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ABSTRACT
In this article, we explore the debate on corporate citizenship and the role of business in global governance. In the debate on political corporate social responsibility it is assumed that under globalization business is taking up a greater political role. Apart from economic responsibilities firms assume political responsibilities taking up traditional governmental tasks such as regulation of business and provision of public goods. We contrast this with a subsidiarity-based approach to governance, in which firms are seen as intermediate actors who have political co-responsibilities in society endowed upon them by (inter)national governmental institutions. We argue that both approaches face conceptual and empirical problems, and do not make clear the content and scope of political corporate responsibility. Based on Iris Marion Young’s account of political responsibility we argue that corporate actors and governmental actors have a shared responsibility to tackle societal problems. Taking political corporate responsibility not only entails engaging in private action or engaging in public–private partnerships, but it also includes aiding governmental actors to remedy injustice or even create public institutions where they do not yet exist. By adding this perspective we contribute to the debate on responsibility in corporate citizenship and clarify the political role business can play in global governance.

We live in a world where problems of harm and injustice are ever present. Whether these are problems related to climate change, disease or poor working conditions, there are many situations in which people are deprived or suffering and basic rights are either being violated or not sufficiently protected. In many cases of suffering and injustice we no longer find just governments and intergovernmental institutions which are making attempts to remedy these situations, but corporate actors are taking up these responsibilities as well. Especially multinational enterprises (MNEs), which often have great financial means (sometimes even greater than that of nation-states) and operate all over the world, are increasingly involved in mitigating global injustices.

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These developments suggest that the scope of corporate social responsibility (CSR)\(^1\) is expanding. Firms are increasingly involved in the provision of public goods and the protection of human rights, while also engaging in governance initiatives like the UN Global Compact, participation in the implementation of the UN’s Sustainable Development Goals, as well as roundtable meetings and multi-stakeholder alliances such as the Forest Stewardship Council and the Roundtable for Sustainable Palm Oil (Ruggie 2008; Fuchs and Kalfagianni 2010).

For some scholars in the field of CSR and governance, this increased engagement in social and political affairs necessitates the development of an alternative theoretical approach to corporate responsibility. According to Matten and Crane (2005) corporations are taking up a state-like role when they address public issues, provide public goods and assist in the protection of human rights. This notion of a dual economic and political role can be traced back to the idea of corporate citizenship. Corporate citizenship entails that corporate actors have rights and responsibilities similar to those of ‘regular’ citizens. So, much like citizens, corporate actors have to take into account their private (economic) responsibilities as well as their social and political responsibilities when operating in society (Steinmann and Löhr 1996; Logsdon and Wood 2002; Assländer and Curbach 2014).

The current debate on corporate citizenship seems to diverge in roughly two directions. On one side of the debate we see a number of scholars who attribute a great amount of political responsibilities to corporate actors (Scherer and Palazzo 2007; Scherer and Palazzo 2011, 2015). Corporate actors take up a political responsibility at the moment they contribute to public goods (e.g. health, education and social security), participate in the protection of human rights or engage in self-regulation to promote peace and stability in society. By assuming this new political role next to their traditional economic role they are engaging in political CSR. However, in taking up this political responsibility, corporate actors influence public policy and affect the public interest. Therefore, it is argued that these actions should be democratically legitimated. A large part of the current debate on political CSR zooms in on how these activities can be legitimized, for instance by incorporating deliberative democratic practices in corporate governance (Scherer and Palazzo 2011; Scherer, Baumann-Pauly, and Schneider 2013; Schneider and Scherer 2015).

On the other side of the debate, scholars like Assländer and Curbach endorse the idea of corporate citizenship but are more restrictive when it comes to the scope of political responsibility of corporate actors. Positioned within the debates on multi-level governance and the dynamics of upward and downward devolution (Hooghe and Marks 2001; Loughlin, Kincaid, and Swenden 2013) they develop a subsidiarity-based approach to corporate responsibility. In this approach, corporate actors are seen as intermediate actors who have certain political co-responsibilities in society, while governments retain major responsibilities such as guaranteeing freedom, justice and citizenship rights. It is up to governments to develop governance structures that allow corporations to take political responsibility (Assländer and Curbach 2014, 2017).

The debate on corporate citizenship gives rise to many questions surrounding the grounds for corporate political responsibility, the scope of responsibility within and beyond national borders, and the responsibilities of business next to the complex range of roles and responsibilities national governments take up and fulfill (cf. Frynas and Stephens 2015; Mäkinen and Kasanen 2015, 2016).
In this article, we aim to address two of these issues by taking a closer look at Iris Marion Young’s account of political responsibility. We reflect on how this approach can ground corporate political responsibility and what such a conception of political responsibility could imply for the responsibilities of business next to the diverse roles and functions performed by most contemporary governments (Young 2006, 2011). Based on Young’s account we understand political responsibility to be a shared responsibility, which requires both corporate actors and governmental actors to take responsibility in order to tackle societal problems and encourage or push each other to take responsibility. Moreover, the scope of political corporate responsibility can be narrowed down if we acknowledge that responsibilities that require coercive action befall (supra)national governmental institutions and therefore do not fall within the scope of political responsibility of corporate actors. Furthermore, we make clear that political responsibility also requires corporate actors to help or push governmental actors to remedy injustice or – when such institutions are absent – should help to create these institutions.

