2 The emergence of corporate citizenship: historical development and alternative perspectives

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Introduction

In this chapter we provide an overview of the advent, rise, current use and future perspectives of corporate citizenship in the management literature. The purpose of our chapter is to map out the territory of research on corporate citizenship and outline the major contestations, debates and the potential of using citizenship as a metaphor for business–society relationships. After providing a brief overview about how corporate citizenship entered the agenda in business and academia, we shall analyze and critically categorize the extant use of the terminology. Based on this literature survey we shall then proceed to focus on the potential for using the citizenship metaphor to provide a more expansive analysis of the political role of the corporation. This will pave the way to mapping out three fundamental approaches to apply citizenship to corporations. We argue, however, that such an application has to be cognizant of the facts that citizenship in itself is a dynamic concept and, moreover, that corporations play quite a substantial role in transforming contemporary notions of citizenship. We conclude our foray into corporate citizenship with a discussion of these themes and a review of future perspectives.

Corporate citizenship – a new terminology in business–society relationships

Corporate citizenship (CC) has emerged as a prominent term in the management literature dealing with the social role of business. While the terminology of CC has been around for many years and was occasionally used here and there prior to the 1980s (for example, Gossett 1957) we can witness a massive growth in usage of CC mainly during the last two decades. This occurred, first of all, in the realm of management practice; having gained momentum in US business circles in the 1980s (Altman and Vidaver-Cohen 2000), it has since begun to enter the language of the global business community. A landmark in this process has been the joint statement on ‘Global Corporate Citizenship – The Leadership Challenge for CEOs and Boards’, signed during the World Economic Forum in New York in January 2002 by CEOs from 34 of the world’s largest multinational corporations (MNCs),
including the Coca-Cola Company, Deutsche Bank, Diageo, Merck & Co.,
McDonald's Corporation, Philips and UBS (World Economic Forum
2002). Moreover, as a further indicator of the proliferation of citizenship
language in business, we would highlight the fact that in 2006, major global
companies such as Citigroup, Diageo, ExxonMobil, Hewlett-Packard,
Microsoft, Panasonic, Pfizer or Xerox all labeled their annual non-financial
reporting document as a 'citizenship report', a 'global citizenship report' or
similar versions of the terminology.

However, the proliferation of the term is not confined to the corporate
sphere. There has been an escalating body of academic work specifically
dedicated to CC issues (see Andriof and McIntosh 2001b for an
overview); there is now a dedicated Journal of Corporate Citizenship;
and a number of research centers framed explicitly around CC have emerged,
including those at Boston College in the US, Warwick University in
the UK, Deakin University in Australia and Eichstätt University in
Germany. Likewise, many consultants and business publications have
adopted the terminology of CC in reference to the firm’s social and envi-
ronmental policies (Miller 1998; Wagner 2001; Roberts et al. 2002). This
‘cozy consensus’ around CC (Norman and Néron 2008) is also manifest
in a growing number of government units, consultancies and think-tanks
specifically dedicated to CC, such as the US Chamber of Commerce
Center for Corporate Citizenship, the African Institute for Corporate
Citizenship, the Copenhagen Center and the London-based Corporate
Citizenship Company. In a similar vein, the influential US magazine
Corporate Responsibility Officer2 – previously titled Business Ethics – con-
spicuously labels its annual ranking of the 100 most socially responsible
companies as the list of the ‘100 Best Corporate Citizens’ – in many ways
symbolizing a trend in current usage of terminology in the business–
society field.

Table 2.1 provides a flavor of the usage of CC terminology by corpora-
tions. First, it is interesting to note that ‘citizenship’ is often referred to by
a number of attributes, of which ‘good corporate citizenship’ or ‘global cit-
itizenship’ are by far the most popular ones. Furthermore, the overwhelming
gist of these statements focuses on the embedding of the corporation into
its direct local community and evokes notions of being a good neighbor
(BHP Billiton) with mutually beneficial relations between companies and
their stakeholders (Microsoft). This includes compliance with local laws
(Toyota) and contributions to the flourishing of local communities, most
notably in developing countries (Manulife). Citizenship seems to be a
desired metaphor in the corporate world to counter notions of impersonal,
bureaucratic and inhumane power-players and replace those by the image
of the ‘good guy’ next door who cares for you and looks after the interests
<table>
<thead>
<tr>
<th>Company</th>
<th>Industry and country of origin</th>
<th>CC statement</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
<td>BHP Billiton</td>
<td>Mining. Australia</td>
<td>As stated in the BHP Billiton Charter, one of the indicators of success is that the communities in which we operate value our citizenship. Sustainable community development ensures communities benefit throughout all phases of the life of an operation - through development, operation and closure.</td>
<td>Sustainability Report 2006</td>
</tr>
<tr>
<td>Manulife</td>
<td>Insurance and Financial Services. Canada</td>
<td>To Manulife, being a good corporate citizen is part of our corporate culture. We are proud to participate in various education initiatives and hope to help Vietnamese children have a better life and a brighter future.</td>
<td>2006 Public Accountability Statement</td>
</tr>
<tr>
<td>Microsoft</td>
<td>Software. USA</td>
<td>Microsoft's ongoing work in the area of global citizenship is focused on mobilizing our resources across the company to create opportunities in communities around the world, to foster economic growth, and to serve the public good through innovative technologies and partnerships with government, industry, and community organizations.</td>
<td>Corporate Social Responsibility Report 2005</td>
</tr>
<tr>
<td>Total</td>
<td>Oil and Gas. France</td>
<td>As a responsible corporate citizen with specialized expertise and an obligation to explain the realities and constraints of our businesses, Total has a stake in certain public debates being conducted in France, Europe and worldwide.</td>
<td>Sustainability Report 2006</td>
</tr>
<tr>
<td>Toyota</td>
<td>Automobiles. Japan</td>
<td>Toyota's aim is to become a trusted corporate citizen in international society, through open and fair business activities that honor the language and spirit of the law of every nation.</td>
<td></td>
</tr>
</tbody>
</table>
of those with whom, as it were, it rubs shoulders. CC can be said to highlight the fact that the corporation sees – or recaptures – its ‘rightful’ place in society, next to other ‘citizens’, with whom the corporation forms a community. Citizenship then focuses on rights and responsibilities of all members of the community, which are mutually interlinked and dependent upon each other (Waddell 2000).

