

# Circles of Stakeholders: Exploring different Relationships between Corporations and Civil Society

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Two key elements define the modern-day version of a *socially responsible corporation*:

- Consciously targeting business activities at value creation in three dimensions – Profit, People, Planet – and hence at contributing to society's prosperity in the longer term.
- Maintaining a relationship with the various stakeholders, which is based on transparency and dialogue and which responds to legitimate demands from society.

Of course, both of these elements in themselves represent earlier paradigm shifts in the recent history of corporate social responsibility (CSR): the “stakeholder approach” is associated with the seminal work of Edward Freeman (1984); the “triple bottom line” with that of John Elkington (1997). Against this background it would be reasonable to assume that the analytical distinction between the two elements, and their combination in a dual definition of CSR, reflects today's conventional wisdom. While much of the current literature on CSR indeed embodies such conventional wisdom, we think it calls for a more creative reading. The crux to a proper understanding of CSR lies not in the distinction between the two elements, nor in merely combining them, but rather in the recognition of their intrinsic relationship: a comprehensive approach to value creation crucially depends on effective relationships with stakeholders – and vice versa. This idea of the interconnectedness of value creation and stakeholder relationships underlies what can be called a *relational approach to CSR*.

An important feature of corporation-stakeholder relationships is the level of involvement of stakeholders with corporations and their core business. *Circles of stakeholders* are a good way of representing this feature. NGOs are typically found in the outer circles, where they can be watched closely and kept at a safe distance from the company's core processes. Bringing them inward – developing partnerships between the corporate and the civil sector – can be seen as an emerging strategy for corporations. It helps them to deal with the dynamics and complexities of a globalizing context. Business is more and more conducted on a global scale, and in the volatile world we know today creating value in three dimensions is increasingly characterized by interdependencies and, therefore, by the quality of stakeholder relationships.

Interestingly enough, this strategy of developing partnerships is also a promising approach for NGOs looking to realize *their* objectives in a globalizing world. The capacity to address a myriad of issues that transcend geographic jurisdictions (migration flows, environmental protection, corruption, terrorism, child labour e.t.q.) requires a new kind of governance in which traditional roles and interventions become redefined as partnerships, i.e. strategic

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collaboration between the private, the public and the civil sector. The rise of partnerships deeply affects CSR. It points to a shift from a rather static and corporation-centric idea of CSR to a much more dynamic relational model. This shift is needed to complete the scientific revolution that was proclaimed on behalf of CSR two decades ago by Freeman.

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## **Curriculum Vitae**

Rob Maessen is a policy advisor for sustainable development and environmental affairs with the provincial administration of Noord-Brabant in the Netherlands. Presently he is also working as a senior researcher at Globus, Institute for Globalization and Sustainable Development at Tilburg University. He has a master's degree in psychology and was trained in experimental and cognitive psychology and in the philosophy of science.

He joined the administration of the Province of Noord-Brabant in 1992 and has been involved with a great number of different subjects concerning the environment: projects on waste management policies and the exploitation and aftercare of landfills, on sustainable housing and urbanisation and on nature and environmental education and communication. He was involved with scenario studies for agriculture and with pilot studies on environmental management for SME. In general he has been promoting better relationships with other policy sectors. Over the years Rob has developed an interest in the interplay between public administrations, the corporate sector and civil society at the regional level with respect to sustainable development.

Related to this special interest is his present position as a senior researcher at Globus at the Tilburg University. At Globus he is working on a research project about "Corporate Social Responsibility and the rise of the global civil society" (funded by the Ministry of Economic Affairs). At present he is also acting chairman for the Brabant-European Partnership for Sustainability and involved with the newly created European House on Biodiversity and Sustainability in Tilburg. In that capacity he was responsible for the development of a project proposal by the name of "LIFESCAPE – YOUR LANDSCAPE". This proposal was approved by the Steering Committee of the Interreg IIIB NEW Programme in June 2004 and is awaiting further decisions on funding.

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