By adding this perspective we work towards the development of a more sophisticated model on the political responsibilities of business. Apart from the theoretical contribution, we also provide reasons to rethink what in practice can be expected of business in dealing with day-to-day situations of injustice and harm (e.g. climate change, global health problems and human rights violations). Committing to political corporate responsibility would necessitate corporate actors to take a more hands-on approach to remedying these problems and for many this will entail going beyond their present-day CSR practices.

In this article, we first provide a short introduction to the debate by looking at Scherer and Palazzo’s and Assländer and Curbach’s opposing views on corporate citizenship. In the subsequent sections, we discuss several theoretical and practical problems in both approaches. In the final section, we refer to Iris Marion Young’s notion of political responsibility and show how this can address several problems in the corporate citizenship debate as it provides a ground for an extended corporate responsibility, while also providing a first indication of what this would imply for the scope of political responsibilities of corporate actors amongst the various responsibilities of national governments.

1. Understanding corporate citizenship and the political responsibilities of business

The current debates on corporate citizenship have especially developed in response to globalization processes in which the spatial organization of affairs among social, political and economic actors is being rewired. The power of the traditional Westphalian nation-states is waning as social and economic activities are transcending the boundaries of the nation state. This becomes most clear when looking at global problems such as climate change, global poverty, pandemics and the economic and financial crises (Held 1999). These problems cannot be solved by nation-states alone. Hence governments, non-governmental organizations (NGOs) and international governmental organizations (IGOs) increasingly cooperate with the private sector in global governance networks to address these problems. By cooperating in cross-sector partnerships, multi-stakeholder alliances and public–private partnerships, collective action is taken to fill these gaps in regulation and address problems with the provision of global public goods (Wolf 2005; Van Huijstee, Francken, and Leroy 2007; Ruggie 2008; Scherer and Palazzo 2011).
As a result of globalization and the increasing complexity of societal problems, CSR is becoming entwined with governance and care for the common good, which suggests a deviation from the classical liberal conception that the sphere of the market and the political realm are fully separated (Matten and Crane 2005; Scherer and Palazzo 2011). While corporations have always played a political role, the meaning of ‘political’ in the CSR debate is changing. Earlier debates on the role of business in society revolved around the corporate political activities of a firm. These political activities are understood as corporate engagement with governmental institutions with the mere goal of improving the economic performance of the firm. Lobbying at various governmental levels, supporting political candidates and even bribing public officials in order to influence public policy to the benefit of the firm, all fall within this category (Alzola 2013; Lawton, McGuire, and Rajwani 2013). Many of today’s corporations are different in the sense that they often take up a dual role as they engage in the political sphere not only for their economic interests, but also for the common good (Matten and Crane 2005; Scherer and Palazzo 2011). While Matten and Crane introduced the concept of corporate citizenship as a descriptive concept, other authors have tried to provide a normative foundation for why corporations would have these additional responsibilities (Scherer and Palazzo 2007, 2011; Assländer and Curbach 2014, 2017).

1.1. The normative foundation of corporate citizenship

The notion that corporate actors have moral responsibilities in addition to economic responsibilities is far from new. In fact, business ethicists in general have defended this, drawing on various ethical theories, from virtue ethics to contractarian approaches (cf. Frederick 2008). Yet, corporate citizenship can be grounded in two different normative approaches, namely in republican business ethics and citizenship theories (Steinmann and Löhr 1996; Habermas 2001; Scherer, Palazzo, and Baumann 2006; Scherer and Palazzo 2007). Republican business ethics pictures the corporation as an actor that has both a private (economic) responsibility and a public (ethical) responsibility. Corporate actors have to take up both these roles when operating in society. Especially when there are no rules or solutions being provided by governments or international regimes, the public responsibilities of corporate actors become more stringent (Scherer, Palazzo, and Baumann 2006).

Assländer and Curbach (2014, 2017) discuss the dual conception of citizenship of corporate actors in a more elaborate fashion. Corporations are not citizens in the traditional sense of the word, but they can be considered to be the offspring of the classical liberal bourgeois society. The corporation is provided with the legal status of an economic citizen (bourgeois). Its core purpose is to make a profit for the ‘real’ economic citizens – the owners of the company (Assländer and Curbach 2017). Hence, from a liberal perspective the corporate citizen should abide by the law, but does not have any additional social or political responsibilities.

As noted above, according to the republican approach to citizenship, citizens are not only private – self-interested – citizens, but have a role as citizens of the community (citoyen). In this role, they are expected to play an active part in politics and contribute to the welfare of society as a whole. This notion is translated to the corporate citizen. As corporate citoyen, corporations have a social and political role to play in society as they ‘help to design rules that are of public interest and contribute to peaceful stabilization
of society’ (Scherer, Palazzo, and Baumann 2006, 516). The corporate citizen will have to balance its roles as a bourgeois and citoyen, finding a middle-ground between its private interests and economic responsibilities on the one hand, and its public or political responsibilities on the other.

While both Scherer and Palazzo as well as Assländer and Curbach draw on these notions of corporate citizenship, their interpretations of the scope of political responsibilities of business diverge.

