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Corporate citizenship and social partnership

Introduction:

At the World Economic Forum in 2002 in New York, the joint statement on "Global Corporate Citizenship – The Leadership Challenge for CEOs and Boards" was signed by the CEOs of 34 big multinational corporations. The corporations committing themselves to good citizenship included, among others, Coca-Cola Company, Deutsche Bank, McDonald's Corporation, Philips, and UBS (World Economic Forum 2002). The idea of being a citizen has in the first years of the 21st century emerged into the value manifests of numerous large enterprises. For example, Nokia formulates its "community involvement" as follows: "Our goal is to be a good corporate citizen wherever we operate." (www.nokia.com)

Another way of applying the concept of citizenship to business enterprises also appears. According to the language of the European Union, "social dialogue" between "social partners" is a crucial mode of action on the "social dimension" of European integration. "Social partners" is the term for trade unions and employer organizations. In EU texts, social partners are characterised as actors of civil society and, consequently, the European social dialogue is presented as a way of creating a European civil society. Since "civil society" is, in this usage, a concept for citizens' voluntary association, enterprises, associated in their employer organisations, are thus qualified as citizens.

In this paper , I am concerned with the recent widening of the concept of citizen. Firstly, previous distinctions between different stages, types and aspects of citizenship are shortly discussed from the point of view of their (very questionable) applicability to business firms as citizens. As the second step, I will examine historical preconditions and consequences of some specific – seemingly symmetrical – forms of social relationships in which the parties consist of human beings and enterprises, notably those in the field of labour markets and working life. Thirdly, the EU concept of social partnership is interpreted by discussing its linkages to European traditions of social thought and to current political agenda settings. I make use of comparisons between social partnership and the ideology of parity that has been characteristic of Nordic industrial relations. Fourthly, "social partnership" and "corporate citizenship" are examined as two different ways of associating citizenship with business enterprises. Lastly, I attempt to interpret corporate citizenship as an indicator of changing relationships between public and private in the context of new market relationships between business environments and business enterprises.

Human citizens and juridical persons

Distinctions have been made between various kinds of citizenship according to differences among people, various aspects and stages of human action, differences between various countries, or different phases of social and political development. Let us take a short look at some of these distinctions in order to recognise the challenging innovativeness of talking about enterprises as citizens.

The citizenship that emerged as a political key concept through the French Revolution did not only imply the principle of universal rights. The concept also included – and, until the general suffrage, in an easily verifiable way – a division into active and passive citizens, i.e. those who were entitled to participate in the making of the law and those who were not. Another kind of division, a division concerning the citizenship of any citizen, was included in the Hegelian system. Associated with the

distinction between the state and civil society, two aspects of citizenship were separated. As a member of the state, a citizen was promoting the common good in a law-creating way, while he – and notably he – was as a member of civil society oriented to work for his own interests in a law-abiding way.

In international comparisons, diverging meanings of citizenship have been recognised. One of the comparative perspectives has focused on different national traditions concerning the ideals of citizenship in relation to polity and common good. In his analysis of the Finnish concept of citizen, Henrik Stenius has distinguished between two ideals, "reform citizen" and "culture citizen". In the former case, citizenship indicates capabilities for political deliberation, debates, arguments and negotiations, while the latter understanding of citizenship puts stress on one's moral engagement in the nation as an ethical project (Stenius 2003, 358-360).

A classical distinction concerns the criteria of citizenship as the membership of nation. In research on nations and nationalism, nation as territorial political community and nation as ethnic and linguistic community have been identified as two different criteria of nation. In different nation-building processes and in different phases of the history of nationalism, the relationships between these two criteria have varied and changed. In the countries in which the emphasis has been on the former idea of nation, notably in France, citizenship has been based on the principle of ius solis, i.e. the land and place in which the person has grown up. In the latter case, in turn, exemplified by Germany, the principal criterion of citizenship has been ius sanguinis, i.e. ethnic and linguistic roots. (Brubaker 1992)

