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### Corporate Citizenship: Missing the Point or Missing the Boat? A Reply to van Oosterhout<sup>1</sup>

We are delighted to take this opportunity to respond to Hans van Oosterhout's comments on our note, "Corporate Citizenship: Toward an Extended Theoretical Conceptualization" (Matten & Crane, 2005). As he correctly observes, one of the main aims of our deliberately provocative article was to stimulate conceptual debate and development around the notion of corporate citizenship (CC). For too long, the CC concept has been wielded by members of the Academy with little sense of what it might or might not contribute to our understanding of business-society relations—and usually at the cost of simply adding to conceptual confusion for the sake of gaining a little more exposure for its academic progenitors. That we have prompted van Oosterhout to join us in breaking out of this conceptual cul de sac is exactly the kind of outcome we were hoping for. And that he does so by apparently disagreeing with almost all of what we say just goes to show what an intellectually rich, but also challenging, debate we have opened up!

In essence, we would contend that van Oosterhout does not disagree with us nearly as much as his gut reaction led him to believe. Moreover, one of the main reasons he thinks our extended theoretical conceptualization of corporate citizenship is "an idea whose time has not yet come" is that he is actually already trying to extend and build on our core concept rather than deal with its central propositions. Quite simply, he is attempting to run before we've even started walking. So, let's get this back to basics with two brief clarifications (where van Oosterhout is missing the point) and then three major

<sup>1</sup> We thank the participants of the seminar Corporate Citizenship: Fact, Fad or Fiction, hosted by the Erasmus Research Institute in Management (ERIM) at Rotterdam School of Management, Erasmus University, for their comments and suggestions on this dialogue.

substantive points (where he is in danger of missing the boat).

The points of clarification are simple enough. First, van Oosterhout mistakenly suggests that merely because we have shown that CC has emerged from the same stream of literature as corporate social responsibility (CSR), our conceptualization of CC should stand or fall on whether the concept of CC "does a better job in descriptively capturing what is presently denoted by the concept of CSR" (p. 680). This is patently not the case. Nowhere in the article do we argue, or intend to argue, that our conceptualization of CC is a "conceptual improvement on the concept of CSR" (p. 677). What we do set out to do is compare it with other conceptualizations of CC (the *limited view* and the *equivalent view*, to use our terminology). The fact that these are revealed by us to rely on lazy derivatives of CSR simply illustrates the paucity of conceptual development around CC, not whether CSR is fit for purpose or not. In our article we offer a departure from the redundant conceptualizations of CC currently on offer, not an extension to CSR.

The second point of clarification is also straightforward. Van Oosterhout inadvertently confuses our evidence on the uptake of the *terminology* of CC by corporations with a suggestion that our extended *conceptualization* of CC "is enthusiastically embraced in the corporate world" (p. 678). We make no such suggestion. In fact, as we make clear, it is precisely the limited and the equivalent views of CC that constitute "the conventional use of CC in the academic and practitioner management literature" (Matten & Crane, 2005: 168), not our extended view. Moreover, we argue in the paper that corporations in fact "frequently have sought to downplay this extended role and elucidate to the public the proper (i.e., more limited) role of business" (Matten & Crane, 2005: 175).

These two clarifications are fairly important, because they suggest that van Oosterhout has somewhat misunderstood our intentions in the article. However, his main criticisms actually run a little deeper than this and are more about our overall method and scope of conceptualization. Obviously, if he is judging the method and scope according to a set of intentions that were not actually those intended, he is almost bound to find them wanting. Nonetheless, van Oosterhout's response actually hits on some bigger questions about conceptualizing in general, and

our conceptualization of CC in particular, which demand attention regardless. Essentially, his criticism amounts to three aspects: (1) that our central claim about corporations taking on the administration of citizenship rights is "highly speculative," (2) that we fail to offer an adequate explanation of why corporations would take on such responsibilities, and (3) that our conceptualization of citizenship is inadequate because we fail to discuss corporate rights along with these responsibilities. According to van Oosterhout, the first two are failures of "extension," whereas the latter is a problem of "intension." Let us address each in turn.