1.2. Political CSR: legitimizing expanding political responsibilities

By combining Steinmann and Löhr’s work on republican business ethics with Iris Marion Young’s notion of social connection responsibility, Scherer and Palazzo greatly expand the scope of social and political responsibilities of corporate actors. Given the systemic social connectedness to instances of harm and injustice, corporate actors also have a political responsibility for global problems of injustice such as bad labor conditions and climate change, which in practice even can result in corporations taking over state-like functions (Scherer and Palazzo 2011; Scherer, Baumann-Pauly, and Schneider 2013).

Assuming that an extended corporate responsibility is sufficiently grounded in Steinmann and Löhr’s republican business ethics, Scherer and Palazzo’s approach of political CSR zooms in on the question of legitimacy. For while there might be sufficient moral reasons for corporations to engage in political CSR, these actions might not be necessarily legitimate. By influencing and affecting the public good, corporations take up a political role while they are not democratically sanctioned to do so. This democratic deficit is most prominent when public regulatory institutions (e.g. national government and/or international institutions) are absent, failing or ineffective (Scherer and Palazzo 2007, 2011; Scherer, Baumann-Pauly, and Schneider 2013). In order to address this problem they introduce a Habermasian approach to CSR, which entails a turn to deliberative democracy and democratic corporate governance. Through these deliberative mechanisms it should become possible to legitimate the political role of the corporation through the inclusion of all relevant stakeholders (Scherer and Palazzo 2007, 2011; Scherer, Baumann-Pauly, and Schneider 2013). This democratic legitimation of governance can take place on multiple levels. As a macro level example reference is often made the Forest Stewardship Council, in which a variety of actors, ranging from corporate actors, NGOs, governments and IGOs, have come together to develop a set of criteria and principles to enable global sustainable forest management (Scherer and Palazzo 2007; Edward and Willmott 2012).

In more recent articles, it is proposed to extend deliberative democracy to the level of the company itself (Scherer, Baumann-Pauly, and Schneider 2013; Schneider and Scherer 2015). In order to compensate for the democratic deficit in corporate engagement with the public good and public policy, it is argued that corporate actors should internalize democracy. This entails that the principles of deliberative democracy are to be transferred to the level of the firm and that all affected actors should be included in the corporate decision-making process. Creating a deliberative stakeholder democracy ensures that stakeholders are no longer merely consulted, but are integrated in the organizational decision-making process. Through this inclusive procedure, corporate decision-making will no longer be dominated by managers and shareholders, resulting in more fair and
legitimate decision-making (Scherer, Baumann-Pauly, and Schneider 2013; Schneider and Scherer 2015).

1.3. Critical remarks on political CSR

Scherer and Palazzo’s political conception of CSR and the corresponding call for democratization of the corporation has not remained free of critique. Several authors pointed out that the appeal for political CSR is largely grounded in empirical claims about the globalization process (Frynas and Stephens 2015; Mäkinen and Kasanen 2015, 2016). The fact that (weak) governments are failing their traditional tasks under the processes of globalization does not automatically justify the call for a larger political role for business. Mäkinen and Kasanen argue that in order to explain why corporations should be taking up these additional responsibilities (and challenge the division of responsibilities in classical liberal political economy) a ‘relatively robust normative political argument’ is needed, and hold that this is lacking in the contemporary political CSR debate (Mäkinen and Kasanen 2015, 5).

We do not think such a normative argument is completely lacking, as reference is made to Steinmann and Löhr’s republican business ethics and the work of Young, yet several issues regarding the nature and scope of this responsibility are insufficiently elaborated upon. Two important problems that surface in the debate are that (1) the scope of political responsibility for corporations is insufficiently specified and (2) the grounds for democratization of corporate governance are ambiguous (Mäkinen and Kasanen 2015). These two critical issues will be elaborated upon in the sections below and will be further addressed in Section 2, as we look into Young’s approach to responsibility.

1.3.1. Scope of political responsibility of corporate actors is indeterminate

One of the central problems in the political CSR theory of Scherer and Palazzo is the indeterminacy of the scope of political responsibility of corporate actors (Scherer and Palazzo 2011). It does not become clear to what extent corporate actors have a responsibility to remedy social and environmental harms and what can be reasonably expected of them. Due to this theoretical gap, it seems that corporate actors could potentially be attributed responsibility for nearly every situation of injustice or harm, requiring them to take political responsibility for a wide range of affairs. This even leaves open the possibility of the corporation taking up a near state-like role, potentially overburdening the corporation with political responsibilities (Mäkinen and Kasanen 2015).

Given that Scherer and Palazzo’s approach to political CSR partly builds on Iris Marion Young’s notion that multiple actors (governments, NGOs, individuals, etc.) are connected to situations of global harm and injustice, it makes sense to also think about the responsibilities of these actors and put them in relation to political responsibilities of business. In line with Mäkinen and Kasanen we think that the political responsibility of governments, or as they call it, the possibility of ‘governmental social responsibility’ is insufficiently being explored in Scherer and Palazzo’s framework of political CSR. The fact that corporate actors and other non-state actors are playing an increasing role in global governance does not imply that the responsibilities of national governments necessarily have to change; governments for instance still play a major part in facilitating economic globalization and supporting CSR initiatives (Mäkinen and Kasanen 2015). Furthermore while some
national and supranational governmental institutions are weak, this does not mean that corporate actors should not put effort in strengthening these institutions (Frynas and Stephens 2015).

Given this gap in political CSR theory, there is reason to more substantially reflect on the scope of the political responsibilities of corporate actors in relation to the responsibilities of governmental actors, which will be taken up in second part of this paper.