Narratives of the modern society in progress have been constructed by defining different stages in the development of citizenship. These narratives have not only referred to the extended range of those included in citizenry. The extension of the contents of citizenship has been pointed out, as well. On this line of interpretation, citizenship means universal rights and duties and the extending of citizenship is the process in which the range of universal rights and duties extends. The best-known narrative of this type may be the theory of T. H. Marshall. In the late 1940s – the time of Labour government and the construction of comprehensive national systems of social security and health in Britain – Marshall distinguished between three stages in the progress of citizenship. On the first stage, citizenship is characterised by civil rights, including the protection of person and property. Through political rights, notably the general suffrage, a novel stage of citizenship, political citizenship, is reached. On the third stage, in the welfare state, the contents of citizenship are extended through universal social rights, indicating the stage of social citizenship.

It is not easy to analyse meanings and contents of corporate citizenship by means of these various distinctions of citizenship. Most obvious difficulties stem from the fact that, conventionally, citizenship has been associated with human beings. Perhaps, the distinction by Stenius between "reform citizenship" and "culture citizenship" could be somehow applied to enterprises. One might found, for example, that some enterprises are especially active in developing arguments for taxation reform while some other companies wish rather to profile themselves by sponsoring ice hockey or opera music. Applying the criteria of ius solis or ius sanguinis for corporations would be more difficult. The same holds true for the citizenship associated with political or social rights. No doubt, business firms can be seen as social and even political actors, yet it is reasonable to assume that providing enterprises with political or social rights in the Marshallian sense is not the original aim of "corporate citizenship". It is also difficult to find any historical roots for corporate citizenship in the particular reciprocity between the duties of citizens and patria that Pierre Rosanvallon (1995, 49) points out: since the citizens were ready to die for the patria, this had a duty to take care of them.

The idea of personified collective actors is, as such, far from recent novelty. In his Leviathan (1651), Thomas Hobbes famously described the state, the "commonwealth", as "an artificial man". In later sociology, living (human) organism came to be a highly influential metaphor of society. For my

problem here, most important was the 19th-century construction of "juridical person". This conceptual innovation was crucial for the development of modern capitalist society.

The natural-law political philosophy, dealing with a society of human beings – even if an artificial person might unite them – did not provide means for conceptualising phenomena of the new commercial society. The Swedish labour-law researcher Håkan Hydén notes that "legal positivism, by breaking with natural law thinking, opened up for legal constructions". Juridical person that referred to an association of several natural persons, especially company, was such a revolutionary construction. A simple analogy between natural and juridical persons was not enough; the distinction between these two types of persons was crucial, as well. "The concept of juridical person made the expansion of large-scale industrial society possible. Companies got an identity of their own and as legal constructions became power centres with a rationality which goes beyond the interaction of the co-operating individuals." (Hydén 2002, 161-164) The norms concerning juridical persons regulated their internal composition and modes of existence and their relationships to the state as well as to other persons, juridical as well as natural ones.

A special type of a contractual relationship between a juridical person and a natural person became a core element of modern capitalist society. It was the employment relationship between employer and worker.

The ideology of parity

The formal symmetry of free employment relationship was based on the fact that both parties were in some particular sense fictitious. One party was a fictitious (i.e. just juridical) person (Hydén 2002, 164), the other one, in turn, was selling a fictitious commodity. The making of labour power into commodity was a necessary precondition of modern capitalism, yet labour was, to use the phrase of Karl Polanyi (2001 [1944], 71-80), a fictitious commodity since it was inseparable from the life of its seller, the wage worker.