### THE CORPORATE ADMINISTRATION OF CITIZENSHIP RIGHTS IS HIGHLY SPECULATIVE

Van Oosterhout rightly observes that our extended theoretical conceptualization of CC is an exercise in positive theory building and that, to achieve this aim, we need to offer either a better fit with empirical evidence or a better explanation of reality—or both. Notwithstanding the fact that van Oosterhout mistakenly assumes our conceptualization is intended to be "an improvement on . . . CSR," he is right to assess our contribution on its descriptive robustness. But are we really "highly speculative" in our "sweeping claim"? Not at all.

In our note we identify very clear contexts and attendant mechanisms by which some of the administration of citizenship has passed into the corporate realm. Most of these mechanisms are so self-evident that they hardly require much in the way of empirical substantiation, although we most certainly offer a range of examples, illustrations, and, yes, empirical studies to support our claims. But unless the strength of our theorizing is to be measured by the length of our reference list, van Oosterhout is on shaky ground in claiming that there is a lack of empirical evidence. Many public services have clearly been privatized; corporations have most certainly become increasingly involved in self-regulation through codes of conduct and other forms of privatized regulation; civil rights proponents have evidently confronted corporations operating in countries such as Burma, Nigeria, and South Africa; and citizens have demonstrably taken to expressing their political will through corporations. These are just some of the

various phenomena that we discuss in the paper. Clearly, what we are talking about here is not something that “has yet to take place” (p. 678), but, rather, something that is contemporaneous (e.g., Margolis & Walsh, 2003). If van Oosterhout really thinks that the “time has yet to come” before we should be conceptualizing these events, he is in real danger of missing the boat.

The point, then, is not so much whether the events and mechanisms we refer to have empirically happened but what they *mean*, especially when examined as a whole. This is where the element of explanation comes in and where the real power of our extended theoretical conceptualization lies. What we do in the note is link a series of apparently unrelated empirical realities and then make new meaning about them. For instance, the privatization of water can just be seen as a change in ownership and a shift to a new institutional framework of markets. Although the provision of water might shift from one sector to another, we might assume that the administration of citizens’ rights to basic commodities such as water remains with governmental actors. However, if we couple this with the failure of governments in less developed countries to protect their citizens in any meaningful way in global markets, and with the growth in activity by corporations to deal with social problems, we can begin to see that something important may be happening in the way that aspects of citizenship are administered. The old idea that the boundaries between the state, market, and civil sectors can be easily delineated has been increasingly challenged in an era of shifting roles and responsibilities, as well as increasing interactivity and multiactor partnerships (e.g., Doh & Teegen, 2003). In our view of CC, we seek to map out new conceptual ground in addressing these apparent changes.

#### WHY SHOULD CORPORATIONS TAKE ON THE RESPONSIBILITY OF ADMINISTERING CITIZENSHIP RIGHTS?

The second of van Oosterhout’s problems of “intension” addresses the “mind-boggling” question of why corporations should take on responsibility for administering citizenship rights. While this could be an interesting question, it is not one we seek to address in our note. Our analysis is limited to identifying

contexts, mechanisms, and processes through which corporations may enter the arena of citizenship administration—regardless of whether they subsequently accept any additional responsibilities. Van Oosterhout, however, is interested in motivations. As such, he is presuming that corporations would have to deliberately intend to take up the role of administering citizenship. We do not share van Oosterhout’s presumption that, to make a descriptive claim (“corporations *are* administering citizenship rights”), we have to assume intent on the part of corporations (“corporations *intend* to administer citizenship rights”) and motive (“corporations administer citizenship rights *because . . .*”). Social phenomena rarely happen by the volition of one party, and our argument relies on identifying antecedents, not intentions or motivations. We make this very clear in the note: “We refrain from discussing here the motivations that might lead (or not lead) corporations to take on some responsibility for administering these rights. We suggest a range of motivations might be evident” (Matten & Crane, 2005: 173). In fact, there is no particular reason to suggest that the shifts we identify are even acknowledged, yet alone desired, by corporations. As we explained above, when corporations talk of CC, they do not mean the extended conceptualization that we have formulated.

