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A Lockean Critique: Corporate Accountability and the Common Good

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Introduction

Corporate personhood is a legal concept that grants corporations rights similar to those of individuals, such as owning property, entering contracts, and participating in lawsuits. Despite enjoying these rights, corporations often evade accountability for their ethical obligations, particularly regarding their social, environmental, and economic impacts. In response to growing public demand for greater corporate accountability, the concept of corporate social responsibility (CSR) has emerged. CSR encourages corporations to consider their broader societal impacts, beyond profit maximization.^[1] However, it remains a voluntary framework with no legal enforcement.^[2]

This paper argues that, like individuals, corporations must bear ethical responsibilities. Drawing on John Locke's focus on the ethical duties of individuals as outlined in *Two Treatises of Civil Government*, I extend his principles—the responsible use of property, consent of the governed, and natural rights—to corporations. Using a case study of Nestlé, I will demonstrate how corporate practices

often fail to uphold these principles and, by extension, the goals of CSR. Specifically, I argue that corporations must: (1) use resources responsibly to prevent harm to communities and the environment, (2) secure society's consent to operate, and (3) respect the natural rights of all stakeholders, not just shareholders. I contend that CSR must evolve from a voluntary framework into a legally binding ethical obligation.

Before advancing with my argument, I must acknowledge that Locke's principles have historically supported capitalist systems that prioritize private property and individual rights. His emphasis on the right to property and the pursuit of self-interest has been used to justify capitalist practices, including the expansion of corporate power and even systems such as chattel slavery, where individuals were treated as property.^[3] Locke himself states, "The preservation of property being the end of government," suggesting that protecting property is the primary purpose of government.^[4] While these interpretations of Locke's work focus heavily on individual ownership and might seem to conflict with my argument that corporations should bear ethical

[1] Jason Fernando, "Socially Responsible Investing (SRI)," Investopedia, March 6, 2024, <https://www.investopedia.com/socially-responsible-investing-4689738>.

[2] *Ibid.*

[3] John Locke, *Two Treatises of Government* (Standard Ebooks, 2025), 181.

[4] *Ibid.*, 165.

responsibilities, his emphasis on the common good and the welfare of the commonwealth indicate otherwise. By expanding on his concept of the common good and emphasizing his principles of property rights, consent, and natural rights, I will demonstrate how Locke's philosophy can also support the emerging concept of CSR.

The remainder of this paper is structured as follows: First, I will examine Locke's concept of the common good and its relevance to CSR, particularly in challenging corporations' narrow focus on profit maximization. Next, I will apply Locke's principles to a case study of Nestlé in three parts: (1) I will analyze Nestlé's failure to use resources responsibly through the lens of his theory of property rights; (2) I will evaluate how his concept of consent applies to corporate operations, focusing on Nestlé's disregard for public opposition; and (3) I will explore Locke's notion of natural rights, highlighting how Nestlé failed to respect the natural rights of all its stakeholders. The paper will conclude by arguing that CSR must evolve from a voluntary initiative into a legally binding ethical framework, grounded in the outlined principles.

CSR and Locke's Concept of the Common Good

Nestlé, one of the world's largest food and beverage corporations, operates in over 190 countries and generates more than \$90 billion USD in annual revenue.^[5] In its pursuit of profit, growth, and market expansion, Nestlé often adopts a self-serving approach, prioritizing its own interests at the expense of broader societal well-being. For example, the company has faced criticism for its water extraction practices in areas with limited access to clean water, such as Flint, Michigan, where it has been accused of depleting local water resources.^[6] This instance highlights the tension between corporate interests and the welfare of local communities.^[7]

Locke's philosophy of the common good offers an alternative to this corporate self-interest. He argues that individuals are not isolated entities but integral parts of a larger social and political framework, which he calls the 'commonwealth.' By extension, I argue that this principle also applies to corporations. Locke asserts, "whatever form the commonwealth is under, the ruling power ought to govern by declared and received laws... for all the power the government has, being only for the good of society."^[8] In the corporate context, the commonwealth represents a community governed by laws designed to benefit all its members collectively. Central to Locke's

^[5] Nestlé, "At a Glance," Nestlé Global, 2025, accessed April 28, 2025, <https://www.nestle.com/about/overview>.

^[6] Ellison, "Why Nestle Pays Next to Nothing for Michigan Groundwater," MLive, December 23, 2016, https://www.mlive.com/news/2016/12/why_nestle_pays_next_to_nothin.html.

^[7] Trubek, "As Flint Suffers and Nestlé Prospers, Many Are Asking: Who Owns the Rights to Michigan Water?," Belt Magazine, June 14, 2018, <https://beltmag.com/flint-nestle-michigan-water-rights/>.