In some cases, however, as the example of Total shows, citizenship is also used to describe the corporate role in key debates in society and in influencing public decision making on contested political issues, such as in this case, global warming. These political references, however, are relatively scarce and the key orientation seems to be the local community. Toyota, for instance, prides itself on an 80-employee ‘Corporate Citizenship Division’ whose primary focus is to coordinate corporate contributions to local communities in the worldwide operations of the company (Toyota 2007, p. 66).

It is evident, however, that in the management literature the usage of the term CC has been far from consistent, and, we might suggest, not at all clear. Indeed, we would suggest that there has yet to be a clear, specific and widely accepted definition of CC. In the following subsections, we shall therefore examine current usage of the term, and in so doing, delineate three different perspectives on CC evident in the extant management literature.

Limited view of corporate citizenship

Initially, CC was, and in many respects still is, used to identify the philanthropic role and responsibilities the firm voluntarily undertakes in the local community, such as charitable donations. Carroll (1991), for example, identifies ‘being a good corporate citizen’ with a specific element of corporate social responsibility (CSR), philanthropic responsibilities, his fourth level of CSR. Accordingly, Carroll (1991) places CC at the top level of his CSR pyramid, suggesting that it is a discretionary activity beyond that which is expected of business. CC in this respect is regarded as a choice to ‘put something back’ into the community, but since it is merely ‘desired’ by the community it is, according to Carroll (1991, p. 42) ‘less important than the other three categories’.

This limited view tends to present the specifically new contribution of CC to the debate on corporate philanthropy as its strategic focus. As opposed to corporations engaging in charity simply for the sake of it, CC presents a case for ‘strategic philanthropy’. For the firm, CC is generally seen therefore as fueled by issues of self-interest – including the insight that a stable social, environmental and political environment ensures profitable business (Windsor 2001; Wood and Logsdon 2001). This understanding is reflected in most of the corporate examples given in Table 2.1, which is typical for the limited view of CC in so far as it focuses mainly on the direct
The emergence of corporate citizenship

physical environment of the company, resulting in a strong focus on local communities (Altman 1998). Following from this self-interested approach is a considerable amount of literature which discusses CC as manifest in specific investment decisions into the firm’s social environment (Warhurst 2001). Following the language of corporate finance, CC is rationalized in terms of ‘social investing’ (Waddock 2001) in order to build up ‘social capital’ (Habisch et al. 2001) or ‘reputational capital’ (Fombrun et al. 2000), all of which ultimately help to improve the economic performance of the corporation. This approach ultimately sees the new contribution of CC to the debate on business–society relations in its economic character as an approach to long-term maximization of (enlightened) self-interest through corporate investment in the processes and rules of the corporation’s social environment (Seitz 2002).

This usage of CC terminology, however, raises the question whether this limited view of CC really justifies the invention and usage of a new terminology. The element of self-interest in corporate philanthropy, the investment aspect of social engagement and the focus on local communities are elements that are not completely new, and have already been discussed in the literature on CSR, social performance or stakeholder theory (Stroup and Neubert 1987; Burke and Logsdon 1996). Moreover, there seems to be no common understanding about the precise definition of CC, and qualifications such as ‘good’ CC further underline the elusive nature of this view. Furthermore, there is only very poor reference to the fact that this new concept of business and society makes use of the term ‘citizenship’, beyond occasional reference to shared rights and duties with other members of society. However, the limited view of CC has yet to explicitly explain, let alone conceptualize the notion of citizenship in this respect. Although there might be good reasons from the business viewpoint to reframe social involvement as CC, the literature pertaining to this limited view does not provide convincing evidence for the necessity of a new terminology. The limited view preserves an economic orientation whereas citizenship is an explicitly political concept.

Equivalent view of corporate citizenship

The second common understanding of CC is more general in scope and is essentially a conflation of CC with existing conceptions of CSR (or sometimes stakeholder management), without attempting to define any new role for the corporation. The most striking example of this use of CC is probably Carroll himself who, in a paper entitled ‘The four faces of corporate citizenship’ (1998) defines CC exactly the same way as he initially defined CSR two decades ago. This approach has been taken up by several authors, although in some cases by using slightly different phrasing. So, for instance,
Andriof and McIntosh (2001a) talk of CC as corporate ‘societal’ responsibility but use it synonymously with CSR. Similarly, in a number of papers, Maignan and colleagues (Maignan et al. 1999; Maignan and Ferrell 2000) define CC as ‘the extent to which businesses meet the economic, legal, ethical and discretionary responsibilities imposed on them by their stakeholders’ (Maignan and Ferrell 2000, p. 284). This is largely synonymous with the Carroll (1991) definition of CSR. Much of the CC literature currently uses the concept in this sense, stressing various aspects of CSR, such as sustainability (Marsden 2000), the stewardship role of business (Reilly and Kyj 1994) or drawing conceptual lines toward the stakeholder approach (Davenport 2000).