1.3.2. Ambiguity in ‘affecting’ public interests and the necessity of democratic corporate governance

Another element in the political CSR debate that can be put under scrutiny is the ambiguity with regard to the democratic legitimation of political corporate activities. Scherer and Palazzo put forth that there might be a lack of democratic legitimacy when corporations take up a state-like role or influence public policy as this affects the public interests (Scherer and Palazzo 2011; Scherer, Baumann-Pauly, and Schneider 2013).

While these authors touch upon an important issue, their position raises many questions. Does any business activity that affects the public interest require (democratic) legitimation? What is exactly meant with affecting the public interest? (cf. Fung 2013). And, does this refer solely to negative impacts – say, that infringe upon human rights – or does it also include positive impacts such as the provision of global public goods, such as education or public health? Scherer and Schneider argue that legitimacy issues arise when individuals might suffer a loss in individual welfare (Schneider and Scherer 2015). Whether this is also the case when corporate actors engage in activities that aim to contribute to the common good remains an open question. For example, what if a large pharmaceutical company would voluntarily distribute vaccinations against infectious diseases in a failed state where the government is unable to provide for this service? We could argue that the corporation is taking up its political responsibility. This indeed affects the public interest, but it is not self-evident that this would be illegitimate. It seems that this can only be the case if we can argue that this contribution to public health can also be considered to be an action that contributes to the loss of welfare of some individuals. How can this be the case? One could argue that this could be a problem from a perspective of fairness and access to health-care, when the company would only provide medication to its employees and their families, or only provide healthcare services in one region of the failed state and not in the other regions. However, to assume this would require a more substantial argumentation.

Furthermore, if this argument could be made, it would also call into question the legitimacy of the actions of many other non-state actors that impact public interests. It would be odd to single out corporate actors to be subjected to democratic legitimation mechanisms, while NGOs and wealthy philanthropic individuals also engage in activities that aim to positively affect the public interest. Hence, this ambiguity on what ‘being affected’ entails needs to be addressed before one turns to practices that provide legitimation mechanisms for affecting this public interest (such as democratic corporate governance).

All-in-all the major framing of political CSR seems to entail a substantial deviation from business as usual and faces two central problems as (1) the debate is ambiguous on scope of the political responsibilities of corporate actors in relation to the responsibilities of governmental actors and (2) it does not become clear when corporate action creates legitimacy problems that necessitate a turn to democratic corporate governance.
There are some scholars, most notably Assländer and Curbach, who have tried to address this first problem. In the next section, we will explore what their approach entails and whether it provides a solution to the problem of governmental and corporate responsibilities.

1.4. The subsidiarity approach: corporate-governmental task-sharing

In their work on corporate citizenship, Assländer and Curbach (2014, 2017) try to assess how corporate-governmental task-sharing can be organized. In order to differentiate between governmental and corporate responsibilities they turn to the tenet of subsidiarity.

The tenet of subsidiarity is used to differentiate between the responsibilities of three groups in society, namely governmental actors and communities; economic, clerical and social associations, and individuals and families. It describes ‘fair and just task-sharing among the different layers in society. It states that in society, no task should be assigned to a higher level of authority if it can be accomplished by a lesser and subordinate entity’ (Assländer and Curbach 2017, 12). Subsidiarity is a two-way principle, which works both bottom-up and top-down allowing upward and downward devolution only when an action cannot be reasonably accomplished at a lower intermediate level (when insufficient, inefficient or ineffective) then social tasks are moved up to national or supranational level. At the same time, when subsidiary entities fail their societal tasks, or cannot accomplish them in an efficient way, a higher entity (usually national government) must intervene and tasks are shifted to the next level. In the past years, subsidiarity and devolution have mainly been used to think about the relation between national governments and supranational institutions such as the EU, but according to Assländer and Curbach the principle of subsidiarity can also provide guidance on corporate-governmental task-sharing (Assländer 2011; Assländer and Curbach 2017).

Compared to the political CSR approach, the subsidiarity approach leaves the traditional role and responsibilities of national governments to a large extent intact. Governments play a central role in the distribution of responsibilities to intermediate actors, both on lower sub-state levels (families, social associations and municipalities) and on higher transnational levels (EU, WTO, UN, etc.) (cf. Brunkhorst 2005; Hirst, Thompson, and Bromley 2009). Corporate actors, such as MNEs, are seen as intermediate actors that operate on both these levels. For Assländer and Curbach the fact that there are increased corporate efforts that contribute to the common good (both social activities and private regulation) does not necessarily reduce the need for governmental regulation on national and supranational level. While corporate actors are taking over some traditional governmental activities, this does not guarantee that corporate actors will sufficiently compensate for ‘a lack of governmental services in all relevant areas on a sustainable basis’ (Assländer and Curbach 2017, 17, our emphasis). Government regulation remains crucial in the case of (1) democracy enhancing or freedom promoting activities, (2) when the assignment of responsibilities to lower entities causes friction with: justice, equal treatment of citizens or endangers fundamental citizenship rights (political participation) and (3) in instances that require strict coordination (for instance when facing epidemics) (Assländer and Curbach 2017).

Hence, subsidiarity can be understood as a ‘regulative idea which should guide considerations when assigning responsibilities to different layers in society’ (Assländer and
The corporate citizen is an intermediate actor who remains subjected to political and legal regulations. If the political responsibilities of corporations are to be taken in a successful way, national governments are to develop governance structures to allow this to take place. Political discourse in national and supranational organizations is to determine the scope and content of these corporate co-responsibilities (Assländer and Curbach 2017).

