Semestre Económico (Puno-Perú)
Vol. 15, No. 2, Months: July-December, 2026
ISSN: 2072-0572 (Print version) | 2523-0840 (Digital version)
DOI. 10.26867/se.2026.v15i2.364, pp. 132-150
http://semestreeconomico.unap.edu.pe/index.php/revista/index

ORIGINAL ARTICLE

"Soft Collectivism": An Ethical Critique of the Environmental, Social, and Governance Framework

«Colectivismo blando»: crítica ética al marco ambiental, social y de gobernanza

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(Received May 4, 2026; accepted July 7, 2026)

Abstract

The ESG (Environmental, Social and Governance) regime has consolidated as the principal normative architecture of corporate activity in Europe. On the ethical plane, the dominant defence of the regime is consequentialist in nature: it justifies the means by the desirability of the ends (sustainability, inclusion, responsible governance). This article advances a non-consequentialist ethical critique from the convergence of three traditions that share a natural-law foundation: the classical natural law tradition —in its contemporary elaborations and in its libertarian development by Rothbard—, the Austrian tradition of Hayek, Huerta de Soto and Ravier, and Catholic Social Teaching, from Rerum Novarum to Caritas in Veritate. The principal conceptual contribution consists in systematically developing the analytical category of soft collectivism to name how the ESG regime operates: it subjects the firm through conditioning rather than command, hollowing out the content of rights without altering their juridical form. The mechanics of this subjection operate through soft law, institutional isomorphism, the spiral of silence, and the Bootleggers-and-Baptists coalition, within a state culture that Bagus's counterfactual criterion identifies as indirect coercion. The convergence between Catholic subsidiarity and Hayekian spontaneous order yields a unanimous verdict against the ESG regime. Against the bureaucratic simulacrum of social responsibility, the article posits genuine entrepreneurial responsibility —voluntary, prudential, subsidiary, oriented to real service— as the only coherent alternative within the converging ethical demands established by the analysis.

Keywords: ESG; soft collectivism; natural law; subsidiarity; spontaneous order; Catholic Social Teaching.
JEL Classification: A13; B11; B53; M14; P14; Z12

Resumen

El régimen ESG (Environmental, Social and Governance) se ha consolidado como la principal arquitectura normativa de la actividad empresarial en Europa. En el plano ético, la defensa dominante del régimen es de matriz consecuencialista: justifica los medios por la deseabilidad de los fines (sostenibilidad, inclusión, gobernanza responsable). Este artículo propone una crítica ética no consecuencialista desde la convergencia entre tres tradiciones que comparten un suelo iusnaturalista: la tradición clásica de la ley natural —en sus elaboraciones contemporáneas y en su desarrollo libertario por Rothbard—, la tradición austriaca de Hayek, Huerta de Soto y Ravier, y la Doctrina Social de la Iglesia, de Rerum Novarum a Caritas in Veritate. La contribución conceptual principal consiste en desarrollar sistemáticamente la categoría analítica de colectivismo blando para nombrar el modo en que el régimen ESG opera: somete a la empresa por condicionamiento en lugar de por mandato, vaciando el contenido de los derechos sin alterar su forma jurídica. La mecánica de este sometimiento se articula a través del soft law, el isomorfismo institucional, la espiral del silencio y la coalición de baptistas y bootleggers, dentro de una cultura estatal que el criterio contrafactual de Bagus permite identificar como coacción indirecta. La convergencia entre la subsidiariedad de la Doctrina Social y el orden espontáneo hayekiano produce un veredicto unánime contra el régimen ESG. Frente al simulacro burocrático de responsabilidad social, el artículo postula la responsabilidad empresarial genuina —voluntaria, prudencial, subsidiaria, orientada al servicio real— como única alternativa coherente con las exigencias éticas convergentes establecidas por el análisis.

Palabras clave: ESG; colectivismo blando; ley natural; subsidiariedad; orden espontáneo; Doctrina Social de la Iglesia.
Clasificación JEL: A13; B11; B53; M14; P14; Z12

1. Introduction

The ESG regime has consolidated over the last fifteen years as the principal normative architecture of corporate activity in Europe, with growing effects in other jurisdictions. Under the initials of Environmental, Social and Governance there unfolds an interlocking web of regulations, official taxonomies, rating metrics, financial covenants, and reputational pressures that reorganises from the outside a substantial part of corporate deliberation.

Although the normative laboratory is European, the transmission to other jurisdictions —and to Latin America in particular— is far from marginal. The Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) extend, through the value chain, reporting and environmental and social due diligence obligations to non-European suppliers whenever their final clients operate in the single market. In parallel, several Latin American regulators —among them the Superintendencia del Mercado de Valores of Peru, the Comisión para el Mercado Financiero of Chile, and the Comissão de Valores Mobiliários of Brazil— have developed ESG disclosure frameworks of their own that reproduce, with adaptations, the European logic. The ethical critique developed in these pages is therefore not alien to the Latin American context: what is at issue is the legitimacy of a way of regulating the firm that already operates, directly or indirectly, upon a substantial part of the Peruvian and regional business world.

This article belongs to a doctoral project that applies to the ESG phenomenon the methodology of three levels of analysis —praxeological, historical-interpretative, and ethical— proposed by Huerta de Soto (2004a, ch. VII) for the rigorous examination of social phenomena. The praxeological level —the impossibility of economic calculation under normative planning and the blocking of the entrepreneurial function— has been developed in Herrando (2024, 2025a). The historical-interpretative level —the historical-evolutionary reconstruction of the phenomenon and its legal consequences— has been articulated in Herrando (2025b). The present article addresses the remaining level: the ethical dimension.

That dimension is paradoxical. The ESG regime presents itself as the recovery of a moral dimension that shareholder capitalism had supposedly abandoned, and its declared ends —sustainability, inclusion, good governance— enjoy wide acceptance. To question it is perceived as moral insensitivity rather than as an exercise of practical reason. But the ethical legitimacy of an institution does not depend exclusively on its declared ends; it depends on the conformity between those ends and the means through which it seeks to realise them. The pertinent question, applied to the ESG regime, is not only what it seeks to achieve but how it operates in order to achieve it: does it respect private property? Does it preserve freedom of contract? Does it allow the exercise of the creative entrepreneurial function, or does it restrict it through heteronomous impositions?

On the ethical plane, the dominant defence of the ESG regime is consequentialist in nature: the regime is justified by the consequences it purports to produce —environmental sustainability, social inclusion, responsible governance—, and the moral assessment of the means is subordinated to the desirability of the end. This framework proves insufficient, however, for a rigorous ethical evaluation of the phenomenon, for three reasons. First, the Austrian theorems of the impossibility of economic calculation and of dispersed knowledge show that the consequences the regime invokes as objectives are neither objectively measurable nor aggregable, which erodes the consequentialist operation itself (Herrando, 2024). Second, consequentialism, by subordinating the means to the end, cannot distinguish between a free act and a coerced act when both produce the same external result: it loses sight of the moral dimension that only freedom confers on conduct. Third, by aggregating utilities it sacrifices legitimate individual rights for the sake of aggregate improvements which, moreover, it cannot measure with consistency. The ethical critique of the ESG regime therefore requires a non-consequentialist framework.