That the symmetry of an individual employment relationship was but formal was adopted as a crucial point of departure for the development of labour law in the 19th and 20th century. Worker was the weaker party of employment relationship and, consequently, in need of protection. This could be provided by the state and by workers' collective association. On the basis of and in order to regulate the contract between worker and employer, another peculiar form of contractual relationship developed. It was the collective agreement between a workers' association and an employer or an employers' association. Such agreements were advocated, especially, by the social liberals of the late 19th century as the main solution of the so-called labour question. At this level, a notion of a more than formal kind of symmetry was established. "Labour market parties" was adopted, most notably in the Nordic countries, as an expression that reflected and reinforced the idea of a symmetric collective-level relationship between workers and employers. This "ideology of parity" (Bruun 1979, 157-161) was strengthened in western European countries during the post-World-War-II decades, until the 1970s, at the same time as the practices of collective negotiations and agreements extended. According to this ideology, the labour market parties were supposed to reciprocally recognise the particular and, hence, legitimate nature of their interests and to commit themselves to serve the universal interest through their mutual compromises.

In two different fashions, the symmetrical image of labour market parties has been associated with social criticism. Firstly, it has been a target of what can be characterised as the critique of ideology. The symmetrical appearance is seen an ideological disguise of the basic asymmetry of capital and labour. On one level, this concerns the individual employment relationships. The relationship between worker and capitalist appears as a free market relationship, yet it is essentially – as Karl Marx concluded – a relationship of subordination and exploitation. On another level, the critique of ideology

has been targeted on how the appearance of party symmetry conceals the fundamentally diverging compositions of the two labour market parties. In their analysis on "two logics of collective action", Claus Offe and Helmuth Wiesenthal (1980) focus on a crucial difference in the modes of organisation and action between trade unions and employer organisations. One labour market party organises and represents living people, natural persons, whereas the other party represents firms, juridical persons. Offe and Wiesenthal argue that the articulation of collective interests is for employers easier than for workers, because the units to be represented by employer organisations are already organisations. This argument is not quite convincing since it does not enough take into account the constraints of employer cooperation stemming from the rivalry between firms and from the norms of private property. Nevertheless, in the spirit of critical theory, Offe and Wiesenthal importantly point out that an asymmetrical power relationship exists within the symmetrical forms of parity.

The second type of criticism, associated with this party symmetry, can be called immanent critique. It is possible to recognise this kind of critique in the practical and ideological developments of Nordic industrial relations. In the 1930s the Social Democratic trade union leaders in Nordic countries included the principle of collective labour market agreements into the concept of "Nordic democracy". The Social Democratic movement was able, probably in Sweden the most successfully and in Finland the least successfully in *Norden*, to establish the parity of labour market parties as a normative standard of the "society" itself. This standard could then be applied for the critique of present circumstances, i.e. turned against the prevailing asymmetries of industrial working life. (Kettunen 1999, 118-124.)

Trade unions became oriented to extend the field of symmetric party relations. This did not only mean that trade unions achieved a legitimate role in industrial relations. A still more fundamental aspect was that capitalists and somewhat later even the state and municipalities in their role as employers were defined and organised as a "party" with (no more than) particular interests. The widening of party relations meant a wider field of issues in which employers had to recognise the particularism of their interests. In this process a conception of enterprise as a functional whole that was distinct from the particular interest of employer appeared. A horizon was opened to a continuous widening of the agenda, in which employers would be obliged to admit the particularism of their interests, i.e. the widening of symmetrical party relations. On another level, the principle of party symmetry was extended through the corporatist procedures in economic and social policies.

Since the 1980s, the project for widening party relations, i.e. the principle of parity as a criterion of immanent critique, has lost its political power. Through the processes called globalization, the premises for the "Nordic" image of symmetry between labour market parties have been weakened by a variety of developments: the multinational and transnational character of companies in the global economy; their restructuring in accordance with the network principle; the increase in so-called "atypical" employment relationships; and the growing fluidity of the boundary between wage work and entrepreneurship. It has become ever more difficult to identify, organise, bring together and centralise the different "parties" within a national society. The idea of employee as the weaker part of the wage-work relationship tends to be pushed to the margin through the ethos of entrepreneurship at the same time as, on the other hand, the asymmetry between capital and labour has increased due to the dramatic growth of the mobility of financial capital.

Paradoxically, at the time of increasing asymmetries, the warm symmetrical expressions of "social partners" and "social dialogue" have been widely adopted, and at the time of the loosening spatial ties of capital, the humble community-oriented concept of "corporate citizenship" has been introduced. How could we interpret these paradoxes?

