural systems made of multiple domains (people, planet and profit) with multiple actors (producers, consumers, politicians) operating at multiple levels (company, local community, national, global). The interwoven nature of the domains, actors and levels can bring about *unwanted side effects*. Climate change, finiteness of natural resources, environmental pollution, upcoming scarcity of drinkable water, and distrust in the financial market are just some examples. This whole range of problems or as Rothmans (2005) calls it *flaws of the system*, cannot be solved by merely adapting or improving current knowledge, technology, practices and legislation. Problems are simply too complex for simple solutions. For finding sustainable solutions researchers call for structural transformations or transitions in the sense of a long-term process of fundamental change through system innovations (Loorbach and Rothmans 2006; Rothmans, 2005)

One of these complex problems is industrial animal farming husbandry, which stands under social pressure because of the harm to animal welfare, the pollution of the environment and contribution to greenhouse gases, the human health risks related to hormone residues in the meat and the inefficacy of antibiotics on some bacteria. Society and politics want their demand to be taken seriously by the sector and call for modernization of the industry. In 2003, the Dutch Ministry of Agriculture initiated a project Laying Hen Husbandry, in Dutch 'Houden van Hennen', and in 2007 the modernization of the husbandry of cows and pigs was started with projects called the 'Power of Cows' and 'Porktunities'⁸. These projects were delegated to a team from Wageningen University and Research Centre (WUR) with the objective to create innovative concepts of laying-hen, cow and pig husbandry, in which the position of societal perceptions and the naturalness of the animals are prominently integrated into the design.

In line with the perspectives of system innovation and transition management, new husbandry concepts were created with an approach called *Reflexive Modernisation* (Beck et al. 2003, Bos et al. 2006, 2008). Reflexive modernisation stresses the need for a reorientation of socio-technological development in which undesired effects are pre-empted without degrading the socio-economic benefits or to put it more simply: improving the current practice without the mistakes from the past (Bos et al 2008: 89). To initiate reorientation, Bos & Grin (2008) call for a prescriptive masternarrative powerful enough to shift the "attention from the mainstream to the discrepancies, failures and side-effects". Reflexive modernisation is, therefore,

⁸ See for more information and pictures of the result http://www.duurzameveehouderij.wur.nl/UK/

redefining systematically and continuously the existing functional differentiations between politics, the market, and society as well as their subsystems.

A way to go ahead with reflexive modernization is by applying *Reflexive Interactive Design*. This approach is a specific form of deliberative or participatory technology assessment in which both technical and social features of production and consumption are put into the design as a result of reciprocal and iterative argumentative exchange between the actors and stakeholders involved (Bos & Grin 2008). Reflexive interactive design does not seek for value consensus nor a mere `tit-for-tat' compromise, but for *congruency* in the mind of the actors involved about the course of action in the modernization process (Bos et al. 2008).

Reflexive modernization through reflexive interactive design is the way to find solutions for problems that are multiple-domain (human health, animal welfare, environment, economy) and multiple-actor (farmers, consumers, government) and multiple-level (farm, local community, province etc.). Eventually, the result-in-view is a husbandry system for the agricultural sector that is sustainable at an ecological, economic and social level. The project has so far delivered impressive concept designs. In 2005 'the Roundel' and 'the Plantation' for hens left the drawing table, and in 2009 cows could 'look forward' to, De Meent (XL), De Bronck and Amstelmelk. The laying-hen project is already being implemented in the sector. Initially two farmers received a government grant to implement a 'light version' of the concepts and a Dutch egg wholesaler showed preliminary interest in marketing the design. In April 2010 a full version of the Roundel came into existence⁹. Governmental financial support and a covenant between the farm, Dutch Society for the Protection of Animals and Ahold Retail secured the sales of the 3-star Better Life hallmark eggs.

Despite the innovative results of Roundel and Plantation and the effort to market them to the laying-hen sector, the implementation of the concepts is slow even with some governmental financial and political 'force'. A project evaluation done in 2005 among stakeholders already predicted a slow follow-up (Geerling-Eiff and Groot Koerkamp, 2005). In total 42 stakeholders (out of 57), ranging from scientists, laying-hen farmers, chain-business, agriculture interest groups to social groups and government, gave their thoughts on the project's outcome. The results were mixed (see Table 4.1).

In short, the designs are seen as too futuristic and hence not regarded as realistic for the current economic practice of laying-hen husbandry. Additionally, the position of entrepreneurship in the project is regarded as underrated. These critiques were also expressed in the 'road show' during which the WUR-team presented and promoted the project's innovative concepts (cf. Pompe 2007).

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⁹ See for more information http://www.rondeel.org/index.php?cl=uk

Table 4.1.Summary results evaluation Laying-hen project (abstracted from Geerling-Eiff and Groot Koerkamp 2005)

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Section	General opinion	Positive feedback	Critique
Science	Reasonably satisfied	The products itself and the interactive process	An imbalance: too much hen and too little entrepreneurship
Laying-hen farmers	Vary from very satisfied to very dissatisfied	Creativity and involvement of different stakeholders	Lack of feasibility; Financial consequences were insufficiently taken into account
Chain-business	Vary from very satisfied to very dissatisfied	Fresh, creative and interactive approach	Lack of feasibility of the products; Too little opportunity for contribution; Financial consequences were insufficiently taken into account
Interest groups (agriculture)	Reasonably satisfied	The results and the way of communication	Too little managerial aspects; The responsibility of the consumers is insufficiently taken into account Governmental policies are too variable for long-term goals
Social groups	Satisfied	New entry for dialogue with the	Sceptical about feasibility for the sector
Government	Reasonably satisfied	different parties Broad communication	Sceptical about the support in the sector

Now, critique and scepticism is a normal phenomenon in any innovation process. Nevertheless, it can be seen as an anomaly in the project team's convictions. Not only did the WUR-team believe in a sustainable future laying-hen husbandry, but moreover they were confident that the new design could meet all the stakeholders' different demands such as 'happy life' for the hen, a positive and valid image for society and robust healthy hens for the farmers. The WUR-team was also certain that they could both change the concept of laying-hen husbandry and convince the sector to change its practices. They believed that innovation by employing Reflexive

Interactive Design methodology, with its interviews, information meetings and design sessions, would lead to new and acceptable concepts of husbandry (Groot Koerkamp, 2003). However, critiques on the innovative designs and the 'forced marketing' indicate some doubt in this regard.

Solving problems of a practice faces often the dilemma between developing new concepts versus modifying the current practice. In both cases the practice (in our case: laying-hen husbandry) needs to be changed in order to deal with contemporary problems. However, on the one hand, one can disregard the current practice and develop new concepts of laying-hen husbandry and create a new system ab ovo. On the other hand, one can try to change the current practice on the basis of reflective experiences of actors of the current practice with the changed ends in view. In the first case, compliance with the sector's cultural and economic constraints is pivotal for implementation. In the second case, the ends in view run the risk of being lost. Creating the new or modifying the current practice can be seen as a choice between concept-based and experience-based change.

Concept-based change may be easy to establish on the 'drawing board' but may be too radical to lead to change in practice. The acceptance of innovation relies not only on cognition (knowing) but also on affective (liking), normative (allowing) and regulative (competences) aspects (cf. Rest J.R and Narvaez D., 1994). Besides, innovative concepts must work themselves through business constraints to become real practice. Many ideas cannot match financial constraints, such as lack of finance and low rates of return, human constraints, such as attitudes and expertise, and organizational constraints, such as legislatorial requirements and lack of partners (Hewitt-Dundas 2007). The psychological and business constraints may discourage the farmers to implement the new.

Experience-based change, on the other side, may not be able to deal with the scale and complexity of the undesired side effects of the current system (Loorbach and Rothmans 2006; Rothmans 2005). Experience is 'narrow' compared with the 'openness' of concepts. Besides, people want change but do not want to change. Change based on experience may not be radical and quick enough to overcome the problems we face. In the end it may well be too little and too late.

The overall dilemma in short is that concept-based change may be dead-ended while experience-based change may be too incremental and too insufficient. In our paper, we will examine the choice between concept- and experience-based innovation. We regard the Reflexive Interactive Design (RID) methodology as a concept-based pathway for sustainable animal husbandry. It is a top-down path that runs *from-socially-interactive-innovation-to-acceptance*. Since the success is debatable we analyse the interactive aspects of the laying-hen project and assess its participatory strength. We then discuss this result from a philosophical perspective.

Concept/system thinking of the innovation project will be contrasted with (Deweyan) pragmatism in order to bring forth an alternative pathway: *from acceptance-to-socially-desired-innovation*. We propose that the choice between the two pathways, from-innovation-towards-acceptance and from-acceptance-towards-innovation, should be in favour of the latter. In the quest for (voluntary) socially responsible husbandry, we advise a bottom-up approach in which the sector controls the society-oriented agenda of innovation.

With our contribution we want to elucidate our pragmatistic claims that: 1) low participation = low involvement = little change; 2) there must be a functional distinction between a and secondary stakeholders; 3) innovation must be experience-based. With these claims we want to refine innovation management, i.e. create opportunities for a better balance between scientific and societal desires for innovation and the moral and economic values that shape the sector. We will introduce the concept *Ethical Room for Manoeuvre* as a new approach to innovation management, in which complex problems are addressed with participatory experimental inquiry and discovery.

The Review: The participatory strength of the laying-hen project

The innovations 'Roundel" and 'Plantation' are the outcome of Reflexive Interactive Design. In this approach technology is assessed in all its technical and social features in a kind of participatory way by actors and stakeholders involved. This method could guarantee that the needs and wishes of society, the laying-hens and the poultry farmers are integrated into one design. To cope with this task an intelligent working schedule was designed (Groot Koerkamp 2004, 2006) (see Table 4.2 for an overview).

This process is well structured and logical. First, a survey was performed to get the state of the art. Second, the current problems and future ideals were defined with different stakeholders' perspectives in mind. Then conditions and requirements were set and used for the actual design. Finally, the design was promoted. The reflexiveness between the past and the future and the interaction with different stakeholders could apparently not prevent the critique that the designs are too futuristic in relation to the current economic practice of laying-hen husbandry and that the role of entrepreneurship is insufficiently recognized.

Table 4.2 Laying-hen project scheme

Description	
To list idealized images, to articulate societal perception about naturalness and robustness and to build a network by performing a stakeholder analysis	
To address the long-term attractive elements and wishes of future ideal images and not only the essences of the current problems with laying-hen husbandry	
To list, abstracted from the SPD, concrete demands directly related to the farmer, as entrepreneur and as workman, the citizen, as consumer and member of society, and the welfare of the hens, which served as a starting-point for creating innovated husbandry systems	
To create as many solutions as possible to the problems that the SPD and PoD generated, that are then systematically assessed by criteria from the PoD and finally integrated in the new design of social responsible husbandry	
To present and diffuse the results to the different stakeholders, in particular, and the public, in general	

To gain more insight into the background of the critique the project was specially reviewed from the perspective of stakeholderness and level of participation (Pompe, 2006).

Stakeholderness

The Reflexive Interactive Design methodology regards all stakeholders as equal. In a multiple-actor problem stakeholders are normally attributed by their power, legitimacy and urgency (Mitchell and Wood 1997). Since it is difficult to weigh these attributes between the different claims, often one regards 'all stakeholders as equal'. Driscoll and Starik (2004) disagree with this 'injustice' and call for a fourth stakeholder attribute: proximity as the spatially and temporally inclusiveness. With that new attribute they introduce the concept *primary stakeholder*. We welcome this new distinction, 'some stakeholders are more equal than others', but we give it another meaning. Stakeholders differ also in the *regulative* sense i.e. the ability to control or operate the (new) concept. We regard the sector, as a cluster of farmers and chain businesses, as the primary stakeholder because they have to work with the innovations. Society and the animals, however, should make demands but are *secondary* in the sense that they are the beneficiaries of innovation and not the executants (Pompe 2007).

From this perspective, the review shows that the primary regulative stakeholder, the laying-hen sector, was not in any way involved and guaranteed input (listened to) in designing the project. The WUR project leaders wrote the plan, defined the problem, formulated the mission, set the objectives and outlined the method. They deliberately did so to free them from the current economic-oriented practice and create something in which the animal and societal perception have a core position. The objective of the project, therefore, was creating new husbandry systems rather than renewing the current one. Consequently, the project focused more on the innovation itself than on the implementation.

After outlining the project only 16 representatives of the stakeholders were involved in 'Strategic Problem Definition' (SPD). These stakeholders were some poultry farmers, industrial suppliers of feed and housing systems, veterinarians, egg trading companies and NGOs as animal protection organizations. Their opinions and ideas were elaborated in the SPD. From the problem definition the WUR-team abstracted a list of demands. In the 'creative sessions' around the 'Program of Demands' (PoD) stakeholders were invited to review and correct the list of demands. In these sessions the ratio between primary (farmers, chain business) and the secondary stakeholders (scientists, vets, engineers, animal welfare representatives and session manager) was 5:8 on nesting behaviour, 2:10 on husbandry facilities and 1:10 on the human and animal health.

In the methodological design, the stakeholders had plenty of 'room' to create husbandry systems that matched the PoD. The methodological design was split into three sessions and the ratio between primary and secondary members was 2:10 in the focus on the laying-hen, 3:9 on the farmer and the 2:11 on the topic society and consumers. The first drafts of new husbandry systems were, consequently, assessed by different panels of stakeholders and modified towards a final concept. Unfortunately, budget and time limitation hindered a full iterative process of designing. This process could only be performed twice and only with a part of participants from the design session.

Reviewing the whole process from the perspective of stakeholderness the representation of the primary stakeholders can be judged as insufficient. The beneficiaries of the new concepts outnumbered the operators of the system.

Level of participation

Reflexive Interactive Design emphasizes, as the name indicates, the importance of interplay with and between the different stakeholders. Interaction is essential for creating innovation in which societal perception as well as business demands and the animal's position are incorporated into the new concept. In the outline of the project as well as during the project the term 'interaction' was not defined. This is somewhat

remarkable because the scope and reference of 'interaction' demand clarity. The meaning of interaction can vary from consultation – asking for an opinion about something - to participation - creating something for opinion. According to Daniels and Walker, consultation is structured by the deciding authority and therefore more or less a 'command and control' or a 'inform and educate'. Participation or collaboration, on the other hand, is more inclusive because decision-making is shared among the joint participants as 'active learning' (Daniels and Walker, 2001: 71). Besides, Daniels and Walker make a pivotal distinction between *deliberation* and dialogue. Deliberation is a phase of communication after a dialogue between parties has taken place (131-133). This makes dialogue itself a tool for discovery, learning and understanding. Apparently, the laying-hen project was not aware of this distinction and assumed that the deliberated new concept would lead to dialogue and active learning as a mode of implementation, Coff et al. (2008) present a similar comparison between consultation and participation but call the highest form of interaction co-production, in which the production of knowledge and social order is simultaneous. In table 4.3 this comparison is linked with the project.

Table 4.3 Overview of participation strategies (Modified from Coff 2008)

Aspect	Consultation	Participation	Co-production
Style of governance	Consultative	Participatory	Co-operative
Role of participants	Providing advice	Providing advice	Being partner
Input of participants Influence by participants	Voicing ideas and opinions Opinion-formation	Voicing ideas and opinions Opinion-formation	Voicing and acting Decision-making
Stage of influence	Ex-post	<u>Ex-ante</u>	Ex-ante
Laying-Hen Project	SPD and PoD	Methodological Design	<u>none</u>

Another key difference between consultation and participation is the stage of influence in terms of *ex-post* and *ex-ante*. Stakeholders involved in the SPD and the PoD were used as consultants and did not have an ex-ante opportunity to formulate the problem, the objectives and the methods. According to Ackoff ex-ante opinion-forming or decision-making is important for the operation of a project. It should include, in Ackoff's words, "formulating the mess, setting organizational goals, objectives and ideas, selecting the means for pursuing them, providing the resources required by the pursuit, organizing and managing the pursuit and finally implementing and controlling it" (Ackoff, 1979). Translating Ackoff's theory to the laying-hen project, the project team should be a facilitator of a project of the laying-

hen sector itself. Early involvement is, therefore, essential for participation which is also the outcome Rowe and Frewer's (2000) evaluation of public projects.

The importance of participation is translated by Scharpf (1999) into *input-throughput-output* requirements. Objectives and relevant agenda are the input of a project and should be set in collaboration. Equity and fair representation of those involved form the essential throughput. Finally the results, as being the output, should be evaluated on its substance and procedure. For any project with stakeholders, the scope and reference of interaction must be considered.

Let us summarize our analysis so far. We have two empirical claims: that the implementation of the innovative concepts is not (yet) successful and that the involvement of the sector, in the design and execution of the project, is questionable. These statements lead us to the normative claim that ex-ante participatory innovation with primary stakeholders is pivotal for acceptance. As a result, the choice of pathways between 'from-socially-interactive-innovation-to-acceptance' and 'from-acceptance-to-socially-desired-innovation' becomes more obvious. In the next section we look into the philosophical background to support our claim on stakeholderness and level of participation.

Philosophical background and claims: Concept versus Experience

To contrast the difference between the pathways 'from socially-interactive-innovation-to-acceptance' and 'from acceptance-to-socially-desired-innovation', we reflect on the distinction between the concept-based approach of system thinking and the experience-based approach of pragmatism.

Philosophically, reflexive modernization tends towards constructivism and critical theory, since the redefinition is based on an adequate understanding, on how action and structure interact with each other, from a somewhat radical and emancipatory perspective. According to reflexive modernization to overcome multiple-domain and multiple-actor problems we must re-orientate our socio-technological structure. Undesired effects are pre-empted while we retain our socio-economic benefits. Reorientation in this context is long-term thinking (15-25 years) for which we need a prescriptive master-narrative that urges a redefinition of existing functions and relations between politics, the market, and society (Bos et al. 2008).

Bos (2008) leans on Feenberg's classification of primary and secondary instrumentalisation to give reflexive modernization some guidance. At a primary level, an object is taken out of its context in order to transform it to a thing with special functions. This *de-contextualisation* must then, in a secondary level, be *re-*

contextualized by taking the technical design into the real world in order to find out to what extent the design can be fitted into a set of social, ethical and aesthetic values. In reflexive modernization, integrating technology with the dimensions of social life is a process that should be applied beforehand and in a deliberative context in which stakeholders are involved. For Bos and Grin (2008, p483) reflexive design entails the practice and methodology of adequate understanding how action and structure interact with each other, which makes this approach concept-based. It is also a top-down approach because comprehending the current system with its flaws from a multiple-stakeholder perspective is an expert's task before an alternative can be constructed. A Strategic Problem Definition (SPD) just does that: understand and construct, from the heterogenic perspectives, the long-term attractive elements and wishes of future laving-hen husbandry. Strategic Problem Definition conceptualizes e.g. the naturalness and robustness of the hens, the profitability of the entrepreneurship, the working environment of the farmer and the positive and truthful image towards society. These concepts are then translated to lists of stipulations and requirements to form a Program of Demands (PoD) from which innovative husbandry systems are designed. The pathway 'SPD \rightarrow PoD \rightarrow Design' equals 'from-socially-interactive-innovation-to-acceptance' and shows its concept-based and top-down qualities.

It is hard to deny the scale and the multiple-domain-actor complexity of the current husbandry problem with animal welfare, health risks, and environmental degradation. We understand the motives to design a desirable and possible future world and the Reflexive Interactive Design methodology is a logical and rational approach to create new concepts. However, we are sceptical about its potential to bring about change. Innovation must ultimately bring about some *change* in current practice. This means that the recipe of modernization must be directed at that aim. We question the potential of top-down change when coercion, through sanctions and rewards, is not on hand. If change must be voluntary, then a bottom-up approach is the alternative to explore. In such a situation, change must stem from the current practice and consequently is more based on experience than on cognition. New ideas or methods are judged by these practices on aspects such as recognition, relevance and feasibility rather than on concept-based features as transferability, dependability and credibility (cf. Bogason 2006). Voluntary change means enhancing the practical experience of the (primary) stakeholders. A renewal of practice, the pathway of innovation, must come from within. Experience-based innovation brings, hence, forward a pathway from acceptance-to-socially-desired-innovation.

To stress the importance of 'experience' even more we present an outline of Deweyan pragmatism to emphasize that praxis (doing) has primacy over theoria (understanding). We follow the pragmatist's adage that all knowledge is a product of activity, namely inquiry (cf. Rescher, 2000). From this wisdom we present four claims from Dewey's pragmatism to elucidate our experience-based approach.

First, innovation is self-realisation.

To have a self is to be aware of one's ability to be part of a social process and adjusting to it (cf. Rosenthal and Buchholz, 2000: 3-19). Adjustment to the social process is the moral aim of self-realisation. It is seeking sustainable melioration quided by the full richness of experience and decision-making (Buchholz and Rosenthal, 2005; Fesmire, 2003). It is not so much the social pressure that makes implementation of husbandry systems successful but self-realisation, i.e. the professional know-how to build and to use them. To enhance the sector's selfrealisation, standards for care and quidelines for good practices should stem from the ethical intuition that participants in practice have (cf. Korthals, 2002), Society and the animal must obviously be included in the process, but are in this sense only demand creating entities. In an innovative process the ability for self-realisation must be fostered to direct a practice towards a higher moral level which is always social. This process has to start from the (primary) stakeholder's experienced interaction with his environment and not from a metaphysical abstraction that is subsequently applied to our daily lives. For farmers their experience refer to three facets (Versteegen and Lans, 2006; laying-hen project used a similar classification): (1) that of the labour expert who tries to control the biological process, (2) that of the manager who aims to optimize the different components of the internal organization, and (3) that of the entrepreneur who seeks the best fit with the economic market, society, public and consumers. Self-realisation in a farmer's context is about being a livestock keeper in a social business environment. Any innovation must become part of self-realisation in order to be accepted. For this task propositions and ideas must not be specified beforehand; they can only be the outcome of a process of discovery.

Second, innovation processes should be dialectal and transactional.

