

HABILITATION THESIS REVIEWER'S REPORT

Masaryk University	
Faculty	Faculty of Social Studies
Procedure field	Sociology
Applicant	Robert Braun
Applicant's home unit, institution	Institute for Advanced Studies, Vienna
Habilitation thesis	„Corporate Stakeholder Democracy“
Reviewer	Esther Oliver, PhD
Reviewer's home unit, institution	Faculty of Economics and Business University of Barcelona

[Review text]

This thesis's main contribution is clear and relevant as it contributes to define the characteristics of the Corporate Stakeholder Democracy. This contribution is very well-framed in the analysis of the role of corporations on democracies. This work formulates very interesting questions which can lead to relevant contributions to deepen in the democratization of our societies: "how to substantiate and promote more democratic and participatory interaction between the different stakeholders of the corporation" or "how to involve and engage corporate citizens into the decision-making processes of the corporation" (p. 6).

I will start my review with three general comments and after them, this review will provide inputs from the different parts of the thesis. My first general comment refers to the extended and profound knowledge that the applicant very plausibly demonstrates on the different approaches in dealing with the object of the study. From the introduction of the thesis, the applicant clearly demonstrates his wide comprehension of the state of the art and of the different approaches in the academic understanding of CSR. My second general comment refers to two minor formal aspects of the structure of the thesis, as the document does not incorporate any methodological explanation of the process followed to develop the analysis of the previous scientific contributions, as this thesis is a theoretical work. It is also suggested to make more visible the conclusions of the work at the end of the thesis. A third general comment refers to the clarity in the use of the language and in the argumentations, as the thesis is very well-written.

In the introduction is also relevant to mention the purpose to integrate diverse theoretical contributions in the frame of the analysis, such as the theories of discourse of Habermas or the Rawlsian theories of justice (p.5), with the aim of implementing them in the examination of the different forms of operation of corporate policy and in the study of the legitimation's processes and backgrounds of the institutions.

Regarding the structure provided, the first part of the thesis is dedicated to developing the theoretical background, context and processes of corporate social responsibility dealing with issues such as the responsibility and the role of stakeholders. The second part is focused on the study of a new operational logic from the viewpoint of different areas of corporate operation. The third part defines the institutions needed for the creation of the corporate

polity. One original aspect shared in all the parts of the thesis is the inclusion of concrete examples to very well illustrate the relevant concepts of each part, as the Body Shop case, the cases of ecological and social disasters caused by corporations, the case of the General Electric and the issue of human rights, or the Wall-Mart case, among others.

Concerning the first part, it is relevant to mention the clarity and coherent articulation of the different definitions of corporate social responsibility, shifting from the meta (economy/society as a whole) or meso (inter-corporation, governance) level to the individual level, putting the stakeholders at the centre of the understanding of corporate social responsibility. At that level, it is very interesting the recognition of the diversity of identities, values and interests of stakeholders and the integration of this diversity into the operation of the corporations. Other relevant themes are well formulated in this first section, from an historical perspective, such as the moral responsibility of corporations towards the societies in which they operate, contrasting the contributions on this debate from very different positioned scholars such as M. Friedman or Stiglitz. At that point it would be interesting to incorporate the understandings of Amartya Sen on this topic and his clarifications on the Adam Smith's readings.

On the other hand, it is extremely relevant to mention the capacity of the applicant to implement significant concepts on Social Sciences in his analysis of the corporations, such as the authority types of Weber, the Parson's conception of norms for the study of the legitimation processes, the Austin's speech act theory or the risk society from Beck. This analysis is very well framed in a very comprehensive study of the changes in the way corporations operate and in a very-well informed understanding of key issues such as the responsibility's corporations in terms of ecological, social sustainability and sustainable development. In addition, the discussion provided is very in line with the latest developments at the transnational level on relevant topics, such as the UN Millenium Development Goals, clearly showing how "(p)CSR is not an independent and separate territory, but part of a system that fits in organically with the new socio-economic paradigm through the transformation of the politics of corporate level business operations", p. 42. The applicant also demonstrates a profound knowledge of the diverse groups of critics, which contribute to build this thesis as a solid analysis of the possibilities and limitations of the CSR.

As mentioned above, clear advances are formulated alongside the thesis in key concepts which can contribute to deepen in democracy in corporations and in the society. For example, all the discussion about the history of the concept of stakeholders is significant and it is very well formulated to identify those aspects which can contribute to reinforce democracy (strategic communication processes, ways of managing, forms of integrating diverse values and /or interests in the processes of value creation or roles and categories of stakeholders).

Indee, the conceptualization of pCSR based on the concept of deliberative democracy of Habermas is one of the relevant contributions of this work: "in conceptualizing pCSR, corporation engage in public deliberations, collective decisions and joint activities with stakeholders" (p. 87). Indeed, this thesis carefully reflect on the elements from the political stakeholder's theory which favour democratic intra- and inter-corporate political institutions and form a democratic stakeholder community (ie. sharing, commitment and engagement), p. 105.

The second part focused the attention on the way corporations operate and are managed according to different approaches and models and, therefore, concrete, and practical implications of these different perspectives in the functioning and organisation of the corporations are very well articulated and widely discussed. Especially relevant for accomplishing the above-mentioned aims of the thesis are the difficulties identified to facilitate the involvement of the stakeholders in the process of value creation even when the

corporate governance structures and rules increase the participation and diversity of the stakeholders in the strategic governance of the corporation. The thesis formulates ways to overcome these difficulties and limitations, such as reflections on the environmental responsibility of corporations and the way to advance towards an environmental democracy based on a deliberative participatory democracy which require new corporate attitudes, new organisational strategies, and new management decision-making of the corporation. Overall, this second part is very comprehensive and very well structured and articulated, studying in detail and with concrete examples, several aspects which have an influence in the articulation of a more democratic way of operating in corporations (such as marketing, finances or research and innovation)

Finally, in the third part, last reflections on the processes of institutional change are provided. Showing internal coherence in the argumentation alongside the whole document, in this part main concerns are focused on the mechanisms to generate change in institutions or to guarantee stability and constancy and to provide the base for social legitimacy: “thus standards and guidelines bring about the institutionalization of the spaces for public dialogue, as put forward by Habermas, and new modes of social will-forming processes, thereby creating the conditions for legitimacy of social decisions” (p. 239). In its final pages, the thesis very convincingly integrates the most relevant contributions developed alongside the work to concrete ways of engagement and inclusion of stakeholder’s values and interests in the corporations through discursive cooperative processes. Specifically, it is relevant to mention that the need for new discursive political institutions of cooperation, the need of dialogue and the need of new models of legitimate social stakeholder will-forming are highlighted: “The inter-corporate institutions of engagement (...) are as yet imperfect and cannot sufficiently implement stakeholders’ political expectations regarding the creation of an equality-based and influence-free discursive space. Thus, for stakeholder’s engagement to become stakeholder democracy, new corporate institutions must set up” (p. 266). This excellent thesis contributes to the need of more theoretical and practical knowledge in this field, developing the role stakeholders need to have in corporate strategic decision making for deepening in democratic deliberative corporations and in the real implementation of the corporate stakeholder democracy.

Reviewer’s questions for the habilitation thesis defence (number of questions up to the reviewer)

Which are the methodological processes followed to develop this theoretical work? Which would be the most relevant conclusions from the overall work?

Conclusion

The habilitation thesis entitled [“Corporate Stakeholder Democracy”] by [Robert Braun] **fulfils** – requirements expected of a habilitation thesis in the field of Sociology.

Date: 11th September 2021

Signature:

