Introduction

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This special issue of *Politeia*, bearing the title *The Corporation as Political Actor: a New Role of Business in a Global Society*, contains papers delivered at the Seventh Politeia Forum on Business Ethics and Corporate Social Responsibility in a Global Economy held on May 19, 2011 in Milan, Italy and reviewed by the authors for the publication. In addition, other relevant essays are included. The Forum was organized by the Research Centre Politeia, in cooperation with the Department of Political and Social Studies at the University of Milan and the Promoting Committee (composed of several well-known Italian companies and organizations).

   The Forum focused on the question: Do companies have a *political* responsibility and if so how can it be defined? The debate on the relationship between business and politics has been traditionally based on a model that considered state agencies the only political institutions that directly focus on the well-being of society and business firms as economic actors only. According to this vision the regulatory framework of business behavior in modern societies is made by the law and by moral rules. Current theories of corporate social responsibility are also built on the assumption of a regulatory framework, in which national legislation and values and expectations of social communities define the responsibilities of the firms. Over the last decade, however, the clear separation between the political and the economic sphere has become hazy. In fact, the process of globalization and the pluralism of modern society have brought the loss of cultural homogeneity and have eroded the national context of governance. In several cases the state system has failed in regulating the economy, dealing with transnational social and environmental problems, providing public goods, administering citizenship rights, and serving the public interest. Under these conditions, multinational corporations as well as civil society groups have started to participate in the formulation and implementation of regulation in policy areas. These areas include the protection of human rights, the implementation of social standards, the preservation of the environment, the struggle against corruption and the production of global public goods. This kind of development shows a shift in global business regulation from a state-centric mode toward new multilateral non-territorial modes, with the inclusion of private and non-governmental institution as key actors (Scherer and Palazzo, 2008). On the global level, therefore, non-state actors play an active role in what has been called "governance without government". The result is that some multinational corporations promote positive social change and assume direct *political responsibilities* traditionally belonging to government, as it is shown by their

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widespread participation in the UN Global Compact (Rasche and Kell (eds.) 2010). For this reason, globalization and pluralism need to be embedded in *a new concept of the firm* as an economic *and* political actor in market societies.

In the last years different disciplines have significantly contributed to the definition of this new concept. In political philosophy, some scholars have proposed a new analysis of the meaning of responsibility in a global context: the shift from a model of responsibility based on "liability" to one based on "social connection" may help to redefine the concept of corporate responsibility and to respond to the challenges of expanding global supply chains (Young, 2006). In social sciences, some scholars have been engaged in a debate on 'policy networks', 'private-public partnerships' and 'global governance': in particular, de Bakker and den Hond (2008) have focused on confrontation and cooperation between corporations and activist groups, the latter challenging firms to face the social issues that states have not the ability or will to tackle and trying to influence corporate CSR activities. In legal studies, some scholars have analyzed the challenge of holding MNCs accountable for being involved in human rights violations abroad and the various forms of 'soft law' (Pariotti, 2009). In management studies, some scholars have begun to analyze the consequences of globalization on the concept of corporate responsibility and corporate citizenship: Scherer and Palazzo (2007) have proposed a new theory of "political CSR" or "corporate citizenship", while Crane, Matten and Moon (2008) have argued that firms should be considered as state-like agencies and not so much as citizens, as firms often adopt a state-like role and protect citizens' rights in cases where governments are neither able nor willing to perform this function.

Given these premises, the Forum has discussed the consequences of a political mandate of the business firm – especially, but not limited to, the context of developing economies –, analyzed the interaction between business firms and other societal actors, investigated whether and how voluntary corporate responsibility practices represent a way to fill the governance voids, and specified the role of international inter-governmental organizations in contributing to the development of soft law; at all times being aware that the political nature of firms is highly contested, partly because it challenges existing notions of the role of business in society, but also because of substantial concerns about the implications of this shift for the idea of democratic accountability (Palazzo and Scherer, 2006).

The publication of this issue is particularly relevant for Politeia, because it witnesses the success and the consolidation over time of the Forum, which today in Italy represents a point of reference in the community of scholars and practitioners in the field of business ethics and corporate social responsibility. From 2004 onward, some of the most important scholars and experts of business ethics and CSR at international level have offered, through their participation, a contribution of knowledge and experience to the Italian public, discussing a number of very important issues related to the emerging ethical challenges in the global economic system[1].