This article develops that critique from the convergence of three non-consequentialist traditions that reach the same diagnosis by different routes: the classical natural law tradition —from its Aristotelian-Thomistic formulation to its contemporary elaborations (Finnis, 1980; George, 2009) and its libertarian development by Rothbard (1982)—; the Austrian tradition, in its deployment through the Hayekian theory of spontaneous order (Hayek, 1973) and through dynamic efficiency and synergasia (Huerta de Soto, 2004b; Ravier, 2020); and Catholic Social Teaching, particularly in Quadragesimo Anno, Centesimus Annus, and Caritas in Veritate. These traditions share a natural-law foundation: the ethical legitimacy of an institution does not depend exclusively on its aggregate consequences, but on the conformity of its means with principles of justice that are prior to any calculus of utility.

The conceptual contribution of the article consists in systematically developing the analytical category of soft collectivism —sketched in §12.8 of the author's doctoral dissertation— to name what the ESG regime effectively does. The formula takes up a warning that John Paul II had issued in 1991 against new forms of collectivism which, without abolishing property, empty it of content through regulations, conditioning, and ideological pressures (John Paul II, 1991, n. 48). The ESG regime is the contemporary corporate manifestation of that warning: it does not formally expropriate, it materially conditions; it does not prohibit private enterprise, it subjects it to politically defined ends; it does not deny ownership, it hollows out its decisional content; it does not suppress freedom of contract, it restricts it through pressures that preserve an appearance of voluntariness. The profile of this category requires the theoretical apparatus that the following pages develop.

The article is organised into eight sections. Section 2 establishes the methodological distinction between social ethics and personal morality and shows that the ESG regime confuses them. Section 3 articulates the substantive foundations: natural law knowable by reason, Rothbardian self-ownership, and the non-aggression principle. Section 4 develops the entrepreneurial function as an ethical category through dynamic efficiency and synergasia. Section 5 coins and deploys the concept of soft collectivism, its operating mechanics, and its four defining features. Section 6 demonstrates the convergence between Catholic Social Teaching and the Austrian tradition against that regime. Section 7 derives the four pillars of genuine corporate responsibility. Section 8 synthesises the argument and points to future lines of research.

2. Methodological framework: social ethics and personal morality

Before presenting the substantive principles from which the ESG regime will be evaluated, a classical methodological distinction must be established. The scholastic tradition differentiated two dimensions of the moral order —social ethics and personal morality— which are intimately connected but belong to distinct analytical planes. Forgetting this distinction is the source of one of the most persistent category errors of the ESG programme: the attempt to solve through coercive regulation problems whose nature admits only answers that spring from free institutions.

2.1 Social ethics: the order of rules

Social ethics comprises the fundamental legal principles that make coordination possible among individuals pursuing diverse ends: the right to life, legitimately acquired private property, the fulfilment of contracts, and the norms that have evolved through custom. They constitute what Huerta de Soto (2004b) calls the «institutional prerequisite of dynamic efficiency»: without them, the process of entrepreneurial discovery is blocked, relevant information is neither generated nor transmitted, and social coordination becomes impossible.

Guaranteeing economic and personal liberty is, however, a necessary but not sufficient condition for peaceful and fruitful cooperation. A healthy social order also requires intermediate institutions that provide individuals with identity, meaning, and belonging. Edmund Burke articulated this intuition in his Reflections on the Revolution in France through the image of the little platoons to name the intermediate levels of social reality: family, local community, guilds, civil associations, living traditions (Burke, 1790). Within them is learned the love of the concrete that makes possible the love of the universal, and between the individual and the abstract State there stands a texture of belongings that no central design can replace. Hayek formulated this intuition in the key of social theory: morality, religion, law, language, and the market are spontaneous orders that emerged from an evolutionary process of cultural trial and error, not products of rational design, and individuals adopt them because, consciously or unconsciously, they recognise them as beneficial (Hayek, 1988).

2.2 Personal morality: the order of virtues

Social ethics, however, cannot be sustained without personal morality. C. S. Lewis illustrated the connection by comparing human beings to ships sailing together: it is no use establishing perfect rules of navigation if the ships are incapable of governing themselves, for they will inevitably collide with one another through their own lack of internal control (Lewis, 1952). The principles of personal morality —temperance, prudence, truthfulness, keeping one's word— are not ornamental additions to the social order but conditions of its functioning. These virtues are transmitted by custom, tradition, and institutions such as the family and religion; when the State attempts to impose them coercively, it denatures them. As Wilhelm Röpke warned, the free market presupposes a «moral framework» that it cannot itself generate —honesty, trust, a sense of duty, respect for unwritten norms— and whose erosion drags down the market and liberty with it (Röpke, 1960).

2.3 The category error of the ESG regime

This conceptual architecture illuminates with precision the fundamental misunderstanding of the ESG regime. Faced with the perception —real or induced— that firms lack an internal moral compass, the programme proposes to impose ethical objectives upon them externally through regulation, reputational pressure, or conditioned financial incentives. The approach confuses the planes. It attempts to solve through coercive social ethics what can only be achieved through freely embraced personal morality, and it introduces this supposed correction on the wrong plane through instruments —metrics, certifications, compliance— which the scholastic distinction itself reserved for the order of virtues and not for the order of rules.

The result is not a genuine ethical improvement but the bureaucratisation of corporate behaviour: the entrepreneur's prudential judgement and the virtues that sustain it are replaced by formal conformity with indicators predefined by third parties. The very intermediate institutions —family, associations, professional communities— that formerly sustained the transmission of virtues are weakened, moreover, by the administrative tutelage that purports to replace them. The expansion of the tutelary State is justified as a response to the moral fragility of civil society; its own operation deepens that fragility (Tocqueville, 1840). The next section presents the substantive principles —natural law and property rights— which the ESG regime violates by confusing both planes.

3. Foundations: natural law and property rights

A radical critique of the ESG regime requires an evaluative ground that does not depend on social consensus, on the aggregate calculus of utility, or on the preferences of the legislator of the day; without it, no institutional order democratically endorsed and accepted by the economic and cultural elites could be disqualified as unjust. The natural law tradition —articulated by the Greeks, systematised by medieval scholasticism, renewed in the Spanish Golden Age by the School of Salamanca, and developed in the twentieth century by authors such as Maritain, Finnis, George, and Rhonheimer— provides that ground: it holds that there exist objective moral principles derived from human nature, knowable by reason and binding independently of social conventions (George, 2009).