Science, past and contemporary, seeks certainty by creating Cartesian dualisms. It separates components or entities of human activity, such as body and mind, organism and environment, stimulus and response, knowing and known, private and public, end and means. For Dewey (1973), all these separations are artificial because they cannot ontologically exist on their own. For example, ends cannot be determined without means and vice versa. One cannot plan a holiday without having some sort of idea of how much money one can spend. On the other hand, money as such is not a means; it becomes a means only when it is meaningful in relation to an end. Ends and means get reciprocally and iteratively determined. Treating conventional separations, divisions, or dualisms as something ontological or real, creates delusions. Distinguished items must be seen as complementary aspects within more inclusive wholes, which Dewey calls transactions. In the laying-hen project one deliberately separated the innovative from the regulative design or innovation from improvement. From a purely creative perspective this may well be a wise move, but from the eye of a change manager this is somewhat foolish. The process steps, Strategic Problem Definition, Program of Demands,

Methodological Design, as separate entities neglect the essential dialectic between innovation and acceptance. According to Dewey, finding the solution and finding the problem are two sides of the same coin, because we will only know what the problem really was after we have found an adequate response. This means also that the dialectic between ends and means cannot have a clear beginning and a closure. The Reflexive Interactive Design methodology is in its nature dialectical. However, this dialectic is limited to an interplay between the domains (animal, environment and economy) but does not mediate between the processes of innovation and acceptance.

Third, innovation is to liberate one's intelligence, one's analysis, and one's imagination.

In pragmatism, standards and objectives are not regarded as fixed because values are multiple-interpretable, conflicting, dynamic and therefore cannot be used as a reliable beacon that determines the outcome (Korthals, 2004). Problems are solved by creatively searching for new scenarios for practices. New scenarios of actions, new ways of thinking, and new ends-in-view may all generate beliefs about innovations that will lead to a richer, more feasible and more recognizable world. It is therefore important not to create just one plan for the future but several. All need to be tested in imagination in order to process the successes and failures into a 'better' version. This idea correlates with the concept of 'scenario planning' that is getting a more prominent position in the field of politics and business (Peterson et.al. 2003, Chermack, 2005). Along with Buchholz and Rosenthal (2005) and Werhane (2002, 2008) we stress that entrepreneurs already possess the creative strength and imagination to improve their products and market. This strength should be used in the innovation process as early as possible.

Fourth, science can only tell us what worked but cannot tell us what will work.

The role of scientific experts is limited when it concerns changing a practice. The limitation is the direct result of the relation between experience and knowledge. Experience is not about consciousness or mental awareness but refers to the transactions of living organisms and their environments (Dewey 1920: 129). This means that one must undergo the consequences of one's own "doings" in order to change as a result of this. According to Biesta (2007), knowledge is not a passive registration in the mind about what happens in the material world but a relation between our actions and their consequences. In words of William James: truth is not a property but an [after-action] happening (1975: 97). Innovation science must, therefore, be more focused on the practical rather than the social dimensions. Since knowledge and truth are happenings the role of social research changes from predictive to evaluative. Social science can tell us what worked but cannot tell us what will work (Biesta 2007). With this insight, the position of social science in the process changes from ex-ante to ex-post. This implies that practice can and should

adapt or even reject given, social scientific, problem definitions and predetermined ends.

The contrast between reflexive design and pragmatism can be linked with Sen's distinction (2009) between *transcendental* and *comparative* philosophy. It hinges on the question whether we want to create the ideal situation or one that is better, less dissatisfactory, than the current one. Besides, there is a corresponding question: Is change more likely to happen if it is done from a concept-based or from an experience-based approach? Seeing the complexity of the problem, system thinkers stick to the former and this may explain in the laying-hen project the ex-ante role of science and the ex-post of the (primary) stakeholder. We as pragmatists think that an experience-based approach is more appropriate because the success of innovation can only be judged by its acceptance. In the next section, we introduce the concept *Ethical Room for Manoeuvre*, which may enhance innovation in an experience-centred way.

The Alternative: Ethical Room for Manoeuvre

The innovation of a husbandry system has the explicit objective to improve the position of the animals and the social image of farming. As such, the innovation is an attempt to integrate the non-economic with economic concerns. In this sense, innovation is an ethical endeavour. It is a rather complex process in which ethically desirable conditions get specified, i.e. identifying and weighing of paramount values and their dilemmas. Again, this can be done from a concept-based or an experience-based approach. To present the pathway from-acceptance-to-socially-desired-innovation in a practical way, we introduce the concept *Ethical Room for Manoeuvre* (ERM) as a tool to identify relevant ethical issues, to interpret these and to offer solutions to them (Korthals, 2008).

The goal of introducing ERM is to enhance managerial or political decision-making. ERM shares some features with reflexive interactive design but the key difference, as we already showed, is the experience-based approach towards the social process and structures in which stakeholders cope with dilemmas and problems. The ERM intentionally seeks 'free space' for dialogue and deliberation by overcoming barriers and fears that restrict stakeholders' ethical capabilities to deal with continually changing situations for farming in a social, normative and technological sense. The strength of ERM is not only that it describes a state of affairs but improves 'skills for manoeuvre' too. ERM allocates free space for deliberation but, more importantly, increases it as well. Using ERM, we will demonstrate that the need for co-production is apparently the most appropriate form of interaction.

Experience about concrete and actual dilemmas or about conflicts generates the need to find a solution (cf. Dewey, 1986). The EU-ban on battery-farming in 2012 can be an incentive for chance, but in the Netherlands the sense of urgency is moderate because 65% of the Dutch laying-hen farmers have already changed their husbandry to an aviary system. Especially in cases where the sense of urgency is low or missing, a top down enforcement is not the best option. Moreover, it is not likely that imposed measures on their own will lead to a long-term change of habits. The sense of urgency must come from the participants themselves. Low urgency, however, should not stop innovation. The sense of urgency, then, can be replaced with the *sense of opportunities*.

Although the ERM concept is clearly based on Dewey's form of inquiry (Dewey, 1986), the concept is still so novel that there are as of vet no examples to illustrate its success in practice. However, there are examples that display a successful bottom-up and experience-based approach similar to ERM. Marsden (2000) demonstrates the incorporation of consumers into the food chain by developing food in which the consumers are allowed to make value judgements about the relative desirability on the basis of their knowledge, experience and perceived imagery. Daniels and Walker (2001) illustrate how active mutual participation of citizens, scientists and foresters can successfully develop and conserve nature in a fire recovery project. Hippel (2005) shows the best examples of experience-based innovations with software, surgical and sports equipment, which are mainly developed by the users themselves. Hippel advocates this kind of open source development as a foundation for democratizing innovation. However, each of these examples has shortcomings. Marsden does not have a clear procedure. Daniels and Walkers present a procedure, but do not aim at innovations. Hippel, on the other hand, concentrates on innovations, but not on the ethical dimensions. The ERM deals with these shortcomings by intertwining procedure, innovation and ethics.

The ERM is a tool for co-production or co-evolution of entrepreneurship with technology, ethics and aesthetics. It comprises three iterative aspects that the sector as the key player must perform: the adequate formulation of dilemmas, the balancing of values and the evaluation of solutions.

An adequate formulation of dilemmas is a crucial first step. The ethical dimension of animal husbandry is strongly pluralistic (Korthals, 2001). It has a mosaic of values, such as animal welfare, food safety, dietary demands, consumer perception and environment. In agriculture these moral values are complemented by economic values such as profit, level playing field and market position. The main conflict in animal husbandry is between moral values such as animal welfare and the economic value of making a reasonable profit. For farmers the costs to invest in animal welfare are sometimes difficult to earn back because only a small niche of consumers is willing to pay extra for products that are ethically produced (cf. Hewitt-Dundas).

Additionally, the lack of financial resources that are needed to invest in a new system hinders the implementation of innovation (cf. Pompe, 2007). Value conflicts become more complicated because pluralism also exists in the dimensions or perspectives from which moral and ethical judgements are made. Sustainability, for instance, can refer to private matters such as keeping the farm in business for the next generation or to the public dimension of an environmentally healthy and animal friendly society. The variety of dimensions is often the fuel for debate. Therefore, formulating dilemmas means adequately pinpointing the core of the problem; what is the mosaic of values, what are the conflicts (direct/indirect, short/long term), which resources are available and to what extent is regulatory compliance necessary? Pinpointing the core of the problem makes the formulation of dilemmas a kind of evaluation of the current technological and ethical arrangements. Since animal farming is not only a private but also a public issue, a farmer-initiated dialogue with stakeholders is essential to make innovation successful. Any deliberation without actively learning from science, economics, NGOs, public and politics, cannot lead to an adequate formulation of dilemmas. However, one has to keep in mind that since change is wanted, what matters at this stage of the process is not only what is (publicly) desirable and legal, but moreover, what is at hand, what is affordable and what is manageable.

Balancing values and looking for new values and new technologies can be achieved by identifying possibilities and formulating ethical values and dilemmas. This step of the procedure has two intertwined components: an intensification of *imagination* and a multiple-performance of dramatic rehearsal. Finding innovations starts with comparing the advantages and disadvantages of the consequences of upholding values. This can only be done by imagination in the sense of amplifying one's perception beyond the immediate environment. Fesmire (2003: 65ff) recalls Dewey's distinction between empathetic projection and creatively tapping a situation's possibilities. Empathetic projection is a form of direct responsiveness regarding others' aspirations, interests and worries. For the laying-hen sector, in general, and the farmers, in particular, this would mean that they must give proper attention to the others involved in the issue. What would a farm that is attractive for both public and hen look like? The aim of melioration is the drive for creatively tapping a situation's possibilities. This aim is a precursor to finding new ways to adjust unwanted conditions brought about by the current situation. Constructing a 'Strategic Problem Definition' and a 'Program of Demands' can be seen as a form of seeking new ways to control the old system's negative effects. However, as analysed above, this should be done in a participative rather than a consultative form of interaction.

Finding ways to settle difficulties, scoping out alternatives and, most importantly, picturing ourselves taking part in them is a pragmatic way of deliberation that is called *dramatic rehearsal* (Fesmire, 2003: 70). Rehearsal illuminates current situations and opens them up, so that new ways of thinking can be perceived. The

rehearsal's dramatic meaning is an imagination that is stimulated to act in a line of melioration the stakeholder's position. The imagination tries to harmonize the pressing interests, needs, and other factors of the situation by paying attention to all the bearings that could be foreseen and by having the proper interest in knowing what is going on (Fesmire, 2003: 74). Dramatic rehearsal, therefore, is a vicarious anticipatory way of acting, in which frustrated habits are experimentally reconstructed. Werhane (2002, 2008) advocates a similar process in which moral imagination revisits traditional mind-sets. McVea (2007) presents a good example of dramatic rehearsal by deconstructing the thoughts of Nobel Prize winner Muhammad Yunus in his development of the micro-credit concept.

In the laying-hen project, a sort of dramatic rehearsal took place in the methodological design phase, in which ways were found to integrate the interests of the public, hens and the sector. However, one has to make a distinction between fabricating a construct from different components and letting the construct originate from the source of experience. Dramatic Rehearsal is not a process of gluing, comprising or puzzling together individual rehearsals, like those of farmers, scientists, politicians, into one big innovative design. It is not fabricating a script from the work of Chekhov, Goethe and Shakespeare. Instead it would be asking Chekhov, if he were still alive, to write a script incorporating the work of the other two and to actively learn from it. Additionally, dramatic rehearsal cannot be set to a time limit. In line with the experimental character of pragmatism, it is an open-end process that stops when it reaches equilibrium.

The evaluation of chosen and implemented solutions is to evaluate technological construction and ethical arrangements that result from the previous step. It is comparing old and new situations. This step secures that the ERM process is iterative. With unsatisfactory change, due to new or remaining dilemmas, the issue has to be reformulated, values have to be rebalanced, and modified solutions have to be re-evaluated.

The fact that the Roundel and Plantation are seen as too futuristic with underrated entrepreneurship can be explained by their lack of an appropriate balance of values and /or an incomplete dramatic rehearsal. By using the ERM tool, the entrepreneurial soil could be better fertilized for a co-production of economics and technology with the demands of the animal and society in mind. In this situation, one can speculate whether the pragmatic approach would lead to innovative concepts such as Plantation and Roundel. It will, of course, not lead to the same result, but certainly to a result with the same intention, which is to create a husbandry system that meliorates the existence of the farmers, animals and public. The pragmatic approach, from acceptance to change, is an incremental process. According to MacGilvray (2000) any social reform is piecemeal and one has to work out from the network one is in. However, MacGilvray emphasizes that the pragmatic concept of inquiry neither

requires nor rules out incrementalism and, therefore, radical change is possible. To focus on acceptance, wholesome concepts such as Plantation and Roundel cannot be ruled out a priori. Even in cases where there is no sense of urgency, concepts like these may result in a sense of opportunity.

The role of science must be that of a facilitator. Science can research the animal's needs and the public's demands. It can assist in setting up a Strategic Problem Definition and even a Program of Demands. This certainly will facilitate the sector in its pursuit of a melioration of interests. Additionally, the role of philosophy in this quest is to facilitate the process by co-writing possible future scenarios and *creating new vocabularies* to enrich beliefs (Keulartz et al., 2002b) and, most importantly, to increase the 'free space' for dialogue and deliberation.

ERM is about self-realisation. A further requirement is, therefore, that the budget for co-evolution of science, farming and public demand be optimally allocated between the stakeholders. In practice, this would mean that budgets should be predominantly allocated to the sector and not to a science team. Co-production implies that farmers, with positive attitude towards openness, eagerness to learn and meliorism, are invited to innovate and are totally compensated for their work on the project. A pragmatic ethical tool that starts from experience and aims for self-realisation within a deeper social context in a creative and experimental way, is, as all innovative tools, dependent on adequate financial means.

Conclusion

We formulated the dilemma between pathways of innovation: to start from social interactive innovation and move to acceptance or to aim first at acceptance from which socially desired innovation emerges. We described the laying-hen project as an example of the former. Innovations were presented, but the sector is reluctant to adopt them. We claimed that the sector's little room for early involvement in the project and a consultative form of interaction are significant to explain the innovation's questionable success. We argued that the sector's scepticism towards the adoption of these constructs can be explained from a pragmatic perspective. To believe in the success of things, innovations must be feasible and recognizable. Innovations should not be a construct for but an enhancement of experience. New thinking must not be constructed by scientists in interaction with stakeholders but has to sprout from the soil where it has to grow. The role of scientists must be that of facilitators. Science can research the different fields of concern and assist in the Strategic Problem Definition and Program of Demands. However, the choice of what can be used for an effective change can only be done by those who have to apply it. For this reason, our choice of pathway is that from acceptance-to-socially-desiredinnovation. We presented the Ethical Room for Manoeuvre as a tool that can serve that goal.

The two pathways, and in this context concept- and experience-based change, are certainly not mutually exclusive. Being the two sides of the coin, both philosophies are important for innovation. Bos and Grin (2008: 498) pinpoint the juxtaposition adequately by contrasting 'feasibility' and 'fundamental change', in which the first refers to current routines and expectations that may lead to conservatism and the latter to progressive ideals that run the risk of being ineffective (cf. 487). From a pragmatic view, innovation is a transaction of structure and action. Feenberg (2003) rightfully pinpoints pragmatism's weakness in its inability to reveal the structure of social powers that steer innovations along with the dystopias in technological development. However, strategically, the choice for the best pathway is seeing the implementation of innovation as a cognitive or as a practical problem. As pragmatists, we think the latter. With innovation, ultimately, a simple rule counts: if they don't believe in it, they won't work with it¹⁰.

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Ethical Room for Manoeuvre: Playground for the Food Business	
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5 Ethical Room for Manoeuvre: Playground for the food business

Abstract

This chapter¹¹ elucidates the difference between 'I want' and 'I can' by showing the difficulty to implement aspirations. In a world of corporate social responsibility (CSR) there is disparity between the glossiness of the reports and the shallowness of the actual CSR results. This chapter shows the inefficacy of mainstream business ethics. Theory and practice are too far apart in the sense of simplicity of ethical principles in relation to the complexity of the real world. Many academic approaches aim to lift business ethics up to a higher level by enhancing competences but will fail because they are too rationalistic and generalistic to match the pluralistic and situational practice constituted by the mosaic of values and set of constraints. The distinct contrast between transcendental and comparative ethics, or between arrangement and realisation-focus, is in this chapter relevant.

The empirical part of this chapter describes and analyses the CSR development of the multinational caterer Sodexo and in particular its Dutch branch. The Sodexo case discloses the gap between the company's moral ambitions and the actual achievement due to the company's overrating of its abilities to deal with the irrational and complex moral world of business. It also demonstrates the difficulty to make a moral difference when clients and consumers are diverse and erratic, when competition is hard and the internal organization structure is functionalistic. The key for business is realizing the ends with the means at hand, something that is in this chapter proved to be underestimated.

The metaphor 'playground' of inquiry and experiment is also applied in this chapter but now in the light of co-creation of values. Ethical Room for Manoeuvre, as the playground, can enhance the company's abilities, i.e. agent's freedom, to operate morally in the complex world and to meliorate business and society with more effectiveness.

¹¹ This chapter is a version of the paper: Pompe, Vincent, Michiel Korthals 2010. 'Ethical Room for Manoeuvre: Playground for the Food Business'. *Business and Society Review*. 115: 367–391.

Introduction: aspirations without implementations

Business ethics seems to have found its way on the business floor and no big company can allow itself anymore not to consider corporate social responsibility (CSR) in its commerce. CRS performances, whether altruistic, strategic, or coercive, become more transparent through company reporting and CSR-related indexes such as the Dow Jones Sustainability Index and the FTSE4Good index. Along with the rising interest in CSR and its public display, there is growing scepticism about the true intent of firms to become or to be ethical in their enterprise.

The fields of ethics and business administration look critically at the firms' relationship with stakeholders and its contribution to society. Porter and Kramer (2006) express their scepticism by claiming that the CSR reports of most multinational corporations show, through their glossiness, a content that is neither strategic nor operational but cosmetic. Reports display the company's showcase of social and environmental good deeds to public relations and media. Such a vehicle is often nothing more than an aggregation of anecdotes about uncoordinated initiatives to demonstrate a company's social sensitivity. CSR reports can then be seen as a form of administrative transparency in which intentions and results are shown but not the company's real moral motives or its true reasons for action (Dubbink 2007, 2009). In many cases CSR is reactive in the sense of mitigating harm that might come from enterprising and of showing good citizenship by doing some philanthropy. Proactive CSR, to further society in realizing its moral wants, appears to be difficult to find.

Business ethics may be booming but the results are questionable. Hence, is CSR a show-off to conceal one's insincerity, deceptiveness, or disingenuousness toward morality, or is it an attempt to acknowledge the demands from society but with insufficient means? Whether the shallowness of CSR is the result of window dressing, impression management, or of an overrating praxis depends on the firm's attitude. There is no doubt that some of them will use CSR deceitfully, but we assume that for the expected majority the meagre CSR result is a sign for incompetence to formulate and implement business ethics properly.

The contrast between the moral intention shown in CSR policies and the actual CRS results and development is discussed in several academic fields. Garriga and Melé (2004) and Waddock (2004a) revealed the proliferation of CSR perspectives and both call for unification. Waddock (2004b) intends to bridge the parallel universes of ethics and that of business practice by finding common language in the foundational principles of the United Nations. Orlitzky et al. (2003) show only marginal evidence that corporate social performance will positively increase corporate financial performance (cf. McWilliams et al. 2006). Branco and Rodrigues (2006) and Porter

and Kramer (2006) display overlooked strategic opportunities of ethics, such as are contained in resource-based-views and value-chain-analysis to bundle resources and abilities to gain competitive strength. Dubbink (2007, 2009) discloses the tension between that what looks morally right and that what has moral worth and calls for revaluing the importance of moral duties.

The many academic efforts to fill up the gap between intention to act and the actual results fall back to the 'logic of theory' or 'theoretical normativism'. They reflect that ethical models can be constructed that define and predict or even judge situations and that (ethical) distinctions between right and wrong and good and bad can be codified and applied to guide or even steer behaviour (Clegg et al. 2007; cf. Czarniawska 2001). In addition, the overall idea persists that a company is an autonomous, rational, and self-responsible agent that can operate freely in its environment, conceptualizes the world, take rational decisions according to chosen principles, and act for that reason (cf. Beauchamp and Childress 1994).

To challenge these rationalistic assumptions, Clegg et al. (2007) claim, rightly, that morality is dominantly grounded on daily experiences in the reality of everyday's life, which does not allow generalization of the ethical maxim beyond the particularity of the situation. The logic of theory must therefore be replaced by the 'logic of practice', in which morals are differentially embedded in an active and contextual practice. Frederick (2000) also expresses the importance of working-floor experience for ethics. Ethics that is influential on business decisions and policies must start from the business's mind if a company wants to be successful. Hence, it is questionable whether rationalistic approaches can provide sufficient relieve for the ethical problems on the floor. Ethics is more a field of 'contestation' and 'oscillation between possibilities' than of the application of ethical and managerial principles (cf. Clegg et al. 2007). The key issue in CSR is not what a firm wants but what it can do. Therefore, it is all about moral effectiveness, which leans on the ability of making CSR operational in a complex moral world. CSR is about adapting to the ever changing social reality and about making oneself fit to take societal demands seriously. For that, companies need to become aware of what we call their Ethical Room for Manoeuvre (ERM), and need to develop creativity to increase that room and to make it more their own (Pompe and Korthals 2009).

This chapter sheds new light on the complexity of the moral world by focusing on the mosaic of values and the set of constraints, from a theoretical level as well as business experience. We do this by introducing multinational caterer Sodexo and its Dutch branch as a business case to demonstrate its effort to improve its CSR policies and activities. Next, we will analyze Sodexo's endeavour by further explaining the mosaic of values and set of constraints and the management system that would fit the moral complex world best. Next we elaborate the tool ERM from it source, American pragmatism, and refine it in order to enhance the match with business

practice. This tool aims at increasing moral effectiveness by guiding the creativity to develop alternatives that meliorate the business and social situations. In the conclusion we match the key problems of Sodexo's CSR development with the ERM approach in order to make aspirations more implementable.