In comparison to the approach of Scherer and Palazzo, the subsidiarity approach narrows down the scope of political corporate responsibility considerably. By pointing out that there are core governmental tasks (coercion, guaranteeing freedom and justice), the corporation can take its economic responsibilities without being overburdened by political responsibilities. In addition, as governments are to play a central role in the creation of governance frameworks that regulate the political responsibilities of business, it seems that the need for democratic corporate governance (at the level of the corporation) is tuned down, as political CSR activities are in this case already legitimized by the government. As such, Assländer and Curbach offer an approach that allows corporate actors to take up their political responsibilities, while at the same time paying heed to the role governments should play.

1.5. Critical remarks on the subsidiarity approach

Assländer and Curbach make an important contribution to the debate by introducing a guiding principle to distinguish between corporate and governmental responsibilities, but from a pragmatic perspective employing the principle of subsidiarity is not unproblematic. This is so for two reasons: (1) current global injustices and situations of global harm are unlikely to be tackled by states alone as the problem-solving ability of national governments is overestimated and (2) the principle of subsidiarity provides little guidance on what political corporate responsibility can entail, when national or supranational governmental institutions are unwilling to take their responsibilities, when they are failing or absent.

The first problem is related to the conception of globalization and its effects. Following Robinson (2004) we understand globalization to be an essentially contested concept. The readings of Scherer and Palazzo and of Asslander and Curbach can be considered to be at two opposing sides of the spectrum when it comes to the effects of globalization. We agree with the latter that governments have an important part to play, for instance in creating the conditions for corporations to operate. At the same time though, many governmental institutions do not succeed in providing an adequate solution for the complex problems we are facing at both national and global level (Held 1999; Scholte 2005). We think that this element is insufficiently taken into account in the proposed application of the tenet of subsidiarity as guiding principle for governmental-corporate task sharing.

First of all, Assländer’s account of subsidiarity seems to imply a strict division of responsibilities between actors. While corporations as intermediate actors would have substantial responsibilities for society in providing public goods such as health, education and even guaranteeing fundamental human rights, at the same time it is argued that governmental organizations and higher public institutions are in the end responsible for legal security, freedom, justice and democracy. Hence, there is still a heavy emphasis on governmental responsibilities as it is made clear that corporate actors should not compensate for this (Assländer 2011; Assländer and Curbach 2017). In the light of complex wicked problems...
such as climate change or world-wide epidemics one can wonder whether subsidiarity is a viable concept to tackle these problems. According to Levin et al. (2012) one of the features of wicked problems is that there is no central authority to tackle these problems. When looking at the problem of climate change, we also see that in practice there is no higher authority to distribute responsibilities. There is global consensus on the need to reduce carbon emissions, but the attempts to realize this are not enforced or put to practice by a single authority, but rather through different mechanisms on various levels in both the public and the private sphere (e.g. EU programs to cap CO2 emissions, the Paris Agreement under the UN Framework Convention on Climate Change and the Forest Stewardship Council). All those things together may be necessary to tackle wicked problems such as climate change (Levin et al. 2012). The status of national governments is therefore changing from central legislator to ‘partner’ or ‘stakeholder’ within a wider system of governance (Lievens 2015). Hence, it is unclear how a more government-focused approach which follows from the principle of subsidiarity can provide a solution for the global injustices the world is nowadays struggling with.

Another problem with appealing to subsidiarity as guiding principle in the distribution of responsibilities is that it assumes the presence of a well-functioning higher authority (Assländer and Curbach 2017). Some form of effective national or international authoritative political order should be present, to distribute responsibilities and to take up responsibilities from lower entities when they fail to effectively take their responsibilities. However, it is questionable whether the principle of subsidiarity really helps to solve these problems in task sharing, as in many of the environments where corporations are operating higher authorities are often weak or unwilling to take political action. For example consider the case of a large MNE operating in the failed state of Somalia, where freedom and legal security are insufficiently provided for (Freedom House 2016). On the one hand it can be argued that a corporate actor should take its political (co-)responsibilities, yet at the same time the principle of subsidiarity also prescribes, that freedom and legal security should be provided by higher public institutions. We agree that both for economic reasons (the corporation has an economic function) and political reasons (fairness and inclusion) a government in essence is best suited to take up these tasks. However, in Somalia there is no effective higher authority (neither national nor regional). This is where a core problem with the principle of subsidiarity surfaces, as it does not say anything about a possible responsibility of intermediate actors to create or support the establishment of a functioning democratic regime (Assländer and Curbach 2017). So it remains unclear what can be expected of corporate actors in these situations.

Given the promises and shortcomings of the approaches of political CSR and subsidiarity, we aim to introduce a third approach, Youngian political corporate responsibility to more carefully distinguish the political responsibilities of business. A closer reading of Iris Marion Young’s work on responsibility for justice can help us work towards such a more sophisticated approach to assess the political responsibilities of business (Young 2006, 2011). While her approach is already being used by Scherer and Palazzo to defend a wider range of responsibilities for corporate actors that are operating on a global scale, we argue that her approach can also provide guidance in delineating the responsibilities of corporate and governmental actors, even in settings where national governments are unwilling, unable or ineffective in taking responsibility. In the next section, Young’s concepts
of structural injustice and political responsibility will be shortly discussed, after which we look into the implications for the responsibilities of corporate actors and governments.

