Electronic Journal of Business Ethics and Organization Studies

In this issue:

Manuscript Submission and Information for Authors

Copyright

Submissions

Submissions should be sent as an email attachment and as Microsoft Word doc format to:

Editor in Chief
Professor Tuomo Takala
Jyväskylä University School of Business and Economics, Finland
email: tuomo.a.takala@jyu.fi

Editorial objectives

Electronic Journal of Business Ethics and Organization Studies EJBO aims to provide an avenue for the presentation and discussion of topics related to ethical issues in business and organizations worldwide. The journal publishes articles of empirical research as well as theoretical and philosophical discussion. Innovative papers and practical applications to enhance the field of business ethics are welcome. The journal aims to provide an international web-based communication medium for all those working in the field of business ethics whether from academic institutions, industry or consulting.

The important aim of the journal is to provide an international medium which is available free of charge for readers. The journal is supported by Business and Ethics Network BON, which is an officially registered non-profit organization in Finland. EJBO is published by the School of Business and Economics at the University of Jyväskylä in Finland.

Reviewing process

Each paper is reviewed by the Editor in Chief and, if it is judged suitable for publication, it is then sent to at least one referee for blind review. Based on the recommendations, the Editor in Chief decides whether the paper should be accepted as is, revised or rejected.

The process described above is a general one. The editor may, in some circumstances, vary this process.

Special issues

The special issue contains papers selected from
• the spesific suitable conferences or
• based on a certain relevant theme

The final selection is made by the Editor in Chief, with assistance from the EJBO's Editorial team or from Conference Editorial team. In the case of conference papers, articles have already been reviewed for the conference and are not subjected to additional review, unless substantial changes are requested by the Editor.

Manuscript requirements

The manuscript should be submitted in double line spacing with wide margins as an email attachment to the editor. The text should not involve any particular formulations. All authors should be shown and author's details must be printed on a first sheet and the author should not be identified anywhere else in the article. The manuscript will be considered to be a definitive version of the article. The author must ensure that it is grammatically correct, complete and without spelling or typographical errors.

As a guide, articles should be between 3000 and 8000 words in length. A title of not more than eight words should be provided. A brief autobiographical note should be supplied including full name, affiliation, e-mail address and full international contact details as well as a short description of previous achievements. Authors must supply an abstract which should be limited to 200 words in total. In addition, maximum six keywords which encapsulate the principal topics of the paper should be included.

Notes or Endnotes should be not be used. Figures, charts and diagrams should be kept to a minimum. They must be black and white with minimum shading and numbered consecutively using arabic numerals. They must be refereed explicitly in the text using numbers.

References to other publications should be complete and in Harvard style. They should contain full bibliographical details and journal titles should not be abbreviated.

References should be shown within the text by giving the author's last name followed by a comma and year of publication all in round brackets, e.g. (Jones, 2004). At the end of the article should be a reference list in alphabetical order as follows

(a) for books
surname, initials and year of publication, title, publisher, place of publication: Lozano, J. (2000), Ethics and Organizations. Understanding Business Ethics as a Learning Process, Kluwer, Dordrecht.

(b) for chapter in edited book
surname, initials and year, "title", editor's surname, initials, title, publisher, place, pages: Burt, R.S. and Knez, M. (1996), "Trust and Third-Party Gossip", in Kramer, R.M. and Tyler, T.R. (Eds.), Trust in Organizations. Frontiers of Theory and Research, Sage, Thousand Oaks, pp. 68-89.

(c) for articles
surname, initials, year "title", journal, volume, number, pages: Nielsen, R.P. (1993) "Varieties of postmodernism as moments in ethics action-learning", Business Ethics Quarterly, Vol. 3 No. 3, pp. 725-33.

Electronic sources should include the URL of the electronic site at which they may be found, as follows:

Pace, L.A. (1999), "The Ethical Implications of Quality", Electronic Journal of Business Ethics and Organization Studies EJBO, Vol. 4 No. 1. Available http://ejbo.jyu.fi/index.cgi?page=articles/0401_2.

Problematizing the Power of Responsibility

FROM THE EDITORS

Martin Fougère
Gyöngyi Kovács
Jukka Mäkinen
Marjo Siltaoja
André Sobczak

The Power of Responsibility

The concepts of Corporate Responsibility (CR) and Global Responsibility (GR) are reshaping the ways we think about business and society as well as about their relations. From global governance initiatives such as the UN Global Compact to local efforts of greening offices, actions are taken in many areas to mobilize organizations and individuals through the notion of responsibility in order to work towards a more sustainable world. There is no doubt that CR has become globally influential as a real world phenomenon. Much of the groundwork aiming at popularizing CR/GR has been prescriptive, focusing on 'selling' Responsibility as a powerful principle that should be adopted by all institutional actors and should lead the actions of managers and employees. Most academic literature in management tends to focus on the powerful positive changes that CR has been contributing – or may contribute – to through a very dominant focus on 'win-win' solutions. We consider, however, that it is important to not just celebrate the potential power of responsibility to make a positive difference, but also to problematize power issues that relate to the CR phenomenon. Recognizing the problematic aspects of CR, in particular those related to power imbalances and power effects in the relations between business and society, may be a first step towards limiting the risks of 'win-lose' situations that currently tend to be overlooked in CR management literature.

The papers in this special issue of EJBO were originally presented at the first CR3 conference, held at Hanken School of Economics in Helsinki on April 8-9 2011. The CR3 conference has resulted from cooperation between three business schools who have been among the first to adopt the United Nations Principles for Responsible Management Education (UNPRME): Audencia Nantes School of Management (France), Hanken School of Economics in Helsinki (Finland) and ISAE/FGV in Curitiba (Brazil). These schools work together on issues related to CR since 2008. The overall theme of the 2011 conference was 'the power of responsibility' – and this is also the theme of this special issue.

Taken together, the selected articles clearly articulate two main concerns relating to power imbalances in relations between business and society: 1) the rising power of corporations, and 2) the rise of neo-liberalism and libertarian thinking. Several recent developments in academic CR literature are explicitly problematized in relation to these two concerns. In particular, the highly influential articulations of 'Extended Corporate Citizenship' (Matten and Crane 2005) and 'Political CSR' (Scherer and Palazzo 2007) are critically discussed and argued to potentially be more in line with neo-liberalism than with the more egalitarian liberal and democratic values they are supposed to promote.

Introduction to the articles in this issue

The articles in this special issue all problematize power issues, although from different perspectives. In their theoretical article, Mäkinen and Räsänen argue that Matten and Crane's (2005) Extended Corporate Citizenship (ECC) is more in line with libertarian thinking than liberal thinking. More particularly, they show how the ECC reliance on voluntary agreements between businesses and citizens corresponds well to Nozick's (1974) libertarian articulation of a contract-society and is in stark contrast with Rawls' (1996; 2001) liberal understanding of society as requiring different relations with public and private structures. To them, this is highly problematic as the transformation in the basic structure of society that is entailed by a turn to ECC directly threatens societal background justice, freedom and democracy.

In his provocative piece, Fougère problematizes Scherer and Palazzo's (2007) proposed 'politicization of the business firm' (also expressed through the term 'Political CSR') by showing how the proposed institutionalization of a political role for firms may in fact lead to an even more 'unpolitical' (Rosanvallon 2006) society characterized by an obsession with transparency, a reliance on surveillance and systematic recourse to multi-actor governance. While agreeing with Scherer

and Palazzo on the reality of deliberative multi-stakeholder governance as an important contemporary phenomenon, Fougère emphasizes the danger of governing and regulating an increasing amount of issues through deliberative governance initiatives which tend to be constructed around oxymoronic missions – such as making the unsustainable sustainable – due to the absolute requirement of not going radically against certain business interests.

Hoskins, Martin and Humphries also take issue with neoliberalism but more broadly problematize liberal thinking: they claim that liberal rights based discourse, which sees the individual as sovereign and the pursuit of self-interest as a primary human value, makes the responsibility for others and nature secondary. They articulate their critique of liberalism by drawing on Levinas (1996; 2006) and indigenous Maori thought, suggesting that only a radical rethinking of the liberal values that guide our world may lead us towards ecological sustainability. As an alternative to the liberal notion of responsibility, they propose that a Levinas-inspired 'relational responsibility' should guide us in aiming for sustainability.

In positioning their argument, Ihugba and Osuji problematize the power of corporations and show how in many cases in developing countries (notably in the example they focus on, in the Niger Delta) corporations are not asked to 'step in' to protect civil rights – as Matten and Crane (2005) would have it – but rather they are asked to 'step out' from activities that jeopardize civil rights. They in turn suggest that a framework for Stakeholder Engagement can provide an avenue for maintaining accountability and responsibility in these types of developing country contexts. In order to develop this framework, they apply Arnstein's (1969) citizenship participation model to the relationship between corporations and stakeholders and draw on the reasons for stakeholder participation to propose the development of an inclusive Stakeholder Engagement model, which they claim could render Stakeholder Engagement measurable and lead it to positively benefit both the company and society.

How do we continue?

As the papers in this special issue clearly point out, the political dimension of CR discussion is an ongoing phenomenon offering an alternative to the traditional endeavours that analyze CR by examining CR (Basu and Palazzo, 2008). CR as a political phenomenon offers an arena for scholars trying to break through disciplinary boundaries between business ethics, management studies and political theory. As a political topic, CR may also have a history we do not know much about yet. The political approach deals with many of the hidden and marginalized aspects of CR and simultaneously offers a research terrain in need of further development. We hope the articles in this special issue encourage future discussions and developments. In order to understand the significance of CR and whether it can make a real positive change towards more sustainable and responsible economy, we feel it is our responsibility as academics to analyze and rethink and the relations between business and society in a way that takes the power issues seriously into account.

The editors

Martin Fougère, Assistant professor, Hanken School of Economics, fougere@hanken.fi
Gyöngyi Kovács, Professor, Hanken School of Economics, kovacs@hanken.fi
Jukka Mäkinen, Acting professor, Aalto University School of Economics, jukka.makinen@aalto.fi
Marjo Siltaoja, Assistant professor, Jyvaskyla University School of business and Economics, marjo.siltaoja@jyu.fi
André Sobczak, Research director, Audencia Group, asobczak@audencia.com

References

Arnstein, S. R., (1969), "A ladder of citizen participation", Journal of the American Institute of Planners, Vol. 35 No. 4, pp.216-224.

Basu, K. and Palazzo, G. (2008), "Corporate social responsibility: a process model of sensemaking", Academy of Management Review, Vol. 33 No. 1, pp.122-136.

Levinas, E. (1996), "Peace and Proximity", in Peperzak, A.T., Critchley, S. and Bernasconi, R. (eds.), Emmanuel Levinas: Basic Philosophical Writings, Indiana University Press, Bloomington, IN, pp.161-170.

Levinas, E. (2006), "Reflections of the Philosophy of Hitlerism (S. Hand, Trans.)", in Horowitz, A. and Horowitz, G. (eds.), Difficult Justice: Commentaries on Levinas and Politics, University of Toronto Press, Toronto, ON, pp.3-11.

Matten, D. and Crane, A. (2005), "Corporate citizenship: Toward an extended theoretical conceptualization", Academy of Management Review, Vol. 30 No. 1, pp.166-179.

Nozick, R. (1974), Anarchy, State, and Utopia, Basic Books, New York, USA.

Rawls, J. (1996), Political Liberalism, Columbia University Press, New York, USA.

Rawls, J. (2001), Justice as Fairness. A Restatement (edited by Erin Kelly), Harvard University Press, Cambridge, MA.

Rosanvallon, P. (2006), La contre-démocracie: La politique à l'âge de la défiance. Seuil, Paris. (in French).

Scherer, A.G. and Palazzo, G. (2007), "Toward a political conception of corporate responsibility: Business and society seen from a Habermasian perspective", Academy of Management Review, Vol. 32 No. 4, pp.1096-1120.

Extended Corporate Citizenship: A Libertarian Interpretation

Jukka Mäkinen
Petri Räsänen

Abstract

We argue that the idea of ECC (Extended Corporate Citizenship) is more in line with libertarian than liberal thinking. The basic idea of ECC is the dislocation of the provider of citizenship rights from governments to corporations: corporations provide and administrate the same citizenship rights, which governments provided earlier, before the political processes started the privatization of these entitlements (since the 1980's and 1990's). According to John Rawls' liberal viewpoint, citizens' relations to the public structures of society are supposed to be fundamentally different from their relations to private associations like business corporations. In libertarian thinking (as with Robert Nozick), instead, citizens relations to public institutions do not significantly differ from their relations to business corporations. Both are based on voluntary agreements, bringing forth the idea of a contract-society. Since ECC is backed up by this kind of contract-society, it brings forth libertarian interpretations of the most central political matters - like the basic structure of society, and the concepts of freedom and democracy.

Keywords

Corporate Social Responsibility, Extended Corporate Citizenship, Liberalism, Libertarianism, John Rawls, Robert Nozick

Introduction

Dirk Matten and Andrew Crane (2005) launched an important political dimension to the discussion of the role of corporations in society by focusing on the question of extended corporate citizenship (ECC). They do not, however, consider corporations as citizens per se, which have some inalienable social, civil, and political rights, but as entities which have complex relations in regard to these rights.

Corporations as extended citizens, instead of the states, may, for example, provide welfare rights for ordinary citizens, further (or suspend) human rights, or act as channels through which citizens may express their political opinions and exercise their political rights. As presented by Matten and Crane (2005), this dislocation of the provider of the citizen rights would happen within a liberal tradition (p. 169). In Crane, Matten and Moon (2008) the political context is, however, lacking. Despite references, for example, to Western liberal tradition (p. 2, 159), deliberative democracy (p. 41 ff.), and libertarianism or neo-liberalism (p. 57, 58, 80, 208), no substantial view of the political context of ECC is present. In this paper, we argue that ECC is theoretically more in line with libertarian (or neo-liberal) thinking than liberal thinking. In this, we agree with Jones and Haig (2007). While Jones and Haig concentrate on more empirical questions, our focus is on a theoretical level.

As our starting-point, we take the influential liberal conception of business-society relations represented by John Rawls (1921-2002). According to this view, citizens' relations to the public structures of society are supposed to be fundamentally different from their relations to private associations like business corporations. As a contrast to Rawls, we introduce the libertarian idea of these relations represented by Robert Nozick (1938-2002). In libertarian thinking the relations of citizens to public institutions do not significantly differ from their relations to business corporations. Both are based on voluntary agreements, bringing forth the ideal of a contract-society.

We proceed as follows. First we in-troduce the two political conceptions of business-society relations: the liberal and the libertarian conceptions. Then we move on to introduce the idea of extended corporate citizenship (ECC), which, by suggesting a new political role to corporations, reinterprets the traditional boundaries between the political and economic spheres of society. We also illustrate the notion of ECC in a real life example taken from the Finnish social and economic history. In our illustrative case, the corporation - instead of the public sector of society - provides the basic rights for citizens. We argue that this kind of social order is in line with libertarian thinking.

Two Political Conceptions of Business-Society Relations

Liberalism is a wide enough discipline to include different sub-disciplines. The difference between liberal and libertarianism comes down to the interpretation of the idea of a contract-society. Historically, the idea of contract as the justification of liberal order is widely accepted, though in quite different forms - as, for example, in John Locke (1632-1704), Adam Smith (1723-1790), or John Rawls. What distinguishes libertarianism from liberalism is the subordination of other liberal values – most notably, political democracy and equality – under the idea of free contracts between citizens. In business ethics and CSR studies this feature of libertarianism has been noticed by Freeman and Phillips (2002) who define libertarianism as a doctrine, which rests on the idea of contract-society. Different political philosophers have presented various justifications for this subordination. Friedrick Hayek (1899-1992) argues that the value of individual freedom is jeopardized if too much weight is given to (wrong kind of) democracy or social welfare. Robert Nozick claims that contract-society, with its moral value of individual self-ownership, can be maintained only in an extensive contract-society. Ronald Coase purports a view of invisible hand (that is, free contract-making between individuals) leading to social and economic welfare without any strong public institutions, as for example, democratic decision making.

We will focus on the two most eminent scholars from the liberal and libertarian traditions. While Rawls presented the re-birth of contemporary liberal political philosophy in the Anglo-American world (Heath, Moriarty & Norman, 2010), Nozick was his harshest critic.

Rawls' Liberalism

Rawls addresses the question of proper business-society relations especially in his work Political Liberalism (1996, VII) where he justifies the idea of the basic structure of society as the first subject of justice. Rawls defines the basic structure of society as:

"the way in which the major social institutions fit together into one system, and how they assign fundamental rights and duties and shape the division of advantages that arise through social cooperation".

Here corporations, as private associations, are subordinate to society's public structure. While the task of public institutions (political constitution, democratic legislation process, health care and education institutions, the legal system of property and taxation) is to take care of the background justice (and offer the fair conditions of operation for private associations), corporations are supposed to act under the public rules of society. The primary responsibility for the basic rights of citizens is, hence, on the site of the basic structure of society.

Rawls also believes that when citizens are able design and have democratic control over the background conditions, they are willing to allow companies a social space with a proper amount of freedom and autonomy (in order to focus efficiently on their business operations). Most importantly, Rawls sets explicit restrictions to the invisible hand (free contract-making) working in a market-society. This distinguishes his view from libertarian thinking, which famously sets a major role to free and the spontaneous process of contract-making between individuals. Rawls claims that without collective political control and deliberate design of the basic structure, the political and socio-economic power tends to concentrate through time, and the historically accumulated product of particular economic transactions is away from, not toward, the real freedom of citizens (Rawls 1996, 267). If we think that 'real freedom' amounts here to values like democratic decision making and equality of the material conditions of living, then the collective control of contract-making is an important precondition of these fundamental liberal values.

In Rawlsian liberal setting, the basic structure and institutions of the state are also expected to be impartial with respect to citizens' profound and irreconcilable differences in their conceptions of good life (Rawls, 2001). This kind of impartiality is important since the institutions of the state, unlike corporations, are not voluntary for citizens. Since attendance to corporations is voluntary, they may be more partial. Corporations may have specific aims and are allowed to assess and reward their members on the basis of their contributions to the ends of the firm. These kind of meritocratic practices are not acceptable in the liberal society leaning on the basic structure of society. The institutions of the liberal state are expected to treat citizens as free and equal (Rawls, 1996; Phillips & Margolis, 1999; Heath, Moriarty & Norman 2010).

Liberalism thus calls for explicit boundaries between public institutions and corporations. This guarantees their different roles and ends in a society.

Nozick's Libertarianism

Robert Nozick's libertarianism offers a striking alternative to Rawls' conception of business-society relations. As noted by Rawls (1996, 264-265), in Nozick's doctrine the relation of citizens to the institutions of the state are supposed to be like their relation with "any private corporation with which they have made an agreement." From this perspective, the state is just like any other private association (having certain special purposes like all associations have), and citizens' political relations to the institutions of the state are supposed to be voluntary and open to the meritocratic appraisal of contributions.

It seems that all relevant differences between corporations and the political structure of society emphasized by Rawls are missing in the libertarian setting (see Nozick, 1974). This may seem somewhat surprising, since libertarians usually favour a sharp distinction between the economic and the political spheres of society. However, libertarian distinction between politics and economics holds only when politics is understood in a narrow sense of protecting the values of life, property and freedom of contracts between citizens. The libertarian minimal state lacks all those egalitarian social structures, extended welfare services, and redistributive economic structures (Nozick, 1974; Crouch, 1997; Harvey, 2005) which constitute Rawls' account of the basic structure of society. If politics, instead, is understood widely, as covering also the extent and the quality of the (formal and material) equality of citizens and extensive welfare services, then libertarianism, by allowing only free (economical) contract-making to take care of these things, blurs the traditional boundaries between the economic and political spheres of society. In practice, this means the shrinking of the liberal understanding of the political sphere.

For libertarians, the proper social order arises historically (out of institutional vacuum) via spontaneous contracts between individuals, limited only by the property rights and the freedom of contracts. In principle, this may lead to anything from a highly concentrated economic power to equally distributed societal welfare. The main point, however, is the lack of the liberal (Rawlsian or other) basic structure of society, which has a political warrant to orient the historical process of free (economical) contract-making between individuals. However, libertarians do not accept this warrant (see, for example, Freeman and Phillips, 2002).

ECC in Theory and Practice

Theory

The basic idea of extended corporate citizenship is the dislocation of the provider of citizenship rights from the institutions of the state to corporations. For Matten and Crane (2005; Crane, et al., 2008) ECC arises especially in the context of global economy where territorially bound nation states are gradually losing their political, social and economic steering capacities over market forces and business actors like multinational corporations. The emerging institutional vacuum of power is filled by business firms and civil society associations, which enter voluntary self-regulation processes and take over governments the responsibility of addressing the basic rights of citizens. As concerned by citizens' rights, this process has a liberal background, which, however, turns into a libertarian provision of these rights.

Crane, Matten and Moon (2008) refer especially to the Marshall's (1965) famous categorization of citizenship as a set of civil, social and political rights. While the primary providers of citizenship rights have traditionally been public institutions, corporations now (due to global governmental failure coupled with the rise in corporate power) enter the arena of these rights. In this process, civil, social, and political rights gain new inter-

pretations.

Civil rights have traditionally been supposed to protect individuals from outside interferences, as, for example, from the coercive power of the state. This holds also within ECC, but it is now corporations, which increasingly take care of these rights (Crane & Matten, 2007; Matten & Crane, 2005). Social rights, on their turn, provide individuals with the opportunities and resources to participate in society. While previously public institutions pursued these opportunities, it is now increasingly the task of corporations (Matten & Crane, 2005; Crane & Matten, 2007). These cases show the libertarian strand of ECC: the institutional basis of the provider of the civil and social rights has changed from public institutions (whose relation to citizens and other private actors in society are not contractual) to corporations (whose relations to citizens and other private actors are contractual). While much could be said about these matters, it is political rights, which are the most interesting for us.

Political rights are meant to enable individuals to participate in the process of collective will formation. Within ECC, this can be done, for example, by corporations facilitating or blocking certain political processes, by lobbying and party funding. Also various political actions aimed at corporations may be seen as constituting the collective will. In cases like these, corporations provide an additional channel through which citizens can exercise their will (Crane, et al., 2008.)

In the arena of political rights, corporations, hence, operate as significant channels. Citizens' political activities are aimed more and more at firms, rather than on traditional political channels. (Matten & Crane, 2005; Crane & Matten, 2007; Crane, et al., 2008). We must note that this kind of collective will-formation is of a specific kind, and not necessarily the most obvious one to come into one's mind. Not, at least, if one holds on to a liberal thinking.

It may be claimed that from a liberal point of view it is essential for a collective will-formation that individual citizens overcome their individual preferences (the material of contract-making) in order to form some kind of general and over-individual understanding of socially relevant matters. This kind of collective will-formation is the matter of, for example, deliberative democracy and its aim to make possible what might be called the "public use of reason" (Kant, 1991; Habermas, 1984 and 1987.) Moreover, the conversion of the results of the "public use of reason" into the (Rawlsian, or some other kind of) basic structure of society has traditionally been the task of public institutions. This is a quite natural order if we think that public institutions should be impartial with respect to any given preferences - of either individual citizens or private associations (see above). It is, instead, difficult to see how ECC, with its commitment to a libertarian contract-society, with no institutionalised background justice to balance individual (preference-based) contract-making, might meet the presuppositions needed for this kind of liberal collective will formation.

