Corporate democratic nation-building: Reflections on the constructive role of businesses in fostering global democracy

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ABSTRACT

Europe finds itself in a challenging situation dominated by economic and political uncertainty, which has deep ramifications for businesses and society. The Brexit vote for the UK to leave the EU has caused a political crisis, which raises fundamental questions about the founding mission of the EU as a largescale nation-building experiment aiming at promoting democracy, peace and prosperity across Europe through an "ever closer union among the peoples of Europe". This Reflection on Europe argues that Europe needs to establish a new democratic equilibrium and that businesses can play a fundamental constructive role to achieve this new equilibrium by actively designing core internal and external business activities to be conducive to key enabling conditions of democracy.

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1. Introduction

Europe is going through a testing time. The UK's decision to leave the European Union, and, thereby, to unravel some 40 years of ever closer union and integration between the member states, is not just about redefining domestic politics. Brexit has deep international ramifications and puts the entire EU to the test, raising the larger political question about peace and stability in Europe. The ideological backbone of the EU is to end the frequent bloodshed between neighbouring countries across the continent. Since its inception, the EU has played a key role in global politics, historically as a main player in the Cold War and most recently as a highly active global player in the fight against terrorism. A disunited — or disuniting — Europe is a political condition, which too often has fertilized radical ideologies, mobilized alienated and disenfranchised citizens in extreme right- or left-wing movements, and, ultimately, led to unrest and war. A new European equilibrium is not a desirable option: it's a 'sine qua non' for peace and stability.

The aim of this Reflection on Europe is to outline the crucial constructive role that businesses can adopt to foster this new state of democratic equilibrium. This reflection develops a *speculative argument* showing that businesses can have direct impact on a range of enabling conditions for democracy.[1] The argument goes one step further by advancing the controversial view that not only *can* businesses actively contribute to democratic nation-building, but also corporations have non-trivial structural and pragmatic *advantages* that potentially make them better democratic nation-builders than traditional political agents. Although normative in nature, this reflection does not aim to convince the reader of any political approaches or ideas; rather, my hope is to present a provocative argument to spark reflection on a crucial topic that has deep ramifications for businesses and society.

Definitions of nation-building differ and often conflate the distinctions between state-building and nation-building (Fukuyama, 2008). The most influential definitions comprise the following key constructs: nation-building is an interventionist process whereby an external political power interferes militarily in a foreign nation and subsequently implements ambitious systems of economic development while seeking to embed recognized processes of democratic decision-making throughout all political institutions, ultimately aiming at establishing a new political order (Fukuyama, 2008; Mylonas, 2013; Somit & Peterson, 2005). Moreover, nation-building aims to establish a community of shared values, emphasizing the creation of shared belief- and value-sets across diverse cultures and ethnic groups. The end goal is for the newly created and shared value-sets to converge on the foundational values of democracy held by the nation-builders.

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[1] There are many types of democracy (e.g. direct, indirect and representative) and many competing definitions. However, the defining elements across these definitions are that democracy is a form of government where politicians are elected by the majority in a public vote (Goodin, 2009). Also, democracy presupposes the rule of law and transparent, robust processes for democratic decision-making and elections. This paper addresses some of the enabling conditions underpinning the key defining features of all types of democracy.

For the purposes of this reflection, nation-building is the process of designing and implementing activities that have a substantial impact on a range of enabling conditions consciously configured to improve, sustain or introduce clearly defined elements of democracy. This definition is broader than conventional definitions of nation-building in that it emphasizes a dual context of influence: on the one hand, improving and sustaining democratic values and processes, on the other, designing and introducing elements of democracy. The rationale for operating across this twofold context of influence is as follows: first, there is a need to reinforce and stabilize existing democracies enduring periods of political activity that challenges the democratic foundations (e.g. Post-Brexit Europe); second, there is a need to fertilize the global citizen-driven public demand for democratization of non-democratic states (e.g. the Arab Spring). Accordingly, this reflection has a special emphasis on the European context but frequently branches out, putting the discussion into global perspective. These two contexts are intertwined in the overall narrative and they will not be addressed separately.

