

Citizenship Inc.

Do We Really Want Businesses to be Good Corporate Citizens?

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Abstract:

Are there any advantages to thinking and speaking about ethical business in the language of citizenship? We will address this question in part by looking at the possible relevance of a vast literature on individual citizenship that has been produced by political philosophers over the last 15 years. Some of the central elements of citizenship do not seem to apply straightforwardly to corporations. E.g., “citizenship” typically implies membership in a state and an identity akin to national identity; but this connotation of citizenship is obviously problematic for multinational corporations. However, the language of citizenship does help to focus our attention on various legal and political virtues (or vices) for corporations – topics that have been largely neglected by discussions under other rubrics, such as CSR or sustainability. We finish with an evaluation of the potential benefits and costs of conceptualizing and talking about ethical business practices in the language of citizenship.

Citizenship Inc.:

Do we really want businesses to be good corporate citizens?

“‘Citizen’ and ‘Citizenship’ are powerful words. They speak of respect, of rights, of dignity... We find no perjorative uses. It is a weighty, monumental, humanist word.”

Nancy Fraser and Linda Gordon. 1994. “Civil Citizenship and Social Citizenship?” in Bart Van Steenberghe (ed.), *The Condition of Citizenship*.

[The rhetorical appeal to citizenship often] “seems to have no purpose other than to add normative weight to a policy, institution or practice that could just as aptly be described without reference to citizenship.”

Daniel Weinstock, 2002. “Citizenship and Pluralism,” in Robert L. Simon (ed.) *Blackwell Guide to Social and Political Philosophy*, Oxford, Blackwell. 244.

The question in the subtitle of this article is deliberately provocative. In fact, in many ways, the most plausible answer could be construed as a rather qualified “No”: in most respects it simply does not make sense to think of corporations as *citizens*, let alone, therefore as good citizens.

Now for those qualifications.

Of course, we do not want businesses to be *bad* corporate “citizens” or “members of society”. We laud businesses that perform the kinds of good deeds typically associated with corporate citizenship, from social investment and philanthropy to proactive community and stakeholder engagements. Our position, in short, is not of the Friedmanite backlash variety, arguing that businesses should stick to the knitting and attend exclusively to the interests of their shareholders. Our concerns are philosophical and political. We wonder, (a) *whether the language of “citizenship” is helpful for thinking about and justifying corporate responsibilities*, and (b)

whether this is an optimal way of talking about responsible business practices in public discourse. Any initial skepticism about “corporate citizenship” is focused entirely on these two issues.

The Cozy Consensus around Corporate Citizenship

We are not yet certain who coined the term “corporate citizenship” and when it began to be used as a way of describing (or praising) progressive corporate behavior. What is clear, however, is that the concept has taken off over the past decade or so. It now seems to be the expression of choice for *Fortune 500* companies in the USA when they come to describe their good deeds on their web sites and even in their annual reports. The popularity of the concept is in turn reflected in projects sponsored by a number of major non-governmental organizations (NGOs) and international clubs favored in this milieu, such as the Conference Board, the US Chamber of Commerce (which offers Corporate Citizenship awards), the World Economic Forum, the OECD, and most significantly in the United Nations’ “Global Compact” initiative. The choice by these latter three organizations to promote the language (and practice) of corporate citizenship is evidence of the concept’s acceptance outside of the United States. It seems particularly common in Japanese and German business circles – at least in the materials they produce for international audiences – and its use is widespread in the UK, continental Europe, Australia, Canada and elsewhere. Academic articles adopting the language of corporate citizenship are to be found in a wide variety of scholarly journals, including of course the *Journal of Corporate Citizenship* (founded in 2001). There are several academic research institutes devoted to corporate

citizenship (including the Center for Corporate Citizenship at the Carroll School at Boston College, and the AIC Institute for Corporate Citizenship at the Rotman School of the University of Toronto), as well as consultancies (including The Corporate Citizenship Company, formed in 1997). Even the 2004 Amendments of the US Federal Sentencing Commission guidelines now explicitly expect companies to act as good corporate citizens. While the languages of “corporate social responsibility” and “sustainable development” seem to be preferred in activist and even anti-business circles, there is little evidence of opposition by such groups to the notion of good corporate citizenship. Indeed, the participation of some of the most important NGOs critical of big business in the World Economic Forum and the Global Compact suggests that they are comfortable engaging business leaders in a dialogue over corporate citizenship.

What do We Mean by “Corporate Citizenship” Anyway?

In short, virtually everybody seems to be in favor of businesses being good corporate citizens. So it should come as no surprise, given the contentious state of debates about the roles and responsibilities of businesses, that there is much less consensus about what it actually takes to *be* a good corporate citizen. If we look at how various academics, journalists, firms and organizations use or define the idea of corporate citizenship, we see a continuum of different conceptions. At one end of the continuum, a firm is considered a good corporate citizen if it performs a small number of specific virtuous acts (especially of a charitable nature); and at the other end, judgments of good corporate citizenship take into account virtually every ethically

positive act or omission a corporation can make. Oddly enough, the conceptions of corporate citizenship we find in both academic and popular debates seem to be clustered at these two ends of the spectrum. We will call these two clusters or families or conceptions the “minimalist” conception and the “expansionist” conception.¹ Part of our enquiry in this article is concerned with whether one or the other of these two conceptions is more appropriate; or whether we should instead opt for a specific conception lying somewhere between these two extremes on the continuum. We begin, however, with a little more detail about these two popular conceptions.

The Minimalist Conception of Corporate Citizenship:

This understanding of corporate citizenship often *equates it with corporate philanthropy* (see Saia 2001).² On many corporate web sites, the page on “corporate citizenship” describes nothing but the charitable projects or organizations sponsored by the firm (see, e.g. the “Corporate citizenship (philanthropy)” section on Merrill Lynch’s website). This is why *Forbes* magazine can use the label “corporate citizenship” to describe its “25 most generous companies”. This sense of corporate citizenship has little to do with core business practices.

In addition to philanthropy, the minimalist conception encompasses a range of *ways the company engages with the community*, especially the local communities in which it operates. Some scholars talk of corporate citizenship as requiring “an

¹ Matten and Crane (2005) use a similar framework, while identifying three clusters of views along this spectrum, which they call the minimalist, equivalent and extended views of corporate citizenship.

² See also Carroll (1998) who stresses the importance of “philanthropic responsibilities” in the definition of a good corporate citizen.

internalized sense of public good” (Reilly and Kyj 1994: 42) or as “a civic involvement in the creation of the common good” (Jeurissen 2004: 89). Corporate citizenship in this sense begins to engage some of the core business activities of the firm, including how it treats employees and their families, what impact it has on the local environment, and how it works with local authorities or NGOs to improve community life.

