

Pluralism in Political Corporate Social Responsibility

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ABSTRACT: Within corporate social responsibility (CSR), the exploration of the political role of firms (political CSR) has recently experienced a revival. We review three key periods of political CSR literature—classic, instrumental, and new political CSR—and use the Rawlsian conceptualization of division of moral labor within political systems to describe each period’s background political theories. The three main arguments of the paper are as follows. First, classic CSR literature was more pluralistic in terms of background political theories than many later texts. Second, instrumental CSR adopted classical liberalism and libertarian laissez-faire as its structural logic. Third, new political CSR, based on a strong globalist transition of responsibilities and tasks from governments to companies, lacks a conceptualization of division of moral labor that is needed to fully depart from a classical liberalist position. We end by providing a set of recommendations to develop pluralism in political CSR.

KEY WORDS: corporate social responsibility, political theory, Rawls, division of moral labor, pluralism

INTRODUCTION

THE EXAMINATION OF THE POLITICAL ROLE of the company in society has experienced a revival. In academia, corporate social responsibility (CSR) has been examined especially in the fields of management and business ethics (Carroll, 1999; Garriga & Melé, 2004; Lockett, Moon, & Visser, 2006; Egri & Ralston, 2008). In this paper, we view CSR to be an umbrella term for the academic debate (and business practice) that addresses the existence and management of business firms’ social responsibilities (Scherer & Palazzo, 2007; Matten & Moon, 2008). Within the field of CSR, we examine and historically contextualize the recent “political turn,” which we refer to as new political CSR (cf. Scherer & Palazzo, 2011). To accomplish this, we evaluate the underlying political theories in a sample of three overlapping periods of research—classic, instrumental, and new political CSR. We use the term political CSR to refer to research on the political role of companies

during all of these periods; the term new political CSR only encompasses the latest ‘political turn’ in the field of CSR (as described by Scherer & Palazzo, 2011).

While new political CSR research has experienced rapid growth (Scherer & Palazzo, 2007; 2008; 2011; Matten & Crane 2005; Crane, Matten, & Moon, 2008), it involves a number of important assumptions or gaps. We argue that dominant ways of framing political CSR (Scherer & Palazzo, 2007; 2011) give too little attention to issues related to social justice and basic structures when observing social processes affecting the distribution of benefits and burdens between people (cf. Banerjee, 2010; Marens, 2007; 2010). Thus, we aim to expand the promising ‘political turn’ in CSR. In evaluating dominant framings of new political CSR (Palazzo & Scherer, 2006; Scherer, Palazzo, & Baumann, 2006; Scherer & Palazzo, 2007; 2011), we argue that the Rawlsian approach to political CSR, by focusing on background structures and justice, helps the emerging political CSR paradigm to bring back a pluralistic discourse of alternative political systems.

We describe how new political CSR is based on a strong globalist transition process according to which business firms are seen as political actors in that they increasingly self-regulate and take over traditional responsibilities of the state as providers of citizenship rights and public goods. Recent influential works claim that territorially-bound nation states are losing their political and socio-economic steering capacities towards markets and global business actors like multinational corporations. We argue that political CSR research does not necessarily need to underwrite anything as controversial as a “strong globalization thesis” (Ohmae, 1999; Korten, 2001; Scholte, 2005), its antithesis (Wade, 1996; Weiss, 1998; Hirst, Thompson, & Bromley, 2009) or even the terms of this globalization dialectic (Kollmeyer, 2003). Adopting a pluralistic view towards different interpretations of globalization allows us to discuss the variety of alternative roles provided to the state in different political theories.

We also argue that existing political CSR research lacks historical depth. We complement recent research by evaluating earlier classic CSR literature. In this way, we show that the political discussion addressing the roles of businesses in the division of social responsibilities has deep roots in the areas of business ethics and CSR studies (Marens, 2004; 2010). More specifically, we argue that classic CSR literature had a much more pluralistic approach to observing CSR in different political contexts than later texts. We also explore why mainstream instrumental CSR is commonly seen as an apolitical view in the sense that its political theories are not explicitly discussed. In viewing political theories as different conceptions of the proper divisions of moral labor in society, we show that, despite appearances, instrumental CSR is not an apolitical conception. In line with Scherer, Palazzo and Baumann (2006) and Freeman and Phillips (2002), we argue that instrumental CSR is underpinned by the classical liberal and libertarian conceptions of division of moral labor in a society.

This paper is organized as follows. First, we introduce the Rawlsian notion of division of moral labor, which forms the basis of subsequently described existing political systems. Each presented political theory—libertarian *laissez-faire*, classical liberalism, liberal equality, welfare state capitalism, property-owning democracy,

and market socialism—can be seen as an alternative system of division of moral labor. Each system involves different roles given to the state, markets and firms, conceptions of citizenship and society, and understandings of the relationship between business and politics. After examining political systems, we turn to exploring a sample of three key periods of political CSR literature to uncover the explicit or implicit political background theories of each period. We focus on early texts of the modern CSR debate starting in the 1950s (classic CSR), a large body of research focusing narrowly on the ‘business case’ for responsibility (instrumental CSR), and the recent resurgence of research on the political roles of corporations (new political CSR). Finally, we offer three main directions for further research in political CSR: Exploration of under-utilized political theories; a combination of CSR, political theories, and comparative political economy literatures; and more nuanced examinations of the levels of analysis, actors and forms of CSR.

THE RAWLSIAN CONCEPT OF DIVISION OF MORAL LABOR

In Anglo-American political philosophy, the concept of division of moral labor typically refers to the ways in which responsibilities for the political, social and economic dimensions of a society are divided among different political and socio-economic institutions and various actors operating within these structures. In the past few decades, the notion has been brought up most often in discussions about John Rawls’s approach to social justice. Major themes in these debates are: to what extent is social justice a task of the basic structure institutions of society, and what are the responsibilities related to social justice of different actors functioning within this system? One central premise of the discussion is that the way in which moral labor is divided in a society in part defines how free and equal people are in the society, and how democratically the terms of social life can be governed (Nagel, 1991; Scheffler, 2005; Freeman, 2007). In other words, the division of moral labor in societies is a central political issue.

The idea of division of moral labor has many manifestations in Rawls’s works (1971: 520–29; 1996; 2001: 10–12, 52–55). His conception of justice (Rawls, 1996: 266–67) aims to outline a structure “to secure just background conditions against which the actions of individuals and associations take place” so that these actors are “left free to advance their ends more effectively within the framework of the basic structure, secure in the knowledge that elsewhere in the social system the necessary corrections to preserve background justice are being made.” His conception of justice

includes what we may call a social division of responsibility: society, the citizens as a collective body, accepts the responsibility for maintaining the equal basic liberties and fair equality of opportunity, and for providing a fair share of the other primary goods for everyone within this framework, while citizens (as individuals) and associations accept the responsibility for revising and adjusting their ends and aspirations in view of the all-purpose means they can expect, given their present and foreseeable situation. (Rawls, 1982: 170)

For Rawls, the distinction between the basic structure of society—understood as the way in which the major political and social institutions fit together into one system of social cooperation and regulate the division of advantages arising from social cooperation—and actors like corporations operating within these structures plays a significant role. He sees that our primary political responsibility as the citizens of a liberal democratic society concerns background justice, the major political principles and related institutional structures of social cooperation indirectly regulating the operations of firms in society. In this framework, private actors like corporations are offered a social sphere with a proper amount of autonomy to advance their aims effectively through collective political control and the design of the basic structure. Without political control and deliberate design of the basic structure, Rawls argues that political and socio-economic power tends to concentrate in economic transactions through time, and that the historically accumulated product of particular economic transactions is away from, and not toward, the real freedom of citizens (Rawls, 1996: 267).

