

Abstract

Robert Braun: Corporate Stakeholder Democracy (CEU Press, 2019)

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Political CSR; Social institutions; Democracy; Responsibility; Public Discourse; Social Legitimacy.

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This thesis focuses on a political understanding of CSR: the author bridges the social and the political with corporate social responsibility and in a creative and provocative manner. The thesis seeks to explore why and how corporations are to be seen as political actors with important roles in our current societies. The thesis deals with the interpretation of democracy, focusing on political CSR: an approach that diverges from traditional instrumental approaches to CSR as well as positivistic research on political corporate activity (CPA). It focuses on the role of business firms in providing public goods as well as defining and enforcing public rules. Political CSR is contested territory; definitions, research agenda descriptions as well as theoretical approaches vary. The analysis in this thesis focusing on corporation-society relationships utilizes stakeholder theory, institutional theory and resource dependence theory as well as Habermasian theories of discourse ethics, Rawlsian theories of justice and Foucauldian theories of power discourses. The approach of this thesis is that it mostly focuses on the individual level analysis, and uses macro- and meso-level analysis only inasmuch as to lay the groundwork of political CSR to be applied on the individual level. This diverges from the approach mostly taken by scholars of political CSR, as the majority of papers published in this area are focusing on the macro- and the meso level. It also discusses the ‘political turn’ in CSR by which firms become political actors (a) engaging in public discourse; (b) maintain their legitimacy by providing solutions to public issues and complying with changing societal expectations; and (c) submitting their corporate governance to democratic control.

It is argued that corporate democracy is a journey in building and sustaining inclusive political and economic institutions within and among corporations. It is not only nations that fail if their institutions are extractive, but corporations as well. The core thesis of this work is that corporate democracy or stakeholder inclusive corporate political systems offer more stability and sustainable growth than the current generally undemocratic, extractive corporate setups. In supporting this argument, the thesis discusses the theoretical approach to responsible operation relevant to the given area, then it analyses the current practice, followed by an indication of why an approach aiming at a ‘political turn’ is more advantageous both for the corporation and the outside world. The dissertation introduces the institutions necessary for the creation of the corporate polity, as well as the mode and forms of operation, i.e. the process of paradigm shift modes of stakeholder operation and the bases of stakeholder involvement, its structure and consequences. It also sets the direction for new research, which may offer exciting and novel, as yet unexplored, insights for further shaping of the future.