The Sodexo case: what they do and why they are not successful

Sodexo is a company that shows great interest in business ethics. It is an international holding in foodservice (historically its core business), facility management, and voucher service with sites on all the continents (80 countries), and it employs 320,000 people 12. Sodexo shows its affiliation with CSR in the many reports published over the years¹³. The display is impressive on several accounts. For Sodexo, CSR is directly linked to a clear and holistically marked mission: Improve the quality of daily life for the people we serve. This mission expresses that quality of life requires more than hardware catering and facilities alone. Besides the mission, Sodexo holds core values such as team spirit, service spirit, and spirit in progress, for the purpose of motivating employees to strive for quality, to be dynamic, and to show willingness to learn and to seek the frontiers. Sodexo also installed some ethical principles, such as trust, respect for people, transparency, and business integrity to express the corporate image of a socially oriented firm with high credibility. These principles are elaborated in a code of ethics to promote honesty, ethical conduct, and compliance with the law and to deter wrongdoing and conflicts of interest¹⁴. Mission, values, principles, and policies are translated into stakeholder commitments and applied to clients, customers, employees, suppliers, shareholders, and host countries. These commitments do not only articulate the company's pursuit for long-term partnerships, mitigation of risk, and promotion of well-being but also show the firm's spirit to react to society and to bring its moral goals in a higher state of seriousness. This seriousness manifests itself on three major issues:

¹² See http://www.sodexo.com for further company details.

¹³ See Sodexo reports: "All you need to be the best, "Annual Activity Report 2003–2004; "Making every day a better day, "Sodexho Alliance Annual Report 2005–2006; 2005 Corporate Responsibility and Sustainability Report; Sodexo Alliance, "Act as a corporate citizen, "Sustainable Development Report 2005–2006; "Living our values, "Corporate Responsibility Report UK 2006; Sodexho-NL: Sociaal Jaarverslag 2006. In 2007, Sodexo's CSR/CC activities were reported in several reports: "Act as a corporate citizen, "Fiscal 2007 Report; "Act as a corporate citizen against malnutrition and hunger," Booklet (Fiscal 2007); "Act as a corporate citizen for the planet," Booklet (Fiscal 2007); Human Resources Report.

¹⁴ See Living Our Values: Corporate Responsibility Report UK 2006.

environmental protection (reduction of water and energy consumption, waste reduction, and recycling); nutrition and health (programs to promote balanced diets and to fight obesity); involvement in local communities (particularly through its 'STOP Hunger' program, which operates in 23 countries). These issues can be linked with several local Sodexo projects. Sodexo even initiated an Internet environment called 'SO-ETHICS' to stimulate and monitor the local CSR activities.

Sodexo's CSR reports display an impressive picture of business ethics, especially compared with its direct competitors, Elior, Compass, and Albron. ¹⁵ It is not surprising that Sodexo won numerous awards in several countries on moral topics such as social responsibility, diversity, and environmental responsibility ¹⁶. The interviews at the Dutch Sodexo branch confirm many of the results from the desk-research ¹⁷. Members of the Corporate Citizenship (CC) team support the firm's strength of having CSR reports with some ethical principles to guide the organization. They also express the good social atmosphere of the firm and its leadership in CSR initiatives within the Dutch branch association Veneca. Sodexo was the first caterer in the Netherlands that introduced organic bread some 18 years ago. It also was the first to serve organic milk at all its school sites. Sodexo-NL still plays a leading role in covenants regarding obesity, waste reduction, and the promotion of healthier food (Dutch IKB label). However, behind the reports there appears to be another reality. Research revealed five flaws that hampered or even blocked the implementation of Sodexo's aspirations. These defects are (1) lack of implementation and evaluation

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¹⁵ See Elior Annual Report 2004–2005 and 2006–2007. The Compass group displays some changes in its CSR policy comparing the Annual Report 2006 with 2007 (Delivering Profitable Growth). Compass aspirations are, in 2007, rather similar to Sodexo, meaning roughly the same ethics and stakeholders' commitment.

¹⁶ Sodexo Alliance, "Act as a corporate citizen,"Sustainable Development Report 2005–2006, pp. 85–87. See also press release, "Sodexo recognized for commitment to sustainable development in the SAM Group's 'Sustainability Yearbook 2008,' " (March 2008). SAM Worldwide Super Sector Leader 2008, which recognizes a company's economic, environmental, and social success factors; SAM Gold Class 2008, which identifies the best performers among the Super Sector Leaders; SAM Sector Mover 2008, for the progress made in sustainable development and the strong momentum achieved across the sector. Sodexo was again ranked in the 2007–2008 Dow Jones Sustainability World Index and Dow Jones STOXX Sustainability Index. It also has been included in the FTSE4Good rankings since its inception in 2001, illustrating the continuity of the company's sustainable-development commitment.

¹⁷ The interviews were held at Sodexo-NL with the12 members of the CC team put together from the following departments: Corporate Communication, Quality Service, Personnel & Organization, Operations, Corporate Development, Product Development, Facilities Management, Purchase, and Sales. The interviews had the nature of an open conversation about the following themes: working experience with CSR, especially the successes and failures; the company's development of moral values; and the process of CSR development. The interviews were recorded and a written summary were presented to the interviewed member for approval (Pompe 2008).

schemes, (2) modest attitude toward its own competences, (3) social power structure, (4) debatable credibility, and (5) the economic environment.

Lack of implementation and evaluation schemes explains why the impressive reports only tell what have to be done and not how. Objectives are aspirational by expressing the company's ideals, and are advisory to the extent of supporting the understanding of these ideals with commentary and interpretation (cf. Frankel 1989). However, Sodexo does not demonstrate how the company's branches and employees should deal with the objectives in the professional practices in order to achieve them. It is not completely clear in what way Sodexo intends, for example, to contribute to host country development, to fight hunger, to foster environmental improvement, and to reduce energy and water consumption. It appears that strategy implementation and evaluation schemes are missing. There is no full pathway from mission and values to evaluation in which objectives, strategies, policies, programs, budgets, and performances must be elaborated (cf. Wheelen and Hunger 2006). These missing management steps reveal the contrast between the colourfulness of strategy formulation and the bleakness of implementation. Members of the CC team verify the lack of strategy implementation and evaluation plans, and consequently they bear the feeling that CSR is too much 'window dressing'.

The modest attitude the company holds, as members explain, is also a factor that creates the gap between aspirations and results. Sodexo-NL operates like a butler, servile, and complaisant, which appears to be common in catering business but makes the firm a trend follower. This unpretending attitude toward CSR achievements leads to ineffective communication and the inability of the company to distinguish itself in the market. District and local levels of the organization are therefore half aware of the CSR activities, and participation in CSR is not fully promoted. An example is Sodexo's flag point 'STOP Hunger', which not many employees at the district and local levels appear to be able to describe, let alone be motivated by it.

The reactive attitude is also a product of the social power structure in the organization. Most members see the board of directors as too cost-and-hard-facts-minded. Approximate 40–50% of the profit is generated through purchasing large volumes of goods for a sharp price and selling them to the client/consumer for the prevailing market price. Sodexo's economic strategy is dominantly oriented at the volume of goods sometimes at the expense of quality and service. CSR appears to be a by-product, tolerated by the directors for as long as it is without costs. This explains why there is no substantial investment, in money, FTE, or education, to research and develop CSR. Support and steering from the Dutch board of directors is minimal.

The power structure has some effect on Sodexo's credibility, which is in debate when the firm does not apply CSR to itself. Some members find it difficult to promote CSR

products to clients when Sodexo does not sell them in its own company restaurants or apply CSR in its own facilities. That the firm cannot be a good example for its clients might damage the corporate image. This can be the case when credibility becomes a subject matter for scientific institutes and nongovernmental organizations, which critically watch business intentions and activities in the field of CSR (cf. Lang et al. 2006).

The economic environment in which Sodexo-(NL) operates is seen by the members as the major constraint for realizing CSR objectives. The market for catering, at least in the Netherlands, is saturated and highly competitive. The current economic crisis threatens CRS development even more. Consumers are likely to spend less in restaurants, and party orders will fall or the contents will be economized. Members emphasize that a relationship with clients, built over the years, can end rapidly when a competitor offers the wanted service for a lower price. Contracts go normally to the cheapest offer, not to the one with the best relationship or the best intentions. Relationship building becomes more difficult when tendering is done digitally with less or even no time to meet face-to-face. Besides, it is difficult to apply a 'Sodexo standard' in a field of diverse demands and limited supply. The economic reality makes formulating and implementing CSR much harder than it looks.

The Sodexo case shows so far a clearly mixed impression. On the one hand, it is known for impressive CSR reports, ethical principles, a good social atmosphere, and a leading position in CSR initiatives and conventions. On the other hand, it suffers from a lack of strategy implementation and evaluation schemes, a strong focus on hard facts, and lack of research and development regarding business ethics. In addition, there appears to be not enough support and steering from the board of directors. All this creates a gap between the ideal world of the reports and the real one found on the practice floor. Further analysis will illuminate the difficulty of CSR policymaking by shedding some light on the complexity of the mosaic of values and set of constraints.

Analysis: the irrational and pluralistic world

Sodexo's weaknesses and threats seem to make its aspirational strength overrated. To understand this, one needs to recognize and acknowledge the complexity and confusion of real-life management practice. In the thoughts of Max Weber, we live in an ethically irrational universe with an axiological dimension that expresses the social world full of different human values, purposes, goals, and interests that are often irreconcilable (Watson 2003; Weber 1949). For companies, the axiology can be translated into what we call a mosaic of values representing the whole collection of desired economic, social, and moral states. In addition there is a set of constraints,

the collection of tangible and intangible aspects that hinders the realisation of the desired states. The world therefore seems to be not only irrational but highly complicated as well.

Although all companies operate in a mosaic of values, the complexity differs depending on the field of business. For all businesses, values as social policy toward the employees and sustainability regarding the natural environment are standard. But the food service sector holds another set of values (Brom et al. 2002; Manning et al. 2006; Coff et al. 2008). Food safety, which for caterers is the first and foremost value, is to make sure that consumption is not dangerous for one's health. This value has a lifestyle-related dimension called food quality, which represents authenticity and nutritiousness that contribute to a healthier existence, in particular diets to control body weight or cholesterol. Food safety and quality are directly linked with values as transparency and traceability. The former denotes clearness about the production methods in the food chain, for instance, regarding genenomics. The latter relates to where and how foods are produced and retells the history in its physical, practical, and ethical dimensions. Animal welfare is a topic when friendly treatment and respect for cattle is demanded. Consumers and companies may also become concerned about the labour relations and fair social distribution of resources expressed in the value human welfare. Even food security is a subject to direct the insufficient and unfair distribution of the total amount of food in the world. All these values are part of modern society that caterers encounter and have to address. The diversity of demands becomes more complex as several parties in society want to uphold often different sets of values arising from personal, cultural, or political orientation (Korthals 2001; Korthals 2004). For businesses the complexity of values intensifies when values as commercial enterprise and satisfaction of shareholders enter the mosaic.

Pluralism of moral perspectives and multiple-interpretable values hinder simple implementation CSR policies. The interviewed members of the Sodexo CC team affirm that there is a great variety of consumer's lifestyle and worldview-related demands, which cannot all be honoured for logistical and commercial reasons. But the myriad of demands and the limited options may lead to an inability to make choices. The CC team expresses its eagerness to sell more health food, organic food, animal friendly meat, and fair trade products, but it struggles with the adequate value interpretation, that is, how to define healthy, healthier, healthiest, and the superlative degrees of fair (trade) and (animal) welfare. In addition, for many products, traceability is vague or even deficient, and the relevance of the information depends on the consumer's interest. Sodexo's policy is therefore 'do ask, we tell'. Sometimes, conflicts between values translate into moral dilemmas. An example of this is the reduction of food miles by buying local versus the intention to buy fair trade. Another is the promotion of fair trade coffee with the awareness that every cup holds a fresh water footprint of 140 liters (cf. Hoekstra and Chapagain 2007).

The approach of the mosaic of values clearly demands some abilities that are not part of the common asset of business resources.

CSR aspirations are not only tempered by the mosaic of values but maybe even more by the set of constraints. Businesses constraints are in many forms. Some are market related such as prices and income and assets and labour. Others are organization related such as the company culture covering official as well as unofficial values, norms, beliefs, symbols, and rituals. Also, the personal traits of the employees, including intrinsic motivations, power, and control desires, can restrict business intentions (cf. Manning et al. 2006). These constraints not only influence the ability to act but also seem to have a hidden unreflective side that makes them static. According to Bourdieu, field and habitus constitute an objective hierarchy that produces and authorizes certain discourses and activities (Bourdieu and Wacquant 1992). Habitus prestructures how we think and the field is an arena to fight" for economic, social, and symbolic capital. These structures are durable, and because we are unaware of the hidden constitutions, habitus and fields are essentially static. The point is that not only is there a mosaic of constraints but that also some elements, if not all in the Bourdieuan sense, are unchangeable (Lachelier 2001).

Constraints for Sodexo are the market for CSR, which is not only competitive but also short in supply, and the organizational culture, which is maintained by selecting and training commercial and servile employees. This all makes it difficult for Sodexo-NL to escape from being a responsive butler, and transform into a proactive mediator.

The mosaic of values and set of constraints that constitute the possibilities for CSR require an adequate system of management. It is questionable whether the common organizational structure is fit for this purpose. Almost all (commercial) organizations have a functionalist system approach in which reality is seen as unitary and objectives are likely regarded as unproblematic or self-evident (Jackson 2000). Business sees the behaviour of consumers, in a Durkheimian sense, as social facts— 'they do/don't like this product'—and is not deeply interested in their motivation. In line with the social facts, business organization is commonly divided, Cartesian, in parts with subparts, as departments, sections, and task units, for the purpose of giving clarity on specializations and accountabilities throughout the company. The functionalist system is highly advantageous when goals are well defined and the pursuit is directed by efficacy and efficiency, that is, using the right means with minimal use of resources. Sodexo-NL has such a functionalist format and applied it to the CSR development. The CC members were selected on task, responsibility, and representation of the different company sections. Meetings, bimonthly for two hours, were set to exchange and discuss ideas. They believe that this approach is sufficient to set a clear structure of objectives. In those meetings, societal demands are seen as social facts. Consumers want food safety, fair trade, organic meat, and sustainable fish, and do not want to pay a lot more for them. Once the social facts

are discussed and decided on, implementation is just a matter for the company's individual sections. Unfortunately, this way of management does not seem to work out well if Sodexo wants to go beyond the reactive level of CSR.

The functionalist system is not suitable for CRS development. As demonstrated, the mosaic of values makes reality not unitary but highly pluralistic. In that situation companies have to deal more with the normative world of society and the subjective world of the individual than with the objective world of economics. An interpretative system approach therefore may be more successful because it shifts the key measures for success from efficiency and efficacy to effectiveness and elegance, that is, achieving what is wanted in an attractive way (Jackson 2000). The interpretative approach does not reduce complexity so it can be modelled, but instead seeks to explore it by working with multiple views of reality to examine the different implications. Weberian inner-understanding (Verstehen) of consumers' motives and the importance of Diltheyan world images (Weltanschauun) in the stakeholders' minds are pivotal for creating policies in a pluralistic world (Jackson: 59-61). Developing and implementing CSR in a highly complex world demands more a debate, about how to translate moral objectives into a business practice, than a provision of simple instructions. Deliberating on what is desirable and feasible is interpreting values before they can be applied. Therefore, in business ethics the interpretative system approach should precede the functionalist one. The diversity of desires and the complexity of constraints have to solidify into the company's workable enterprise.

The demonstrated complexity, which emerged from the mosaic of values and set of constraints, makes many firms to overstate their pretensions. Pluralism in perspectives and multiple-interpretable values in a rigid economic world split CSR policies into the ideal and the real. This schism cannot be (easily) resolved with a functionalist system of management. Lack of adequate management can result in numbness or apathy regarding moral choices, or in a responsive CSR of don't harm and follow mainstream behaviour as long as it is without costs.

For Sodexo-NL the schism between aspirations and implementations is discomfiting. A CSR team with sensitivity toward the public demands, expressed by its well-set social goals, its substantial role-taking ability, and its well-developed empathic response, does not have adequate abilities to judge on the best line of action, to set moral priorities, and to guide the board of directors along with the rest of the organization (cf. Bredemeier and Shields 1994; Pompe 2008; Rest 1984). These incapacities become for Sodexo more pressing when strategic objectives are manifold, such as working to become a trendsetter by creating joint CSR ventures with clients, co-creating values with consumers, and fortifying networks and social capital. For such a progress, research and development is essential, for instance, to learn about different forms of business, to enhance skills for mediating CSR internally

and externally, and to strengthen credibility and moral leadership (Maak 2007). In the next section we present ERM, a tool for dealing with the complex moral world in a way to make ethics proactive or even strategic.

ERM: the learning playground

Working within the mosaic of values and set of constraints require new knowledge and skills and for business extra-cleverness to obtain strategic advantages. ERM can process this enhancement. We will elucidate ERM by leaning on pragmatism as its philosophical source (Korthals 2008). Pragmatism, in particular Deweyanism, centres on the dynamics of human experience, in particular the Darwinistic interaction between organism and environment, and the dialectic process of experimental thinking. Meanings are not fixed but highly situational and traditional schisms between idealism and empiricism, deontology and consequentialism, and absolutism and relativism are regarded as constructed delusions (cf. Ryan 2004). Being antifoundational, pragmatism regards truth not as something that corresponds with reality or is coherent within a set of propositions but as something warranted that 'works', that is, something that proves to have an instrumental value. The current mainstream approaches which reduce the complexity into manageable proportions through rationally constructed selection principles, are challenged by the alternative of letting ideas sprout from experience, and test them in a trial-and-error manner to find out their prospects. Dealing with social complexity is therefore not an armchair activity but a playground operation.

In pragmatic ethics, the dynamic of human nature expresses itself in meliorism: the ongoing creation of a better world for oneself and others, in which individual and collective intelligence can discover means to remove obstacles that block promotion of the good (Dewey 1920). The dynamic for social improvement is the key attribute of ERM. We explicate this core by using the concept 'room' as a metaphor for place and space (situation and opportunity) and manoeuvre for a range of human activities (Pompe and Korthals 2009). Room and manoeuvre constitute each other as we will demonstrate with four actions: exploration, individualising, socialising, and growing.

Exploring the room is to discover, by experimental inquiry, the situative moral world and the current position with its possibilities and limitations. Values in the moral world are, according to pragmatism, not (fixed) qualities but relations between organism and environment (Stuhr 2003). To determine what is valuable is to posit a thing or an issue in a particular relation of interests and to find out in what situation a desire is experienced as desirable and the prized is appraised (Dewey 1939: 216–

218, Shook 2003). Exploration may also make the social–economic constraints more transparent, deliberative, and 'moral' rather than dominating (cf. Lachelier 2001).

Individualising the room is to emphasize one's conviction and to colour one's agency. Pluralism of perspectives and multiple-interpretable values ipso facto give room for idiosyncrasies. Principles are accepted not on its intellectual validity but 'by the heart' or the beliefs and actions it inspires (James 1896). Many CSR policies are heteronomous because they are more a product to please outside ethics than to express one's morality. Society and ethicists may appeal to principles, but there appears to be no rational foundation which can demonstrate their truth (cf. Rorty 1989). In a Heideggerian sense, moral existence is being-in-the-moral-world with the practical utilities as ready-to-hand and the contemplated things as present-at-hand (Ashmanand and Winstanley 2006). There is always room to 'personalize' CSR. However, this must lead not only to an ethics of conviction but also to a source for an ethics of responsibility in which one accepts accountability for the foreseeable consequences of one's action (Weber 1964). Idiosyncrasy must therefore be transparent and discussable.

Socialising the room is to stimulate participative deliberation and mutual learning. Agents do not participate in the environment but are of the environment. This means that agent and environment are not separate aspects but a transactional whole in which they reciprocally constitute each other (Dewey and Bentley 1949; Khalil 2003). Consequently, knowing the human environment is not possible without sharing it (cf. Dewey 1925). In the field of business administration, Vargo and Lusch advocate their New Dominant Logic as a switch from self-control of values and goods to collaborative co-production and co-sustainment with customers and partners (Vargo and Lusch 2004; Lusch and Vargo 2006). In participative deliberation, all opinions, beliefs, wants, and solutions should be equally examined and never be excluded, as good ideas are only warranted for the time being and odd ideas can be useful in the future after all. Socialising others into the room is essential for building trust, which is more effective than convincing the others outside the room of one's truth or rightness by reasoning from principles or by constructing solid argumentations.

Increasing the room is growing morally in an ever enduring process of perfecting, maturing and refining (Dewey 1920). Growth is established by melioration, that is, to improve a situation for those involved. Pragmatism does not endorse the separation of means and ends, and hence does not accept the claim commonly made by economists that they can only find the optimal way to achieve a given end but not determine the end itself, which has to be done by society and politics (White 2003). Business can decide on ends and facilitate routes to get there. Pro-actively working on CSR will increase foremost the company's understanding of the world it operates in and additionally its social and possibly its economic capital (cf. Orlitzky et al. 2003).

The four metaphors make the concept ERM a type of working place (situation) in which a company can experimentally discover the CSR interests and explore the possibilities of creating more ability to meliorate the existence of itself and its stakeholders in the light of societal demands. ERM opens a playground and pokes the dynamic with the comfort that there are hardly prefabricated 'truth–false' or 'right–wrong' classifications. ERM creates free space (opportunity) to discover the mosaic of values and set of constraints and to develop and justify an autonomous CSR.

To create and to use free space for discovery and melioration, ERM guides the deliberation process with six aspects, abstracted from Dewey's Logic: Theory of Inquiry (Dewey 1938: 41ff). These aspects may have a conceptual order but are chaotic and highly iterative in real-life experience.