3.1 Natural law knowable by reason

A frequent objection to this tradition consists in presenting it as religious doctrine, valid only for believers. The objection rests on a misunderstanding. The natural law tradition has always held that its precepts are knowable by natural reason, without the need for supernatural revelation; faith may confirm and deepen what reason discovers, but it is not its foundation (Contreras, 2013). As Joseph Ratzinger emphasised in his dialogue with Habermas, natural law has historically been the instrument through which Christian thought appeals to common reason in order to deliberate with secular society on moral questions in pluralist contexts (Ratzinger, 2006). It is, therefore, common ground for believers and non-believers alike, not a confessional imposition.

A second objection, of Humean descent, would hold that no ought can be derived from an is, and that the appeal to human nature would commit the naturalistic fallacy. The contemporary natural law tradition responds by distinguishing the ontological from the epistemological plane: on the former operates the scholastic principle that operare sequitur esse, but on the latter the first principles of practical reasoning are not derived inferentially from theoretical premises about what man is; they are grasped directly by practical reason as self-evident (Finnis, 1980). Hence the appeal to basic human goods does not commit the fallacy Hume denounced: the good is not normatively «derived» from the given; rather, practical reason recognises without inferential mediation the ends in which human flourishing consists.

What practical reason grasps immediately, without need of demonstration, are the basic human goods towards which man is naturally oriented. Finnis (1980), taking up the Aristotelian-Thomistic tradition, identifies seven: life, knowledge, play, aesthetic experience, sociability, practical reasonableness, and religion understood as openness to ultimate questions. These goods provide the first principles of practical reasoning not because some legislator has promulgated them, but because they are objective conditions of human flourishing. Their universality explains why very diverse cultural traditions have recognised convergent versions of the same elementary ethical requirements. And from this follows a decisive consequence: the basic human goods —among them, in the classical formulation, legitimately acquired private property— cannot be sacrificed for the sake of any aggregate collective improvement (George, 2009; Rothbard, 1982).

3.2 The axiom of self-ownership

Murray Rothbard articulated the most rigorous contemporary formulation of this tradition in a libertarian key. His starting point is the axiom of self-ownership: every human being is, by nature, the owner of himself. The formulation takes up the classical Lockean thesis: «every man has a property in his own person. This nobody has any right to but himself. The labour of his body and the work of his hands, we may say, are properly his» (Locke, 1689/1960, §27).

What is decisive in the Rothbardian elaboration is not the mere assertion of the axiom but the argument by elimination showing that any coherent alternative leads to absurdity. If we reject full self-ownership, only two logical options remain: either a group G holds ownership rights over the rest of society R, or all individuals hold an equal share in the ownership of everyone else. The first destroys the universality that any genuine ethics requires, for it is reduced to an arbitrary privilege that distinguishes between full human beings and administered human beings. The second, taken seriously, is physically impracticable —no action could be undertaken without the prior approval of everyone else— and collapses either into universal paralysis or, in order to become operative, into the first alternative: a few administer the rights of all. The conclusion that follows is that every denial of self-ownership leads to paralysis or to tyranny, both incompatible with the nature of man (Rothbard, 1982, pp. 45-46).

To this demonstrative chain Hoppe (1989) adds a transcendental reinforcement: whoever argues against self-ownership presupposes it performatively in the very act of arguing, for rational deliberation requires ownership of one's own body, of one's time, and of the physical means of communicative exchange. Self-ownership is thus shielded along a double path: by the logical impossibility of its alternatives —arbitrary privilege or universal paralysis— and by its character as an indispensable presupposition of all rational communication. To deny it is performatively self-contradictory.

3.3 Property and non-aggression

From the axiom of self-ownership the remaining rights are derived with logical rigour. If man owns himself and his labour, he must also own the fruits of that labour. The Lockean principle of original appropriation —homesteading— establishes that whoever first transforms an unowned natural resource acquires a legitimate title to it; the remaining legitimate forms of acquisition are reduced to voluntary exchange and gift (Rothbard, 1982). Any other acquisition —especially coercive expropriation, what Oppenheimer called the «political means» as opposed to the «economic means»— is illegitimate regardless of the ends invoked to justify it (Oppenheimer, 1914; Rothbard, 1982).

On these foundations rests the non-aggression principle, the normative core of libertarian ethics: no person may initiate the use of physical violence —or its direct threat— against the person or legitimate property of another. Rothbard carefully distinguishes between offensive violence, which invades the rights of the owner, and defensive violence, which protects them against prior invasions; the former is unjust, the latter perfectly legitimate (Rothbard, 1982). From the combination of self-ownership, legitimate appropriation, and non-aggression there emerges an operative criterion: institutions that respect these principles are ethically legitimate; those that transgress them are ethically illegitimate, regardless of their declared ends.

3.4 Convergence with Catholic Social Teaching

This foundation, articulated with analytical rigour from the libertarian tradition, converges in its substantive content with Christian social doctrine. John Paul II formulates the same intuition from different philosophical premises: «Man fulfils himself by using his intelligence and freedom. In so doing he utilises the things of this world as objects and instruments and makes them his own. The foundation of the right to private initiative and ownership is to be found in this activity» (John Paul II, 1991, n. 43). Both traditions derive, by different routes, from the same recognition of human nature as a rational and free agent. This convergence, which Section 6 will develop in detail by confronting it with the ESG regime, lends the analysis a solidity that neither tradition on its own could provide.

The next section draws out the consequences of this foundational apparatus for the economic analysis of entrepreneurial activity. The entrepreneurial function, examined through the lenses of dynamic efficiency and synergasia, will then appear as the category that translates the ethical principles of natural law into the judgement of phenomena such as the ESG regime.

4. The entrepreneurial function as an ethical category

The apparatus of natural law and property rights established in the preceding section makes it possible to assess the ESG regime by its conformity with objective principles of justice. What is still missing, however, is the link that connects that general foundation with the economic analysis of concrete entrepreneurial activity. That link is provided by the Austrian theory of dynamic efficiency, complemented by the theory of synergasia that Leonardo Ravier has developed in recent years. Both show that the entrepreneurial function is not a merely descriptive category of economic analysis: it is an irreducible ethical dimension whose coercion amounts to an aggression against human nature.

4.1 Dynamic efficiency: the integration of justice and creativity

For much of the twentieth century, welfare economics presented efficiency and justice as separable dimensions: the second fundamental theorem held that multiple Pareto optima were compatible with different redistributive schemes, which allowed the questions of how much wealth to produce and how to distribute it to be discussed separately. That approach presupposes that resources are given and that the problem is exclusively distributive. The Austrian perspective rejects it at the root. Resources are not given: they are continuously discovered and created through the exercise of the entrepreneurial function, that is, through the capacity to perceive opportunities for gain and to act in order to seize them (Huerta de Soto, 2004b).

