

**Emilio D'Orazio**

## ***Introduction***

The debate on the relationship between business and politics is traditionally based on a model that considers state agencies the only political institutions that directly focus on the well-being of society, while business firms are conceived of as economic actors only. According to this vision the coherent regulatory framework of business behavior in modern societies is made by the law and by moral rules. Current theories of corporate social responsibility are also built on the assumption of a coherent regulatory framework, in which national legislation and values and expectations of social communities define the responsibilities of the firms.

Over the last decade, however, the neat separation between the political and the economic sphere has become hazy. In fact, the process of globalization and the pluralism of modern society has brought the loss of cultural homogeneity and has eroded the national context of governance. In several cases the state system has failed in regulating the economy, dealing with transnational social and environmental problems, providing public goods, administering citizenship rights, and serving the public interest. Under these conditions, multinational corporations as well as civil society groups have started to participate in the formulation and implementation of regulation in policy areas. These areas include the protection of human rights, the implementation of social standards, the preservation of the environment, the struggle against corruption and the production of global public goods. This kind of development shows a shift in global business regulation from a state-centric mode toward new multilateral non-territorial modes, with the inclusion of private and non-governmental institutions as key actors. On the global level, therefore, non-state actors play an active role in what has been called “governance without government”. The result is that some multinational corporations promote positive social change and assume direct political responsibilities traditionally belonged to government, as it is shown by their widespread participation in the UN Global Compact (Rasche and Kell (eds.), 2010).

For this reason, globalization and pluralism need to be embedded in a new concept of the firm as an economic *and* political actor in market societies.

In political philosophy, some scholars have proposed a new analysis of the meaning of responsibility in a global context. According to Iris Young, ‘responsibility’ “says that all who participate by their actions in [structural social] processes that produce

[transnational] injustice share responsibility for remedy” (Young, 2006). The shift from a “liability” to a “social connection” model of responsibility may help to redefine the concept of corporate responsibility and to respond to the challenges of expanding global supply chains.

In social sciences, scholars engaged in a debate on ‘policy networks’, ‘private-public partnerships’ and ‘global governance’ (de Bakker and den Hond, 2008).

In legal studies, some scholars have analyzed the challenge of holding MNCs accountable for being involved in human rights violations abroad and the various forms of ‘soft law’ (Pariotti, 2009; 2011).

In management studies, some scholars have begun to analyze the consequences of globalization on the concept of corporate responsibility and corporate citizenship (Matten and Crane, 2005; Scherer and Palazzo, 2007). Palazzo and Scherer (2006; 2007) have proposed a new theory of “political CSR” or “corporate citizenship”, while Crane, Matten and Moon (2008) have argued that firms should be considered as state-like agencies and not so much as citizens, as firms often adopt a state-like role and protect citizens’ rights in cases where governments are neither able nor willing to perform this function.

Aim of the Forum is to discuss the consequences of a political mandate of the business firm - especially, but not limited to, the context of developing economies -, to analyze the interaction between business firms and other societal actors, to research whether and how voluntary corporate responsibility practices represent a way to fill the governance voids, and to examine the implications for the theory of the firm, being aware that the political nature of firms is highly contested, partly because it challenges existing notions of the role of business in society, but also because of substantial concerns about the implications of this shift for the idea of democratic accountability.

The Forum is organized by the Research Centre Politeia in cooperation with the University of Milan and a Promoting Committee of several well-known Italian companies and organizations. Politeia is responsible for the academic organization and supervision of the Forum, while the Promoting Committee provides the sponsorship of the Forum and participate in the definition of the annual agenda.

The aim of the Politeia Forum is to organize a conference in which managers of national and international companies and experts in business ethics and corporate social responsibility from the most prestigious international research centres will have the opportunity to discuss the emerging ethical issues in the global economic system. By this

way, it aims to contribute to increasing awareness and knowledge among companies about the ethics and social responsibilities of economic organizations, and to contribute to filling the gap between 'practitioners' and 'experts'.