- Problem formulation to pinpoint adequately the core of the problem in a
 pluralistic situation with questions such as: What are the issues? What is the
 mosaic of values? Who is involved? What is the perspective of those involved?
 Which resources are available? What is the initial room for manoeuvre? This
 phase of inquiry is common to all policymaking. It is just exploring and analyzing
 the situation to find out 'what is going on'. Even in cases where the sense of
 urgency regarding a problem is low or missing, meliorating does not stop but
 appeals to the sense for opportunities (Dalton 2004).
- 2. Setting ends-in-view to discover possible worlds in which the problem does not exist and to explore ways to create such worlds. This approach is advocated by MacGilvray (2004) for politics and Bromley (2006) for economic institutions, and is set against the principalistic approach of looking for foundations in order to get a grip on the problem. An end-in-view creates an imaginary world-in-the-making that is believed to be better than the current one, and automatically sets the aim for melioration. Setting an end-in-view is a matter of empathetic projection in the sense of amplifying one's perception beyond the immediate environment by regarding the aspirations, interests, and worries of others (Fesmire 2003). For business this would mean not only stating a strategic intent in which the industry's future is envisioned (Hamel and Prahalad 1994) but also giving proper attention to those involved in the issue and to present them a world to look forward to.
- 3. Tapping possibilities creatively out of the imaginary situation by a process named projectual abduction (Tuzet 2006). An end-in-view holds imaginative possibilities that guide actions on how to get to the end (cf. chapter 6). Abduction, drawing the means from the end, can be ordinary when dealing with an already-known means—end relation or extraordinary when to guess what means will be effective for an end. Abduction creates new hypotheses and therefore new means—end relations (Bromley 2006).

- 4. Scenario writing to convert the different alternatives into a dynamic story in which possible events and actions in the future are described. By writing scenarios, one generates ideas on how to deal with an uncertain and uncontrollable world (Peterson et al. 2003). It will bring forward questions to be answered, such as how to profile values, how to get around constraints, and also how strong the desire to change course is to make the unmanageable manageable. Scenarios may lead to new ways to adjust the current situation or to generate completely fresh innovations. It may also deal with pitfalls that hinder improvement, such as fractured decision making and the tendency to consider only external variables (Chermack 2004, 2005). Scenario writing is from itself a learning tool.
- 5. Dramatic rehearsal to find out the consequences of the scenarios. This is seen by Dewey as the heart of deliberation (Dewey and Tufts 1932). It is a rehearsal because one practises several outcomes with the intention of seeing whether the projected results are satisfactory. A rehearsal automatically illuminates current situations and opens them up, so new ways of thinking can be perceived. The dramatic meaning in the rehearsal is to make sure that one acts from the stakeholder's position and that one imagines how the line of melioration will affect the stakeholder. Dramatic rehearsal is paying attention to all the bearings that could be foreseen and taking proper interest in knowing what is going on (Fesmire 2003; McVea 2007). This step can be linked to Kant's maxim in the categorical imperatives, which Dewey, as anti-Kantian, appraised highly (Dewey and Tufts 1932; Ryan 2003). When the turn-outs are unfavourable, one has to rewrite the script to see whether the adverse situation can be avoided or ameliorated.
- 6. Product implementation is about comparing old and new situations and seeing how warranted the product (policy, service) is in the real world. When the implemented intention becomes unwarranted because of new or remaining dilemmas, the ERM process starts from the beginning. The issue has to be reformulated, values have to be rebalanced, and modified solutions have to be re-evaluated. This aspect evaluates the new moral reality after the chosen solutions are implemented.

The six facets of moral problem solving are an elaboration of how the activities of the ERM -playground, exploring, individualising, socialising, growing- can be guided toward moral effectiveness. The dynamic of experimental discovery is to improve the 'know what', the 'know how', and the 'know why', which are key to meliorate one's own existence and that of one's stakeholders in the light of societal demands.

ERM is a more applicable tool than the existing alternatives, for three reasons. First, it is experience- and not rational-centred. It takes daily practice as start and finish and not right-mindedness as principalists like Mepham (1996) with his Ethical Matrix, or Dubbink (2007) and his Kantian duties (cf. Korthals 2001). Second, ERM combines all forms of ethics. It is descriptive in making an inventory of moral perspectives. It is

normative in using ethical principles to shed light on the foundations of the problem. It is discursive in determining the right action by participative deliberation. It is also prophetic by setting an end-in-view and rehearsing scenarios dramatically (cf. Keulartz et al. 2002). Finally, it is conflict-solving because it evaluates the outcomes and restarts the process if necessary. Therefore, ERM is a new tool to enrich the regular ethical tool box (cf. Weston 2001; Beekman 2005).

Because ERM is a philosophical product with abstracts and jargons, it runs the risks of being too elite and disconnected from current practice (Posner 2003) or being incoherent and unworkable in its truths so no consequences from it can be expected (Fish 2004). In order to match more with everyday pragmatism, ERM can have several forms of practice.

First, although ERM is a social activity, the range in inclusiveness can vary from an individual manager to a forum in which all stakeholders are represented. It can be a managerial choice to limit the inclusiveness, in order to make a situation workable, because the smaller the inclusion, the less time the process consumes, However, the reverse side is that the result, finding out what is valuable, may be less warranted. Low inclusion will favour efficiency, but high inclusion will favour effectiveness. Second, ERM in business distinguish two fields of deliberation: intraplay and interplay (Pompe 2008). ERM's intraplay is to improve mutual understanding and to create new relations, new trust, and new habits within the organization. It is the base for open communication about new CRS ideas and plans that match the company's commercial interests. Intraplay reveals the moral dynamic of a company. Interplay is the base for creating networks and mutual understanding of interest, and involves the demands of external relations. This is essential for developing the new business with partners by value co-creation and relational exchange (Jaworski and Kohli 2006; Oliver 2006; Meehan et al. 2006). Creation of stronger networks for dialogue and possible alliances may not only lead to the development of new products, services and brands, but also to the improvement of product availability and logistic. Whether intra- or interplay, any form of participative deliberation demands proper inputthroughput-output requirements (Scharpf 1999). Proper input means that the objectives and relevant agenda are set in collaboration, and throughput, as the pathway and process of deliberation, must be based on equity and fair representation of those involved. To enable output, the results of deliberation must be evaluated on its substance and procedure. Third, deliberation can be decision or opinion oriented (Korthals 2004). In a decision mode, ERM directly aims to solve a problem, to formulate a strategy, or to make the implementation concrete. This mode is feasible when the problem, and correspondingly the end-in-view, is relatively clear. The opinion mode, on the other hand, stimulates the awareness when ends and means are vague. This mode is practicable in the beginning of the discovery process in which CSR is moulded by thinking and discussing without clear direction. In many cases the opinion mode precedes the decision mode.

In the Sodexo case, the firm passes in many ways the opinion phase -sounding out directions- but has not entered the decision phase yet. The reason for this is the incompleteness of opinion phase because it lacks input—throughput—output requirements at the intra- and interplay. This all will lead to a poor experimental inquiry on how to meliorate best. With ERM this inability can be put right.

Conclusion and discussion: incremental learning

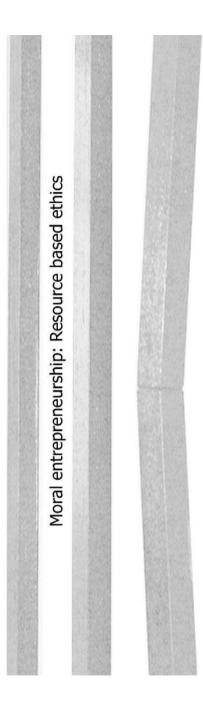
The shallowness of many CSR policies may be the outcome of two discouraging phenomena: (1) pluralism of moral perspectives and the multiple-interpretable attribute of values, and (2) lack of sufficient resources, mainly competences, to deal with the moral complexity. Overrated CSR policies create a gap between the presented ideal world and the experienced real world. CSR should therefore no longer be judged on the packaging but on the genuine content, which is the actual CSR results and the R&D resources for improvement. The current academic approaches are too rationalistic and generalistic for a practice that is highly experience- and situation bounded. We claim to have established that ERM can be a workable alternative for dealing with the dynamics of the pluralistic and irrational world. The defects of the Sodexo policies can be turned around into illuming directions. Working with all the steps of ERM will generate implementation and evaluation schemes. Intraplay will rediscover and reconstruct one's attitude and competences, from butler to mediator. Scenario writing and dramatic rehearsal may redefine the hard-facts-based power structure and bring forward innovative alternatives to challenge the current economic environment.

Change is commonly an incremental process because of the inescapable dialectic between action and structure (cf. Bos and Grin 2008). Customs and habits can be 'inert' and lead into conformity and constriction. Action may perish in the social and economic structures. Therefore, ERM might be unsuccessful for several reasons. It might be too situational, when there is a psychological urge for clear directions. It might be too interpretative in a situation where the desire for a pure functionalist system is strong. Furthermore, ERM might be too continuous when there is a call for fixation and too creative when there is lack of imagination. All these reasons can lead to stagnation and maintaining the status quo. But again one of the goals of ERM is to make habits more intelligent, that is, more sensitive for the mosaics, more informed with foresight, more aware of what they are about, more direct and sincere, and more flexibly responsive (cf. Dewey 1922). A company should not be controlled by habit and custom but should strive toward the intelligent control of it. This involves criticizing current institutions and finding ways to reconstruct them (cf. Dewey 1922: 17-18). In the dialectic between structure and action, the former can only be changed by the latter.

If shallowness prevails, it is better for all parties that businesses are (publicly) forced to exploit their Ethical Room for Manoeuvre than that politics and legislation limit the room coercively. The key for CSR assessment is not what a firm wants but what it realizes and this is what has to be stimulated. Just as Sodexo's slogan: making every day a better day¹⁸.

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6 Moral entrepreneurship: Resource based ethics

Abstract

As explained in the introduction, in the debate on the role of entrepreneurship in business ethics this chapter studies and promotes a resource-based ethics¹⁹. The need for and usefulness of this form of ethics emerge from a description and analysis of the relationship between two organizations with divergent aims. The veal calf industry of the VanDrie Group and the Dutch Society for the Protection of Animals (DSPA) together managed to develop and implement a Welfare Hallmark for calves.

Both organizations created jointly a new meat segment in the market by trust-building and partnership. The relationship shows a remodelling of capabilities of both organizations in the light of co-creation of values. The VanDrie Group established an effectuation of moral goals by being socially sensitive and resource-minded. The DSPA created openings for dialogue by being pragmatic in its ideals.

Philosophically, this chapter sketches a resource-based ethics with Deweyan concepts as end-in-view and transactionality of means and ends. Both organizations show in their entrepreneurship the ability to create, what is called 'Room for Manoeuvre' by exploring, socialising, individualising and growing. By manoeuvring they set off a form of co-evolution between business and ethics. This chapter demonstrates what actual moral entrepreneurship can do in bringing about moral change by combining effectively social, policy, norm and economic related values.

Introduction: Ethics and resources

The previous chapters give some insight in attempts by business and ethics to address the societal demands for a better, more honest, cleaner and more respectful world. Although the activities of both fields are visible in news media and reports, the results are not always that positive. In chapter 5 I brought forward that in business many reports on Corporate Social Responsibility (CSR) are seen as glossy and instrumental to polish the company's public image. Also, I demonstrated that the gap between moral aspirations and implementations is not due to planned deception but

 $^{^{\}rm 19}$ This chapter is based on the paper "Entrepreneurship and Resource Based Ethics" (in progress)

to the overestimation of the company's abilities to deal with the complex moral world of business. In chapter 3 I discussed the tension in ethical policy-making between principles and practice. Conferences on CSR show the appeal of moral concepts and principles and at the same time the embeddedness of the social and economic barriers. The gap between ends and means appears to be big enough to create a paralysing divide between 'what we want' and 'what we can do'.

A philosophical explanation for this divide is to be found in the dominance of the rationalistic and generalistic mode of ethics in its effort to (re)shape concepts, principles and standards in a pluralistic world. Academic ethical interpretations of reality may be illuminating, but the efficacy of their products is questionable. A shift to a more experience-based and practice-oriented perspective may enhance the applicability of ethics. That shift may come from a mind-frame aimed at creating new values and new moral realities by overcoming barriers. One finds such a mind-frame in *moral entrepreneurship*, in which entrepreneurship and ethics both focus on social and physical environments in order to change these realities.

This chapter starts from the premise that change depends more on the creative use of actual resources than on wishful ideas. It therefore explores the potential for a resource-based ethics, both as an academic field and as a real business practice, to see what this type of ethics actually can mean. Regarding the latter, this chapter discusses an example of entrepreneurship regarding ethical issues by describing and analysing the relationship in the Netherlands between two organizations with different and sometimes opposing interests: the veal calf industry of the VanDrie Group and the Dutch Society for the Protection of Animals (DSPA) 20. Both organizations found common ground to improve the welfare quality of calves according to a *one-star Better Life Hallmark*. They jointly created a new order by putting an intermediary meat segment on the market. Insight into this relationship may bring more understanding on how resource-based ethics develops and remains fruitful. In this chapter I will first discuss the relationship between the VanDrie Group and the DSPA. Then, a more philosophical analysis is given of this relationship in terms of transactionality of means and ends in order to support a resource-based ethics. Next, this chapter demonstrates how the relationship created and effectuated room for manoeuvre and consequently a co-evolution of practices. In the final

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²⁰ This is researched mainly by interviewing Bert van den Berg, senior policy maker of DSPA, and Henny Swinkels, Director Corporate Affair, and Jacques de Groot Head of R&D of the VanDrie Group. Interviews with the two organizations were held separately, for reason of cross reference. The information processed here comes from approved interview reports 2010 by the parties: *Verslag Co-evolutie van waarden, Dierenbescherming* en *Verslag Co-evolutie van waarden, VanDrie Groep, Stichting Promotie Kalfsvlees*. Additionally, the desk research of annual reports of both organization: *VanDrie Group MVO Annual Report 2007-2008*; *Jaarverslag Dierenbescherming* (DSPA Reports from 2005 till 2008)

section I will discuss this case study and draw some conclusions. All of this, I hope, will contribute to more a *workable* ethics.

VanDrie Group and DSPA moving towards the welfare hallmark

The relationship between the VanDrie Group and the DSPA is not of recent history and the hallmark does not come from nowhere. This section will first describe the relation between the organizations, especially the process of dialogue and collaboration. Then, the background of each organization is analysed more closely, in particular, the business strategy of the VanDrie Group and the policy approach of the DSPA.

Long relation VanDrie - DSPA

The VanDrie Group is one of the largest integrated veal company in the world. It started as a family business where Jan van Drie senior bought in the 1960's the first calves for valorisation. His three sons expanded the activities with rearing and processing. Today the holding comprises of more than twenty businesses which feeds and nurses almost 1.4 million calves a year and processes them to 1700 products (meat, leather, glue etc.). In 2009 the VanDrie Group received a one-star Better Life Hallmark from the Dutch Society for the Protection of Animal (DSPA). The Better Life Hallmark guarantees a certain level of welfare during the process of rearing the animals for meat production. With a one-star hallmark the VanDrie Group certifies that all its animals will have a welfare management regime which results in: no suffering of anaemia, high fibre roughage twice the minimum statutory requirement, better stable comfort and living space, and in ten years' time transport in fully climate controlled vehicles.

The awarding of the hallmark is an outcome of a long debate, started in the 1980's, about veal consumption and calf welfare. Prior to the 1990s, calves were held in poor conditions to increase the 'whiteness' of the meat. This pale colour was considered desirable as it guaranteed the tenderness, the taste and the low fat of the meat. For these consumption qualities the calves' haemoglobin (Hb) level was kept low by limiting the movement through solitary box housing and feeding them with artificial milk and low roughage. VanDrie defends that regime with: "in those days, change of regime was rejected by many farmers and consumers with the argument 'then veal becomes bull meat'". A call for change was inevitable, but came not only from politics. Farmers themselves uttered their concerns about the unnaturalness of this type of farming. They foresaw the societal rejection of 'white meat'. Eventually, in 1994, Dutch Parliament mandated immediate change in the roughage for calves to

stop abomasum ulcers and demanded group housing by 2004. The EU mandated in 1997 the immediate increase in roughage and group housing by 2007.

At first glance, the 2009 hallmark qualification does not look so special since it can be seen as a direct consequence of legislation. However, regulations are unclear about what is meant by acceptable Hb-level, substantial roughage and group housing. For the farming industry the composition of the feed and the number of animals per unit have a direct effect on the profit and loss account. Nevertheless, the VanDrie Group aimed at more social acceptance and actively approached the DSPA, first for consultation and at a later stage for collaboration. The relationship between the VanDrie Group and DSPA started as early as 1988; six years before legislation. In that year the Foundation 'Group Veal' (Stichting Groepskalfsvlees) was established by some cattle farming associations, including the predecessors of VanDrie Group, and the DSPA. This foundation was a platform for expressing and sharing concerns and for active deliberation. In 2001 the relation intensified because veal from group housing was common in the market and the VanDrie Group wanted to excel in new animal welfare quality.

For the DSPA, anaemia in calves was its number-one issue. The VanDrie Group addressed this concern by suggesting scientific research on the relation between the level of Hb and animal suffering. Science determined that a Hb level under 4.5 mmol/I was equivalent to clinical anaemia and the concentration between 4.5 – 6 can be regarded as a 'grey area' (EFSA 2006). Based on these data the VanDrie Group and DSPA agreed on the regulation that the average Hb-level of all kept calves must be 6 mmol/l and none of the levels must be under 4.5. For the one-star-hallmark the welfare parameters are stricter: the average must be 7 with none under 6 to make sure that no animal suffers from anaemia. It took two years of preparation to implement a regime that results in a higher Hb-level. This time was needed because veal is a complex product. The animals are fed with about 100 ingredients and after the slaughter the entire animal is processed into 1700 products. The whole practice involves different chain members whose activities are monitored by a rigid quality system. Changing one aspect may have implications, technological or human, for other components of the system. Besides, the rearing of calves itself is difficult as the animals are 'by-products' of milk cows and therefore genetically uncontrollable for the VanDrie Group (in contrast with pig and hen farming). Implementing welfare measures is, therefore, dealing with phenotypic variations. On the 20th of January 2009 the VanDrie Group was awarded with a one-star Better Life Hallmark of the DSPA. The firm's quality system could quarantee: twice as many high-fibre roughage than legally required; no anaemia; soft floors in the future; no longer than 8 hours transport to and from calve feeders; and no longer than 4 hours transport to the slaughterhouse.

The whole process of dialogue and collaboration continues. The two organizations meet each other 3 or 4 times a year to discuss their concerns and the VanDrie Group even shares with DSPA the successes and failures of its experiments to improve the welfare system.

Background 1, VanDrie Group: being resource-minded

The moral entrepreneurship of VanDrie stands out in the group of direct competitors. Veal calf integrators as Lactalis / Tendriade, Denkavit and Bigard are operating on the market with rose meat, but do not show any CSR activities on their websites let alone a dialogical and participative relationship with animal protection organizations. This omission of animal welfare in their profile makes the contrast with the VanDrie Group stronger.

Tendriade or Lactalis seems to have no public reports and the information on the Lactalis website is meagre. This is somewhat remarkable because 'transparency is' one of the main company values, but apparently the firm applies this value to strategic objectives only²¹. The only extra independent insight comes from a report of some British calf farmers of their 'trip to France'²². What is known of Tendriade is that it is part of the milk producer and processor Lactalis, whose main products are cheese and chilled dairy. For Lactalis rearing calves and producing veal, appears to be a side-product. Nevertheless, it is with 200,000 calves per year one the largest integrated veal producers in France. Its major activity is rearing white veal calves in group pens. The report of the 'trip to France' reveals Tendriade's concern to safeguard the health of the calves by controlling the environment rather than by blanket vaccination. However, they keep the option to apply strong antibiotics and anti-inflammatories when initial control fails. Although Tendriade produces white meat, it has a rosé system with conventional open straw yards and draught warm lying areas.

Denkavit is an integrator that does not slaughter. The company rears 160,000 calves per year in the Netherlands and 200,000 calves per year in France. Further information about this firm is also minimal ²³. It claims to be a specialist in the development and production of high-grade feeds, particularly for animals in the first phase of the rearing period. The Denkavit Group also claims to be the leading partner for livestock farmers and the top compound feed industry in the Netherlands and abroad. The company publishes manuals and guidelines for farmers but these publications are focused to assist the farmer in optimising its rearing management and not so much to improve animal welfare (cf. Trierum, 2006, Veldt, 2010). Their

²¹ See http://www.lactalis.fr/english/groupe/valeurs.htm visited 20 December 2010

²² The Sandard, Summer 2010 Meadow Quality Limited

²³ See http://www.denkavit.nl/corporate/denkaveal.asp?taal=uk visited 20 December 2010

concern for the animals shows itself in their determination to improve calf vitality by improving colostrum management, that is the quality of milk produced by the mammary glands of mammals in late pregnancy (also known as beestings and bisnings), through giving the calves the right mixture of vitamins, minerals and trace elements in their milk in combination with additional liquid between normal feeds (Trierum, 2007).

The third competitor of VanDrie is the French company Bigard, which slaughters between 350.000 and 390.000 calves per year. It is a non-integrator but comprises of a number of competitive processing and slaughter plants, spread across the whole of France. This company claims, with its 30 years of history in slaughtering, carving and manufacturing of processed products, to cultivate the 'art of meat'. Also with this firm there appear to be no annual reports other than the web pages with some simple facts and figures about turnovers, staff and production²⁴.