The controversial idea that businesses can — and perhaps even should — design their commercial operations to be conducive to sustaining or developing democratic systems evolves naturally from the increased focus on their political role. Scherer and Palazzo's (2011) paper "The New Political Role of Business in a Globalized World" provides an excellent overview of this area. Their overarching point is that globalization has created a legal and political void, where businesses are initially operating without being guided by regulatory and legal frameworks, because policies that can realistically be implemented and policed by nation states are limited to a national or *trans*-national scope. To fill the void, businesses have expanded the traditional scope of CSR to involve a political dimension, where corporations are actively involved in the development of a range of self-regulatory measures and systems and effectively become political actors (Rasche, 2015; Scherer, Palazzo, & Matten, 2014).[2] Scholars often refer to this new branch of studies as political CSR (e.g. Westermann-Behaylo, Rehbein, & Fort, 2015).

The argument of this essay is structured as follows. It begins with clarification of why the Brexit vote has triggered a crisis of European democracy, and why this is a genuine concern for business, which should motivate an active interest in corporate democratic nation-building. The main section then argues that businesses can employ democratic nation-building by consciously designing operations that actively reinforce or implement a range of key enabling conditions of democracy. The emphasis is not on the actual, specific measures that businesses can use to promote democracy, but rather the focal point is on clarifying the underlying structural conditions that enable businesses to promote democracy. Put differently, this essay is not about the pragmatics of corporate nation-building, but about the ontological conditions that put businesses in the unprecedented position of state-like actors able to actively promote values and processes that are conducive to democracy. Having discussed the potential for businesses to engage in corporate democratic nation-building, the essay closes with a short ethical remark, addressing whether corporate democratic nation-building is the ultimate form of political manipulation. Critics will object to the very concept of corporate democratic nation-building

as an oxymoron, because the concept seeks to reinforce or introduce political ideas and structures through the exercise of powers that are not politically, let alone democratically, legitimized. On balance, however, the immense opportunity to spread democracy through business activities appears to be an opportunity that we cannot afford to miss.

2. Brexit, democracy and business

Does the Brexit vote constitute a crisis of European democracy? In one sense the answer is: "definitely not". The UK is as democratic as before and one may convincingly submit to the view that the "leave vote" was in fact a spectacular victory of democracy. The UKIP leader Nigel Farage, for example, underscores the Brexit vote as a victory of the little man over big politics and the undue influence of big business. Although one may disagree wildly with the UKIP leader, it is difficult to deny the relevance of this particular observation. According to this political narrative, the underdogs have utilized their democratic rights to create decisive political change. However, while Brexit may be a cause for local celebrations of democracy, it is a democratic catastrophe from a European point of view. This becomes clear by looking into the underpinning conditions that fuelled the Brexit vote.

UK citizens' resistance to the EU can be interpreted as a matter of perceived loss of power. As individual political agents in a democratic system, voters are — and should be — deeply wary of transferring power, money and autonomy to a centralized bureaucracy governed by principles and procedures, which they don't trust and which instils a feeling of disempowerment. As Acemoglu and Robinson (2012) observe, modern welfare state democracy is a subgame perfect equilibrium, which is entirely conditional on citizens' willingness to accept the exercise of political power, which in turn is conditional on voters having political leverage in terms of being able to terminate unwanted politicians through robust election mechanisms. Too many UK voters felt they had lost the sense of being democratically in touch with their EU politicians: no clear route to punishment of unwanted politicians seemed available, creating a feeling of disenfranchisement, resentment and — fundamentally — social injustice. Democratic political equilibria break down when citizens become unwilling to make their "political investments" into shares whose potential performance is impossible to gauge given their dependency on a super-layered bureaucracy, the hyper-complexity of which undermines the political accessibility-relation between politics and the people (Acemoglu & Robinson, 2012). Frankly, for many citizens in the UK, the EU — rightly or wrongly — became an incentive incompatible political investment, because those managing the investment lost the ability to explain in plain language the correlation between personal benefit and political investment. Seen from that perspective, opting out of the EU is a perfectly reasonable strategy. If this analysis is correct, then the Brexit vote has sent the EU into a political crisis, hitting the Union in the core of its political heart: the EU is fundamentally a large-scale democratic nation-building experiment designed to create and sustain peace and stability — and thereby prosperity — in Europe. By the very act of leaving the EU, the UK shakes the political ideology, which forms the bedrock of the Union. Through leaving the Union due to feelings of disenfranchisement, the UK implicitly challenges the EU as a political project having lost its democratic legitimacy and direction.

