

Corporate Citizenship: Introducing Business as an actor in political governance

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1. Context

Corporate citizenship is one of several terms used to capture approaches to business–society relations (Garriga & Melé, 2004). Our argument, and the rationale for this volume, is that there are distinctive aspects of the concept of corporate citizenship which merit special attention because they have been unduly neglected or mistreated in other frameworks for business–society relations, and because of their intrinsic significance.

Perhaps one reason for the relative neglect or mistreatment of corporate citizenship is that the language of citizenship is necessarily political. Citizenship speaks of legal and political status, entitlements and participation in political processes (see Part I of this volume). Aristotle captured this most succinctly when he claimed that ‘The good citizen should know and have the capacity both to rule and to be ruled, and this very thing is the virtue of a citizen’ (The Politics, Book III). This highlights the focus of this collection: can and if so, how, do corporations rule and how are they ruled?

For some, this association of corporations with human political virtue is wholly unacceptable because corporations are not people and therefore cannot be citizens. One of these sceptics’ fears is that this association of corporations with citizenship will lead to inappropriate expectations being made of business (e.g. Thompson, 2012: 53-98). Another fear is vividly articulated by Joel Bakan in his book and film ‘The Corporation’ (2004) which depicts corporations as psychopaths - hardly a creature with a capacity for virtue that Aristotle envisaged for human citizens.

Certainly, the relationship of business to politics is often unwelcome or not well appreciated by scholars of business and society. Many students of business – society relations, including many who contribute to corporate social responsibility, see the political responsibilities of business as no more than obeying the law. For these scholars (McGuire, 1963; McWilliams & Siegel, 2001) any further engagement of business with the political is something of an anathema and smacks of special favours, rent-seeking or worse (Fleming & Jones, 2013; Hanlon & Fleming, 2009).

This is not to say that corporations have uniformly shied from political engagement, far from it (Wilks, 2013). In the USA, particularly, companies engage in political campaigns and use legislative, executive and judicial arenas to press for changes to or defend their regulatory environment (Hillman, Keim, & Schuler, 2004). In Europe and Australasia, historically, and in Asia today, many corporations are wholly or partly owned by governments. Throughout, the world corporations have periodically been associated in patriotic or developmental projects which have an express political purpose. More mundanely, many corporations are routinely involved in delivering public policies, from infrastructure to health and social services, and many corporations find themselves in environments where either by default or by delegation, they administer a range of citizenship rights (Matten & Crane, 2005).

Likewise, companies routinely make decisions about how they are ruled which reveal their citizenship commitments. These range from decisions about their branding, opportunities for covert lobbying, their own and their employees' tax status, their conformity with local and national norms and regulations, and how they square legal and political expectations of their home country and their operations abroad. Moreover, companies are increasingly managing or juggling multiple citizenships as their business operations spread and as their employee bases become increasingly international.

Standing back from the variety of political roles that corporations undertake and what might be entailed in, we should first lay out a few basic observations about what we see as the business–political relationship and what we mean by the political which justifies bracketing it with business in the term corporate citizenship.

At the most basic level it is understood that companies operate in markets, however imperfect. Thus, companies' policies, practices, strategies and impacts not only reflect their own distinctive interests and values, but also the ways in which markets structure supply and demand of resources, and their respective costs and benefits to the company. But markets themselves are not given by God or a hidden hand. They principally reflect rules of exchange and ownership. These rules are of course made and administered by governments as a result in political processes. But political processes are hardly enacted independently of business (Dahl & Lindblom, 1953; Lindblom, 1977).

Governments generally reflect combinations of interest and value. Many governments are constituted by parties who have an express mandate to represent business or a section thereof. Parties which are ideologically opposed to, or cautious of, business will have to deal with business associations, trade bodies and even companies in the framing of legislation. This is because such business organizations will seek to influence governments directly, by lobbying the executive (Richardson & Jordan, 1979; Vogel, 1989; Wilson, 1990). Even governments wary of business will generally prefer to understand business perspectives on proposed regulation in advance, rather than once the regulation is promulgated. Hence they may well invite business representatives to discuss their legislative proposals. Many political systems, particularly in Rhenish and Scandinavian business systems are predicated upon mechanisms for involving organised business and labour in policy-making (Hall & Soskice, 2001; **Molina & Rhodes, 2002**; Schmitter & Lehmbruch, 1979).

Furthermore, companies themselves can act indirectly upon parties and governments by influencing popular opinion (Smith, 2000) as was so vividly demonstrated in the case of the ousting of Australian Prime Minister Kevin Rudd through lobbying activities of mining companies against plans to tax their revenue at a higher rate (Nyberg, Murray, & Rogers, 2012).

Notwithstanding, this wide array of political roles of business, these are rarely articulated by firms as corporate citizenship. Either they are simply passed over and described in more functional business terms (e.g. corporate affairs) or they are described in terms of social responsibility.

This is not to say that the term corporate citizenship is unknown in business (see Part I of this volume). Far from it. Despite a certain wariness about linking business and politics in some business circles, the term corporate citizenship has been part of the lexicon of business – society relations for some time. However, the term is rarely applied to such core political activities. Instead it has a ‘limited’ use concerning corporate philanthropy, for example, or an equivalent use concerning activities which could otherwise quite easily be described as corporate social responsibility. Indeed, leading academic Archie Carroll describes corporate citizenship (Carroll, 1998) in exactly the same way as he had described corporate social responsibility (Carroll, 1991).

Whether the limited or equivalent views of corporate citizenship (see Part I of this volume) arise from a wilful misuse of the term or from ignorance about citizenship’s connotations, our argument is that such usage is misleading, or even mis-selling. This is because, first, it underestimates the range of dimensions of citizenship that would reasonably be associated with the assumption of the term citizenship by corporations. Secondly, it may present a normative view of the company as a fellow member of the society which is not matched by its policies and practices.

Thus, we favour an ‘extended view’ of corporate citizenship (see Part I of this volume). This considers the wider roles of corporations in local, national and international politics; the conditions which shape and limit such roles; and the positive and negative implications of corporations undertaking these roles.

A cursory examination of the Table of Contents of this volume reveals that not every contribution to this collection refers to ‘corporate citizenship’ or even to just ‘citizenship’ or ‘citizens’. In fact, most do not. However, it will also quickly be noted that almost all of the papers contain in their title a word denoting ‘the political’ and ‘the public’. Examples include ‘government’, ‘politics’, ‘power’, ‘institution’, ‘governance’, ‘law’, ‘public’ and their variants. Some include more than one of these. Some link these relatively value-neutral terms with positive connotations of these corporate roles (e.g. ‘responsibility’, ‘mediation’, ‘accountability’, ‘legitimacy’, ‘ethics’, ‘sustainability’, ‘democracy’) which reminds us of the normative thrust of citizenship as an individually and socially progressive concept. However, this is not to say that the papers take a uniformly positive view of corporate citizenship as an idea or as practised. Rather, their evaluations of the political roles of corporations reflect these sorts of normative criteria.

The point then is that the collection assembles papers which investigate, theoretically, conceptually and empirically, the political roles of the corporation. They bring to bear normative evaluative criteria, both narrowly from the concept of citizenship itself, but also more broadly from allied perspectives on responsible, accountable and sustainable business. They also bring yet wider perspectives from understandings of political, economic, environmental and legal performance. The perspective on corporate citizenship in this volume provides is an approach to business–society relations predicated on the combined assumptions that corporations can share with citizens the empirical experience and normative responsibility of being ruled and ruling. This is not to say that every political engagement of corporations should be described as citizenship. It does mean, however, that the concept of

citizenship offers criteria for evaluating the appropriateness of those corporate policies and practices.

We now turn to exploring the main themes of the collection by way of introducing the various contributions.

2. Origins of corporate citizenship (Part I of the volume)

In Part I of this volume we present four contributions which lay out the conceptual space for locating corporations in the arena of citizenship. The first contribution in the management literature that explicitly linked the rising terminology of corporate citizenship to the political meaning of the ‘citizenship’ idea is the chapter by **Donna Wood and Jeanne Logsdon (2001)**¹. They refer to the rather widely accepted, and certainly in liberal democracies, widely embraced conceptualization of Marshall (1965) which sees citizenship as a bundle of social, civil and political rights. Wood and Logsdon show that such a notion of citizenship can be applied to corporations either at the local/national level, or at the international/global level. The chapter thus links the new terminology of ‘citizenship’ to the existing debate on business-society relations (mostly under the label corporate social responsibility, CSR) and also points to some of the limits of applying citizenship and citizen-like behavior to corporations.

It is exactly this latter debate, where Chapters 2 and 3 by **Andrew Crane, Dirk Matten and Jeremy Moon** (Crane, Matten, & Moon, 2008b, c) start to systematize the place of corporations in the wider theory on citizenship. Their starting point is a notion of citizenship which takes into account its controversial and in fact contested nature (see also Chapters 9 and 13 in Part II for more detail). Crane et al. identify three core elements: status, entitlements, and process.

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 does it take to become a citizen, are essentially questions about how the status of citizenship is acquired and by whom. As Turner (2001: 192) argues, citizenship is both an ‘inclusionary process’ and an ‘exclusionary process’ that confers a privileged status on some and excludes others ‘on the basis of a common or imagined solidarity’. Three types of *entitlements* are identified in civil, political, and social rights, which include among them freedom of speech, rights to vote, and welfare entitlements respectively (Marshall, 1964). The third theme through which they characterize citizenship is *process* – or more precisely, *processes of political participation*. This provides an active component to citizenship that is largely absent in the status and entitlement components. By bringing in the Aristotelian assumption about duties of citizenship, to each other and to the polity as a whole, Crane et al. 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.

Chapter 2 starts with an analysis of how we can characterize corporations if we define them as corporate ‘citizens’. It thus provides a timely overview of the discussion of corporate citizenship in business practice and in the management literature, where the concept has been generally used as a synonym for CSR. Based on this debate then Crane et al. examine the

¹ References highlighted in bold form part of the chapters reprinted in the volume to which this paper is the introductory part.

degree to which we can see the private business corporation as a fellow citizen, next to other members of a political community. The chapter argues that the greatest potential for corporate citizenship is in the aspect of participation. It also argues that with regard to status and entitlements of citizenship, in particular, there are certain limits and distinct normative implications of this role of corporations.

One of the limits of applying citizenship to corporations, Crane et al. argue, is the vast power differential between ‘corporate’ and ‘individual human’ citizens. When corporations participate in societal governance as fellow citizens, for instance in the field of education or the environment, it turns out that due to their resources they much more resemble governments, rather than individual citizens. If companies provide funding for academic research or teaching, or if they sponsor health care initiatives, their resources and power often makes them act rather more like governments as the ultimate administrator and guarantor of citizenship entitlements. This is the focus of Chapter 3 where Crane et al. conceptualize corporations in their role as governors of citizenship.

Wayne Norman and Pierre-Yves Néron’s (2008) paper echoes and underscores many of the points made by Crane et al. It is an important contribution as the authors, first, provide a rather critical approach to the topic and review quite extensively the limits and caveats of applying citizenship to the private corporation. Furthermore, the paper led to quite a vivid discussion² in the journal in which it was published (*Business Ethics Quarterly*) and can thus be seen as one of the key publications which made a politically informed view of CC more common currency in the management literature.

3. Developing links between politics, citizenship and business (Part II)

So far in this volume we have mapped out the broad territory of CC and adumbrated fundamental ways in which we can locate the private business corporation in the broader arena of citizenship. Citizenship in this opening part has been introduced as a distinctly political idea which raises a host of questions around the role of business in society. After all, if we look empirically at, for instance, the legal charter under which corporations function, the role of most businesses is defined chiefly by economic imperatives (Stout, 2012). This is reflected in much of the management literature where corporations are predominantly defined as economic, profit maximizing agents with few other functions and responsibilities to wider society (Jensen & Meckling, 1976; Jensen, 2010). To understand then the implications and characteristics of CC, and indeed the wider political context in which companies act, it is important to embed the notion of corporate citizenship in wider debates on the relationship between corporations and the political sphere more general. This is the topic of Part II of this volume.

This Part is divided into four sections: Business, politics and power; The changing nature of governance and citizenship; Corporate social responsibility and politics; and Implications.

Business, politics and power

² *Business Ethics Quarterly*, Volume 18, Issue 1, January 2008.

The way we locate CC in this volume puts it clearly into the context of seeing business as part of the wider political sphere of society. The relationship between business and politics then has in fact been an object of interest for political scientists and management scholars alike. **David Vogel (1996)** provides an overview of the intersecting field business and politics and even though it is nearly two decades old the paper has become a staple in the field. Two things are worth noting. First, Vogel highlights the growth of globalization after the Cold War as one of the key reasons the study of business and politics has become more relevant, an aspect we will revisit in Part IV of this volume. Second, he also diagnoses a certain neglect of the topic in the management literature, which of course motivates us to present this volume in order to address the relative lack of cross fertilization between the politics and management literatures.

Another classic in the field is **Edwin Epstein's (1973, 1974)** two part examination of corporate power in society. As we have already argued above, the power differentials between business and individual citizens have shaped much of the debate on corporate citizenship. At the same time, especially from the business community, we often encounter a somewhat oblivious attitude towards the topic of corporate power. Epstein's analysis provides a comprehensive account of the major dimensions of corporate power, which is fundamental for the analysis of what it means to see corporations active in the arena of citizenship.

The changing nature of governance and citizenship

The advent of corporate citizenship and the exposure of corporations to the political sphere of society is part of wider shifts in the way societies are run, which brings us to the theme of societal governance or 'how we are governed'. **Jeremy Moon (2002)** provides an introduction into what is commonly referred to as 'new governance'. This term relates to shifts in the modes and spheres of societal governance which have blurred the lines between government, business and civil society. The concept of governance is central to the idea of corporate citizenship as citizenship is integral to the ways in which individual citizens relate to each other (horizontal level) and how they relate to authority (vertical level). Moon's paper is also important as it makes clear that *governance* is no longer synonym with *government*, and that business has a role and adjacent responsibilities in this era of 'new' governance.

On a similar level, it is also important to understand the developments and dynamics around the concept of 'citizenship'. In their review article **Engin Isin and Bryan Turner (2007)** demonstrate that the meanings of citizenship, as discussed in Part I of this volume, are by no means static and cast in stone once and for all. On the contrary, through various social and political changes the notion of citizenship has evolved of the last decades. This is an important aspect of the debate on corporate citizenship, as there is an ongoing controversy about the possibility of applying citizenship to corporations. Isin and Turner's paper is also interesting for another observation:

"The defining economic principles of Keynesian citizenship—high personal taxation, adequate pensions for retirement and a welfare safety net—are being eroded. The institutional framework of a common experience of membership of a political community—taxation, military service, a common framework of national education, and a vibrant civil society—is declining, and this development is the real basis of the erosion of social citizenship in modern democratic states. This decline is in fact the privatization of public identities following the privatization of public utilities." (Isin et al., 2007: 10)

These developments are very well rehearsed in many of the papers in this volume arguing in favour of a political role for private corporations. It is conspicuous though that Isin and Turner never mention one of the pivotal actors responsible for many of the changes in our understanding of citizenship, namely business.

Corporate social responsibility and politics

The debate on the role of business in wider society in the management literature has been discussed predominantly under the label of ‘corporate social responsibility’ (CSR). **Andreas Scherer** and **Guido Palazzo’s (2007)** paper, first, provides an overview of this field of business studies and how it has evolved over the last decades. Second, Scherer and Palazzo show, that many of the contemporary CSR activities of business are in fact governance activities. They use Habermas’ concept of the ‘post national constellation’ to argue that this is not just an accident, but a reflection of fundamental changes in the way modern societies are governed.

While Scherer and Palazzo’s paper could be read as suggesting that the political nature of CSR is a recent phase in the history of the concept, **David Detomasi (2008)** makes a broader argument for fact, that CSR in its very nature is political as it is shaped and it reflects the political systems of the corporate environment. CSR then is inherently political as it is a response to political imperatives on the corporation. A similar argument is made by **Colin Crouch (2011)** who argues that since corporations are inherently involved in governance, CSR can be understood as the bracket over all those activities that are part of the corporation’s involvement in societal governance.

Finally, **Pierre-Yves Néron’s (2010)** paper introduces the terminology of firms as ‘political actors’ as a new phase in the debate on CSR. Néron thus discusses and contextualises many of the contributions to this volume. This chapter is not only useful in systematising the academic discussion in CSR on the political role of firms, but it also points to the limits, dangers and weaknesses of such a debate for management research and practice.

Implications

The wider literature on business and politics has analysed the changes so far discussed in Part I of this volume in many aspects. The paper by **John Boatright (2011)** (Chapter 14) analyses this literature and examines the implications of ‘new governance’ (see Chapter 8 by Moon above) for corporate governance. Though not uncritical of the debate, Boatright identifies new forms of network governance and a lesser emphasis on shareholder primacy in the governance of private firms. **David Sadler** and **Stuart Lloyd (2009)** move the perspective towards the implications of new balances between state-centered and private-corporate forms of regulation. They add a critical element to the debate by specifically interpreting the advent of CSR as a result of what is often referred to as ‘neo liberal’ reforms in political governance. A similar perspective is advanced by **Doreen McBarnet (2007)** by examining the legal implications of those changes. The paper is particularly useful in understanding that the well rehearsed cliché of CSR being just a voluntary, ‘above and beyond the law’ (e.g. Blecher, 2004) activity of business is utterly inappropriate. Rather, the paper examines the complexities of interaction between the law, government and business in the context of new governance.

The paper by **Timothy Fort (1996)** Draws on theology to present business as one of many ‘mediating institutions’ in society. As such, business, along with other mediating institutions such as family, church, NGOs, fulfils a vital role in meeting the associational needs of civil society. Fort’s paper is instructive as it rehearses many of the arguments visited in this volume from a rather different perspective. The chapter demonstrates not only the complexities of the changes discussed but also the value of multiple lenses on the new role of business in society.

4. Citizenship and the corporation at the national level (Part III)

In Part III of this volume we turn our attention to the actual political relations and political activities of corporations, be it in a citizen- or government-like role. This Part is divided into three sections: Citizenship, corporations and democracy; Corporatism; and Issue arenas: lobbying and privatization.

Citizenship, corporations and democracy

These papers examine the broader debate on the corporate role in politics and provide an overview of the potential and limits of this debate. **Steven Gerencser (2005)** examines the notion of ‘corporate personhood’ from the perspective of democratic theory. A well rehearsed basis for argument against corporate citizenship is the vast differences in corporate and private personhood. Gerencser, while mindful of the differences, explores the conceptual space for seeing corporations as persons and explores the potential of the idea of corporate personhood for enhanced rights, liabilities and accountability of corporations.

The next two papers (Chapters 19 and 20) focus particularly on the management literature and the way this literature has explored the corporate role in politics. **Stephen Barley (2010)** depicts how corporations in the United States have successfully created an entire new system of ‘corralling’ government, but he also notes the relative dearth of studies in management which critically explore this corporate influence on the political sphere. The most prominent field of study in management is often referred to as ‘corporate political activity’ (CPA) as part of the strategy literature (Hillman et al., 2004). **Satu Mantere, Kalle Pajunen and Juha-Antti Lamberg (2009)** provide a review and critique of this field of study arguing that the strategy literature basically suggests that corporations should ‘use’ the political sphere (much in the way Barley describes it) for the interest of the firm. Mantere et al. label this behavior ‘sociopathic’ as it potentially undermines the democratic system. The paper is important not just because of its critique of a largely a-political approach in management research but also as it points to the necessity of a more politically informed study of business and politics in the management literature.

Corporatism

One distinctive form of corporate involvement in politics and wider governance in society is the practice defined as corporatism. This is an approach to policy making based on collaboration and bargaining between government, business, trade unions and other civil society groups. This approach to governance is particularly strong in Europe and **Oscar Molina and Martin Rhodes’ (2002)** classic article shows not only its persistent relevance but it also identifies corporatism as a particular mode in which ‘corporate citizens’ have been

actively involved in politics and policy making for most of the past half century. **Maria Gjørberg's (2009)** comparative study of CSR practices in Europe (and the USA, by comparison) shows what we have seen at a conceptual level in Part II of this volume: CSR – particular in countries with a more corporatist tradition – is often deeply rooted and embedded in corporate agency within the existing political structures of countries rather than a voluntary, business case-driven practice by corporations alone.

Issue arenas: lobbying and privatisation

In the final section of Part III we turn to specific practices of corporations in the political process. All three papers not only analyze the field of corporate involvement in politics but also raise evaluative questions of corporate accountability, legitimacy and transparency in doing so. While none of the papers refers in any detail to the notion of citizenship they all though can be read as providing a set of duties and expectations towards business when it becomes involved in political governance.

Daniel Ostas (2007) analyses lobbying as a corporate activity to influence lawmaking in the American context. While lobbying in general has a whiff of the unethical (see Chapter 19) Ostas argues, much as Crane et al. did in Chapter 2, that the ‘corporate citizen’, as it were, has the duty to participate in this area of governance, however not unconditionally and without self-restraint. **David Coen and Wyn Grant (2001)** explore another contemporary platform of business and government relations by analyzing the Transatlantic Business Dialogue. They identify such forums as an emerging form of shared governance in which lawmaking can draw upon information and input from business, but which also raises potential problems.