This short survey demonstrates the difference in moral maturity regarding animal welfare between the VanDrie Group and its main European competitors. According to VanDrie's annual report (cf. note 20) the company builds its CSR policy on three values; openness, dialogue and collaboration. The firm regards the relationship with NGOs, authorities and politicians as essential for its licence to produce. This licence is not considered as a negative or reactive duty to stay in line with the rules of society but as a more positive and proactive task to listen to societal concerns in order to improve the firm's products and services. The company's annual report shows clear signs that CSR is taken seriously. There is a triple P strategy, in which: 'People' refers to investment in employees, safe food and responsible nutrition for consumers and transparency towards society; 'Planet' guides the consideration for the environment, in particular manure control, and healthy animals; healthy business operations and business future, outline the 'Profit' part. All the 3P's are consistently applied in the chain of veal farmers, feed producers, slaughterhouses and calfskin processors. The company endorses CSR related objectives as: more efficient use of energy; writing a 'Master Plan for the Rational Use of Antibiotics' to secure animal health with minimising the risk to public health; and supporting the Conscious Choice label (Ik Kies Bewust) to motivate consumers in their choice for healthier food. These CSR activities may be impressive. However, from the perspective of ethics, the VanDrie's internal business mottos which guide these external interests are more interesting.

The first and foremost is the axiom of *if you do something, do it in an acceptable way.* This acceptability refers to feasibility since it has more an internal operational than a social meaning. As the firm states: "in making policies, the company first looks at what it can achieve by setting sensible goals and finding internal support" (cf. note 20). This is in contrast to most organizations which appear to set moral

²⁴ See http://www.bigard.fr visited 21 December 2010

goals before gathering the resources to pull it through. Another guote is: "in theory, change management looks easy but implementation fails when players in the chain cannot handle the new tasks". That is why the VanDrie Group proclaims: start working from the resources at hand. It means looking at what goals can be set from resources and seeing what can be achieved with resources. Business strategy and implementation should be regarded as intertwined and inseparable. Setting objectives must result from the dialectic of the-how-and-the-what or the-means-andthe-end, Remarkable, in the firm's own words, is that its management is neither topdown or bottom-up but centred-oriented, which means that not the farmer, the calves, the consumer or politics is the core of business but the balance of their interests. Before changing from 'white' to 'rose' yeal and from 'open' to 'closed' climate control transport, internal conflicts had to be taken into the scheme of management. This means understanding and accepting the resistance to change. Most of the time rejection results from unfamiliarity with the new concept and uncertainty of one's employment and income. Good entrepreneurship, according to VanDrie, includes "sympathy for small calf farming businesses which are forced to keep up with the high market standards on food safety and animal welfare which are set by the firm's scale of business". Conflicts and responsibilities make "If you do something, do it in an acceptable way" not a simple embracement of other's moral ideas. An entrepreneur should have his main focus on the internal affairs since every effectuation of a moral desire depends on the ability of the resources at hand. In this case, it includes the workers and the cooperating firms.

A second motto of the VanDrie Group is quality through quantity. Producing veal is meeting qualities regarding animal welfare, food safety and sustainability. Interestingly, the VanDrie Group guarantees these qualities by linking them directly to quantity. By concentrating yeal farms, feed production and slaughterhouses in the Netherlands, volume is created to develop, implement and improve quality standards. Concentration of resources means, apart from increasing market-power, reduction of product costs and, hence, more room for welfare quality that consumers can afford and are willing to pay for. Starting local plants in order to stop the long transport of calves, from e.g. Ireland and England, will, according to the VanDrie Group, reduce the 'overall' welfare of the animals. The firm states that "local plants cannot produce at low costs and hence have not the profit to invest in quality". The VanDrie Group strongly believes, therefore, that nowhere in the world do calves in an industrial setting have a better welfare than in the firm's environment. Although, from a research point of view, the factuality of this claim is unknown, the statement expresses a conviction that extra value can be created from concentrating resources. Resource management is VanDrie's ticket: departing from *I can* to arrive at *I want*.

The DSPA is a professional NGO, with 200,000 members and about 65 permanent employees, and standing up for the interests of all animals in society at the private, public and political level. Collaborating with meat producers is, hence, for the Society a very sensitive issue. By committing to the hallmark, "the organization is putting its logo on a piece of dead animal" (cf. note 20). Some members, especially the vegetarians, find it difficult to match the hallmark policy with the Society's objective to respect the animal's intrinsic value by seeing animals as independent sentient beings with awareness and integrity.

The position of the DSPA among its European peers is, just as VanDrie, remarkable. The 'Eurogroup for Animals' reports shortcomings and improvement of policies regarding the use of animals in the member states of the EU but does not report intensive collaboration with farming industry 25. There are some animal welfare quality schemes such as 'Label Rouge' in France or 'Freedom Food' in the UK but they do not match the impact of the Dutch one-star welfare hallmark. Label Rouge represents the traditional free range poultry with welfare qualities as rustic slowgrowing breeds, free roaming during the day, low stocking densities in the poultry houses and natural light²⁶. Freedom Food, of the British RSPCA, represents a farm animal welfare assurance scheme based on the latest scientific knowledge and best practices for the whole range of farm animals including salmon. Independent animal welfare audit programmes control the schemes and 'Freedom Foods' is promoted and labelled by a growing number of processors, retailers and multinational corporation²⁷. In Germany the brand 'Neuland' stands for humane and environmental friendly meat. The German 'Tierschutz' (Animal Protection) forms this independent brand with the "Association for the Environment and Conservation (Bund für Umwelt und Naturschutz" (BUND) and the Association of Small Farmers (Arbeitsgemeinschaft bäuerliche Landwirtschaft AbL)²⁸.

Sister organizations such as the Tierschutz and the British RSPCA have not employed the participative and collaborative approach as the DSPA did. Their main strategy is campaigning against abuse and suffering and for more respect and welfare. All associations share the approach of stimulating local initiatives and political pressure. The Tierschutsz and the RSPA report, for instance, more local initiatives to build a network against further industrialisation of animal farming (mega farms) more

²⁵ Eurogroup for Animals 2010, Areas of concern analysis of animal welfare issues in the European Union

²⁶ See http://www.poultrylabelrouge.com/ visited 22 December 2010

²⁷ See http://www.rspca.org.uk/freedomfood visited 22 December 2010

²⁸ See http://www.neuland-fleisch.de/ visited 22 December 2010

resistance against battery-eggs and surgical castration of piglets ²⁹. Concerning politics, the strategy of the Tierschutz and the RSPA is to inform the parties, through reports and hearings, about the position of animals in the various sectors of society and the shortcomings of contemporary law regarding animal welfare. All these activities function as a protest against existing situations and not as participation in creating a new situation. This is the main difference, among the many similarities, between the DSPA and its European sisters. The reason for this may be found in the so-called Dutch Polder Model as a form of decision-making in which pluriformity is acknowledged and issues are formulated and policies are set on the basis of consensus between major stakeholders. This approach of discourse brings oppositions closer in a workable position. The omission of such a communication model in other countries may well explain why brands as Neuland and Freedom Foods are far away from conventional farming and why the DSPA operates in the intermediary field.

The strategy of the DSPA with the Better Life Hallmark is to create a so called *intermediary segment* ('tussensegment' in Dutch). This segment contains new welfare defined products and forms an alternative for the 98% of the market's industrial meat, on the one side, and the more expensive organic products that includes the remaining 2%, on the other side. In other words: the original market offered only a choice between 'no-star' and 'three-star' welfare hallmarks. By creating an intermediary segment, the DSPA's ability to improve the welfare conditions of millions of animals in industrial farming advanced enormously. An intermediary segment opens possibilities to develop more welfare friendly products for an affordable price (Ingenbleek et al. 2004 and 2006). The Better Life Hallmark was introduced in 2007 for broiler hens (Volwaardkip) to give the animals a slower growth rate, more space, natural day-night rhythm, outdoor run and straw as distraction material. In 2010 the hallmarks, 1, 2 and 3 stars, are applied on 26 different meat products and are available in all Dutch supermarkets and in the major foodservice and catering companies.

The success of the DSPA in developing and promoting the intermediary segment lies "in putting welfare into the economic structure and respecting farmers instead of condemning them" (cf. note 20). This approach created an open atmosphere for dialogue and joint venture. It can be seen as a shift from the Society's original policy which was focused on classical campaigning against the abuse and neglect of animals. In the last 30 years only as recently as 2008 did negotiation became the other stance of policy and the annual report included the strategy of dialogue and partnership for creating a better world for animals in society (DB 2008). The 2007 and 2008 annual debates with the members on the course of the Society ended in a

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²⁹ See: RSPA, 2009, Trustees' report and accounts; Deutscher Tierschutzbund e.v, 2010. "Tierschutz mit Herz und Verstand" Geschäftsbericht 2009 bis 2010

clear approval for the pragmatic road of dialogue and partnership in order to enhance welfare improvement for the vast majority of farming animals. However, the fact remains that some members still find it difficult to deliberate with those who are treating animals as simple commodities. With the Better Life Hallmark the DSPA distinguishes itself from sister organizations which are less willing to participate in multiple-stakeholder deliberation and to seek compromises³⁰.

The remarkable relation between the VanDrie Group and the DSPA reveals itself by the mutual drive to bring forward change in the welfare of animals while starting from completely different and at some points diametrically opposed backgrounds. The VanDrie Group still clings to industrial farming but with the awareness of the licence to produce granted by society. The DSPA starts from a moral licence to protect the animals from (industrial) harm with the awareness of the market-economic forces and limitation for industry to bring about (radical) change. Both organizations see that change is incremental and that dialogue and building trust is the best formula for collaboration. In the next section this relation will be further analysed from the perspective of transactionality of means and ends in order to support a resource-based ethics.

Business ethics as resource based

The VanDrie-DSPA case demonstrates an ethics of creating new values from practice in order to meliorate a situation. Especially VanDrie employs a strategy what Sarasvathy would call 'bird-in-hand' principle because something new is created with existing means rather than discovering new ways to achieve given goals (2008: 15). From a philosophical perspective this case shows that resources are not only essential for changing but also for interpreting reality. In this section the theoretical background for a resource-based ethics is further explained by using Dewey's concept of transactionality and his distinction between 'ends' and 'ends-in-view'.

Dewey makes a practical difference between an *end* and an *end-in-view* as respectively between a remote and final goal and a usable plan to shape the course of events (Dewey 1925: 101). This difference is important for strategy formulation and policy making. Some goals we make are remote and unattainable at least in the near future, such as forming an ideal society, becoming old and happy, creating a world in which animals are not subjugated. These remote goals do not have much

³⁰ Organizations as 'Wakker Dier' which operates mainly in the campaigning field regarding all forms of industrial animal farming: http://www.wakkerdier.nl/docs/jaarverslag2009, and 'Stichting Varkens in Nood' which focus on pigs only and claims to have an intellectual and civilized campaigning approach; http://www.varkensinnood.nl

impact on our behaviour apart from our imaginations and aspiration because it is not sure when the *end* is reached. *End-in-view* arises, as Dewey puts it, "when a particular consequence is foreseen and being foreseen is consciously adopted by desire and deliberatively made the directive purpose of action". (Dewey 1932: 199). This means what is *in view* becomes part of the way to reach the *end*. Aspirations are turned into a concrete plan when they are put in direct relation with the means to attain them (Dewey 1925: 280). Consequently an end needs a view to become realistic and attainable and an end without a view will be regarded as ideal or as unrealistic. Applying this to business, entrepreneurs only work with ends-in-view, so ethics must focus on moral ends-in-view to reach the business mind.

To analyse this a bit deeper, I want to draw attention to the pragmatic concept of transaction, which shares a resemblance in its meanings with entrepreneurship. In business, a transaction refers commonly to an 'exchange of goods, services or funds'. In the pragmatic version, a transaction means "a 'deal' that has been 'put across' by two or more actors" (Dewey and Bentley, 1949: 116f), For Dewey exchange is not focussed on the result but on the process like events as 'organism and environment'. Key in the meaning of transaction is that events are inseparable as Dewey explains:"no one would be able successfully to speak of the hunter and the hunted as isolated with respect to hunting." (1949: 133, my italics). This means that hunting is not a self-action because the hunter depends on wildlife to shoot. Neither is hunting an interaction between the hunter and the hunted because that would mean that before the hunting there can be a hunter without the hunted and vice versa. Transaction signifies the influence events have on those involved and that the result of that influence makes something happen (hunter + hunted = hunting), Dewey's distinction between the hunter and the hunted reflects his stimulus - response model. Dewey rejects that stimulus and (bodily) response are separated entities. In his 'reflex arc' concept a stimulus becomes a stimulus after it is interpreted as such by the subject (Dewey 1972). A child who burns itself does not withdraw its hand (response) after feeling the flame of the candle (stimulus). It is not a sensation of light and heat that makes the hand withdraw but an act of seeing and feeling. The stimulus is therefore part of the response. With this insight Dewey underpins his claim that the agent and environment are inseparable and mutually formed. For business ethics this signifies that a moral end is seen by the entrepreneur as one (inview) from the means at hand.

The distinction between end and end-in-view and the claims on transactionality are Dewey's ways to reject any bifurcation of reason and experience in ethics. This division is still present in mainstream ethics today which sees its 'core business' as looking for and constructing *coherency* between ethical concepts, values and principles in order to justify and guide behaviour (cf. Zimmerli et al. 2009, Solomon 2009, Mepham 2000, Beauchamp and Childress 1998). This form of ethics subordinates experience to reason and this circumstance may, therefore, explain the

difficulty it has in understanding an ethical practice such as business. Concepts as end-in-view and transactionality denote a unity of reason and experience. Again, for entrepreneurship this stands for an inseparable relation between means and end. As Khalil (2003b) paraphrases Dewey: "the set of means involves meaning, i.e., the set of means is not given independently of the context afforded by the ends". Khalil, emphasizes that "means of entrepreneurship are not given but acquire their significance from the context, in particular the end empowered by the belief one comes to acquire". It is therefore not the market that dictates the entrepreneurship, but business (hunting) emerge endogenously (from the hunter) in a field of exogenous market forces (presence of the hunted + conditions as weather etc.).

This underlines that a company embodies its business ideas from its resources. It cannot work with ends that do not (cannot) have the company's view on means. As already discussed in chapter 2 I connect here with the ideas of Joas (1997) who expresses this dependency in terms as situatedness, corporeality and sociality. Human action is always bound with possibilities and constraints and therefore situational. This situation is bodily constituted in the sense of one's capabilities, skills, knowledge, and influenced by social barriers and support. Maybe entrepreneurs are not the first in line to set moral ends, but they can be encouraged to establish a public change or to promote publicly innovative ideas to the practice (cf. Pozen 2008).

Transactional relation between means and ends makes that there can be no efficacious (business) ethics without resources, just as there can be no mind without a body and no organism without an environment. Ethics based on resources is one in which aspiration and implementation transact. It should be noted that a complicated factor in this transaction is the path dependency which pre-shapes reality (Nelson & Winter 1982, David 1994). Path dependency means that choices made in the past, e.g. regarding, housing, husbandry systems, soft- and hardware, can still cause impact on present situations when they restrict a revision of those choices. This technological fixedness can limit the dynamics in the means-end relation. From a human resource point of view, the dynamics can be influenced by a social and cultural anchor in the form of firm's doxa as a set of beliefs that becomes accepted as unquestioned, self-evident and, hence, as almost unchangeable (Bourdieu 1977: 164). Path dependency and doxa can be observed in the Dutch pork chain. De Greef and Casabianca (2009), describe how current husbandry systems resist threats from the market and society. One of their conclusions is: "it is difficult to think 'out of the box' if you are part of that box". There are inescapable complications in the meansend relation, which make that ethics should not only accept that moral ends emerge from resources, but that there is certain inflexibility from path dependency and doxa too. These insights make recourse-based ethics even more important, because it prevents that reason (aspiration) becoming too far-parted from experience (implementation).

Room for manoeuvre

The acknowledgment that moral change comes from ends-in-view generates challenges. For ethics this may be to let new reason emerge from experience and for entrepreneurship to generate new experience from reason. Bringing about moral changes is being *resourceful* in making new ends-in-view. This resourcefulness is finding room to manoeuvre in a pluralistic world of values and constraints in the sense of identifying relevant ethical issues, interpreting these and creating solutions (Korthals 2008). In the route towards the Better Life Hallmark, the VanDrie Group as well as the DSPA had to change position. They had to move from their initial stance towards, in Gadamerian terms, the horizon of the other. They both had to find ways to manoeuvre, to create more ability to meliorate their own existence in the light of societal demands. The VanDrie Group and the DSPA found a kind of a *playground* to discover experimentally their moral interests (cf. Pompe and Korthals 2009, 2010). They explored possibilities, socialized and at the same time individualized their position and eventually grew from it. (see chapter 5)

The exploration of possibilities shows that sets of the collaboration were done from different motivations. The VanDrie Group's driving force is the vulnerability of their 'licence to produce' in Dutch society. The production of veal is socially a sensitive enterprise, because of the public human affection with young animals and the luxury of the product compared with other meat merchandize. Dutch Parliament have already put a ban on mink farming from 2018 and VanDrie fears that public attention to calves, as young appealing animals, can end in a similar prohibition. Dialogue with society is therefore essential not as a one-way lobby but as an exploration of demands and possibilities to improve qualities. VanDrie's whole strategy is aimed at constantly adapting to the social environment. The reality of the market, politics and society changes continuously and hence the firm regards (moral) entrepreneurship as never ending. The DSPA, on the other side, explores the possibilities to move society towards a more animal friendly community. It takes into account the limitations of action-based protests. Exploration is directed at making the organization's ideals realistic without losing their deeper meaning. The animal protection ideals, philosophically formulated by utilitarian Peter Singer (1973, 1993) and deontologist Tom Regan (1983), are more understood as one of the many truths (cf. Posner 2004). It may be conceptual coherent to equate higher animals and humans regarding their basic ability to suffer, or to ascribe inherent value to all human and non-human subjects-of-life. However, as explained in chapter 3, it is questionable whether these forms of principled ethics are efficacious in improving animal welfare. Exploring ideals is, therefore, trying to match them with the realities from a pluralistic society.

VanDrie and DSPA have their own network of relations but both *socialized* their space of operation beyond the regular peers and politics. VanDrie invited the DSPA

for deliberation and the Society became an important advisor on animal issues. The relationship is so close that they meet three a four times a year. The DSPA, on its part, further socialized its room. First, by accepting VanDrie's invitation, something other animal protection organizations such as 'Wakker Dier' (cf. note 30) would not do. Second, by proactively contacting other farmers and farm businesses for dialogue about welfare improvements for hens and pigs (see the other welfare hallmarks 'Volwaard' hen and 'Comfort Class' for pigs).

By exploring and socialising their room for manoeuvre they both *individualized* their rooms in the sense that the welfare hallmark (slightly) changed their identity. VanDrie expressed not only its intention of social responsibility but more the actual implementation and therefore the actual realisation of it. The firm is a model for other companies. It stands out by the successful implementation of its aspirations. The animal protection group 'Wakker Dier' sent the firm, as a sign of admiration, flowers after the hallmark for calves was a reality. The DSPA's identity changed from passive advisor on animal protection to active initiator and mediator of alternative animal farming. More noticeably, the Society's identity changed with the presence of its logo on meat products.

By manoeuvring both organizations *grew*. For VanDrie this growth is not that much market-related. The Better Life Hallmark is only for the Dutch market, which is small with just a few percent of the firm's total production. The main bulk of veal is exported to countries such as France and Italy which have fewer welfare concerns than the Netherlands. Growth for VanDrie refers more to welfare quality of their products as well as the respect and the credits from society. For the DSPA, growth is not related to the number of members which is declining. The growth is in the number of animals whose existence has been improved (98% of all animals in the Netherlands are cattle). DSPA grew also in a political and social sense by showing to be a reliable and reasonable partner in working on projects some of its conservative members reject.

The VanDrie-DSPA case shows that business and ethics do not need to be considered as opposite fields. Entrepreneurship can mean new challenges for ethics and vice versa. The relation between the VanDrie Group and DSPA is one in which business and ethics react upon each other and change both as a consequence. Both organizations found ways to fuse their different horizons on the economy and animal welfare by loosening their ideologies a bit for the sake of creating something new. The hallmark can be seen as a result of co-evolution between a commercial and a social-political organization, or between business power and public power. It can be seen as a managerial intentional co-evolution to change a situation technologically, economically and socially (Volberda and Lewin 2003). It can also be regarded as a co-evolution of alliances in which relationship between *trust, control, and learning* change simultaneously (Inkpen and Currall 2004). The internal manoeuvres within

and between the practices of VanDrie and DSPA, resulting in the Better Life Hallmark, created more room for manoeuvre for others too. Consumers can afford welfare friendly meat more easily and there is a greater variety of choice. Room also increased for farmers with their possibility to upgrade a husbandry system without imbalancing the cost-benefit equilibrium too much. Interrelated practices caused a shift in the mosaics of values and the set of constraints and created new moral niches. The awareness of one's *Room for Manoeuvre* renews ethics towards experience-based creation of values (Pompe and Korthals, 2009, 2010).

Conclusion & Discussion

The aim of this chapter is to explore the possibilities of a resource-based ethics. The relationship between the VanDrie Group and the DSPA concerning the development and implementation of a Better Life Hallmark for calves has been described and analysed. Both organizations show moral entrepreneurship by being pragmatic and melioristic. They share the attitude of continuous adaptation to the ever changing world and see that an (incremental) improvement of human and animal interest runs through dialogue and partnership about the use of resources. They both take the social, economic and technological environment seriously and work from the possibilities and limitations. Important to notice is the fact that co-operation and moral progress do not need consensus. It is all about making 'value conflicts' workable in a learning process. The hallmark result can be seen as a co-evolution in which by interrelating practices values and constraints shift so a new moral niche emerges. Both organizations show moral entrepreneurship in their ability to create room for manoeuvre: by exploring interaction within one's own organization and between external parties, by socialising their actions through dialoguing with counterparts and joining ventures, by individualising and strengthening their identity and finally by growing in quality and social respect. This chapter stresses the importance in ethics of the resources at hand, whether human competences or technological capabilities, and of the capabilities people perform in using them.

Looking more critically to this study, there are some points for discussion. These relate to concerns about the motive of VanDrie in becoming moral, the obligation to stay a front-runner in new developments and the public validity of the hallmark.