2.1. The link between democracy and economic growth

Is democracy good for business? A large body of economic and political literature discusses the correlation between democracy and economic growth (see Przeworski & Limongi, 1993; Acemoglu,

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[2] Self-regulatory mechanisms are obviously associated with a potentially strong bias due to the vested interest: businesses have a very direct interest in only developing regulatory measures that are in the best interest of core business priorities. As such, even advanced and robust self-regulatory frameworks, which have incorporated the "arms-length" principle, are frequently subject to criticism because they can never reach the same level of political integrity as independent government regulation.

Naidu, Restrepo, & Robinson, 2014 for an overview of the most important literature). Some, both historically and more recently, find democracy to be a hindrance to economic growth (e.g. Lindblom, 1977; Olson, 1982; Schumpeter, 1943; Wood, 1995). Olson (1982), for example, argues that the power of interest groups in developed democracies impedes growth. A case in point is the large infrastructure projects that may have detrimental impact on the environment and local communities, such as a third runway for Heathrow airport in London. The democracy-motivated need for stakeholder buy-in to obtain political approval slows down the advancement of such projects and may ultimately terminate them. In non-democratic countries like China, a select group of decision-makers can issue instant approval and thereby grant businesses immediate and unhindered access to implement large-scale projects such as building new airports or power plants. This line of reasoning has influenced some thinkers to question the universal desirability of democratic ideas. In his groundbreaking paper, Barro (1996, p. 23) finds that:

> "With respect to the determination of growth, …[there are] favourable effects from maintenance of the rule of law, free markets, small government consumption, and high human capital. Once these kinds of variables and the initial level of GDP are held constant, the overall effect of democracy on growth is weakly negative."

Central to this reflection's ambition of global corporate democratic nation-building, Barro (1996, p. 24) comments critically on the desirability of exporting Western democracy:

The more general conclusion is that the advanced Western countries would contribute more to the welfare of poor nations by exporting their economic systems, notably property rights and free markets, rather than their political systems, which typically developed after reasonable standards of living had been attained. If economic freedom can be established in a poor country, then growth would be encouraged, and the country would tend eventually to become more democratic on its own.

In contrast, there are several studies that find a positive correlation between democracy and economic growth. Persson and Tabellini (2009) make the case for a virtuous cycle where accumulation of physical and democratic capital reinforce each other, increasing overall economic prosperity over time. Papaioannou and Siourounis (2008) demonstrate the small but significant positive impact of democratization on long-term economic growth in countries that replace autocratic rule with democratic political systems. Recently, Acemoglu et al. (2014) conducted possibly the most comprehensive and ambitious investigation yet, demonstrating that democratization can increase GDP per capita by no less than 20% over time.

As a hole, the scientific literature on democracy and economic growth underdetermines the causal relationship between level of democratization and positive economic outputs over time (Feng, 1997). However, having democratic societies as a platform for commercial business is nevertheless a pertinent business interest, because macro-economic instability adversely impacts on business performance and GDP growth (Aisen & Veiga, 2013). Established democracies have a high degree of stability, internally and externally. While some highly entrepreneurial businesses capable of exploiting disruptive business models thrive under high levels of uncertainty, most mature and large businesses need high levels of stability to be successful, as stability is a precondition of long-term strategic planning and economic growth (Aisen & Veiga, 2013). Also, the stability offered by democratic rule curbs corruption, minimizes the risk of monopolization of economic opportunities, and significantly reduces social unrest, thus providing advantageous enabling conditions for commercial growth and long-term profit maximization (Acemoglu & Robinson, 2012).

Two different approaches are now open: if the operating assumption is that democracy reinforces economic growth, then there is a direct interest in sustaining existing conditions of democracy and introducing enabling conditions in non-democratic markets. If, by contrast, the operating condition is that democracy is a political system, which evolves as an emergent condition relative to pre-existing economic growth, then democracy should not be exported or promoted directly: the emphasis should be on exporting economic rather than political systems.