The Nordic ideology of parity and the Catholic image of community

"Social dialogue" between "social partners" was in the mid-1980s officially introduced in the procedures of European integration. The then President of the Commission, Jacques Delors, was active in launching this practice of negotiations between European-level employer and employee organisations. In the 1990s, the status of social dialogue was confirmed in the Maastricht and Amsterdam Treaties of the European Union (e.g. Nieminen 2005, 254-309). In the Treaty establishing a Constitution for Europe, 2004, "the Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy."

The European social dialogue has not proceeded according to optimist expectations. True, numerous joint opinions and declarations have been given as results from branch-level, or "sectoral", as well as peak-level, or "cross-industry", social dialogue, the issues of training and education being the easiest ones for achieving a common stance. Yet only few examples exist on agreements resulting in binding norms (that have been established through EU directives), and no signs appear about a rapid emergence of a European-level system of collective labour-market agreements proper. The social dialogue is a procedure in the "social dimension" of the EU, and in the field of social policies the EU-level arrangements are supposed to play just a complementary role in relation to national practices.

Nevertheless, the European social dialogue has played and does play a role, not least through its discursive power. For illuminating this power, a crucial difference between the language of social dialogue and the Nordic modes of conceptualizing working-life issues is worth noting.

In the Nordic countries, trade unions and employer organisations have not been "social partners", but "labour market parties". This conceptualization implies something that does not easily fit with the famous thesis of Gøsta Esping-Andersen on "decommodification". With this concept, he refers to policies that liberate people from their dependencies on markets, notably from the uncertainties associated with the character of labour as commodity (Esping-Andersen 1985, 31-36, 148, 317; 1990, 21-23, 34-54). In fact, the Nordic patterns of welfare state and industrial relations have not rested on a denial of the fact that labour is a commodity and not even on an attempt to abolish such a state of affairs. Somewhat paradoxically, the strong state and the principle of universal social rights have been combined with the principle that working life issues have to be regulated through autonomous negotiations and agreements between labour market organizations. The Nordic model has been a pattern of constructing a modern society, in which wage work is the overwhelming social form of work and the institutions are based on the normalcy of wage work and support it, including the work of women outside home. Two principles have been parallelly reinforced and mutually related: the universalist idea of social rights based on citizenship and the normalcy of wage-work.

A particular Nordic feature has been the stress on the logic of labour market, instead of more communitarian concepts of labour relations. For example, in the sphere of industrial relations, separate arrangements of employee participation (cf. *Betriebsräte* in Germany) have been either relatively unimportant or integrated with the system of collective agreements and the system of shop stewards as a part of it.

"Social partnership" has its roots in ideas different from the orientation to conflicts and compromises between particular collective interests. The term itself (*Sozialpartnerschaft*) seems to have emerged in publicity in Austria after World-War II, referring to common efforts for national economic and political recovery and to overcoming previous cleavages. Its major ingredients can be found in the Social Catholicism that took shape in the late 19th century. As Richard Hyman puts it, Social Catholicism "counterposed a functionalist and organicist vision of society to the socialist conception of class antagonism". In many countries trade union movement was divided between socialist-oriented unions and anti-socialist confessional rivals. (Hyman 1999, 121-132.) In the post-World-War-II

decades, especially in Austria and Western Germany, the notion of "social partnership" seems to have had a potential of combining the traditions of Social Catholicism and Social Democracy. The (Social Democratic) "dualism of labour and capital" (Brüggemann 1994, 254) could be interpreted within the framework of the (Catholic) organicist idea of a community in which every member is committed to fulfil his own function for common good. This idea implies a norm of reducing societal relationships to personal relationship – a crucial aspect of the Catholic understanding of the principle of subsidiarity in the "social dimension" of the EU (ibid., 61-66; Streeck 1998, 409-410). France is not a country to have a strong tradition of practical "social partnership", yet the background of Jacques Delors helps us to understand his efforts to initiate the European "social dialogue": he is a French socialist who had been previously active in the Catholic trade union movement (Delors 2004, 16-17, 30-47, 94, 310-318).