Furthermore, contemporary societies need a division of moral labor which understands that citizens have significant and irreconcilable differences in their conceptions of good life (Rawls, 2001). In these pluralist settings, the basic structure institutions are expected to be impartial with respect to these conceptions, since the basic structures of society are not voluntary for citizens. In comparison, the relations of citizens to corporations are supposed to be different, since firms are meant to be voluntary organizations. Due to their voluntary nature, corporations are also allowed to have specific aims, which make it possible for them to assess and reward their members on the basis of their contributions to the ends of the firm. These kind of meritocratic practices are not acceptable in the case of the basic structure of liberal democratic society. Instead, the institutions of the liberal state are expected to treat citizens as free and equal (Rawls, 1996; Phillips & Margolis, 1999; Heath, Moriarty, & Norman, 2010). Thus, in the Rawlsian context, it is essential to set boundaries between the basic structure of society and business firms.

POLITICAL SYSTEMS OF DIVISION OF MORAL LABOR

Different political theories can be seen as having different conceptions of an appropriate division of moral labor in society. The mapping and evaluation of the divisions of moral labor contained in different theories of social justice are also a recent research theme in political philosophy (Scheffler, 2005). In Table 1, we use such a typology by Freeman (2007: 105) and develop it further by examining the themes of roles of the state, markets and firms, the conceptions of citizenship and society, and the understanding of the relationship between business and politics. Subsequently, we will review the underlying political theories of three key periods of political CSR research: Classic, instrumental and political CSR.

In evaluating the background political theories within different CSR conceptions and periods, we first introduce each political system (the top row of Table 1). Since we aim to bring a variety of political doctrines to the political CSR discussion, these merit an in-depth examination. By leaving out the utopias of anarcho-capitalism and

Table 1: Political Systems of Division of Moral Labor

	Market Socialism	Property-Owning Democracy	Welfare-State Capitalism	Liberal Equality	Classical Liberalism	Libertarian Laissez-Faire
Role of State	Aims at strict equality between members of society, socializes means of production, distribution of social goods through democratic processes.	Aims at democratic social life and economic sphere via egalitarian basic structures dispersing wealth and capital ownership and preventing elite control of economy and politics.	Aims at general welfare via egalitarian social sector combined with redistributive economic institutions. Public structures minimize externalities, provide public goods and level socio-economic differences.	Aims at the equal opportunity with the help of the egalitarian social basic structures: Education and health care systems even out class barriers, promote equal access to culture and try to prevent excessive accumulations of capital.	Aims at efficient provision of public goods. Offers modest social minimum. Limited state protects individual freedoms and property, enforces contracts, fosters competitive markets and minimizes externalities, but does not level socio-economic inequalities.	Minimal state or strong firms protect private property and free contracts, make contracts of citizenship with members of society. No coercive structures to minimize externalities, to provide more than minimal public goods or level inequalities.
Role of Markets	Free markets are needed for allocation efficiency, but have no role in distributive equity.	Free markets needed for basic liberties and efficiency, but produce unjust distributions without steering by egalitarian background institutions.	Free markets needed for efficiency, but left alone produce socio-economic inequalities that do not maximize overall welfare.	Free markets needed, but alone do not deliver fair opportunities. Without proper social steering markets let peoples' initial social starting points determine life prospects.	Free markets as central institution. Voluntary market transactions produce efficient results. Well-functioning markets need backing of limited basic structures.	Markets as sphere of voluntary contracts compatible with capitalist rights. Self-regulating private contractors bear responsibility over externalities, public goods, and social tasks.
Role of Firms	Public means of production are rented to competitive firms owned by workers. Firms are responsible for efficient use of resources.	Respecting terms of basic structure offers firms as voluntary actors freedoms to operate and have the own ends/reward systems.	Firms not able to handle the public task of general welfare, but public failures and information asymmetries offer room for political tasks.	Excessive economic powers seen to spill over to other spheres of society and corrupt them. Political participation of businesses seen as risk for equality.	Focus primarily on the economic tasks, taking social tasks should make economic sense. Firms as market actors and as the representatives of voluntary sector counter-balance the powers of state.	Successful firms take over traditional roles of state in their relations with members of society and form contracts addressing the terms of citizenship.

	Market Socialism	Property-Owning Democracy	Welfare-State Capitalism	Liberal Equality	Classical Liberalism	Libertarian Laissez-Faire
Conception of Citizenship	Have equal basic liberties, opportunities and economic means to participate in social life. As owners of firms citizens are directly responsible for distributive equity.	Have equal basic liberties, opportunities and economic resources needed for democratic control of social life and economy. Major political task is to make basic structure of society a fair system of social cooperation.	Citizens have civil and political rights and moderate economic means to use them. They have political, social and economic responsibilities related to general welfare goal of society.	Citizens as free and politically participating members of society. Need social rights and decent economic resources to carry out political responsibilities, enjoy culture, and use their freedoms.	Citizens as free economic actors have political responsibilities to maintain institutional background of efficient markets and effective provision of public goods, while lacking equal opportunities and resources for political participation.	Citizenship seen as private contractual relationship with minimal state or corporations. Terms of this agreement depend on bargaining powers of contractors. No social institutions to level differences in citizens' powers.
Conception of Society	Combination of strict equality as public goal and market actors in major political roles.	System of social cooperation combined with political conception of justice tailored for free and equal citizens.	Society united by end of general welfare requiring cooperation between political, social and economic spheres.	Differentiation between egalitarian orientation of political and social spheres and economic realm allowing inequalities.	Balance between limited public realm and extensive private spheres of society.	Society seen as network of private agreements based on self-regulation by private actors.
Business/Politics	Boundaries between business and politics are blurred and firms have major political tasks addressing distributive equity.	Democratic control of businesses requires institutional mechanisms stopping concentration of economic power and business in politics needs robust background justice.	Aim to avoid excessive power unbalances between business and public spheres and economic goods redistributed for overall welfare. Political goal of welfare maximization can offer space for CSR.	Inequalities in economic sphere have external effects on political sphere. Egalitarian social structures seen as means to fair opportunities.	Emphasis on need for boundaries between business and politics combined with weak institutional mechanisms. Trust is given to discipline by markets.	Entirely blurred boundaries between business and politics. No coercive institutions to control socio-economic inequalities and their transformation into political inequalities.

communism, we address a more realistic set of political conceptions of appropriate basic structures of society. Thus, we include libertarian laissez-faire, classical liberalism, liberal equality, welfare state capitalism, property-owning democracy, and market socialism.

Libertarian Laissez-Faire

Robert Nozick's (1974) influential libertarian doctrine sees society as the network of private agreements. From the libertarian perspective, the proper social order arises historically via the spontaneous interactions of individuals respecting private property rights and the freedom of contracts. Nozick sees that if all actors follow legitimate rules that govern the acquisition and transfer of property in their dealings, there is no need for the extended public institutions of society to take care of the background justice in society. All that is needed are the minimal state or strong firm(s) supporting capitalist property rights and freedom of contracts as natural rights. In this setting, the relations of citizens to the institutions of the state are like their relations with "any private corporation with which they have made an agreement" (Rawls, 1996: 264–65).