This reflection converges to a synthesizing midpoint between these two approaches: by putting businesses at the core of democratic nation-building the enabling conditions of democracy are reinforced through a range of clearly defined business activities. In this middle ground, the aim is neither to create economic growth to fertilize the introduction of democracy, nor to introduce democracy to create greater prosperity. On the contrary, the idea is that businesses can do both by designing their commercial activities to activate and reinforce clearly defined enabling conditions of democracy. The question whether we should export political or economic systems to developing countries never poses a dilemma as the disjunction between the options collapses: when businesses design their core commercial activities to promote democracy, then the distinction between choosing either economic or political systems as a basis for nation-building becomes redundant because the ultimate political aim is embedded in the commercial enterprise.

3. Corporate democratic nation-building

It is useful to distinguish between internal and external pathways to promote democracy within a business context. Internally, nourishing a sense of community and belongingness within the company and adopting transparent governance and dialogic leadership styles may positively impact on employees, reinforcing or instilling democratic mindsets and pro-democratic dispositional attitudes (Fort & Schipani, 2004; Gastil, 1994; Woods, 2004). Externally, stakeholder involvement in core decision-making regarding developments that may affect the local community or impact on the environment, allows for the wider public to have a say (Fort & Schipani, 2004). From a marketing point of view, my work (Anker, 2014a) analyses how some commercial brands used marketing campaigns to actively engage in promoting democracy, in some cases with a view to fuel pro-democratic political unrest. I have also reported findings from a preliminary study (Anker, 2014b), which demonstrated how brands can design commercial brand building to be conducive to the development of democratic values in different target groups. Both internal and external approaches underpin the following discussion.

The aim of this section is twofold. Firstly, to stimulate scholars and policymakers to think creatively about how societies can harness the immense economic, political and persuasive power of corporations to promote and reinforce key enabling conditions of democracy. Secondly, to justify and substantiate the operating assumption that businesses can not only design commercial activities to promote democracy, but are also, in many respects, in a superior position compared to any traditional polity previously involved in Western-style democratic nation-building.

3.1. Democratic mindsets: creating and reinforcing values of democracy

The branch of marketing known as political marketing has demonstrated how marketing methods can be utilized to promote political ideologies, individual politicians, political parties and

political causes (Ormrod, Henneberg, & O'Shaughnessy, 2013). Businesses have an unprecedented potential to engage mass audiences actively with ideological messages and, thereby, to engage in political marketing with unmatched political reach. The reason being brands carry a semantic charge that can be released with global impact: the language of the logo is instantly recognizable across national and cultural boundaries (Klein, 2000).

In a certain almost absurd sense, the simplified symbolic sign systems of global brands achieve the mythic quest for a universal language[3] through the employment of logos and other brand building blocks. Sound is an interesting example: carefully designed sounds such as the ones indicating that your MacBook is booting up or notifying you of a new email on your iPhone are semantic constructs that communicate across linguistic barriers. Marketing scholars have found brand-related phonetic symbolism to carry unique meaning across languages and thereby constitute a brand building block that unlocks sources of universal meaning (Lowrey & Shrum, 2007; Shrum, Lowrey, Luna, Lerman, & Liu, 2012). Keller (2008) demonstrates a keen sense of how brands can create a global platform through conscious configuration of brand building blocks. This means that businesses are in possession of communicative powers that far outperform those of traditional political entities and movements. If, therefore, this semantically super-charged power is released across global markets to advocate political ideas, it seems reasonable to assume that businesses may be capable of changing mindsets at a global scale and framing political ideas with true global reach.

In a pilot study, I provided early evidence that this may indeed be the case (Anker, 2014b). I identified a set of societal values that are crucial to the development of democratic mindsets and demonstrated how businesses can design and deploy brand building blocks that create positive associations in the customer mindset to these key values of democracy. For example, democracy is founded on a set of individual rights (e.g. freedom of speech, religion and assembly) and responsibilities (e.g. respect for differences in opinion, beliefs and politics) and these rights and responsibilities are grounded in societal values such as 'diversity', 'self-expression', 'inclusion' and 'equality' (Kymlicka, 2002). Corporations can promote democratic mindsets by activating and positively aligning this core set of democratic values with key brand values. In my conference paper (Anker, 2014a), *The Revolutionary Brand!,* I analyzed how three different brands (Vodafone, Coca Cola and Pepsi) aligned themselves with the citizen-driven demand for democracy during the Arab Spring. I identified three different types of brand engagement in radical political change: active incitement to engagement in political activities; fertilization of the idea of radical democratic political change; and positioning and inducement of political beliefs. The most striking example is Vodafone's campaign, *Power to You*, which was launched during the Arab Spring and explicitly encouraged Egyptians to actively protest against the political establishment and demand democratic change (Vodafone, 2011). The official aim of the campaign was "to remind Egyptians how powerful they are" and, effectively, to encourage

political dissent. The central campaign platform was a YouTube video which provided a summary of the entire campaign: the video is a rare piece of social media history where a brand *both* explicitly encourages consumers to engage in radical political activities *and* takes credit for having played a causally instrumental role in fuelling the uprising which led to the fall of Hosni Mubarak.[4]