If resources are created rather than given, the fundamental ethical problem changes in nature. The first question is not how to distribute what exists but how to foster the creativity that generates new wealth. Once this reformulation is accepted, an ethical principle of considerable scope emerges: every human being has the right to appropriate the fruits of his own entrepreneurial creativity. The principle rests on two mutually reinforcing pillars. From the standpoint of justice, whoever creates something that did not previously exist harms no one by appropriating it: as Kirzner (1989) observed, the entrepreneurial discoverer takes nothing from anyone but generates what, without his action, would not exist. From the standpoint of efficiency, appropriation is the incentive without which the very source of creativity dries up: no one assumes the risk of discovering if the fruits of discovery are going to be confiscated or conditioned.

The integration of both dimensions is what gives the theory its ethical power. What is just cannot be inefficient, nor what is efficient unjust, because both demand the same thing: respect for private property and for the entrepreneurial function. In Huerta de Soto's own words, «nothing is more (dynamically) efficient than Justice (in its proper sense)» (Huerta de Soto, 2004b, p. 51; 2009, ch. 1). From this follows a normative consequence that the rest of the article will develop: to block entrepreneurial action —undermining the agent's right over what he creates— not only destroys creativity and coordination; it is also immoral, because it prevents the actor from developing what is by nature most properly his own.

4.2 Synergasia: the firm as a creative-coordinative association

The consequence deepens when we move from the individual to the organisation. The Austrian tradition had developed a sophisticated theory of the entrepreneurial function in the individual sense, but its treatment of the firm as a collective institution remained relatively underdeveloped. Ravier has filled this gap with a concept he calls synergasia, a neologism built from the Greek roots syn —together— and ergon —work, action— to name the science of human association or cooperation, situated at the intersection between praxeology and catallactics (Ravier, 2020).

Synergasia rests on a redefinition of the entrepreneurial function as «the human ability to associate and/or combine ideas and/or matter (creativity) under the general principle of law, which has coordinating effects on society and/or the market» (Ravier, 2020, pp. 309–310). The formula integrates two dimensions that the Austrian tradition had articulated separately: the creative one, highlighted by Schumpeter (1942) in creative destruction, and the coordinative one, linked by Kirzner to entrepreneurial alertness. Huerta de Soto (2004b) had already synthesised them as complementary aspects of the same human capacity; Ravier extends that synthesis to the sphere of the organisation and adds a decisive normative element: only actions that respect the general principles of law —private property, fulfilment of contracts, absence of fraud and coercion— properly constitute the entrepreneurial function.

Those that transgress them are not a deficient variant of entrepreneurship: they are its contrary. Theft, fraud, and coercion do not produce coordination; they destroy it.

Firms arise, according to Ravier's praxeological argument, because the time, knowledge, and capacity for action of each individual are limited. When two or more persons agree to cooperate voluntarily, complementing their capacities, they enhance the creativity and coordination of the whole beyond what each could achieve in isolation. The firm is thus an order created by its members —an internal Hayekian taxis— which inserts itself into the spontaneous order of the market and receives from it informational discipline through prices, profits, and losses (Hayek, 1973; Ravier, 2020).

The ethical consequence follows rigorously. If blocking the individual entrepreneurial function is immoral because it prevents the exercise of a constitutively human capacity, blocking the organisational function is equally immoral, because it prevents the associated exercise of that same capacity. Dynamic efficiency requires private property and freedom of exchange; synergasia additionally requires freedom of association, that is, the right to cooperate under the terms the cooperating parties themselves determine. Ravier states the conclusion without attenuation: «Every coercion of the natural and innate human exercise of association or creative-coordinative combination under the general principles of law amounts to an assault on human nature itself and on its civilising potential» (Ravier, 2016, ch. 2, sec. I).

4.3 The ESG regime as coercion of synergasia

This formulation makes it possible to specify the particular nature of the aggression the ESG regime represents. The ESG regime does not prohibit entrepreneurial cooperation: it conditions it. To gain access to finance, markets, and legitimacy, the firm must organise its internal cooperation according to criteria that do not emerge from the deliberation of the cooperating parties but from political agendas. The ends of the organisation, the terms of cooperation, and the forms of governance are subjected to standards defined in regulatory, supervisory, and reputational arenas. The free association that defines synergasia is transformed into directed association. To subordinate that cooperation to external criteria is not to regulate a specific sector or to correct a specific failure: it is to interfere with the very core of the civilising process. The next section shows that this interference, although it does not resort to physical violence, constitutes a specific form of coercion whose profile demands the coining of a new concept.

5. Soft collectivism: anatomy of a new coercion

The Rothbardian framework established in the previous section identifies as aggression against property only those forms of conduct that resort to physical violence —or its direct threat— to invade another's person or goods. Rigorously applied, this criterion absolves a considerable portion of the ESG machinery. When an investment fund decides not to invest in companies with a low environmental score, when a rating agency downgrades an issuer that does not publish sustainability information, when a supply chain requires diversity certifications from its suppliers, none of these actors resorts to physical coercion. Each exercises its property right over its own resources: it contracts with whom it wishes and under the conditions it wishes. Rothbard was unequivocal on this point: a boycott, even when it ruins its target, does not constitute aggression provided that those who practise it act by non-violent means (Rothbard, 1982, pp. 131-132).

The conclusion, if it stopped here, would be reassuring: the ESG regime would not, for the most part, offend against commutative justice. But that conclusion is premature, and for a reason that Rothbard himself had anticipated in distinguishing between the right to do something and the morality of doing it. What is missing in the strict analysis of the Non-Aggression Principle is the question of the institutional context in which those formally private decisions are taken. When that context has been shaped by political power to the point where conformity is the path of least resistance, the formal voluntariness of each particular decision conceals a material heteronomy that is no less real for being indirect.

5.1 *The counterfactual criterion*

Philipp Bagus has formulated the necessary analytical shift in terms of a counterfactual criterion. The relevant question is not only whether physical violence is present in the concrete case, but whether the pressure of which that case is an expression would exist in a society free of prior state intervention (Bagus, 2024). If the answer is negative —if the ESG rating agency operates because the prudential regulator has granted it a quasi-official role, if the institutional investor incorporates ESG criteria because the SFDR directive obliges it to do so, if the supply chain demands human rights due diligence because the Corporate Sustainability Due Diligence Directive imposes it— then we face an indirect coercion that resides in the web and not in each particular act. That each act is voluntary does not make the system voluntary.

This shift reproduces, in a contemporary key, the Hayekian warning about the difference between the general and abstract rules that sustain the cosmos —the spontaneous order of the market— and the particular directives with which the legislator constructs a taxis to his own measure (Hayek, 1973). What classical liberal theory called the rule of law is here named, with Bagus, state culture: a cultural order that no longer arises spontaneously from social interaction but is deliberately constructed by public administrations through regulation, taxation, educational curricula, public procurement, financial supervision, and the selective subsidising of particular discourses (Bagus, 2024).