The Expansionist Conception of Corporate Citizenship

If corporations themselves tend to stick to minimalist conceptions, it seems that many, if not most, academic writers now use the term “corporate citizenship” in a way that is *much broader*, and is in fact *synonymous with “corporate social responsibility” (CSR)*. Several writers literally use the term “corporate citizenship” and terms like “corporate social responsibility” interchangeably from one sentence to the next.³ Logsdon and Wood defend the expansionist view by arguing that “If citizenship for business organizations is thought of as only a “voluntary” concept with a limited content of local charity or self-interested strategic advantage, it has no chance to correct power imbalances or to guard against them” (Logsdon and Wood, 2002: 181). Many of their colleagues apparently agree. For Post and Berman (2001: 68), “corporate citizenship is the process of identifying, analyzing and responding to the company’s social, political and economic responsibilities as defined through law and public policy, stakeholder’s expectations, and voluntary acts flowing from corporate values and business strategies. Corporate

³ See e.g., Palacios (2004) Garsten (2003), Hemphill (2004) and Newell (2005).

citizenship involves actual results (what corporations *do*) and the process through which they are achieved (*how they do it*).⁴ Good corporate citizenship on this account involves fundamentally rethinking relations with all major stakeholder groups and taking into account the firm's impact on the environment throughout the supply chain. As Cedrik Dawkins (2002) puts it, "Corporate citizenship is the popular rendering of corporate social performance, a construct that extends corporate obligations to include multiple stakeholders beyond the traditional base of stockholders, such as workers, the community and environment, and the outcomes of policies and programs directed toward those societal relationships."⁵

To what extent, we shall ask presently, does the concept of *citizenship* help us to understand, justify or talk about the responsibilities and virtues of businesses? Does a proper analysis of the traditional concept of (individual) citizenship lend support to either the minimalist or expansionist conceptions of corporate citizenship?

⁴ For another concise summary of this view see Simon Zadek (2001: 7) "corporate citizenship is about business taking greater account of its social and environmental -- as well as its financial -- footprints." According to the World Economic Forum it is "about the contribution a company makes to society through its core business activities, its social investment and philanthropy programs" (<http://www.weforum.org/en/initiatives/corporatecitizenship/index.htm>). For Garsten (2003: 359-360) corporate citizenship refers to "corporate public responsibility, in contrast to the established view, according to which the only responsibility of the firm is to make profit." See also Grit (2004) who associates corporate citizenship with the strengthening of manager's social responsibilities.

⁵ Some authors seem to perceive corporate citizenship as going *beyond* the demands typically associated with corporate social responsibility. Such a view is reflected in the title of David Birch's article, "Corporate Citizenship: Rethinking Business Beyond Corporate Social Responsibility" (Birch 2001). He argues that "[...]holistic corporate citizenship is *not simply* about philanthropy, corporate generosity, business community partnerships, executive leasing to community organizations, cause-related marketing, good causes and so on (though these may well be some of the concrete [externalized] realizations of corporate social responsibility) -- it is about changing a business ethos." (Birch 2001: 54). Zadek also talks about the "new economy of corporate citizenship", where "[corporate citizenship] is about businesses taking account of their *total impact on society and the natural environment*. Successful companies in the New Economy will engage effectively with key stakeholders in the markets for goods and services, finance, labor and political patronage" (Zadek 2001: 29, our italics).

The Choice Among Frameworks and Vocabularies

Let us back up one step before moving forward. There are currently several competing (but also, in many ways, complementary) “vocabularies” or “normative frameworks” for discussing and evaluating the responsibilities of businesses:

- *Business Ethics*. When this discipline was revived in the 1970s and 1980s, it was largely conceived of as a part of “applied ethics” and a branch of philosophical ethics. Most textbooks, for example, began with brief introductions to classic theories of ethics like utilitarianism, deontology, and virtue ethics. Conceived in this way, business ethics applies a range of concepts and methods from normative ethical theory to business systems and situations.⁶
- *Corporate Social Responsibility (CSR)*. This framework arose initially among critics of orthodox business strategies, often from within the social sciences or within activist movements; but it has since become rather more mainstream and is taught routinely in Business-and-Society courses in business schools. CSR emphasizes obligations and virtues for businesses and business leaders that go beyond what is required by the law and the quest for greater profits. The agenda of issues highlighted by CSR activists and theorists shifts and evolves, but often includes concerns about the rights of workers and the abuse of the environment. At least among academics, the most common way of justifying these beyond-

⁶ Among the standard texts exemplifying this approach are Boatright (2006), Beauchamp and Bowie (2003), and Velasquez (2005), all of which are now in later editions.

compliance social responsibilities is with so-called *Stakeholder Theory* which rests on a fiduciary obligation for managers to promote the interests of a wide range of parties affected by their firm's activities.⁷

- *Sustainable Development*. This framework overlaps with CSR but emerged from the environmentalist movement, placing a heavy emphasis on obligations for businesses to reduce their impact on the natural environment. It is now increasingly common, however, for both activists and scholars to incorporate so-called “social impacts” as legitimate “sustainability” issues.⁸
- *Corporate Governance*. More narrowly conceived, this framework is used in law and economics to understand and evaluate the structures of incentives and controls for managing fiduciary responsibilities, agency problems, etc, in the governance of the firm.⁹ Increasingly, however, this general approach and language is being extended to cover a wider range of normative issues for management, often in direct competition with stakeholder theory.¹⁰
- *Corporate Citizenship*. As described in the preceding section, this language tends to be used in a “minimalist” way by corporate apologists, and in an “expansionist” way by many academics and NGOs.

⁷ See, e.g., Carroll and Buchholtz (2005), now in its 6th edition, for a classic textbook; and May, Cheney and Roper (2007) for a comprehensive new anthology. The roots of most modern stakeholder theories grow from Freeman (1984).

⁸ The popularity of the language of sustainability owes a great deal to the so-called *Brundtland Report* by the United Nations World Commission on Environment and Development (1987). For two excellent surveys on the evolution of this framework and its uptake in business and academic circles see Livesey and Graham (2007) and Peterson and Norton (2007).

⁹ See, e.g., Easterbrooke and Fischel (1991) and Hansmann (1996).

¹⁰ E.g., Boatright (2002), Heath (2006a).

To these broad frameworks we can add numerous other more specific ones designed to help managers evaluate options: from *public relations* and *risk management* to *total quality management*, *triple-bottom-line accounting* and *cost-benefit analysis*.¹¹ These frameworks and vocabularies are not typically meant to be mutually exclusive; indeed they are explicitly interrelated in many ways. CSR, for example, is probably the most comprehensive, and it would not be unusual to find an advocate of CSR describing an ideally responsible firm in ways that incorporated most of the frameworks just mentioned. One of the ways in which these frameworks differ is that they tend to have arisen from within different milieus and different academic or managerial disciplines.

As we noted earlier, the language corporate citizenship seems to have arisen primarily within corporate circles as a way of describing and praising businesses that “did a little more”, that “gave back to community”, or that “recognized the interdependence of businesses and the communities in which they operate”. Business people tend to be more comfortable with this language than with the language of corporate social responsibility (this is especially true in the USA), although there are certainly many at ease in both. In the past five years or so we have seen two interrelated trends. First, there has been an evolution in business circles from espousing the most “minimalist” sense of corporate citizenship, described above, to embracing a slightly broader understanding that incorporates some community relations and stakeholder dialogue.¹²

¹¹ Our thinking about the seeming chaos of competing conceptual and normative frameworks in our field has been influenced by Schwartz and Carroll (forthcoming). Sandra Waddock (2004: 7-12) tries to make sense of a similar catalogue of competing terms and jargon, and the relations between them. See also Valor (2005: 191-196).