^[8] Locke, *Two Treatises of Government*, 165.

theory is the concept of the common good, which asserts that individual rights and freedoms must be balanced with the well-being of the broader community.^[9] He writes, “the power of the society or legislative constituted by them can never be supposed to extend farther than the common good.”^[10] Taking a Lockean approach, corporations like Nestlé are not self-contained, profit-driven entities; they are integral parts of society with obligations that extend beyond financial gain. Rather than focusing solely on profits, corporations must consider their social responsibilities and assess the collective impact of their actions on the well-being of the communities they serve. As influential social actors, corporations have a responsibility to operate in ways that align with the common good despite not being formal, governing bodies. They should act in ways that contribute to the common good, taking into account the social, economic, and ethical consequences of their decisions. In this sense, Locke’s concept of the common good serves as the foundation for CSR.

1. Responsible Resource Use

Locke’s theory of property rights provides a useful framework for evaluating the ethical implications of resource extraction, particularly in cases like Nestlé’s water extraction in Flint, Michigan. He stresses the responsible use of natural resources,

^[9] Locke, 16.

^[10] Locke, 161.

^[11] Mary Ellen Geist, “Flint: Nestle to the Rescue?,” *Great Lakes Now*, May 29, 2018, <https://www.greatlakesnow.org/2018/05/flint-nestle-to-the-rescue/>.

^[12] *Ibid.*

^[13] *Ibid.*

^[14] Locke, *Two Treatises of Civil Government*. 116.

^[15] Geist, “Flint: Nestle to the Rescue?”

asserting that individuals should only appropriate resources if they can do so without causing harm to others or depleting the resource. Nestlé’s large-scale water extraction in Michigan, especially in the White Pine Springs area, violates this principle.^[11] In 2019, an environmental group estimated that Nestlé’s extraction could lower local water levels by nearly 80% during peak demand.^[12] This severe depletion threatens the water supply for local residents, farmers, and wildlife, all of whom rely on this vital resource for daily needs, agriculture, and ecosystem preservation.^[13]

Locke’s theory posits that property rights are earned through the mixing of labour with natural resources, as he writes, “he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property.”^[14] In this context, Nestlé’s extraction can be seen as the company mixing its labour with water, thus claiming ownership of it. However, Locke introduces important limitations on this right to ensure the welfare of others.

The first limitation is sufficiency. Locke’s proviso states that individuals may only appropriate resources if “there is enough, and as good left in common for others.”^[15] Nestlé’s actions directly conflict with this proviso. By extracting large quantities of water from ecosystems already struggling with drought, the company leaves

insufficient resources for local communities and wildlife. The estimated 80% reduction in water levels during peak demand would have a significant negative impact on Flint's residents, who are already grappling with a degraded public water supply.^[16] Local communities are left with inadequate resources, which underscores the violation of Locke's sufficiency condition.

Locke also introduces the spoilage limitation, which prevents individuals from appropriating resources in a way that results in waste or renders them useless. He states, "as much as anyone can make use of any advantage of life before it spoils, so much he may by his labour fix a property in. Whatever is beyond this, is more than his share, and belongs to others."^[17] Nestlé's water extraction practices violate this limitation, given they are driven primarily by profit motives. The company takes more water than can be responsibly used or replenished.^[18] Without significant investments in sustainability or conservation efforts, Nestlé's practice of extracting water from Michigan's aquifers contributes to the depletion of this vital resource.^[19] Locke's principle stresses that individuals should not take more than they can use without waste or harm. In this regard, Nestlé's water

extraction practices exemplify a disregard for Locke's principles of responsible resource use. Nestlé's failure to ensure that its actions leave enough for others and its over-extraction of water without regard for long-term sustainability reflect a neglect of the ethical obligations that Locke's theory places on property rights.

2. Secure Society's Consent to Operate

Locke's concept of consent provides a valuable framework for evaluating the ethical legitimacy of corporate actions. In 2017, Nestlé faced significant public backlash for its extraction of large quantities of groundwater at its White Pine Springs well in Michigan.^[20] The water was extracted for the company's bottled water products, but local residents were especially concerned about the depletion of their community's water resources.^[21] Over 80,000 people opposed the extraction, while only 75 supported it.^[22] Despite this overwhelming opposition, Nestlé was granted permits to increase its extraction rate to 400 gallons per minute.^[23] The community argued that Nestlé was profiting from public resources without providing adequate benefits to the local population.^[24] In fact, many felt that the company's operations were exacerbating the

^[16] Geist, "Flint: Nestle to the Rescue?"

^[17] Locke, *Two Treatises of Civil Government*. 117.

^[18] Michigan Radio, "Company Formerly Known as Nestle Drops Water Withdrawal Permit," *Great Lakes Now*, October 26, 2021, <https://www.greatlakesnow.org/2021/10/nestle-water-withdrawal-permit/>.