Sceptic voices may accuse VanDrie of using ethics as a dressing for its economic target to create new markets to compensate the loss of other segments. The veal calf industry is subjected to socio-economic influences which almost halved the number of calves slaughtered in France between 1984 and 2008. Sans and de Fontguyon (2009) explain this fall with several reasons as the reduction of calf numbers from the dairy herd after milk quotas were introduced and the rise in the prices of production factors (bobby calves, milk feed). There is also a change in

context: milk supply is no longer in excess; farmers hold on to female calves; more profitable use of milk proteins in human nutrition than in animal feeds; slaughter premium is decoupled; and young people increasingly avoid veal. These economic developments led probably to some changes. Integration management was further developed to reduce costs through volume management and, externally, new market opportunities were explored as a Better Life Hallmark veal. Whether the animal welfare project is economically driven, is not that important. What counts for pragmatism is the welfare improvement and the attitude that it is just one step towards better. Besides, it is clear that competitors, such as Lactalis / Tendriade, Denkavit and Bigard, do not show much (economic) interest in animal welfare.

There are other concerns. Being a moral entrepreneur creates expectations and obligations. On the innovation side, there must be a continuous effort for improvement. In the veal calf industry this means facing challenges to develop techniques, for instance, to feed the calves during transport with warm milk. A technique, not possible yet, would make a great welfare difference for the young cattle. Moral entrepreneurship is a long-term commitment with social expectations.

Another concern directly related to the resource-based approach is that moral targets or aspirations can be set too conservatively in order not to overstretch the means. Starting from resources may limit of even kill aspirations. Seeing the VanDrie's motto "I can" before "I will", it may arouse some scepticism since it provides an easy way to avoid moral responsibility. An ethics based on resources may lead to pardon one's duties when capabilities are low: "I cannot" therefore "I will not" might be the excuse.

A more complex concern is the validity and integrity of the data that justify the hallmark. The interests of VanDrie and DSPA are entangled with their commitment to pull through a welfare system. Both parties can be harmed when their agreement lacks transparency regarding the compliance. How does the public know whether the system is valid? What proof is there that the average Hb-level of all kept calves is 6 mmol/l with none under 4.5 and for the hallmark 7 with none under 6? This is, for the public, not clear and traceable and therefore VanDrie and DSPA have to work on some transparent audit system. Whether that system is a first-party (sellers), second-party (buyers) or third-party (independent) certification is not that relevant. Pivotal is the transparency for consumer's bodies, media and science in order to debate publicly animal welfare claims in the livestock chain (cf. Hatanaka et.al. 2005). One of the subjects of that public debate can be the first-party position VanDrie and DSPA have regarding the hallmark, because they share the responsibility of the quality they offer.

Obviously, there is already enough transparency regarding the firm's abilities especially in relation to the DSPA. Besides, the credibility and trustworthiness of

VanDrie, and DSPA alike, in the sector and society is too valuable to put at stake. VanDrie has participated, for many years, in several committees and boards, ranging from the butcher vocational training advisory committee to the Dutch National Board for Animal Affairs (Raad voor Dieraangelegenheden). The DSPA has a political and societal reputation, even in a European context, of admirable proportions. The VanDrie Group and the DSPA take leadership seriously and are aware of the social capital it can gain and lose (cf. Maak 2007). Nonetheless, these concerns should not be ignored, firstly by VanDrie and DSPA but also publicly.

The VanDrie – DSPA case provides sufficient insight into a practice in which resource-based ethics actually occurs. This form of ethics opens a new input in the public debate. A debate not only on what a firm or organization *achieves* but even more on *what it could achieve*. Available resources should, therefore, not be exclusively defined by the one who sets the end-in-view. If it concerns moral change, resources should become transparent to such an extent that it serves the social debate without compromising the company's competitiveness. The focus in the moral debate should be more on capabilities for change than on the change itself (cf. Sen 2009). Questions to guide the debate are 'what can it do?', 'how much from within?' and 'where are the potentialities?' A pathway for *workable* business ethics runs along the situational, corporeal and social lines.

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7 Reconsidering moral entrepreneurship within animal and business ethics

This study started with a brief review of the approach, by government and science, to handle the animal welfare issue in the Netherlands. That approach has a strong tendency to (re)arrange the livestock chain by seeking reasonable agreement on the nature of animal welfare and on the way animals are used and kept. The arrangements entail: to redesign, fully, current farming systems; to support actively the developing prototypes; to support early adaptors with grants; and to set a covenant among parties in the chain. The role of science was in these arrangements dominant. Although the results were promising, the effectuation of the intended change of moral beliefs became, nevertheless, debateable. From this outcome, the aim of this study is to explore another pathway, one that contrasts the abstract and theory-based approach of science. The road chosen is that of entrepreneurship because of its experience and practice-based nature.

The idea from which this thesis starts is that in a multiple-stakeholder and multiplevalue world, with its dynamics and conflicts, social and technological change must come from other practices than from science and technology. Entrepreneurs in the chain can be architects and developers of new practices regarding sustainable use of cattle, but that role is not being studied properly. Due to this omission, the potency of entrepreneurship to operate in an ethical context of animal welfare may be underestimated. Moral change concerning animal welfare may well come more from business opportunities rather than from science-driven arrangements. If that is the case then we need to strengthen the entrepreneurs' moral agency. Help can come from business' active participation in the ethical debate and from society in general when it sees the moral strength of business to change effectively conditions for the good, in this thesis the welfare of livestock. My work here is to support both the business and societal lines of help. In that context the overall objective of this dissertation is to study moral entrepreneurship within animal and business ethics in relation to moral change, in particular the current capability of entrepreneurs in doing business with animals and bringing about moral change and the potency for the future.

This research holds some questions which I will address specifically in this chapter:

- 1. What kind of ethics fits moral entrepreneurship best?
- 2. What role does moral entrepreneurship play in animal and business issues and what should it play?
- 3. What considerations are needed to enhance the ability of entrepreneurs to operate in an ethical context?

In the previous chapters I discussed relevant literature and three supporting cases in which different situations and aspects of livestock related issues are connected with different forms of entrepreneurship:

- Farmers in participating in system innovation of animal husbandry.
- The food service company *Sodexo* in trying to implement CSR aspirations including selling animal friendly products.
- The meat production company VanDrie Group and the NGO Dutch Society for the Protection of Animals in implementing an intermediary, welfare related, meat segment.

In this chapter I will resume the insights these cases gave me: that some conditions can increase the efficacy of ethics in business; and that entrepreneurs can have different roles regarding moral concerns. Most importantly, literature and cases give indications on how moral entrepreneurship can be enhanced.

What kind of ethics fits entrepreneurship best?

A major subject in this study is the option between two ethical pathways: the mainstream *transcendental* approach which I link, due to its abstractive nature, to the *ethics of justification* and the alternative *comparative* approach which puts, like the *ethics of discovery*, the accent on experience.

Seeing the numerous business scandals, entrepreneurship does not seem to match the public idea of educating moral responsibility to managers. In the public eye, refitting ethics in business means training the moral agency of business managers by enhancing competences that enable them to: balance options rationally and wisely in the light of the ethical principles; follow regulations and codes; discard antisocial business qualities as possessiveness, avariciousness, greediness and hedonism; and to justify publicly the moral outcome or course of their actions. These public demands echo *transcendental ethics* with its rational conceptualized principles and abstract ideals. There appears be faith in letting 'the value of a value', that is the consideration of its importance, depend on its coherency with principles. For that purpose, values need to be scholarly studied by reflecting on them in the light of ethical principles, as autonomy, non-malificence, wellbeing and justice. Accordingly, moral sensibility and reasonability must mainly come from a higher order of thinking.

The link between the ethics of justification and business ethics may seem obvious. However, it hinders constructive input and may, therefore, not fulfil its intention to bring about change. A top-down pull from principles and codes is likely to ignore the properties of entrepreneurship which can positively contribute to ethics and moral change. These qualities are among many, seeking for opportunity, taking risk,

creating solutions, searching for change, testing reality and balancing costs and benefits. Submission to principles and training normative ethical deliberation may well lead to a mitigation of the negative side effects of business, but I doubt whether it will maximize the moral potential of entrepreneurship.

To develop the moral potential of entrepreneurship, ethics must start with what business *already does* instead of what it *should do*. Such an ethics 'from within' can enhance entrepreneurial competences to contribute more effectively to moral change or even create it. It can be built on pragmatist's notions that daily life *experience* is the base for truth and knowledge, and that *experience* is formed by the situation, corporality and sociality. Therefore, an ethics that fits the positive qualities of entrepreneurship best must lean more to *learning by doing* than to following principalistic guidelines.

In business ethics there is a crossroad between freeing oneself from the reality of time and situation to construct the *best* reference points and engaging oneself in a practice to explore possibilities to make a *better* situation. Business ethics is not just a matter of *justification*, defending moral outcomes rationally and argumentatively, but a matter of *discovery*, seeking and creating ideas for overcoming problems. *Comparative ethics*, as the counterpart of transcendental ethics, takes the latter path.

Comparative ethics, as the direction to *better*, has some prospect to fuse ethics and entrepreneurship. Both fields need for their success: thoughtfulness, imagination and creative intelligence. Moral entrepreneurship is more about comparing economic situations with its corporative and social dimensions than about adopting or maintaining an ethical norm. In doing business with animals, improving animal welfare, for instance, is not simply a matter of respecting the animal by not harming it and to give its natural behaviour what it needs. Animal welfare depends also on the consumers' willingness to pay for it. Likewise, it depends on the resources in the chain, either to rear the animals in a more friendly way or to supply organic meat to consumers. Animal welfare is actually the result of a multiple-complex, multiple-level and multiple-stakeholders reality. Bringing forward moral change in such reality is combining effectively zoologically, socially and economically related values.

By putting entrepreneurship in the centre of the debate, other forms of ethics come forward. I explained in chapter 3 the position of *principle-oriented* ethics and the alternatives from the *phronetic*, *hermeneutic* and *pragmatic* side (see figure 7.1). Value considerations do not need principles. Moral deliberations can also be done from one's own realm of life experience, especially when it is a mature and rich one. Moral entrepreneurship can, therefore, be based on practical wisdom. The meaning and importance of values can also be considered by linking them with others whose life is also situated with those values but from different perspectives. Moral

entrepreneurship can be hermeneutical when looking for new horizons of reality and see from social understanding new opportunities to relieve troublesome situations. A third alternative is to put the value to a test to see how *valuable a value* is in practice. Entrepreneurial orientation is already pragmatic with its change-in-view and can become moral when this change is pursued from a social perspective towards a better world.

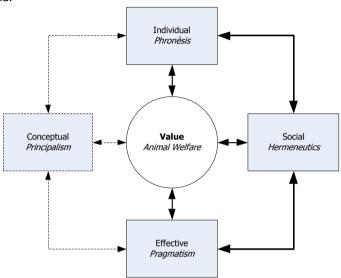


Figure 7.1 Flows of ethics

An ethics that fits entrepreneurship best is an *experience-based ethics*: one that allows divergence and even promotes it by being situational; one that stimulates growth by purposely seeking for heterogenic confrontations as the source for opportunities and innovation; and one that is bottom-up in the sense that direction is known but not the final stage. The best fit is an ethics that *pushes* rather than pulls: that stimulates actors to compare situations, to discover new values, to effectuate resources and to realize a better state. Regarding doing business with animals, this form of ethics may be the key for effectively: innovating systems of animal husbandry in which animal welfare, human health and environment have to be balanced; implementing CSR aspirations including selling animal friendly and other sustainable products; and implementing an intermediary, welfare related, meat segment by modifying the rearing of calves for meat production.

It is important to note that experience-based ethics does not exclude any form of transcendental idealism or rational justification. Imagining the best and giving a principalistic account can be constructive in moral entrepreneurship. But, the point is that the real strength of moral entrepreneurship lies elsewhere.

What role can moral entrepreneurship play in doing business with animals?

The description and the analysis of the three cases - farmers and system innovation, Sodexo and implementation of moral goals, and the relationship between the VanDrie Group and DSPA - delivered some insights about the role moral entrepreneurship can play in doing business with animals. In this section I will classify the level of that role in terms of rudimentary, limited and extensive, depending on the 'room' entrepreneurship gets to manoeuvre and the impact it causes. By linking this classification with the cases, the different roles of entrepreneurship become clearer.

The Farmers case: Rudimentary role in doing business with animals

The farmers case focused on innovating animal husbandry. This case demonstrates that, at least, there is a choice in approaching system innovation for sustainable animal husbandry. One is a concept-based pathway in the form of reflexive modernization, in which technical and social assessments are put into the design of production by reciprocal and iterative argumentative exchange. This is a top-down path, in which scientific experts are in 'command and control' and this pathway leads from-socially-interactive-innovation-to-acceptance. Chapter 4 shows also an alternative more experience-based pathway: from acceptance-to-socially-desired-innovation. This approach is led by experience in terms of recognition, relevance and feasibility. Centring experience and practice requires distinguishing primary regulative stakeholders, those who have to work with the innovations, from secondary stakeholders, those who are not less demanding but are the beneficiaries of innovation and not the executives. For innovating an animal husbandry system, the primary stakeholder is, therefore, the farmer as the livestock keeper and entrepreneur.

The farmers case shows little entrepreneurship from the side of the primary executive stakeholders. Farmers were on-call consultants, while scientists were captains in their assignment to construct future sustainable husbandry systems. The scientific experts' strength is drawing the full conceptual picture of the mosaic of values and set of constraints, but their weakness is that plans to overcome problems and to go forward in change are conceptual too. Scientific experts make detailed maps which show the hazard spots and some alternatives to avoid them, but they are not the users of the map in the field. They are cartographers but not walkers.

The role of entrepreneurship became apparent with the question: is change more likely to happen if it is done from a concept-based or from an experience-based approach? Scientific experts are concept-based with a strong *ex-ante* role allowing only *ex-post* input from the (primary) stakeholders. Consequently, the role of moral

entrepreneurship is *rudimentary* because there was not much room to create several alternatives for comparison. Public and animal welfare values were attributed to the farmers by the scientists. The potential contributions of farmers were overshadowed and marginalized by the investigations and designs of the scientists. The latter define problems at a macro level, while the former deal with them at a micro level. Farmers did not have the opportunity to (re)valuate entrepreneurship in relation to animal welfare, and other moral values such as environment and public health. They were not encouraged to evaluate resources in the light of societal demands. To bring about moral change, primary regulative stakeholders must not be consulted but invited to collaborate and to become co-producers of the livestock innovation.

The Sodexo case: Limited role in doing business with animals

In the Sodexo case the implementation of moral aspirations was studied. Many businesses are involved with CSR and their performances are laid down in reports and indexes. There is wide variety of CSR perspectives and some regard CSR reports as glossy showcases of the firm's social and environmental good deeds for public relations and media. There is gap between theory and practice which philosophy cannot close by searching for coherency or even unification through the 'logic of theory'. Closing the gap means taking situational ethics, in which morals are differentially embedded in an active and contextual practice, more seriously. The multinational caterer and CSR-active Sodexo is studied on its ability to implement moral objectives. The case shows that the mosaic complexity of the moral world, with its societal values and its economic constraints, limits the firm's ability to improve its CSR policies and activities. Despite the impressive display of principles, codes of conduct and stakeholder's commitments, and an enthusiastic Dutch Corporate Citizen Team, Sodexo's CSR policies suffer from: lack of implementation and evaluation schemes; a strong focus on hard economic facts; and no R&D regarding business ethics. In addition, there appears to be not enough support and steering from the board of directors. All this creates a gap between the ideal world of the reports and the company's real world found in Sodexo's daily practice.

Sodexo's moral entrepreneurship is *limited*. The will for moral change is elaborated in reports but their moral impact is small due to insufficient means and management. There is a drive to make a moral difference in catering, regarding health, animal welfare, fair trade and environment, but mainly by the enthusiastic Dutch Corporate Citizen (CC) Team. The company's *functionalist management* approach, to deal with its perceived unitary reality of economic facts and figures and self-evidential business objectives, tempers the good will of the CC team. This standard business approach, effective in straightforward demand and supply, does not fit a world which is pluralistic and irreconcilable. Sodexo cannot be blamed for operating in a complex world of diverse consumers' demands, restricted supply of 'sustainable' products and stiff competition. Surviving in a sensitive economic market, as catering, is an

achievement in itself. However, the issue is not what Sodexo *does* but what it *can do*, i.e. how the firm deploys its capability to bring about moral change. Sodexo's effort in using or developing one's resources to fulfil one's own moral aspirations is questionable. One of the options and opportunities for this caterer is introducing an interpretative *(soft) system approach* in which values are deliberatively interpreted on their desirability and feasibility, by an *intraplay* between departments and an *interplay* with external parties. Another effort would be to stimulate R&D regarding smart alternatives to reduce or overcome constraints and to create new values and niches. Although Sodexo's CSR policies outclass those of its direct competitors, from a moral agency point of view this firm has not utilized its capabilities.

The VanDrie - DSPA case: Extensive role in doing business with animals

The case VanDrie Group and Dutch Society for the Protection of Animals (DSPA) showed an effective implementation of a welfare related intermediary meat segment. The actual results emerge from VanDrie's entrepreneurial strategy not to set moral goals or to comply with societal demands before gathering the resources, including internal support, to effectuate them. One of the consequences of the strategy is the firm's tactic to *improve quality* standards by *increasing quantity*, specifically by concentrating yeal farms, feed production and slaughterhouses in the Netherlands. Concentration of resources means reduction of product costs and more room to set a market for welfare quality meat. Regarding the input of the DSPA, the NGO's strategy for collaborating with the VanDrie Group is to improve welfare conditions of the animals that produce 98% of the standard (industrial) meat. A direct consequence of that strategy was for DSPA to overcome the sensitive issue of putting the Society's logo on a piece of dead animal. The case showed that for putting animal welfare into the economic structure and vice versa, the VanDrie Group and the DSPA created an open atmosphere for dialogue and joint venture. The result is a one-star Better Life Hallmark and a relationship with future prospects towards more welfare for the calves.

The level of moral entrepreneurship in this case can be classified as *extensive*. The relationship between VanDrie - DSPA shows that moral situations can be changed. Not by overstretching moral ideals or ethical reasons, but by acknowledging the complexity of the system and trying to change it from the resources at hand. Change comes from balancing situation, corporality and sociality. The case also demonstrates that organizations are not solely a product of the economic and social environment but a creator of that environment too. VanDrie and the DSPA possess both the virtue to see the interwovenness of their practices and to have an open mind for sharing and exchanging. Resources play a key role in the process of formulating the animal welfare problem and creating an acceptable solution. For moral change concerning animal welfare, husbandry regimes had to be modified and NGO ideals had to be 'pragmatised'.

The relation between the two organizations can be seen as a form of intentional coevolution. In order to create a new moral niche of the intermediary meat segment, the interrelated practices needed a shift in pursuing values and overcoming constraints. The relationship between both organizations demonstrates clearly that moral aspirations can be effectuated at a substantive scale by being an inter-player and being resourceful. VanDrie and DSPA did not take the transcendental road of pursuing the best but the comparative one of effectuating something better. This case displays a resource-based ethics since means and assets (resources) are balanced with opportunities for improvement (ethics).

The role of moral entrepreneurship in doing business with animals

The role of moral entrepreneurship has several levels depending on the ownership of the process and its impact. This study indicates that the moral role is somewhat undervalued, since rudimentary and limited levels can be upgraded. There is no fundamental reason why famers in an innovation process and Sodexo in its CSR endeavour could not achieve a co-creation of value as the VanDrie-DSPA relation did. The qualities of moral entrepreneurship, revealed in this study, can be used to reconsider moral agency of managers as well as to improve the welfare conditions of animals. Having a resource-based capacity to effectuate change, moral entrepreneurship is crucial for bringing about moral change in a pluralistic and situational practice of the everyday reality. Experimental and opportunity seeking properties of entrepreneurship can in ethics enhance creativity and capabilities as onset for co-evolution between business and society.

The promising role of moral entrepreneurship in changing reality for the good is a product of today's world. In a historical context, Dewey had in his time, early 20th century, serious reservations against the moral worthiness of entrepreneurship. He described business companies as impersonal, 'soulless', profit-making 'machines', "as powerful - and as incapable of moral considerations - as other machines" (Dewey and Tufts, 1909: 469). For Dewey business was a money-making practice in which the morally better would be driven out by capitalistic powers. In his days he concludes that moral sensibility in business cannot come from within and must be forced upon by compulsory government regulation: "the logical way to meet the impersonal character of modern economic agencies is by the moral consciousness embodied in an impersonal agency, the law ..." (1909: 521). His scepticism against the good will of managers comes to the fore in his perspective that moral action is heterogeneous: "It is absurd to separate the legal and the ideal aspect of freedom from each other. It is only as men are held liable that they become responsible" (1909: 439). "Others hold us responsible because we were irresponsible in action and in order that we may become responsible" (1909: 464). The work I present here

can be seen as a nuanced elaboration of Dewey's critical attitude towards business morality. Sodexo and VanDrie can be regarded as acting responsible only to defend themselves against legal and public action from consumers or politics. And, this is indeed partly the case. But, will this not be the case for all moral actors?

A more fruitful interpretation of the moral qualities of entrepreneurs is to acknowledge their morality as linked to economic endeavour. This fact of business life, does not lead to the conclusion that the moral abilities cannot be improved and that the capabilities of the entrepreneur for moral change cannot be enriched. Improvement of moral intelligence and skills can come from within when business and ethics co-evolve. Following Dewey, intrinsic value as an inherent or enduring property of things does not exist. Values exist only in some contexts, and if they held intrinsic then they are only relative to that situation (cf. Dewey 1939: 41). Goodness is, therefore, best understood as instrumental value, with no contrasting intrinsic value. It is this property of ethics that opens meliorism and the role of moral entrepreneurship in doing business with animals.

What considerations are needed to enhance the moral ability of entrepreneurs to operate in an ethical context?