5.2 *Four mechanisms of soft coercion*

State culture applied to the corporate sphere operates through four instruments that should be named before assessing their joint effect. The first is soft law: formally non-binding standards —codes of conduct, ESG reporting frameworks, sectoral taxonomies— whose effectiveness rests on the implicit backing of public power. The firm that does not conform to those standards discovers that its access to finance, contracts, and markets is compromised, not because any law prohibits it but because the accumulation of practical obstacles makes it unviable (DiMaggio & Powell, 1983). The second is institutional isomorphism: the pressure towards organisational convergence that homogenises firms' responses not because the market process has discovered them to be the best, but because the reputational costs of dissent are prohibitive. The third is the spiral of silence described by Noelle-Neumann (1984): individuals refrain from expressing minority opinions in order to avoid social isolation, and in the ESG context the mere absence of visible dissent masquerades as moral consensus. The fourth is the Bootleggers-and-Baptists coalition identified by Yandle (1983): regulations that prosper usually enjoy the simultaneous support of activists who provide public legitimacy —the Baptists— and of economic actors who benefit materially —the bootleggers—. In the ESG case, environmental activists and the promoters of the Sustainable Development Goals provide the moral cover; asset managers charging premium fees for sustainable funds, compliance consultancies, rating agencies, and the large corporations able to absorb the fixed costs of compliance —while these function as entry barriers against their smaller competitors— provide the operating machinery.

The convergence of the four mechanisms produces anticipatory obedience: the firm adjusts its conduct to the cultural agenda before it is formally imposed (Bagus, 2024), in order to avoid future sanctions, more expensive credit, exclusion from indices, or reputational stigma. Tocqueville (1840) had anticipated the logic in describing a tutelary power that does not tyrannise openly but compresses, enervates, and keeps its wards in perpetual childhood. Formal will remains intact; material will is hollowed out.

5.3 *Coining the concept*

The Rothbardian category of aggression, applied to this web, proves insufficient; the traditional category of socialism —understood as the legal abolition of property and central planning— proves inadequate. What the ESG regime exemplifies is neither of the two. And yet its substantive effect on property and on the entrepreneurial function reproduces much of what classical socialism produced: the decision over means and ends ceases to belong to the nominal owner of the resources and is subordinated to an external authority.

John Paul II provided in Centesimus Annus (1991), the encyclical written on the centenary of Rerum Novarum, the elements for diagnosing this phenomenon. Having noted the historical failure of real socialism and of the anthropological error that sustained it (John Paul II, 1991, nn. 13-14), he warned against the pathology of the Social Assistance State, which «leads to a loss of human energies and an inordinate increase of public agencies, which are dominated more by bureaucratic ways of thinking than by concern for serving their clients», violating the principle of subsidiarity (John Paul II, 1991, n. 48). The synthesis of those pathologies —conditioning without expropriation, the hollowing out of the decisional content of property without altering its legal form, the replacement of prudential judgement by bureaucratic logic— structures the category developed here. The ESG regime is the contemporary corporate manifestation of that synthesis. This form of collectivism —which operates by conditioning rather than by expropriation, and which preserves the names of the market order while emptying its content— we shall henceforth call soft collectivism.

Four features distinguish this regime both from classical interventionism and from socialism in the strict sense.

It does not formally expropriate; it materially conditions: the property title remains intact, but the decisional content —the faculty of setting ends, organising means, and disposing of the fruits— is subordinated to metrics, taxonomies, and extra-financial covenants that the owner has not freely agreed to.

It does not prohibit private enterprise; it subjects it to politically defined ends: the firm may continue to exist on condition that its proper telos —serving real needs through voluntary exchanges— is subordinated to objectives predefined by regulators and activists.

It does not deny ownership of assets; it hollows out their decisional content: shareholders retain the titles and the burdens but lose the capacity to decide according to their own judgement, what Epstein (1985) described as takings without compensation.

It does not suppress freedom of contract; it restricts it through pressures that preserve an appearance of voluntariness: each individual contract remains formally free, but the set of possible contracts has been configured by a web of incentives deliberately constructed by political power.

What makes soft collectivism specifically soft is not that it is milder than State socialism, but that it dissolves the sharpness of the boundary between coercion and freedom. Classical socialism recognised itself as such: it prohibited, expropriated, planned. Soft collectivism presents itself as respect for property, deference to the market, and the promotion of responsibility. That self-presentation is a constitutive part of the phenomenon. The invocation of the rhetoric of the common good to legitimise the conditioning is precisely what makes the ambiguity more resistant and, in consequence, more difficult to combat. A coercion that recognises itself as such admits frontal contestation; a coercion that presents itself as the voluntary exercise of one's own rights requires, in order to be combated, a prior analysis demonstrating why the alleged voluntariness is spurious. That analysis is the one the preceding pages have provided, and the one that justifies the introduction of the concept.

Rothbard distinguished between the right to do something and the morality of doing it: the formally legitimate exercise of rights may, in an institutional context such as the one described, pursue ends or produce effects that are morally problematic. The normative consequence, which the next section will develop, is that an act adopted under indirect coercion lacks the moral value of the genuinely free act. The firm that adheres to the ESG regime out of fear of stigma or more expensive credit does not, by the criterion of substantive voluntariness, exercise social responsibility in the proper sense: it performs defensive compliance. The appearance of virtue replaces virtue, and precisely for this reason the ESG regime cannot invoke Catholic Social Teaching, or the Austrian tradition, or the classical natural law tradition, to legitimise itself: in all three traditions freedom is the condition of possibility of genuine responsibility, and soft collectivism has hollowed out that presupposition in all three at once.

5.4 *Delimitation from neighbouring concepts*

The concept needs to be distinguished from five neighbours with which it shares territory without coinciding. Soft law is one of its instruments —together with institutional isomorphism, the spiral of silence, and the Bootleggers-and-Baptists coalition— but not its definition: not every soft norm articulates a collectivist regime, and soft collectivism can operate without formally extra-legal instruments if the mechanisms of reputational pressure suffice. Regulatory capitalism (Levi-Faur, 2005) describes the contemporary architecture of governance by agencies and public-private standards; soft collectivism is the substantive content —the hollowing out of the right of property— which that architecture enables when it is put at the service of a specific value-laden agenda. Compliance is the organisational function that ensures conformity; soft collectivism is the prior political-ideological framework that defines what one must conform to and why. Stakeholder capitalism is the doctrine concerning the ultimate purpose of the firm (Freeman, 1984), defended even in a libertarian key by Freeman and Phillips (2002) as the entrepreneur's voluntary ethical responsibility; soft collectivism is its coercive implementation, not its doctrinal enunciation. The distinction is decisive: the libertarian version of stakeholderism requires substantive voluntariness and proves, on its own terms, incompatible with the regulatory imposition that ESG executes. Reputational pressure, finally, is an ever-present market mechanism; soft collectivism is distinguished by the political orchestration of that pressure, aligning regulatory agencies, institutional lenders, supervisors, and activists along a single vector of coercion.