2. Youngian political corporate responsibility

2.1. On structural injustices and social connection responsibility

In her work on responsibility for justice, Iris Marion Young focuses on responsibility for structural injustices (Young 2006, 2011). Structural injustices exist when:

social processes put large categories of persons under a systemic threat of domination or deprivation of the means to develop and exercise their capacities, at the same time as these processes enable others to dominate or have a wide range of opportunities for developing and exercising their capacities. (Young 2006, 114)

Structural injustices are ‘harms that come to people as a result of structural processes in which people participate’ (Young 2003, 7) and can span a wide range of issues, from bad labor conditions to global health problems.

Young argues that in order to think about who should take responsibility for these injustices, we need another conception of responsibility next to the traditional liability model of responsibility. In the liability model, responsibility is attributed to those actors – either individual or collective – of whom it can be shown that they are ‘causally connected to circumstances for which responsibility is sought’ (Young 2011, 97). It assumes that there is a rather direct interaction between the actor that is causing harm and the harmed party, and that responsibility can be attributed to an actor when its harmful actions were voluntarily and knowingly undertaken (for instance when company X dumps its chemical waste in the nearby river, poisoning the residents in the town further down the river) (Young 2011).

Young puts forth that in the case of structural injustices it is not possible to single out an actor as responsible, because it is a plurality of actors that interact in a network of processes of cooperation and competition that bring forth these injustices. Governments, civil society organizations, individuals and business, all can be directly or indirectly connected to specific injustices and, by virtue of this social connection, carry responsibility for these injustices (Young 2006).

Unlike the liability model of responsibility, the social connection model of responsibility does not allow actors to evade responsibility (Young 2011). To understand this Young makes the example of the use of sweatshops in the global garment industry (which she considers to be a case of global injustice). Following the liability approach an MNE in the garment industry would be able to claim not to be responsible for the poor working conditions at one of its subcontractors. The MNE can argue that they are not in direct control of the subcontractor as they do not own this company and therefore cannot be blamed. As a result the subcontractor is singled out as the actor that should be held responsible. In the social connection model this argument loses its force, as the MNE can at least be held partly responsible for its actions, for by doing business with the subcontractor, it enables the processes that produce these unjust outcomes. The same goes for a wide range of other connected actors: the government that allows the sweatshop owner to abuse its employees; the retailer that fails to check whether the t-shirts it is selling are produced under the right circumstances; and to the consumer
who is buying the t-shirts from the retailer. Instead of looking back to find out who caused a particular wrong, to find out who is blameworthy or liable, Young’s approach to responsibility is more forward-looking: central to the approach is working towards a remedy for these injustices. All actors that operate within these global structures that cause injures have a responsibility to remedy injustice. This makes social connection responsibility an essentially shared responsibility that can only be discharged by joining with others in collective action (Young 2011).

Given this collectiveness, the involvement of public discourse and the goal of changing social structure, Young classifies social connection responsibility as a political responsibility. Politics for Young is the ‘communicative engagement with others for the sake organizing our relationships and coordinating our relations justly’ (Young 2006, 123). Political responsibility therefore is morally and ontologically prior to political institutions. Referring to John Locke’s social contract theory she points out that the need and desire for political institutions only arises because ‘socially connected persons with multiple and sometimes conflicting institutional commitments recognize that their relationships are liable to conflict and inequalities of power that can lead to mistrust, violence, exploitation, and domination’ (Young 2006, 105). Political institutions and their corresponding roles arise out of the responsibilities of justice that are generated by social connection. The existence of current day structural injustices necessarily means that some of the background conditions of action – the accepted rules and conventions of our communities and political institutions – are not morally acceptable. Only through working together by engaging in collective action can connected actors change institutions and processes to provide less unjust outcomes (Young 2006).

At the same time, shared responsibility does not mean that every actor bears responsibility to the same degree and in the same way. To determine who are best placed to take responsibility Young introduces four parameters of reasoning namely power, privilege, interest and collective ability (Young 2006, 2011). Power refers to the capacity of an actor to change situations of injustice. For instance MNEs, such as Nike or Inditex (owner of ZARA, Pull and Bear) have more power to improve global labor justice than a local clothing retailer has. Privilege often goes hand-in-hand with benefit. It means that those actors that benefit most from injustices have special moral obligations to change these injustices. For instance, affluent Western consumers relatively benefit from sweatshops, but also have the capacity to change these circumstances without suffering serious deprivation (for instance, pay more for the product they are buying to improve the situation of the workers). Interest entails that those actors who suffer most from the injustice also have a responsibility to challenge this injustice (e.g. the workers in the sweatshop can speak up about their situation). Lastly, collective ability refers to groups of actors who together have the power to address these injustices; for instance, consumer groups and organizations such as universities and sport clubs when it comes to global labor justice, or schools and employers when looking at global health issues. The position of the actor in the system determines what kind of issues he can be held responsible for and what kind of action he should take (Young 2006, 2011).