In the libertarian society, private firms may take over the traditional roles of the state and form the special contracts of citizenship with their stakeholders. Since there are no public structures to level differences in contractors' stakes, to take care of externalities or to provide public goods, responsibilities over these issues are given to self-regulating private actors. In libertarianism, the basic structure of society is kept as "thin" as possible, and the sphere of the voluntary moral work done by the individuals, associations and firms forms the core of society. In the context of privatized libertarian society, there is no room for the collective democratic political processes, since the results of these processes may easily restrict the property rights of the economic actors and narrow the sphere of the voluntary contractual arrangements valued highly by libertarianism. Furthermore, since there are no morally relevant differences between the basic structures of society and corporations, the boundaries between the two are entirely blurred and firms are regarded as the legitimate political actors in a society.

Classical Liberalism¹

Classical liberalism has roots in the works of classical economists and early utilitarian philosophers such as David Hume and Adam Smith (Freeman 2007: 128; Rawls, 2007). Its conception of proper social order comes quite close to the libertarian division of moral labor. However, it treats extensive individual freedoms and rights more instrumentally than libertarianism as efficient ways to promote welfare in a society (Friedman, 1962). In other words, the doctrine emphasizes the significance of the economic rights of property, the freedom of contracts, trade and consumption on the grounds of efficiency and welfare (Freeman, 2007). Milton Friedman (1962) and Friedrich Hayek (1944) are some of the most prominent theorists linked to this economic interpretation of liberalism (often called neo-liberalism). In Friedman's formulation, the basic idea of classical liberal division of moral labor is the following:

First the scope of government must be limited. Its major function must be to protect our freedom both from the enemies outside our gates and from our fellow-citizens: to preserve law and order, to enforce private contracts, to foster competitive markets. Beyond this major function, government may enable us at times to accomplish jointly what we would find it more difficult or expensive to accomplish severally. However, any such use

of government is fraught with danger. We should not and cannot avoid using government in this way. But there should be a clear and large balance of advantages before we do. By relying primarily on voluntary co-operation and private enterprise, in both economic and other activities, we can insure that the private sector is a check on the powers of the governmental sector and an effective protection of freedom of speech, of religion, and of thought. (Friedman, 1962: 2–3)

Evidently, business firms have an important political role in the classical liberal division of moral labor formulated by Friedman. Furthermore, the logic of economic efficiency has a more prominent place in this system than in libertarianism. Freeman (2007: 104–05) notes that “though classical liberals such as Adam Smith and Friedrich Hayek normally regard market distributions as just, they usually recognize society’s duty to provide public goods and a social minimum for the poorest and the disabled. This distinguishes classical liberals from libertarians.” Similarly, large military budgets and industrial subsidies often promoted by the advocates of (classical liberal) limited government are seen as inconsistent from the libertarian perspective (Marens, 2010: 756).

Liberal Equality

In the classical liberal setting the task of government is merely to take care of the institutional backgrounds necessary for markets to function (Freeman, 2007: 219). For liberal equality, this is not enough from the perspective of social justice (Gutmann, 1980). According to Freeman (2007), liberal equality is worried about the cumulative effects of free market transactions over time on peoples’ equal changes. To mitigate the negative effects undermining individuals’ equal and fair prospects in life, liberal equality tries to set markets within the framework of social structures. The task of these structures of background justice is to preserve equality of opportunity—the life prospects of those with the same abilities and aspirations should not be affected by their social starting positions (Mason, 2006). According to Rawls (1971: 73), basic structure institutions are “designed to even out class barriers” and to maintain “equal opportunities of education for all.” Thus, the basic structure of liberal equality consists not only of competitive markets, but involves social background structures doing collective responsibility work behind the economic spheres of society related to the tasks of maintaining a fair equality of opportunity over time.

However, as Rawls (1971: 73–74) notes, liberal equality has limits in how far it goes towards eliminating unequal influence of free markets on peoples’ chances to control their own lives. By focusing solely on social factors and class barriers, liberal equality does not pay attention to the fact that markets favor some natural abilities at the expense of others. Just like social contingencies, these factors are not chosen by individuals. Nonetheless, they affect the way individuals are able to live their lives. Other political theories see that it is not be possible to reach fair equal opportunity without the support of economic basic structure institutions that go beyond the economic efficiency criterion and set the limits of distributive justice on market allocations. Thus, the liberal equality is marked by tension between the egalitarian orientation of the social sphere and the economic realm with the major inequalities.

Welfare-State Capitalism

Welfare-state capitalism acknowledges some of the egalitarian limitations of liberal equality and subjects the social and natural contingencies produced by competitive markets on peoples' life prospects to a stronger scheme of legal and political regulation (Krouse & McPherson, 1988). With roots in utilitarian welfare economics, welfare-state capitalism aims at increasing the overall level of welfare in society via redistributive socio-economic programs and by alleviating poverty (Freeman, 2007: 224). Compared with liberal equality, welfare-state capitalism allows more significant public sector interventions to market allocations of resources in the name of furthering general welfare in society. The regime tries to reduce disparities between people and assist those who lose out in economic competition through progressive income taxes and income transfer programs to redistribute economic resources. The welfare provisions and minimum level of welfare provided by the system may be substantial (Rawls, 2001: 138).

One of the basic assumptions of welfare-state capitalism is that laissez-faire markets reproduce the initial unequal starting points in life between people and generate a highly unequal distribution of economic resources over time (Krouse & McPherson, 1988). In welfare-state capitalism, the role of state institutions is to redistribute the unequal economic resources produced by the markets through ex-post progressive tax structures and transfer programs so that all have at least a decent minimum level of welfare and their basic needs are satisfied, all have some protections against accidents, unemployment compensation and medical care (Rawls, 2001, 139–40). A crucial socio-economic policy question in the context of welfare-state capitalism is to identify those in need of assistance as well as recognize the differences between peoples' needs in order to scale up the satisfactions people are going to achieve from (redistributed) socio-economic resources. Political responsibilities of general welfare promotion go beyond the capacities of private firms. However, government failures and information asymmetries offer room for firms' political CSR tasks.

Property-Owning Democracy

Property-owning democracy represents the move toward a more democratic control of the economy. Promoted by John Rawls partly on the basis of economist James Meade's (1964) work, the doctrine focuses on the key institutional means of preserving widespread property ownership in a society (Freeman, 2007; Rawls, 2001; Krouse & McPherson, 1988; Meade, 1964). Louis Kelso and Mortimer Adler offer an influential and early interpretation of the doctrine in their work titled *The Capitalist Manifesto* (1958). According to the authors, political democracy requires a system where people share generally and equally the fruits of economic development as capital owners. Interestingly, Kelso and Adler also sketch out a practical program to broaden the ownership of enterprises, to organize employee-owned firms, and to discourage the concentration of the ownership of capital in a society.

From the perspective of Rawlsian property-owning democracy, welfare state capitalism focuses only on the symptoms of capitalism and not enough on the background property structures of the economy causing the concentration of economic power over

time and undermining the citizens' democratic control of the economy. According to Rawls (2001: 139), welfare-state capitalism tries to redistribute income to those with less "at the end of each period," while property-owning democracy works by "ensuring the widespread ownership of productive assets and human capital at the beginning of each period" (Rawls, 2001: 139; Krouse & McPherson, 1988: 84).