6. The convergence between catholic social teaching and the austrian tradition

Some defenders of the ESG regime invoke Catholic Social Teaching in support of their programme. The appeal draws on three classical loci of the Catholic tradition —the universal destination of goods, the social function of property, and the common good— and presents them as authorisations for subordinating the firm to politically defined social objectives. The appeal is subtle, but it rests, as will be argued in what follows, on a partial reading of the magisterial texts. Correctly understood, Catholic Social Teaching does not endorse the ESG regime: on the contrary, it provides the most solid arguments against it. And it does so, moreover, in exact convergence with the Austrian tradition, which reaches the same diagnosis from different premises.

6.1 *Property in the papal teaching*

Leo XIII founded Rerum Novarum on the natural character —not conventional, not granted by the State— of the right to private property. John Paul II, on the centenary of that encyclical, took up the thesis without attenuation: the right to property «is fundamental for the autonomy and development of the person» and «has always been defended by the Church up to our own day» (John Paul II, 1991, n. 30). The Second Vatican Council had specified the full meaning of this teaching: «Private property or some ownership of external goods affords each person the scope needed for personal and family autonomy, and should be regarded as an extension of human freedom» (Second Vatican Council, 1965, n. 71).

The qualification the Catholic tradition adds —property is not an absolute right and its use is subordinated to the original common destination of created goods— is often cited as though it authorised the State to redefine that use at will. The truncated quotation does not survive the full text. John Paul II specifies that the use of goods is «entrusted to the very freedom» of the owner (John Paul II, 1991, n. 30). The social dimension of property thus appeals to the moral responsibility of the owner; it does not transfer that judgement to political power or to its regulatory extensions. Whoever subordinates his patrimony to the common good does so by virtue of his own conscience, not by external imposition.

The difference between these two readings is decisive for evaluating the ESG regime. That property has a «social function» does not mean that the regulator may define that function and impose it coercively; it means that the owner, freely exercising his dominion, is morally called to do so for the good of the concrete persons with whom he deals. The social function emerges from the responsible exercise of property, not from its administrative erosion.

6.2 Subsidiarity and spontaneous order: one and the same formal structure

Pius XI formulated in Quadragesimo Anno (1931) the principle that probably matters most to the present discussion: no social structure of a higher order should absorb functions that lower-order instances can adequately perform. John Paul II restated it with clinical precision: «A community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good» (John Paul II, 1991, n. 48). The principle is primarily prohibitive: it forbids the State to absorb functions the lower instance can fulfil by itself. The positive clause opens no parallel licence for intervention: what it admits is bounded assistance —temporary, sustaining, non-substitutive, and only upon positive proof of incapacity—, not a transfer of competences.

Leo XIII had established the anthropological foundation of this architecture: the individual, the family, and society are anterior to the State, and the State itself exists to safeguard their rights, not to stifle them (Leo XIII, 1891, n. 9).

The formal structure of this principle is the same one that articulates the Hayekian theory of spontaneous order. Where the papal teaching distinguishes between the lower instance that knows its own ends and the higher instance that is only to protect it, Hayek distinguishes between the dispersed knowledge of the actors who cooperate in a cosmos and the far more limited knowledge of the legislator who purports to redesign it from outside (Hayek, 1973). Where John Paul II warns that the Social Assistance State «leads to a loss of human energies and an inordinate increase of public agencies, which are dominated more by bureaucratic ways of thinking than by concern for serving their clients» (John Paul II, 1991, n. 48), Hayek had warned that rationalist planning destroys precisely the informal networks of discovery and adjustment that make social cooperation viable. The label changes —«subsidiarity» in one case, «spontaneous order» in the other— but the normative content is indistinguishable: both traditions forbid the higher instance to absorb what the lower can do by itself.

Behind the formal parallelism lies an anthropological identity. The two traditions identify the same human reality from different angles. For the natural law thinker, the institutions that respect human nature —the family, property, the free contract— are those that allow man to develop the basic goods towards which he is naturally oriented. For the Austrian, those same institutions are the ones that have survived the evolutionary filter precisely because they facilitate coordination among individual plans under limited knowledge. The ultimate reason for their resilience is the same —they correspond to the permanent requirements of human nature—; only the route by which one comes to recognise it changes. As Crowe (2019) and Röpke (1950) have argued from different traditions, objective natural law is not a rigid code constructed a priori, but a robust ethical framework that is enriched through the historical process by which practical reason renders explicit what human nature already contained in potency.

This reading even makes it possible to recover Mises for the convergence. As Rhonheimer (2017) has shown, the Misesian defence of voluntary cooperation, of respect for the individual person, and of private property as conditions of the social order is substantively natural-law-based despite the utilitarian label Mises attributed to himself. The Austrian tradition thus appears internally unitary: Rothbard, Hayek, and Mises converge, in different languages, on the same recognition of the person as a subject of rights prior to institutional design.

That convergence has a history. The late scholastics of the School of Salamanca —Vitoria, Soto, Mariana, Molina, Suárez— upheld at once a robust natural law doctrine and an economic analysis that already contained the central categories of the subjective theory of value, the legitimate role of entrepreneurial profit, and the just price understood as the market price. Rothbard (1995, ch. 4) acknowledged the debt by placing the Salamanca school as the direct precedent of Austrian analysis, both in its subjective theory of value and in its elaboration of the moral order of the market. Chafuen (1991) has documented that kinship in detail. The insertion of Catholic Social Teaching into this tree is less direct: it inherits rather from medieval Thomism, of which Salamanca constitutes a late continuation and not the only channel of transmission. But the Christian natural-law substrate from which both traditions drink is common, and to that substrate the Salamancan elaboration contributes the economic development that the Austrian school would end up claiming as its own antecedent.

6.3 Procedural justice versus distributive pattern

To this formal convergence is added another of a substantive order: the procedural conception of justice. For Rothbard, authentic justice is reduced to the preservation and restitution of legitimately acquired property (Rothbard, 1982). For Hayek (1976a), justice does not refer to concrete outcomes but to the conformity of the process with general, abstract rules equal for all; predetermined distributive patterns do not realise justice but subvert it, by demanding unequal treatment of individuals in formally equivalent circumstances. The convergence with the papal teaching is exact: justice understood as giving each his own, not as the imposition of a predefined result. The ESG regime operates precisely as a distributive pattern: the taxonomies classify activities as «green», «social», or «unsustainable» according to politically defined weights, which translates into capital costs unequally distributed for reasons alien to economic merit. Equality before the law —a requirement common to the three convergent traditions— is thereby eroded by construction.

6.4 The ESG regime before that convergence

Applied to the ESG phenomenon, the twofold critique converges on a single verdict. The ESG regime violates the negative dimension of subsidiarity when it imposes politically defined ends on firms and replaces the prudential judgement of owners and managers with metrics designed in regulatory or supervisory arenas. No one has demonstrated that the firm is structurally incapable of exercising social responsibility by itself; it is simply presumed that it will exercise it badly unless guided by external indicators. That presumption inverts the burden of proof that subsidiarity establishes: it falls to whoever wishes to intervene to demonstrate the incapacity of the lower instance, not the reverse.

