Stakeholder Theory,
Society and Social Cohesion

by

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Abstract

Stakeholder theory is a “weak” theory, which suffers from a number of flaws. This article is based on the intuition that many of these problems are linked together, and that they are fundamentally due to the fact that stakeholder theory fails to appreciate the place of civil society as a stakeholder. It starts with an examination of the confusing status of society in stakeholder theory, and suggests that civil society should be on top of the stakeholder list. It then underlines the emergence of a global society, distinct from national societies. An extended classification system is presented, which comprises a binary categorization, an intermediate taxonomy, and a developed typology; this system is illustrated in the form of a mapping. The article then addresses the issue of the theory’s normative underpinnings: the concept of social cohesion is proposed as an alternative justification. The meaning of this concept is specified, and its relevance as a normative foundation is justified. Eventually, this reinterpretation of stakeholder theory, which emphasizes the importance of civil society and social cohesion, provides some rationales for the connection of its empirical and normative streams - thus rendering it more consistent and more robust.
Introduction

Stakeholder theory is affected by numerous shortcomings and imperfections. Among these, the following may be mentioned: the definition of its object is controversial; accordingly, the spectrum of stakeholders and their classification are variable; the question of the balancing of interests between them is a problematic one; the theory lacks a solid normative foundation; and its normative and empirical streams are, to a large extent, separate. Therefore, some authors doubt that stakeholder theory really has the status of a theory; it has been argued that it was merely a research tradition (Treviño and Weaver, 1999).

Stakeholder theory is considered in this article as a genuine theory—though a perfectible one, which may be labeled a “weak” theory. Besides, it is hypothesized that several flaws of this theory stem from the fact that it misjudges the prominence of civil society among all the stakeholders; a reexamination of the place of society is thus a prerequisite for the strengthening of the theory.

The confusing status of society in stakeholder theory

In his landmark book published twenty years ago, Freeman (1984) recounted the origins of the stakeholder concept, which was used for the first time at the Stanford Research Institute in 1963; stakeholders were first defined as:

“those groups without whose support the organization would cease to exist”.

The SRI researchers included shareowners, employees, customers, suppliers, lenders and society in the list of stakeholders. Their argument was that in order to survive, a company needs that its stakeholder groups give their support to its corporate objectives; and in order to formulate suitable objectives, executives need to take the concerns of these stakeholder groups into account.

Freeman then proposed a broader, now classic definition of the stakeholder concept (1984, p.46):

“any group or individual who can affect or is affected by the achievement of the organization’s objectives”.

Twenty years after this founding contribution, the stakeholder literature is now well developed and quite voluminous, fraught with many attempts to define
the stakeholder concept and to lay down the stakeholder list. One of the salient features of this field of research lies in the extraordinary diversity of the viewpoints that have been expressed, and accordingly in the narrowness of the areas of agreement among academics. The level of theoretical integration is low, not only between the three sides - normative, descriptive/empirical and instrumental - of the theory, but even within each of them. For instance, there is no agreement over the frontiers of the stakeholder set, and the spectrum is variable according to the authors, as well as the classification.

It is not surprising, thus, to notice that the place of civil society in stakeholder theory is unclear, ill defined. Depending on the various theorists, the status given to society is imprecise, indeed non-existent. For instance Clarkson (1995), presenting the results of an extended empirical research program based on field studies, established a distinction between primary stakeholders, such as owners, employees, customers, suppliers, and the “public stakeholder group” composed of governments and communities; and secondary stakeholders, namely the media and a wide range of interest groups. Normative approaches, although they insist on firms’ responsibility to act morally towards social groups and communities, are not much more satisfying with respect to the status of society: for example Carroll (1991) includes “the public at large” within the stakeholder list – but the public at large is a vague expression: does it mean nationwide society or something else?