Social partnership and competitive community

Arguably, the discursive power of "social partnership" does not only stem from the anchorage of this concept in long traditions of European social thought, but also from its resonance with present tendencies of agenda setting. The change can be characterized by making use of the distinction between "industrial relations" and "human resource management". These two concepts refer to two different practical and discursive ways of dealing with working-life problems, the former including the practices of collective interest representation and conflict regulation, the latter, in turn, representing the perspective of management. Until the 1970s the agenda was dominated by the struggle over the extent to which management questions should be drawn into the sphere of industrial relations. Since then, the terms of debate have altered. The perspective of management has reached the dominant position in defining the agenda of working-life problems (Dulebohn, Ferris & Stodd 1995, 29-38; Looise & van Riemsdijk 2001). Trade unions seek to prove that the institutions of industrial relations are necessary and useful to the management while contributing to social stability, economic predictability, more committed employees, more innovative management, and, thus, to better knowledge-based competitiveness.

In part, social dialogue has reflected an attempt of the EU Commission to engage business companies to the strategy aiming at European competitiveness on the basis on knowledge, innovation and relatively high social norms. For the trade unions, especially in the Nordic countries, a participation in such a strategy has been easy to adopt as an alternative to a competition strategy based on lower wages and social costs. However, such a role of competitiveness in agenda setting indicates a profound shift in the perspective on working-life problems. An important aspect of Nordic-type, parity-ideological party relations has weakened, namely the *recognised particularism of employer interests*. The subordination of the institutions of industrial relations to the aims of human resource management is an enterprise-level and work-place-level sign of this change. On the national level, the same change is reflected in the fact that in many European countries, also in Finland, separate employer organisations have been abolished and the representation of enterprises' employer interests has been included as just one part in the business interest organisations that articulate a wide range of interests in relation to many different "stakeholders". The idea of representing the universal interest of "economy" in relation to the particular and biased interests of employees – and politicians – is evident in many statements of business interest organisations.

A crucial aspect of recent change is the shift from the principle of compromise to the principle of *consensus*. Here I refer to the distinction between consensus and compromise that Frank Ankersmit (2002, 193-213) has elaborated. Compromise is based on the mutual recognition of the particular instead of universal nature of the interests in question, and the political process does not aim to remove this state of affairs. Consensus, in turn, presupposes a commitment to a common interest defined beforehand, and in the political process only those aspects of the particular interests of the participants are recognised, which bear elements of the given common interest.

Reading EU documents that deal with or are produced by the social dialogue, one can make two observations. First, there are rarely any hints at confronting interests or compromises between the interests. The European social dialogue is described as "force for innovation and change", "a key to better governance", or "a force for economic and social modernization". In these contexts, industrial relations and labour legislation are typically assessed by the criteria of "quality", reflecting the lessons of total quality management. Second, in the talk about social partners, very little is usually said about the diverging compositions of various social partners. The topic of Offe and Wiesenthal concerning "two logics of collective action" is absent in this language. In the time of increased global asymmetries between capital and labour, the social dialogue between the social partners expresses itself as completely symmetrical.

Importantly, such an image that is at the same time symmetrical and consensual gains some support from the practical forms of national labour market regulations. The increased asymmetry between capital and labour does not necessarily mean that "symmetrical" procedures of negotiations and agreements between the national labour market organisations would vanish. Side by side with the tendencies towards decentralisation and individualisation, there appears a tendency towards centralised labour market agreements. Finland is an example of sustaining centralised income-policy procedures (Nieminen 2000; Sunell 2000). In general, the European integration gives momentum for the national consensual frameworks. As a Commission report concluded in 2000, Economic and Monetary Union had helped to create in member countries "a more cooperative industrial relations climate based on shared macro-economic objectives" (Commission of The European Communities 2000).