Even though for Matten & Crane (2005) ECC arises in the context of contemporary global economy, there are also important historical settings where to study this phenomenon (see Roberts, 1979; Joyce, 1980; Montgomery, 1998). While historical cases obviously do not totally match with the present situation of ECC, there are enough similarities to make the comparison meaningful. This holds especially with the consideration of the general structures and processes behind ECC.

Practice (early Mänttä)

Michael Walzer (1983, 295-303) illustrates historical cases reminiscent of ECC in his work Spheres of Justice A Defence

Picture 1: Finnish forest industry communities
Source: Mäkinen & Kourula (in process), Original Source: Koskinen 1989

of Pluralism and Equality with the case of Pullman, Illinois" the town owned by George Pullman who "was one of the most successful entrepreneurs of late nineteenth century America". More contemporary study is Carol D. Miller's (2007) work Niagara Falling Globalization in a Small Town. In the spirit of these studies, Mäkinen & Kourula (in process) show how industrial Finland - as a compilation of forest industry communities and mill or factory towns (see Picture 1) - offers an interesting arena to examine economic and social systems reminiscent of ECC.

Finnish industrial history starts from the 19th century, when Finland was agricultural economy, with no developed economic structures or large corporations acting in communities. Neither had Finland substantial public welfare systems of any kind. Under Russian rule Finnish government also had limited amount of autonomy. This kind of closed societal structure began, however, soon to dismantle, bringing forth interesting similarities with ECC.

From the end of the 19th century up to 1950s there were in Finland a number of small forest factory towns and communities where corporations were the main political actors and social responsibility bearers, operating as what might be called "extended corporate citizens" within the framework of thin public structures (see Kettunen, 1994 and 2008; Kuisma, 1993, 2009; Koskinen, 2001; Mäkinen & Kourula, 2008). Some of these cases are documented in historical studies addressing towns, municipalities, areas and communities like Tervakoski (Koskinen, 1989 and 1993), Lielahti (Randell, 1997), Kyröskoski (Leminen, 1999), Forssa (Leimu, 1983), Tampere (Haapala, 1986), Mänttä (Keskisarja, 2010; Mänkkönen, 1992 and 1998; Sihvonen, 2004), Nokia (Koivuniemi, 2000), Karkkila (Rentola, 1992), Varkaus (Jääskeläinen & Lovio, 2003), Valkeakoski (Vuorinen, 1972 and 1995), Kajaani (Pulma & Turpeinen, 1994), Kymenlaakso (Talvi, 1979), Kemi (Hedman, 1976), Simpele (Autio & Nordberg, 1972), Myllykoski (Autio & Nordberg, 1972), Jämsänkoski (Autio & Nordberg, 1972) etc.

As Mäkinen & Kourula (in process) point out, an illustra-

tive example is the municipality of Mänttä (currently known as Mänttä-Vilppula) located in central Finland. The Serlachius family operated a groundwood mill in Mänttä from 1868, and a pulp and a paper mill since 1881 (Norrmen, 1993). The town was formed around these operations with extremely strong links to the G. A. Serlachius Company (see Keskisarja, 2010). The factory owners and their staff were responsible for practically the entire lives of the company's employees, as well as of most inhabitants of the municipality (cf. Mönkkönen, 1992; Sivonen, 2004). This social order has been described in the following way (Palkkatyöläinen magazine, 25.4.2006, translation: Mäkinen & Kourula in process):

"The factory owners of Mänttä have hired the first police officers and built the first fire department. The company maintained the phone network until 1954. The company put efforts into building roads and railways. It owned ships, brought the first car to Mänttä in 1913 and maintained the municipality's roads and streets up to 1948. The inhabitants bought their groceries in the company store and paid them with "Serlachius money". The first bank of Mänttä got its premises and safe from the company. Healthcare was provided by a midwife and doctor hired by the company. Only in the 1950's did the doctor start to be employed by the municipality. During the [Finnish Winter 1939-1940 and Continuation 1941-1944] wars the military hospital of Tilkka was located in the Mänttä Club and the Children's ward was temporarily in the Joenniemi mansion. Mänttä inhabitants took their children to a daycare or day-nursery provided by the company. School was held at the grinding mill starting in 1869. When the Mänttä factory school became a public school, it continued its operations in the Serlachius sauna building. Mänttä's inhabitants lived in factory houses. The first company houses were built in 1870. House building was very active at the turn of the century. In 1936, half of the municipality's inhabitants lived in company apartments. In the 1970's, the company started getting rid of company housing."

Finnish early experiences of industrialization reflect the process of accumulation of capital within the minimal basic structures of society. There was the scarcity of institutionally done social work for industrial operations, as well as lack of background institutions evening out the cumulative effects of economic transactions. This brought forward an instrumental response by corporations to the thin and fragile social infrastructure, which hindered their growth and reproduction. As in ECC, corporations started to take care of citizens' rights.

Even though the case of Mänttä is somewhat extreme, it is reminiscent of ECC in that corporations voluntarily and extensively enter the arena of citizens' civil, social and political rights (see Crane, et.al., 2008, 60). Historically, these kinds of corporate centered systems have not either been rare, but have existed worldwide especially at the early stages of industrialism (see Roberts, 1979; Joyce, 1980; Montgomery, 1998; Koivuniemi, 2000). Thus, ECC is hardly a new phenomenon associated only with the recent phases of globalization.

In early Mänttä, the basic structure of society was almost identical with the organizational structure of G. A. Serlachius Company. The participation with the operations of the company was only formally voluntary. Costs associated with stepping outside the influence of the company were high practically for all inhabitants, and being fired from the corporation came close to being fired by the society.

In this kind of social system, the corporation has particular ends and missions, and it can recruit, assess, and reward individual citizens on the basis of how well they serve its ends and missions (compare above). At the same time, the fragile and thin public structure limits peoples' possibilities to pursue their own ends of life. It is corporations – and market structures – which, instead, have extensive authority regarding the proper ends and values of life in a society.

If society has no political background justice, which levels the effects of free contract-making, it is corporations and free markets which determine the basic orientation of living for citizens. Today this is most apparent in those underdeveloped countries which have no strong public structures and yet are attracting to (multinational) corporations. In these kinds of libertarian (or neo-liberal) settings, emphasis is given to various things. Society purports and favors the economization of various spheres of life (like those enabling the civil, social and political citizenship rights), "economic rationality", procedural justice (over other conceptions of justice) and negative rights (vs. positive rights), as well external (atomistic and contractual) human relations (vs. internal human relations) (Räsänen, 2007.)

If corporations take over the responsibility of building up the basic structure of society - as in early Mänttä and in some contemporary cases - they must do this according to their nature, that is, as economic actors. However, this excludes them the possibility to take care of those liberal conditions of the background justice, which were meant to correct the very results of free contract-making of economic actors. It seems, hence, that it is almost conceptually flawed to think that corporations might here do governments' work. If we hold on to the idea that it is the task of the background justice of society to reflect the "public use of reason" vs. the preferences of citizens, ECC hardly offers a viable option to liberal state-institutions.

We must, to be sure, note also the differences between historical examples like Mänttä and contemporary global economy. In our days, the number of players in the determination of communal decision-making in (almost) any society is notably higher. Free entry to global markets is meant to guarantee that no single corporation can attain power in some new business-area. Non-governmental organizations (NGO's) critically focus on corporate-actions. Lobbying-parties influence political decision-making. Media, with its multiple and continually changing forms, is a powerful actor in global business. There is certainly much more happening in the contemporary context of ECC. Nevertheless, the structural similarities in the basis of ECC remain: it is rather private than public organizations, which are meant to be the driving-forces behind societal development. From a liberal perspective, the single most harmful outcome of this is the difficulty of finding even a theoretical place for a (Rawlsian or some other kind of) political orientation of free contract-making. Mänttä-case is as an illustration of what can (is likely to?) happen in this kind of situation.

As we have seen, G. A. Serlachius Company acquired such an amount of power that it became dominant in determining peoples' lives. The relative social status of the inhabitants in early Mänttä was strongly related to their relative contributions to the ends of G. A. Serlachius Company. It could also not have been imagined that the society's collective will – formed on the basis of the "public use of reason" - could have displaced the strategic goals of G. A. Serlachius Company. The political rights of citizens were only instrumentally at corporations' agenda. Social programs, likewise, were corporations' political strategies against the rising power of the working-class movement and socialism (both of which gained energy out of the inequalities produced by the underdeveloped redistributive socio-economic background structures). Corporate-led "libertarian" development in Mänttä meant narrow and unprogressive political prospects for community.

This situation changed only when G. A. Serlachius Company gradually outsourced its social and political responsibilities to the municipality, and the public structures of Mänttä gained more independence through the building of the Finnish welfare state. In this new "liberal" order, citizens' basic rights were more and more being provided by the democratically governed basic structures of society outside the domain of the company (Mäkinen & Kourula, 2008 and in process; Mönkkönen, 1998; Sivonen, 2004). The fundamental terms of living, as well as the realization of the basic rights of citizens, were no longer directly dependent on the strategic and political ends of the corporation. It is interesting here to note an analogy to one discussion in contemporary political philosophy.

Quentin Skinner talks about the concept of republican freedom. By this, he refers to a situation where the citizens of the state are not free only of actual restrictions to their actions, but also of potential restrictions. That is, individual citizens do not fear that those institutions, which, in the first place, have admitted them certain rights to act in a certain way, might deprive them those rights. This kind of guarantee is one of the most eminent that liberal governments may offer. As presented by Skinner, arguments in favour of republican freedom were essential in those arguments, which parliamentarians set against monarchy in the 17th century England (Skinner, 2003.) In early Mänttä, we may say, the relation of G. A. Serlachius Company to the citizens of Mänttä was analogical to that of Monarchy to the parliamentarians in the 17th century England.

Conclusion

Libertarian society arises historically when individuals make legitimate contracts with each other. Social and political structures are needed only to support the legitimacy of contracts, private property rights and negative freedom. Finnish experiences of the corporate centered systems of power and responsibilities are natural, though, arguably, not the necessary results of these processes of accumulation of capital over time within minimal political and socio-economic background structures. At the level of contemporary global economy with ECC things might be the same structurally.

ECC is not a liberal doctrine. This becomes apparent in noting the ambiguity of ECC's interpretations of various political concepts. It is conceptually erroneous to draw a parallel between the liberal idea of democracy that is fundamentally premised on the ideas of societal background justice and electoral democracy and ECC with no background justice and electoral part at all. While ECC leans on democracy, it radically alters its content as citizens have no equal and formal capacity to access the corporations in the way they can in theory put pressure on governments. (Crouch, 2010).

ECC's emphasis on voluntary contracts vs. governmental restrictions makes it look like there is only one narrow (negative) concept of freedom. This dismisses the importance of governmental actions in taking care of the material preconditions of citizens' opportunities to use one's (negative) freedoms - or, to speak in Rawlsian terms, 'real freedoms'. Like all libertarian doctrines, also ECC prompts a specific concept of responsibility. Freeman and Phillips (2002, 342) argue that in a libertarian society, actors must be committed to (what they see as 'strong') responsible behaviour with regard to the consequences of their actions. When, for example, third parties are harmed, they must be compensated. Firms must act responsibly, customers have a duty to use products as they were intended, employees have responsibility to support their employers within reason, and so on. No mention is, however, made on the responsibility springing from collective will-formation, which can set limits to free contract-making. Likewise, in ECC, with no public idea of justice, responsibility related to the free contract-making can have no public, that is, liberal (see above) origin. It seems also that ECC has no substantial answer to the challenges proposed by the republican idea of freedom (see above). If social order is based on voluntary contracts between private actors (within global market-structures), the question of the liberal guarantee of citizenship-rights is at continuous danger.

If we wish to situate ECC within a liberal framework, it requires that we hold on to the above-mentioned ideas of societal background justice and democracy. Crane, Matten & Moon (2008, 206), indeed, refer to the possibility of legally codifying corporate responsibilities. However, in this case it does not any more make sense to speak of ECC. Once we build impartial and stable institutions to take care of citizens' rights, the very idea of ECC, with its aim to replace those institutions with private associations, loses much of its substance.

References

Autio, M. and Nordberg, T. (1972), Vuosisata paperiteollisuutta I. Valkeakosken, Simpeleen, Myllykosken ja Jämsänkosken paperiteollisuuden vaiheet Yhtyneet Paperitehtaat Osakeyhtiön perustamiseen saakka, Yhtyneet Paperitehtaat Oy, Valkeakoski, Finland.

Crane, A. and Matten, D. (2007), Business Ethics. Managing Corporate Citizenship and Sustainability in the Age of Globalization (2nd edition), Oxford University Press, Oxford, UK.

Crane, A., Matten, D. and Moon, J. (2008), Corporations and Citizenship. Cambridge University Press: Cambridge, UK.

Crouch, C. (1997), "The Terms of The Neo-Liberal Consensus", The Political Quarterly, Vol. 68 Issue 4, pp. 352 -360.

Crouch, C. (2010), "CSR and changing modes of governance: towards corporate noblesse oblige", in Utting, P. and Marques, J. C. (Eds.), Corporate Social Responsibility and Regulatory Governance, Palgrave, Basingstoke, UK, pp. 26-49.

Freeman, R. Edward and Phillips, Robert A. (2002), "Stakeholder Theory: A Libertarian Defense", Business Ethics Quarterly, Vol. 12 No. 3, pp. 331-349.

Haapala, P. (1986), Tehtaan valossa. Teollistuminen ja työväestön muodostuminen Tampereella 1820-1920. Historiallisia Tutkimuksia 133, Osuuskunta Vastapaino ja Suomen Historiallinen Seura, Tampere ja Helsinki, Finland.

Habermas, J. (1984), The Theory of Communicative Action. Volume 1. Reason and the Rationalisation of Society, Beacon Press, Boston MA, USA.

Habermas, J. (1987), The Theory of Communicative Action. Volume 2. The Critique of Functionalist Reason, Polity Press, Cambridge.

Harvey, D. (2005), A Brief History of Neoliberalism, Oxford, Oxford University Press.

Heath, J., Moriarty, J., and Norman, W. (2010), "Business Ethics and (or as) Political Philosophy", Business Ethics Quarterly, Vol. 20 No. 3, pp. 427-452.

Hedman, O. (1976), Kemin kaupungin historia. 2. Osa, Kemin kaupunki, Kemi, Finland.

Jones, M. and Haig, M. (2007), "The Transnational Corporation and New Corporate Citizenship Theory. A Critical Analysis", Journal of Corporate Citizenship, Issue 27, Autumn, pp. 51-69.

Jääskeläinen, J. and Lovio, R. (2003), Globalisaatio saapui Varkauteen. Tapaustutkimus yritysten kansainvälistymisen tavoitteista ja vaikutuksista, Taloustieto Oy, Helsinki, Finland.

Kant, Immanuel (1991), "An Answer to the Question: What is Enlightenment?" in Reiss, H. S. (Ed.), Kant. Political Writings (second, enlarged edition),Cambridge Texts in the History of Political Thought, Cambridge University Press, Cambridge, UK, pp. 54 – 60.

Keskisarja, T. (2010), Vihreän kullan kirous. G. A. Serlachiuksen elämä ja afäärit, Siltala, Helsinki, Finland.

Kettunen, P. (1994), Suojelu, suoritus, subjekti. Työsuojelu teollistuvan Suomen yhteiskunnallisissa ajattelu- ja toimintatavoissa. Historiallisia Tutkimuksia 189, SHS, Helsinki Finland.

Kettunen, P. (2008), Globalisaatio ja kansallinen me. Vastapaino, Tampere, Finland.

Koivuniemi, J. (2000), Tehtaan pillin tahdissa. Nokian tehdasyhdyskunnan sosiaalinen järjestys 1870-1939, SKS, Helsinki, Finland.

Koskinen, T. (1989), Tehdasyhteisö (Sociological Analysis of a Paper Mill Community as an Anatomy of Finnish Society), Vaasan korkeakoulun julkaisuja, Vaasa, Finland.

Koskinen, T. (1993), Elämää yhteisössä (Life and Labor in a Paper Mill Community), Vaasan yliopiston julkaisuja, Vaasa, Finland.

Koskinen, T. (2001), "Suomi metsäsektoriyhteiskuntana" (Finland as a Society of the Forestry Sector), Helsinki School of Economics publications, Helsinki, Finland.

Kuisma, M. (1993), Metsäteollisuuden maa: Suomi, metsät ja kansainvälinen järjestelmä 1620–1920, SHS, Helsinki, Finland.

Kuisma, M. (2009), Suomen poliittinen taloushistoria 1000-2000, Siltala, Helsinki, Finland.

Leimu, P (1983), Forssa – elämää tehtaan pillin mukaan. Tutkimus Forssan puuvillatehtaan työntekijöistä 1840-luvulta 1980-luvulle, Museovirasto, Tutkimusosasto, Työväenkulttuuriprojektin julkaisu, No 2, Helsinki, Finland.

Leminen, P. (1999), Näkymättömät kädet. Naiset ja sukupuolijärjestelmä paperitehdasyhdyskunnassa, Suomen historian lisensiaatintyö, Tampereen yliopisto, Tampere, Finland.

Marshall, T. H. (1965), Class, Citizenship and Social Development, Anchor Books, New York, USA.

Matten, D. and Crane, A. (2005), "Corporate citizenship: Toward an extended theoretical conceptualization", Academy of Management Review, Vol. 30 No. 1, pp. 166-179.

Miller, C (2007), Niagara Falling. Globalization in a Small Town, Lexington Books, Rowman & Littlefield, UK.

Montgomery, D. (Ed.) (1998), Patronage, Paternalism, and Company Welfare. International Labor and Working-Class History. No. 53, Cambridge University Press, Cambridge, UK.

Mäkinen, J. and Kourula, A. (2008), "Yritysvastuun politiikkaa", niin & näin, No. 59, pp. 92-101.

Mäkinen, J and Kourula, A. (in process), "Globalization, National Politics and Corporate Responsibility", in Tainio, R., Meriläinen, S. and Mäkinen, J. (Eds.), Globalization from the Finnish Experience. Copenhagen Business School Press. Copenhagen, Denmark.

Mönkkönen, M. (1992), Mäntän historia 1860-1947, Gummerus, Jyväskylä, Finland.

Mönkkönen, M. (1998), Mäntän historia 1948-1992, Gummerus, Jyväskylä, Finland.

Norrmén, P. H. (1993), Mäntän tehdas 1868-1928. G. A. Serlachius Osakeyhtiön Muistojulkaisu, Gummerus, Jyväskylä, Finland.

Nozick, R. (1974), Anarchy, State, and Utopia, Basic Books, New York, USA.

Palkkatyöläinen, Teema: Mäntän historiaa. http://www.palkkatyolainen.fi/pt2006/pt0604/p060425-t2.html 25.4.2006.

Phillips, R.A. and Margolis, J.D. (1999), "Toward an Ethics of Organizations", Business Ethics Quarterly, Vol 9 Nro. 4, pp. 619-638.

Pulma, P. and Turpeinen, O. (1994), Pikkukaupungin unelmia. Kajaani 1906-1976, Kajaanin kaupunki, Kajaani, Finland.

Randell, S. (1997), Näköala vainiolta. Lielahden kaupunginosakirja. Tampereen kaupunginosat julkaisusarja XI, Lielahden omakotiyhdistys r.y. ja Tampereen kaupunki, Tampere, Finland.

Rawls, J. (1996), Political Liberalism, Columbia University Press, New York, USA.

Rawls, J. (2001), Justice as Fairness. A Restatement (edited by Erin Kelly), Harvard University Press, Cambridge, Massachusetts, USA.

Rentola, K. (1992), "Toinen kirja", in Aalto, S. and Rentola, K. (Eds.), Karkkilan eli Högforsin ja Pyhäjärven entisen Pahajärven ihmisten historia, Karkkilan kaupunki, Karkkila, Finland.

Roberts, D. (1979), Paternalism in Early Victorian England, Croom Held, London, UK.

Räsänen, P. (2007), "Uusliberalismi ja lupaus vapaudesta", niin & näin, No. 55, pp. 98 -107.

Sivonen, P. (Ed.) (2004), Under the Eagle's Wings, Gösta Serlachius Fine Arts Foundation, Mänttä, Finland.

Skinner, Q. (2003), Kolmas vapauden käsite (Third Concept of Liberty), translation by Sami Syrjämäki, niin & näin – lehden filosofinen julkaisusarja, Tampere, Finland.

Talvi, V. (1979), Pohjois-Kymenlaakson teollistuminen. Kymin Osakeyhtiön historia 1872-1917, Kymi Kymmene Oy, Kouvola, Finland.

Vuorinen, O. (1972), Valkeakosken historia. 1. osa. Tehdaskylästä kaupungiksi, Valkeakosken kaupunki, Valkeakoski, Finland.

Vuorinen, O. (1995), Valkeakosken historia. 2. osa Kasvun vuosikymmenet, Valkeakosken kaupunki, Valkeakoski, Finland.

Walzer, M. (1983), The Spheres of Justice. A Defense of Pluralism and Equality, Basic Books, USA.

Authors

Jukka Mäkinen (PhD) is Acting Professor in Philosophy of Management at the Aalto University School of Economics. His research interests centre on political philosophy, contemporary theories of justice, business ethics, and political corporate responsibility studies.
E-mail: jukka.makinen@aalto.fi

Esa Petri Räsänen (PhD, MBA) is a teacher and researcher at the University of Tampere, School of Social Siences and Humanities, Finland. His research interests focus on political philosophy, including its relation to economical questions. E-mail: E.Petri.Rasanen@uta.fi.

Corporations as Political and Unpolitical Actors

Martin Fougère

Abstract

This paper engages with the lively academic debate on the politicization of the firm and more specifically with Scherer and Palazzo's recent works on a 'political conception of corporate responsibility'. A number of critiques are formulated, in relation to both the discursive articulation of 'political CSR' in the way it constructs the political role of business and the normative argument advocating this politicization, focusing on possible unwanted effects. The paper then discusses how the proposed institutionalization of a political role for firms may in fact lead to an even more 'unpolitical' society, borrowing this 'unpolitical' notion to Rosanvallon in order to problematize the very terminology of a 'politicization' of corporations. This problematization makes it possible to expose the oxymoronic nature of political CSR – indeed, it can be seen as an 'unpolitical politicization'. Contrasting political (social democratic) government and unpolitical (deliberative democratic) governance, the paper concludes on the dangers of the oxymoronic articulations that characterize deliberative governance initiatives.