One of the problems in conceptualizing CC in this way is that many authors present a certain view of the debate in business and society relations so far and then attribute certain ‘new’ issues and developments to the new label of CC. Thus, CC just functions as a new way of presenting existing concepts, but applied to a wider range, or perhaps a different set, of issues. Again, there tends to be little, if any, serious reflection on the notion of ‘citizenship’ and its potential for surfacing new meaning. So, for instance, Birch (2001) regards CC as an innovation to the CSR concept in that CC causes business to see itself as part of the public culture, whereas CSR is – according to his perception – more concerned with social responsibility as an external affair (Logan et al. 1997; McIntosh et al. 2003). CC, from the perspective of these authors, is an extension to a very selectively defined view of CSR, as exemplified in particular by Sundar (2000) from an Indian perspective. Here, the CC label is simply used to rebrand and relaunch existing ideas about business–society relations, probably to make them more accessible and attractive to business audiences.

While this marketing of academic ideas is, in many respects, an important task, it is also in danger of raising skepticism about CC, CSR and so on, on account of them being perceived as no more than ephemeral management fads and fashions. Furthermore, although in our interpretation, the authors referring to CC in this way appear to be conflating CC with CSR, this body of literature is notably lacking a clear, direct and unambiguous definition of CC. Again, the terminology of CC is also taken up without referring explicitly to the political notion of ‘citizenship’ and explaining the reasons for its usage in this context.

**Extended view of corporate citizenship**

A third view has also begun to emerge in the academic literature in recent years, one that we initially referred to as an ‘extended view’ of CC (Matten et al. 2003) to indicate how it also extended to responsibilities beyond those of philanthropy and CSR. The extended view, we suggest, takes seriously
the idea that citizenship can provide a political conceptualization of the corporation.

Among the first contributors to have deliberately addressed the notion of 'citizenship' as a political concept within the CC literature are Donna Wood and Jeanne Logsdon (Wood and Logsdon 2001; Logsdon and Wood 2002). Wood and Logsdon have developed a framework for understanding in particular the implications of globalization on the social and political role of the firm and have used their conceptualization to delineate implications for business practice (Wood et al. 2006).

In some of our own work, we have also utilized citizenship thinking to specify forms of corporate participation in societal governance (Moon et al. 2005), and corporate responsibilities for administering the citizenship rights of individuals (Matten and Crane 2005). On the whole, though, the efforts of understanding CC as based on a political notion of the firm are relatively sparse (Jeurissen 2004) while the debate on whether and how citizenship can be applied to corporations is still ongoing and highly contested (Norman and Néron 2008).

In this chapter, we shall therefore take the extended view of CC as a platform for elaborating on a more expansive examination of how corporations and citizenship can come together. In our view, the term 'corporate citizenship' offers a unique way into exploring the corporation as a political actor, but at the same time it does not do justice to the rich potential there is in applying citizenship thinking to the corporation. For us, then, CC is just one among several ways in which corporations can be analyzed as political actors using the lens of citizenship.

Before we go ahead and detail these different ways, however, it is helpful to explain why we believe that citizenship is indeed a powerful heuristic for analyzing certain aspects of the political role of the corporation – and, in fact, what is it is we mean by citizenship in the first place.

**Corporations and citizenship**

Traditionally, political debates about corporations have tended to focus on their role in the 'inner circle' of power elites (Useem 1984) and on their involvement in pressure group activity through business associations, lobbying and political donations (Grant 1987; Lord 2000). Surprisingly, perhaps, the corporation has more recently become much more central in social and political analysis. This is evident among social critics, who point to corporations' responsibility for social and political ills concerning the pathologies of mass consumption, disparities in economic and social development, and environmental degradation. But it is also true of those who look to corporations as part of the solution to these same problems. For sections of the left, whereas in the 1960s and 1970s, the culprits were
capitalism and/or government, today they are more likely to be corporations. As such, corporations also now feature in the non-business sections of mainstream newspapers, and in popular books and films about social and environmental problems, such as Blood Diamond, The Constant Gardener, Fast Food Nation and Supersize Me.

This rise in prominence within social and political debates is in part a function of the employment, production, investment and wealth that corporations account for, and in part a reflection of their sheer size and domination of certain markets. However, although there are some features of contemporary business that are certainly distinctive, the history of corporations has always been characterized by shifting balances between the desire to bestow them the freedom necessary to achieve large-scale economic tasks efficiently on the one hand and the fear of their power and the concomitant need for protection of the public interest on the other. Thus there has been talk about the proper roles and responsibilities of corporations for at least three hundred years. Why then would one choose to enframe an analysis of the changing political role of the corporation by means of the concept of citizenship? We believe that it is a useful conceptual lens for several particular reasons.