The question, then, is not so much whether businesses have the capacity and ability to activate and shape democratic mindsets through the deployment of politically charged communicative vehicles. Rather, the question is whether global target groups would be receptive to business-sponsored political messages and engage in sustained political relationships with brands or exit the communicative relationship because of inherent mistrust of global branding.

3.2. Trust and global branding

Reading critiques of global branding (Klein, 2000) and textbooks on business ethics (Crane & Matten, 2007; Fryer, 2015), it may come as a surprise that not all consumers are naturally wary of global brands. However, marketing research demonstrates that consumers display significant levels of trust in brands (BBG, 2015; EE, 2015). Contrasting this against political trust, the question is whether brands are perceived to be more trustworthy than the most powerful politicians: political trust-ratings hit a record low in Western terms during the recent US presidential election with 50% of voters finding Hillary Clinton to be dishonest, compared to 58% for Donald Trump (CFPI, 2016). It is, of course, simplistic to compare trust in brands with political trust, as political and commercial entities traditionally exist in very different types of domains. But since global corporates have already established themselves as political agents (Scherer & Palazzo, 2011; Scherer et al., 2014), the comparison between established political agents (i.e. politicians) and emerging political agents (e.g. corporates) is relevant and necessary.

Trust is an ethically charged relational concept, comprising at least two fundamental elements: a normative and a transactional construct (BBG, 2015). First, as Deutsch (1973) explains in his seminal work on conflict resolution, the foundation of trust between two people requires the attribution of positive intent to another person. Thus, if A trusts B, then A is attributing to B a set of intentions that are incompatible with B wanting to harm or otherwise disadvantage A. This is the normative component of trust. The second and transactional component of trust is much more pragmatic and linked to practice: trust is a sort of promise such that if A trusts B, then A has a strong belief that if B says she will do X, then – all other things equal – B will do X. Trust is thereby conceptually connected to keeping one's promises (Anker, Kappel, & Sandøe, 2012). If the normative relation breaks down, then A is no longer trusting B. However, contingent break down of the instrumental relation are permissible: not delivering on one's promises will only undermine the normative relation of trust if non-delivery becomes the expectation.

Compared to politicians, brands have a non-trivial advantage in trust-building. Both types of agents are building the normative trust relation through sustained delivery of promised courses of actions. Yet, the *type of agency* expected of the *differing agents* is not the same. Brands are by default expected to deliver on promises made regarding products and services; whereas, politicians are expected to deliver on promises of social justice, fairness,

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[3] The dream of a universal language has influenced European thinking since the birth of Western civilization, given that modern European science and philosophy developed out of philosophical theories heavily influenced by Christianity (Kenny, 2010). According to the *Old Testament*, mankind had a shared language until it committed the sin of wanting to reach Heaven through the construction of the Babel tower. God issued a global punishment – which in some sense runs as an undercurrent to all international conflict – by "confusing their [the people of the Earth's] language, so that they will not understand one another's speech" (Genesis, 11). The sudden imposition of different languages made it impossible for humans to complete the Babel tower, because the ensuing confusion meant they could no longer join forces and collaborate across national boundaries to obtain a shared goal.

[4] Vodafone's political campaign has been removed from YouTube due to the controversies it caused and subsequent developments in Egypt. However, the video is still available from Dailymotion's website (see Vodafone, 2011).