Heather Elms and Robert Phillips (2009) explore the role of corporations which take on a quasi governmental role (Chapter 25). Such a role has often fallen to corporation when governments have privatized the administration of certain civic entitlements of citizens, such as provision of education or healthcare, utilities or public transport. Elms and Phillips study this topic in the rather recent context of privatized military service providers. Such privatization of core governmental functions raises not only new managerial challenges; it also implies new moral imperatives for corporations and their stakeholders engaged in this form of collaborative governance.

5. Citizenship and the corporation at the transnational level (Part IV)

As we have argued above one of the main drivers of corporations into the arena of citizenship has been the advent of globalization. In this concluding Part of the volume we explore this context in more detail. The Part is divided into two parts: Globalization, political action and the corporation; and Issue arenas: Human rights and environmental protection.

Globalization, political action and the corporation

The chapter by **John Ruggie (2004)** provides a comprehensive overview over what has changed in the governance of the ‘public domain’ through globalization. It shows that the social space in which political decision making takes place now clearly transcends the confines of the nation state and the classic political arena. While we argued in Part III that

corporations are involved in this arena at the national level, Ruggie describes the new global arena of governance, in which national governments are joined by a new set of political actors, most notably NGOs and multinational corporations.

While we discussed the question of corporate power in general earlier in this volume (Chapters 6 and 7) it is worth noting that this phenomenon warrants re-visiting at the global level. **Doris Fuchs (2005)** addresses this topic and challenges the notion that while national governments' authority is weakened at the global level, business power has risen, putting private corporations in the 'commanding heights' of global political power. By carefully differentiating types of business power Fuchs argues that the picture is rather multifaceted. The paper highlights that while corporate citizenship at the global level enables companies to participate in governance, this is by no means entirely a position of unilateral power and influence above and beyond nation states and other global actors.

Chapter 28 by **Andreas Scherer and Guido Palazzo (2011)** from a management perspective conceptualizes what they refer to as 'the new political role of business'. In some ways it is a follow up on their earlier work (see Chapter 10), but integrates the wider debate on the political role of the firm in management studies, with a particular focus on the literature in the business-and-society field. The paper shows, that corporate citizenship has been just one analytical lens on this wider debate and in some ways reflects how its advent in the management literature (see also Scherer & Palazzo, 2008; Scherer, Palazzo, & Matten, 2009) has given rise to a much broader debate, including a rethinking of fundamental questions around the theory of the firm and corporate governance structures.

Issue arenas: Human rights and environmental protection

The role of corporations in the citizenship arena, as outlined in Chapters 2 and 3 of this volume exposes them to political questions in various policy fields. Among the most pressing are the governance of human rights and the governance of global environmental problems. The first area enters the corporate agenda often in contexts where host governments of multinational corporations do not sufficiently protect those rights while the latter arena is a classic example for a globalized space where governments are no longer able to govern with exclusive authority.

Stephen Kobrin (2009) scrutinizes the way multinational companies become exposed to taking responsibility for the protection, enactment and defense of human rights. He identifies various levels at which companies become exposed to these new expectations and categorizes types of responses to address these expectations. He also identifies specific tools and approaches that company managers can apply to address these new challenges. The paper by **Nien-hê Hsieh (2009)** takes this corporate role one step further. Not only do corporations have a responsibility to 'manage' human rights, but if they are exposed to contexts where these are not institutionalized, they have a responsibility to create those 'background institutions'. Hsieh conceptualizes a number of contexts specifically: healthcare, education, corruption prevention, trade unions and human rights training of government officials. His argument focuses on the justification and legitimacy of corporate involvement in participating in these aspects of societal governance.

Climate change constitutes a quintessentially global environmental issue. Whereas at the time of the Montreal- or Kyoto Protocols nation states appeared to be the pivotal actor, it has become clear more recently that private corporations are also pivotal. **David Levy and Daniel Egan (2000)** analyze the role of corporations in this global policy arena. The paper

also provides insights into why corporate citizenship is not always perceived favorably (Fleming et al., 2013): corporate involvement in governance does not necessarily mean that corporations always assume this role in a responsible fashion. However, expectations of company contributions to global environmental governance continue to grow. **Oren Perez (2011)** maps out this new field of ‘ensemble politics’, which describes the multiple tools of self regulation, industry agreements, guidelines and sanctioning mechanisms which are applied in governing these issues at the global level.

6. Discussion and Conclusion

In this Introductory essay we have explained the significance of the concept of corporate citizenship in terms of: the reality of the political roles of the firm, the ways in which business social responsibilities have extended to enlarge these political agendas, and the normative claims made by, and expectations placed upon, business regarding their relationship with society.