What kind of motives can tie a transnational enterprise to national – or European – employer organisations? This is at least as fundamental a question as are the problems of trade union membership that use to dominate the research on industrial relations. One obvious answer is the logic of buying services of interest representation. It is reasonable to assume that the need, availability and quality of such services are among the variables according to which the leaders of transnational corporations comparatively evaluate different potential national environments of economic action. In turn, the nation-states in their hard competition as sellers of the environments of economic action may include the good-working systems of collective conflict regulation and consensus making as competitive advantages into the brandies of their own.

However, in the EU language, the members of employer organisations – or, for that matter, trade union members – are certainly not characterised as clients of these organisations. At the same time as social partners are presented as a natural element of any society, they are, on the other hand, described as voluntary organisations of civil society with a structure of democratic representation. Thus, big transnational enterprises are provided with the qualities of active citizenship, which, no doubt, they themselves also wish to adopt, as the new expression "corporate citizenship" indicates. "Social partners" as actors of "civil society" would provide a point of departure for a more sophisticated conceptual historical discussion on "civil society". The relatively recent notion of civil society as the sphere of voluntary organisations and social movements – the notion inspired by Alexis de Tocqueville – seems to meet here the Hegelian concept of *bürgerliche Gesellschaft* that refers to the sphere of (economic) necessities. In the talk about social partners, both of these notions appear to be furnished with a strong demand for being aware of the common good, i.e., in Hegelian terms, being oriented to act for and in the state. For interpreting such a usage of "civil society", a promising line might be exploiting and elaborating the theory of Antonio Gramsci on "integral state", a concept referring to the complex of state machinery and the modes of organising economic interests in "civil society" – the complex within and through which hegemony is established.

It is not possible here to further develop this argumentation. Yet the Gramscian concept of hegemony can be applied to a specific type of power that is evident in the discussion on social partnership and

social dialogue. It is the power of agenda setting – the power of making the questions that are seen relevant and legitimate. Struggles between rivalling answers tends to conceal this power. Thus, the controversies concerning the answers to "how to make Europe or a country competitive in globalised economy" seem to reinforce the "self-evident" and, hence, legitimate role of competitiveness as the primary goal.

"Social partners" and "social dialogue" are concepts in a discourse in which the ideas and practices of collective negotiations and agreements are discussed from the point of view of their compatibility with the new needs of European or national competitiveness. By means of these concepts such ideas and practices are defended in a way that focuses on proving them compatible with, and beneficial to, economic competitiveness. The concepts are very much a part of the rhetoric of international organisations, not only the EU but also the International Labour Organisation ILO. In the 1990s the ILO adopted "social dialogue" in its vocabulary in which "tripartism" (government-employers-workers) is the old and still lively core concept. "Social dialogue" and "social partnership" imply a rhetorical intention to convince enterprises about the benefits of still being engaged in the collective practices of industrial relations.

Corporate citizenship and neo-voluntarism

The citizenship of enterprises as "corporate citizens" seems to be different from their citizenship as members of a "social partner" (employer organisation) and, thus, as actors of "civil society". "Corporate citizenship" is an own concept of management. The expression may have appeared occasionally in American management text as early as in the 1980s, yet it gained popularity only since the late 1990s. Corporate citizenship has been rapidly adopted even in academic milieus. The *Journal of Corporate Citizenship* has been published since 2001. Several research institutes have been founded around corporate citizenship during the first years of 21st century, e.g. in the United States, Britain, Australia and Germany. A growing number of government units, consultancies and think-tanks dedicated to "corporate social responsibility" and "corporate citizenship" have been launched (Matten & Crane 2001,1).

"Corporate citizenship" was raised as an affirmative response to demands for "social responsibility" of enterprises and for adopting a "stakeholder" perspective instead of a narrow "shareholder" one. The wider introduction of the concept coincided with the rise of the movements criticising the neo-liberalist direction of globalisation. In January 2001 the first World Social Forum was arranged in Porto Alegre, Brazil, "by groups and movements of civil society that are opposed to neo-liberalism and to domination of the world by capital and any form of imperialism" (World Social Forum Charter of Principles 2001). At the same time as the declaration on global corporate citizenship was given during the World Economic Forum in New York in January 2002, the last preparation works for the second World Social Forum were going on in Porto Alegre.