Keywords

Deliberative democracy, governance, government, oxymoron, political CSR, unpolitical

Introduction

As a response to the limits of the dominant present conceptualizations of the roles of business in society, a number of authors are now calling for a new theory of the firm that would explicitly articulate the political role of corporations in a globalized world. Perhaps the most prominent of these recent efforts has been Scherer and Palazzo's (2007) introduction of a political conception of Corporate Responsibility (CR), inspired by Habermasian philosophy (and later further discussed in e.g. Scherer et al., 2009; Scherer and Palazzo, 2011). By seeking to reconceptualize the political role of the firm with the help of Habermas's articulation of 'deliberative democracy', Scherer and Palazzo seem to aim both at: (1) developing a theory that provides more and better insight into today's relations between business and society; and (2) advocating an evolution in business involvement in political affairs that would be more democratic and better suited for serving the public good. I do not take issue with the more descriptive aspect of the argument here, as I do not dispute the facts – quite on the contrary – that (1) the business firm should be understood as an actor with considerable political influence, and (2) there have been a number of recent examples of (not explicitly corporate-centered) multistakeholder coalitions that support the thesis that business firms increasingly involve themselves in deliberation processes meant to address governance challenges on social and environmental issues. However, I do want to emphasize a number of aspects I find problematic in: (1) the discursive articulation of 'corporations as political actors' (Scherer et al. 2009), 'the new political role of business' (Scherer and Palazzo, 2011) and the 'political conception of Corporate Responsibility' (Scherer and Palazzo, 2007); and (2) the normative suggestion that it would be desirable for society that the business firm should become 'politicized'. I apologize in advance for not focusing on the most inspiring aspects of Scherer and Palazzo's theoretical elaborations based on Habermas; in a sense I target my critique from an unfair angle –

from the side, so to say – but still hope that some of my arguments will lead to a relevant questioning of the desirability of the proposed 'politicization of the business firm'.

While I certainly share the concerns expressed by Scherer and Palazzo and other prominent CR scholars (such as Matten and Crane, 2005) about the threats posed by business to democracy and the common good, and am no doubt sympathetic to their aims to reconceptualize CR and the role of the business firm, in this paper I present a number of potential problems that I see in their conceptualizations, in the critical spirit encouraged in this special issue. I set out to reflect on what the political role of business firms is and should be, although admittedly in a rather sketchy way. My main aim with this paper is to contribute to the debate on these issues, a debate that I find most central in today's world – not only academically challenging and stimulating but also vitally important for people and planet. I will start by listing four main, closely interrelated concerns I have with this explicit 'politicization' of the business firm – two of which are more related to the discursive articulation itself and the other two having more to do with my skepticism as to how likely business would be to play the game along the lines suggested while not playing other power games. I will then proceed with a discussion of how the proposed institutionalization of a political role for firms may in fact lead to an even more 'unpolitical' society, borrowing this 'unpolitical' notion to Rosanvallon's (2006) *La contre-démocratie* in order to problematize Scherer and Palazzo's (2007; 2011) description of the evolution of governance in terms of a 'politicization' of corporations. This problematization will allow me to expose the oxymoronic nature of what they call political CSR – indeed, an 'unpolitical politicization' – and conclude on the dangers of such oxymoronic articulations.

Four concerns

Although the four concerns discussed below are interrelated, the former two relate more to the discursive articulation of

the 'politicization of the business firm' in the way it constructs the political role of business and the latter two take issue with the normative argument advocating this politicization, focusing on possible unwanted effects.

Contributing (however unwillingly) to the myth of business as apolitical until now

My first concern with the theoretical 'politicization' of corporations articulated by Scherer and Palazzo (2007; 2011) lies in the impression it gives that corporations until now or until recently were not politicized, thereby contributing to the myth that business has historically been apolitical (see e.g. Bendell and Bendell, 2007). This dominant understanding of business has remained for a very long time as an effect of the power of business discourse, and in a sense, conceiving of the politicization of business as something new could discursively reinforce the fallacy of business being apolitical. My point here is not to accuse Scherer and Palazzo of ignoring the political dimensions of business action, as they are clearly very much aware of the extent of corporate power and the 'political strategy approach' that used to be the dominant understanding of politics seen from a business perspective (see e.g Scherer et al., 2009). But the main question here is: are the terms 'politicization', 'new political responsibility', etc. not misleading? This is more than just a comment on the choice of words: as we are working in postpositivist traditions, we know that we need to beware of the possible effects of our acts of naming when articulating theories. In this case, discursively granting business a new political role could lead to two main unwanted problematic effects: (1) the impression that business had not enough impact on politics and society in the past; and (2) a mandate for corporations to develop their power even more. I will elaborate on the latter issue mainly when discussing my third concern, but let me discuss some aspects of the former issue here.

In my view there are two main reasons why it is problematic to give the impression (however unwillingly) that business has not been involved enough in politics until recently: (1) business has been exerting massive amounts of political power through lobbying for a long time, and increasingly so; and (2) business discourse has typically presented business activity as 'apolitical'. Relating to the former aspect, Scherer, Palazzo and colleagues claim that the instrumental 'lobbying' view that has constituted the dominant understanding of politics in management studies until recently was premised on the state-system being 'able and sufficient, via regulation and enforcement, to direct the results of the strategies and actions of self-interested economic actors toward societal good' (Scherer et al., 2009, p. 332) and that this view cannot be as relevant anymore for global businesses who do not operate 'within the borders of a clearly defined legal system' (Scherer et al., 2009, p. 332). This argumentation seems to overlook the fact that political lobbying by corporations and business interest groups (such as the International Chamber of Commerce or the aforementioned World Business Council for Sustainable Development) still has a huge impact not just on the legislative function of politics on the national level, but also when it comes to avoiding regulation on the regional (e.g. EU) and global scales. Within contemporary national political systems characterized by what is not so aptly called 'good governance', outright bribery may not be common but political campaign contributions have become the norm, especially in the United States, where all major corporations now have offices in Washington DC in order to support the efforts of their lobby organizations (Bakan, 2004, p. 103). As an illustration, '[US] pharmaceutical companies spent $759 million to influence 1,400 congressional bills between 1998 and 2004' which has led the US government to '[make] their interests paramount in international trade negotiations' (Stiglitz, 2006, p. 191). This suggests that 'old-school' lobbying at the nation-state level – or at the EU level – can have huge impacts on the emerging global governance arrangements and rules, where voices from the US or the EU are particularly influential. Examples of global governance processes that have been largely controlled by business interest groups in order to favour corporate interests often at the expense of society include the transfer of intellectual property rights from the UN system to GATT (see Patomäki and Teivainen, 2004).

Relating to the latter aspect, Bendell and Bendell (2007) argue that business practice was largely (re)presented as apolitical until the mid-1990s, with managers striving 'not to be swayed by subjective and emotional concerns about what…are non-financial matters' and considering 'social and environmental issues as not their responsibility but that of government' (Bendell and Bendell, 2007, p. 63). While there has clearly been a shift since then in terms of explicit claims of companies as to their social and environmental responsibilities, what is interesting is that the political implications of these newly claimed responsibilities have still tended to be suppressed: social and environmental challenges for companies are typically presented as remaining a technocratic, management-related issue, not a political one. When PR crises related to social and/or environmental concerns become explicitly politicized, companies tend to deny responsibilities. In the recent example of the Finnish pulp and paper company Botnia building a huge pulp mill in Uruguay by the border with Argentina, the major political crisis that erupted as a result led Botnia to issue the following statement: 'Botnia is not a party to the dispute between the Uruguayan and Argentine governments, but works in the background to help resolve the conflict as far as it can' (Botnia, 2006, p. 28). The only political question that seemingly was relevant to Botnia in this case was the way in which Uruguay as a country was ranked in terms of political risk by broad indicators, which suggested that this was a safe investment. That such a big mill so close to Argentina could cause a border dispute apparently was not considered to be a reasonably predictable outcome by Botnia, which throughout the crisis has maintained that it has acted according to the most 'responsible' business practice possible – a seemingly reasonable statement when it comes to a narrow, technocratic and apolitical understanding of its responsibilities, with its environmental impact assessment, its use of 'best available technology' and its (company-centered) stakeholder dialogues on the Uruguayan side of the border. Extended responsibilities for environmental and social issues did not lead to an acknowledgement of broader political responsibilities in this case.

Another interesting contemporary Finnish example of this apolitical stance could be Nokia, which claims in its CR report to '[take] human rights into account in all decisions and operative methods relating to business activity' but nevertheless, through its joint-venture Nokia Siemens Networks (NSN), '[operates] in Turkmenistan, a country that is classed as one of the worst three dictatorships in the world, and one that blatantly violates human rights and denies freedom of speech' (Halonen and Frazier, 2008). Nokia claims that it should be able to do business in Turkmenistan because the country in question is not subject to a formal embargo – an argument that is nowhere to be found in connection with human rights in the same CR report. When further criticized, the company (through its Executive Vice President of Corporate Relations and Responsibility and

through the Head of Corporate Affairs for NSN) comes up with the argument that the 'increased connectivity' offered by the GSM-network it is establishing in the country 'can provide important benefits to society through enabling the open sharing of information and enhancing economic prosperity' (Sundbäck and Kivinen, 2008) while 'many dissidents and human rights activists who have fled Turkmenistan believe that the Nokia Siemens network only improves information collection for the state secret police and enables more effective surveillance of dissidents' (Halonen and Frazier, 2008). Both Botnia and Nokia are members of the aforementioned World Business Council of Sustainable Development (WBCSD) and consider themselves as exemplary CR companies, yet it is clear that they are not willing to take any political responsibilities when their actions have important negative political implications. Despite the political impact of their actions, they desperately try to maintain the myth of an apolitical business sphere even though they increasingly consider themselves soci(et)ally responsible. This shows that the myth of an apolitical business can be selectively used as a rhetorical resource to deny certain negative responsibilities at the same time as businesses engage in multistakeholder initiatives working along the principles of deliberative democracy: businesses are happy to be more involved in deliberation meant to regulate their activities (positive political responsibilities) but they are not willing to acknowledge that they may be partly responsible for political crises (negative political responsibilities).

Building on foundations that are already politically loaded

My second concern relates to using CSR/CR as a basis for this rearticulation. I know that Scherer and Palazzo (2007, p. 1096) refer to CR 'as an umbrella term for the debate' on business and society broadly speaking. But in my view drawing on CR in order to rearticulate the political role of business is problematic because CR can be seen as a (political) movement largely designed by business – thanks to interest groups such as WBCSD – to address the sustainable development challenge through voluntary action and stakeholder dialogue. I call it a 'political movement' because what defines CR – or at least its overwhelmingly dominant version in the corporate world, which Scherer and Palazzo (2011, pp. 5-8) call 'the instrumental approach to CSR', i.e. the stress on voluntary action beyond legal requirements – is largely meant to limit government legislation and other forms of binding regulation on social and environmental issues as much as possible while attempting to enhance corporate image through extensive communication on often anecdotal actions (see e.g. Banerjee, 2007; Fougère and Solitander, 2009). To me this dominant version of CR is clearly infused with a neoliberal ideology (see Ganesh, 2007; Shamir, 2008) and thus is, ironically enough, already a symptom of the overwhelming political power of business in today's world. More importantly, besides being a symptom of corporate power, CR can also be understood to be 'an ideological movement that consolidates the power of large transnational corporations' (Banerjee, 2007, p. 147; my emphasis) by extending their responsibilities in society.

But more concretely, how is CR contributing to the overwhelming political power of business? First, there is a great deal of evidence that the development of mainstream CR discourse has been used (for instance by WBCSD) as a way to support lobbying against binding regulation (see e.g. Corporate Watch, 2006). Second, certain CR tools can be understood as leading to regulatory capture: for instance, 'corporate environmental efforts that go beyond the law can serve to anticipate and shape future legislation or even circumvent legislation through volun-

tary codes of conduct' (Banerjee, 2007, p. 29). Third, developing corporate-centered multistakeholder dialogues provides opportunities for firms to co-opt certain civil society organizations who are asked to be 'constructive' in their relations with business – while potentially contributing to discredit other civil society actors that are excluded, or voluntarily exclude themselves, from the discussions. Fourth, the 'selective information sharing' (Bakan, 2004, p. 152) that is part of the CR activities of many companies can be used to frame what is and is not researched when it comes to certain, potentially harmful products (such as e.g. genetically modified organisms, mobile phones, or cigarettes). But it could also be added that companies keep coming up with creative ways of pretending to promote responsible behaviour while in fact leading 'will formation' in the opposite direction, as when General Motors advertised their electric cars in a conspicuously arty (and award-winning) way in order to make sure that the average car buyer would never be attracted by such an elitist product in order to preserve the status quo of the 'American way of life' (see Paine, 2006); or when tobacco companies ostentatiously communicate the message to teenagers that 'it is bad to smoke' (Nymander 2009), playing on the transgression drive among that segment of the population.

CR, considered an oxymoron by a number of authors (e.g. Banerjee, 2007; Cloud, 2007; Devinney, 2009), can thus be seen as a discursive instrument of power that helps to mask the reality of the overall impact of neoliberal globalization on the environment and societies, a discursive instrument whose hegemonic articulation has been largely shaped by business interest groups (see Fougère and Solitander, 2009). As Méheust (2009) puts it, oxymorons tend to proliferate in societies characterized by strong tensions in order to sustain… the status quo: 'the more oxymorons will be produced, the more people, in a permanent *double bind* [in English in the original], will be disoriented and unable to think and accept [radical change]' (Méheust, 2009, p. 147; my translation). This is why in my view, drawing on CR is a dubious starting point for articulating the turn to a functioning deliberative democracy. In a global political economy where global corporations already exert a considerable amount of power, should it be a priority to give them even more say in contributing to will formation and agenda formulation by articulating their new political roles? I now turn to the prescriptive nature of this articulation: giving businesses new roles is also inviting them to exert more power.

Inviting business to exert its bargaining power

In recent history, business has been only too happy to be invited to take part in deliberations about society, as it has been remarkably good at in turn hijacking a number of societal causes through business-centred 'stakeholder dialogue' and the associated co-opting of other actors. I understand that the idea here would be that public deliberation processes would not be business-centred, unlike the view put forward by stakeholder theory. But is there not a risk in inviting corporations to take part in formal political deliberations on more issues of public interest, given the overwhelmingly stronger bargaining position that business often has? Could this not lead to even more influence from the economic bottomline-driven rationality of business in broader societal issues?

One example that comes to mind relating to extended deliberation processes on global governance issues is the UN General Assembly Economic and Social Council (ECOSOC), which now '[incorporates] regional organizations, NGOs, parliamentarians, local authorities, academia, business and media into [its] work' (Patomäki and Teivainen, 2004, p. 29). Through

this incorporation:

> NGOs and business, in particular, have gained access to discussion, agenda-setting and sometimes, as observers, to actual decision-making as well. Many NGOs are in fact BINGOs (Business Initiated NGOs), and they should not be confused with more authentic civic associations.
>
> Whether this development amounts to democratization is open to question. To the extent that the most important role is played by big business and BINGOs, this would only serve to strengthen the one dollar / one vote principle. (Patomäki and Teivainen, 2004, p. 29)

With Patomäki and Teivainen, one may wonder whether giving a double or triple voice to business interests – since they are usually represented, at least if we think about global governance deliberations taking place within intergovernmental organizations (IGOs) like in the case of ECOSOC, through the bargaining powers of their home states within the IGO and possibly also through BINGOs – will lead to more democratic processes of governance. Whether within or without IGOs, giving even more voice to business in multi-actor governance, and thus indirectly spreading the 'one dollar / one vote principle' further, would not seem to go in a more democratic direction.

Suggesting that business may stop acting in the shadows on its own accord

Finally, my fourth concern can be summarized as follows: even if we assume that business plays the game as suggested and constructively takes part, unmasked, in different deliberation processes leading to a fruitful public debate on important governance issues and thus seemingly a better functioning democracy, why would it renounce indulging at the same time in more hidden and insidious political action through lobbying, marketing, etc.? As Banerjee (2007, p. 168) argues, 'the ugly face of CSR is the covert and sometimes not so covert abuse of corporate power while attempting to portray a caring and responsible citizen image through relentless public relations campaigns'. Businesses have long been combining covert actions to defend their interests in ways that are not meant to become public with public communication in which they pose as transparent and responsible agents contributing to the societal better good. Adding additional opportunities for businesses to be heard and contribute to will formation in a transparent and fair way does not as such imply that more covert actions would end. As long as business is above all about maximizing profits and shareholder value, how could one expect that businesses would not seek to gain maximum advantage from every activity they indulge in? It is only 'responsible' for them to do so, both as a matter of survival in highly competitive environments and because – if they are publicly listed corporations, as most global business actors are – they are required to think first about their shareholders (see e.g. Bakan, 2004). Invited to join public discussions meant to shape wills in society, businesses will look for ways to maximize the advantages gained from these processes and are likely to align some of their more hidden (e.g. lobbying) activities with the developments they also contribute to in the more public forums. In this sense, this will be about 'win-win' for business – meaning, winning from both exerting power in public deliberations and those more covert 'abuses of corporate power' that public deliberation, in Scherer and Palazzo's (2007) view, should in principle be meant to help mitigate.

Let me give one recent example of how abuses of corporate power have been coupled with a 'creative way' of abusing a 'progressive' scheme – i.e. originally meant to constrain detrimental business impacts on society – for maximum business advan-

tage… and eventually a rather detrimental impact on society: steel companies in Europe have been taking full advantage of the greenhouse gas emissions trading system, to such an extent that in 2008 the steel sector '[accounted] for nine out of the top ten permit surpluses among some 12,000 affected factories and power companies' (Szabo, 2009), while remaining one of the sectors that produces the biggest amount of greenhouse gases. Such a benefit can be attributed to 'aggressive lobbying' (Szabo, 2009) and a bargaining position with states that is favourable to steel manufacturers who recurrently threaten to delocalize their production to areas of the world with less strict environmental regimes: as a result, European governments have given the steel industry very high quotas of free carbon permits, leading 'European steelmakers [to receive] over $1 billion worth of unneeded carbon permits' in 2008, profits which 'are ultimately paid for by European electricity consumers including businesses and households' (Szabo, 2009). The point here is not to say that businesses – in this case, steelmakers – are 'evil' but simply that maximizing advantages gained from the institutional incentive environment is what they do, and should be expected to do, given what business rationality is about. Whatever new possibilities a politicization of the business firm provides in terms of advantage maximizing opportunities, we can trust the firm to find creative ways of doing that, which may or may not turn out to be also to the benefit of society – although the latter will tend to be more likely, as maximizing one party's benefit tends to prevent other parties' benefits from being maximized. Therefore, unless there is a very radical change in business rationality – i.e. not tied anymore to profit maximization as ultimate aim, a change which is difficult to imagine happening in the near future – it is hard to see how businesses would accept to do away with more covert political activities and play the game fairly along the lines suggested by Scherer and Palazzo (2007).

In a sense, the thinking behind the politicization of the business firm seems to be that if business is invited to participate in deliberation in a 'transparent' way, this will enhance corporate accountability to society. This is where Rosanvallon's (2006) notion of 'the unpolitical' can be useful in further problematizing the proposed politicization of the firm and exposing the oxymoronic nature of this articulation.

The rise of the unpolitical

To summarize my concerns with the articulation of business as a politicized actor, I see the institutionalization of a political role for business in contemporary democracies as representing a number of risks, which include the understatement of the already existing political influence of business actors and the possibility of giving too much additional power to business actors. Although I also see potential benefits to democracy in Scherer and Palazzo's (2007; 2011) rearticulation, I am wondering whether the threats do not outweigh the opportunities. In my view, acknowledging, encouraging, formalizing and institutionalizing a political role for business could lead to more 'unpolitical' practices rather than a sounder democracy. I borrow the term 'unpolitical' (or 'impolitique', in the original French) from Rosanvallon (2006). What Rosanvallon calls 'the unpolitical' refers to 'the lack of a global understanding of problems connected to organizing the common good' (Rosanvallon, 2006, pp. 28-29; my translation). What Rosanvallon means by 'global understanding' here is not only related to globalization, but also to a lack of holistic vision of the issues, the seeming impossibility to understand issues in all their complexity due to, among others aspects, the different types of (scientific/technocratic)

knowledge needed to comprehend those issues. It can be argued that today our ways of governing become increasingly unpolitical as there are no institutions with the legitimacy – meaning, notably, both a political mandate and enough power – to organize the common good in today's globalized world. This notion of the unpolitical is similar to Shamir's (2008, p. 2) articulation of 'the economization of the political', which 'transforms the very instruments of public authority, replacing laws with guidelines, relying on self- and reflexive regulation and treating normative prescriptions in general as commodities that are to be produced, distributed and consumed by a host of agencies, enterprises and non-profit organizations'. We can identify three main unpolitical trends, which have been accompanied, and certainly actively encouraged, by the increasing power of business over the past decades and the acceleration of globalization: (1) 'the obsessional idealization of the transparency principle' (Rosanvallon, 2006, p. 292; my translation); (2) the related development of a number of 'surveillance' apparatuses (through evaluation, certification, accreditation, audit, etc.); and (3) the systematic framing of all issues in terms of 'governance', abandoning government for a form of management associating many actors and norms. As Shamir (2008, pp. 3-4) puts it, 'governance' can be understood as 'a conceptual device' articulating the process of 'moving away from the legalistic, bureaucratic, centralized top-down configuration of authority to a reflexive, self-regulatory and horizontal 'market-like' configuration'. This does not mean that there are no power struggles involved in governance processes such as multistakeholder initiatives – these processes are inherently political as the different actors involved in horizontal deliberation defend their interests – but that the configuration of authority has changed. Thus, 'unpolitical' should not be equated with 'apolitical'; instead, it qualifies a mode of governance that does not rely on a centralized top-down authority. The move to unpolitical governance does not entail a disappearance of politics, but its relocation (Shamir, 2008).

I will now discuss how the development of CR until now has very strongly contributed to these trends, and how in my view, involving business further into public deliberation processes will most probably lead to reinforcing these trends. I will first relate CR to the issues of transparency and surveillance, and then I will move on to the problem with multi-actor governance – and especially what I see as the unpolitical impact of the corporate involvement in public deliberation – using the Roundtable on Sustainable Palm Oil (RSPO) as an illustration. Throughout this discussion I will try to make clear why I find such an 'unpoliticization of society' most concerning.

The unpolitical impact of Corporate Responsibility: transparency and surveillance

CR, at least as an empirical phenomenon, can be argued to be largely about reporting as it 'consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good' (Matten and Moon, 2008, p. 405). The rhetoric of 'responsibility' implies that CR actions, including the very act of reporting itself, are voluntary and go beyond legal requirements – which is true in most institutional contexts as CR reporting is not mandatory by law in most countries. But this stress on voluntariness also means that 'the precise manifestation and direction of the responsibility lie at the discretion of the corporation' (Matten and Moon, 2008, p. 405). This is problematic, and much of the discussion around CR has been about the notion of 'corporate accountability' (see e.g. Lawrence, 2008; Owen and O'Dwyer, 2007; Rasche and Esser, 2006; Swift, 2001) which would sup-

posedly go beyond mere 'responsibility'. While accountability should be about 'answerability for one's actions or behaviors' (Buchholtz et al., 2007, p. 335) as well as their 'consequences' (Matten and Crane, 2007, p. 64) and thus should in principle involve possible sanctions for e.g. reporting false information, it seems as though the version of accountability that is becoming dominant is based on the ideal of transparency in reporting but without ways to make companies answer for their actions. For instance, what seems to predominate in the practice of stakeholder dialogue and engagement today is a 'soft' form of 'stakeholder accountability', since 'with no rights to information built into the process, power differentials between the organization and its stakeholders remain unaltered' (Owen and O'Dwyer, 2007, p. 397).