As demonstrated throughout this study, whatever entrepreneurs need to operate in an ethical context it must come primarily from within the profession. Moreover, entrepreneurship is basically adapted for it, since ethical and non-ethical situations do not differ in the nature of actions they ask for. Working with different practices in a world full of uncertainties requires just knowledge and skills which all ordinary people already possess. The praxis of dealing with life events related to family, education, work, aging, is the same as overcoming ethical conflicts, including those in business events. What is required is a shift in awareness: that entrepreneurs have the ability to deal with ethical issues; that ethics is not an academic, political or social thing; that solving ethical conflicts is not for others to do; and that ethical management should not be outsourced. Entrepreneurship and ethics are not separate worlds. They form a reality as $\rm H_2$ and O make water. Ethics and entrepreneurship can be both about discovering or creating, through experimental inquiry, new and better situations.

To stimulate the awareness of existing experimental skills and to facilitate their use in an ethical context, this study introduced and amplified the concept and tool *Ethical Room for Manoeuvre* (ERM). Previous chapters of this dissertation discussed the properties of ERM, in particular the parallels with a *working place* in which entrepreneurs can experimentally discover moral interests and explore the possibilities. ERM can be seen as *playground* for dynamic action without the pressure of moral principles and 'truth-false' or 'right-wrong' classifications. The purpose of

ERM is: to create 'free space' to survey the mosaic of values and set of constraints; to discover moral opportunities; and to create more ability to meliorate the existence of oneself and one's stakeholders in the light of societal demands. In ERM, manoeuvre refers to activities as exploring, individualising, socialising, learning and growing.

The exploration stands for finding out what the situation is, including one's positions, one's possibilities and limitations to bring forward change. It is reading the organization-environment relation in the sense of 'valuing the values'. Exploring is putting the value to the test to find out whether it is desirable and appraised. In the farmers case the exploration was merely academic and methodological with little room for farmers/entrepreneurs to discover the possibilities for valuation and improvement. In Sodexo the intention and the eagerness to engage in CSR activities was mainly found at an organizational level below that of the board of directors. In the VanDrie-DSPA case exploration took place beyond science and at the highest level of the organizations. With the focus on 'organization' there is room for individualisation that is to emphasize one's conviction and to colour one's agency. The idiosyncratic hearts and beliefs are in all three cases visible, although in the system innovation project not on the part of the executive party. Sodexo's moral colour comes from its reports, rankings and awards, while the VanDrie-DSPA combination shows its contrasts with other businesses and organizations through its hallmark product. The problem remains that one is only half aware of expressing one's original and authentic side of morality. Ethics should stimulate idiosyncrasy because it will lead to diversity and subsequently to more things to discover.

Despite the possibility for more diversity, the moral world is already pluralistic. Facing this reality means that understanding it cannot be a solitary action, let alone changing it. Changing a practice to a morally better situation is learning the aspects that constitute a certain practice, including the people involved. One can change a practice, therefore, only by deliberation with those concerned. Manoeuvre in the ethical room means inviting others for their opinions, beliefs, wants and solutions, and, moreover, to build trust and collaboration. In the farmers case collaboration could not mature, due to the consultative position farmers had in the innovation program. Sodexo's invitation reaches all its stakeholders at least on paper. The CSR reports do not make clear to what extent the invitation is backed up with guidelines, activities, budgets and procedures. The VanDrie-DSPA relationship, as described, speaks in this context for itself. Overall, in complex ethical issues socialisation is a requirement for moral change. Collaboration, as in co-producing and co-creating realities, mean learning and growing and, consequently, increasing the room. In each of the three cases there is growth, but the satisfaction with the result differs. Scientific experts of the innovation projects may be happy with the design but the acceptance by famers is low. The board of directors of Sodexo is more focussed on the external corporate image and the financial pay-off than the internal image and

identity at all levels of the organization. Growth through learning, respecting, trusting and producing is most visible in the VanDrie-DSPA case. Their ethical practices developed as their corporate images grew. Table 7.1 provides an overview.

Table 7.1 Overview moral action in the cases

Business Doing	Farmers	Sodexo	VanDrie - DSPA
Exploring	Little room for discovery	Mainly Corporate Citizen Team	Directors and organizations
Individualising	Limited by the multiple systems approach	Evidence in the CRS reports, not by own products	Own product + logo
Socialising	To the extent of consultancy	Mainly on paper Some local initiatives	Co-producers
Growing	In conceptual design Not in number of new practices	In corporate image In corporate practice??	In practice and image

Activities as exploring, individualising, socialising, learning and growing are ways to manoeuvre in one's room. This study also presented some 'guidelines' to make one's ERM more intelligent by discussing the six aspects of the pragmatic deliberation process, being: conflict formulation, setting ends-in-view, tapping possibilities, writing scenario's, dramatic rehearsal and evaluate the implementation. These aspects of moral inquiry have a likeness with entrepreneurial decision-making.

Whether in entrepreneurship or in ethics *conflict formulation* is about the same. It is finding out in a particular situation 'what is going on', 'who is involved', 'what are the options' etc. More on the entrepreneurs' side than on the principalistic side is the aspect of *setting ends-in-view*. Describing a possible world in which the named conflicts do not exist is the first step to explore ways to create such a world. Creating an imaginary moral-world-in-the-making is for entrepreneurs stating a *strategic intent* but one from the resources at hand. From the resources *possibilities* are *tapped* to see what can be gotten or used from it. With this step the 'view of the end' becomes more concrete. These possibilities are converted into *scenarios* as dynamic stories, in which future events and actions are described and questions about values and management are provisionally answered. Choosing the right scenario is the heart of deliberation. This is done by *dramatic rehearsal* in which the consequences of the

scenarios are projected from the position of the several stakeholders. As in a rehearsal, the purpose is adjustment before *implementation* is put into action.

It is important to understand that the order of these six aspects is completely conceptual because deliberation in real life experience is chaotic and highly iterative. The different aspects of experimental moral inquiry make the ERM model a nonlinear tool with which moral hypotheses and proposals can be generated, tested and assessed. This approach for deliberation corresponds with the general method of applied scientific inquiry and shares many of the informal, open and stake-oriented properties of practical examination. For ERM this includes encouraging divergence, instead of seeking for convergence. Scenario writing in moral inquiry is about testing different proposals and selecting those which can match the desired situation. At the end divergence may well lead to convergence, but not as a ex ante conceptual construction or arrangement, as in many covenants, treaties and charters, but *ex post* as a realisation of experiencing and incorporating different strengths.

Applied to the cases, insight into ERM will result in some recommendations. In the farmers case, ERM would follow the path from-acceptance-towards-innovation. In the Sodexo case, ERM can be a workable alternative for dealing with the dynamics of the pluralistic and irrational world of businesses and consumers. With ERM, strategy formulation, implementation and evaluation schemes can be generated. With intraplay Sodexo can rediscover and reconstruct its attitude and competences and change from butler to mediator. In the VanDrie - DSPA case, the Better Life Hallmark is, already, a result of room created through manoeuvre (exploration, socialisation and individualisation). Internal manoeuvre of practices, as adapting husbandry schemes, resulted in more external room for manoeuvre, i.e. more choice in affordable welfare friendly meat. ERM may accelerate further development of the existing products and the discovery of new ones. The welfare issue remains, for instance with the challenge to feed the calves with warm milk during long transportation. With ERM as a tool dealing with ethical issues, ethics becomes more a matter of individual capabilities (phronèsis), dialogue (hermeneutics) and action (pragmatism). (see figure 7.1)

How can societal partners stimulate moral entrepreneurship and ethical room for manoeuvre in doing business with animals?

In trying to lead the welfare of livestock to a higher level, I am convinced that working from experience is more fruitful for bringing about moral change than constructing concepts and promoting principles. My analysis tries to show that comparative ethics fits business better than a transcendental approach and that the process towards moral change benefits more from allowing divergence than from

aiming at convergence. Overall, I call for discovery instead of justification. In light of this I have some recommendations for the different players in the livestock sector.

Science

- Be more aware of how ex ante intervention can hinder entrepreneurship. Seeing the conclusion that I draw from the farmers case in chapter 4, it is wise for science and the financiers to be modest with offering concepts for deliberation. Modifying a given concept has, in my opinion, a different dynamic than creating one's own. As I explained in chapters 2 and 5, one can only work on a problem if one is sensitive to the problem and subsequently one can only innovate when one sees the opportunity. A call for scientific knowledge and other resources must come, therefore, from within. This does not mean that society is side-lined until the primary executive 'owners' feel the problem or they see the opportunity. Farmers, and other kinds of entrepreneurs, are inextricably part of society, which gives science, as also part of that domain, a legitimacy to speak out its findings and interpretation and to push sectors and businesses in motion.
- Explore how ex post influence can stimulate entrepreneurship. A distinction must be made between science in the role of a designer and that of a facilitator for design. For bringing about change I call for the latter, especially in those situations in which natural (hard) science is operating in a mosaic of business and societal values. Science cannot be the architect of the house, neither the interior designer. The role of science must not be that of a rule-maker but of counsellor on the validity of rules and their possible consequences. Welfare and Livestock sciences have to investigate their own capability to assist society in creating a better world and not the social science of Science and Technology Studies (STS) in its task to reveal the mutual affect of social values and technological innovations.

Business

- Make ethics in business just as exciting as seeking for (new) opportunities.
 Without the excitement ethics will not be open and dynamic and the results will likely not exceed the minimum required level. Make from ethics a playground with business and societal values as building blocks.
- Create more room for a soft system management approach, by stimulating intraplay within the company to discover new corporate and social values and by stimulating interplay with external partners to co-create new niches.
- Study comparatively (together with ethics) the different business ethics strategies and their successfulness.

Fthics

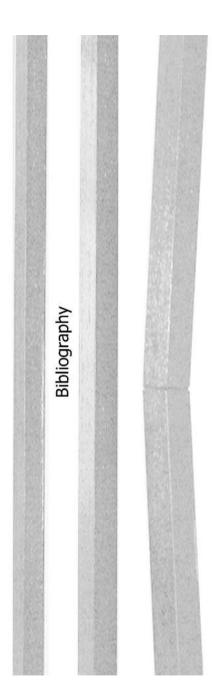
- Revaluate the efficacy of principles in guiding change and the strength of experience in setting standards and guidelines.
- Study, further, the meaning and use of a resource-based ethics, in particular the relation between corporeality and moral change. Shift the focus from what 'we want' to what 'we can'. Ethics should not only be about moral ideas but moreover about the efficacy and effectuation of those moral ideas.
- Research the position of quantity in relation to quality, in particular the role of volume in determining the realisation and hindrance of moral change. Scale and size matter in gaining economic resources and in lowering costs. Unravelling the relation between quantity and quality will illuminate the corporal aspect of moral change.
- Study the relevance of resources in interpreting ethical issues and making moral
 decisions. The stakeholder's capability and freedom (agency) to solve or ease
 the problem may well influence his or her initial feel for the problem and view of
 the answer.

Government/ Politics/ Public

- Shift the focus from arrangement of the 'best' towards realising the 'better'. Do not search for logical consistency between direction and final stage, but instead be satisfied with the known direction without knowing the final stage.
- Shift the focus from financially stimulating entrepreneurs to adopt an innovation to entrepreneurial innovation itself. The urge to 'pull' in order to move others towards a predefined situation must become a power to 'push' to move the current situation from its position.
- Stimulate more practice-to-practice exchange of technical, economic and moral successes and failures. Create moral change by bottom-up fusion of ideas and co-evolution of practices.
- Demand more transparency regarding the moral quality of entrepreneurship.
 Validate what an entrepreneur claims to have achieved and look at what it could achieve with the resources at hand.

Closing Remark

With my work presented here, I advocate a *practice-based ethics* that will hopefully give animal ethics a more workable part in business policy-making. Reconsidering moral entrepreneurship in doing business with animals means simply to emphasize the effective role entrepreneurs can play in changing reality for the moral good. However, my reframing pushes ethics towards a more action- and experience-based pathway. I hope that I have opened a *new way for practice to deal with ethics and for ethics to deal with practice.* Business and ethics can move closer to each other when they take the road 'from Best to Better'.



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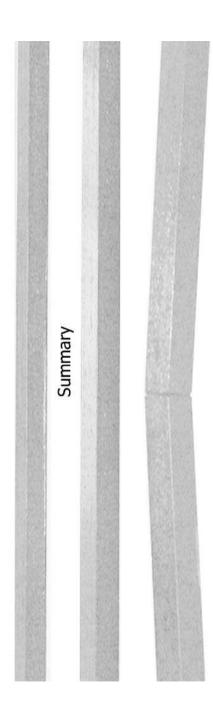
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Summary

Livestock economy is in a process of innovation by which social values as animal welfare, human health and sustainability become more incorporated into the production chain. This process is stimulated by the Dutch government mainly through the science-driven strategy of *transfer of knowledge*. Although some promising innovations are in development, it is debatable whether this strategy is efficacious in its contribution towards moral change. Livestock economy is a complex reality of intertwined dynamic values and multiple stakeholders, in which science-driven concepts appear to be too abstract and too distant. The **introduction** of this study sets the claim that there is room for another pathway to improve the welfare of animals in the livestock sector: one that starts from experience and practices shared by the different expertise in the chain, as farming, meat production, logistics, retailing and catering. This alternative for science-driven approach is innovation and moral change through *entrepreneurship*.

The overall objective of this dissertation is *to study moral entrepreneurship within animal and business ethics in relation to moral change.* In particular the current capability in bringing about moral change and its potential to do so. It addresses the following questions:

- 1. What kind of ethics fits moral entrepreneurship best?
- 2. What role does moral entrepreneurship play in livestock related business and what should it play?
- 3. What considerations are needed to enhance the ability of entrepreneurs to operate in an ethical context?

For the input, this research focuses on relevant literature and on three case studies covering different types of entrepreneurs dealing with particular aspects of the animal-related projects.

- Farmers in participating in a system innovation program of animal husbandry that has the ambition to become exemplary for other projects.
- The food service company *Sodexo* in trying to implement CSR aspirations and to bring about moral change.
- The meat producer *VanDrie Group* and *Dutch Society for the Protection of Animals* in implementing effectively an intermediary, welfare related, meat segment.

All case studies are based on a triangulation of desk research, interviews with cross-reference and participant observation. Interviews were held using the method of *Responsive Dialogue* in which practices are described and analysed by the experience of actors and narratives in order to enhance the understanding of a

situation from a variety of perspectives. Written summary of the interview was presented to individual interviewee for approval.

With this study I hope to present new insights into entrepreneurial ethics by *finding new ways for practice to deal with ethics and for ethics to deal with practice.* With this endeavour I hope to enhance entrepreneurial capability to operate effectively in the moral world in which business and society increasingly intertwine.

The framework of this research is enfolded in **chapter 2**. It explains the term entrepreneurship and the way it can be used in the context of animal and business ethics. Entrepreneurship is not just a *rational* action of (commercially) managing supply and demand or a *normatively oriented* action of following different party standards. Entrepreneurship is a creative action to explore and find opportunities within the situational, corporal and social boundaries. A *moral entrepreneur* is therefore not someone who promotes and pursues ethical goals but *a creator of effective moral change* in a context of interwoven social, policy and economic norms.

To stimulate moral entrepreneurship, its agency must be enhanced from within. For this task, some common ground of ethics and business is found in the philosophy of American pragmatism with its characteristic of letting experience dominate over rationality. To support the experience-based approach, a spotlight is put on the difference between *transcendental* or *principalistic* ethics and *comparative* or *situational* ethics. Also relevant is the distinction between the *ethics of justification* in which a moral outcome is argumentatively defended, and the *ethics of discovery* in which the moral ability is enriched by seeking heterogenic confrontations.

This research holds the perspective that moral entrepreneurship must be an experimental discipline by which new values are explored for moral change or improvement. Management and moral agents already share properties as thoughtfulness, imagination and creative intelligence. To stimulate entrepreneurs better in the realm of ethics, the study elaborates the concept and tool *Ethical Room for Manoeuvre* (ERM). The premise of this concept is to create more 'free space' for *deliberation* and *inquiring* solutions. For investigating ethical manoeuvring I centralize actions as exploration, individualisation, socialisation and growing. The ultimate goal is to make ethical deliberation more practical in conceptual (theory) as in existential (practice) perspective.

Chapter 3 reflects the ongoing debate in business ethics on how to close the gap between theory and practice. It raises the question 'should the ethical approach for entrepreneurs be based on top-down deduction of principles or on bottom-up experience?'. As an answer this chapter presents *experience-based ethics* as an

alternative for principalistic ethics. This alternative stimulates in a company a process of inquiry and experimentation within the departments (int*ra*play) and with stakeholders (int*er*play). From the realm of philosophical ethics, three *experience-based ethics* are highlighted: the phronetic ethics of Aristotle, the hermeneutic ethics of Gadamer and the pragmatic ethics of Dewey. A combination of the three is regarded as the most efficacious alternative for principalistic ethics.

Real problems are situational and demand therefore tailor-made solutions. The conceptual world of principles, values, codes and standards are too rationalistic and generalistic to match everyday reality. In addition, applying principles can easily lead to simplification and confusion. To make ethics fit for practice, moral entrepreneurship must have the leading role. Ethics of discovery can be employed for co-creating new values. The concept Ethical Room for Manoeuvre can be supportive in identifying, interpreting ethical issues and in creating solutions. This chapter concludes that animal and business ethics in practice do not necessarily need a pull from principles but more a push from experience.

Chapter 4 focuses on the distinction between concept-based and experience-based innovation, and in particular the ethical room for manoeuvre farmers, as entrepreneurs, have in a science-driven system innovation. This chapter elucidates the conflict between the desirable and possible world of the scientific innovators and the experienced practice of the farmers. Concept-based innovation starts with defining the problem with its multiple dimensions and actors. From there, demands are abstracted in order to constitute new concepts of animal husbandry. For farmers there appears to be limited room in this process. Evaluation of the Laying Hen project shows that farmers were not involved early in the project and that their position was more consultative than participative. The efficacy and effectiveness of the science-driven approach is, hence, questioned. An alternative approach of innovation is one in which criteria like 'feasibility' and 'recognisability' are leading. The background of this perspective is experience-based pragmatism with the focus on participation and co-production.

This chapter makes a distinction between two pathways: starting from social interactive innovation and working to (entrepreneurs') acceptance versus starting from (entrepreneurs') acceptance and working to socially desired innovation. The pathways contrast an arrangement-focused approach of innovation with the one focused on realisation. This chapter elaborates the realisation route of innovation by applying Ethical Room for Manoeuvre. It brings the insight that innovations should be more an enhancement of experience than a social construct. Innovation then becomes a core task of moral entrepreneurship.

Chapter 5 sets out the case study of Sodexo, which as an entrepreneur and multinational caterer has great CSR aspirations. It shows the difficulty of implementing aspirations by focussing on the difference between 'I want' and 'I can'. The gap between Sodexo's moral ambitions and its actual achievement becomes clear and analysis shows that the company overrates its abilities to bring about moral change in the irrational and complex world it operates in.

The complexity of the real world means that ethical principles do not match with practice and therefore that mainstream business ethics is inefficacious. This chapter demonstrates the difficulty to deal, from a functionalistic organization structure, with a mosaic of values and to make a moral difference in a diverse, erratic and competitive world. To enhance moral agency, Ethical Room for Manoeuvre is applied as a metaphor for 'playground' of inquiry and experiment in the light of co-creation of values. Sodexo's moral entrepreneurial abilities to meliorate business and society with more effectiveness can be improved with a more dynamic ethics.

Chapter 6 illustrates a *resource-based ethics* in which the abilities and opportunities concerning entrepreneurship are balanced in a societal and moral context. The relationship between two morally active entrepreneurs, the integrated veal company VanDrie Group and the Dutch Society for the Protection of Animals, is described and analysed. Through dialogue and trust-building common ground was found to create a new market for more animal friendly products, in particular a meat segment from the calf industry with a welfare quality hallmark.

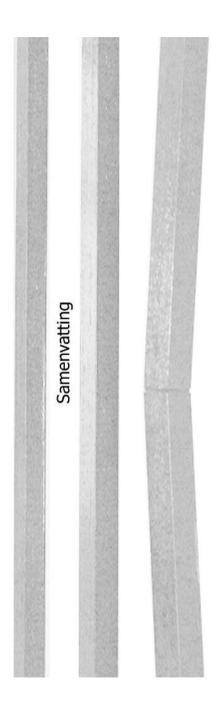
Both organizations had to remodel their capabilities in order to effectuate their cocreation of values. The VanDrie Group effectuated moral goals by being socially sensitive and resource-minded. The DSPA created openings for dialogue by being pragmatic regarding some of its ideals. The philosophical background is discussed with Deweyan concepts as 'end-in-view' and 'transactionality' of means and ends. Both organizations created 'room for manoeuvre' by exploring, socialising, individualising and growing. By manoeuvring they set off a form of co-evolution between business and ethics. This chapter demonstrates moral entrepreneurship from divergent parties can bring about moral change.

The **final chapter** reflects on the research questions in relation to the findings from literature and cases. I conclude that the best fitting ethics for entrepreneurship is one that is comparative and discovery minded. Such an ethics 'from within' can enhance entrepreneurial competences to contribute more effectively to moral change, in particular when doing business with animals in a multiple-complex reality. This chapter advocates *a combination of* phronetic, hermeneutic and in particular pragmatic forms of ethics as an alternative for principle-oriented approach.

Regarding the question "What role can moral entrepreneurship play in doing business with animals?" a classification is applied in terms of *rudimentary, limited* and *extensive*. In the case of system innovation of animal husbandry the role of moral entrepreneurship is *rudimentary*. There was not much room for (primary) stakeholders, as farmers, to create several alternatives for comparison. Sodexo's moral entrepreneurship is *limited* since it shows its will for moral change in its CSR reports but cannot present substantive moral change. There are insufficient means and management. Only the VanDrie – DSPA case shows an *extensive* level of moral entrepreneurship. A moral situation is changed not by overstretching moral ideals or ethical reasons, but by acknowledging the complexity of the system and to change it from the resources at hand. More animal welfare is realized by modifying husbandry regimes and pragmatising ideals. The realisation approach of innovation, starting with finding criteria to determine what makes one situation 'less or better' than another, is more fruitful in stimulating moral change than outlining the perfect situation and the best guidelines to get there.