Essentially, the point for us is not whether corporations do or do not intend to take on this new role. Our aim is simply to show that citizenship issues are beginning to confront corporations, whether they want them or not, whether they intend it or not, or whether they even notice or not. Although we do not speculate, in our original note, on a deeper “cause,” we might hypothesize that the shifts in the citizenship arena are largely an unintended and unanticipated consequence of the multiple events occurring in the global political economy. In the paper we identify and bring together piecemeal changes in business-society relations in order to say something new about the role of corporations in the reconfiguration of citizenship. Of course, the questions of whether we, as a society, really want this to happen and whether corporations are equipped to take on such responsibilities are critical. They are also questions that we should not wait any longer to face—despite van Oosterhout’s suggestion that the “time has yet to come.”

## A CONCEPTUALIZATION OF CC MUST DEAL WITH THE ISSUE OF CORPORATE RIGHTS

Finally, we come to what van Oosterhout regards as the "most serious omission of the paper"—namely, our decision to focus only on corporate responsibilities for administering citizenship, rather than the rights corporations may want to claim in return. This is indeed a crucial piece of the puzzle, and it is here that we believe van Oosterhout's dialogue piece makes its major contribution.

Citizenship, as van Oosterhout declares, and as we have discussed at length elsewhere (Moon, Crane, & Matten, 2005), is an "essentially contested" concept. In the note, however, we chose to offer a concise and relatively simplified conception of citizenship, albeit the one most widely accepted in modern industrialized democracies—namely, the liberal view. According to this view, citizenship most certainly is about reciprocal rights and responsibilities, as van Oosterhout suggests. However, the liberal tradition of citizenship focuses primarily on the rights of citizens and the responsibilities of the state, not the other way around (e.g., Kymlicka & Norman, 1995: 285–286; Schuck, 2002: 136). Therefore, in our paper, the decision to focus only on the rights of citizens and the attendant responsibilities of corporations/governments was simply a mirroring of this tradition. However, van Oosterhout offers an extremely useful extension to our analysis by also considering the rights of corporations in this equation (although not, it must be said, the reciprocal responsibilities of citizens, which he ignores). We agree that this discussion needs to take place. However, it can only do so once we have admitted corporations into the realm of citizenship—an initial and necessary first step our paper seeks to achieve.

The interesting point here is that whereas van Oosterhout argues that we are too far ahead of the curve in our theorizing—that the time of CC "has yet to come"—in his discussion of corporate rights, he is already extending our core idea. Crucially, we would contend that by contributing to these debates van Oosterhout is not as adverse to the idea of corporations acting in the realm of citizenship as his vehement response to our article might suggest. The whole of his discussion about corporate rights and the

intention of CC (which makes up the largest part of his dialogue piece) is predicated on the basic idea that corporations can, in principle, act as a counterpart of individual citizenship and that we need to discover whether there are legitimate grounds for ascribing specific rights to them. This is less a rejection of our argument and more an attempt to take up the challenge of further elaborating on our conceptual development. For that, we are very pleased that he has taken the trouble to engage in dialogue.

In conclusion, van Oosterhout offers an interesting critique of our note. For all his avowed disagreement, by drawing attention to corporate motives and rights, he is actually locating his discussion within a conceptual domain that actually extends beyond our relatively modest aims. Provided this is understood, we can only welcome his efforts to engender further conceptual development. However, this development does not so much suggest that our conceptualization of CC is an idea "whose time has not yet come," but rather that the time is right to elaborate and extend upon our core concept.

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