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education, safety, infrastructure, health and welfare. This means that it is far more difficult for politicians to deliver on their promises. Brands have a clear advantage in terms of ease of long-term delivery of the pragmatic, transactional dimension of trust necessary to sustain normative trust. This observation holds true for both established democratic markets and non-democratic markets. Markets in developing countries add an additional advantage to businesses' capacity for trust-building. Many global brands invest in developmental projects such as promoting literacy, alleviating homelessness and malnutrition, and fighting public health crises such as HIV/AIDS (Margolis & Walsh, 2003; Rosen et al., 2003; Scherer & Palazzo, 2011). In developing markets where businesses to a large extent supplement or simply constitute the main platform for promoting societal and individual health and welfare, citizens will not just trust the relevant corporations in terms of expected delivery on the instrumental, transactional criterion of trust: rather, citizens depending on the state-like agency of corporations to uphold minimal levels of public goods are likely to perceive these quasi-state commercial actors as giving back more than they could reasonably be expected within a capitalistic logic of markets.

But even in "developed nations" with sophisticated states and, in some cases, with extensive welfare states, corporate trust-building is likely to become increasingly important as a powerful political tool. Brexit is a result of broken political promises where the "return on political investment" was profoundly unclear to the majority of UK voters. The election of Donald Trump as the 45th president of the US expresses a fundamental breakdown of the political promise — not of Barack Obama — but of a political system where disparity of economy and opportunity continues to grow regardless of whether the president is a Democrat or a Republican. Donald Trump may get most things wrong, but on one account his political reading of events was spot on: during his campaign, Trump frequently termed the prospect of him being elected US president as a "Double-Brexit". Brexit and Trump are expressions of the exact same anti-establishment sentiment, engrained in the populace through generally shared feelings of systemic distrust. Global business, by contrast, has by no means failed as an institution; it may have fallen short in an ethical and environmental sense, but not in terms of promise delivery. Consumers have high levels of trust in businesses, and many global brands are among the most trusted in Europe (BBG, 2015; EE, 2015).

Combining the language-crossing global reach of commercial communications with the generally high levels of consumer trust in global brands, corporations constitute an unprecedented propaganda vehicle. Although a speculative, philosophical and interim conclusion, it is difficult to deny that corporations have the potential for very directly impacting on citizens' perceptions of what democracy is and on the values underpinning and facilitating democratic processes and institutions. Contemporary corporations' amalgamation of global communicative reach and high levels of trust implies that commercial businesses have the power to shape democratic mindsets at a global scale.

3.3. Democracy and the politics of recognition

Social marketing is the application of marketing methods and thinking to influence attitudes, perceptions, ideas and behaviours to promote individual, societal and environmental welfare (Dann, 2010). In its most fundamental and simplistic form, social marketing is the application of the 4Ps of marketing — product, price, place and promotion — to influence citizens to change behaviours or to change their perception of themselves, others or the environment. It is a fundamental insight of applying the 4P framework that promotion alone rarely can achieve the goal, be it sales, brand

loyalty or behaviour change in a broader social context. Communication is usually only effective in changing behaviours in tandem with the employment of a range of other marketing tools and techniques. This is a very important insight, which challenges the preceding reflection on the power of businesses to win hearts and minds and promote global democratic mindsets. Influencing people to adopt democratic ideas or, in a broader and looser sense, to simply associate democracy with something positive, is of very little value in and of itself. Mindsets frame the way we think, but they only shape behaviours over time if they are wired to a set of external processes that attach positive social recognition to behaviours that are coherent with the mindset. Deploying its wide-ranging communicative powers to mobilize people to (re)affirm democratic values, businesses can only ever hope to promote democracy in concrete terms if it can influence people to act accordingly. Interestingly, businesses again are in a remarkably strong position compared to traditional political actors, because they have a high degree of control over the conditions under which individual achievement is recognized as socially desirable and praiseworthy.

To unfold the argument, it is necessary to connect to Axel Honneth's philosophy of recognition. In his main work, *The Struggle for Recognition*, Honneth (1995) describes how three principles of social recognition have evolved during history. All societies are thought to develop through these three stages of social recognition. In the first stage, social recognition is ascribed to family units, and individuals receive recognition though their membership of, and place in, a given family structure. Existential meaning is a holistic concept, which develops relative to the internal dynamics of the family. In the second evolutionary stage, social recognition transforms into a legal concept and individuals receive recognition through possession of individual rights such as property rights and rights to freedom of interference by the state. In the final stage, social recognition is attached to recognition of individual achievement. The evolutionary process thus culminates in the individual subject coming to the fore of societal importance: it is through the disciplined development of individual abilities and skilled exploitation of opportunities in the individual's life-world that the subject manifests its willpower to the advancement of subjective and inter-subjective value and, ultimately, receives social recognition. This exercise of individualism presupposes individual legal rights, but the ontological status of recognition is entirely different from the first, family-based stage of recognition: the individual is the unit of recognition. Social recognition is not simply a pat on the back or a momentary feeling of worth and purpose: recognition for individual achievement is the ultimate source of existential meaning and social identity and, as such, is embodied in the human psyche as the central motivation shaping most significant behavioural patterns.