Accordingly, in Part I we traced recent key works which have enlivened thinking about the basic idea, possibilities, and implications of corporations and citizenship. In Part II, we trace key themes which relate politics, citizenship and business: political power; governance and citizenship; and corporate social responsibility and politics; and we discuss their general implications. Part III focused on the national level to explore such themes as: citizenship, corporations and democracy; corporatism; and the issues of privatization and lobbying. Finally, in Part IV, we explore global aspects of the relationships, notably around the global political action of the corporation, and the issues of human rights and environmental protection.

In the remainder of this section, we briefly discuss some of the prospects for business and politics in general and the concept of corporate citizenship in particular. This we do by considering prospects for policy and practice, and by identifying research questions arising.

First, from the perspective of business, a key question concerns the extent and way in which companies account for their political roles as outlined in the chapters of this volume. Relatedly, the question arises as to whether companies embed their political roles in the wider strategies and practices, or whether they prefer to distance themselves from the overtly political. In general it should be noted, that companies so far have been reluctant to actively assume and promote their political roles, power and responsibilities. It is also worth pointing out in this context that companies from non-democratic systems account for an increasing share of the world’s business. Chinese state-owned enterprises, for instance, increasingly feature in Africa, and bring with them agendas for improving host country infrastructure and provide a number of social services – all conventionally governmental roles. But they also raise questions about the normative basis upon which such a political role is exercised. Given the Chinese approach to human rights and other ‘democratic’ values it is very much an open question which forms of evolving corporate citizenship we are going to witness in these contexts.

Second, Turning to the perspective of government, in view of the national and international governability challenges that public policy-makers have sought to address by involving business, the question arises as to whether they will seek to utilize business organizations in other areas of governing. While privatization has been a long standing practice with regards to utilities, telecommunications or public transport, we have witnessed similar tendencies with private security companies (**Helms and Phillips, 2009**) and penal institutions, but it

remains an open question how far further this is going to expand, raising further questions about the political dimensions of private corporations.

In contrast to this theme of incorporation, there is also the question of greater regulation of business in the interests of the citizenry at large. Debates continue over regulation of the finance industry at national and global/regional levels, including limiting the operations that single institutions can perform (i.e. separating retail and investment banking) and about regulating executive remuneration. Also the recent revelations about the tax minimization strategies of international companies have raised the spectre of greater regulation to secure fiscal contributions which more accurately reflect wealth-creating activities now pre-occupy national governments, the European Union and the G8.

Thirdly, there has been an increasing trend of governments – and governmental leaders - which do not simply reflect business interests in general, but which appear to operate for or against particular sectors or individual companies (e.g. in Chile, Italy, Russia, Thailand or Turkey). In these cases the questions raised are rather different from those that face governments which seek to act on behalf of the citizenry in general terms (as is at least theoretically the case in the first two examples given). Rather, in this third class of cases, the possession of governmental power is an opportunity to (dis-)advantage particular business interests, which would presumably be, at least theoretically, contrary to the will of the citizenry at large.

Turning to research agendas it can be hoped and anticipated that all of the above items will challenge and stimulate research around corporate citizenship. Other more general issues also arise. The first concerns the possibilities of global citizenship for companies. One possible consequence of the two Bangladeshi supply chain disasters in 2012 and 2013 is that international textile companies which supply from that country have started to act collectively in order to exert pressure on the government of Bangladesh to secure a reliable health and safety at work regime. This raises the more general question about the national and international sources of global corporate citizenship and the relationship between them.

More generally yet, future research could usefully address theoretical issues around corporate citizenship and corporate governance on the one hand (the question of control), and value creation on the other hand (the question of innovation and entrepreneurship). Underlying these specific research questions lies the challenge of developing an integrative theory of the firm or, more challenging yet, a theory of the firm which embraces the political. As Crane et al. (2008a) and Hart (2010) have noted, this is elusive for such basic reasons of its novelty and the diversity and complexity of business operations and contexts. Our contention, however, is that the notion of business membership of societies and by extension, polities, is as fundamental to the operation of markets as is the ability of companies to develop competitive strategies and, thereby, to integrate supply, labour and customers. More specifically, corporate citizenship constitutes a means by which companies can legitimately pursue their own interests whilst also acting in solidarity with each other, with human citizens and with governments.

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