Based on this short overview of Young’s approach to responsibility, it becomes clear that all socially connected actors, both public and private, have a political responsibility to remedy structural injustices. Now we can take the next step and reflect on what this would imply for the responsibilities of corporate actors.
2.2. Young and the political responsibilities of corporate actors

In principle corporate actors have the responsibility to avoid causing harm or violating human rights (Bowie 1999; Young 2006). However, the problem is that corporate actors operate in a non-ideal world, where, even despite the possible best efforts to refrain from contributing to harm and injustice, they are structurally connected to instances of injustice through their economic activities. If the corporation is to take its economic responsibilities without violating its responsibilities towards others, the global structure has to change. Hence, by virtue of their social connection to global injustice and harm, corporations share responsibility to remedy these global injustices and harms.

Some would argue that governments, not corporations or civil society actors, are best placed to take responsibility for problems of structural injustice in which freedom, justice and fairness are at stake. Young explicitly argues that this is not always the case. As explained in the previous section, governments should be seen as mediated instruments of those actors who share responsibility for structural justice. While governments and supranational institutions are important and (sometimes) powerful actors, they also often fail to effectively take responsibility. This is not only due to corruption, incompetence or weakness, but it is also caused by the fact that some private actors can be very effective in influencing what governments can and cannot do (Young 2011). To address structural problems the collective engagement of governmental and non-governmental actors is necessary, and we suggest that business therefore also has the responsibility to contribute to this.

2.3. Implications for corporate and governmental responsibility

This closer look at the work of Young sheds new light on the issues we encountered in Scherer and Palazzo’s and Assländer and Curbach’s approaches to the political responsibilities of business.

One of the main issues in Scherer and Palazzo’s approach was the indeterminacy of the scope of responsibilities and the risk of taking up a state-like role, but in reference to Young it is possible to give a first indication of the limits of this scope. Despite the fact that we cannot rely solely on governmental institutions to remedy injustice, this does not entail that taking political responsibility necessarily requires a corporate actor to take over a majority of traditional governmental responsibilities. In earlier work, Young points out that the state engages in ‘activities and institutions of legal regulation, enforcement backed by coercion, legislative mandated coordination and public services, along with the managerial and technical apparatus to carry out these functions effectively’ (Young 1999, 143). It is responsible for the regulation and coordination of economic life, facilitating social coordination of individuals and groups to achieve large-scale collective goals (Young 1999). When confronted with structural injustice, actors that share responsibility for these harms often face coordination problems. In these cases national governments can be key because only they can legitimately exercise coercive power in solving such coordination problems. Other actors that share responsibility should not take up this coercive role, but rather should stimulate authoritative and coercive political institutions to take action against structural injustices (Young 2011).

It is at this point that it becomes clear how Young’s view of political responsibility helps to shed light on the problem of the scope of corporate responsibilities while at the same
time restricting the problem of moral over-demandingness of political CSR as Young’s interpretation of political responsibility excludes taking those responsibilities that would require coercive and authoritative action. This can be the case when it is necessary to force other actors to engage in certain behavior, for instance to prevent human rights violations or to ensure that people are treated fairly. In these cases governments or higher public institutions should take up these tasks. As engaging in coercive action is not a permissible corporate activity, it by definition cannot fall within the scope of political corporate responsibility. Hence, this more strict reading of Young helps to narrow down the scope the political responsibilities of corporate actors.

At the same time, Young offers a way out of the main problem we identified in Assländer and Curbach’s approach, namely that the application of the principle of subsidiarity provided no solution for situations in which governmental actors are absent or ineffective. Young’s approach offers a way out of this problem, for she puts forth that if government is not effective, is unwilling or is absent, then social connected actors still have a role to play, with political responsibility requiring them to ‘push authoritative and coercive political institutions in directions that remedy injustice, where they exist and bringing them into being where they do not’ (Young 2011, 168, emphasis added). Taking political responsibility implies that non-state actors, including corporate actors, have the responsibility to create higher public institutions when necessary.

On the basis of Young we can argue that if corporate actors take political responsibility this can entail four forms of activity, namely: (1) lobby at state level to move the government to take action to remedy injustice; (2) deploy individual activities to directly remedy injustice; (3) engage in private or public–private initiatives with other actors (e.g. multi-stakeholder alliances) to collectively remedy injustice and (4) engage with other actors to create public institutions for situations of injustice and harm that require strict or coercive coordination. How this could translate to corporate practice we briefly discuss in the next section.

2.4. Taking political corporate responsibility

To provide a first indication of what taking political responsibility might entail in daily corporate practice we provide two brief illustrations, considering the role business can play in taking responsibility for labor injustices in the electronics industry and its possible role in remedying global health issues like pandemics.

To illustrate the first issue we consider the case of electronics producer Apple and its Taiwanese subcontractor, the supplier/manufacturer Pegatron. Apple works with Pegatron, which assembles its products in factories in the People’s Republic of China. Pegatron allegedly has bad labor conditions and is violating Chinese labor law (low safety, long working hours and child labor) (Barboza 2013; China Labor Watch 2013, 2015). On the basis of Young we can expect business to do at least three things. Firstly, Apple can lobby at the Chinese government level for additional regulation and stricter audits on the working conditions in the Pegatron factories. Secondly, Apple could increase its own efforts to directly influence the working conditions at the Pegatron factories. This could, for instance, be achieved through more regular audits by Apple at Pegatron’s sites, through renegotiation of contracts to demand better working conditions, or even through a financial contribution of Apple to help Pegatron improve these conditions.
Lastly, Apple could further explore the possibilities of engaging with other actors in the industry to improve the labor conditions in the electronic industry. As major market leader in the industry Apple could, for instance, take the lead in a strengthening of the Code of Conduct of the Electronic Industry Citizenship Coalition (an industry-wide coalition of electronic producers) to put labor conditions higher on the agenda, or it could seek to broaden the coalition by including workers in these deliberations in order to create a more inclusive organization to combat labor injustices.