First, the very fact that corporations, consultants, academics and others use the term ‘corporate citizenship’ as one of several synonyms for the social or community initiatives of business (see Figure 2.1, below) warrants taking seriously. The prospect of corporations claiming, or being assigned, a political or legal status analogous to individual citizens is, quite rightly, a cause of concern for some (for example, Palacios 2004; van Oosterhout 2005; Thompson 2006; Jones and Haigh 2007). In this way, we can, at the

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Figure 2.1 Corporations as citizens

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Governments

Citizens

Corporations

Political community as the arena of citizenship
very least, evaluate corporations in part on their own terms by examining them through the lens of citizenship.

Second, citizenship is a concept which is expressly concerned with roles and responsibilities. More specifically, citizenship is an organizing principle for aligning roles and responsibilities among members of political communities (that is, on a horizontal dimension), and between them and other institutions wielding power and responsibility (that is, on a vertical dimension). This is important because current debates about the roles and responsibilities of corporations are specifically animated by concerns about who the corporation should be responsible to, why, and in which ways that responsibility should be discharged. Citizenship offers us a way of working through these relational issues using a set of ideas and frameworks that have been well established in theory and practice for many years.

Third, and more broadly, the concept of citizenship is at the heart of wider debates about societal governance of which corporations form a key part. Thus, critiques of corporate power, for example, are often underpinned by a view that citizenship autonomy and choice are being directly structured by corporations and their agendas. Alternatively, there is the view that human citizenship is being reshaped because the key institutional representatives of citizens, democratic governments, are being superseded by corporate power (Ikeda 2004). Yet more broadly, there is concern that the contemporary forces of globalization and the weakening of national governments are also inimical to effective citizenship (Schneiderman 2004; Isin and Turner 2007). Although this last point does not necessarily directly relate to corporations, by virtue of their role as agents of globalization they are implicated in broader political debates about citizenship.

Fourth, the uniting of corporations with citizenship should not be seen only as a one-way street where citizenship is simply used to help us understand certain facets of the corporation. Rather, the corporation can also be used to examine the theory and practice of citizenship. At a time when our ideas of citizenship are in flux and where scholars of political science and sociology have become increasingly interested in the role of markets, multinationals and other economic factors in the transformation of citizenship (Kymlicka and Norman 1994; Isin and Turner 2002a; Isin and Turner 2007), the time is ripe for a focused examination of the nature and impacts of corporate actors on citizenship. Of course, to even begin this endeavor, we need to identify at least some starting-points for what we mean by citizenship in this context, as we now discuss.

What is citizenship?

Ideas of citizenship form the bedrock of our political identity, yet the very concept of citizenship is both fluid and open to question. Indeed, the
meaning of citizenship within political debates has been transformed in the space of the 21st century alone. This has been due to, for example, women's enfranchisement, growth in multiculturalism and changes in political boundaries and institutions. Thus, as Parry (1991, p. 168) notes, '[a] totally uncontested and uncontestable concept of citizenship appears to be particularly problematic'.

Within the debate on citizenship there are, however, some underlying themes that provide some common ground on what the subject of citizenship is about – even if there is disagreement about the various manifestations of these themes. For the purposes of this chapter, we refer to these themes as 'status', 'entitlements' and 'process'. These, we contend, are the main issues around which mainstream debates about citizenship have taken place.

Status is the basic defining characteristic of what it means to be a citizen. Asking the question of who is or is not a citizen, or what it takes to become a citizen, are essentially questions about how the status of citizenship is acquired and by whom. In its traditional manifestation, citizenship is regarded as a formal legal status within a specified political community (historically the nation-state) that in turn provides the basis for various rights for individuals and presumes upon them appropriate civic duties.

This brings us to the second main theme of citizenship, entitlements. The citizenship 'paradigm' that has been more or less dominant over the past half-century (Turner 2001) – the Marshallian concept of citizenship – is essentially a citizenship of entitlements. These entitlements consist of three types – civil, political and social rights – which include among them freedom of speech, the right to vote and welfare entitlements, respectively (Marshall 1964). The importance of entitlements to theories of citizenship is clear – they are the benefits we receive in lieu of our submission to a sovereign authority. However, entitlements are not just a matter for vertical arrangements between members of a political community and their governors: battles over the distribution of entitlements among members of the community – the haves and the have-nots – give rise to investigation of horizontal arrangements and allocations too. Indeed, even in contemporary theories of citizenship (which mainly emphasize horizontal relationships) entitlements remain to the fore, with Marshall’s three types of rights augmented with additional rights such as cultural, human and ecological rights (Turner 2001).

The third theme through which we characterize citizenship is process – or more precisely, processes of political participation. This provides an active component to citizenship that is absent in the status and entitlement components. Acknowledging criticisms that the dominant rights-based paradigm of citizenship puts too much emphasis on entitlements at the
expense of duties, we include here some of the thicker elements of citizenship, including obligations to participate in democratic governance. By bringing in the Aristotelian assumption about duties of citizenship, to each other and to the polity as a whole, we understand the citizen's participation in politics not simply as a right to vote or hold office, but also as a contribution to personal development and to societal flourishing.

Applications of citizenship to corporations
As the changing roles of corporations in business–society relations are complex and multifaceted, we present three different ways in which the concept of citizenship can and has been used to illumine business–society relations. In each of these conceptions, we distinguish different roles and relations for corporations, for governments and for citizens, the last also including the third sector, or societal non-governmental organizations (NGOs).