The way accountability now tends to be defined in academic works reflects this soft version, as in the following example: 'to account for something is to explain or justify the acts, omissions and risks and dependencies for which one is responsible to people with a legitimate interest' (ISEA, 1999, p. 18). This partial definition is for instance used by Melé (2009) who does not include the second part of the definition, which states that 'in addition to this accounting requirement of transparency, accountability also entails a broader obligation of responsiveness and compliance' (ISEA, 1999, p. 18). Similarly, what seems to be increasingly happening in academic discussions on the issue is that accountability is reframed as merely a matter of transparency. For example, the conclusion of Crane and Matten's (2007, pp. 64-70) seven-page long discussion on corporate accountability is that 'in order to enhance corporate accountability, corporate social activity, and performance should be made more visible to those with a stake in the corporation' (Crane and Matten, 2007, p. 70), which puts the heaviest emphasis on the question of transparency. This is not to say that the authors equate accountability and transparency, but in my view there can be perverse effects in lifting up transparency so much: on the one hand, in certain institutional contexts, notably in the US, the higher likeliness of companies being held accountable in court seems to lead to a reluctance to be transparent when it comes to CR-relevant issues (van Tulder with van der Zwart, 2006); on the other hand, in most other contexts it is possible to make much bolder claims in reporting without really risking to be held accountable. One could for instance refer to Nokia's seemingly high self-demands in terms of not compromising at all on human rights questions; this does not prevent the company from cooperating with the Turkmen government, which has a human rights record among the very worst in the world. Nokia and NSN did not hide the fact that they were investing in Turkmenistan and presented their activities there in a 'transparent' way, to the extent that they are not, strictly speaking, directly responsible for human rights abuses there. They were of course not overzealous in discussing the political situation in that country, but when they were asked to answer questions from stakeholders – in this case, Finnish civil society, in the form of filmmakers Halonen and Frazier (2008) – they chose to describe their activities in Turkmenistan as though they are good for society. Even though some media discussion followed in Finland, those stakeholders who were involved in it – mostly Finnish citizens concerned with human rights issues, i.e. quite remote from those Turkmen people who are the direct victims of enhanced spying possibilities of the Turkmen government – were not able to insist to such an extent that Nokia would feel like having any need at all of even considering withdrawing NSN from Turkmenistan.

Transparency in this sense is not a good proxy for account-

ability, and even though authors such as Crane and Matten (2007) or Melé (2009) do not completely equate one with the other, in some way their articulation may unwillingly provide justification for corporations to continue putting all their efforts in seemingly transparent communication to stakeholders while not really answering for their actions. While transparency and its corollary, 'good governance', are almost universally considered as good for society per se, the danger is that these concepts would become completely empty as extensive technocratic reports would become an activity that as such is enough to call any organization 'accountable' to government and society.

To Rosanvallon, transparency cannot bring about a 'politicization' but instead 'describes a project of perfect visibility, a total absence of frictions, which is but another way to name the utopia of the market' (Rosanvallon, 2006, p. 292, my translation): the transparency imperative itself leads to new industries, as the technocratic reports mentioned above are only read by 'independent agencies' and other new actors that together are meant to 'disciplin[e] the economy in the service of the general interest' (van Parisj, 2002, p. 5). As articulated by van Parisj (2002, p. 4), this steering of the economy in the desirable direction happens thanks to the combined effects of a 'spotlight' – 'the patchwork of organizations and devices that makes visible and assessable what a firm does' – and a 'microphone' – the constant demand for business leaders 'to talk, to account, to justify, to commit themselves publicly'. Responsibility and accountability are thus not at all about political background structures of justice but about transparency, i.e. a matter of market ideal, not of politics – which contributes to the myth of business being apolitical. As noted by Rosanvallon (2006, p. 292; my translation), today's 'surveillance and rating apparatuses explicitly aim at making possible the reign of the invisible hand [of the market], a complete opposite of any political notion'. The development of CR is directly and less directly giving rise to many of these apparatuses of audit, codes of conduct, certification, accreditation, rating, etc. as the self-regulation ethos that it promotes is coupled with the need for new types of supervision, whether public, semi-public, semi-private or fully private (see van Tulder with van der Zwart, 2006). For instance, an auditing industry has developed in order to check the labour standards of subcontractors of transnational corporations. Codes of conduct have been written not only by corporations themselves, but also civil society organizations, industry associations, or 'coalitions (or networks) consisting of corporations, governments and NGOs' (van Tulder with van der Zwart, 2006, p. 241). However, even though those codes developed by coalitions – among which the Forest Stewardship Council, used by Scherer and Palazzo (2007, p. 1110) 'to illustrate the idea of a deliberative concept of CSR' – are most likely to lead to compliance, 'the content of most international codes is still relatively weak' (van Tulder with van der Zwart, 2006, p. 243). CR also relies heavily on quality marks, labelling and accreditation, but, as van Tulder with van der Zwart (2006, p. 243) put it, 'it remains exceptionally difficult to address a complicated CSR problem by means of a quality mark or label', as usually whether the production process of a product qualifies for e.g. an eco-label has more to do with whether it is comparatively 'greener' – or 'less ungreen' – than products from competitors than with a provable benefit for nature. In addition, it is impossible for consumers to know precisely for what particular aspects the product was granted the label.

The supervisors themselves in turn need to be supervised, as a number of recent – e.g. accounting and finance – crises have shown that existing forms of regulation do not work. In the end, we all supervise each other, including academics whose institutions are permanently involved in new accreditation rounds which lead them to engage themselves in changes leading to better governance, better teaching and better research, aiming for global standards of best practice. It is clear that the possibility to make real decisions, including political ones, tends to be completely suppressed in these processes where everyone mostly conforms to 'best practice', 'good governance', etc. What remains is an approach that is more akin to strategy. It is this model, putting strategy on a pedestal within all spheres of society (whether big corporations or local governments, whether universities or civil society organizations, all of which now think first and foremost in terms of their competitive environment), that particularly predominates in the multi-actor governance schemes that are developing in many sectors. Let us now turn to these and what I see as the unpolitical impact of the corporate involvement in deliberation.

The unpolitical impact of the corporate involvement in deliberation: multi-actor governance

In a world where government is losing power, we are witnessing the advent of a global 'bargaining society' (see van Tulder with van der Zwart, 2006) which poses a number of governance challenges especially because the bargaining positions of the different involved actors are quite unequal, typically to the advantage of transnational corporations and to the disadvantage of more local and less wealthy organizations. It is hard to understand how such a bargaining society would lead to more democratic governance: as discussed by van Tulder with van der Zwart (2006, p. 104), in order for bargaining to be as fair as possible, there should be a 'level-playing field', which in practice never happens. In addition, bargaining has been shown to lead to suboptimal outcomes, as it has 'an inherent tendency to eliminate the potential gain which is the object of the bargaining' (Johansen, 1979, p. 520). Since the deliberation model proposed by Scherer and Palazzo (2007) is presented as desirable from the viewpoint of more democratic and efficient governance, what would need to be made clear is how deliberation would be fundamentally different from bargaining. The fundamental difference is not very clear to me, although this may be due to my own inability to understand the intricacies of what Scherer and Palazzo (2007) call Habermas2 (Habermas, 1996; 1998). Does the 'deliberative democracy' idea not also assume that all actors have certain interests and objectives, which they are somehow trying to achieve through deliberation? While it is possible to imagine that in some cases both 'corporations and communities can maximize their goals' (Googins and Rochlin, 2000, p. 128) through partnerships, it is clear that those actors with more bargaining power in those partnerships are more likely to have their goals maximized, which in practice means that the first and foremost goal to be reached will in most cases be the business goal. This means that the primacy of the business goal will often spread from corporations – which only 'do good' for the environment and society to the extent that it helps them 'do well' – to entire partnerships with government and society. To me this is a most concerning development. As Scherer and Palazzo (2007, p. 1110) acknowledge, the deliberation processes they advocate will never be characterized by 'power-free discourses of political will formation' and 'suboptimal consequences are unavoidable'. What they do not explicitly write, however, is that the imbalance will be most likely to favour the business agenda. Presenting these processes as 'driven by civil society actors' (Scherer and Palazzo, 2007, p. 1109) sounds very good, but it begs the question, what invisible force will put civil

society in this driving position? Certainly not the invisible hand of the market at least.

But let me attempt to discuss some (political) consequences of this enhanced involvement of business firms in will formation. I will address two central governance challenges in turn: first, relating to environmental and health issues; and second, relating to wealth (re)distribution. When it comes to coping with contemporary environmental and public health challenges, what is the consequence of involving business interest groups in governance deliberations? Méheust (2009) shows in a convincing way how the incorporation of the business agenda leads to an impossibility to (1) anticipate the problems and (2) address them firmly enough. Consider the following example:

> What happens when the danger of pesticides for public health becomes harder to hide? When the quantity of fish is sharply decreasing due to overfishing? Then, and then only, norms and quotas will be set up. But this will happen not due to an absolute truth claim (pesticides are dangerous, they have to be eradicated immediately; sea life is threatened, strong measures have to be taken) but as a result of a complex calculation that will take into account, beyond public health, the interests of food industries and industrial fishing, the weight of their lobbies, and the solution opted for at a given moment will always be the balancing point between these contradictory demands. (Méheust, 2009, p. 79; my translation)

The (unpolitical) management of these issues is made within the constraints of a bargaining balance which systematically takes the economic imperatives as absolute prerequisites. The example of the Roundtable on Sustainable Palm Oil (RSPO) – a multistakeholder governance initiative typical of the turn to 'political CSR' – is illustrative in this respect. In this case, there is clearly (to refer back to the definition of unpolitical) a 'lack of a global understanding of problems connected to organizing the common good' (Rosanvallon, 2006, pp. 28-29; my translation). In the name of addressing challenges of global environmental sustainability – and in fact in order to reduce regional greenhouse gas (GHG) emissions as part of Kyoto protocol commitments – both the EU and Finland have set up incentives to develop biofuels (target of 10% biofuel use in the EU-27 in 2020, and 20% in Finland). New initiatives and innovations have been encouraged by these incentives, and palm oil-based biofuels have been developed, most notably by Finnish company Neste Oil. After a few years of production of palm oil meant to be used for these biofuels, it was found in a high-profile study published in Science that converting rainforests, peatlands, savannas, or grasslands to produce food crop–based biofuels creates a huge 'biofuel carbon debt' by releasing 17 to 420 times more CO_2 than the annual GHG reductions that these biofuels would provide by displacing fossil fuels (Fargione et al., 2008). These alarming research results have led Greenpeace and other environmental NGOs to conclude that palm oil production cannot be deemed 'sustainable'. But when this was then articulated as a governance challenge, the problem was not 'how to stop palm oil production'. Instead it was formulated as follows: 'In response to the urgent and pressing global call for sustainably produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders' (RSPO, 2004). With the purpose of making palm oil sustainable, RSPO has been involving investors, producers, retailers, as well as 'constructive' social and environmental NGOs – by considering palm oil as unsustainable, Greenpeace automatically excluded

itself from it. To me, this governance process which co-opts so many actors around an oxymoronic mission is very revealing of the problems with multistakeholder initiatives: it excludes the very possibility that palm oil production should be stopped due to its clearly negative impact on environmental sustainability. As Méheust (2009, pp. 91-92; my translation) further puts it, this way of managing, i.e. 'this ability to, at any point, adjust our firms to new constraints in the system is a strength only in the short and medium run' as in the long run 'it will allow an intrinsically pernicious system to spread all over the planet and to last beyond the point of no return'. This is also the end of politics understood as relating to an ability to make decisions, especially when it comes to decisions possibly going radically against the interests of certain corporations or certain industries. We have seen recently that such political decisions may still be possible in cases of extreme crisis, when the German government (in a rather isolated move) decided to stop nuclear energy generation in Germany after the Fukushima nuclear accidents. But when unpolitical governance initiatives formulated 'with the objective of promoting the growth' (RSPO, 2004) of business opportunities become the standard way of governing environmental issues, the ability to make radical but needed decisions disappears and the likeliness of more acute environmental crises to come keeps growing.

Another very central political issue today – and indeed possibly historically the most important political issue, which Rosanvallon (2006, p. 292; my translation and emphasis) lifts up as 'the political question in economics' – is that of wealth (re) distribution. While the focus of governments on competitiveness gives the primacy of contemporary (un)political strategies to 'wealth creation', the question of how the wealth that is generated – often without taking full account of the costs that are externalized on society – is to be redistributed loses its crucial position, including in the countries that used to be the most generous welfare states, in Western and Northern Europe. Throughout the world the difference of revenues between labour and capital is growing to the benefit of the latter, and inequalities between the rich and poor are also growing, both between and within societies. Thus, our contemporary unpolitical version of capitalism is at the same time 'more supervised and more unfair, more transparent and more inegalitarian' (Rosanvallon, 2006, p. 293; my translation and emphases). In other words, the political economy of this increasingly corporate-led system, where CR plays an increasingly central role, does not deliver on its promise to promote 'social justice' understood as 'reducing inequalities to bring about a socially defensible distribution of income' (cf. Banerjee, 2007, p. 131), quite on the contrary. Since the priority goes to 'good governance' and 'good economics', it is hard to see how social justice could be enhanced when, for instance, those few Western companies that have some kind of 'social orientation' are blamed by other companies for causing 'competitive distortions' (see Banerjee, 2007, p. 141). Unless business rationality radically changes before firms are asked to become even more involved in political processes, it is unclear to me how the formal 'politicization' of business firms could bring about more social justice.

The 2008-2009 (and in many ways still ongoing) financial crisis can be interpreted as having largely to do with a failure of the system based on self-regulation and surveillance. In my view, this should clearly show that there is a need for a radical change that does not call for more involvement of business firms in politics, but rather a decoupling of corporations from political will formation – indeed, a depoliticization of business. If companies from e.g. very polluting industries are asked to participate in

more 'responsible' governance, they will nearly always manage to reach outcomes that will make it possible for them to thrive, which in a number of cases is not desirable for society. At the very least, there are certain industries that should be regulated to such an extent that corporations from these industries would have to suffer: they will never accept these radical changes if they have a say. Therefore, it is deeply concerning when, for instance, a powerful tobacco company claims that it 'should have the [sic] voice in the formation of government policies affecting it' (Nymander, 2009), which seems to be understood today as an acceptable statement within a presentation of its CR activities. Rather than calling for a formal political role for business firms in will formation and governance, I would agree with Korten (1999, p. 15) that the priority should be to 'end the legal fiction that corporations are entitled to the rights of persons and exclude corporations from political participation'. Unfortunately, the trend in most developed countries is going strongly in the opposite direction (see e.g. Nichols and McChesney, 2010).

Conclusion: politicization of the firm, unpoliticization of society?

> The capitalist firm is not a moral entity but rather a political one; it is materially invested in perpetuating necessarily unequal relations of power, both internal and external. Thus, critics of CSR must concern themselves with politics, moving from a discussion of ethics and responsibility to a discussion of justice. (Cloud, 2007, p. 229)

In my view, it is precisely because the 'capitalist firm' is a powerful political entity with narrow interests that it should be excluded from political will formation if what we want to achieve is a more democratic political system, a more sustainable environment and more social justice. If business is allowed to exert its influence upstream in political deliberation, then '[its] nar-

row ambitions and its essentially unsocial needs' (Levitt, 1958, p. 44) are most likely to be increasingly favoured, often at the expense of society. It will also be able to further co-opt government and civil society along empty ideals like 'transparency' and 'good governance', and further spread its reality-masking oxymorons such as CR, 'sustainable growth', 'moralization of capitalism' or 'flexicurity' (see Méheust, 2009). Now, politics cannot be, or should not be, about oxymorons; it should be about decisions, not a matter of strategy or management rhetoric pretending to reconcile the unreconcilable. In this sense the current reign of oxymorons contributes to the decline of 'the political'. As much as I admire the theoretical articulation of the 'politicization of the business firm', I am wondering whether it could not in some way be another oxymoron that plays its part in condemning us as citizens and academics to a double bind that ultimately prevents us to call for more radical and decisive action. To the extent that I see this politicization of the firm as leading to an extended unpoliticization of society, I am tempted to consider it such an oxymoron. In table 1 below, I attempt to summarize differences between the ideal types of (1) political, social democratic government and (2) unpolitical, deliberative democratic governance.

It is important to note that in the table below the unpolitical arrangements are still intensely political insofar as they involve power struggles between the different actors involved. As written above, what the unpolitical signifies is a relocation, rather than a disappearance, of politics. This table clearly marks my preference for the 'political, social democratic' path and the idea that transnational corporations should be held accountable 'to democratically elected and accountable global authorities' (Patomäki and Teivainen, 2004, p. 209), but of course I know that such are the balance of power and the momentum of unpolitical governance that it is unlikely at this juncture that it would be possible to set up such global authorities and clearly demar-

Political, social democratic	Unpolitical, deliberative democratic
Government for the common good One institutional actor with a mandate and a holistic view, defending the interest of the common good	Governance / 'co-management' of issues Multiple actors with different interests in the issues at hand, involved in deliberation
Decision-making	Strategy through deliberation
Enforceable accountability Relying on central legislation (voted by parliament) and a few public institutions for its enforcement	Responsibility through voluntary transparency Relying on supervision and surveillance apparatuses involving many public and private actors
Complete separation between formal political power and the market Model of 'good government' based on exclusion of corporations from political participation and independence of justice Global intergovernmental system	'Politicization' of the business firm, invited in deliberation on governance Model of 'good governance' based on 'transparency' Global deliberation involving states, business and civil society
Aim of sustainable growth and sustainable livelihoods Aim of social justice Aim of fair wealth redistribution	Aim of sustainable growth within possible constraints posed by civil society Aim of an undistorted market within possible constraints posed by civil society Aim of maximal wealth creation within possible constraints posed by civil society

Table 1. Characteristics of two ideal-type configurations of authority: 'political' (social democratic) government vs. 'unpolitical' (deliberative democratic) governance

cated governments with a mandate for organizing the common good and a complete independence from corporate power. This seeming impossibility of a working democratic system based on government rather than governance is notably due to the multidimensional complexity of developing a governmental system on the global scale. With this in mind, I am aware that unpolitical governance can possibly be claimed to be a lesser evil and a pragmatic option in light of the challenges we now face. But this seeming impossibility of political government is also due to the process of neoliberalization and moralization of markets (Shamir, 2008), which can be considered to be the result of a political project driven by business interests. In this sense, the notion of unpolitical can be likened to Shamir's (2008) 'economization of the political', but beyond this it also makes it possible to expose the oxymoronic, internally contradictory nature of the politicization of the firm.

Thus, while I agree that much progress has been made leading to problem solving in a number of domains through modes of governance mobilizing many stakeholders, and that many satisfactory solutions to specific challenges will certainly be reached through similar means in the future, my ultimate concern is that in my view, the two most important contemporary political questions – the environmental sustainability of our way of life and a more equal distribution of wealth – which call for urgent and radical measures, cannot be addressed appropriately through deliberation between actors whose interests are too conflicting and whose bargaining positions are too unequal. Worse yet, the illusion that we are 'managing' the

problems through multi-actor governance and oxymoronic rhetorics tends to mask reality and may lead us to forget about the tough political decisions that need to be made on both the environmental and social fronts. This inability to make such radical decisions when they become the only options left is, I believe, what we ultimately risk if we let the unpolitical reach all spheres of society. I know that this does not sound optimistic, but the concerns I have tried to express in this paper – however poorly articulated they may be at times – are at least genuine. If I do believe that a radical change towards a more political option based on government rather than governance is possible in the future, it is to the extent that I am convinced that other major (financial, economic, environmental, and/or social) crises are coming, whether very soon or a bit later, and, while the high likeliness of such major crises is certainly not a prospect to rejoice over for anyone, they may lead to the realization that managing contemporary environmental and social challenges in an unpolitical way is not the solution. If and when this time comes, perhaps the articulations of scholars involved in the debate on the political role of business firms will come to be useful. Thanks to current developments relating to business, government and society questions (including those power problematizations encouraged by this special issue), the debate on the political dimensions of corporate activities and CR is now very lively, which will hopefully make possible such new visions for achieving more social justice and environmental sustainability in the future.

References

Bakan, J. (2004), The Corporation: The Pathological Pursuit of Profit and Power, Constable, London.

Banerjee, S.B. (2007), Corporate Social Responsibility: The Good, the Bad and the Ugly, Edward Elgar, Cheltenham, UK.

Bendell, J. and Bendell, M. (2007), "Facing Corporate Power", in May, S., Cheney, G. and Roper, J. (Eds.), The Debate over Corporate Social Responsibility, OUP, Oxford.

Buchholtz, A.K., Brown, J.A. and Shabana, K.M. (2008), "Corporate Governance and Corporate Social Responsibility", in Crane, A., McWilliams, A., Matten, D., Moon, J. and Siegel, D.S. (Eds.) The Oxford Handbook in Corporate Social Responsibility, OUP, Oxford.

Botnia (2006), Botnia Annual Report 2006.

Cloud, D.L. (2007), "Corporate Social Responsibility as Oxymoron: Universalization and Exploitation at Boeing", in May, S., Cheney, G. and Roper, J. (Eds.), The Debate over Corporate Social Responsibility, OUP, Oxford.

Corporate Watch (2006), What's wrong with Corporate Social Responsibility? Online report. [downloaded 11 November 2006 at http://www.corporatewatch.org/?lid=2670]

Crane, A. and Matten, D. (2007), Business Ethics, OUP, Oxford (2nd edition).

Devinney, T. (2009), "Is the Socially Responsible Corporation a Myth? The Good, Bad and Ugly of Corporate Social Responsibility", Academy of Management Perspectives, Vol. 23 No. 2, pp. 82-84.

Fargione, J., Hill, J., Tilman, D., Polasky, S. and Hawthorne, P. (2008), "Land Clearing and the Biofuel Carbon Debt", Science, Vol. 319 No. 5867, pp. 1235-1238.

Fougère, M. and Solitander, N. (2009), "Against Corporate Responsibility: Critical reflections on thinking, practice, content and consequences", Corporate Social Responsibility and Environmental Management, Vol. 16 No. 4, pp. 217-227.

Ganesh, S. (2007), "Sustainable Development Discourse and the Global Economy", in May, S., Cheney, G. and Roper, J. (Eds.), The Debate over Corporate Social Responsibility, OUP, Oxford.

Habermas, J. (1996), Between Facts and Norms. MIT Press, Cambridge, MA.

Habermas, J. (1998), The Inclusion of the Other: Studies in Political Theory, MIT Press, Cambridge, MA.

Halonen, A. and Frazier, K. (2008), "Offering Nokia a new perspective". Available http://www.freedomforsale.org/index.php?subbar=articles&req=article00068&ref= [May 26 2009]

ISEA (1999), Accountability 1000 (AA1000) framework: Standards, guidelines and professional qualification, Exposure draft, Institute of Social and Ethical Accountability. Available http://www.accountability21.net/uploadedFiles/publications/AA1000%20Framework%201999.pdf [26 May 2009]

Johansen, L. (1979), "The bargaining society and the inefficiency of bargaining", Kyklos, Vol. 32 No. 3, pp. 497-522.

Korten, D.C. (1995), When Corporations Rule the World, San Francisco: Berrett-Koehler.