^[19] Garret, "Why Nestlé Pays Next to Nothing for Michigan Groundwater."

^[20] CBS, "Michigan Conservationists Say Nestlé's Pumping of Well Water Unsustainable," *CBS News*, May 14, 2018, <https://www.cbsnews.com/news/michigan-conservationists-say-nestles-pumping-of-well-water-unsustainable>.

^[21] CBS, "Michigan Conservationists Say Nestlé's Pumping of Well Water Unsustainable."

^[22] CBS, "Michigan Conservationists Say Nestlé's Pumping of Well Water Unsustainable."

^[23] Michigan Radio, "Company Formerly Known as Nestle."

^[24] CBS, "Michigan Conservationists Say Nestlé's Pumping of Well Water Unsustainable."

scarcity of local water.^[25]

This situation raises crucial ethical questions, particularly in relation to Locke's theory of consent. He argues, "To make good his title in else consent of the people; which being the only one of all lawful governments".^[26] He contends that governments are only legitimate when they act in the best interests of the people they serve. This principle can be extended to corporations, which, like governments, must obtain a "social license to operate" from the communities they impact.^[27] By ignoring public opposition and proceeding with their water extraction plans, Nestlé violated this social contract and failed to secure the consent of the Flint, Michigan community.

Moreover, Locke writes, "when they are hindered by any force from what is so necessary to the society ... the people have a right to remove it by force."^[28] He suggests that when a government acts contrary to the will of the people, it loses its legitimacy, and the people are justified in resisting or removing it. Applying this concept to corporations, we see that when a company disregards the needs and well-being of the community, it forfeits its legitimacy to operate. In cases like Nestlé's, this loss of legitimacy could justify efforts to halt the corporation's exploitative practices. Their actions demonstrate how corporations that prioritize profit over the common good violate Locke's principle of consent. By

^[25] CBS.

^[26] Locke, *Two Treatises of Civil Government*, 5.

^[27] Will Kenton, "Social License to Operate (SLO)," Investopedia, 2023, <https://www.investopedia.com/terms/s/social-license-slo.asp>.

^[28] Locke, *Two Treatises of Civil Government*. 172.

^[29] Locke, *Two Treatises of Civil Government*. 107.

exploiting local resources without the approval of the community, Nestlé not only ignored the welfare of the people but also damaged its ethical standing within the social contract. Consequently, Nestlé's legitimacy to operate in this context is questionable. Just as governments that betray the trust of their citizens risk being overthrown, corporations that exploit communities for profit must also face scrutiny and potential actions to halt their harmful practices.

3. Respect the Natural Rights of All Stakeholders

Locke argues that every individual is entitled to natural rights, which are essential for the well-being of society. He writes, "being all equal and independent, no one ought to harm another in his life, health, liberty, or possessions."^[29] This statement asserts that individual rights are not only personal concerns but also collective responsibilities that are vital for the stability and well-being of the community. In the corporate world, this philosophy dictates that corporations must respect and protect the natural rights of all stakeholders—not just shareholders. This includes employees, consumers, and the communities affected by their operations.

Nestlé's water extraction practices in Michigan illustrate a violation of these natural rights. While it could be argued that Nestlé benefits its shareholders by generating

profit, providing wages to employees, and offering products to consumers, the company's extraction of water disregards the rights of the local community. The residents of Flint, Michigan depend on this water for their daily lives, yet Nestlé's large-scale extraction depletes a vital natural resource, limiting access to clean water for both people and wildlife. Here, Nestlé prioritizes the financial gain of a few over the fundamental rights of the broader community. Just as individuals must respect one another's rights for a harmonious society, corporations must uphold the rights of all stakeholders. By prioritizing profit above all else, Nestlé disregards this obligation, creating an imbalance between its interests and the well-being of the local community. In a society—or "commonwealth," as Locke describes it—corporations must protect the rights of all affected parties. This ensures that profit-seeking endeavors do not come at the expense of the common good or the well-being of others.

The Bottom Line

While Locke's principles have often been used to justify capitalist practices, this paper offers an alternative perspective. By applying Locke's ideas to corporate behaviour, it becomes evident that corporations, like individuals, must bear ethical responsibilities. The case of Nestlé's water extraction in Flint, Michigan, viewed through Locke's principles of responsible resource use, consent, and the protection of natural rights, underscores the need for corporations to consider their societal impact

rather than focusing solely on profit. As a result, CSR should evolve from a voluntary initiative into a legally binding ethical duty, ensuring that corporations act in the collective interest and fulfill their obligations to all stakeholders. Only by doing so can we create a sustainable corporate environment that balances corporate interests with the common good.

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