Corporations as citizens
The first conception focuses on the idea outlined in the first part of the chapter – that corporations can be regarded as citizens. The idea that corporations are (not), or are (not) like, human citizens has been examined in a number of recent works (Wood and Logsdon 2001; Schrader 2003; Palacios 2004; Moon et al. 2005; Thompson 2006; Norman and Néron 2008). In this conception, corporations are examined on a similar horizontal relationship with other corporate citizens and human citizens (Figure 2.1). Like human citizens, corporate citizens are also examined on a vertical relationship of power with government in which the citizens ‘author’ the authority of government. Corporations can be considered as if they were citizens in as much as they work ‘with’ and participate ‘in’ society and in bringing their concerns to government and reacting to government legislation and executive action. The focus here, then, is particularly on how corporations share status and process elements of citizenship.

Arguments about corporations being like citizens can have a number of sources, though these are not necessarily mutually consistent (Norman and Néron 2008). Since medieval times, European businesspeople have engaged in citizenship-like ways through their membership of and participation in their guilds, the forerunners of business associations, which provided systems of governance within individual trades and forms of mutual support. In early phases of representative politics, business ownership enabled people to meet a property franchise. Second, corporations could be considered as part of society in that their members, be they owners, managers or employees, are human members of societies. Relatedly, traditions of industrial paternalism or industrial philanthropy speak of the social face
Theories of business legitimacy are often premised on the need for corporations to win the approval of society for their individual and collective existence and success (Crane et al. 2008).

The idea that corporations could be considered as if they were citizens can also draw on the slightly different sort of argument, that corporations have a distinct functional and legal identity: they are praised or blamed, they make deals, enter into contracts and develop internal decision-making systems and structures independent of the people within the company. Businesses can enter into legal agreements, own property, employ workers, sue and be sued. As a result, a company can be treated in the eyes of the law as if it is an ‘artificial person’. More generally, the application of the citizen metaphor to corporations can draw on the argument that ‘every large corporation should be thought of as a social enterprise; that is, as an entity whose existence and decisions can be justified only in so far as they serve public or social purposes’ (Dahl 1985, p. 17, original emphasis).

Although there are clearly limits to the application of the citizenship metaphor to corporations particularly regarding their status (for example, they do not vote or sit on juries), corporations can also enjoy some limited entitlements which are akin to those of citizens such as protection under the law and eligibility for subsidies under various public policy regimes (for example, for training programs). None the less their main claim to be like citizens is in the way that they participate in various processes of citizenship. Corporations come into the picture here in various ways. Next to traditional notions of lobbying or campaign financing, they also participate in governance through their everyday business: this ranges from providing goods and services to society, over deciding, for instance, about hazardous or ethically contested technologies, up to enabling certain citizenship identities by employing, supplying from or offering services to minorities, as is the case, for instance, in the ‘pink economy’ or the fair trade movement. We also witness a surge in partnerships with civil society organizations to address a host of governance issues, such as community development, education or healthcare (for example, Warner and Sullivan 2004; Seitanidi and Ryan 2007). Corporations also play a role in processes of political deliberation in society: for instance, we are currently witnessing a lively debate on global warming, and with governments often unwilling or unable to address the issue, corporations – for better or for worse – have become some of the key voices in the debate on how to address this global policy issue (Levy and Kaplan 2008).

**Corporations as governments**

Here we refer to the ways in which corporations are examined as if they were governments and are responsible for the delivery of public goods and
for the allocation, definition and administration of rights. While this owes much to popular chronicles of business power (for example, Korten 1995; Hertz 2001), academic treatments of these relationships have also been emerging (for example, Sellers 2003; Matten and Crane 2005).

In such a conception, the corporation shares a horizontal dimension with government and is vertically aligned with human citizens within a political community (Figure 2.2). The focus here, then, is how corporations inform the status, processes and entitlements of people as citizens.

First, corporations might become involved in governing citizenship where government ceases to do so. This situation mostly occurs as a result of institutional failure and new political ideology in liberal democracies, and in the shift from communist to capitalist systems in transitional economies. This may happen either when corporations have opportunities to step in where once only governments acted or where corporations are already active but their role becomes more pronounced if governments retreat. For example, corporations can become more responsible for providing (or not) citizen entitlements formerly the preserve of public organizations. Thus, we see corporations increasingly active in former public services, such as public transport, postal services, healthcare, water, power and education.

Second, corporations become active in the citizenship arena where government has not as yet assumed the task of governing. Historically, this was the situation that gave rise to paternalistic employee welfare programs by wealthy industrialists in the 19th century. More recently, exposure to this situation for multinationals has arisen due to a lack of local governance in developing countries, which presents corporations with a choice as to
whether to step in as 'surrogate' governments. Corporations such as Nike, Levi Strauss and others have ensured employees a living wage and financed the schooling of child laborers – thereby entering into relationships concerning the entitlements of citizens of developing countries. Similarly, there is evidence that corporations can encourage or discourage oppressive regimes to honor citizenship status and entitlements. Examples are the role of US corporations in the apartheid period of South Africa and more recently in Burma, Chad, Uganda and Sudan.

Third, corporations can become involved where the governing of citizenship is beyond the reach of the nation-state. In transborder issues and activities, corporations have become involved in various initiatives focused on privatized or multisector governance of citizenship, for example, around climate change and human rights.