Korten, D.C. (1999), The Post-Corporate World: Life After Capitalism, San Francisco: Berrett-Koehler.

Lawrence, S. (2007), "Toward an Accounting for Sustainability: A New Zealand View", in May, S., Cheney, G. and Roper, J. (Eds.), The Debate over Corporate Social Responsibility, OUP, Oxford.

Levitt T. (1958), "The Dangers of Social Responsibility", Harvard Business Review, Vol. 36 No. 5, pp. 41-50.

Matten, D. and Crane, A. (2005), "Corporate Citizenship: Toward an Extended Theoretical Conceptualization", Academy of Management Review, Vol. 30 No. 1, pp. 166-179.

Matten, D. and Moon, J. (2008), "« Implicit » and « Explicit » CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility", Academy of Management

Review, Vol. 33 No. 2, pp. 404-424.

Méheust, B. (2009), La politique de l'oxymore : Comment ceux qui nous gouvernent nous masquent la réalité du monde, La Découverte, Paris. (in French)

Melé, D. (2009), Business Ethics in Action : Seeking Human Excellence in Organizations, Palgrave Macmillan, Basingstoke.

Nichols, J. and McChesney, R.W. (2010), "The Money & Media Election Complex", The Nation, November 29 2010.

Nymander, M. (2009), "Responsibility as Part of the Business Strategy of British American Tobacco", Presentation given at the Nordic Corporate Responsibility Conference, Hanken School of Economics, Helsinki, Finland, May 15-16 2009.

Owen, D.L. and O'Dwyer, B. (2008), "Corporate Social Responsibility: The Reporting and Assurance Dimension", in Crane, A., McWilliams, A., Matten, D., Moon, J. and Siegel, D.S. (Eds.) The Oxford Handbook in Corporate Social Responsibility, OUP, Oxford.

Paine, C. (2006), Who Killed the Electric Car? Plinyminor. (documentary film)

Patomäki, H. and Teivainen, T. (2004), A possible world: Democratic transformation of global institutions, Zed, London.

Rasche, A. and Esser, D.E. (2006), "From Stakeholder Management to Stakeholder Accountability: Applying Habermasian discourse ethics to accountability research", Journal of Business Ethics, Vol. 65, pp. 251–267.

Rosanvallon, P. (2006), La contre-démocracie: La politique à l'âge de la défiance. Seuil, Paris. (in French)

RSPO (2004) Overview of RSPO. Available http://www.rspo.org/files/resource_centre/Factsheet-RSPO-Overview.pdf [15 September 2011]

Scherer, A.G. and Palazzo, G. (2007), "Toward a Political Conception of Corporate Responsibility: Business and Society Seen from a Habermasian Perspective", Academy of Management Review, Vol. 32 No. 4, pp. 1096-1120.

Scherer, A.G. and Palazzo, G. (2011), "The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy", Journal of Management Studies, Vol. 48 No. 4, pp. 899-931.

Scherer, A.G., Palazzo, G. and Matten, D. (2009), "Introduction to the Special Issue: Globalization as a Challenge for Business Responsibilities", Business Ethics Quarterly, Vol. 19 No. 3, pp. 327-347.

Stiglitz, J.E. (2006), Making Globalization Work. Norton, New York.

Sundbäck, V. and Kivinen, L. (2008), "Nokia issues denial of violations of guidelines for corporate social responsibility in Turkmenistan deal", Helsingin Sanomat, 28.02.2008. Available http://www.hs.fi/english/article/Nokia+issues+denial+of+violations+of+guidelines+for+corporate+social+responsibility+in+Turkmenistan+deal/1135234428598 [29 May 2009]

Swift, T. (2001), "Trust, Reputation and Corporate Accountability to Stakeholders", Business Ethics: A European Review, Vol. 10 No. 1, pp. 16-26.

Szabo, M. (2009), "EU steel reaps $1.5 bln benefit from carbon trade", Reuters. Available http://www.reuters.com/article/latestCrisis/idUSL9933905 [26 May 2009]

Van Parisj, P. (2002), "The spotlight and the microphone: Must business be socially responsible, and can it?" Note from conference "Fabrica Ethica", Florence, 13-15 March 2002. Available http://www.uclouvain.be/cps/ucl/doc/etes/documents/DOCH_092__PVP_.pdf [15 September 2011]

Van Tulder, R. with van der Zwart, A. (2006), International Business-Society Management: Linking corporate responsibility and globalization, Routledge, London.

Author

Martin Fougère is Assistant Professor in Politics and Business at Hanken School of Economics in Helsinki, Finland. His main research interests are in business and society, corporate responsibility, critical management studies, and governmentality. His works on these and other topics have been published in a number of international journals – such as Management Learning, Scandinavian Journal of Management and Journal of Organizational Change Management – and books.

Martin Fougère
Assistant Professor in Politics and Business
Hanken School of Economics
Arkadiankatu 22, P.O. Box 479
00101 Helsinki, Finland
martin.fougere@hanken.fi
Tel.: +358 403521278

The Power of Relational Responsibility

Te Kawehau Hoskins
Betsan Martin
Maria Humphries

Abstract

Responsibility is elaborated here as an ethic which reaches beyond codified and individualized norms of duty. As a relational ethic responsibility is considered for its power to address the planetary, ecological and human challenges of our time. We draw on philosopher Emmanuel Levinas's work on relational responsibility, and, as is fitting from our context, on indigenous knowledge. These diverse cultural knowledge systems are both premised on putting the Other before self interest and are remarkable for their shared priorities of responsibility, obligation and relationality as pre-eminent values. Responsibility is built on a powerful critique of the tenets of classical liberalism and associated economic theory. Sustainability espouses the importance of collaboration, which is necessarily relational. While relational responsibility cannot be confined to rules, this quality of human commitment can invest decision-making for sustainability. Could it be that ethical relationality is a key to moving beyond self interest (individual and corporate) and commercial goals to put responsibility for the viability of earth's ecosystems as a priority across professional fields such as management, education, ethics and business?

Keywords

Relationality, planet, responsibility, collaboration, Levinas, indigenous

Introduction

This paper suggests that to achieve shifts in social and economic practices beneficial for planetary systems, new frameworks of meaning are required. Climate Change is compelling theorists and practitioners in many fields to consider conceptual orientations that can address the complex intersections of social, economic and environmental forces. Our contribution is to the development of a discourse of responsibility and relationality that challenges the dominant paradigm of rights and self interest that we argue has permitted near planetary collapse in a mere three hundred years. Our input to such a project is the idea of ethical responsibility for the Other[1], at the heart of the philosophy of Emmanuel Levinas (2004, 2006, 1981, 1986). Levinas's work can be read as a radical inversion of dominant ideas about the autonomous and self-sufficient individual. This inversion is achieved through a formulation of subjectivity that proposes that we are constituted firstly in relation to the Other. We come into being as an 'individual', in any sense, through a prior relationship to the Other. As such we are always, already tied to the Other in a relationship of responsibility.

Though not his primary intention, Levinas's work offers a radical rethinking of liberal rights based discourse that sees the individual, from the outset as sovereign, and the pursuit of self-interest as a primary human value and endeavor. In such an economy responsibility for others and the environment is secondary - it is the price we must pay for the unfettered pursuit of self-interest (Chinnery & Bai, 2008). A further, source of inspiration for this paper, and one that shares some resonances with Levinas, is Indigenous-Maori thought. While both privilege the face-to-face relation, Levinas sees responsibility as emerging from the face-to-face relationship with the human Other, whereas Indigenous traditions make no such distinction. For Indigenous-Maori the 'Other' references all species beings to who I am related in a vast genealogy of relationships and interactions. Indigenous thought thereby expands the relation of responsibility found in Levinas to the biosphere and beyond.

This paper proposes that in the context of planetary systems collapse a discourse of responsibility must take precedence if there is any hope of sustaining viable life on earth. If responsibility emerges firstly through remembering the face-to-face ethical relation (as Levinas proposes), then relationships are critical sites through which decisions based in responsibility can occur.

Collaboration is one of the core principles of sustainability[2] (Iser and Stein, 2009; Berkes, Colding and Folke 2003; Berkes and Folke 1998; Williams and Martin, 2010; Adger 2004). To achieve sustainable and integrated environmental governance and management contesting interests and parties must collaborate. Though collaboration is no a guarantee of beneficial outcomes for the environment, we suggest that contesting motivations in sustained face-to-face relationships provides opportunities to learn from others that may be productive for environmental outcomes.

We consider that our focus on relationality and responsibility provides a meaningful contribution to the Principles of Responsible Management Education alongside others who are working with ethics in this area (see for example Reason, 2007; Marshall, Coleman & Reason, 2011; Fitzgibbons & Humphries, 2011) The values of social responsibility, the principle of partnership and the call to dialogue for sustainable management across a broad range of actors is timely and powerful. We also believe that our paper strongly connects to the journal theme of 'the power of responsibility'. Levinas proposes an ethics that is impos-

---

[1] Following Sharon Todd's (2003) convention we denote the Other of Levinas's thought with a capital 'O'; whereas the lower case other is used as a general descriptor for other persons. Levinas's concept of the Other is not to be confused with social theory definitions, where 'the other' refers to the effects of descriminatory practices that categorize certain groups as outside desirable norms (see Todd, 2003).

[2] Sustainability can be defined as "maintaining the capacity of ecological systems to support social and economic systems" (Berkes et al 2003, p.2).

sibly demanding, exceeding any moral code. It is in its impossibility that the 'power' of Levinas's ethical responsibility lies. Ethical responsibility can inspire us to political decisions taken not for self-interest, but in the interests of justice for others, and by extension, for the planet.

Liberalism and Sustainability

Any attempt to vision an alternative paradigm for a sustainable life on earth must be cognizant of the history, forces and theories that have given rise to the clearly unsustainable paradigm of the recent centuries of industrial development. Levinas offers a fundamental critique of liberalism important for such a task. For Levinas, liberalism represents an 'ontology of being' concerned with rational freedom where the human is liberated as a free spirit "infinite with regard to any attachment" (Levinas, 2006, p.5). This is a freedom from any obligation that for Levinas is always already rooted in the prior ethical relation (Horowitz & Horowitz, 2006). A Hobbesian view suggests that humans are sovereign individuals that enter society and agree to assume some responsibilities in order to better pursue self-interest (Hobbes, 1998). In this view responsibilities are tolerated only insofar as they furnish the conditions for autonomy, private interest and freedom. Far from being ethically questionable, the pursuit of self -interest has been regarded as central tenet of the good life.

Early scientific and Enlightenment ideas granted Man a super ordinate position over the earth and its species (Shepherd, 1993). Francis Bacon advocated science as a new experimental philosophy able to "…lead men to nature with all her children, to bind her to your service and make her your slave…to conquer and subdue her, to shake her to her foundations" (Bacon, 1963 cited in Shepherd, 1993). Such views opened the way to forms of scientific inquiry that objectified nature, and to knowledge formation and technological development that has removed human accountability to nature.

The anchor points within the wide-ranging tenets of liberalism include the sovereign rights of the individual, private property, competition and the individual accumulation of wealth. (Hall 1986; Oddie & Perrett, 1992). These tenets are the enduring foundations of contemporary political and economic systems, often identified as western, which have an increasingly global reach. The post 1960's rise of neo-liberalism, exemplified in the theory of Milton Friedman, is a contemporary application the economic inventions of free trade initiated in the eighteen century to support European expansionists ideals. Today these ideas manifest in the intensification of globalized markets, the removal of regulation, privatization, and the replacement of concepts of public good with individualized 'responsibility'.

From a Levinasian perspective an orientation to the world that forgets the anterior relation to the Other (the Other person as well as the natural world, or earth as Other), at the same time forgets the radical alterity or difference of the Other. For Levinas, the Other, for whom we are infinitely responsible, cannot be reduced to objective knowledge, to our horizons of knowing. A key problem with Enlightenment rationality is the view that everything is potentially knowable and therefore we can arrive at universal and totalizing truths. For Levinas (2006) fascism and liberalism are both forms of will to power and expansion operating through a commitment to the universalization of a truth. In fascism this is the expansion of the 'particular' (the German people) through force. Liberalism on the other hand represents the non-coercive ideological expansion of a universality, but which nonetheless according to Levinas has brought

forth new forms of violence:

> This history of peace, freedom and well-being promised on the basis of a light projected by a universal knowledge on the world and human society…this history does not recognize itself in its millennia of fratricidal, political and bloody struggles, of imperialism, human hatred and exploitation…(Levinas, 1996, p. 163)

For Levinas attempts to reduce the difference of Others – and we can extend that to bringing the natural world within the bounds of human knowledge, control and exploitation - requires violence. Violence has underpinned liberalisms belief that it is capable of discerning a universal and uniform constitutional and economic order. Such an order has required the reduction of diversity to sameness in both the social and biotic worlds. An ethics of responsibility for our purposes, supports a sociality where we are different trumps a sociality based on sameness.

Indigenous peoples, continue to remember and articulate a discourse of responsibility and obligation to others and to natural environments. The persistence of this orientation emerges from the knowledge that people arise or are constituted in relation to the world. Maori for example see themselves as part of a familial web in which humans are junior siblings to other species beings and forms of life. People therefore don't understand themselves as exercising knowledge over the natural world but as existing always already inside or as relationships (Hoskins, 2010). A preference for diversity in the social and biotic spheres is also upheld in Indigenous thought. Indigenous cultures are 'poly-centric' and 'poly-cultural' – no singularity becomes hegemonic whether in the environment (agricultural techniques such as mono-cropping), or culturally (in the assertion of meta-narratives or centralized political authority) (Royal, 2003; Varese, 2000).

The problem then for the discourse of sustainability is that it is produced in the context of liberalism and in its current iterations does not significantly challenge the underlying premises of its production. As Audre Lorde (1984) famously wrote: 'the master's tools can never dismantle the master's house'.

Despite some traction in developments in 'Triple Bottom Line Accounting', and numerous amplified calls to consider 'sustainability' of industries and economies, the imperatives of economic development for commercial interests have few robust forms of accountability for environmental impacts. In their introduction to Navigating Social-Ecological Systems (2006), Filkret Berkes, Johan Colding and Carl Folke assert a failure in problem solving capacities in environmental and resource management, despite the growing scientific understanding of ecosystems and "our bag of increasingly sophisticated tools and technologies, and the application of market mechanisms to problems such as air pollution and fisheries management" (p.1). These theorists argue that building resilience for complexity and change requires conceptual change to meet the challenges of sustainability:

> There is an emerging consensus regarding the need to look for broader approaches and solutions, not only with resource and environmental issues but also along a wide front of societal problems. … When asked about the most urgent problems facing science and society, scientists [from the America Association for the Advancement of Science] identified many items, but a common thread was that each issue seemed to have radically outgrown its previously accepted conceptual framing. (Berkes, Colding & Folke, 2006, p.1)

Sustainability has come under attack from other researchers including stakeholder theorist Andrew Weiss (1995), socio-lin-

guistic theorist Edith Sizoo (2010) and sociologist Ina Ranson (2010). Ranson argues (as we do) that sustainability is embedded in a persisting objectification of nature, which will stand in the way of achieving its goals Ranson suggests an orientation to living with nature is a relational way of engaging in respectful and more responsive forms of environmental management (Ranson, 2010). Edith Sizoo (2010) points to the common practice of companies attaching themselves to the discourse of sustainability through charitable donations to environmental causes while engaging in blatant environmental abuses. Shell's forging of a partnership agreement with the IUCN (International Union for the Conservation of Nature) is a case in point (Steiner, 2011).

Rather than piecemeal tinkering these critiques point to the need for a radical rethinking of the underpinnings of enlightenment and liberal thought and our economic motivations and systems. We suggest that a relational ethics of responsibility for social, economic and environmental justice is required to respond to the pressing issues facing humanity. The beginnings of such a discourse is observable in the United Nations Millennium Development Goals and the Global from which the PRME are generated. With further development and application such goals and principles can support the paradigm shift required for truly sustainable human and environmental systems (Fitzgibbons & Humphries 2011;Verbos & Humphries 2011).

Ethical Responsibility

We turn now to Levinas's account of ethical responsibility. Our premise for offering such an account is that standard accounts of responsibility are limited so as to be almost useless for current problems. Levinas invests responsibility with a radically demanding ethicality we suggest is crucial for the challenges that face the planet and ourselves. Diane Perpich's (2008) book The Ethics of Emanuel Levinas offers an insightful discussion that contrasts standard accounts of responsibility with the very different and impossibly demanding responsibility proposed by Levinas. Most accounts of responsibility in moral philosophy are limited by being restricted to voluntary action and apply to everyone in more or less similar ways. In terms of the limits of our responsibility, we are generally held responsible to do something only if it is possible for us to do it. Our responsibility is also limited to our own actions and the fairly immediate and expected consequences of those actions. I cannot be held accountable for something I have not done, or a state of affairs I have had no part in bringing about. The limit of my responsibility is generally determined by the proximity of my actions to the matter in question, and the more distant one's actions are the more socially acceptable the favouring of one's own interests becomes (Perpich, 2008).

Responsibility for Levinas is beyond such accounts. Levinas effects a knowing inversion of these standard accounts of responsibility. Levinas's account pushes responsibility to the extreme in ways that make everyday notions vulnerable and permits a new orientation to be glimpsed. His claim is that responsibility is beyond what it is possible to do, beyond my actions and their consequences and beyond the distinction between voluntary and involuntary. Responsibility to the singular Other of the face-to-face relationship is unlimited and infinite, it is not universal or reciprocal, but applies only to me. This is a responsibility that cannot be declined, discharged or filled. It is an impossible demand. For Levinas ethical responsibility in the human world must be demanding if its moral force is not simply be reduced to norms and checklists. What is powerful

in Levinas's formulation of responsibility is that we are urged always beyond what can and must be codified in legislation and policy frameworks. Though responsibility and accountabilities will require codification, the existence of codes does not exhaust the ethical demand of responsibility. Ethical responsibility must always transcend or exceed what is possible to legislate.

Thinking about responsibility as a discourse for a sustainable future is being generated. Hans Jonas (1995) for example, encourages responsibility as a concept not simply for past actions or in the mitigation of environmental damage, but for the future of life on earth. We are challenged to act in ways "compatible with the permanence of genuine human life on Earth" (Jonas, 1995:11). Thinking responsibility into the future requires a cautionary approach that recognizes that we cannot know all the unintended and unforeseen consequences of technological innovation and planetary interventions. The impetus of initiatives such as The Charter for Human Responsibility, The Earth Charter, and The Rights Of Mother Earth proposed by Bolivia, are examples of reaching towards responsibility as a discourse for the viability of life on the planet:

Responsibilities are related to the present and the future, as well as to past actions. The burden of collectively caused damage must be morally acknowledged by the group concerned, and put right in practical terms as far as possible. Since we can only partially understand the consequences of our actions now and in the future, our responsibility demands that we must act with great humility and demonstrate caution (Charter for Human Responsibility, Preamble).

Such an approach connects with the Levinasian view that the Other is not fully knowable or containable. We cannot predict the outcome of social encounters. In a similar sense the complexity and non-linearity of planetary and atmospheric systems and human induced effects on ecosystems and the climate, cannot either be fully known or contained. An approach that takes robust responsibility for human activity; institutes an immediate cautionary principle for future responsibility (this will involve reduction of production and consumption); and recognises the limits of our capacity to know and manage effects is imperative.

Relationality

For Levinas face-to-face ethical responsibility occurs at the inter-subjective level and is not an idea that can simply be mapped onto political relationships. In the face-to -face relationship responsibility to the Other is infinite. But in society, and in the sphere of the political, decisions that must be taken for social life necessarily limit the responsibility demanded by the Other. Levinas's ethics does not give rise to 'a politics'; it does not suggest a set of principles, codes or norms that would constitute a particular rationality. Rather Levinas's interest is how we might make space for ethical responsibility in the sphere of the political and how a commitment to ethical responsibility can invest of political decisions.

Because the relation between ethics and politics in Levinas is undetermined, politics is seen as capable of both violence and of justice. Yet ethics is also the condition of the sphere of the political because (as noted), our constitution in responsibility to the Other is the means through which we become self-reflective decision-makers in the social and political world. Relational responsibility precedes agency (Levinas, 1996). This prior constitution in responsibility means that even as ethics does not direct politics, and the political can close against others, we can never be completely indifferent to the ethical demands of the Other

(Perpich, 2008).

The ethical for Levinas then is a condition for the existence of the political sphere and makes appearances or circulates there (Horowitz & Horowitz, 2006). Yet the ethical cannot be completely contained here and always operates beyond or in excess of the political. Our task for the political sphere is to make space for ethical. Making space for the ethical requires what Simon Critchley terms conscience (Critchley, 2004). It requires an un-forgetting of, and committing to, the ethical in ways that disturb and interrupt the tendency of the political to totality, to a single rationality or consensus (Horowitz and Horowitz, 2006).

Jacques Derrida suggests, following Levinas, that the relation between ethics and politics is captured though the idea of the Others decision in me (Derrida, 1997). The Others decision in me is a decision taken but with regard to which I am passive because the decision is demanded by, or is in the service of, the Other—it is a demand I cannot ignore. For Critchley (2004) the Other's decision in me is an experience of conscience of the Others demand, to which I am responsible, and which reminds me to act in a particular situation of injustice. When making a political, policy or management decision, in the face of ethical responsibility, we face according to Derrida (1996), an experience of 'undecidability'. The experience of undecidability is recognition that political decisions, which are made for the many, represent a limitation of ethical responsibility to the singular Other. This experience can however provoke our conscience in a way that can open the possibility for judgments and decisions to made in responsibility for Others (Derrida, 1996; Critchley, 1999). For Derrida (1997) taking political decisions in such a way gives rise not to a set of normative principles, but (citing Levinas) to 'political inventions' that are called forth in response to the singularity of a particular ethical demand and context.

The political can become much more processual, contextual and open to creative interpretation and invention as Simon Critchley points out:

Politics can therefore be thought of as the art of response to the singular demand of the Other, a demand that arises in a particular context – although the infinite demand cannot simply be reduced to its context – and calls for political invention, for creation (Critchley, 1999, p. 276).

This Levinasian and Derridean orientation to the political connects well with the non-foundational political philosophy of Chantal Mouffe (2005) in The democratic paradox. Mouffe suggests that foundational politics that seek full inclusion evacuate critique and deny the necessary exclusions they make. Mouffe argues that it is impossible to contain social difference or represent all interests in any singular political consensus (such as liberalism), and that ongoing engagement and contestation are crucial conditions for the possibility of democratic justice. Mouffe accepts that society needs a certain consensus, but argues these should not awarded an overarching natural status, but rather must be contingent and retain an openness to that which they exclude.

Indigenous approaches to governing the social are multiform and constitutionally dynamic. Indigenous government can be regarded as forms of direct democracy because authority was not alienated to a super ordinate authority or rationality (such as a sovereign or Hobbesian Leviathan) but negotiated and lived in the day to day of community life (Durie, 1994, 1996). Maori 'law' was recognized as local, contextual, responsive, flexible, and resistant to uniformity. Such an orientation opens the possibility for localized responses, agreements, protocols and structures to be negotiated and for greater community engage-

ment in their own governance. Critchley (2007) supports such an orientation to the political suggesting that politics most usefully operates at an interstitial distance from the state, within the state: "working independently of the state, working in situation" (p.113). Here possibilities exist for social dissent, consent and forms of governance to be negotiated through face-to-face encounters. Here also, responsibility for decisions, for inclusions and exclusions cannot be so easily passed off, nor difference so easily closed against. Though we are suggesting here that local contexts provide possibilities for responsible decision-making, we also suggest that investing our decisions with the ethical, with responsibility for Others, can be remembered and committed to at any level of decision-making.