Businesses operating in capitalistic market economies have a central position in the pragmatic ascription of social recognition: we spend an average of 30% of our lives at work and our perception of individual identity, happiness and well-being is strongly correlated with our work-related activities (Warr, 2011). The workplace constitutes one of the key frames of social recognition and construction of personal identity: work is not just a means of making money to sustain one's life, it is an identity-project through which we create and fulfil very significant conditions of existential meaning (Warr, 2011; Whiteford, 2000).

Businesses, thereby, become one of the prime issuers of recognition for individual achievement in contemporary society and, by inference, have considerable influence over the social psychological principle shaping a substantial set of our behaviours.

When businesses become a prime normative agent in the ascription of social recognition, being out of work — or being denied

access to sufficiently meaningful types of work (i.e. occupational deprivation, Whiteford, 2000) — essentially constitutes a negation of the possibility for recognition of individual achievement. In that way being out of work, or being deprived of meaningful work that receives social recognition, is a manifestation of the individual as a non-contributor to society.

This observation is important for two reasons. First, by controlling access to and ascription of social recognition, businesses can directly promote democratic values by explicitly recognizing managers and staff for engaging successfully with work-related activities that are correlated with values underpinning democratic institutions. For example, at a managerial level, by recognizing the adoption of inclusive and consultative styles of leadership (or "democratic rationalities", Woods, 2004) that progress solutions through dialogue rather than directive command (Gastil, 1994); at a staff level, through the positive recognition of behaviours and attitudes which are coherent with and buttress the societal values underpinning democracy, i.e. by recognizing agency that builds a collective ethos of inclusion, respect for difference and diversity, and encouragement of active participation in decision-making.

Second, the power of businesses to control the principle of recognition of individual achievement has potentially a very significant connection to the evolving Western political context. If global businesses working across Europe and the US had given more people access to social recognition by widening access to work, and if they had more directly and consciously introduced leadership programmes designed to foster democracy at work and build up a collective ethos of respect for diversity and social inclusion, then the social undercurrent of political disenfranchisement and anti-establishment that fuelled the Brexit vote and put Trump in the Oval Office might never had happened.

4. Concluding ethical remark

Is corporate democratic nation-building a constructive, albeit controversial, route to promote global democracy? Or is it the ultimate betrayal of the spirit of democracy?

The core ethical problem is that corporate promotion of democracy happens by means of fundamentally un-democratic methods. A clear-cut example is the previously discussed Arab Spring campaign by Vodafone (2011), where the company used its superior communicative powers to motivate people to engage in political unrest to bring about democratic change. In this example the corporation is not only a political actor promoting democracy, it is a polity acting in favour of democracy by non-democratic means. Business leaders are not democratically elected and their engagement in political causes is a result of decisions taken in non-democratic contexts. It may be a democratic decision within the company, but that does not change the fundamental fact that those engaging in the decision-making processes are not democratically elected and represent the narrow interest of profit maximization. It is a defining feature of the capitalistic market economy that businesses are at liberty to define business models and leadership frameworks insofar as they are compliant with legal requirements. As such, corporate democratic nation-building will always be a non-democratic endeavour.

This raises the fundamental ethical question: Should businesses play an active, constructive role in promoting global democracy by reinforcing and inducing democratic values and mindsets? In my view, there are no easy answers. Obviously, the philosophy of democracy grants citizens a global right to freedom from manipulation, which counts heavily against the idea of corporations as democratic nation-builders. Counterbalancing this right, however, is the pragmatic observation that most attempts by traditional state actors to engage in democratic nation-building have failed spectacularly (Iraq and Afghanistan are obvious examples, see Fukuyama, 2008; Somit & Peterson, 2005). Thus, developing a controversial and innovative mix of state and corporate political agency, harnessing global corporations' potential for internal and external promotion of key enabling conditions of democracy, may be our best chance for global democracy, peace and prosperity.

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