There are, however, clear limitations and anxieties linked to conceiving of corporations as governments. Foremost, we have to point to the simple fact that corporations initially are not set up for these political tasks and in many ways lack the apparatus, governance mechanisms and indeed the skills for governing citizenship. In particular, their accountability procedures and the degree of transparency with which they are involved in the governance of citizens’ entitlements are generally rather underdeveloped. Ultimately, this shift in roles raises the question of a ‘decline of citizenship’ (Falk 2000) in conspicuous ways: if healthcare or education is administered at the discretion of private, self-interest-driven, unaccountable corporations, they are no longer based on an ‘inalienable’ right of a citizen. At a minimum, we would argue, the shift in corporate roles as examined in this section would require institutional and legal innovations for corporations if we are still to talk about a citizen’s status and entitlements in any meaningful way.

Stakeholders as citizens

Our third conception of citizenship introduces a rather different perspective, whereby citizenship is used as a metaphor for understanding stakeholder relations within the arena of the corporation. Here, we can model vertical relations between the governing body of the corporation and a variety of stakeholders. Thus we are concerned not with governing the political community (as in our first and second conceptions) but with governing the corporation (or, of corporate governance). The focus here, then, is on how corporations constitute an arena in which people can claim certain entitlements from managers based on their status and engage in governance processes (Figure 2.3).

Clearly the ways in which stakeholders relate to corporations varies enormously among individual stakeholder types such as investors, employees,
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Figure 2.3 Stakeholders as citizens

Customers and societal groups, and also among national business systems, and different models of the firm. However, the issue of rights has been central to normative variants of stakeholder theory (Donaldson and Preston 1995). In a similar vein, the debate on ‘stakeholder democracy’ has evoked the notion of understanding the firm and its stakeholder as an arena governed by principles akin to the political sphere (Matten and Crane 2005). More broadly, advocates of the ‘political model of the firm’ (Parkinson 2003) apply the norms of liberal democracy to stakeholder rights and participation, suggesting that the corporation should be seen not as a strictly private institution, but as a social and ultimately political one.

The import of citizenship terminology and concepts into various stakeholder relations may or may not be a conscious decision on the part of those who are writing about them. Where it is conscious, the reasoning is typically of the kind: ‘if stakeholders are thought of as citizens of the corporation, then this would mean that they should have particular rights and responsibilities commensurate with the status of citizens’. Similarly, authors might think along the following lines: ‘a suitable model of workplace democracy can be found in models of political democracy’. Hence, the citizenship literature might be used as a source of inspiration for devising forms and norms of employee participation.

This type of deliberate incorporation of citizenship concepts and models has started to feature in the burgeoning literature on CSR and stakeholder management, not least because of greater attention in recent years to the
problem of making corporations more democratic through stakeholder engagement and participation. The conscious and deliberate appropriation of models of citizenship and democracy is also evident in numerous treatments of employees, though rarely so for other constituencies. For example, Collins (1997) compares the roles of sovereigns and subjects in political, economic and organization theories to argue for the ‘ethical superiority and inevitability’ of participatory employee relations over autocratic management. In so doing, he acknowledges that ‘the first key assumption is that organizational systems are analogous to political and economic systems’ (ibid., p. 491). More recently, Manville and Ober (2003) have attempted to develop a new model of employee involvement from the Athenian model of citizenship, and Boatright (2004, p. 4) has drawn on Robert Dahl’s conception of the corporation as a political system to argue that ‘employees have a right, similar to that of citizens, to participate in decisions that affect them’.

What we see here then is an explicit attempt to articulate and appraise employee relations according to the touchstone of political models of citizenship. However, not all authors are as sanguine about the correspondence of political frameworks to organizational analysis. As Kerr (2004, p. 82) points out in his examination of organizational democracy, ‘the fact is, no matter how appealing it may be as a political and intellectual construct, organizations are not societies in the political sense, and management are not governments’.

Outside of the literature dealing with employee participation, the explicit and conscious use of citizenship concepts to discuss other stakeholder relations is rarer. This does not mean it is not in evidence, but it does show that the application of citizenship thinking may be more problematic than for employees. For instance, although notions of consumer sovereignty are at the heart of economic theories of market exchange, contemporary marketing theory rarely, if ever, makes any explicit comparison between citizen–sovereign and producer–consumer models. We have discussed in some detail elsewhere the ways in which specific stakeholder relations can be accommodated in this approach – and the limitations in doing so (Crane et al. 2004, 2008). The key point is that the basis for their status, entitlements and processes of participation will vary. Unlike citizens, all stakeholders are not expected to be equal, and so it is the vertical relations with management, rather than horizontal relations among stakeholders that have tended to predominate in this approach.

Corporate citizenship and contemporary notions of citizenship
So far in this chapter we have tried to map out main avenues of applying the notion of citizenship to corporations. This has been predicated on the
tacit assumption that indeed there is a relatively consistent, well-established and robust understanding of citizenship in political science and political philosophy, which is ‘out there’ and can be taken – as it were – from the shelf and examined with regard to its applicability to corporations. This, however useful for a first step into this uncharted territory, turns out to be a somewhat simplistic assumption:

The modern conception of citizenship as merely status held under the authority of the state has been contested and broadened to include various political and social struggles of recognition and redistribution as instances of claim-making, and hence, by extension of citizenship. As a result, various struggles based upon identity and difference (whether sexual, racial, ethnic, diasporic, ecological, technological and cosmopolitan) have found ways of articulating their claims to citizenship understood not simply as a legal status, but as political and social recognition and economic redistribution. (Isin and Turner 2002a, p. 2)

As a result we find a rather heterogeneous, multifaceted understanding of citizenship which, admittedly, slightly complicates its application to the corporation. While it is unrealistic to summarize this entire debate, in the following we shall discuss three of the main contemporary reconfigurations of citizenship that have significant implications for corporations. These are: cosmopolitan citizenship, ecological citizenship and identity-based (or ‘cultural’) citizenship.