From the insights of the cases, considerations become clear on how to enhance the moral ability of entrepreneurs to operate in an ethical context. What entrepreneurs need must come primarily from within the profession. Entrepreneurship already possesses qualities since ethical and non-ethical situations do not differ in the nature of actions they ask for. From the concept Ethical *Room for Manoeuvre* entrepreneurs can become more aware of their experimental skills and the capabilities to use them in an ethical context. What is needed is a *playground* for dynamic action without the pressure of moral principles and 'right-wrong' classifications. Ethics and business can do more with 'ethical room' such as: to survey the mosaic of values and set of constraints; to discover moral opportunities; and to meliorate the existence of oneself and one's stakeholders in the light of societal demands.

Practice-based ethics can be stimulated by politics and science. Moreover, business and ethics themselves should take more initiative in making business ethics work. Lifting the welfare of livestock to a higher level asks for *new ways for practice to deal with ethics and for ethics to deal with practice.*



Samenvatting

De veehouderijketen bevindt zich in een proces waarbij waarden als welzijn van dieren, humane gezondheid en duurzaamheid meer onderdeel gaan uitmaken van innovatie. Dit proces wordt gestimuleerd door de Nederlandse regering middels een door de wetenschap gedreven 'overdracht van kennis'. Hoewel sommige innovaties veelbelovend zijn, is het de vraag of deze strategie effectief is in het voortbrengen van de gewenste morele veranderingen. De veehouderijketen is namelijk een complexe realiteit van dynamische waarden en diverse belanghebbenden, waarin wetenschappelijke concepten vaak te abstract zijn. In de **inleiding** van deze studie wordt de stelling geponeerd dat het verbeteren van het welzijn van dieren in de veehouderij ook via een andere weg kan worden gestimuleerd; een die begint bij ervaringen en praktijken en terug te vinden is bij de verschillende expertises in de keten, zoals veehouderij, vleesproductie, logistiek, retail en catering. Dit alternatief voor de door de wetenschap gedreven innovatie is *morele verandering vanuit ondernemerschap*.

De algemene doelstelling van dit proefschrift is het bestuderen van moreel ondernemerschap binnen de dier- en bedrijfsethiek met betrekking tot morele verandering en in het bijzonder de huidige 'capabiliteit' om morele verandering te realiseren en het potentieel dit in de toekomst te doen. Het onderzoek richt zich op de volgende vragen:

- 1. Wat voor soort ethiek past het beste bij moreel ondernemerschap?
- 2. Welke rol speelt moreel ondernemerschap in aan de veehouderij gerelateerde bedrijven en welke rol zou het moeten spelen?
- 3. Welke overwegingen zijn nodig om het operationeel vermogen van ondernemers in een ethische context te bevorderen?

Voor het verkrijgen van data richt dit onderzoek zich, naast de relevante literatuur, op drie cases uit verschillende soorten ondernemingen en met verschillende diergerelateerde aspecten.

- *Veehouders* die deelnamen aan een systeeminnovatieproject dat de ambitie heeft een voorbeeld te zijn voor andere innovatieprojecten.
- De cateraar *Sodexo* in haar streven om MVO-ambities te implementeren en morele verandering voort te brengen.
- De kalfsvleesproducent *VanDrie Groep* en de *Nederlandse Vereniging voor de Bescherming van Dieren* (DB) in het daadwerkelijke implementeren van een tussensegment van diervriendelijk vlees.

Alle casestudies zijn gebaseerd op een triangulatie van deskresearch, interviews met cross-reference en participerende observatie. Interviews werden gehouden met de methode van *responsieve dialoog* van waaruit praktijken worden beschreven en

geanalyseerd vanuit de ervaringen van actoren en de daarmee verbonden verhalen. Het doel van deze methode is het beter begrijpen van een situatie vanuit een verscheidenheid aan perspectieven. Een schriftelijke samenvatting van het interview werd aan de geïnterviewde ter goedkeuring voorgelegd.

Met deze dissertatie hoop ik nieuwe bedrijfsethische inzichten te presenteren, in het bijzonder *nieuwe mogelijkheden voor de praktijk om ethiek toe te passen en de voor de ethiek om de praktijk in te sluiten*. Deze inzichten kunnen een basis vormen voor ondernemers om hun morele vaardigheden te verbeteren en daarmee het effectief opereren in de wereld waarin bedrijfsleven en samenleving steeds meer verstrengeld ziin.

Het theoretisch kader van dit onderzoek wordt in **hoofdstuk 2** uiteengezet. Dit hoofdstuk behandelt de term *moreel ondernemerschap* en de manier waarop het in de dier- en bedrijfsethiek kan worden gebruikt. Ondernemerschap is niet alleen het rationeel (commercieel) managen van vraag en aanbod of het normatief volgen van bepaalde regels maar ook een kwaliteit van creatieve handelingen, met name het verkennen van de markt en het vinden van kansen binnen de situationele, fysieke en sociale grenzen. Een moreel ondernemer is dan ook niet iemand die ethische doelen propageert en najaagt, maar *een realisator van morele verandering in een context van verweven sociale, politieke en economische normen*.

Om moreel ondernemerschap te stimuleren, moet het morele handelen van binnenuit worden versterkt. Voor deze benadering is een gemeenschappelijke basis van ethiek en bedrijfskunde gevonden in de filosofie van het Amerikaanse pragmatisme met zijn kenmerk om ervaring te laten domineren over rationaliteit. Ter ondersteuning van de ervaringsgerichte benadering, wordt het verschil tussen de transcendentale of principalistische ethiek enerzijds en vergelijkende of situationele ethiek anderzijds benadrukt. Hierbii is eveneens relevant het onderscheid tussen 'rechtvaardigingsethiek' (ethics of justification), waarin een morele uitkomst argumentatief wordt verdedigd, en de 'ontdekkingsethiek' (ethics of discovery) waarin het morele vermogen wordt verrijkt middels het zoeken en aangaan van heterogene confrontaties.

Dit onderzoek heeft als perspectief dat moreel ondernemerschap een experimentele discipline moet zijn waarmee nieuwe waarden kunnen worden ontdekt en verkend in de hoop een morele doorbraak of verandering te bewerkstellen. Ondernemerschap is van nature al verbonden met eigenschappen als bedachtzaamheid, verbeelding en creatieve intelligentie, welke eveneens kwaliteiten zijn die de ethiek voor morele personen propageert. Om ondernemers meer ethisch te laten opereren richt dit onderzoek zich op het concept *Ethische Ruimte om te Manoeuvreren* (ERM). Uitgangspunt van dit concept is het creëren van meer 'vrije ruimte' voor overleg en

onderzoek naar oplossingen. Voor het onderzoeken van de ethische ruimte centraliseer ik handelingen als verkennen, individualiseren, socialiseren en groeien. Het uiteindelijke doel is om ethische deliberatie meer praktisch te maken vanuit een conceptueel (theorie) en existentieel (praktijk) perspectief.

Hoofdstuk 3 reflecteert op de lopende discussie in de bedrijfsethiek over hoe de kloof tussen theorie en praktijk te dichten. Het werpt de vraag op 'moet de ethiek voor ondernemers gebaseerd zijn op top-down principes of op bottom-up ervaring?' Als antwoord presenteert dit hoofdstuk *ervaringsgeoriënteerde ethiek* als een alternatief voor de reguliere principalistische ethiek. Dit alternatief stimuleert in een bedrijf een proces van experimenteel onderzoek binnen de afdelingen (intraplay) en met de externe belanghebbenden (interplay). Vanuit het domein van de filosofische ethiek worden verschillende vormen van ervaringsgeoriënteerde ethiek behandeld, zijnde: de fronetische ethiek van Aristoteles, de hermeneutische ethiek van Gadamer en de pragmatistische ethiek van Dewey.

Praktijkproblemen zijn situationeel en vragen daarom om op maat gemaakte oplossingen. De conceptuele wereld van principes, waarden, codes en normen zijn te rationalistisch en te generalistisch voor de alledaagse werkelijkheid. Toepassing van principes e.d. kan leiden tot simplificatie van het probleem en tegenstrijdige oplossingen. Om ethiek geschikt te maken voor moreel ondernemerschap moet de praktijk de leidende rol krijgen. Ontdekkingsethiek kan worden gebruikt voor het cocreëren van nieuwe waarden. Het concept 'Ethische Ruimte om te Manoeuvreren' kan ondersteunend zijn voor het identificeren, interpreteren van relevante ethische kwesties en in het creëren van oplossingen. De conclusie van dit hoofdstuk is dat dier- en bedrijfsethiek niet 'getrokken' moet worden door principes, maar meer 'geduwd' door ervaring.

Hoofdstuk 4 richt zich op het onderscheid tussen conceptuele en ervaringgebaseerde innovatie, en voornamelijk op de ethische ruimte die veehouders, als ondernemers, hebben om te manoeuvreren in een door de wetenschap gedreven systeeminnovatie. Dit hoofdstuk belicht het conflict tussen de wenselijke en mogelijke wereld van de wetenschappelijke vernieuwers en de praktische wereld van de veehouders. Conceptgebaseerde innovatie begint met het definiëren van het probleem met zijn meervoudige dimensies en verschillende actoren. Van daaruit worden eisen geabstraheerd waaraan nieuwe concepten van veehouderij moeten voldoen. Voor de veehouders is in dit proces beperkte ruimte. Evaluatie van het innovatieproject 'Houden van Hennen' laat zien dat zij niet vroegtijdig werden betrokken en dat hun positie meer adviserend dan participerend was. De effectiviteit van de door de wetenschap gedreven aanpak om de praktijk te veranderen wordt dan ook in twijfel getrokken. Een alternatieve benadering voor innovatie van de

veehouderij is er een waarbij criteria als 'haalbaarheid' en 'herkenbaarheid' leidend zijn. De achtergrond van dit perspectief komt van het pragmatisme met de nadruk op participatie en coproductie.

Dit hoofdstuk maakt een onderscheid tussen twee innovatietrajecten: van maatschappelijk wenselijke innovatie naar (ondernemers) acceptatie versus van (ondernemers) acceptatie naar maatschappelijk gewenste innovatie. Vanuit het concept Ethische Ruimte om te Manoeuvreren wordt voor de laatste route gekozen. Dit hoofdstuk stelt dat innovatie meer moet voortkomen uit ervaring dan uit een sociaal construct. Innovatie wordt dan een moreel ondernemerschap.

Hoofdstuk 5 bevat de casestudie Sodexo die als ondernemer en multinationale cateraar grote MVO-ambities heeft. De casus toont de moeilijkheid aan van het implementeren van morele ambities door in te gaan op het verschil tussen 'ik wil' en 'ik kan'. De kloof tussen de morele ambities van Sodexo en de daadwerkelijke realisatie wordt beschreven en analyse toont aan dat het bedrijf zichzelf overschat wat betreft het teweegbrengen van morele veranderingen in de irrationele en complexe wereld waarin het opereert.

De complexiteit van de praktijk maakt dat ethische beginselen daarvan te veraf staan en dat daardoor de gangbare bedrijfsethiek ondoeltreffend is. Dit hoofdstuk laat de beperktheid zien om vanuit een functionalistische organisatiestructuur te opereren in een mozaïek van waarden en om een moreel verschil te maken in een sterk competitieve arena. Moreel ondernemerschap kan verbeterd worden door Ethische Ruimte om te Manoeuvreren op te vatten als een 'speeltuin' voor experimenteel onderzoek in het licht van de co-creatie van waarden. Sodexo's moreel ondernemerschap, om bedrijf en samenleving effectiever te laten 'groeien', kan worden verrijkt door een meer dynamische ethiek.

Hoofdstuk 6 illustreert een 'middelen-ethiek' (*resource-based ethics*) waarin capaciteiten en mogelijkheden van ondernemerschap worden afgewogen binnen de maatschappelijke en morele context. De relatie tussen twee moreel actieve ondernemers, het geïntegreerde kalverenbedrijf VanDrie Groep en de Nederlandse Vereniging voor de Bescherming van Dieren (DB), wordt beschreven en geanalyseerd. Door middel van dialoog en vertrouwen werd een basis gevonden om een nieuwe markt te creëren voor meer diervriendelijke producten, in het bijzonder een kalfsvleessegment met een Welfare Quality keurmerk.

Beide organisaties hebben hun ideeën en capaciteiten aan moeten passen om hun co-creatie van waarden te effectueren. De VanDrie Groep effectueerde morele doelen door sociaal gevoelig te zijn *én* te blijven handelen vanuit de beschikbare

middelen. De DB creëerde openingen voor dialoog door enkele van haar idealen te pragmatiseren. De relatie tussen de organisaties wordt filosofisch geduid met Deweyaanse concepten als 'end-in-view' en 'transactionaliteit' van middelen en doelen. Beide organisaties creëerden 'speelruimte' door te verkennen, te socialiseren, te individualiseren en te groeien. Door deze manoeuvres ontstond er co-evolutie tussen bedrijf en ethiek. Dit hoofdstuk laat zien hoe moreel ondernemerschap vanuit verschillende partijen morele verandering teweeg kan brengen.

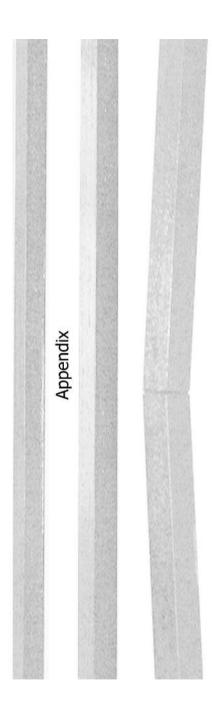
Het **laatste hoofdstuk** reflecteert op de onderzoeksvragen vanuit de bevindingen uit de literatuur en cases. Ik concludeer dat de best passende ethiek voor ondernemerschap er een is die gericht is op het vergelijken van situaties en het ontdekken van nieuwe mogelijkheden. Een dergelijke ethiek komt 'van binnenuit' en versterkt ondernemende competenties voor het realiseren van morele verandering, in het bijzonder zaken doen met dieren in een meervoudig complexe werkelijkheid. Dit hoofdstuk pleit voor fronetisch, hermeneutische en in het bijzonder pragmatistische vormen van ethiek als alternatief voor de principe-georiënteerde ethiek.

Wat betreft de vraag "welke rol kan moreel ondernemerschap spelen in de veehouderijketen?" is een classificatie toegepast in termen van rudimentair, beperkt en voldragen. Uit de casus systeeminnovatie van de veehouderij blijkt dat de rol van moreel ondernemerschap *rudimentair* is. Er was niet veel ruimte voor (primaire) belanghebbenden, zoals de veehouders, om een vergelijking te maken tussen verschillende alternatieven. Het moreel ondernemerschap van Sodexo is beperkt, aangezien het bedriif wel de wil tot morele verandering laat zien in haar MVOverslagen maar geen substantiële morele verandering kan presenteren. Er zijn onvoldoende middelen en er is onvoldoende ondersteuning vanuit de directie. Alleen de casus VanDrie-DB toont een *voldragen* niveau van moreel ondernemerschap. Een morele situatie is veranderd, niet zozeer op basis van morele idealen of ethische argumenten, maar door het erkennen van de morele complexiteit en deze te veranderen vanuit bestaande middelen. Meer dierenwelzijn is gerealiseerd door houderij-regimes aan te passen en idealen te pragmatiseren. Realisatiegerichte innovatie, waarbij geanalyseerd wordt wat de ene situatie 'minder of beter' maakt dan de ander, is meer vruchtbaar in het stimuleren van morele verandering dan het ontwerpen van de ideale situatie en het opstellingen van aanwijzingen om daar te komen.

Vanuit de inzichten die de cases geven wordt duidelijk wat overwogen moet worden om het vermogen van ondernemers om te opereren in een ethische context te verbeteren. Wat ondernemers nodig hebben moet vooral van binnenuit komen. Ondernemerschap bezit reeds morele kwaliteiten omdat ethische en niet-ethische situaties niet verschillen in de aard van conflictbeheersende handelingen. Vanuit het concept 'Ethische Ruimte om te Manoeuvreren' kunnen ondernemers zich meer

bewust worden van hun experimentele vaardigheden en het vermogen deze te gebruiken in een ethische context. Wat nodig is, is een 'werkplaats' voor moreel ondernemershap zonder de druk van morele principes en 'goed-fout' classificaties. Ethiek en bedrijf kunnen meer doen met de 'morele ruimte' zoals: het onderzoeken van het mozaïek van waarden en beperkingen; het ontdekken van morele kansen; en het verbeteren van het bedrijf in het licht van maatschappelijke eisen.

Praktijk- en ervaringsgerichte ethiek kunnen worden gestimuleerd door de politiek en de wetenschap. Bovenal, het bedrijfsleven en de ethiek moeten zelf meer initiatief nemen in het werkbaar maken van bedrijfsethiek. Het op een hoger niveau brengen van dierenwelzijn in de bedrijfsketen vraagt om *nieuwe mogelijkheden voor de praktijk om ethiek toe te passen en voor de ethiek om de praktijk in te sluiten*.



Appendix 1: List of interviewees

The Famers case

Peter Groot Koerkamp Project team, Wageningen University and Research

Centre

Sandra van der Kroon Project team, Wageningen University and Research

Centre

Elvi van Wijk Project team, Wageningen University and Research

Centre

Bram Bos Project team, Wageningen University and Research

Centre

Chris Borren Poultry-farmer
Peter van Agt Poultry-farmer

Marijke de Jong Dutch Society for the Protection of Animals

Jan Wolleswinkel Dutch Organization of Poultry-farmer (NOP/LTO),

Sodexo

Jeroen Stok Corporate Communication (Head CC team)

Joke van Buuren Quality Service

Eric Zweserijn Quality Service (coordinator CC policy)

Saskia de Groot Personnel & Organization

Peter Hielema Operations

Hairo van den Berg Corporate Development

Nico Heukels Product Development / Restaurant of the future

Natalie Hofman Sodexho Altys / Facilities Management

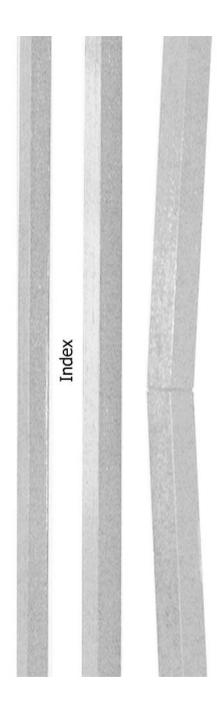
Jeroen Ruijken Purchase
Jeannette van Mullem Sales

Andrea Wondergem Corporate Communication (coordinator CC-team)

VanDrie- DSPA

Henny Swinkels, Director Corporate Affair, VanDrie Group,

Jacques de Groot Head of R&D, VanDrie Group. Bert van den Berg, Senior policy maker, DSPA



A D agency: 13, 17, 22, 25, 27, 33, 44, dramatic rehearsal : 37, 57, 78, 79, 55, 63, 94, 119, 120, 125, 126, 96, 98, 129 128, 132 DSPA · 5, 14, 27, 52, 101, 102, 103, animal welfare . 9, 10, 11, 12, 13, 17, 104, 105, 108, 109, 110, 113, 114, 22, 28, 31, 32, 33, 34, 52, 64, 65, 115, 116, 117, 123, 125, 126, 128, 70, 73, 77, 104, 105, 106, 107, 129, 130, 152, 153, 163 108, 109, 113, 114, 116, 119, 121, 122, 124, 125, 144, 149, 153 arrangement · 12, 22, 28, 32, 63, 83, Ε 130, 132, 151 Arrangement · 10 end-in-view · 38, 52, 57, 59, 95, 97, 101, 110, 111, 117 ends-in-view · 37, 57, 75, 95, 110, В 111, 113, 129 Entrepreneurship · 15, 17, 22, 43, body : 24, 34, 74, 112 101, 114, 127, 141 Ethical Room for Manoeuvre · 15, 17, 18, 22, 31, 32, 41, 44, 54, 55, 59, C 63, 68, 76, 81, 83, 85, 99, 127, 143 ethics of discovery · 17, 30, 41, 54, capabilities · 26, 27, 31, 33, 45, 46, 120, 121 48, 55, 63, 101, 112, 115, 116, ethics of justification · 17, 30, 41, 54, 117, 126, 127, 130 120, 121 capability · 13, 17, 25, 26, 27, 33, 48, evaluation · 22, 36, 37, 65, 66, 72, 59, 119, 125, 131, 132 77, 78, 79, 87, 88, 89, 98, 124, co-evolution · 18, 23, 41, 44, 51, 52, 130 53, 54, 55, 77, 80, 101, 102, 114, experience-based · 14, 17, 28, 29, 115, 126, 132 37, 41, 43, 44, 47, 49, 51, 60, 63, comparative · 16, 22, 27, 28, 30, 31, 67, 68, 72, 73, 76, 77, 81, 102, 36, 76, 83, 120, 126, 130 115, 122, 123, 132 concept-based · 14, 63, 67, 72, 73, experimental inquiry : 37, 41, 49, 54, 76, 123 55, 58, 59, 68, 93, 98, 127 constraints · 25, 35, 45, 52, 53, 54, Experimental inquiry · 36 55, 56, 57, 59, 67, 83, 85, 89, 91, 92, 93, 94, 95, 96, 112, 113, 115, 124, 125, 126, 128 F co-production · 17, 34, 63, 71, 76, 77, 79, 94 corporality · 24, 34, 121, 125 functionalist · 51, 53, 54, 91, 92, 98,

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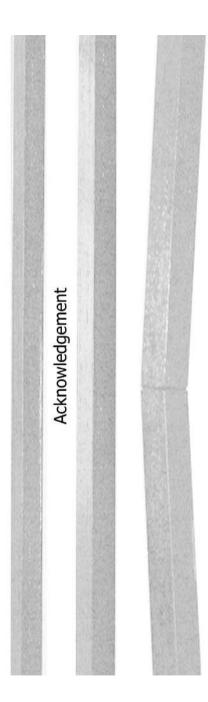
T

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