¹² See, e.g., Pfizer’s corporate citizenship declaration on their website: “Citizenship defines our role in local and global communities and how we strive to conduct business responsibly in a changing world. Being a good corporate citizen includes listening to, understanding, and responding to our stakeholders about their needs regarding Pfizer’s policies and operations. Stakeholders are people or groups who affect, or are affected by, Pfizer’s business activities. Our relationships with them are at the heart of our citizenship because they define what it means for Pfizer to create
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Most business people now mean more by “corporate citizenship” than mere philanthropy, though considerably less than what their critics would demand in the name of full-blown corporate social responsibility. The second trend is that those seeking to engage with business leaders – from activists, NGOs and consultants to governments and academics – have naturally come also to adopt their preferred language of corporate citizenship (see Munshi 2004: 90). Not surprisingly the aim of many of these interlocutors is to use the framework of corporate citizenship to encourage businesses to see their “citizenship responsibilities” in ways more consistent with the expansionist than the minimalist conception.¹³

We do not want to downplay the importance of finding a normative vocabulary and framework that facilitates open dialogue and debate about the roles and responsibilities of modern businesses in a democratic society. Unfortunately, being “comfortable” with the terms of the debate does not guarantee that the debate will be a successful or constructive one (see, e.g., an important recent discussion by Moon, Crane and Matten 2005: 429-432). Do we have any other reasons for taking the vocabulary of corporate citizenship seriously in normative debates? Do established concepts and principles associated with ideals of citizenship help us to identify or justify extra-legal corporate obligations in ways we cannot (more easily) with other normative frameworks?

What Would Justify Taking the Vocabulary of “Corporate Citizenship” Seriously?

value. They are the ones who will determine when Pfizer fulfills its mission to become the world's most valued company to stakeholders.”

http://www.pfizer.com/subsites/corporate_citizenship/what_is_cc.html

¹³ As Simon Zadek notes in a book that carries out one or more ambitious and realistic versions of this strategy, “Corporate citizenship is not the same as *good* corporate citizenship.... The need must therefore be to identify and enhance the drivers of corporations’ more progressive engagement in the vision of sustainable development.” (Zadek 2001: 8).

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In order to evaluate the appropriateness of “corporate citizenship” as a way of justifying corporate obligations and evaluating corporate performance we must first look more carefully at the concept of citizenship *tout court*. This has been a central concept in Western political theory for almost two and a half millennia, but until very recently, it was only ever applied to individuals. How many of the rights and obligations of individual citizenship, and how much of the theoretical underpinning for these rights and obligations, might plausibly apply to corporations?

As it turns out, the questions we have just posed need not echo in an intellectual vacuum. It is true that these questions have almost never been addressed in the context of responsible business.¹⁴ But we are fortunate that the evaluation of “citizenship” as a fundamental concept in political philosophy has been one of the most widely discussed topics in that field during the early 1990s. This is not the place to rehearse all of the issues on the agenda of this large interdisciplinary research project involving philosophers, political scientists, sociologists, legal theorists, among others.¹⁵ For our purposes it would be helpful simply to start by looking at some points of consensus that emerged about the concept of citizenship itself. *What, in short, do we mean by “citizenship” and why is it thought to be important?*

¹⁴ Among the more extensive explorations of the political-theory literature on citizenship by scholars interested in corporate citizenship are Logsdon and Wood 2002: 159-165; Moon, Crane and Matten 2005: 433-441; Matten, Crane and Chappel 2003: 113-116;

¹⁵ Comprehensive surveys of these debates see Kymlicka and Norman 1994 and 2000. “Citizenship” rather suddenly became a dominant theme in political theory in part because it served a bridging function as common concern for both “liberal” and “communitarian” theorists whose debates were growing stale by the early 1990s (Kymlicka and Norman 1994: 352). Socialists, conservatives, civic republicans and feminist theorists also found that they could exchange usefully with opponents by focusing their theories on relations among citizens and between citizens and the state (ibid: 355-372). Before this “return of the citizen”, political philosophers had been concerned much more exclusively with the design and justification of state institutions, with less concern for how the virtues of citizens affected the success of these institutions.

When we talk about citizenship (or the importance of citizenship) we tend to be concerned with one or more of four basic ideas:¹⁶

Citizenship as legal status.

One of the core concepts of citizenship (but not the only one) is *citizenship as the legal status of full and equal members of a political community* (typically a state, but also, sometimes, a federal subunit or a superstate like the European Union). This status is defined by an extensive set of equal rights – including civil, political, social, and cultural rights – as well as a relatively small number of legal duties. In general the legal duties of citizenship are not particularly onerous, but can in some states include military service, jury duty, and the duty to vote. Citizens in this sense are distinguished from various categories of non-citizens, such as tourists, “resident aliens”, refugees, “guest-workers”, etc. Many of these non-citizens, especially “resident aliens” or Green-Card holders in the USA, enjoy most of the rights of citizens, although typically not the right to vote or to run for office. In most western states citizenship is a birthright, but can also be attained through legal naturalization procedures.

Citizenship as political identity:

Many discussion of citizenship are concerned not with the legal status of citizenship per se, but with what this status and membership *mean* to those who enjoy it.¹⁷ It is also thought to be important that citizens identify with their political community, cherish their

¹⁶ The following four summaries track the typology laid out in Kymlicka and Norman 2003: 211-212.

¹⁷ See Kuper (2004: 128-136) Weinstock (2002: 243-246) and Miller (2000, especially chapter 5).

membership in it, and even feel a certain patriotic pride about it. An individual's citizenship identity competes with her private individualistic interests, but also with her sense of membership in other political communities (perhaps a federal province or another country), and her sense of membership in other sorts of "identity groups" defined by, for example, religion, gender, ethnicity or sexual preference.

Citizenship as a locus of solidarity:

Closely related to the concern about citizenship identity is the belief that citizenship should serve as a locus – perhaps the primary locus – for community and solidarity. In complex and diverse modern societies, in which anonymous citizens are otherwise likely to divide along other identity and class lines, it is often argued that a strong citizenship identity can provide the most appropriate form of "social cement".¹⁸

Citizenship as virtuous activity:

Central to the definition of citizenship is that it is membership in a *self-governing* political community. Unlike mere subjects, citizens have the right, and perhaps also the duty, to participate actively and responsibly for the common good of their community. There are growing fears that these civic virtues are in decline in western societies, replaced by civic apathy or passivity, if not individual egoism or group fundamentalism.¹⁹ Much intellectual effort has been devoted to identifying the primary

¹⁸ This is part of the idea behind Habermas's call for "constitutional patriotism" (Habermas 1992). See also Kymlicka and Norman (2000: 39-40), Kymlicka (1995, chapter 11).