**Cosmopolitan citizenship and the corporation**

The most obvious transformation of citizenship has taken place in the aftermath of globalization as the latter phenomenon has impacted significantly on the governing capacity of the key reference point of traditional notions of citizenship, the nation-state.4 The emerging phenomenon of ‘cosmopolitan citizenship’ (Delanty 2000; Linklater 2002) – namely, a citizenship enacted through transnational association – reveals a rather colorful spectrum of transformed and extended forms of citizens’ entitlements, status and processes of participation. While concepts such as human rights dominate the aspects of status and entitlements, we see a new arena of participation in the multifaceted, some might even say messy, arena of global civil society with its plethora of actors who differ significantly from one another with regard to power, legitimacy and interests. The debate on cosmopolitan citizenship places emphasis on new ways of enacting citizenship, new modes of participation as well as broader and multiple reference points for what constitutes the relevant political community. If anything, one could argue that cosmopolitan citizenship not only provides new conceptual space for locating corporations in this global arena but moreover, empirically, we witness an active role of corporations in transforming
nearly all of these global specifics and characteristics of citizenship. Arguably then, cosmopolitan citizenship provides a launch pad for considerably thicker notions of citizenship, in particular with regard to the corporate role in shaping citizenship.

The implications of the notion of CC at the global level are therefore ambiguous. On the one hand, cosmopolitan citizenship provides ample space for locating corporations in a variety of aspects of citizenship and thus embeds them in the new landscape of global political governance. On the other, this perspective also highlights some of the limits of corporations in actively taking up this new political role. Besides the fairly modest aspirations that corporations reveal empirically when embarking on the language of global citizenship (see again Table 2.1), the arena of cosmopolitan citizenship currently still appears as a rather uneven playing field, assigning political roles to corporate actors who as yet insufficiently provide corresponding degrees of transparency, accountability, self-restraint and openness to civic deliberation and control.

Ecological citizenship and the corporation
Over the last decades, as a response to growing concerns about the environmental future of the planet, conceptualizing relations of citizenship against the backdrop of the ecological environment has become an increasingly popular way of framing debates in environmental politics (Curtin 2002; Dobson 2003). At a basic level, ecological citizenship is concerned with the status, entitlements and processes of participation that citizens enjoy in relation to the natural environment.5 Again, the notions of ecological citizenship are multifaceted, varying from understanding citizenship as intimate connection with a certain territory or as just an extension of traditional citizenship entitlements, thus including the right to a safe and healthy natural environment. Similar to cosmopolitan citizenship, ecological perspectives can also significantly extend rights and obligations of citizens, creating new civic links to individuals in different territorial regions (who, for instance, are affected by emissions in another region) or even future generations (who might be affected by the ecological impact of the present generation).

Again, the perspective of ecological citizenship has a number of implications for understanding corporations as political actors. First, we see that corporations have in fact been rather active in exporting and shaping notions of (liberal) citizenship which disassociate individuals from their ecological environment. In particular in conflict with indigenous communities, for instance in the mining industry, we have seen corporations at the forefront of transplanting Western notions of property rights onto indigenous cultures, which may clash with more ecologically informed mechanisms of belonging
and territoriality among such groups. Corporations have also faced a growing demand for respecting the ecological claims of their stakeholders who increasingly understand that a safe environment is one of their fundamental civic entitlements. And finally, the current debate on adequate responses to global climate change has confronted corporations with the problem of identifying their relevant community of obligation. All things considered, then, notions of ecological citizenship can contribute to a relocation of corporate responsibility – toward both local and global communities, and toward future generations and non-humans.

Identity-based citizenship and the corporation

Next to the rather distinct extensions of cosmopolitan and ecological citizenship we have witnessed an avid proliferation of alternative citizenship identities which are premised on social identities such as ethnicity, sexual orientation, disability and age, to name just a few. Citizenship identity, often referred to as ‘cultural citizenship’ (Stephenson 2001), captures the way groups understand and project themselves as internally integrated and distinct from others in the polity. These characteristics are then used as a basis for making claims either to share the wider citizenship status from which they have been excluded or to win special citizenship advantages or exemptions in terms of entitlements and/or process. One can possess formal status as a citizen yet be excluded (in law or in fact) from certain civil, political or social rights, or from forms of participation in the political process that are available to others (Calavita 2005). Typical examples would be ethnic minorities or lesbian and gay people who, despite being citizens of a country, have struggled in many instances to fully develop and live their specific interests, aspirations and lifestyles.6

We can locate corporations in the purview of identity-based citizenship in three basic ways. First, business can reflect citizens’ identity. The most prominent example would be what is often dubbed the ‘pink economy’, that is, businesses that are run by and/or cater specifically to gay and lesbian customers. We also see this manifest in food suppliers providing kosher or halal food or with businesses such as the Body Shop or Ben & Jerry’s which for a long time reflected the identities of an ‘alternative’ lifestyle of particular consumer groups.

Second, corporations can play a pivotal role in enabling citizenship identities. This can happen at the very basic level of providing people with a job who otherwise would not have the right to stay in a certain country as is the case with a great many legal and even illegal immigrants in industrialized countries. Furthermore, in an age where many aspects of citizenship are accessed through markets (Crouch 2003) employment as such forms the basis of enacting basic features of citizenship. More specifically,
corporations offer a plethora of goods and services which enable, for instance, ethnic minorities or disabled people to enact various forms of participation in their wider communities.