For property-owning democracy, the inequalities of wealth and power are incompatible with the political equality of citizens, since they offer corporations plenty of room to use political systems to further their private interests. The concentrations of wealth are seen to undermine the idea of fair equality of opportunity, since effective control over capital and industry is in the hands of a small class and the majority of people lack political control over their working lives. From the perspective of property-owning democracy, the scheme of welfare-state capitalism does not respect all its members, since it determines the acceptable social minimum level of welfare in a society on the basis of instrumental calculations and not on the grounds of equality and reciprocity owed to all (Freeman, 2007: 225).

To achieve democratic control over the economy, Meade (1964) suggests robust egalitarian inheritance laws and progressive gift taxes limiting the concentration of wealth over time, strong public policies to boost the savings of people of modest means, and governmental policies to promote equal opportunity in education. Furthermore, property-owning democracy searches for political equality through the public financing of political parties, "government monies provided on a regular basis to encourage free public discussion" (Rawls, 1971: 225–26), invests heavily in the egalitarian educational system trying to reduce "inequalities in initial skill endowment" (Krouse & McPherson, 1988: 89), and provides public funding for universal health care to achieve fair equality of opportunity (Freeman, 2007: 231). Recently, Hsieh (2009b) has started to develop a theory of work on the basis of Rawlsian property-owning democracy.

Market Socialism

According to David Miller (1993: 301) socialists are committed to the idea of classless society where "people regard and treat one another as equals and are not separated from one another by differences of class." Socialists are worried about the material inequalities undermining their major political end and emphasize the willingness to set aside one's own advantage when others are in need of assistance. For them, equality of opportunity demands not only the abolition of class inequalities, but also real material equality between people. Market socialism is an attempt to 'yoke together' the socialist conception of distributive equity and efficiency as the political virtue of markets (Arneson, 1993: 282). From this perspective, capitalist economic systems use markets too widely and reward unfairly those who happen to have property in the means of production at the expense of others (Freeman, 2007: 27–28). Nonetheless, market socialism does not accept that command-economy socialism has no role for markets, since it is inconsistent with basic liberties and opportunities of citizens' and/or is wasting scarce resources (Rawls, 1971: 272).

As a system of division of moral labor, market socialism uses market institutions and actors for some social purposes, and, at the same time, it restricts their roles in other tasks. Typically market socialism operates on Meade's (1964) distinction between the allocative and distributive functions of market prices and offers markets a role in allocating the factors of production efficiently. However, to achieve distributive equity, the market socialist system does not allow markets to distribute incomes and wealth (Rawls, 1971: 273; Arneson, 1993: 282). Instead, to eliminate the major sources of economic inequalities between people, the system socializes productive capital (Miller, 1993: 307). In market socialism, the means of production are publicly owned, and the overall distribution of economic and other social goods is decided collectively in the democratic processes. Nonetheless, publicly owned factors of production can be leased to competing firms owned by workers who are gaining rewards for their efficient use (Freeman, 2007: 115). All in all, the market socialist system of division of moral labor blurs the boundaries between the political and economic spheres of society (like libertarianism) and suggests the democratic control of firms (unlike libertarianism).

POLITICAL PLURALITY IN CLASSIC CSR

After describing alternative political theories (top row of Table 1), we move to examining a sample of three different overlapping periods of political CSR. Three key periods—classic, instrumental and political CSR—are seen as three important political conceptions of CSR, which have been dominant articulations at overlapping periods in time. Instead of conducting a systematic review of all existing literature on the political role of the firm, our aim is to show how different CSR conceptions can be anchored in a broad variety of political theories and how these competing conceptions of the proper basic structures of society offer a rich variety of political contexts for CSR. Seen from this perspective, business firms are always political actors in society (cf. Marens, 2004; 2010). By historically examining and contextualizing CSR research, we are able to evaluate the foundations, underlying assumptions and development of the current political CSR debate.

We call the first period classic CSR and examine key literature from the beginning of the modern CSR debate. Howard Bowen's (1953) *Social Responsibilities of the Businessman* can be seen as a seminal work in modern CSR (Carroll, 1999; Acquier & Gond, 2007; Acquier, Gond, & Pasquero, 2011). Bowen was a Keynesian economist more concerned with maximizing social welfare rather than corporate profits (Marens, 2006; 2010; Acquier & Gond, 2007). The seminal book was part of a six book series on "Ethics and economic life" for the Federal Council of Churches, which explains the important role given to protestant views of CSR. Interestingly, Bowen takes an explicit stance in comparing CSR in different political systems. He starts with a critical evaluation of the businessman's social responsibilities in *laissez-faire* economics from a historical perspective. Subsequently, he moves to discuss CSR in "present-day capitalism," which he describes as a "mixed economy," and "welfare capitalism," and sees to include a rather wide set of government interven-

tions in economic activity. Bowen gives managers a significant role in defining and thinking about their responsibilities:

The moral problem of the businessman is to recognize the social implications of his decisions and to consider the social interest—*so far as is possible and reasonable*—in arriving at these decisions. (Bowen, 1953, 30)

However, in his later work, Bowen is more critical of an idealist conception of voluntary responsibility and calls for stricter measures to enforce social responsibility (Bowen, 1978; Acquier & Gond, 2007). By explicitly evaluating the responsibilities of the businessman in different political systems and adopting a rather pluralistic view, Bowen's work becomes a foundation for later research on political CSR. However, as Acquier and Gond (2007) note, later work has largely adopted Bowen (1953) as a compulsory reference without really engaging with the ideas presented in the book.

In an early article about CSR, Levitt (1958) discusses the dangers of social responsibility. His central idea is to present a strong rejection of the idea that business should be socially responsible based on the welfare-state capitalist premise. While arguing that CSR should be the concern of managers only if it makes economic sense, Levitt advocates the establishment of a strong and extensive democratic state to look after the general welfare. According to this view, governments should be allowed to take care of general welfare and companies should focus on the material aspect of welfare and their profits. Thus, his position is based on a strict division of moral labor between the state and the private sector and he strongly opposes any blurring of the boundaries between these spheres.

Walters (1977) also conducted early work on the link between corporate social responsibility and political ideology by arguing for and against CSR from a conservative and a liberal perspective. According to the conservative position, CSR should be preferred to government action, because business activity is more economical. On the other hand, the liberal position is more skeptical of the potential for business to solve social problems unilaterally and advocates for public action or legal reform. In contrasting the CSR positions of different political ideologies, Walters (1977: 49) comes to the same conclusion as Levitt in that "social responsibility is not a non-market goal, but it is a set of business policies to most effectively achieve profitability and to assure further profitability."

In the on-going debate on CSR in the 1970s, Preston and Post (1975; 1981) emphasize the importance of the limits on the social performance agenda and argue that there are large areas of the social landscape that are simply out of range of the legitimate power of the corporations. Examples of these spheres of society are voting rights, criminal justice, and general public education policies. On the other hand, Preston and Post try to challenge firms to identify their own social responsibility agendas within these political limits (1975; 1981). In summary, Table 2 positions the above-described influential works of classic CSR on a scale of potential political systems.