¹⁹ For surveys of these fears, see, e.g., Kymlicka and Norman (1994: 355-369) and Mead (1986).

virtues of citizenship and the best ways for state and non-state institutions to promote these virtues. We will discuss in more detail the virtues typically associated with good citizenship later in this article. A list of such virtues typically includes: obeying the law, paying taxes, voting for candidates and parties who will best promote the common good, treating fellow citizens with respect, fighting against intolerance and prejudice, and so on.²⁰

It has been important for the development of normative theories of (individual) citizenship to distinguish these four aspects of the discourse of citizenship. There is a fair degree of consensus among political theorists around most of the conceptual and empirical claims expressed under these four headings. It would also be useful, in a longer study, for theorists of corporate citizenship to look at the details of the arguments and debates about these various aspects of citizenship.²¹ But for the time being we will ask a more basic and fundamental question for theorists of corporate citizenship, perhaps *the* most basic question: *which, if any, of these aspects of individual citizenship can be appropriately extended and adapted to apply to corporate citizenship?* (And conversely, which aspects *cannot* or *should not* be extended in this way?)

Here, briefly, are some initial reflections on this question.

²⁰ Note, this list of citizenship virtues is meant to reflect typical expectations in contemporary liberal democracies. There is a rather more rigorous tradition of civic republicanism that stretches all the way back to Aristotle and which was extremely influential in the Italian Renaissance and after the American and French revolutions. This tradition requires a much more active or proactive citizenry, where citizens are routinely expected to place the good of the state ahead of their own personal interests. For the classic survey of this tradition, see Pocock (1975). For a sophisticated contemporary restatement and defense, see Pettit (1999).

²¹ In particular, theorists of corporate citizenship could reflect on the evolution of the debates on individual citizenship through the 1990s. Many, like Weinstock in the quote at the top of this article, came to doubt whether the concept of citizenship really helped us to clarify any major issues in political theory. These “meta-debates” could be helpful for theorists questioning whether the normative framework of corporate citizenship helps us to identify and justify corporate responsibilities in ways that we cannot already within the broad normative framework of business ethics.

Corporate Citizenship as Legal Status? It is tempting to think of this as an appropriate extension of citizenship talk to corporations. After all, corporations do indeed have a very well-defined legal status (especially in corporate law) that includes both their rights and, more to the point, a set of responsibilities (given mostly through regulatory law, common law, and tort law) that dwarfs those expected of ordinary individual citizens. This, however, would be misleading. Modern states often contain millions of individuals with legal rights and responsibilities who are not citizens (but rather tourists, non-naturalized immigrants, refugees, etc). So having a legally defined status is not sufficient for being a citizen. Unlike other kinds of residents, citizens are *full* and *equal* members of the political community. And they typically enjoy a small number of rights that are not granted to non-citizens; such as the right to vote, to run for public office, rights to social assistance, and the right not to be exiled. Does it make sense to think of corporations in *any* of these ways? For example, as full and equal members of the state, with a right to vote, and to hold office? Presumably not: even the staunchest advocates of corporate citizenship do not propose going that far. Of course, corporations enjoy a right to due process, and could appeal to the courts if they felt unduly threatened by government sanctions or unfairly harmed by state policies or activities. But again, this implies only that they are *members* of a political community, not *full* members or citizens.

Corporate Citizenship as Political Identity? There is one obvious instance of a kind of corporation with a deep identity for its political community: namely, the state-owned enterprise (SOE). These typically even have charters requiring them to act in the national interest. And with

notable exceptions, such as SOEs in the transportation and energy sectors, they usually operate exclusively within the territory of their national state (although they may have customers abroad). Moreover, they could not simply decide to migrate from one state to another without first going through a privatization process that stripped them of this special national identity. Can a private-sector corporation (especially a limited-liability joint-stock company) adopt a strong sense of national citizenship identity for itself? No doubt it can; many do. Often corporations (including multinationals) are assumed to have such a strong national identity that it would be thought scandalous by citizens and politicians in their countries if they decided to move their headquarters or principal operations to another country. In some cases, governments actually intervene to prevent certain corporations from being taken over by a foreign owner, even if this owner pledged not to make any significant changes or moves. In many other cases, adopting a national – even nationalist – identity is part of the basic self-image or branding of corporation,²² and in some other cases the betterment of the nation has even been part of their primary missions.²³ In short, it is definitely possible (if not especially common) for corporations, even multinational corporations, to identify strongly with a political community, and thereby to adopt a sort of nationality or citizenship identity.

The question is, What is the relevance of this for a theory of corporate citizenship?

Perhaps very little. When we demand that firms be good corporate citizens in the communities in which they operate, we don't always care where their head office is.²⁴ Even if a brand is strongly

²² A corporation may also take on the identity of a city, state or region. In a slightly tongue-in-cheek way, e.g., a brand of beer called Lone Star identifies itself in both “national” and regional terms when it declares itself as “The National Beer of Texas”!

²³ For a rather pernicious example, consider the case of strongly nationalistic German and Japanese firms in the 1930s and 1940s. See Micklethwait and Wooldridge 2003: 90-99.

²⁴ We discuss some proposals for corporate citizenship obligations to local communities in subsection (iii) below. Copyright © 2007 by the Society for Business Ethics. All rights reserved. This non-copyedited version of a forthcoming article, downloaded from the *Business Ethics Quarterly* website, is not to be shared, transmitted or copied by any means without permission. This material is provided by *Business Ethics Quarterly* for personal scholarly use only.

identified (and identifies itself) with a home country, this does not give it any special leave to ignore obligations to stakeholders in other countries in which it manufactures or sells its products. Contrariwise, we clearly don't disqualify companies from being considered good corporate citizens because they do not identify themselves strongly with a particular national political community. In sum, citizenship (or national) identity does not seem to be either necessary or sufficient for what we generally recognize as good corporate citizenship.

Corporate Citizenship as a locus of solidarity? Again, the idea for individuals is that in our diverse societies in which everyone has many different social and cultural identities, common citizenship can serve as a source of solidarity and fellow-feeling. This kind of patriotic solidarity is, if you will, a positive externality of citizenship identity. So our question is, Should corporations develop a sense of solidarity with all other members of the political communities in which they operate? This sounds promising, both as something we may legitimately expect of corporations, and as the sort of thing that people seem to have in mind when they think about what it is to be a good corporate citizen.

On closer inspection, however, this promise will probably go unfulfilled. It would seem to follow that if we do not expect most "good corporate citizens" to develop any particular citizenship identity with a national political community, then we can hardly demand that they manifest a sense of solidarity with other citizens based on that particular identity. Instead, corporations will more typically come to develop specific obligations of loyalty with certain key stakeholders or stakeholder groups, especially customers, employees, and the local communities in which they conduct major operations. This kind of solidarity does not follow from a sense of

shared citizenship, but rather from direct interactions. Such obligations of loyalty might be thought of as deriving from a sense of reciprocity (“you helped us in a time of need, we will not forget to help you”) or even good neighborliness. And we do not generally reach for the language of citizenship to describe or praise all forms of good behavior toward our friends and neighbors. In many cases when we help out another we are doing it because we empathize with their situation and believe we are in a position to improve it; we are not typically seeking in some way to better the common good as such. The State Farm Insurance Company has for decades in their advertisements promised that “Like a good neighbor, State Farm is there”. This seems appropriate. State Farm is talking about its clients. It is saying, in effect, “you have paid your premiums for insurance, and in case of a mishap, we promise to fulfill our obligations with care”. It would surely not have been especially appropriate if they had adopted the slogan, “Like a good citizen, State Farm is there”.²⁵ It is not making any promises to fellow citizens as such, only to those with whom they have a business relationship with. And this is presumably the way we should expect insurance companies to act.