Relationality and Collaboration for sustainability

In the context of the discussion above we further engage with the notion of collaboration as a principle of sustainability and consider what Levinas might bring to such an engagement. We focus the example of The New Zealand Land and Water Forum as an example of collaboration. Aotearoa New Zealand is a small and relatively isolated geographic landmass in the Pacific. It has abundant water resources, yet the waterways, ground water and wetlands are in a poor state and current water management practices are not working to achieve their stated purposes. The New Zealand Land and Water Forum was convened in 2010 to advance stakeholder engagement for sustainable management of water allocation and quality and their report, A Fresh Start to Water (2010) identifies stakeholder engagement and collaboration as a central means to achieving enduring decisions in the interests of sustainable water management.

Increasingly access to the use of water is a source of conflict as is the seeming incompatibility of farming, industrial, conservation and Indigenous- Maori rights interests. Development interests compound the complexities of water infrastructure and governance, with additional growing pressure on sewage management, wastewater and industrial discharge. Water allocation is currently managed on a 'first-in-first-served' basis that leads to inequities and conflict. The New Zealand Land and Water Forum therefore regards a new framework water allocation as a top priority. The Forum involves a range of sectors and stakeholders including M ori tribal representatives, primary industry, the electricity sector, environmental and recreational interest groups, tourism and involvement from central and local government. Sustainable water management is integrally related to land use and includes ensuring adequate water flows in rivers; managing water allocation so that farmers interests in irrigation are balanced against the viability of river ecosystems; managing land use and discharge of nitrates, effluent and pollution to safeguard water quality.

Berkes, Colding and Folke (2003) views on sustainability correspond with the Forum's assertion that stakeholder engagement and collaboration is crucial to achieving sustainability. The Chair of The Land and Water Forum has reported that the building of relationships during the forum process became the basis for trust and for the capacity to listen and hear different points of view (Alastair Bisley. Seminar at Victoria University of Wellington. June 2010). Those with opposing interests, such as business polarized from environmental interests, came to respect the different concerns and views and supported reaching agreement. The Forum was also crucible for engagement with Iwi (Maori tribal groups) and some steps towards respect for M ori interests is evident in the recommendation that a National Policy Statement on Water must be developed

to the satisfaction of Maori tribal interests.

We do not suggest that collaborative approaches are a panacea, or that in every situation will be successful. Indeed there are many stakeholders and observers critical of its process orientation and ability to deliver meaningful outcomes. What we do suggest is that collaborative approaches provide a context where different actors and divergent interests are brought into face-to-face relationships. Stakeholders who might otherwise never meet come face to face and as we have argued it is through the experience of the ethical demand in the face-to-face relationship that responsible decisions are made possible.

For Levinas teaching and learning are the communicative modes of the ethical relation where the 'alterity' or distinctivenss of the Other can be preserved. The enlightenment approach is one where "the Other becomes an object of my comprehension, my world, my narrative, reducing the Other to me". The ethical relation is one in which I am willing to be taught, I am willing to learn from the other: "I can learn from the Other as one who is absolutely different from myself" (Todd, 2003, p.15). In my exposure to the Other I can listen, attend, be surprised, susceptible and open to the Other. Commitment to a learning relationship opens us to communicative ambiguity, and to being altered – to rupturing our self, cultural and political certianties. Rather than attempts to arrive a single account, it is in the tensions of difference that productive and less dominating relationships can emerge and where we might respond to the ethical demands to responsibility (Bell, 2008; Jones & Jenkins, 2008).

Committing to relationships is not then about achieving a cosy togetherness with 'mutual understandings' and 'shared perspectives'. Such impulses need to be interrogated for their desire for universal norms and their assimilative effects (Jones & Jenkins, 2008). A commitment to relationship is a commitment to remaining engaged even where the relationship involves ongoing tension and contestation. As Mouffe (2005) argues it is through relationships as 'friendly enemies' - those with whom we share social space but who want to organize social space differently – that contestation can be worked towards responsible democratic ends. Even as there are no guarantees of ethical responsibility, an openness to being altered in relationships is a powerful ethical challenge that can be committed to in the context of attempts to collaborate for sustainable outcomes across diverse interests and positions.

The Other in Levinas's formulation references both an unknowable dimension that cannot be adequately represented, but also inhabits social and cultural identities and locations that require political representation, if justice is to be achieved (Perpich, 2008). We can extend this idea to the natural world. Planetary systems are not completely knowable, yet the planet needs justice also. Earth needs institutionalized protections and regulatory regimes if it is to survive. We can also learn from earth and in so doing expropriate ourselves from the centre of the universe. To do so would be to:

….worry about the way in which one's own use of natural resources depletes what is then available for Others, whether they be plant or animal or human Others, whether they be currently living or future generations. The question, Levinas wants to say, is the meaning of what it means to be in society, so enter into social relationship. It is in the political realm that there is justice for [the animal and environmental worlds….] and for humans tout court. (Perpich 2008, p.176). (Abridged).

The face-to-face ethical structure of responsibility is in the end the core of a demand for a just polity. As Critchley (1999) notes, ethics is ethical for the sake of politics, for the sake of a more just society. We extend this view to suggest that ethics is also ethical for the sake of earth. As planetary systems collapse is clearly a human created situation, it is human ethical responsibility that must provide justice for the earth.

Conclusion

Perhaps those reading this paper might ask what we have contributed in practical perhaps instrumental terms to the urgent question of achieving truly sustainable governance. It is true, we do not in this paper propose any global structural arrangements or suggest how sustainable goals can be practically achieved. Others might wonder what is the point of contributing an impossibly demanding ethics into an already complex and demanding set of problems. The power of the relational responsibility we have outlined does not suggest a particular set of political arrangements. Its power rather is to invert the dominant paradigms of autonomous self-interest and standard accounts of responsibility, and to remind us of our founding possibility. Our founding possibility as social beings is our prior constitution in relation to the Other and the ethical responsibility that attends that relationship. Remembering and committing to the ethical - through everyday acts of conscience - has the power to invest the political decisions we make for sustainability, that much more responsible.

References

Adger, W. Neil ; Brown, K.; Fairbrass, J.; Jordan, A.; Paavola, J.; Rosendo, S.; Seyfang, G. (2004) 'Governance for Sustainability: towards a 'thick' understanding of environmental decision making'. Centre for Social and Economic Research on the Global Environment, University of East Anglia, Norwich NR4 7TJ, UK. CSERGE Working Paper EDM 02-04

Bell, A. (2008). Recognition or ethics? De/centering and the legacy of settler colonialism. Cultural Studies, 22 (6), 850-869.

Berkes, F. Colding, J. and Folke, C. (eds) (2003). Navigating Social-Ecological Systems. Cambridge University Press.Cambridge, UK

Berkes, F. and Folke, C. (eds) (1998). Linking Social and Ecological Systems. Management Practices and Social mechanisms for Building Resilience. Cambridge University Press. Cambridge, UK.

Charter for Human Responsibilities (2001) http://www.sharter-human-responsibilities.net

Chinnery, A & Bai, H. (2008). Justice in the Name of the Other: Levinas on Rights and Responsibility. In Denise Egea-Kuehne (Ed.) Levinas and Education At the Intersection of Faith and Reason. Routledge. New York

Climate Futures Forum (2011) New Zealand Climate Centre. Climate Change Institute Victoria University of New Zealand.

Critchley, S. (2007). Infinitely demanding: Ethics of commitment, politics of resistance. Verso, London

Critchley, S. (2004). Five problems in Levinas's view of politics and the sketch of a solution to them. Political Theory, 32 (2), 172-185.

Critchley, S. (1999). Ethics-Politics-Subjectivity: Essays on Derrida, Levinas and contemporary French thought. Verso. London.

Derrida, J. (1996) Remarks on deconstruction and pragmatism in C. Mouffe (Ed.), Deconstruction and Pragmatism (pp. 77-88). London: Routledge

Derrida, J. (1997). Politics of Friendship. Transl. George Collins. London: Verso.

Derrida, J. (1991) 'In this very moment in this work here I am'. In Robert Bersasconi and Simon Critchley (eds) Re-Reading Levinas. University of Indiana Press. Bloomington and Indianapolis, USA. Pp. 11-49.

Durie, E. T. (1996). 'Will the settlers settle? Cultural conciliation and law'. Otago Law Review, 8 (4), 449-465.

Durie, E. T. (1994). Custom Law. unpublished paper.

Earth Charter (2009) http://mOtherearthrights.org/

Fitzgibbons, D. and Humphries, M.T. (2011). Enhancing the Circle of Life: Management Education and Indigenous Knowledge Journal of Management Education. Sage. London, UK.

Earth Charter (1994). http://www.earthcharterinaction.org/content/

Hall, S. (1986). 'Variants of Liberalism.' In Donald, J. and Hall, S. (eds) Politics and Ideology. Open University Press. Milton Keynes, Philadelphia, USA.

Hobbes, T. and C. B. Macpherson (1988) Leviathan. Penguin. London, UK.

Hoskins, T. K. (2010). M ori and Levinas. Kanohi ki te Kanohi for an Ethical Politics. PhD Thesis. University of Auckland. New Zealand.

Horowitz, A. & Horowitz, G. (2006). Is liberalism all we need? Prelude via fascism. In A. Horowitz & G. Horowitz (Eds.), Difficult Justice: Commentaries on Levinas and politics (pp. 12-23). Toronto, Ontario, Canada: University of Toronto Press.

Iser, A. and Stein, R. (2009). Rule. Reforming Water Governance. IUCN. Gland, Switzerland.

Jonas, H. (1995). The Imperative of Responsibility: In Search of an Ethics for the Technological Age. University of Chicago Press. Chicago.

Jones, A. & Jenkins, K. (2008). Rethinking collaboration: Working the indigene-colonizer hyphen. In N.K. Denzin, Y.S. Lincoln & L.T. Smith (eds.), Handbook of critical and indigenous methodologies (pp.471-486). Los Angeles, CA: Sage.

Land and Water Forum (2010). Report of the Land and Water Forum: A Fresh Start for Water. Wellington : Published by Land and Water Forum. New Zealand.

Locke J. (1988) Two Treatises of Government. Edited by Peter Laslett. Cambridge University Press. Cambridge, UK.

Lorde, Audre (1984) Sister Outsider: Essays and Speeches. California, USA, The Crossing Press.

Levinas, E. (1996). Peace and Proximity. In A.T. Peperzak, S. Critchley & R. Bernasconi (Eds.), Emmanuel Levinas: Basic philosophical writings (pp.161-170. Bloomington, IN: Indiana University Press.

Levinas, E. (2006). Reflections of the philosophy of Hitlerism (S. Hand, Trans.). In A. Horowitz & G. Horowitz (Eds.), Difficult

Justice: Commentaries on Levinas and politics (pp.3-11). Toronto, Ontario, Canada: University of Toronto Press.

Levinas, E. (2004). Totality and Infinity. Transl. A. Lingis. Duquesne University Press. Pittsburgh, USA.

Levinas, E. (1986). 'Difficult Freedom' in Hand, S. (ed.) The Levinas Reader. Blackwell. Oxford UK and Cambridge, USA.

Levinas, E. (1981). Otherwise Than Being or Beyond Essence. Pittsburgh: Dusquene University Press. USA.

Mouffe, C. (2005) The democratic paradox. London: Verso.

Oddie, G. J. and R. W. Perrett, R. W. (Eds.) (1992) , Justice, Ethics and New Zealand Society . Auckland, New Zealand: Oxford University Press.

Perpich, D. (2008). The Ethics of Emmanuel Levinas. Stanford, CA: Stanford University Press.

Ranson, I. (2010) 'Verantwortung in Germany. Encountering the Sense of Responsibility.' In Sizoo, E. (Ed.) Responsibility and Cultures of the World. Dialogue around a collective challenge. (Pp 193-212). Berlin: PIE Peter Lang.

Rights of Mother Earth (2011) <http://mOtherearthrights.org>

Royal, Te Ahukaramu C. (ed) (2003). The Woven Universe. Edited Writings of Revd. M ori Marsden. Marsden Estate. New Zealand.

Shepherd, L.J. (1993). Lifting the Veil: The feminine Face of Science. Boston: Shambhala

Sizoo, E. (2010). 'General Introduction'. In Sizoo, E. (Editor) Responsibility and Cultures of the World. Dialogue around a collective challenge. PIE Peter Lang. Berlin. Pp 13-44.

Steiner, R. (2011) IUCN Communication 2nd September and http://www.americandailyherald.com/20110906781/africa/niger-delta-leaders-accuse-dutch-government-and-shell-oil-of-conspiracy-to-persecute-activist

Verbos, A. & Humphries, M.T. "A Native American Contribution to PRME Praxis" in

Journal of Management Education. Resubmitted 12/8/2011

Varese, S. (2000). 'Indigenous Sovereignty: Who is Accountable?' Keynote Address Sovereignty 2000 Locations of Contestation and Possibility, University of California

Walker, B. (2011) 'Planetary limits and missing institutions. Addressing the 21st century's big challenge.' Paper delivered at Biophysical Limits and their Policy Implications Conference, Victoria University, Wellington, New Zealand. June. Available at: http://ips.ac.nz/events/downloads/2011/Biophysical%20Limits/Brian%20Walker%20-%20Biophysical%20Limits%20presentation.pdf

Williams, G. and Martin, B. (eds.) (2010). Responsible Governance of Watersheds. Proceedings of Watersheds and Responsible Governance Symposium, 4-6th November 2009. Otaki, New Zealand. RESPONSE Trust. Wellington.

Authors

Te Kawehau Hoskins (Ngati Hau, Ngapuhi) lectures in Te Puna Wananga the Faculty of Education at the University of Auckland. Her primary interest is the sociology of education with a particular focus on the politics and ethics of Indigene–Settler relations, and multicultural and bicultural education. Her research focus to date has concerned the Treaty of Waitangi in educational governance, policy and practice; and Maori community participation in school governance and educational decision-making. Te Kawehau is currently the post-doctoral fellow with Te Whare Kura, a Thematic Research Initiative hosted by the Faculty of Arts at the University of Auckland. Her research project concerns case studies of Maori environmental governance practice. E-mail: tk.hoskins@auckland.ac.nz

Betsan Martin is Director of RESPONSE, an organization that works with an ethics of responsibility and engages in research and initiatives to support integrated environmental governance. These are undertaken in partnership with Maori. RESPONSE has programmes in the Pacific region and is associated with an international initiative on a Charter for Responsibility. Betsan's academic background is in philosophy of education and an ethics of responsibility. Her research interests and leadership in projects are now directed towards social engagement with ecosystems and environmental governance in the context of climate change. E-mail: betsan@response.org.nz

Maria Humphries is an Associate Professor at the Waikato Management School at the University of Waikato in Hamilton, Aotearoa New Zealand. Along with an active cohort of PhD candidates, her research interests focus on 'what can be said' (and heard and acted upon) when the messages brought by researchers are challenging to a community and vice versa - be that on issues of poverty, racism, gender or environmental disrespect. E-mail: mariah@waikato.ac.nz

Corporate Citizenship and Stakeholder Engagement: Maintaining an Equitable Power Balance

Bethel Uzoma Ihugba
Onyeka K. Osuji

Abstract

This paper proposes an engagement oriented corporation-stakeholder relationship in Corporate Social Responsibility (CSR) programmes. It is a proposition which poses the two connected questions of how to move from solely public relation driven stakeholder management to social development oriented stakeholder participation (engagement) and how Stakeholder Engagement can be measured. On the backdrop of Arnstein's (1969) citizenship participation model and reasons for Stakeholder Engagement framework, the paper argues that Stakeholder Engagement is attainable and measurable. It argues that though Arnstein's citizenship participation model was originally intended for the relationship between government and local communities, the ever rising power of corporations makes the principle adaptable and transferable to corporate-stakeholder relationship. It proposes that by placing the reasons for stakeholder participation against levels of participation it will be possible to develop an inclusive Stakeholder Engagement model, render Stakeholder Engagement measurable and contribute in laying a foundation for developing a proactive approach to sustainable CSR that positively benefits both the company and society.

Introduction

It is a growing recognition that economic value improves best when through voluntary cooperation, companies and stakeholders contribute their best to improve corporate and social values (Freeman et al, 2004). Stakeholders are defined as "those groups and individuals who can affect, or are affected by the achievement of an organization's purpose" (Freeman, 1984, p 46). Some add that stakeholders have legitimate claims on organisations (Hill and Jones 1992), are susceptible to financial or human risks from corporate activities (Clarkson, 1995), and/or can influence organisational decision making or activity (Carroll, 1993). Stakeholders could either be internal e.g. "stockholders and employees, including executive officers, other managers, and board members" (Hill and Jones, 2001, p.43) or external e.g. "customers, suppliers, governments, unions, local communities, and the general public" (Hill and Jones, 2001, p.43). In this paper, stakeholders refer to external stakeholders. This is because most Corporate Social Responsibility (CSR) activities are usually channelled to impress them or intended to impact on their lives and they are usually the less powerful group of stakeholders that need empowering. Internal stakeholders already have an almost equal negotiating platform with the companies because in most cases they either formulate or make direct inputs into decisions affecting the affairs of the company. Therefore our proposition is aimed at empowering external stakeholders and expanding the benefits of CSR. Hence, we restrict the application of our proposition to external stakeholders, especially the stakeholder group consisting mainly of local community representatives. It is this group of stakeholders that is compared to Anrstein's (1969) citizens because like Arnsteins citizens these stakeholders do not have the opportunity to contribute to policies. So what Arnstein refers to as "Citizenship Participation" is what we, with a little modification, refer to as Stakeholder Engagement.

The concept of Stakeholder Engagement is different from stakeholder salience, management or control. Stake-holder management is entirely business strategy constructed to benefit the corporation without contribution from stakeholders irrespective of its impact on them (Hillman and Keim, 2001). However, the easy access to information occasioned by the internet revolution and the power of mass action against corporation e.g. demonstrations, strikes and boycotts, has encouraged a growing demand for transparency and inclusiveness in the relationship between corporations and their stakeholders. For instance, shells sudden promotion of CSR is as a result of worldwide condemnation of its involvement in Ogoni crisis in the Niger Delta (Okonta and Douglas, 2002). Companies have thus realised that there is a great limit on the extent they can control stakeholders. Whereas stakeholder salience examines how companies identify and manage priority amongst the numerous stakeholders that compete for their attention (Carroll, 1989; Clarkson, 1995; Freeman, 1984; Mitchell, Agle and Wood, 1997, Amaeshi, 2007), Stakeholder Engagement examines how companies relate with identified stakeholders (Johnson-Cramer et al, 2003; Greenwood, 2007; Cumming 2001) in promoting social benefits or developments. The degree or quality of such relationship may however affect the placement of a particular stakeholder group in the salience scale. Corporations are however, not yet certain how to maintain a balance between their interaction with stakeholders and their profit maximization goals. This paper suggests a framework for achieving and maintaining an equitable balance.

Stakeholder Engagement starts when companies consult, negotiate, or dialogue with stakeholders as to their expectations and how best those expectations can be met. The entire process covers agreement to negotiate, setting parameters for the engagement process and for monitoring the result. The difficulty, however, is how companies can engage their stakeholders while attempting to fulfil CSR mandates and how the state can encourage a balanced Stakeholder Engagement framework. In Nigeria, for instance, the incessant conflict in the oil sector and the Niger Delta is not due to lack of appreciation of stakeholder salience but rather

is more of mishandling of Stakeholder Engagement or what may be regarded as a self imposed complete asymmetry between stakeholder interests and the apparent interest of the business community. There is this attitude of "them and us" between companies, especially the oil companies and the local community (Okonta and Douglas, 2002). Both parties find it difficult to concede that they need each other and that ultimately the growth of the other should benefit both. For instance, the business community cannot maximise profit if they are constantly closed down due to violent demonstration by community people. The community on its own is not benefiting anything if businesses are closed. They lose revenue, government lose tax, and development projects stagnate (Eweje, 2006; Okonta and Douglas, 2002; Nigerian Budget, 2009). In other words to maintain some degree of growth on both sides there is need to concede to a good degree of positive and productive symbiotic relationship. It is for such environments that our concept of Stakeholder Engagement particularly applies.

To put our propositions in context we have drawn a comparison in the relationship between governments and citizens to the relationship between corporations and stakeholders. This comparison is not entirely new. There are recent arguments that corporations are taking the place of government through the power they exercise, the resources they command and the services they are called upon to provide in society (Matten and Crane, 2005; Bendell, 2005; Utting, 2000). The performance of these roles and their financial strength has elevated corporations to a form of government in some jurisdictions (Macleod, and Lewis, 2004). For instance, in the Niger Delta region there appears to be a blur between the government and oil companies whenever local communities demand for developmental projects. It may be suggested this is because the Nigerian Government has over 50% interest in the companies. But this is not as simple as it sounds because the locals still see the oil companies as foreign bodies. It is this blurry situation that Moon, Crane and Matten (2003), and Matten and Crane (2005) metaphorically redefines as Corporate Citizenship. We recognise the rationale for the redefinition of Corporate Citizenship, particularly to the extent that corporations are exercising strong power over their stakeholders including the lobbying of political institution (Moon, Crane and Matten, 2003). However, we suggest this may only apply to weak states, thereby raising the question of how the concept of Corporate Citizenship applies to strong and responsible states.

However, in recognition of the influence of corporation, we suggest that there is need for equitable power balance between corporations and stakeholders (Wood and Logsdon, 2001). It is on the strength of this access to and exercise of power that we make our comparison between corporations and their stakeholders, and government and its citizens. Matten and Crane (2005) seem to suggest that corporations are being asked to "step in" to protect civil rights when actually the right description is that corporation are being asked to "step out" from activities that jeopardise civil rights. In the Niger Delta, the continued pollution of the rivers and lands by oil companies has deprived the local community of their source of livelihood, especially their right to enjoy the proceeds of their labour and the fruits of their land (Okonta and Douglas, 2002; Frynas, 2005; Eweje 2007; Tuodolo, 2007, 2009). A recent United Nations report shows that the damage caused by Environmental pollution is immense and seriously threatens public health. The report goes further to call for immediate action (UNEP 2011). It is for these circumstances that the principles of CSR intervene to ask corporations to (1) stop the harm and (2) make repara-

tion for the damage caused. Such responsibility should not be misconstrued as "stepping in" to help. Local communities are only asking for corporate intervention because in their opinion corporate activities has deprived them the benefit of their land. The only responsible thing a company can do in that circumstance is to remedy the situation. This does not amount to taking over the job of government; it is simply being accountable and responsible for one's own action.