Table 2: Influential Positions in Classic CSR

Political Systems CSR Periods	Market Socialism	Property-Owning Democracy	Welfare-State Capitalism	Liberal Equality	Classical Liberalism	Libertarian Laissez-Faire
Classic CSR	<i>Not prominent in classic CSR</i>		Evaluation of CSR within different political systems: Bowen, Walters Call for wider CSR within different political systems: Bowen Narrow CSR within welfare-state capitalism: Levitt Examination of the division of responsibilities between public policy and firms: Preston & Post			

Based on a review of seminal, classic CSR research, we can see that political ideology had a strong link to corporate social responsibility. The background political systems and division of moral labor was also explicitly examined in early work, and a plurality of different perspectives was explored. Later work, as we shall see, has until recently made political background theories implicit and focused on a smaller number of potential political perspectives.

LIBERALISM AND LIBERTARIANISM AS THE STRUCTURAL LOGIC OF INSTRUMENTAL CSR

As a second sample of political CSR, we examine what has been called instrumental corporate social responsibility (Scherer & Palazzo, 2007; 2010). In this discussion, CSR is approached as a strategic management agenda focusing on the instrumental reasons connected with the question of the proper social role of corporations. The central idea of the discussion is that a company can “do well by doing good” or perform better financially by attending to its responsibilities toward creating a better society. The focus has been on the “business case” of CSR or the examination of the link between CSR and firms’ financial performance (Orlitzky, Schmidt, & Rynes, 2003; Margolis & Walsh, 2003; Vogel, 2005; Scherer & Palazzo, 2011).

The instrumental view emphasizes that CSR approaches and tools are used strategically in corporations to improve efficiency in the quest for financial performance (Jones, 1995; Jones & Wicks, 1999; Hillman & Keim, 2001; Barnett & Salomon, 2006; Husted & Salazar, 2006). The ideal company has a wide scale of CSR tools that are efficiently integrated into the organization’s competitive strategy to create long-term business value (Wood, 1991; Porter & Kramer, 2006; McWilliams, Siegel, & Wright, 2006).

A common way to start the instrumental CSR discussion is to refer to Milton Friedman’s views on CSR. For Friedman (1962; 1970), CSR is the maximization of shareholder value within the boundaries of the law and ethical custom. He saw that company management is directly responsible to the owners, who expect maximal

profit. Friedman also holds that achieving this mission is sufficiently difficult and that managers should forget social programs in their professional roles because they do not have a mandate to function as politicians or civil servants (Friedman, 1970). Furthermore, according to Friedman, management can also lack the expertise, knowledge and resources to address social issues. Thus, Friedman refutes wider corporate responsibility, which refers to taking care of social issues that are not related to economic interests.

What makes Friedman interesting is that, in his preferred system of division of moral labor, the limited public structure of society and the narrow conception of CSR come in the same package. For Friedman (1962) (unlike companies, where the mission is to maximize shareholder profit), the role of the state is to enforce law and order, define ownership rights and other rules of the economy, solve disputes related to the interpretation of rules, make contracts binding, promote competition and provide a monetary system. According to Friedman (1962, 34–35), “such a government would have clearly limited functions and would refrain from a host of activities that are now undertaken by federal and state governments in the United States, and their counterparts in other Western countries.”

Within the instrumental CSR discussion, Economist Michael C. Jensen seems to come quite close to Friedman’s political division of moral labor. Jensen’s (2008) system aims for maximum value for society or tries to achieve the state of affairs where society uses “its human and non-human resources most efficiently.” In Jensen’s scheme, state power should be separated from the particular interests and private advantages. The state has the limited functions of protecting people, enforcing voluntary contracts, and minimizing externalities. Within this system of rules, the role of corporations is to extend the narrow focus of shareholder value maximization and concentrate on the maximization of the long-run total value of firms (Jensen, 2002; 2008). Thus, Friedman and Jensen share the classical liberal doctrine behind their CSR views. Interestingly, this doctrine also underlies the instrumental CSR discourse calling for wider voluntary responsibility on instrumental grounds more generally. Even Jensen (2002; 2008) takes steps in the direction of wider voluntary CSR. As said, the central idea of the discussion has been that the firms may perform better financially by attending to more extended social responsibilities. However, Friedman’s political doctrine is left quite intact in the discussion.

Indeed, Friedman’s narrow position is hardly the dominant definition of CSR in the field. On the contrary, the focus in instrumental CSR has been on increasing the societal responsibilities of businesses (Walsh, 2005). The most influential approach used to extend Friedman’s view is a notion of CSR built on the stakeholder theory—an approach made famous by R. Edward Freeman (1984). This notion of CSR built on Freeman’s (1984) theorizing is not limited to one stakeholder, namely stockholders, but asserts that a company has a wider group of stakeholders and responsibilities. Freeman’s original conception of stakeholder theory is a strategic management theory and does not address CSR directly, but CSR researchers later adopted it. Compared with Friedman’s view of shareholder interest, the notion of CSR built on the stakeholder approach widens the company’s societal responsibilities, and the corporation can be seen more as a promoter of a general well-being

in a society (Donaldson & Preston, 1995; Mitchell, Agle, & Wood, 1997). In a sense, the stakeholder approach blurs the boundaries between the political, social and economic spheres of society and leaves political and social interests within the agenda of managers.

This kind of widening of firms' roles in a society would seem to warrant a political justification. Nonetheless, instrumental CSR discussion typically progresses without a political discussion on businesses' roles in a society (Scherer & Palazzo, 2007; Hanlon, 2008). More to the point, there does not seem to be explicit argumentation appealing systematically to particular political values such as equality, redistributive justice and social solidarity as reasons to extend corporate responsibility. However, seen from the perspective of division of moral labor, this hardly makes instrumental CSR an apolitical approach. To the contrary, instrumentally extended CSR is at home in the libertarian or classical liberal political settings.

The particular political nature of the instrumental CSR discourse is revealed by concentrating on the central theoretical foundation of the debate. Friedman's (1962; 1970) conception of CSR as the maximization of shareholder value forms a paradigmatic starting point to instrumental CSR. The aim has been to develop a wider conception of CSR than Friedman's narrow view, but without losing Friedman's voluntarism and economic efficiency emphasis. As was discussed previously, Friedman was not only theorizing about CSR. His political view can be termed as classical liberalism: seeing the intervention of government into humans' lives and the economy as a major problem in society, emphasizing efficiency as a significant political value, and favoring the limited public structures of society and the strong voluntary sectors of society as counterweights to the powers of state.

As a matter of fact, the classical liberal political doctrine as a background assumption fits well with the instrumental CSR discussion, which aims to make widening CSR a practical and convincing strategic and economic issue. From this perspective, widening the social responsibilities of firms is politically acceptable as long as these activities make economic sense and are efficient. Not surprisingly, the focus of the discussion has been on the "business case" or the examination of the link between CSR and firms' financial performance. Besides efficiency, the classical liberal doctrine emphasizes voluntary self-regulation of private actors as a political value. Furthermore, stronger political and social roles for corporations easily become political reality in this setting, since there are no robust political and socio-economic basic structure institutions redistributing economic power over time. In this sense, moral labor in society is divided among markets and economic actors instead of democratically governed political and basic structures.