Corporate Citizenship as virtuous activity? We come now to the fourth and final proposal for extending the language of individual citizenship to corporations. When we praise an individual’s

²⁵ Interestingly enough, after decades of association with the idea of being your “Good Neighbor”, State Farm is now beginning to group many of its charitable initiatives under the registered trademark “Good Neighbor Citizenship”, as awkward as that sounds. “Through our Good Neighbor Citizenship program, State Farm and State Farm Companies Foundation commit resources to helping raise the levels of achievement of our nation’s teachers and students, to making our homes and highways safe, and to building strong communities” (<http://www.statefarm.com/foundation/citizenship.htm>). It is noteworthy that the activities it groups under this rubric are charitable activities and not commitments to ethical behavior toward customers and others, which is what they emphasize in their famous slogan. Since the mid-1990s State Farm has had a code of conduct that applies to relations to customers (see http://www.statefarm.com/media/code_conduct.htm), and this is not bundled under the rubric of “Good Neighbor Citizenship”.

citizenship, or proclaim that “she’s a good citizen”, we are almost always drawing attention to her virtuous activities (i.e. not to her nationality, identity, or solidarity per se). But, again, not all virtuous activities are recognized as examples of good citizenship. When people’s special efforts are directed toward their children we call them “good parents”. If a teacher pays special care to the welfare and education of his students we call him a good teacher. If your neighbors collect your mail while you are on vacation you will think of them as good neighbors; and so on. On the other hand, to take some archetypical examples, we would not hesitate to speak of someone first and foremost as a good *citizen* if she participated actively town-hall meetings, volunteered time and money to civic organizations, helped out at polling booths on election days, attended peaceful demonstrations for just causes, etc. Our evaluation that these are worthy *citizenship* activities will be bolstered to the extent that we believe this person is motivated by a genuine spirit of civic-mindedness; that she wants to improve the common good. We would probably avoid the appraisive language of citizenship if we were convinced that these activities were all inspired by ulterior motives (e.g., if she participated in political causes only when motivated by NIMBY – not-in-my-backyard – considerations, or engaged in visible acts of charity to improve her public image).

How, then, do we best characterize the kinds of virtuous activities by individuals that deserve to count as evidence of good citizenship? To some extent this depends on the political tradition and the era. As noted earlier, in some fiercely republican states at various times the demands of citizenship could be very rigorous indeed, including compulsory military service and

significant participation in public deliberations and even public administration.²⁶ This is no longer the case in most Western societies, including those that are formally republican. As one of the leading American philosophers of civic virtue puts it,

The liberal citizen is not the same as the civic-republican citizen. In a liberal polity, there is no duty to participate actively in politics, no requirement to place the public above the private and to systematically subordinate personal interest to the common good, no commitment to accept collective determination of personal choices. But neither is liberal citizenship simply the pursuit of self-interest, individually or in factional collusion with others of like mind. (Galston 1991: 225)

So what do we expect of a decent citizen in a modern liberal polity? According to Galston, in addition to what he calls “some generic citizen virtues” such as courage, law-abidingness, and loyalty, “the liberal citizen must have the capacity to discern, and the restraint to respect, the rights of others” (Galston 1991: 224). And because “liberalism incorporates representative government, the liberal citizen must have the capacity to discern the talent and character of candidates vying for office, and to evaluate the performance of individuals who have attained office”. At election time, liberal citizens must also be self-disciplined enough to demand no more from public services than their country can afford (Galston 1991: 225), and in general not to demand short-term benefits by postponing heavy long-term costs. A final citizenship virtue worth drawing attention to is what Galston calls the “disposition, and the developed capacity, to engage in public discourse”.

²⁶ For some interesting suggestions about the implications of a republican, Aristotelian, conception of citizenship for modern firms, see Logsdon and Wood 2002: 174.
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This virtue includes the willingness to listen seriously to a range of views which, given the diversity of liberal societies, will include ideas the listener is bound to find strange and even obnoxious. The virtue of political discourse also includes the willingness to set forth one's own views intelligibly and candidly as a basis of a politics of persuasion rather than manipulation or coercion. (Galston 1991: 227)

In other words, according to the liberal tradition of civic virtue, although we no longer demand extensive public participation from good citizens, we do expect them to think, to debate and to vote responsibly.

How might this modern conception of good (individual) citizenship be extended to so-called corporate citizens? Let us consider just three of the salient features of virtuous citizenship.

(1) *Being a good citizen is only a (small) part of what it is to be a good person.* Indeed, to put it quite starkly, it is quite possible to be a good citizen but a bad person; e.g. a person who fulfills civic duties but who is mean and inconsiderate to family, friends and colleagues.²⁷ This suggests that the concept of corporate citizenship should *not*, as so many contemporary theorists and activists are urging, be used in the most expansive sense that incorporates all of the virtues generally grouped under the rubrics of business ethics, corporate social responsibility and sustainable development.²⁸ As we will recommend below, it may be best to think of only *certain kinds* of corporate activities and virtues as relevant to corporate citizenship. In this sense, there

²⁷ See Kuper's (2004: 118-120) account of what citizenship is and in particular what citizenship *is not*. He notes that "I can be a crotchety old misanthrope and still be a good citizen (e.g., write letters to my representative, vote, make public appeals, etc). Or I can be a paragon of empathy for individuals and yet be a poor citizen (e.g., not see the bigger picture, care little for what I cannot impact on very directly, etc.)."

²⁸ See, e.g., Logsdon and Wood (2002), Post and Berman (2001), Dawkins (2002), Palacio (2004), Garsten (2003), Hemphill (2004), and Newell (2005).

would be no logical contradiction in being a good corporate citizen some real sense, but also an unethical or socially irresponsible corporation in certain respects.

(2) *It is relatively easy to satisfy the basic demands of citizenship.* By the same token, to stand out as an “upstanding” or “model” citizen need not require extraordinary sacrifices. You can be a good citizen without being a saint. One need not be a cynic to suggest that this is one of the reasons why the language of corporate citizenship has been taken up so willingly in the business world. Like an individual, a corporation that generally obeys the law, pays its taxes, and gives a small amount of its income (say, 1% of net profits) to charity can proclaim itself to be a good citizen without raising too many eyebrows. Compare this to the standard that a company will be held up to if it declares itself to be a *socially responsible* or *ethical* corporation. Such a company would be expected to be striving for ethical improvements in all aspects of its operations; and, more to the point, it would be seen by many as hypocritical if they could find any activities or policies that seemed less-than-ethical. In short, you can be considered a decent citizen by satisfying a basic low threshold of community-minded standards; you need not be striving to be among the vanguard.