In other instances we might even expect more of corporate actors, as political responsibility can also entail that corporate actors offer support to governments facing difficulties in creating and maintaining structures to effectively address injustice, albeit without taking up a coercive state-like role. This can be illustrated when considering problems where public health was under severe threat like during the 2013–2016 Ebola outbreak in Liberia, where the fragile national government struggled to provide quick quarantine and treatment (Onishi 2014; Messner 2016).

During the outbreak the Liberian national government for instance employed both coercive and non-coercive measures to prevent and control the outbreak. They used coercion to quarantine groups of infected people to prevent further dissemination of the deadly disease, but at the same time engaged in non-coercive actions through information provision and education on how to prevent contamination (Nyenswah et al. 2015). Now imagine that a large pharmaceutical multinational was also operating in these Ebola-struck regions: what would discharging political responsibility for public health entail? Arguably, following Young, such a company could engage in education and information activities and make drugs available, yet it should not itself use coercion to quarantine groups of persons. On the other hand, it might be appropriate to assist the government in creating and maintaining quarantine facilities, for example, by offering medical technologies, drugs or other goods that are necessary to ensure that the basic needs of quarantined groups are satisfied. This would be especially important if the government struggled with maintaining quarantine in an effective, fair and humane manner.

All-in-all, we hold that Young’s notion of political responsibility implies a mutual dependency between actors that have a social connection to structural injustice, and this particularly holds for corporate actors and governments. In the current globalized world, they need each other to effectively take responsibility for justice. Taking political responsibility requires corporate actors to not only develop private initiatives, but also (1) to support government in developing governance schemes that would allow business to engage with its political responsibilities in an effective and fair way; (2) assist governments that lack the capacity to effectively take their governmental responsibilities and (3) lobby or push to change the policies of (unwilling) governments that take insufficient action to combat structural injustice and harm. Governments at the same time remain the primary responsible actors for actions that require coercion and for a fair allocation of public goods. This also prevents corporations from becoming burdened with inappropriate political responsibilities such as coercion at the costs of its economic responsibilities. In addition, governments should create guidelines to encourage, stimulate and push corporations to engage in corporate citizenship and develop legislation in order to organize political corporate responsibility in a democratic and efficient fashion. In doing so business and government can collectively address structural injustices.
3. Discussion and conclusion

The academic debate on corporate citizenship is ambiguous about the scope of political responsibility of corporate actors and the division of responsibilities between corporate and governmental actors. Iris Marion Young’s work on responsibility for justice sheds a new light on these problems. On the basis of her work we provide a more substantial normative foundation for corporate political responsibility and put forth that the scope of this political responsibility can be narrowed by recognizing that coercive actions that are necessary to ensure freedom and fairness remain a central governmental responsibility. At the same time a Youngian interpretation of political responsibility makes clear that corporations have a responsibility to help or push national governments or supranational institutions when they are unwilling or unable to take responsibility and even work towards the creation of public regulatory institutions when these are absent. These insights jointly present a third way between the more government-focused subsidiarity approach of Assländer and Curbach, and the more corporate-centred theory of political CSR by Scherer and Palazzo.

Although we believe this reading of Young provides helpful insights in the debate on corporate citizenship and the political responsibilities of business, it only is a first attempt to specify the scope of corporate responsibilities. While restricting the political responsibilities of business to non-coercive activities, one might wonder whether this is not still overburdening the corporation with additional tasks and responsibilities. Even though Young provides some indication of what can be reasonably expected of different actors concerning structural injustices — relative capacities and degree of connection to injustice seem to be key — these parameters of reasoning remain notoriously vague (Neuhäuser 2014). In order to think about what can be expected of corporate actors operating in different sectors and in countries with various degrees of (in)effective government, it is imperative to further explore these parameters and corresponding grounds for responsibility. In doing so it will be possible to see how stringent political responsibilities of business are in specific situations of injustice and how they can be discharged (cf. Tempels, Verweij, and Blok 2017).

While ample questions on the responsibilities of business in society remain, this Youngian interpretation of corporate political responsibility shows that taking political responsibility is neither just a matter of organizing political legitimacy within the corporation, nor one of fitting political responsibilities of corporate actors in a political hierarchy. Political responsibility for structural injustices expands the range of responsibilities of business, requiring corporate actors to deploy private actions to contribute to global justice, to cooperate within its own sector to address harms, but also to work together with and to lobby governments and international institutions to combat these injustices. Both governments and corporate actors share responsibility for justice and will have to push each other to take action against injustice.

Notes

1. In this paper, we approach the notion of corporate social responsibility from a normative perspective, seeking to provide a framework to define the responsibility of business for society and the environment. In practice taking this responsibility connects to CSR as business policy and instrument, as discharging this corporate responsibility will in business practice often take the shape of CSR-programs.
2. Wicked problems can be understood as complex, ill-structured public problems, that are hard to pin down and are unlikely to be solved in traditional ways (for instance through governmental intervention) (Blok et al. 2016).

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