It equally violates the positive dimension by converting exceptional assistance into permanent conditioning. The firm, under the ESG regime, does not receive assistance to fulfil its proper function better; it sees that function redefined from outside. The subsidiary State complements; the State that imposes ESG substitutes. The result is the pathology John Paul II diagnosed as proper to the Social Assistance State —loss of human energies, bureaucratic expansion, the replacement of service by administrative logic—, now transferred to the corporate governance of the private firm.

The Austrian critique reaches the same diagnosis by way of calculation and information. The ESG regime replaces prices and profits —signals that voluntary cooperation generates and ceaselessly refines— with administrative metrics whose weights are fixed politically and whose aggregate information no market verifies. The firm ceases to be an instrument for the discovery of real needs and becomes a unit of compliance with predefined objectives. The effect on social coordination is the same as that produced by the impossibility of calculation under central planning, attenuated in degree but identical in structure; the complete praxeological development of this critique —the theorems of the impossibility of calculation and of dispersed knowledge applied systematically to the ESG regime— has been articulated in Herrando (2024, 2025a).

6.5 Charity, justice, and the domain of gratuitousness

Benedict XVI adds in Caritas in Veritate the distinction that closes the circle. Justice requires giving each what is due to him; charity goes further, freely donating what is not owed (Benedict XVI, 2009, n. 6). The ESG regime characteristically blurs this distinction: it converts into an eligibility requirement —and therefore into an enforceable debt— forms of conduct that by their nature belong to the domain of free donation. Corporate philanthropy, environmental initiatives exceeding legal obligations, the social policies a firm adopts out of its owners' conviction, change their moral nature when they are transformed into conditions of access to finance, contracts, or markets. What was a free act becomes compliance; and an act performed under institutional pressure, although outwardly identical to a donation, lacks the moral merit that only freedom confers. Freedom is not a detail of the gift: it is its condition of possibility.

Benedict XVI formulates the underlying pathology with remarkable precision: «When both the logic of the market and the logic of the State come to an agreement that each will continue to exercise a monopoly over its respective area of influence, in the long term much is lost: solidarity in relations between citizens, participation and adherence, actions of gratuitousness» (Benedict XVI, 2009, n. 39). The ESG regime is the contemporary embodiment of that alliance between political power and the large market actors. What should emerge freely from the fabric of civil society —from entrepreneurs, workers, associations, and communities— is now defined by official taxonomies, measured by rating agencies, and watched over by prudential supervisors. The result is not more solidarity but less: a bureaucratic, accounting solidarity, emptied of the human content that only freedom can confer.

6.6 *Laudato Si'* and the technocratic paradigm

An objection of an ethical-doctrinal character may be raised from Laudato Si' (Francis, 2015), the encyclical that articulates ecological concern as a moral requirement and which the defenders of the ESG regime often invoke as magisterial endorsement of their programme. The reading, however, is selective. Laudato Si' does not endorse the mechanisms through which the regime operates; on the contrary, it devotes one of its central sections to denouncing what it calls the technocratic paradigm: the use of administrative technique to replace human deliberation about ends, transforming reality —including ecological reality— into an object manipulable by experts (Francis, 2015, nn. 106-114). The ESG regime is precisely the corporate embodiment of that paradigm: it replaces the prudential deliberation of entrepreneurs, communities, and workers with official taxonomies, metrics, and rankings administered by rating agencies. To read Laudato Si' against the ESG regime —and not in its favour— is therefore the textually soundest operation: the encyclical endorses ecological concern as a moral duty, but rejects the administrative-conditioning mechanism that ESG passes off as its realisation.

6.7 *The convergent verdict*

From the analysis developed here, the invocation of Catholic Social Teaching to legitimise the ESG regime is, at best, a misunderstanding; at worst, an instrumentalisation of the Christian tradition in favour of ends which that tradition rejects. Three magisterial principles converge against the ESG regime: private property as a natural right prior to the State; subsidiarity as the prohibition on absorbing what lower instances can do by themselves; the distinction between justice and charity as the safeguard of the domain of gratuitousness. Three Austrian principles converge on the same point: self-ownership as the foundation of every derived right (Rothbard); spontaneous order as the sphere in which dispersed knowledge coordinates itself without central design (Hayek); and voluntary cooperation as a substantive requirement of the freedom of the person (Mises, as reread by Rhonheimer, 2017). The praxeological corollary of this triad on the entrepreneurial plane is formulated by Ravier (2020) as synergasia: the freedom of creative-coordinative association that the ESG regime blocks from outside. The two columns rest on common anthropological pillars and produce the same verdict.

From the convergent criteria established, the ESG regime violates property without expropriating it, replaces subsidiarity with regulatory absorption, instrumentalises charity as compliance, replaces spontaneous order with a politically constructed taxis, and blocks synergasia through heteronomous conditioning. The label may be «sustainability», «inclusion», or «good governance»; the operation carried out under those labels is the same one that John Paul II and Hayek named in their own day from different traditions: the absorption of the free instances of society by a higher instance that purports to redefine them. The next section will draw out the normative consequences this convergence demands.

7. Normative implications: genuine corporate responsibility

The critique of soft collectivism developed in the preceding pages does not imply that the firm has no moral responsibilities beyond profit maximisation. It implies something more demanding: that those responsibilities are radically different in nature from what the ESG regime presupposes. Genuine corporate responsibility, as it emerges from the convergence of the three traditions articulated here, rests on four pillars that deserve precise formulation.

7.1 Substantive voluntariness

The first pillar is substantive —not merely formal— voluntariness. Genuine responsibility springs from the moral conscience of the agent, not from external pressures that hollow out freedom and replace it with its appearance. By this criterion, an entrepreneur who adopts environmental or social criteria because external metrics reward it, or because their omission would bring reputational sanctions or more expensive credit, is not practising a virtue: he is following a protocol. Virtue, in any coherent ethical tradition, requires free choice; and an act performed under coercion —direct or indirect— lacks the moral merit the same act would have if performed in freedom. The ESG regime, by transforming conduct that belongs to the domain of free donation into conditions of access to finance, contracts, or markets, strips it of the very value it claimed to promote.

7.2 Irreducible prudence

The second pillar is prudence, understood not as generic caution but in its precise Aristotelian-Thomistic sense: the virtue of deliberating well about the means to good ends in particular circumstances. Prudence is by definition situated. It considers the concrete sector, the firm's real capacities, the specific relationships with customers and suppliers, the technical conditions of the moment, the concrete persons affected. No universal metric can capture that texture. Metrics, by construction, abstract from particularities; they replace discernment with the algorithm (Finnis, 1980; MacIntyre, 1981). That is why they distort what they purport to measure and, in addition, atrophy the agent's very capacity for prudential deliberation. A firm that adopts compliance as routine tends, over time, to lose its capacity for judgement.