(3) *Certain kinds of activities and virtues are more relevant to judgments of good citizenship than others.* In particular, good citizenship is primarily about how one participates in political deliberations, about the kinds of sacrifices one makes for the betterment of one’s community, and about one’s motives for this participation. As with point (1), above, this suggests that

“corporate citizenship” should not be an all-encompassing moral category for evaluating corporate behavior, but should instead concentrate on certain realms of corporate activities.

Corporations as Citizens: Political not Metaphorical²⁹

It is time now to draw together several strands of the analysis in order to address the central questions of this article. Given the multiple ways in which it is clearly inappropriate to talk about corporations as citizen, it would be tempting to argue that we – at least academics and serious commentators – should refuse to promote the language of corporate citizenship. The concept of citizenship clearly carries deeply rooted ethical connotations that are potentially misleading and will tend to obscure rather than clarify our thinking about corporate responsibilities. But on the other hand, there should be no doubt at this point that the language of corporate citizenship has real staying power. This does not look like a passing piece of jargon that corporate PR departments will soon replace with something even glitzier. And it does have the virtue of completely solidifying the idea that corporations are in some real sense members of the community, where membership has its privileges, to be sure, but also comes with responsibilities. For academics, commentators and political actors, the alternative to trying to banish the language of corporate citizenship is to work to transform the concept into something more analogous to our concept of individual citizenship. By this we do not mean that corporations should, for example, be given any more of the standard rights of individual

²⁹ Any resemblance between this section heading and a famous article by John Rawls (1985) is purely coincidental. Copyright © 2007 by the Society for Business Ethics. All rights reserved. This non-copyedited version of a forthcoming article, downloaded from the *Business Ethics Quarterly* website, is not to be shared, transmitted or copied by any means without permission. This material is provided by *Business Ethics Quarterly* for personal scholarly use only. 25

citizenship. But rather, that we should use the concepts of individual and corporate citizenship to talk about similar domains of virtue and responsibility; and that in both cases we should think of citizenship as only a small part of our vocabulary for evaluating actions and institutions.

Consider five obvious candidates for the types of corporate behavior relevant to assessments of the extent to which a firm is a good corporate citizen.

- (i) Corporate citizenship should be concerned in part with how well a firm *obeys relevant laws* and regulations, including whether it pays its fair share of taxes.

Obeying the laws is a necessary condition for good corporate citizenship.³⁰ A company that routinely flouts laws and regulations, including the honest paying of the taxes it owes, would not be considered a good corporate citizen. This is a sense of citizenship obligation very closely analogous to duties of individual citizens. Indeed, it is worth bearing in mind that for all intents and purposes, not breaking the law and paying one's taxes are all the state usually requires of its citizens.³¹ But it is worth emphasizing how much more onerous this basic "citizenship" duty is for many corporations. Consider even the case of a firm in a relatively low-tech sector like pizza delivery. A firm like Domino's, in the United States, might have as many as 80,000 drivers on the road any given evening delivering pizzas (Jennings 1999: 172). It is no mean feat for the

³⁰ Since the first republican theories in Ancient Greece there has always been an important exception to the citizen's standing duty to obey laws. These laws must be just or legitimate. A good citizen may sometime be required to actively violate unjust laws through acts of civil disobedience. We won't explore the features of an adequate theory of corporate civil disobedience here.

³¹ Jury duty is another obligation of citizenship. We will discuss an analogous role for corporations in the development of regulatory processes below.

senior managers of such a corporation to ensure that its drivers (not to mention local managers, kitchen staff, etc) comply with all safety and traffic laws; or at least to minimize violations. This requires managerial efforts, systems, a sustained corporate culture, training programs, etc, as time-consuming and costly to develop and maintain as any major ethics or CSR-related initiative.³² And this challenge, and cost, of Dominos attempting to “merely obey the law” pales in comparison to that faced by large firms in heavily regulated industries like banking or defense contracting. “Mere compliance”, in short, is a real achievement requiring constant and creative vigilance within a corporation, and it deserves normative respect as a matter of good citizenship. This would be one way that the concept of corporate citizenship might distinguish itself from CSR or sustainable development, concepts that are quite typically defined in terms of what a corporation does *over and above* its legal requirements.³³

- (ii) Corporate citizenship should be concerned with how well a firm contributes to the betterment of the community through *charitable giving* and the like (such as programs to pay employees for time they contribute to non-profit organizations; contributions to public service publicity, etc). Good citizens aim to improve the common good for its own sake.

Category (ii) – the support of charitable works – was, as we noted earlier, the original sense given to the concept of corporate citizenship. This too seems to be an appropriate extension of

³² For brief case studies on Domino’s Pizza, see Jennings (1999: 172-3); Beauchamp and Bowie (2003: 63-6).

³³ Paul Portney (2005: 125) has rightly criticized the “beyond-compliance” orientation so common in the business ethics, CSR and sustainability literature: “It ignores the fact that in the normal course of attempting to make money, firms both large and small routinely do a number of things that are extraordinarily ‘responsible’ and that should not be taken for granted.”

judgments of individual citizenship virtue. For individuals, charitable contributions are “above and beyond the call of (citizenship) duty”, and thereby are seen as evidence of citizenship virtue. This is especially true of contributions that involve time and sacrifice, such as volunteer work and substantial financial contributions that cannot be attributed to the desire to enhance one’s public image. Something similar may apply to our intuitive evaluations of corporate citizenship. It is now taken for granted that all reasonably successful corporations will make charitable donations. How much charity is typically required of a good corporate citizen? This seems to vary significantly from country to country. In the Canadian business community, for example, there has long been a campaign, actively supported by major corporations and run by two well-established NGOs, to have companies pledge give away at least 1% of net income.³⁴ Good corporate citizens will also look for innovative ways that leverage the company’s comparative advantage to contribute more efficiently.³⁵

(iii) Corporate citizenship should be concerned with how well a firm *contributes to (or does not detract from) the life of local communities through its operations* (e.g. by reducing pollution or other irritations to below legal limits in order to improve the quality of life

³⁴ The NGO Imagine Canada was created by the Canadian Centre for Philanthropy and the Coalition of National Voluntary Organizations. Among its missions: “We encourage more businesses to become better corporate citizens by publicly committing to give 1% of their pre-tax profit to community organizations. Our research, publications and partnerships with educational institutions are helping inform and educate the next generation of socially conscious corporate leaders.” (www.imaginecanada.ca).

³⁵ In addition to routine cash donations, some companies, e.g., offer trade-in discounts to customers, and then donate the traded in goods (such as computer equipment) to charities; some charter airlines collect “holiday change” from passengers returning from holidays abroad, which they then donate to charity; other airlines allow their passengers to donate frequent-flyer points which the airline uses to offer free seats to, say, children undergoing cancer treatment; restaurants and caterers routinely donate “leftovers” to homeless shelters; and so on. One of the more spectacular examples of companies using a unique advantage to do good would be the case of pharmaceutical companies willing to give away, or sell at marginal cost, patented medicines that millions of sufferers in the developing world could not afford. In all of these ways companies can make contributions that have a net benefit which may be significantly greater than the cost to the company itself.

around factories, distribution centers and the like). This might be more a matter of being a “good neighbor” than a “good citizen”, but it also seems like one of the more appropriate ways to demonstrate that the company is a responsible member of the community.