The series of special issues of *Politeia*[2] is a valuable tool for all those who work in the field and are interested in better understanding the benefits and the complexities of delivering a more sustainable and profitable business via socially responsible

practices: academics, top managers, Ethics Officers and CSR managers, consultants and trainers, NGOs and stakeholders' representatives, business and union organizations, political institutions, and also media. Moreover, the seven issues of this series are thought as a further contribution to the fulfillment of the main aims of the Forum: those of providing the theoretical support necessary for the programmes on business ethics and CSR emerging in numerous Italian companies and of increasing companies' awareness and knowledge of the ethical and social responsibilities of economic organizations, through an approach that fills the gap between 'experts' and 'practitioners'.

Moving on to the content of this special issue, I would like to stress that it is divided into three sections corresponding to the three main topics covered by the Forum: I. *Ethics and Economic Success*; II. *Global Corporate Citizenship*; III. *Ethical Values in Global Business*. Each section is completed by a round table: the first dedicated to *Towards a New Paradigm of CSR*; the second to *Corporate Citizenship and Stakeholder Engagement*; the third to *CSR and Global Governance*. The round tables have provided the opportunity for company managers, NGO's and institutions representatives to meet and exchange ideas and opinions with scholars and experts.

As the readers can see from a quick look at the table of contents, the issue collects the contributions of leading academics and research experts, representatives from businesses, NGO's and from some of Italy's institutions that are particularly active in the area of CSR. Given the large number of contributions and the richness of the themes treated, it will not be possible to introduce each paper. Therefore, here I will provide a brief summary of the main theses presented at the beginning of each section by the keynote speakers.

The first section opens with an essay by Guido Palazzo (University of Lausanne).

In the essay *The Corporation as a Political Actor: Understanding corporate responsibility for the 21st century*, the author leads us through the changes imposed by globalization on the role of corporations in society: forced by the new postnational context to abandon the compliance-based assumption that "corporate decisions are framed and tamed by an efficient regulatory framework", which characterized the national context and CSR of the 20th century, corporations had to choose whether to take advantage of the regulatory gap caused by the erosion of national regulatory frameworks and the fragmentation of moral practices or take a stance and evolve into political actors willing to assume "governmental responsibilities where governments are no longer able or willing to play their role". Over the last decade, an increasing number of corporations have chosen the latter option and accepted the new role pressed upon them by civil society, by implementing private regulations to enforce good business practices in supply chains and in their political environment. According to Palazzo, in this changed scenario one of the key subjects of research in CSR is "how to increase the legitimacy and efficiency of those forms of corporate engagement".

The second section is opened by two essays, respectively by Andrew Crane (York University) and Frank G.A. de Bakker, Iina Hellsten, Anne M. Kok (University of Amsterdam).

In the essay *Private, Public, or Both? How companies manage their quasi-*

governmental roles & responsibilities, Crane addresses some of the practical and theoretical challenges associated with the blurring of boundaries between the activities and responsibilities of corporations, governments, and civil society and seeks "to explain the usefulness of considering companies operating in quasi-governmental roles as managing public responsibilities". Focusing on the changing role of the corporation in contemporary global political economy, the paper sets out some of the drivers, benefits and drawbacks of this role before discussing how scholarly research has sought to make sense of these shifts. The relevance of the concept of "political responsibility strategies" is discussed, and new insight into the nature, types and manifestations of these strategies is presented. Crane's claim is that this concept offers "a potential route forward for new theory and practice, albeit one limited to specific contexts where governmental oversight of the basic entitlements of citizens is limited or absent, most notably in developing or emerging economies". According to Crane, the specification of the manifestations of these strategies "adds an important practice oriented dimension to extant theories of global corporate citizenship".

The essay *Examining Activism: Tracing networks and tactics on CSR*, by de Bakker and his colleagues, contains an exploratory study of the composition of networks of activist groups operating versus firms to impact norms on corporate social responsibility and to evoke institutional change. It provides a set of initial examinations, using *webmetrics* to trace activists' networks and tactics, focusing in particular on the network of an organization in the Netherlands: SOMO, the Centre for Research on Multinational Corporations. The aim of the authors is "to contribute to the understanding of the dynamic interplay unfolding in the contentious process between activist group networks opposite firms". The questions at the core of this essay are: "which tactics do activist groups use at different points in time?" and "how do networks of activists operate?". Mapping the online network of such an organization forms a useful entry point for further research.