Third, and as a flipside to the two aspects mentioned, companies have often been associated with inhibiting citizenship identities. This can happen by excluding certain ethnicities or sexual orientations from employment, by restricting the advancement of, for instance, female employees through ‘glass ceilings’, or by producing goods and services that actively contribute to suppress the enactment of citizenship identities. An example of the last is reflected in the ambiguous role of internet service providers in supplying the Chinese government with the necessary tools to censor and oppress religious or ethnic minorities and political dissenters.

Conclusions and future perspectives

So, from our initial examination of the rather unadventurous literature specifically devoted to ‘corporate citizenship’, we have substantially expanded the horizon by thinking about some of the other ways in which corporations and citizenship can come together. Our three relationships (as citizen, government and arena) and our three reconfigurations of citizenship (cosmopolitan, ecological, identity) demonstrate that there are multiple ways to explore the corporation as a political actor with recourse to the literature on citizenship. We shall not seek here to promote any particular approach or agenda; we merely wish to emphasize that different horizontal and vertical relations of authority can be examined, different levels of analysis considered and different models of citizenship applied. Each, we believe, can prove fruitful for further research – as indeed might other relationships and reconfigurations. Each lens demonstrates some of the richness and complexity of the corporate role in citizenship; and together they demonstrate the difficulty of subscribing to a definitive assessment of the corporation’s responsibilities. Since corporations do not fit easily within a single predefined political role, and since citizenship is such a dynamic concept, corporate responsibilities in the field of citizenship are inherently contestable. If we look at the corporation one way, we might suggest one set of responsibilities, whereas if we look at it another way, we may suggest another set entirely.

Perhaps it is not so surprising then that there is significant resistance to the introduction of citizenship into the analysis of corporations, and vice versa. Conceptualizing corporations through a citizenship lens has been brandished as ‘an idea whose time has not yet come’ (van Oosterhout 2005, p. 677) or, even as ‘little more than neo-liberal propaganda’ (Jones and Haigh 2007, p. 66). Such reluctance to embrace corporations within the terminology of citizenship is based on an assumption that to do so is to
legitimize the corporation’s political role. Taking the notion of citizenship seriously, however, helps to analyze political roles that corporations already play, whether we agree with those activities or not, or whether we find them problematic or otherwise. Although citizenship theory does not supply any instant ready-made solutions, it helps us to understand this new reality, and enables us to explore its implications for democracy and societal governance in the 21st century. A debate about the political nature of the corporation has only just begun (for example, Scherer and Palazzo 2007) and the unfolding of ideas about corporations and citizenship can provide an important contribution to these deliberations.

The specific new contribution of citizenship thinking here is that it opens up a debate on the conditions, prerequisites, typical patterns and limitations of corporate participation in power sharing in society – either as (un)equal citizens with other citizens on a horizontal level, or as actors involved in the governance of citizenship on a vertical level. Further research is clearly still needed here on what this might mean in practice for managers and policy makers – and on what the normative implications might be of such developments. Our purpose in this chapter was to start to map out the potential field of inquiry, but multiple modes of investigation – theoretical, empirical, normative and practical – will be necessary to further our knowledge in this area.

Finally, we have also shown, especially in the three reconstructions of citizenship discussed in the final section of this chapter, that when we look at corporations in the context of citizenship we need to be mindful of the possibility that corporations may actually have material impacts on what we even mean by citizenship. Corporations are not passive players in a stable landscape of citizenship institutions. The dynamics of citizenship are at least partly shaped by the activities of corporations. In this context, we would argue that there needs to be a much broader debate also in the neighboring disciplines of politics, international relations, philosophy, sociology and law about the impact of corporations on the dynamics of modern citizenship thinking and practice. While the role of corporations has recently received some attention in these disciplines (for example, Koenig-Archibugi 2002; Ruggie 2004), the debate on citizenship so far shows only limited appreciation of the corporate role in actively shaping and transforming the notion of citizenship. Journals such as Citizenship Studies have published just a handful of articles dealing explicitly with corporations during the last 10 years and seminal contributions such as the Handbook of Citizenship Studies (Isin and Turner 2002b) mention corporations just twice and in passing. A serious debate about corporations and citizenship should ultimately be able to contribute to our understanding not only of corporations, but also of the very notion of citizenship itself. It is here that one of the
most exciting and challenging paths of theoretical development still waits to be discovered.

Notes
1. This chapter draws from several papers and chapters previously published by the authors, namely Matten et al. (2003); Crane et al. (2004, 2008), Matten and Crane (2005) and Moon et al. (2005).
3. While our terminology of 'limited', 'equivalent' and 'extended' views on CC, initially suggested in Matten et al. (2003), has been widely accepted, we acknowledge other approaches. Recently, for instance, Norman and Néron (2008) have suggested a 'minimalist' and 'expansionist conception' of CC, which substantially, though, amounts to a differentiation similar to the one suggested here.
4. For details, see Chapter 7 in Crane et al. (2008), and Chapters 4, 11–14, 17 and 22 of this Handbook.
5. For details, see Chapter 6 in Crane et al. (2008), and Chapter 8 of this Handbook.
6. For details, see Chapter 5 in Crane et al. (2008).

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