Category (iii) – the altering of business practices themselves to benefit local communities – is the thin end of a wedge that threatens to stretch the concept of corporate citizenship to encompass every good deed we could possibly demand of a corporation. At the thin end of the wedge, however, the idea is uncontroversial. Imagine a factory that produced an unpleasant aroma (or even a pleasant one, like roasting coffee, that becomes unpleasant with overexposure), but which is nevertheless compliant with all regulations concerning emissions. And imagine that for the sake of the local community it makes a substantial investment in technology and infrastructure to reduce the odor. (Note that such a measure may have relatively little impact on 99.9% of a firm’s customers who live beyond smelling distance of the plant; and hence, it could probably not be justified in public-relations terms merely as “good for business”.) Surely this is an archetypical example of good corporate citizenship; just as failing to do something about the problem would seem to be bad citizenship.

The odor, in this case, is a negative externality. The problem for theorists of corporate citizenship is that it is hard to know where to draw the line on the question of which negative externalities of a firm’s operations are relevant to judgments of its corporate citizenship. In order to be a good corporate citizen does a firm have to reduce its packaging to a minimum (at a potential cost of reduced sales) in order to reduce its environmental impact on communities

around country or the world? Or is this a matter not so much for judgments on its quality of corporate citizenship as on its contribution to sustainability or its level of social responsibility? Clearly, in our judgments of “ordinary” citizenship we do not take all of an individual’s actions into account. When we know of someone that she spends two nights a week working at a soup kitchen for the homeless, and regularly attends city-council meetings, and so on, we call her a model citizen – even if she does not buy organic products or drive a hybrid car, and is unkind to her relatives. Similarly we might want to treat certain kinds of concrete attempts by a corporation to reduce its negative impact on local communities in which it conducts its operations as relevant to its citizenship; but to consider how it handles other negative externalities under other normative rubrics.

(iv) It probably makes sense to include in our assessments of corporate citizenship *certain economic virtues*, just as we do for individuals. These might include such things as competing fairly, advertising honestly, paying suppliers and creditors on time, operating efficiently, offering high-quality products or services at a fair price, and so forth.

Well-designed and regulated markets aim to encourage all of these virtues by allowing the companies that best exemplify them to succeed where others fail. But most markets are not perfectly designed and regulated, and hence open up opportunities for less scrupulous firms to game the system in ways that allow them to sometime win out over firms that practice the sorts

of virtues mentioned under this heading.³⁶ Well-managed firms that make efficient use of society's resources while providing decent products at a decent price deserve more normative praise than is typical in (again) many discussions of business ethics, CSR and sustainability. Thinking of these as virtues of corporate citizenship makes sense. We clearly include certain basic economic virtues in our judgments of individuals' responsibilities as citizens – especially economic self-sufficiency (typically, just having a job) for those of able mind and body in a good economy.

- (v) Perhaps most importantly, corporate citizenship should be concerned with how a firm involves itself in the political process; and in particular how it participates in the process of developing government regulations or self-regulation regimes within industry-wide associations.

If category (iii) has been overemphasized by some theorists of corporate citizenship, then surely this fifth category has been overly neglected (see, Wood and Logsdon 2001: 101). As noted earlier, the concept of citizenship has always been intimately tied to virtuous participation in the politics and governance of the state. And yet somehow, as the concept has passed from individual to corporate citizenship, the relevance of this political dimension seems to have

³⁶ In two recent articles, Joseph Heath has presented a compelling case for returning these sorts of economic virtues to the core of discussions about responsible business. “[T]he ethical firm,” he argues, “does not see to profit from market failure” (2006a: 550). Instead, it acts the way a “good sportsman” does in competitive team sports. “In the case of sports, the goal is clearly to win – but not by any means available. Every sport has an official set of rules, which constrain the set of admissible strategies. Yet it will generally be impossible to exclude strategies that respect the letter of the law, while nevertheless violating its spirit.... ‘Good sportsmanship’ consists in a willingness to refrain from exploiting these loopholes, while nevertheless retaining an adversarial orientation.” (2006a: 552) See also Heath (2006b). In effect, we would expect a good corporate citizen to be a “good sportsman” in its competitive activities within the marketplace.

largely disappeared. This is no doubt convenient for many corporate users of the concept: they wish to draw attention to their various direct charitable contributions to the community, but have little incentive to highlight their lobbying efforts, campaign contributions, political connections, and so on. But for anyone wishing to promote the language and standards of corporate citizenship, there seems to be no legitimate reason to ignore this important way in which corporate actors participate in the affairs of the community. *What a normative theory of corporate citizenship needs, in short, is a framework for deciding what sorts of political activities and relations with government regulators are appropriate or inappropriate, permissible or impermissible, obligatory or forbidden for corporations.*

Again, it goes without saying that corporate citizens are not full and equal members of the political community the way individual citizens are. They should not enjoy all the rights of citizenship, such as the right to vote and to run for or hold public office. But even without these rights, it is obvious that corporations can potentially exert a much greater influence over the outcome of elections than any individual voter can. So a more interesting question concerns how corporations should be allowed to try to influence elections. Should they be able to contribute directly to candidates and parties? Should they be able to campaign themselves (or through interest groups, etc) to promote certain causes that are relevant at election time (e.g., causes that affect their industry's opportunities)? And how should corporations be permitted to influence the development of policies and regulations relevant to their business, for example, through lobbying or direct consultation with government departments? These are big open questions.³⁷ They have

³⁷ We certainly do not mean to imply that questions about appropriate corporate involvement in politics and regulatory processes are entirely neglected by academic researchers. Indeed, there are robust investigations and vigorous debates in several subfields of political science, public administration, economics, and even business
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a regulatory component, of course, since almost all states have laws governing the limits of such corporate influence; and it is legitimate to ask whether such laws should be stiffened or relaxed. But it is also fair to pursue these questions even where we are satisfied with the laws in place. Whatever corporations are *legally permitted* to do within the political process, we can ask what a *good corporate citizen* should do. A good corporate citizen might, among other things, be much more transparent about its political activities and relations with governments. It might also forbid itself from making certain kinds of partisan political contributions. And it might pledge itself to work within its industry association to formulate stricter regulations or forms of self-regulation that go beyond government standards. Our point here is not to make a substantive case for particular ways that a virtuous corporate citizen would act within the political realm, but rather to highlight the importance of such questions and also their seemingly direct relevance to the ideal of citizenship. Consider the following example. If a particular firm, along with all of its main competitors, uses a form of non-biodegradable packaging, we may *not* want to count this as a black mark against it *qua* corporate citizen (although perhaps we would call it environmentally irresponsible). But if it uses its money and influence to defeat certain politicians and to pressure government regulators in order to block a bill that proposes to ban this type of packaging, then we should surely want this fact to downgrade our assessments of the quality of its corporate citizenship.