The third section is opened by three essays, respectively by Elena Pariotti (University of Padua), Andreas Rasche (University of Warwick), and Emily Sims (ILO, Geneva).

In the essay *Soft Law and Transnational Corporations' 'Power': Framing the accountability for human rights*, Pariotti stresses how the increasing awareness of the 'political' role of TNCs has made the notion of accountability for human rights much richer and complex. Pariotti focuses on the impact of the acknowledgment of this political role on the ongoing framework of the soft law approach, aiming to establish some forms of accountability of TNCs for human rights. First she selects, in the notion of *political* role, some dimensions (instrumental power, structural power, and discursive power) relevant for the analysis of the relationship between TNCs and human rights, and then relates them to the main features of the approach to the TNCs' accountability for human rights. Pariotti claims that the "possibility to extend to enterprises the duty to protect human rights […] deals with the acknowledgment of what has been termed 'discursive power', that is, the power to affect other actors' behavior".

In the essay *"A necessary supplement" – What the United Nations Global Compact*

is and is not, Rasche first analyzes three allegations often made against the Compact: the Compact supports the capture of the UN by "big business"; its principles are vague and thus hard to implement; the Compact is not accountable due to an absence of verification mechanisms. According to Rasche, these allegations rest on a misunderstanding of the nature of the Compact, as well as its mandate and the goals it tries to achieve. From this discussion of what the Compact *is not*, Rasche outlines a perspective that classifies the initiative as a necessary supplement to incomplete state and non-state regulation in order to illustrate what the Compact *is*. According to him, critics neglect this important supplementary role of the Compact, leading to an underestimation of the Compact's true potential. Rasche's conclusion is that today the Compact is not only "the largest corporate citizenship initiative in terms of size" but also the most "inclusive one bringing together a diverse set of business and non-business stakeholders". Moreover, "its dynamic and flexible network-based governance structure can promote necessary reforms of the UN system *from within*".

In the essay *Righting the Relationship between Hard Law and Soft Law*, Emily Sims analyzes the role that international inter-governmental organizations have in development of soft law concerning business activities. Sims first defines the terms "hard law" and "soft law" and clarify their roles together with their limits and challenges, finally explores "how to optimize the relationship between hard and soft law" and specifies "the role of international inter-governmental organizations in contributing to the development of soft law". Sims' conclusion is that soft law "is a useful complement of hard law but that soft law without hard law is very unlikely to be sustainable. Maximum impact comes from developing positive synergies between hard law and soft law". Within this context the role of international inter-governmental organizations, such as Ilo, is mainly "to develop international norms which can support both hard law and soft law development".

Before concluding this introduction, I am glad to announce that the Eight Politeia Forum will take place in December 2011 and will focus on "Business and Human Rights: in Search of Accountability". This edition will seek to contribute to the international debate on the roles and responsibilities in a globalized world of non-state actors with regard to the protection and respect of human rights. Particular attention will be devoted to the *Guiding Principles on Business and Human Rights* endorsed in June 2011 by the UN Human Rights Council for implementing the UN "Protect, Respect and Remedy" Framework, and which constitute the first global standard for preventing and addressing the risk of adverse impacts on human rights related to business activity.

I should conclude with a few acknowledgements.

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Notes

[1] More details about the Annual Forum past editions are available in the web page: www.politeia-centrostudi.org/forum.

[2] The proceedings of the First, Second, Third, Fourth, Fifth and Sixth Forum, edited by Emilio D'Orazio, are published in *Notizie di Politeia*, respectively under the title "Business Ethics and Corporate Social Responsibility in a Global Economy" (n. 74, 2004), "New Perspectives on the Stakeholder View of the Firm and Global Corporate Citizenship" (n.82, 2006), "Corporate Integrity, Ethical Leadership, Global Business Standards. The Scope and Limits of CSR" (n. 85/86, 2007), "Restoring Responsibility: the Accountable Corporation" (n.89/2008), "Corporate and Stakeholder Responsibility. Theory and Practice" (n.93/2009), "Corporate and Stakeholder Responsibility for Sustainability"(n. 98/2010).

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