As a landmark in the triumph of "corporate citizenship", the World Economic Forum 2002 declaration on "Global Corporate Citizenship – The Leadership Challenge for CEOs and Boards" merits closer attention. The declaration pointed out that the issues to be handled by companies as corporate citizens vary in different companies and different environments. The leaders and boards were advised to "define the issues", "agree on company's spheres of influence", and "identify key stakeholders". Each of these three tasks included some major elements. The issues to be defined included "good corporate governance and ethics", "responsibility for people", "responsibility for environmental impacts", and "broader contribution to development". The categories of company's spheres of influence, in turn, were divided in "core business operations", "host communities", "industry associations", and "public policy realm". The third dimension, i.e. the stakeholders to be identified, included "those who contribute to the success of the corporation and those who are affected by it". Two main categories of

stakeholders existed: firstly, "investors, customers and employees", and secondly, "other stakeholders".

The description of the first task, defining the issues, indicates that corporate citizenship is not a concept for discussing rights and duties. Here it clearly deviates from conventional understandings of citizenship. True, some researchers have managed to apply Marshall's distinction between civil, political and social rights in the debate of corporate citizenship. Dirk Matten and Andrew Crane suggest that corporate citizenship should be understood as the role of companies for making individual human beings able to use their civil, political and social rights (Matten & Crane 2003). And one should not ignore that legal norms and rights – e.g. "human and labour rights" – are also mentioned in several parts of the description of issues in the 2002 declaration. However, the key word is "responsibility", and the basic idea is governance through responsible self-regulating companies.

In the description of stakeholders in the declaration, investors are at the top of list while government bodies are at the bottom:

> "Investors, customers and employees are important stakeholders for almost all companies. Many have long-standing experience on defining and communicating with these groups on a wide range of issues including social, ethical and environmental issues.
> Other stakeholders may or may not be important depending on the company and industry sector. They may include business partners, industry associations, local communities, trade unions, non-governmental organizations, research and academic institutions, the media and government bodies – from local municipalities to regional, state and national governments and international bodies such as those in the United Nations system."

The order of stakeholders on the list does not indicate any hostility towards governments in the further text of the declaration:
"[B]usiness leaders have a direct interest in working with each other and with governments, inter-governmental institutions and civil society organizations to harness the opportunities and resolve the challenges posed by globalization. Failure to develop these new approaches and failure to gain and sustain public support for globalization may seriously undermine progress on trade and investment. This in turn may undermine not only business opportunities and economic growth, but also the potential to reduce poverty and to invest in environmental sustainability."

It is reasonable to interpret that the concept of corporate citizenship has emerged as a linguistic tool of redefining the relationship between public and private.

To some degree, "social dialogue" and "corporate citizenship" share a common principle that might be called "soft governance". It means advocating non-binding norms that may be defined through a dialogue between different kinds of partners and on the basis of the responsibility of self-regulating actors. For this mode of thought and action, Wolfgang Streeck (1998, 408) suggests the concept of "neo-voluntarism". This concept applies to "corporate citizenship" even better than to "social dialogue" as the latter is defined in the legal framework of EU, even though non-binding "joint opinions" have been the major outcome of European social dialogue.

The vigilant role of intergovernmental organisations in adopting and diffusing novel concepts is again worth noting. "Corporate citizenship" has appeared into the activities of the EU, ILO and OECD. For example, the ILO has started "The Management and Corporate Citizenship Programme". The programme is aimed to help to "build the supportive systems and the managerial competencies that enable enterprises to be productive, competitive and viable and at the same time meet the increasing social expectations on business". "Corporate citizenship" clearly belongs to the field of issues in which the intergovernmental organisations such as the ILO and, still more influentially, OECD,

primarily produce comparative knowledge and, thus, promote "bench-marking" and the diffusion of "best practices", instead of aiming at legally binding conventions.

Corporate citizenship and exit option

The manifestos on corporate citizenship remind us of previous company paternalism that especially in the early 20th century was characteristic of many large industrial enterprises regarding their internal social relationships as well as their relationships to the host communities. However, it is important to pay attention to a profound change concerning the role of spatial ties.

A new kind of market relationship has been shaped between business environments and business enterprises. One aspect of this change is a turn-around of the positions of public and private. National and local public authorities are behaving as market actors as they try to produce attractive business environments and sell them to enterprises and investors, pointing out, for example, their high levels of "social capital" and "human capital". Private enterprises, in turn, are active in creating self-regulating norms and sanctions, e.g. in form of various certificates in social and environmental issues, as the alternative to legal constraints. "Corporate citizenship" is an expression for this turn-around at the same time as it indicates that not only the constructors of business environments but also the leaders of business enterprises have to take into account the needs of the popular legitimacy of their policies, which for companies means, most obviously, a sensitivity to consumer attitudes.

However, the influence that transnationally operating enterprises exert on their actual or potential business environments take a shape of Janus face. This can be illuminated with support from Albert O. Hirschman (1970) who has analysed the alternative ways economic actors respond to the changes in the milieu of their activities: exit, voice and loyalty. Freely interpreting Hirschman's distinction, exit means leaving an unsatisfactory milieu, while voice refers to attempts to exert influence on the environment and loyalty to the commitment in its modes of functioning. The processes called globalisation, notably the deregulation and globalisation of financial markets, have greatly increased the differences between various economic actors concerning their opportunities to choose between these alternatives. The exit option is in a new way present to transnational economic actors, i.e. transnational enterprises and, still more, transnational investors. Most importantly, exit option is a powerful silent means to use influential voice.

Exit option is one side of the Janus face, while the other is "corporate citizenship". These two faces can be met in the debates in which globalisation is defined and dealt with as a national challenge. Adopting this horizon of action, politics is oriented to reshaping the nation state as a "competition state". In the competition state, the relationship between politics and economies appears to have two sides. On one hand, politics is shaped as the reactive fulfilling of economic necessities, which, in turn, are associated with the exit option of enterprises and investors. On the other hand, politics is aimed at the active creation of an innovative context for competitive enterprises. In the spirit of "corporate citizenship", varying forms of "Public Private Partnership" emerge in the projects for creating and exploiting competitive business environments, engaging national and local public authorities, universities and other institutes of research, education and training, large and small enterprises, and various kinds of voluntary organisations.

In the first place, however, "corporate citizenship" is a concept for another debate than that concerning the best ways of achieving national competitiveness in global competition. In the title of the declaration of the CEOs at the World Economic Forum 2002, "corporate citizenship" was provided with the attribute "global" (World Economic Forum 2002), creating associations with older ethical elaborations on world citizenship, Weltbürgertum. Generally, the emergence of the concept of corporate citizenship indicates a need and will to respond to the critique of the impacts of

globalisation on the poor majority of the world and to the critique of the policies of transnational companies in the countries of low wages and socio-political norms.

"Corporate citizenship" is a concept for reshaping the discussion on the needs, possibilities and forms of global governance and global democracy. Participating in this discussion by means of the concept of citizenship might, however, prove to be a double-edged sword for transnational corporations. Despite the wide variety of the historical meanings and contents of this concept, citizenship nevertheless tends to be associated with rights and duties, and equality and inclusion, among human beings. As a rhetorical means, such a concept does not appear unproblematic for meeting a "leadership challenge" (World Economic Forum 2002) that includes the neo-voluntarist idea of a self-regulated social responsibility and self-regulated economic competition of "juridical persons". Perhaps, "corporate citizenship" could even be turned against this very idea and used as a criterion for a kind of immanent critique of neo-liberalist globalisation. In any case, the concept of citizenship might be worth defending against an Orwellian newspeak.

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