One of the avenues we suggest accountability and responsibility can be maintained is through a framework for Stakeholder Engagement. In other words, for effective and efficient CSR, and to allow corporations claim the benefit of providing social services either as philanthropy or as reparation for resources and services exploited from communities or indiscriminate pollution of the social and ecological environment, a standard should be set (Carroll, 1991; Wood and Logsdon, 2001). Such standard may not be as strict as that set for governments because corporations are private bodies whose fundamental interest, in a capitalist economy, is profit maximization. However, setting accountability frameworks that give stakeholders access to comment and influence corporate actions, especially when corporations claim to act on behalf of such stakeholders or derive benefits, financial or otherwise, from such activities, is feasible. Cases like Enron, Shell in Nigeria, Bhopal in India, Nike, BP Gulf and News Corp makes this accountability framework more pertinent.

Thus, the aim of this paper is to contribute in creating a defined framework for conducting and evaluating the relationship between corporations and stakeholders in relation to CSR initiatives i.e. a trustworthy, legitimate, productive and measurable framework for corporations to engage with their stakeholders. One of the major criticisms of Milton Friedman (1962; 1970) against CSR was that business managers have neither the mandate nor the expertise to provide social benefits. But concepts like Legitimacy and Enlightened Self Interest theories have justified CSR (Elsbach, 1994; Lindblom 1994; Jesper 1998). However, company approaches to CSR are neither sustainable nor inclusive. This has resulted to a series of failed CSR initiatives, Public Relation gimmicks badly dressed as CSR and self aggrandisement exercise by some corporate directors disguised as CSR. We believe that rigorous debate aimed at encouraging and creating constructive engagement processes is overdue.

Specifically, this paper explores the possibility of (1) corporations moving from public relation driven stakeholder control or management to social development oriented stakeholder participation (engagement) and (2) rendering Stakeholder Engagement measurable. Many businesses even in their professed acceptance of CSR are yet to consider the possibility that "concern for profits is the result rather than the driver in the process of value creation" (Freeman et al 2004, p.1). Such businesses seem of the opinion that stakeholders are to be controlled or managed. Some external stakeholders have also failed to realise that the existence of business yield good for all and not to be stifled in order to promote stakeholders' interests alone. The government, also a stakeholder, sometimes fail to consider or provide an environment conducive for constructive promotion of all stakeholders' interests. The Stakeholder Engagement paradigm within the stakeholder theory gives an opportunity to locate these problems and propose solutions. For example, the stakeholder theory helps us examine how companies acknowledge the interests of others and how these interests affect the achievement of the companies' objectives (Donaldson and Preston, 1995; Freeman, 2001a and b; Freeman et al 2004). The Stakeholder Engagement paradigm can thus be constructed in

a way that helps us recognise, reconcile and meet, in a fair, judicious and legitimate manner, the variety of existing interests.

The rest of this paper is structured as follows. Firstly we give a literature review on Stakeholder Engagement and summarise the reasons for corporate Stakeholder Engagement. Then from Arnstein's (1969) Citizenship Participation Ladder, we construct an analogy of Stakeholder Engagement between business and stakeholders and their implications to CSR. We then follow this with our proposed framework for a more inclusive, legitimate and sustainable model for conducting and measuring stakeholder engagement. This is followed by an examination of why Stakeholder Engagement is beneficial, especially when it satisfies the optimum criteria as per Arnstein's ladder of citizenship participation. We also explore its challenges and the difficulties of our position and also suggest ways to ameliorate these challenges. Finally, we conclude with a summary of contribution and significance of this paper and suggest further areas for conceptual or empirical research.

Stakeholder Engagement

Stakeholder Engagement creates a viable relationship between the corporation and its stakeholders based on mutual respect, dialogue and collaboration. Stakeholder Engagement is defined by the Institute of Social and Ethical Accountability (ISEA 1999, p.91) as "the process of seeking stakeholder views on their relationship with an organisation in a way that may realistically

be expected to elicit them". Andriof and Waddock (2002, p.42) also define it as "trust-based collaborations between individuals and/or social institutions with different objectives that can only be achieved together". For Gable and Shireman (2005, p.9) it is "a process of relationship management that seeks to enhance understanding and alignment between company and their stakeholders". Recently, James and Phillips (2010, p.40) described "engagement" as "a type of interaction that involves, at minimum, recognition and respect of common humanity and the ways in which the actions of each may affect the other. The common themes running through these definitions are trust, understanding, respect and collaboration suggesting that any process devoid of these elements is not Stakeholder Engagement. Hence the objective of Stakeholder Engagement should be to resolve the interests of the engaging parties, give them opportunity to associate with the result of the engagement and not just to meet the hidden agenda of the power holders i.e. corporations.

Identifying Corporate Orientations

Corporations usually want to be in control causing them to turn their supposedly engagement activities into carefully planned stakeholder control strategies. Hence, corporate bodies are always rating the power (salience) of stakeholders in order to device ways to manage or control them instead of engaging with them (see Amaeshi, 2007). Zadek et al (1997) have examined

Table 1. Mapping the Stakeholder Engagement framework

s/n	Level of Engagement	Corporate reasons for that level	Purpose and Features	Means of Meeting / Improving each level
1	**Manipulation**	Control	Managerialist Limiting, Controlling	Non-engagement
2	**Therapy**	Control	Managerialist Limiting, Controlling	Non-engagement
3	**Informing**	Control	Managerialist Limiting, Controlling	Non-engagement
4	**Consultation**	Relay information Manage stakeholders	Managerialist Two way information flow, Withholding power to veto	Definition of Purpose, Staying within identified purpose
5	**Placation**	Manage stakeholders	Public interests Managerialist Adhoc, Reactionary, Two way information flow, Withholding power to veto	More proactive, Stop being reactive
6	**Partnership**	Relay information Network with stakeholders	Public Interest Mutual, consensual agenda setting	Standard setting, Arbitral process
7	**Delegated power**	Relay information Network with stakeholders	Value Shift Independence, Empowering, Well informed	Standard setting, Arbitral process
8	**Stakeholder control**	Relay information Network with stakeholders Empower stakeholders	Value Shift Independence, Empowering, Well informed, Susceptible to minority tyranny	Standard setting, Arbitral process

Source: Authors' representation and analysis of literature

this phenomenon and found that there are usually three possible reasons why business may engage or pretend to engage with stakeholders. These reasons are managerialist orientations, public interest and value shift. Cumming (2001, p.45) summarised the reasons thus;

Mangerialist orientation: Organisational decision- makers seek to understand the perceptions and requirements that stakeholders have of the organisation with a view to pre-empting the possible effects that these opinions may have on the future business activities of the organisation.

Public Interest: Some organisations might be pursuing stakeholder engagement... because legislative and opinion driven pressure made it expedient for them to publicly respond to social and ethical issues.

Value Shift: Some organisations are undergoing a fundamental culture shift as to what their role and indeed, their responsibilities to society should be.

Under Mangerialist orientation, corporations' major objective is to control and not to change or recognise stakeholders' concerns. But with Public Interest, any seeming change is a carefully planned public relation exercise and does not last. Change only comes when there has been a value shift. In this scenario, stakeholders' concerns are recognised and addressed. These findings are similar to an earlier study by Arnstein (1969) on public governance (political theory), which categorised citizenship participation according to level of empowerment of the citizens. Arnstein posited that each level of empowerment in a citizenship participation process demonstrates the real objective for the participation process. Though her study was on engagement of citizens in public governance, the concepts are applicable to business organisations, with corporations playing the role of government or power holders while stakeholders play the role of citizens. We draw from these findings to demonstrate how the movement of corporate stakeholder relationship from control to engagement can occur and also construct a model for measuring the genuineness of stakeholder engagement.

Levels of Stakeholder Engagement

Arnstein's (1969), citizenship participation falls within eight ascending levels of manipulation, therapy, informing, consultation, placation, partnership, delegated power and citizen control. She posits that the higher the levels of participation the more productive and sustainable are their outcome. These levels do not need to follow a linear graduation but each genuine participation level must empower stakeholders to participate and contribute in activities that affect them. Such participation must be active, meaningful and productive. Stiefel and Wolfe (1994, p. 5) defines such participation as "the organised efforts to increase control over resources and regulative institutions in a given social situation on the part of groups and movements hitherto excluded from such control". Thus the more impact a CSR activity would have on stakeholders, the more control they should be given in order to maintain an equitable power balance between stakeholders and corporations. Therefore, on this analysis, we conclude that not all the eight levels of Arnstein's participation ladder fall within Stakeholder Engagement. In other words, categories without opportunity for stakeholders' input do not satisfy the participation requirement because they do not give stakeholders any form of control (Stiefel and Wolfe, 1994).

Before proposing which levels of Arnstein's ladder of participation are within our concept of Stakeholder Engagement, we shall give a full discussion and analogical representation of how

this may apply to business- community relationship and their implications.

1.   Manipulation. Manipulation is the first of the non-participatory level in the rung of participation. Stakeholders in this level of participation do not have any input in the decisions made or in the information that is fed to them or that they are asked to feed to the public. They are often packaged as ambassadors of the groups they represent but in fact they are just public relation tools or puppets representing the interest of the power holders, be it the government or the corporation. According to Arnstein, this is possible in circumstances where the stakeholder groups perceive themselves to be powerless and the organisations, in this case businesses, to be powerful. It does not really matter that the stakeholder groups have powers that they could exercise. It is sufficient to be classed as powerless if at the time of the engagement they have been so emasculated as to believe in their lack of power. The result is that the power holders arrogate to themselves the status of tutor and proceed to falsely 'educate', persuade and advice the stakeholders. Such approaches deprive stakeholders of their voice and usually lead to outcomes most probably of no benefit to the stakeholders.

This has been known to happen in the Niger Delta between oil companies and local communities, where the companies overemphasises the benefit of their presence in a community in answer to demands for corporate responsibility. Some go as far as threatening to relocate to other communities, (What we beg to term 'corporate bullying') especially where there are other communities with oil reserves vying for their attention and who may not yet appreciate the challenges. In other cases they bribe corrupt community leaders and politicians to speak on their behalf instead of on the communities' behalf (Okonta and Douglas, 2002). Such divide and rule tactics has reportedly resulted to communal clashes (Okonta and Douglas, 2002, Felix, 2009). However, some authors have contended that all engagement does not necessarily need to benefit the stakeholders (James and Phillips, 2010). They assert it could be carried out purely on a strategic basis to benefit the company. While there appears to be nothing wrong with this perspective, it is wrong to advertise the process as CSR or as beneficial to stakeholders whereas they are not empowered participants.

2.   Therapy. Arnstein describes this level as both arrogant and dishonest. This is another level of non-participation. Here, instead of addressing the grievances or demands of stakeholders, they are subjected to a mass therapy in the supposed aim of curing them of their misconception. Using a medical analogy Arnstein describes it as "form of "participation" so invidious that citizens are engaged in extensive activity, but the focus of it is on curing them of their "pathology" rather than changing" (Arnstein, 1969, p.5), the situation against which they are complaining. They are made to feel inadequate and are required to "adjust their values and attitudes" (Arnstein, 1969, p.7).

In the Niger Delta this could happen where local communities that complain of pollution of their river by the activities of oil companies are informed that using water from the river is unhygienic. The companies then argue that they have paid their tax and urge the communities to demand pipe borne water from their government and not to rely on the rivers and streams. The intended impression is that it is the community's fault and it is wrong and backward of them to drink from their local river, irrigate their farms or graze their cattle and not that the company is wrong for polluting the river.

This level of engagement may not necessarily be bad for the promotion of CSR especially, if the communication is true. For instance, if the company has paid government (outside their

regular tax) to clean up the pollution and have actually stopped polluting, especially where the community is aware of such payment. Thus if we are to accept that businesses create value for all stakeholders (Freeman et al, 2007), it would be equally right that businesses be given opportunity to explain their position and probably correct some misconceptions about their activities. This level of engagement does not necessarily require an immediate response from external stakeholders. However, it does not stop the business organisation from inviting a response, especially to ascertain stakeholder impression of the organisation and reasons for that. To an organisation this is beneficial in attempting to recant genuine error or misconception stakeholders hold of their activities. However, it should not be misrepresented as CSR in itself.

3.   Informing: This is the first step to participation. Although it initially involves a one-way traffic of information from company to stakeholders, there is an opportunity for feedback or negotiation. For informed stakeholders, any information may prove useful in canvassing for their interest. However, Arnstein (1969) had suggested that in many cases power holders give information late or by one way medium in order to limit the power of stakeholders. Listed media include radio announcements, newspaper adverts or television commercials.

For instance, a company may unilaterally decide to carry out a project in a community without consulting the community. To reduce community negotiating power, the project is hyped in the media and dissenting views are denied expression or labelled "anti-progressive" irrespective of how genuine the concern. When this happens both the corporation and the stakeholders lose out from the benefit of a well informed decision (Schneider, 1999). Fortunately, things have improved since 1969. In this internet age where telecommunication and internet are readily and easily available, information is easily accessible and fast to spread. Thus, the Informing Level in the Stakeholder Engagement matrix is very important.

4.   Consultation. This level is higher because it is constructed with the intent of reflecting the concerns of the stakeholders in the end result of the engagement process.

This is the case for instance where a community is consulted before a structure e.g. a new factory is located within the community. A consultation with the locals when considered and integrated into planning may mean that the factory is built but in an area that may be less detrimental to the community. In the Niger Delta, instances abound of abandoned projects like town halls, school buildings, or pipe borne water constructed without consultation. These projects end up in inaccessible areas or built between two warring communities, rendering the project a waste of resources (Okonta and Douglas, 2002; Babatunde, 2010). However, where the engagement ends at mere consultation without stakeholders' concerns being addressed, whereas they have been so promised or the engagement so advertised, it becomes an abuse of trust. For the stakeholders it becomes mere "participation in participation" (Arnstein, 1969) without any tangible impact. For the power holders it may mean a control of the stakeholders but a loss of legitimacy and loss of potentially valuable contribution of ideas and information from the stakeholders (Schneider, 1999). In the Niger Delta, any control gained by the oil companies from false consultation does not last long because when community stakeholders realise that they have been taken for a ride, the effect is usually negative for the company. Such disingenuity is the cause of violent outbreaks between companies and community youths (Okonta and Douglas, 2002).

5.   Placation: This level of participation should give stakeholders some voice in deciding their interest. It is however usually ad hoc and reactionary. As the name suggests, this level is used to assuage or control stakeholders when serious concerns are raised. What happens at this level is that power holders allow stakeholders to supposedly participate in decision making while withholding the power of final decision. For instance they may be consulted and later over ruled (Arnstein, 1969; Cumming, 2001) by the power holders who have the advantage and ability to deprive the stakeholders of needed technical expertise to articulate their interests and priority properly.

This is the case when companies deal with people from rural communities with little or no education. They deliberately shroud issues in technicalities and complexities. A practical example is in the management of the oil and gas wealth in Nigeria (NEITI, 2006; 2008). The technicalities, complexities and expertise required in accounting for production, the spillages, and illegal bunkering operations were all used by the oil industry companies to evade taxes and by some government officials to hide actual amount of revenue accrued from the oil and gas industry (NEITI, 2006; 2008; Felix, 2009).

Corporations also use placation to quieten community stakeholder groups instead of addressing contentious issues like environmental pollutions in the Niger Delta. Because the government is in joint venture with the oil companies and also pay the salaries of the local chiefs, oil companies recruit some corrupt chiefs to supposedly represent their community interest in Stakeholder Engagement programmes. In many cases these chiefs only end up collecting money from the companies without any representation. In some cases, the chiefs are reluctant to be seen as confronting the government and are therefore more malleable to the control of the oil companies. Other vocal and corrupt minorities are also incorporated to participate in staged engagement exercises without first consulting the community. In actual sense such practices are meant to quieten protests (Frynas, 2005; Tuodolo, 2007, 2009; Arnstein, 1969) and not to make any developmental impact.

Arnstein (1969) has identified some strategies used to suppress full participation. These strategies are prominent in the placation level of the citizenship participation ladder and they include:

(a)   Criteria for participation are arbitrarily decided. For instance, company may create requirements intended to exclude particular group of representatives. This enables the power holders to push their own agenda and present it as a general agreement.

(b)   Deliberate selection of representatives that are isolated from the local community and thus have no direct experience of their concerns. E.g. choosing city dwellers to discuss the effect of pollution on the farmlands.

(c)   Creating an atmosphere of distrust and powerlessness and thus forcing many to distrust the process and as such will not commit fully to it.

(d)   The rights, responsibilities and options available to stakeholder groups are deliberately distorted or hidden from them.

(e)   The stakeholders or their representatives are bugged down by bureaucracy, lack of technical assistance and the condescending attitude of the power holders.

(f)   Lack of proper research to discover innovative ways to resolve issues. The power holders more often than not limit stakeholders to traditional methods or information which eventually results to repetition of old mistakes and consequential stagnation.

(g)   Deliberate withholding of information that would

otherwise enhance informed decision making.

(h)　　Lack of remuneration for participation or where it is available, stakeholders are unaware of it and thus resulting to reluctance/refusal to participate in any engagement with the power holders

6.　　Partnership: At this level, stakeholders actually start to exercise some power over their demands or interests. Power distribution is negotiated between the power holders and the stakeholders from the start. Issues like rights and responsibilities are clearly defined and rules for the resoluttion of disputes before independent bodies agrred upon (Arnstein, 1969).

Unfortunately, the feeling of neglect disregard and absence of real partnership is one of the aggravating factors of the Niger Delta crisis. Community stakeholders see wealth being made on their land while the land (their source of income) is being destroyed leaving them with no reasonable alternate source of livelihood. In their opinion, they don't have any stake in the benefits, only in the pains. Such is not partnership. Companies (in collusion with the government) further aggravate matters by patronising them with false partnership relationships and arrogantly positioning themselves as benefactors when there is nothing positive to show for the relationship.

7.　　Delegated Power: This level of participation operates by devolution of power to stakeholders in either of two ways. They are:

(a)　　When specific tasks or projects are delegated to the stakeholders and they are given majority power to decide on it. They could be made directly responsible and have the power to demand and enforce accountability for the project. They do not necessarily have to carry out the project as they may lack the requisite skills, but they would have the power to decide which project to embark on and can also ensure that the necessary logistics for its success are provided. Such delegation will be very appropriate when dealing with local issues that require local knowledge or no particular technical expertise e.g. construction of school blocks in rural areas.

(b)　　When there are separate but parallel groups of stakeholders and power holders who can decide over a project. Here the stakeholders retain the power to veto any decision where differences cannot be resolved by negotiation. For instance, in the above example the community may veto the school project if it does not benefit them or if they have a more pressing priority for which resources are needed.

For example, the construction of community parks or schools will not be a priority in the Niger Delta area that has been destroyed by pollution and community people exposed to health hazard (UNEP, 2011). But with community people empowered to take decisions, they would realise easily that projects like hospitals and cottage industry will have more immediate benefits than schools and parks. While the cottage industry will replace their lands and seas as alternate source of income, the hospitals will help prevent spread of diseases resulting from the pollution, especially, as in many cases government has already built schools, whereas hospitals are usually located far away.

In both cases above, the parties can negotiate for an arbitral body to make final decision. Such arbitral body could be government or private establishment with some enforcement powers. This is a role supposedly being played by the Niger Delta Development Commission (DDC) between the government and communities.

8.　　Stakeholder Control: This exists where the stakeholders have "that degree of power (or control) which guarantees that participants or residents can govern a program or an institution, be in full charge of policy and managerial aspects, and be able

to negotiate the conditions under which "outsiders" may change them"(Arnstein, 1969, p.14). What this effectively means is that there is no intermediary between the stakeholders and the source of fund or power and thus they can make and carry out decisions without being unduly restricted. However this does not mean absolute control. Because for it to be a democratic process and to avoid reverse oppression, there should always be some mutually negotiated limits, regulations or framework within which this power is exercised.

Stakeholder control has its limitations. These include that it is open to abuse by either party and may amount to duplication of task and waste of resources. Abuse may occur where the representatives of the stakeholders use their positions to treat their constituencies poorly. For instance, in the Niger Delta area some community leaders have chosen to squander resources meant for the entire community. They use the authority entrusted in them to accumulate illegal wealth instead of using the wealth for social development purposes (Okonta and Douglas, 2002; Felix, 2009; Frynas, 2005). Abuse may also occur on the side of the power holders when they deliberately obstruct the flow of funds that results in the sabotaging of CSR projects. Sometimes this is done to wrest control of projects from stakeholders. The other limitation is that stakeholder control may result in duplication of jobs, especially where the companies or power holders already have experts who could genuinely handle the projects instead of handing it over to the community stakeholders.

Arnstein's concept describes government-citizens relationship especially between governments and local communities. The examples given in each of the levels above show how they may apply or be adapted to explain the difference between engagement and control of stakeholders by companies. Hence to the first arm of our proposition, we can affirm that stakeholder – corporate relationship can move from control and management to engagement. This therefore means that the Manipulation and Therapy level which do not grant stakeholders any form of control falls outside engagement. Based on this analysis we conclude that these two stages cannot be used in measuring the extent of engagement.

This brings us to the second arm of our proposition that Stakeholder Engagement is measurable. We however recognise that measurement here does not have to be linear. In other words, Stakeholder Control is not always a higher or better stakeholder participation level than Consultation (Arnstein, 1969). It depends on the purpose and circumstance of the engagement. For instance, where a Stakeholder Engagement exercise is carried out for the purpose of passing on information only, an engagement conducted to the level of consultation may be sufficient (see table 2). However, the same level will not be sufficient where the corporation proposes to carry out a project that will seriously impact on the lives and social or ecological environment of the stakeholders, irrespective of its assumed benefit to the stakeholders e.g. building new roads, rail lines, factories, schools or even hospitals. In other words, as a guideline, we propose that the higher the anticipated impact the higher the engagement level. Thus it is poor engagement where the anticipated impact does not match the level of engagement. However, the measurement should be made on a case by case basis and not a blanket examination of the entire engagement strategy of a company.

We accept that convincing corporation to make this movement will not be easy because they do not want to lose control. However, evidence has shown that engagement is always better than confrontation, particularly in terms of business

community relationship (Frynas, 2005; Eweje 2007; Tuodolo, 2007, 2009). It is also a moral obligation to check the amount of power exercised by corporations (Wood and Logsdon, 2001; Utting, 2000). Moreover, there are other socio-economic incentives that should encourage businesses to make the transition. Some of these incentives are explained next.

Incentives to Stakeholder Engagement

We have chosen five examples to demonstrate how Stakeholder Engagement can benefit the stakeholders and corporations. These include:

(a)   Empowerment. This is the awareness and confidence experienced by the beneficiaries of power sharing. It could be political, economic or psychological and usually increases their ability to initiate and embark on developmental activities (Paul, 1987). For power holders it relieves them of the burden of overall responsibility and if properly managed, gives stakeholders opportunity to contribute in their own development and a genuine feeling of being stakeholders.

(b)   Building capacity. Stakeholders have a greater opportunity of developing and strengthening new skills and knowledge from their involvement in CSR initiatives. Such skills increase tremendously the sustainability of a project beyond mere initiation (Paul, 1987) and could also be transferred to developing and managing other private projects. For areas like the Niger Delta where there is high unemployment, capacity building opportunities will help the community access job opportunities instead of relying solely on hand outs or criminal acts like kidnapping oil company staffs.