In the stakeholder literature, community is more often quoted than society as one of the numerous groups to which a company is supposed to act responsibly: however the meaning of this notion is hardly more clear than that of society. This term is generally used to indicate the local community surrounding a company’s location, in other words its geographical neighborhood. But some immediate problems arise with this definition: what is the range of this so-called community? Does the term refer to the area around the firm’s headquarters, or to all the areas around all its facilities? In the case of a multinational company, does it apply only in its home country or also in all the other countries where it operates? In their study of corporate community relations, Waddock and Boyle (1995) analyzed the difficulties inherent in the change from managing relations with a single community - namely the headquarters community - to managing relations with multiple communities in the global business environment; the relevant expression then would be “communities as stakeholders”, instead of “community” in the singular.

Other researchers (Tichy, Mc McGill and St. Clair, 1997; Altman, 2000) confirm that community issues are becoming more complex for companies - and executives - confronted with them. However, the meaning of community in the
stakeholder literature is still not fixed, all the more as this term may be used as a synonym for society in English (and in some other languages as well). In their review of existing definitions of community groups, Burton and Dunn (1996/1) pointed out that it was often associated with other notions, such as “general public” or “natural environment”. It may also broaden out to the whole world, thus resulting in a complete muddle.

It would be too long to make an exhaustive inventory of all the existing definitions and approaches of community and society that may be found in this profuse literature. Suffice it to say that an overview of stakeholder theory gives the impression that these concepts are referred to in a confusing way, and that civil society appears as an optional stakeholder. All the typologies or categorization schemes which have been advanced could themselves be split into two groups: those that include society (or a related term), and those that ignore it. In their review of stakeholder definitions, Mitchell, Agle and Wood (1997) highlighted the existence of two types of narrow views: those which identify stakeholders in terms of their moral claims, and those which envision them according to their relevance to the firm’s economic interests. While the former generally permit the inclusion of community and society in the stakeholder list, the latter generally don’t. Alternative binary classifications of stakeholders include the direct/indirect, contractor/non-contractor and voluntary relationship/involuntary relationship splits, among others, but the treatment of civil society in these reflections remains rather uncertain.

This leads to the conclusion that stakeholder theory fails to recognize the importance of civil society and grants it a subordinate, incidental place. But without society, stakeholder theory is incomplete. Civil society is not an optional stakeholder. It is a fundamental stakeholder, indeed the most important of all. Besides, some clarification is needed, in order to differentiate between the level of communities (businesses’ neighborhoods), the level of nationwide civil society, and the level of global society.

Civil society should be on top of the stakeholder list

Civil society is a stakeholder per se, distinct from communities and other specific groups. The only way to get out of the lexical entanglement is to postulate that communities are local, neighboring social groups, within a limited geographic area around a given facility or establishment; in that perspective, other uses of the term are deemed inappropriate. It then becomes possible to define civil society as nationwide society, namely the nation itself, which is the primordial meaning of this term. And this distinction between communities and
society echoes the classic, sociological separation between two levels of sociability: while generic sociability expresses life in society as such, specific sociability permits the constitution of limited social groups.

It may certainly be argued that civil society represents a number of “stakes” with respect to businesses; its demands or concerns are not the same as those held by other particular categories of stakeholders, since they are of a more general nature. Public expectations regarding firms’ responsibility are rising, and companies must now confront generalized societal pressures with respect to a number of issues. For instance, environmental awareness has been growing in developed countries for the last three decades; beyond the fact that environmental issues are consistently brought to the fore by specialized activist groups or NGOs, which constitute another category of stakeholders, the will to safeguard the planet is now widespread throughout civil society.

Another essential concern in developed countries is the rise of social inequalities, which have advanced relentlessly since the 1980s. Most OECD countries have experienced a significant rise in income disparities during the last twenty years. In the United States, despite the low rate of unemployment, about 40 million people live below the threshold of poverty; a new social group has appeared, the so-called “working poor” who have several jobs but can hardly make a living out of it. In the European context, the social divide is nothing less than striking: the European Union counts 50 to 70 million poor according to various estimations, and the poverty phenomenon has become structural. The number of people living with less than half of the medium income has tripled in the United Kingdom in less than twenty years, and represents now nearly a quarter of the population, while during the same period, the higher incomes have doubled. Similarly, almost half of the French population is exposed to a risk of professional precariousness, and 5 million people undergo unemployment or social exclusion.

