

# Corporations as Political and Unpolitical Actors

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## 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' (Halonon 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' (Nyman 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’ (Rosanvallón, 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<sub>2</sub> 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 likelihood 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 Rosanvallón (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’ (Rosanvallón, 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' (Nylander, 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	Governance / 'co-management' of issues
One institutional actor with a mandate and a holistic view, defending the interest of the common good	Multiple actors with different interests in the issues at hand, involved in deliberation
Decision-making	Strategy through deliberation
Enforceable accountability	Responsibility through voluntary transparency
Relying on central legislation (voted by parliament) and a few public institutions for its enforcement	Relying on supervision and surveillance apparatuses involving many public and private actors
Complete separation between formal political power and the market	'Politicization' of the business firm, invited in deliberation on governance
Model of 'good government' based on exclusion of corporations from political participation and independence of justice	Model of 'good governance' based on 'transparency'
Global intergovernmental system	Global deliberation involving states, business and civil society
Aim of sustainable growth and sustainable livelihoods	Aim of sustainable growth within possible constraints posed by civil society
Aim of social justice	Aim of an undistorted market within possible constraints posed by civil society
Aim of fair wealth redistribution	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 likelihood 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.

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