(c)   Increased effectiveness. This could refer to both the project itself and whatever objective the company has for embarking on the projects e.g. gaining legitimacy or social development. For example, a potable water supply project may have two pronged objectives of providing water for the community and enhancing the legitimacy of the company (Deegan, 2002). Thus the failure of the project will negatively affect the company's legitimacy. But where the project is effective due to the involvement of the stakeholders, they will be proud to be associated with the success of the project and the company. Such successes will secure for the company both a successful project and high legitimacy rating and in many cases garners for itself free advertisement and advocates (Deegan, 2002; Fombrun, 2000; Sen, 2006; Du et al, 2007).

(d)   Cost sharing. This includes contribution of money, labour or other valuable and scarce resources to the CSR initiative. The involvement of the stakeholders will help in spreading the cost of the initiative between companies and stakeholders. It also enhances loyalty to the corporation.

(e)   Improving project efficiency. Here efficiency as against effectiveness refers to the difference between a given input (cost) and resulting output (Paul, 1987). This means that the higher the output against the input, the more efficient the project. It is not measured only against the eventual benefit of the project but also on what it costs, financial or otherwise to complete. Efficiency ensures that stakeholders start benefiting early on from the project and companies/power holders can start taking early credit for the initiatives.

It must be mentioned that these benefits and objectives do not necessarily have to be present simultaneously and their presence does not automatically mean a fruitful engagement. In other words, efficient completion of a project does not necessarily mean effective achievement of the goals of the project. Also there is a possibility that one or more of the above benefits could be missing or present without necessarily affecting the success of a particular project or initiative. For example, the fact that the involvement of stakeholders has greatly enhanced their capacity in relation to a particular project does not automatically

Table 2. Inclusive and Productive Stakeholder Engagement framework

s/n	Level of Engagement	Corporate reasons for that level	Purpose and Features	Means of Meeting / Improving each level
1	**Informing**	Clarification	Educating	Open to feedback
2	**Consultation**	Relay and Receive information. Engage stakeholders	Two way information Flow. Negotiation	Defined purpose Set standards
3	**Placation**	Manage stakeholders	Public interests Managerialist Adhoc, Reactionary,, Withholding power to veto	More proactive, Stop being reactive
4	**Partnership**	Relay information Network with stakeholders	Mutual, consensual Share in duties, assets And benefits.	Standard setting Arbitral process Defined purpose
5	**Delegated power**	Relay information Network with stakeholders	Independence, Empowering, Well informed	Standard setting, Arbitral process
6	**Stakeholder control**	Relay information Network with stakeholders Empower stakeholders	Independence, Empowering, Well informed, Defined limit	Standard setting, Arbitral process

Source: Authors' representation and analysis of literature

mean that the project is a success or will benefit the community. However, such enhanced capacity or skill could be transferable to other aspects of the life of the individuals or communities in question, thus making that, in itself, a success for the individual and eventually for the social group or community the individual belongs.

Difficulties and Challenges

We recognise that there are challenges in pushing forth this concept of Stakeholder Engagement. These include the fact that companies don't want to lose control, communities may abuse the process, and companies will lose access to cheap public relation gimmicks. But we suggest that to move towards measuring stakeholder engagement, the social-legal environment must be made conducive. These include the presence of credibility in the process, trustworthiness of all parties and flexibility in the management approach (Mele and Paladino, 2008). Other factors are accountability and the rule of law (Schneider, 1999a). Accountability and the rule of law create the environment for credibility, and trust to thrive. Accountability helps to reduce agency problems and maintain high moral standard (Schneider, 1999a). This ensures that once parties are aware that they are bound by statutory regulation or enforceable contractual agreement there is a higher likelihood of a productive and less rancorous engagement.

There is also the tendency of rival parties in an engagement process insisting in absolutes in the bid to push forth their own agenda. But Stakeholder Engagement parties need to appreciate that for an engagement to be successful there can hardly be absolutes. For instance, it will be pushing for absolutes where a party to an engagement exercise erroneously believes that its interest is more important or refuses to appreciate or listen to other parties concerns. As organised and more powerful bodies, the task of promoting this concept falls with corporate bodies, NGO's and government agencies. Stakeholders like local communities, suppliers etc who are unorganised may not be aware of these principles and may not have the fervour and expertise to articulate them properly.

There is also the problem of hiding information in thick impenetrable technicalities. This makes it impossible for stakeholders to understand one another or make informed decisions. However, this can be resolved by encouraging transparency, removing technicalities and educating stakeholders. Stakeholders and corporations should be encouraged to look at the big picture and the long term effects of their decisions (Collins et al 2005) and shun at all cost the temptation to descend into emotional argument instead of factual or policy debate. For instance the animosity with which opposing groups promoted and antagonised the United Nations Draft Human Rights Norms for Corporations belies any possibility of a civilised engagement process (Kinley et al, 2007). However, with a transparent process, more understanding of the subject under discussion and no unnecessary emotional or religious slant to the engagement, stakeholders and corporations will come to more valuable agreements.

However, this does not mean that "no conflict" means "good engagement". Some conflicts do have great benefits to the system. Others however, are unproductive. We group these conflicts into collaborative conflict and confrontational conflict.

Collaborative conflict occurs where despite apparent differences in the interests of opposing parties they remain focussed on the fundamental objectives of their interests and the possibility of a mutual co-existence. In such cases parties are able to

realise the interdependency of their interests and how the constructive promotion of the other's interest reinforces the promotion of theirs. A practical instance may be the relationship between business and government. Whereas government would like to tax business as much as possible, it advocates moderation because without business tax there is little or no revenue. The business community on the other hand is moderate in opposing tax because it realises that government creates and ensures the sustainability of the socio-legal environment that allows businesses to thrive. A realisation of the need for this symbiotic existence leads to compromise with government not wielding its powers of legislative sanction (Gunningham and Kagan, 2005). However, in some cases this relationship may be skewed in favour of companies due to their immense financial and political influence. Such companies include tobacco companies, arms (weapons) manufacturing companies and petroleum companies particularly in developing countries.

Confrontational conflict on the other hand, runs more on the fuel of emotion, ego and demand for absolutes. Here the principles, ideas or concepts that should be the issue of engagement are either set aside or the demerits of the other's position is so exaggerated that the only response possible in such environment is antagonistic, virulent, negative and counterproductive to both parties.

Whereas the later form of conflict is not encouraged and should be avoided, it is not a reason not to engage with stakeholders. As much as it is possible to create negative effects, the positive benefits of engagement, irrespective of potential conflict, are far more important. Moreover, as has been proposed in this paper, there should always be a push for engagement based on mutual respect and within the framework of agreed parameters and subject to a higher body both for conflict resolution and enforcement of agreements to reduce the risk of unproductive conflict. However, conflict will not be discussed further in this paper. But suffice it to say that, the Stakeholder Engagement paradigm does not lose sight of its shortcomings and is not advocated as the single panacea to all troubles but as a necessary building block in the large project of creating a sustainable economic development. Stakeholder Engagement should therefore mean agreed collaboration with relevant stakeholders based on, and conducted within, a consensual parameter in order to reduce harm, promote common good and achieve a named mutually beneficial goal.

Based on the forgoing analysis and without prejudice to the challenges, we can re-affirm that (1) stakeholder – corporate relationship can move beyond control and management to engagement and (2) it is measurable.

Conclusion

Stakeholder Engagement has the advantage of granting stakeholders more control and participation in CSR activities that will impact on their lives and helps in achieving sustainable socio- economic development. It also helps mitigate the negative effects of corporate expansion. However, our proposition is very significant in many other areas.

Firstly, there are series of articles chronicling corporate waste, in terms of corporate resources and community development opportunity, arising from lack of engagement with local communities before embarking on social development initiatives. Instances of corporations building projects like town halls that are never used or schools and hospital buildings that are not accessible simply because no proper Stakeholder Engagement was conducted, and thus built in wrong places, abound (Baba-

tunde, 2010; Frynas, 2005; Eweje 2007; Tuodolo, 2007, 2009). Engagement exercises within the framework suggested in this paper could help mitigate these problems (see table 2). In other words there should be a redefinition of engagement to include participation and not just control or management as is presently the case. This expansion and re-modification will engender trust amongst stakeholders and grant corporations a more legitimate platform upon which to operate.

Secondly, there is a case for suggesting a measurable Stakeholder Engagement framework. Simply suggesting that corporations should move beyond control or management to engagement without suggesting a framework for identifying when the movement has been done is not sufficient. We have done this by showing the possible six levels of Stakeholder Engagement and what is required to meet those levels.

Finally, the propositions made here lay foundation for extending the debate on corporate governance, CSR and stakeholder theory. We concede that our proposition is not exhaustive of all possible solutions but it is a needed push to ratchet up the corporate stakeholder debate in the direction of more participatory and accountable relationship. Therefore further empirical and conceptual research may be required to examine the practical limitations and feasibility of these propositions including the practical measurability of Stakeholder Engagement. One of such examinations should be on how corporate stakeholder mapping or selection for engagement purposes can be expanded or redefined to further eliminate the spectre of companies controlling instead of engaging with their stakeholder.

Acknowlegdement

References

Amaeshi, K., (2007), "Exploring the institutional embeddedness of corporate stakeholding and social responsibility: a comparative political economy perspective", Unpublished PhD Thesis, Warwick Business School, University of Warwick

Andriof, J., and Waddock, S., (2002), "Unfolding Stakeholder Engagement", Unfolding stakeholder Thinking Vol. 1: 19-42

Arnstein, S. R., (1969), "A ladder of citizen participation", American Institute of Planners, July, 216-224

Babatunde A., (2010), "The impact of oil exploitation on the socio-economic life of the ilaje-ugbo people of Ondo state, Nigeria", Journal of Sustainable Development in Africa, Volume 12, No.5,

Baker, M., (2007), "Corporate Social Responsibility - Companies in the News Enron", Mallenbaker.net. [online]. Available at: http://www.mallenbaker.net/csr/CSRfiles/enron.html [accessed 14th November 2009]

Bendell, J., (2005), "Making Corporations work for Development: Rethinking corporate social responsibility", id21, Insights No. 54, April.

Carroll, A.B., (1989), Business and society: Ethics and stakeholder management. Cincinnati, OH: South-Western.

Carroll, Archie B., (1991), "The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders - balancing economic, legal, and social responsibilities", (July-August) Business Horizons [online]. Available at: http://www.findarticles.com/p/articles/mi m1038/is n4 v34/ai 11000639/pg 4

Clarkson, B. E., (1995), "A stakeholder framework for analyzing and evaluating corporate social performance", Academy of Management Review, 20, 92-117.

Collins, E., Kearins, K., and Roper, J., (2005), "The Risks in Relying on Stakeholder Engagementfor the Achievement of Sustainability", Electronic Journal of Radical Organisational Theory, Vol. 9, No. 1. [Online]. Available at: http://www.mngt.waikato.ac.nz/ejrot/EJROT(newdesign)Vol9_1specialissue_front.asp

Cumming, J. F., (2001), "Engaging stakeholders in corporate accountability programmes: A cross-sectional analysis of UK and transnational experience", Business Ethics: European Review, Volume 10:1

Deegan, C., (2002), "Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation", AAJ no 3 Vol., 15, 282-311[online]. Available At: http://www.emeraldinsight.com/0951-357.htm [accessed on 14/11/09]

Donaldson, T. and Preston, L., (1995), "The stakeholder theory of the corporation: concepts, evidence, and implications", Academy of Management Review, 20, (1), 65–91

Du, S., Bhattacharya, C.B. and Sen, S., (2007). Reaping relationship rewards from corporate social responsibility: the role of competitive positioning. International Journal of Research in Marketing, 24, pp. 224–241.

Elsbach K. D., (1994), "Managing organizational legitimacy in the California cattle industry: The construction and effectiveness of verbal accounts", Administrative Science Quarterly 39:57-88

Eweje, G., (2006), "The Role of MNE's in Community Development Initiatives in Developing countries: CSR at work in Nigeria and South Africa", Business and Society (June) Vol. 45 no 2 93-129, 113

Fombrun, C., Gardberg, N.A. and Barnett, M.L., (2000), "Opportunity platforms and safety nets: Corporate Citizenship and reputational risk", Business and Society Review, 105, pp. 85–106.

Franziska W., and Regine B., (2005), "Corporate Social Responsibility: Integrating a business and societal governance perspective", The RARE project's approach. Rhetoric and Realities Analysing Corporate Social Responsibility in Europe (RARE). [online] Available at: http://www.rare-eu.net/fileadmin/user_upload/documents/RARE_Background_Paper.pdf

Freeman, R. E. and McVea, J., (2001), "A stakeholder approach to strategic management", In Hitt, M. Freeman, E. and Harrison, J., (eds) The Blackwell Handbook of Strategic Management, Oxford: Oxford University Press

Freeman E., (2001), "Stakeholder theory for the modern corporation", in Hoffman W M, Frederick R. E., and Scwartz M. S., (eds) Business Ethics: Reading and Cases in Morality. (4th edn) McGraw Hill Boston, M A

Freeman, R.E., (1984), Strategic management: A stakeholder approach, Boston: Harper Collins.

Freeman, R.E., Harrison, J.S. and Wicks, A.C., (2007), Managing for Stakeholders: Survival, Reputation, and Success, New Haven, CT: Yale University Press.

Friedman, M., (1962), Capitalism and Freedom, Chicago University Press, Chicago

Friedman M (1970), "The Social Responsibility of Business is to Increase its Profits", The New York Times Magazine, September 13, http://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html accessed 10th January, 2011.

Freeman, R. E., Wicks, A.C., and Parmar, B., (2004), "Stakeholder Theory and "The Corporate Objective Revisited", Organization Science Vol. 15, No. 3, pp. 364–369 ISSN 1047-7039 _ eissn 1526-5455 _ 04 _ 1503 _ 0364 http://orgsci.journal.informs.org/cgi/content/abstract/15/3/364 [accessed on the 22/03/2010]

Frynas, J.G., (2005), "The false developmental promise of Corporate Social Responsibility: Evidence from multinational oil companies", International Affairs 81, 3 (2005) 581 – 598

Gable, C., and Shireman, B., (2005), "Stakeholder Engagement: A three phase methodology", Environmental Quality Management, Vol. 4, 3, pp. 9-24. DOI: 10.1002/tqem.20044

Geoffrey P. L., (2001), "The Boundaries of Strategic Corporate Social Responsibility", Journal of Consumer Marketing Vol. 18 No 7 http://faculty.stonehill.edu/glantos/Lantos1/PDF_Folder/Pub_arts_pdf/Strategic%20CSR.pdf

Gunningham N. and Kagan R. A., (2005), "Regulation and Business Behaviour", Law & Policy, Vol. 27, No. 2, April

Gray, R. Owen D., and Adams C., (1996), Accounting and Accountability: Changes and Challenges in Corporate and Social Reporting, Prentice Hall London

Greenwood, M., (2007), "Stakeholder Engagement: beyond the myth of corporate responsibility", Journal of Business Ethics, 74, pp. 315–327

Hasnas J (1998), "The normative theories of Business Ethics; A guide for the perplexed", Business Ethics Quarterly 8 (1), 19-42, 20

Hillman A. J. and Keim, G. D., (2001), "Shareholder value, stakeholder management, and social issues: what's the bottom line?", Strategic Management Journal, Volume 22, Issue 2, [online] 12 Jan.,

ISEA (1999), AccountAbility 1000 (AA1000): Standard, guidelines and professional qualification. London: Institute of Social and Ethical AccountAbility

James N., and Phillips, R., (2010), "Stakeholder Engagement, Discourse Ethics and Strategic Management", International Journal of Management Reviews DOI: 10.1111/j.1468-2370.2009.00279.x http://www3.interscience.wiley.com/journal/123243261/abstract?CRETRY=1&SRETRY=0 [accessed on the 9/04/2010]

Jawahar, M., and McLaughlin, G.L., (2001), "Toward a descriptive stakeholder theory: An organizational life cycle approach", Academy of Management Review, 26 (3), 397- 414.

Jesper G., (1998), "Corporate legitimacy in risk society: the case of Brent spar", Business Strategy and the Environment, 7, 213–222

Johnson-Cramer, M.S., Berman, S.L. and Post, J.E., (2003), "Re-examining the concept of 'stakeholder management", In Andriof, J., Waddock, S., Rahman, S. and Husted, B. (eds), Unfolding Stakeholder Thinking, Vol. 2. London: Greenleaf, pp. 145–161

Kinley, D., Nolan, J., and Zerial, N., (2007), "The politics of corporate social responsibility: Reflections on the United Nations Human Rights Norms for Corporations", Company and Securities Law Journal, Vol. 25, No 1, pp. 30-42, University of Sydney, Law School Legal Studies Research Paper No. 07/10http://papers.ssrn.com/sol3/papers.cfm?abstract_id=962981 [accessed on the 20th March 2010]

Lindblom, C. K., (1994), "The Implications of Organizational Legitimacy for Corporate Social Performance and Disclosure" Paper presented at the Critical Perspectives on Accounting Conference, New York, NY.

Macleod, S. and Lewis, D., (2004), "Transnational Corporations: Power Influence and Responsibility", Global Social Policy, Vol. 4(1) 2004: 77

Matten D., and Crane, A., (2005), "Corporate Citizenship: Toward an Extended Theoretical Conceptualization", The Academy of Management Review, Vol. 30, No. 1 pp. 166-179

Mele, D., and Paladino, M., (2008), "Corporate services in poor areas: A case study with participative multistakeholder involvement", Business and Society Review 113:2 253-275

Mitchell, R., Agle, B., Wood, D., (1997), "Towards a theory of stakeholder identification: Defining the principle of who and what really counts", Academy of Management Review, 22(4), 853-86

Moon, J., Crane, A. & Matten, D., (2003), "Can corporations be citizens? Corporate Citizenship as a metaphor for business participation in society", (2nd Edition) No. 13-2003 ICCSR Research Paper Series - ISSN 1479-5124

Nigerian Budget 2009 http://www.fmf.gov.ng/Budget2009Info/2009budgetfinalSpeach.pdf accessed on the 8th March 2010.

Nigerian Extractive Industries Transparency Initiative [NEITI], (2006), "Nigerian Extractive Industries Transparency Initiative: Audit of the period 1999-2004", (popular version). [online] Available at: http://www.neiti.org.ng/files-pdf/PopularVersionof1stAudit.pdf [Accessed on the 8th March 2010]

Nigerian Extractive Industries Transparency Initiative [NEITI], (2008), "Nigerian Extractive Industries Transparency Initiative (NEITI), Physical Audit 2005", Final Draft Report http://www.neiti.org.ng/2005%20Audit%20Reports/NEITIPhysicalAudit2005-FinalDraftReport.pdf [online] Available at: [Accessed on the 8th March 2010]

Okonta, I., and Douglas, O., (2002), "Where vultures feast: shell, human rights, and oil in the Niger Delta" Sierra Club, San Francisco.

Paul, S.,(1987), "Community participation in development projects: The World Bank experience", World Bank Discussion Paper 6. The World Bank, Washington D.C. [online] Available at: http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/1999/09/21/000178830_98101903572729/Rendered/PDF/multi_page.pdf [accessed 3rd March 2011]

Schneider, H., (1999a), "Participatory governance: The missing link for poverty reduction", Policy Brief no. 17, Paris: OECD Development Centre. [online]. Available at: http://www.oecd.org/dataoecd/23/53/1918916.pdf [accessed 20th February 2011]

Schneider, H., (1999b), "Participatory governance for poverty reduction", Journal of International Development, 11, 521-534

Shocker, A. D. and Sethi, S. P., (1974), "An Approach to Incorporating Social Preferences in Developing Corporate Action Strategies", in S. P. Sethi (ed.), The unstable ground: Corporate Social Policy in a Dynamic Society, Melville Publishing Company, Los Angeles, pp. 67–80.

Sen, S., Bhattacharya, C.B. and Korschun, D., (2006), "The role of corporate social responsibility in strengthening multiple stakeholder relationships: a field experiment", Journal of the Academy of Marketing Science, 34, pp. 158–166.

Stiefel, M., and Wolfe, M., (1994), A voice for the excluded: Popular participation in Development: Utopia or Necessity?, London: Zed Books.

Tuodolo, O. F., (2007), "Corporate Social Responsibility, Local Communities and TNCs in the Oil and Gas Sector of Nigeria", PHD Thesis (Unpublished) University of Liverpool, UK.

Tuodolo, O. F., (2009), "Corporate Social Responsibility: Between Civil Society and the Oil Industry in the Developing World", ACME: An International E-Journal for Critical Geographies, 8 (3), 530-541. [online] Available at: http://www.scribd.com/doc/40870279/CSR-Civil-Society-Oil-Industry [accessed 25th February 2011]

United Nations Environmental Programme (2011), UNEP Ogoniland Oil Assessment Reveals Extent of Environmental Contamination and Threats to Human Health, UNEP NEWS CENTRE, (online) Available at: http://www.unep.org/newscentre/Default.a

spx?DocumentID=2649&ArticleID=8827&l=en (accessed 24th August 2011)

Utting, P., (2000), "Geneva 2000: The Next Step in Social Development", United Nations Research Institute for Social Development Occasional Paper 2, January (Electronic version)

Wartick, S. L., and Mahon, J. F., (1994), "Toward a substantive definition of the corporate issue construct: A review and synthesis of the literature", Business and Society, 33(3): 293–311.

Wood, D. J., and Logsdon, J. M. (2001), "Theorising business citizenship", In J. Andriof and M. McIntosh (Eds.), Perspectives on Corporate Citizenship: 83-103. Sheffield, UK: Greenleaf.

Zadek, S., Pruzan, P. and Evans, R., (1997), Building corporate accountability: emerging practices in social and ethical accounting, auditing and reporting, London: Earthscan

Authors

Bethel Uzoma Ihugba. LLM, LLB, BL
(Doctoral Researcher, University of Wales)
Greenwich School of Management London, UK
bethelihugba@yahoo.com
Mr Ihugba is a doctoral researcher at the University of Wales, UK. He has an LLM from Staffordshire University, UK and an LLB, from the Nnamdi Azikiwe University Awka, Nigeria. He attended the Nigeria Law School Abuja for his BL (Barrister at Law) professional qualification and is called to the Nigerian Bar as a barrister and solicitor of the Nigerian Supreme Court.
Mr Ihugba is a member of the British Academy of Management (BAM) and recently appointed a BAM Doctoral champion. His research interests and expertise are in the areas of Corporate Social Responsibility, Stakeholder Engagement, Corporate Governance, Alternative Dispute Resolution and Company Law. Mr Ihugba has published journal articles and delivered conference papers on these areas.

Onyeka K. Osuji. PhD, BCL, LLB, BL, FHEA
Lecturer, School of Law
University of Exeter, UK
o.k.osuji@exeter.ac.uk
Dr. Osuji is a law lecturer at the University of Exeter, UK. Dr. Osuji obtained law degrees from the University of Oxford, University of Manchester and University of Nigeria. He is qualified as a barrister and solicitor of Nigeria, and a solicitor of England and Wales.
Dr. Osuji is particularly interested in Corporate Governance; Corporate Social Responsibility; Multinational Enterprises, Commercial Law; and Regulation and has published journal articles and delivered conference papers on these areas.

Correspondence
Bethel Uzoma Ihugba
bethelihugba@yahoo.com