In short, when we click on the “corporate citizenship” tab on a corporate web site, we should ideally read not merely about the charities it supports, but also about its policies on campaign finance, lobbying, and so on.

Conclusion

One cannot help but notice that the corporate citizen satisfies relatively few of the criteria and connotations of a robust concept of citizenship. It is not a full and equal member of a political community; it does not necessarily share an identity with a nation-state; we do not expect it to show special solidarity with such a national community as such; and we are wary, to say the least, of its getting involved in politics – always the hallmark of virtuous citizenship. On the other hand, as we have seen, corporations are real members *of some kind* of our communities, with the power to contribute to or to diminish the common good, and the right to influence political and legal processes. As any decent comic-book superhero knows, with great power comes great responsibility. Our concern here, however, has not been the general one about what responsibilities (obligations, rights, etc) corporations have or ought to have. It has rather been the philosophical, but also political, question about how we should talk, think and theorize about these responsibilities. In particular, we began by asking: *(a) whether the language of “citizenship” is helpful for thinking about and justifying corporate responsibilities, and (b) whether this is an optimal way of talking about responsible business practices in public discourse.* So far, much of our discussion has involved picking out the aspects of individual citizenship and theories of citizenship that might appropriately (or inappropriately) be extended

or adapted to the realm of corporate actors. We will finish now with a brief discussion of how our analysis might help us address these two basic topic questions.

These questions are partly political: what terms of discourse will best enable us to realize our political ends? We have already suggested that the origins and the uptake of the language of corporate citizenship by different groups can be partially explained in this way. The corporate world introduced the term as a way of putting a positive gloss on a minimal threshold of good deeds. And some of their critics (who in fact want corporations to be much more “socially responsible”) have taken up the language, first, in order to enter into dialogue with the corporate world, and second, because they believe that the concept of corporate citizenship can be expanded to include a greater range of citizenship duties than the corporate public-relations officers had originally intended. Given this sort of dynamic, it will be very difficult to distinguish entirely an analysis of the language of politics from an exercise in the politics of language.³⁸

Our best guess is that the language of corporate citizenship is here to stay. If this is the case, how should we want the language to be used? In particular, should we be urging a consensus around a minimalist conception (roughly: good corporate citizenship is mostly a matter of obeying all laws and giving a tiny share of profits to charity) or an expansionist conception (roughly: where good corporate citizenship involves striving to satisfy the ideology of corporate social responsibility)? Based on the foregoing analysis, our answer would seem to fall somewhere between the minimalist and expansive conceptions, though not merely as some kind of compromise between them. If we are deciding how to extend the language of citizenship

³⁸ For a classic discussion of the interplay of linguistic analysis and the politics of language, see Connolly 1983. For some advice on the responsibilities of philosophers in the analysis of contested political language, see Norman 1991: 517-520

to businesses, we have urged, we must be mindful of the deeply rooted connotations that “citizenship” has in the context of individuals. The language of corporate citizenship will carry at least some of these connotations to our listeners or readers – whether they realize it or not – so we are being potentially deceptive or misleading if we are not careful. Now as a matter of fact, good citizenship for individuals has always meant more than the minimalist conception; but also rather less than the expansive conception. On the one hand, good citizenship will be thought to require more virtue and activity than obeying the law and offering a bit of painless charity; but on the other, it is clearly misleading to treat all virtues and all ways of improving the common good – or just *being* good – as being part of *citizenship* obligations. Any viable, linguistically responsible (if you will) concept of corporate citizenship must leave room for corporate saints or corporate knights³⁹ whose virtues extend well beyond the demands of good corporate citizenship.

Our suggestion for charting a unique space between the minimalist and the expansive conceptions takes seriously the political dimension of citizenship that is generally neglected by both of these conceptions.⁴⁰ On the one hand, again, we have very strong reasons for not allowing “corporate citizens” the same rights as “real” citizens within the political realm. The influence of corporations (and the extraordinarily wealthy in general) on the formation of governments and policies is an ever-present worry in just societies.⁴¹ Not least because we cannot expect corporations with unfettered and behind-closed-doors access to policy-makers to

³⁹ The apt expression “Corporate Knights” is the name of a CSR-oriented magazine in Canada. See www.corporateknights.ca.

⁴⁰ There is a much larger story to tell about the remarkable neglect of corporate political activities, and business-government relations, in the literature on CSR and sustainability. Given that government regulations have historically been by far the most effective way of curbing socially and environmentally irresponsible behaviour, and given the power of corporations to influence regulations and their enforcement, this omission is truly glaring. Among those now making the case for the centrality of the political dimension of CSR and sustainability are Vogel (2005) and Lay, Stavins and Vietor (2005).

⁴¹ See, e.g., Plato, *Republic*, 548a-556c and Madison, Hamilton and Jay, *The Federalist*, no. 60.

put the “public interest” ahead of their “private interests” – a requirement that has always been the hallmark of virtuous citizenship. On the other hand, there is definitely a major role for corporations in the formation of policy and regulations affecting their industries. (This is not quite “jury duty” for corporations, but it fills a somewhat analogous role.) It would be ludicrous for governments to try to develop such regulations without extensive input from the organizations having to comply. But exactly what virtues and rules should govern how corporate citizens participate in such processes is an issue that is rarely raised in discussions of corporate citizenship. Given that this is one of the only permissible (and required) roles for corporations in the political process – and given the centrality of political participation to the notion of citizenship – we are suggesting that this question should be given much more prominence in any theory of corporate citizenship than has generally been the case in either the minimalist or expansive schools thus far. Similarly, a theory of corporate citizenship should have more to say about the duties of businesses to work with competitors to raise voluntary standards of corporate conduct within their industries.

Many criteria are relevant when trying to answer the question of whether a normative theory, concept, framework, or vocabulary is useful. We have already discussed in some detail the ways in which the language of corporate citizenship does or does not clarify our thinking, mislead us, identify appropriate virtues and obligations, and so on. In perhaps the most influential discussions of moral methodology in the past half-century, Rawls emphasizes the way in which a well-justified theory will also yield surprising results which seem plausible but were not necessarily anticipated.⁴² A rejuvenated, retooled, conception of corporate citizenship may do

⁴² Rawls (1999: 18).

just that. It will not pretend to address every facet of corporate responsibility, but if we take seriously the conceptual resources of citizenship, it will focus our attention back on a number of important virtues that are surprisingly neglected in discussions framed under the rubrics of business ethics, CSR and sustainability: things like achievement of complying with the law in the face of challenging agency problems and complex regulatory regimes; operating efficiently and competing fairly; and participating responsibly in political and regulatory processes.

So yes, in answer to the question of the subtitle: of course we want businesses to be good corporate citizens. Anyone with influence over how this term should be used will want to demand more of a good corporate citizen than did the PR wizards who invented the concept. But there is no reason to think that to be a good corporate citizen a firm must be good or virtuous in every way. Corporate citizenship can play a useful role in our normative evaluation of business, but it is neither a substitute for other normative frameworks nor an all-encompassing framework.

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