Influential stakeholder theorist R. Edward Freeman has also brought forth his political background theory, where stakeholder theory is linked to a libertarian political philosophy and a managerial view of corporate responsibility (Freeman & Phillips, 2002; Freeman, Martin, & Parmar, 2007). According to Freeman and Phillips (2002), the proper political context of the stakeholder approach involves deep skepticism toward the state and its abilities to take care of the social background of businesses. The authors contrast libertarian political theory calling for a minimal state with the liberal one encouraging the larger role for the state in economic affairs

and emphasizing more collective responsibility in a society. Thus, according to Freeman and Phillips (2002), it is important to note that the libertarian political setting emphasizes the role of managers and firms as bearers of social responsibilities more heavily than liberalism. In other words, it distributes moral labor strongly to private firms and is well suited to the political aim of extending the influence of managers over their political and social environments. In summary, influential works within instrumental CSR and their background political theories are depicted in Table 3.

Table 3: Influential Positions in Instrumental CSR

Political Systems / CSR Periods	Market Socialism	Property-Owning Democracy	Welfare-State Capitalism	Liberal Equality	Classical Liberalism	Libertarian Laissez-Faire
Instrumental CSR	<i>Not prominent in instrumental CSR</i>				Narrow CSR: Friedman	
					Middle ground CSR: Jensen	
					Wide CSR: Mainstream instrumental CSR research	Wide CSR: Freeman et al.

All in all, the large literature that has been called instrumental CSR seems to be clearly dominated by few political perspectives. Its structural logic is founded in classical liberalism and libertarian laissez-faire.

THE GLOBALIST TRANSITION IN NEW POLITICAL CSR

As a third sample of political CSR discussions, we focus on the rapidly swelling ‘political turn’ in CSR and business ethics literature, which we refer to as the new political CSR.² An important discussion topic in this setting revolves around the concept of corporate citizenship (Matten & Crane, 2005; Moon, Crane, & Matten, 2005; Néron & Norman, 2008a; 2008b; Crane & Matten, 2008b; Van Oosterhout, 2008; De George, 2008; Wood & Logsdon, 2008). Furthermore, a special issue of *Business Ethics Quarterly* in 2009 focuses on political issues related to the changing role of businesses in the global economy (Scherer, Palazzo, & Matten, 2009; Kobrin, 2009; Pies, Hielscher, & Beckmann, 2009; Elms & Phillips, 2009; Hiss, 2009; Hsieh, 2009a) including commentaries by Van Oosterhout (2010) and Banerjee (2010). We agree with Banerjee’s suggestion to turn the attention of the political CSR discussion toward issues of distributive justice. In the following, we explicate how the Rawlsian focus on the background (economic) justice might help business ethics to move toward such a political conception of CSR.

In what appears to be the dominant framing of the new political CSR discussion, Andreas Georg Scherer and Guido Palazzo (2007; 2008; 2011; Scherer, Palazzo, & Baumann 2006; Scherer, Palazzo, & Matten, 2009) go beyond the instrumental approach to CSR and strongly associate political CSR with the globalist transition

process, blurring the boundaries between the political, economic and civil spheres of society. In this setting, political CSR refers to the processes where business firms start to take over the traditional governmental tasks of political and social regulation and operate as new providers of citizenship rights and public goods (Scherer & Palazzo, 2011, 3; Matten & Crane, 2005; Scherer, Palazzo, & Matten, 2009). Thus, a central idea of the discussion is that globalization erodes the traditional divisions of moral labor between the political and economic spheres of society leading to the politicization of business firms in a way that goes beyond the scope of instrumental CSR (Scherer & Palazzo, 2007; 2008; 2011; Scherer, Palazzo, & Matten, 2009; Dubbink, 2004; Kobrin, 2001).

For Scherer and Palazzo (2007, 2008, 2011), a prominent example of the globalist transformation leading to the politicization of business firms is what Matten and Crane (2005) call extended corporate citizenship (cf. Van Oosterhout, 2005; Jones & Haigh, 2007; Crane & Matten, 2008a). In this transformation, business firms enter voluntary self-regulation processes and take over the traditional government functions of providing, enabling and channeling of citizens' basic liberal rights. For Matten and Crane (2005) the process of extended corporate citizenship takes place within a liberal political setting, but Crane, Matten and Moon (2008) seem to give up this political context or interpretation.

In the hands of Scherer and Palazzo (2007; 2011) and Moon, Crane, and Matten (2005) the process of extended corporate citizenship challenges the dominant instrumental CSR paradigm. While articulating their political view of CSR, Scherer and Palazzo (2007; 2011) use as a benchmark the instrumental approach to CSR represented by Friedman (1962), Jensen (2002), Sundaram and Inkpen (2004), and instrumental interpretations of stakeholder approaches to CSR. This dominant CSR paradigm distinguishes between business and politics, sees firms as belonging to the private sphere of society having primarily economic tasks (shareholder or total firm value maximization) and focuses on the "business case" of CSR (Scherer & Palazzo, 2007; 2011). For Scherer and Palazzo (2007, 1106; 2011, 9; Scherer, Palazzo, & Baumann 2006), the major problem with this approach is the strict (classical liberal) separation of private and public domains of society that does not hold in the era of globalization.

Seen from the perspective of our Rawlsian framework, the political benchmark of Scherer and Palazzo's framing of political CSR is the classical liberal system of division of moral labor (Scherer & Palazzo, 2007; Scherer, Palazzo & Baumann, 2006). As said, firms have important political roles in the classical liberal systems of division of moral labor represented by Friedman (1962, 1970) and Jensen (2008) among others. Furthermore, instrumentally justified extensions of firms' social roles in society are in line with the classical liberal political doctrine and its political value of efficiency. Thus, it is not entirely clear why focusing on the business case of CSR and on the instrumental extensions of firms' social roles face problems at the level of global economy as Scherer and Palazzo (2011) suggest. After all, an economic approach based on the private, voluntary and strategic self-regulation of firms fits neatly into neo-liberal processes of globalization (Shamir, 2008; Banerjee, 2007; 2008; Harvey, 2005). Furthermore, Scherer and Palazzo (2011, 7) see existing global

governance as a strategic game between economically oriented, politically powerless governments and powerful, strategically behaving corporations and share the main aspects of the neo-liberal picture of the globalization process.

Scherer and Palazzo's attempt to go beyond the instrumental CSR runs into trouble when we focus on the process of extended corporate citizenship (Matten & Crane, 2005; Moon, Crane, & Matten, 2005). It may be that this global process blurs the boundaries between the various spheres of society more than the classical liberal system of division of moral labor is willing to accept. However, the process of extended corporate citizenship fits within the libertarian system of division of moral labor by privatizing the major public responsibilities of liberal democratic society. Furthermore, according to Freeman and Phillips (2002), libertarian political theory justifies instrumental interpretations of stakeholder theory.

Seen from the perspective of our Rawlsian framework, libertarianism seems to be compatible with the process of extended corporate citizenship. As said, in the libertarian setting, citizens' relations to the public structures of society are similar to their contractual relations with business firms. From this perspective, it is politically acceptable that firms are contracted to take over the provision of citizens' basic rights, while states protect the capitalist rights of private ownership and free contracts that are constitutive of libertarian society. It is worth noting that the processes of extended corporate citizenship in no significant way undermine the basic capitalist values of private property rights and freedom of contracts that libertarianism values highly. It also seems that the process of extended corporate citizenship does not involve public structures to take care of particular distributive patterns (of rights) between people or duties and obligations to maintain democratic political processes. These aspects of the process of extended corporate citizenship are in line with the libertarian doctrine (Nozick, 1974).