7.3 Corporate subsidiarity

The third pillar is subsidiarity applied to the corporate sphere. It falls to owners, managers, and workers —not to the State, nor to rating agencies, nor to prudential regulators, nor to the promoters of global standards— to decide what social responsibilities the firm assumes beyond its legal obligations. Corporate philanthropy, discretionary environmental initiatives, and internal cohesion policies may be valuable, but only when they are the free decision of those who have the right to dispose of the resources. When those same forms of conduct become conditions imposed for operating in the market, subsidiarity is inverted: the higher instance absorbs what the lower could and should decide by itself. The consequence, as John Paul II diagnosed, is the loss of human energies and the bureaucratic expansion of the apparatus of compliance (John Paul II, 1991, n. 48).

7.4 Real service and the domain of gratuitousness

The fourth pillar combines two closely linked requirements: orientation to the real service of concrete persons and respect for the domain of gratuitousness that belongs to civil society. The firm fulfils its social function when it serves real needs through voluntary exchanges, generating employment, satisfying demands, coordinating dispersed knowledge. This service, exercised with excellence, honesty, and justice, is already a social contribution of the first order and requires no certifications to accredit it. The pretension of adding politically defined social objectives does not complement this telos: it distorts it by multiplying incommensurable criteria that erode accountability (Jensen, 2001; Kirzner, 1973). And what exceeds the justice that is owed —the free donation Benedict XVI calls charity or gratuitousness— belongs to the proper domain of civil society. To convert it into a regulatory obligation is to empty it of the human content that only freedom can confer.

7.5 The contrast with the ESG regime

Measured against the four pillars established, the ESG regime erodes on every front the institutional architecture that genuine responsibility requires. Where genuine responsibility demands substantive voluntariness, the ESG regime produces anticipatory conformity. Where it demands situated prudence, it imposes universal metrics. Where it demands subsidiarity, it absorbs competences upwards. Where it demands real service and gratuitousness, it installs accounting signalling and enforceable debt. The two models are qualitatively distinct: a firm can maximise its ESG score while regressing on each of the four pillars of genuine responsibility, and it often does.

The operational articulation of these requirements —how to distinguish in practice a legitimate corporate policy from mere coerced adherence— exceeds the scope of this article. The six-criteria normative test towards which that articulation points is developed in the author's doctoral dissertation and is the subject of a subsequent work. Here it suffices to have established the substantive principles: authentic corporate responsibility is free, prudential, subsidiary, and oriented to real service. It needs no metrics to certify it and no bureaucrats to define it. It needs entrepreneurs who exercise it in freedom and bear its consequences.

8. Conclusions

The article has developed an ethical critique of the ESG regime from the convergence of the classical natural law tradition, the Austrian tradition, and Catholic Social Teaching. The itinerary has proceeded in stages: the methodological distinction between social ethics and personal morality has shown that the ESG regime commits a category error in attempting to solve through coercive regulation problems whose nature admits only answers that spring from free institutions; natural law —rational knowability, self-ownership, non-aggression— has provided the objective criteria for evaluating the phenomenon; the theory of dynamic efficiency and synergasia has extended those criteria to the corporate sphere, showing that the coercion of creative-coordinative cooperation offends at once against creativity and against justice; the mechanics of soft coercion has identified a specific type of coercion —soft law, isomorphism, the spiral of silence, Bootleggers and Baptists— that the classical Rothbardian analysis fails to capture; and the convergence between Catholic Social Teaching and the Austrian tradition has confirmed that subsidiarity and spontaneous order coincide structurally, and that both forbid what the ESG regime does.

The principal conceptual contribution of the article is the systematic development of the analytical category of soft collectivism, sketched by the author in §12.8 of his doctoral dissertation and articulated here with the four mechanisms of state culture and the four defining features. The formula names the characteristic way the ESG regime operates: it subjects the firm through conditioning rather than command, hollowing out the content of rights without altering their legal form. What makes soft collectivism specifically soft is not that it is milder than State socialism, but that it dissolves the sharpness of the boundary between coercion and freedom. Its self-presentation as respect for property and deference to the market is a constitutive part of the phenomenon and of its resistance to frontal critique; the category is offered, precisely, as the conceptual instrument that resistance demands.

Three sibling concepts remain outlined in the preceding pages and are the subject of the author's subsequent works. Subordinated tenure —the transformation of property from a natural right into a revocable administrative privilege— requires a legal development that exceeds the scope of the present article. The commons-like resource —the logic by which the ESG regime reproduces at the corporate scale the very tragedy of the commons it claims to combat, by diluting the effective ownership of corporate decision-making— calls for specific articulation from institutional economics. The six-criteria normative test —material voluntariness, respect for dominion, generality of rules, truthfulness, proper end, and subsidiarity— offers operational guidance for distinguishing genuine responsibility from coerced adherence in practice, and deserves independent development. To these is added the specific problem of diversity, equity, and inclusion programmes and freedom of conscience, whose qualitative gravity demands separate treatment.

The scope of this analysis has limits that should be acknowledged. First, its nature is conceptual: no new empirical evidence is offered, nor is the effect of the ESG regime on specific variables quantified; what is evaluated are its normative foundations. Second, the three traditions convened do not exhaust the repertoire of available ethical frameworks; readings from communitarian, Kantian, or virtue-ethics perspectives would add complementary insights. Third, the European regulatory focus, justified by Europe's role as normative laboratory, does not capture the specific variants the ESG phenomenon adopts in other jurisdictions, where the combination of local regulation, cross-border pressure, and institutional maturity may modify the terms of the analysis. Fourth, the sibling concepts stated here have been outlined without development, and their full articulation remains pending.

From these conclusions follow implications for regulation and for corporate management. For the regulator, the analysis counsels prudence towards norms which, without imposing direct obligations, generate material conditioning equivalent to imposition; the counterfactual criterion offers a tool of self-evaluation —asking whether the pressure would exist without prior state intervention— that the legislator and the supervisor can incorporate at the design stage. For corporate management, the distinction between defensive compliance and genuine responsibility, although it cannot be translated mechanically into indicators, does provide qualitative criteria for discriminating between adherence to ESG standards as reputational risk management and the design of the firm's own social policies rooted in the prudential judgement of those responsible, in the specific relationships with the customers, workers, and communities in which the firm operates.

The ESG regime denatures capitalism and replaces social responsibility with its bureaucratic simulacrum. The alternative is genuine responsibility —voluntary, prudential, subsidiary, oriented to real service—, exercised by free entrepreneurs willing to bear its consequences, with no need of metrics to certify it or bureaucrats to define it. Authentic corporate responsibility springs from freedom, or it does not deserve the name.

Author's contribution

Álvaro Herrando Guibert: Conceptualization, methodology, formal analisys, research, borrador y original

Financing

The author states that he had no funding..

Conflict of interest

The author declares that he has no conflict of interest.

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