Furthermore, in a global economy where the regulatory power of states and governments is arguably diminished, the libertarian doctrine that distributes social responsibilities and political tasks to the private firms is compatible with the political aims of extending the influence of firms and managers over their complex and unstable political and social environments (Freeman & Phillips, 2002). Thus, the process of extended corporate citizenship, where firms act as governments and it is possible to conceptualize citizenship as a stakeholder relationship, is in line with the libertarian system of division of moral labor. In this way, the process in question fits the scope of instrumental CSR and its libertarian branch accepting the system that may be called privatized liberalism (cf. Crouch, 2008; 2009) where the major political and socio-economic responsibilities are assigned to firms and their stakeholders.

Where does this leave Scherer and Palazzo's framing of new political CSR and its attempt to go beyond the instrumental CSR paradigm? Both Scherer and Palazzo (2007) and Moon, Crane, and Matten (2005) bring political theory into the CSR debate through deliberative democracy and political republicanism. We see a lot of potential in their approaches, but from our perspective, they make too strong a connection between the particular interpretation of the globalization process and the politicization of the business firms. For them, political CSR arises mainly in contexts of the globalist transition process, undermining the political and socio-

economic powers of nation-states. However their picture of how far the globalization process has advanced is quite controversial (e.g., Whitley, 1999; Kollmeyer, 2003; Ghemawat, 2007; Hirst, Thompson, & Bromley, 2009), and their interpretation can be seen as an illustration of a neo-liberal political doctrine (e.g., Hirst, Thompson, & Bromley, 2009: 225–27).

More importantly, since Scherer and Palazzo depart from the instrumental approach to CSR and in a sense pay attention to one particular (classical liberal) system of division of moral labor, they fall short in describing relevant alternatives. This leads them to interpret the processes where boundaries between the spheres of society seem to be blurred as part of political emancipation challenging the dominant economic CSR paradigm. However, seen from the wider political perspectives, the relatively thin and weak institutions of background justice in classical liberalism allow the excessive accumulations of economic power into the hands of the stakeholders of corporations and lead to a libertarian blurring of boundaries where unequal economic power is converted into political power. This can be seen as a process of extended corporate citizenship.

Evidently, Scherer, Palazzo, Crane, Matten, and Moon are not libertarians and our intention is not to classify them as such. They are deeply concerned with the fact that the growing engagement of business firms in public policy leads to concerns of a democratic deficit. However, the conception of deliberative democracy that is strictly separate from liberal democracy, and developed within the framework of Habermasian political theory, seems to be the answer to these concerns (Scherer & Palazzo, 2011: 9; 2007: 1106; Scherer, Palazzo, & Baumann, 2006: 520). According to Scherer and Palazzo (2011: 20), this deliberative conception of democracy overcomes the old and strict separations of the political and economic realms of society and public-private divides of liberal democracy. It offers firms with the growing and self-regulated power a political mandate to enlarge their political participation and responsibilities.

We warmly welcome the turn by Scherer and Palazzo to Habermas's political theory and deliberative democracy. This turn constitutes a major challenge to the instrumental approach to CSR and represents a significant move towards a reasonable political discussion on businesses' roles in society. However, Habermas's political theory does not fully support Scherer and Palazzo's position, since he does not dismiss liberal democracy altogether (Baynes, 2002). His conception of deliberative politics involves a division of labor between the "weak publics" comprised of informal private actors and associations and the "strong publics" involving the formal structures of the political system. In the Habermasian system of division of labor, the task of weak publics is to identify and interpret social problems and the decision-making responsibility remains the task of the institutions of the political system (Fraser, 1992; Baynes, 2002).

From the perspective of a Rawlsian approach to political CSR, the reasonable deliberative processes require what Richardson (2002, 88) calls "institutions needed to preserve the background justice of democratic deliberation" (cf. Cohen, 1989). Based on Richardson's work, Crocker (2006) argues that the institutional background conditions for deliberative democracy in local, national and global venues are equal political freedoms, equality before the law, economic justice and procedural fairness.

It seems that the political background of instrumental CSR, i.e., classical liberalism fails or is not even trying to deliver these enabling conditions of deliberative democracy. Deliberative democracy’s attempt at removing the boundaries between politics and business is not sufficient to detach itself from classical liberalism. As a matter of fact, it is hard to see what deliberative democracy means in the libertarian context of extended corporate citizenship, if it is not combined with institutions of background justice. We argue that new political CSR needs alternative political background theories, including conceptions of background justice, going beyond neo-liberalism. Table 4 positions extended corporate citizenship research and the benchmark for Scherer and Palazzo’s works within the range of political systems and describes which political theories could offer alternative conceptions for deliberative democracy.

Table 4: Influential Positions in NEW Political CSR

Political Systems	Market Socialism	Property-Owning Democracy	Welfare-State Capitalism	Liberal Equality	Classical Liberalism	Libertarian Laissez-Faire
CSR Periods						
New Political CSR	<i>Gap: Alternative conceptions of background justice are needed in new political CSR to challenge instrumental CSR, to utilize different political theories and aim towards deliberative democratic conception of CSR</i>				Starting point for deliberative democracy perspectives: New political CSR attempts to go beyond	Political CSR without background justice: Extended corporate citizenship
	<i>Scherer & Palazzo and Moon, Crane, & Matten aim to widen our understanding of political CSR, e.g., through political republicanism.</i>					

CONCLUSION

In this article, we have argued for a wider range of political theories to be utilized in evaluating the political role of the corporation within societies. The key positions and influential works of the three analyzed periods of political CSR—classic, instrumental and new political CSR—are depicted in Table 5 to provide a landscape of the existing debate.

Politically, the most pluralistic CSR discussion revolving around the issues of division of moral labor seems to be what we call classic CSR in the 1950s and the 1970s. In contrast, the dominant instrumental CSR is grounded in a narrower base of political theories. Recently, the promising stream of new political CSR has rapidly expanded. The dominant framing of this discussion by Scherer and Palazzo (2007; 2008; 2011) has inherited the political landscape of instrumental CSR and tries to leave this scene with the help of the Habermasian conception of deliberative democracy in the context of a highly globalized world.

However, this dominant framing of new political CSR seems to face challenges in its attempts to challenge the mainstream economic and instrumental approach to

Table 5: Summary of Key Positions within Political CSR

Political Systems / CSR Periods	Market Socialism	Property-Owning Democracy	Welfare-State Capitalism	Liberal Equality	Classical Liberalism	Libertarian Laissez-Faire
Classic CSR	<i>Not prominent in classic CSR</i>		Evaluation of CSR within different political systems: Bowen, Walters Call for wider CSR within different political systems: Bowen Narrow CSR within welfare-state capitalism: Levitt Examination of the division of responsibilities between public policy and firms: Preston & Post			
Instrumental CSR	<i>Not prominent in instrumental CSR</i>			Narrow CSR: Friedman	Middle ground CSR: Jensen	Wide CSR: Freeman et al.
New Political CSR	<i>Gap: Alternative conceptions of background justice are needed in new political CSR to challenge instrumental CSR, to utilize different political theories and aim towards deliberative democratic conception of CSR</i>			Starting point for deliberative democracy perspectives: New political CSR attempts to go beyond	Political CSR without background justice: Extended corporate citizenship	
<i>Scherer & Palazzo and Moon, Crane & Matten aim to widen our understanding of political CSR, e.g., through political republicanism.</i>						

CSR. Its idea that the main problem of the instrumental CSR paradigm is the strict division of moral labor that does not hold in a highly globalized world leads to a framing of political CSR in the libertarian political position, blurring the traditional boundaries between the political and economic spheres of society. In this libertarian setting, we have political CSR without background justice and an idea of extended corporate citizenship where the major political and socio-economic responsibilities of liberal society are assigned to firms and their stakeholders. This political position of privatized liberalism does not challenge instrumental CSR.

The dominant framing of political CSR contains a significant and inspiring drive towards a conception of CSR based on Habermasian deliberative democracy going beyond the instrumental CSR paradigm. However, from the perspective of a Rawlsian approach to political CSR, the success of this turn requires more focus on the background justice needed for democratic deliberations. A fresh look at classic CSR discussions might help the political CSR discussion to produce politically reasonable alternatives to instrumental CSR conceptions.

In this paper, we have introduced CSR studies to a relevant range of conceptions of background justice from the mainstream Anglo-American political theory. These include liberal equality, welfare-state capitalism, property owning democracy and market socialism. These theories assign the basic structure institutions of society's and business firms' different roles in society, and they can be used in political CSR discussions which aim to explicate reasonable political alternatives to the classical liberal and libertarian systems of division of moral labor.

It seems that without institutionally supported economic justice and institutional design of the basic structures of society (e.g., insulating the political processes from socio-economic inequalities), the instrumental use of bargaining positions too easily trumps the virtues that are constitutive of deliberative democracy (Rawls 1996). Thus, there is a need for basic structure institutions of some kind that do collective responsibility work in order for there to be spheres of democratic deliberation going beyond economic rationality. A contribution of the Rawlsian approach to political CSR is the systematic focus on background justice needed in political CSR discussion.

Based on our analysis, we offer three main suggestions for further research. Firstly, we recommend that the presented alternative political theories and related concepts should be increasingly explored to gain a better understanding of CSR. Each alternative can be seen as a conception of division of moral labor and related background structures and justice. These background structures and justice, especially distributive justice, should not be decoupled from political CSR theorizing. While CSR research seems to commonly assume that we face an either-or choice between background structure and CSR, we can potentially develop theories of stronger background justice combined with relatively wide corporate social responsibilities. Under-utilized political perspectives, especially welfare state capitalism and property owning democracy, offer fruitful avenues for further research.

Secondly, as a way to approach the first suggestion, we suggest that combining key insights from three literatures, CSR, political theories and international business and comparative economics, offers a more in-depth analysis of CSR in different institutional contexts. These are depicted in figure 1.

In this study, similar to Scherer and Palazzo (2007; 2011) and Moon, Crane, and Matten (2005), we examine the interface of CSR literature and political theories. On the other hand, Matten and Moon (2008) and others combine CSR with insights from comparative political economy, more specifically national business systems and institutional perspectives. Indeed, a national business system (Whitley, 1999) and varieties of capitalism (Hall & Soskice, 2001) offer an important way to contextualize CSR. Future research should combine all three perspectives (as indicated by the middle area in figure 1)—CSR, varieties of capitalism, and political theories. Rawls (2001: 134) offers a good starting point for this endeavor. He suggests criteria for evaluation that can be applied to each system or variety of capitalism: Right (whether institutions are right and just), design (whether institutions are effectively designed to realize their aims), compliance (whether actors can be relied on to comply with institutions and rules), and competence (whether tasks assigned to actors are too difficult). While combining the insights from these literatures will be an important theoretical contribution, further empirical studies on interesting contexts, such as

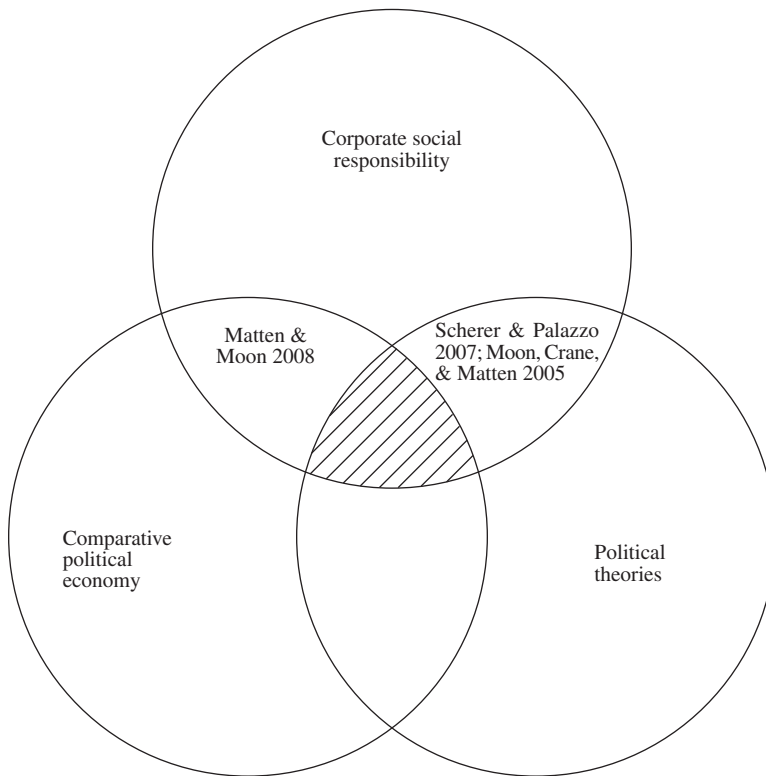


Figure 1: Literatures Contributing to Political CSR

China and transition economies, as well as comparative work across contexts and countries, need to be conducted.

Thirdly, in bringing justice perspectives to political CSR, future research needs to be more nuanced. This can be achieved by addressing some of the limitations of this study. Several key actors and structures have received limited attention in our study. For instance, a variety of civil society and inter-governmental actors should be included in the picture, and the state and international law deserve further attention (Zerk, 2006; McBarnet, 2007; Marens, 2008; Gond, Kang, & Moon, 2011). A clearer distinction between the levels of analysis (including global, national, regional, field or industry, and organizational levels) and the challenges faced at each one would clarify our analysis of political processes and outcomes. A growing number of studies on different governance structures (Ostrom, 1990; Gendron, Lapointe, & Turcotte, 2004; Callon, Lascoumes, & Barthe, 2009) should include evaluations of their implications to justice. Furthermore, unraveling the monolith of CSR and examining each type of responsibility, issue or CSR program separately would give a more accurate description of political considerations. Especially the political and justice related issues within the areas of taxation, ownership structures and related investor activism, and the role of education have not received enough research attention. All in all, future CSR research should examine the potential of alternative political theories in developing a more pluralistic political CSR conception.

NOTES

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1. We use the term “liberal” to refer to the school of thought in political philosophy emphasizing, among other things, the significance of basic rights and liberties of the citizens in a society (Rawls 2007: 10–13). This use of the term is different from everyday political language in the United States, where “liberal” refers to the “leftist” political position.

2. This paper does not address the political views of specific CSR scholars or the field as a whole. Our aim is not to characterize the field of business ethics or CSR scholars as being dominated by libertarians or the political right, but to evaluate some of the underlying assumptions of CSR research.

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