During the first three decades after World War Two, a consensus has existed over the sense of economic growth, which resulted in an increase of public facilities, material comfort, individual and general welfare. But nowadays, this sense has vanished: the economic system produces more and more inequalities between those who are included and those who are excluded, those who benefit from it and those who don’t. The salaries and other remunerations (stock options, etc.) of top executives in large multinational companies have reached astounding levels, whereas workers and employees with a precarious status are more and more numerous. Growth beneficial to all has been replaced by an increasingly unequal sharing out of wealth, social positions and means of access to citizenship. How can the pursuit of economic development be justified if it
leads to a society which rejects in large numbers those who don’t have the required skills to be part of it?

Businesses are now confronted with this question which stems from the whole civil society. Companies are the main economic and social actors, and their aggregate activities have a tremendous impact on national societies. Being social institutions, they fulfill essential functions: they provide jobs to the greatest part of the labor force; they represent a decisive factor for the creation and the preservation of social ties; their innovations, their strategic choices influence the fate of societies in which they operate. Consequently, they bear a part of the responsibility for the rise of social inequalities described above; to a large extent indeed, these inequalities can be attributed to the development of an employment model based on more and more flexibility, which continuously adds to precariousness. For that reason, and also because large companies have a great social power, civil society expects them to act responsibly in this regard, and to help reduce the social divide. Social responsibility follows from social power: although this argument has already been put forward 30 years ago by Davis (1975) or Bowie (1979), it has gained special relevance in the current context of globalization. From a normative standpoint, it is not possible for stakeholder theory to ignore the phenomena of social inequalities, poverty or social exclusion, and to fail to recognize the expectations of civil society in this regard. Hence, civil society deserves a prominent place in the stakeholder list.

Besides, other stakeholder groups bear societal stakes as well, which means that beyond their differential claims, they also put forward a vision of how companies should act towards society at large. In other words, stakeholder groups such as employees, owners, customers, NGOs, etc., are expecting companies to take into account not only their own claims, but also those of the whole society. In a recent article, Waddock, Bodwell and Graves (2002) advocate that businesses are experiencing strong pressures from several stakeholder groups for accepting greater social responsibility, and that many multinational corporations respond to these pressures by developing total responsibility management systems. For instance, employees are becoming more sensitive to the social responsiveness of companies, and their decisions about where to work, as well as their motivations, rely in part on firms’ ability to acknowledge and manage their responsibility in this regard. Similarly, a growing number of consumers assert that they are ready to pay more for products made in a socially and ecologically responsible manner; they are willing to give sense to their consuming practices, and include ethical value added in their decision criteria. Besides, as far as investors are concerned, the socially responsible investment trend is gathering momentum: the financial community is increasingly aware of the potential benefits - or at least of the absence of extra
risk - inherent in socially screened equities, and shareholder activists push companies to adopt more responsible practices.

All these elements are convergent and suggest that minds are changing: stakeholder groups and civil society exert intense pressures on businesses for a greater integration of the societal dimension - especially the problem of social exclusion - in their decision processes. In Europe and the United States, this evolution has come to the point where the societal concern is spreading throughout the whole economic system: investors, consumers, employees, and all the other types of economic actors are becoming increasingly aware of this dimension. Public perception of the role of businesses in society has changed: more and more people understand that they are at the same time employees, consumers and citizens, which results in a search for coherence between these three roles. The new emerging values are placing societal issues higher on the business agenda. Therefore, civil society is a prominent stakeholder not only in itself, but also because it is in the background of other stakeholders’ claims.

The emergence of global society

Furthermore, it is necessary to differentiate between national societies and global society. The globalization phenomenon currently in progress may be considered from several standpoints, the most usual being the historical, economic, financial, and technological ones; yet the sociological standpoint is interesting too, since this process leads to the constitution of global civic actors.

Of course this global society, which is now emerging, does not express itself through institutional devices such as governments, and there is no such thing yet as a parliament for all the citizens of the world (even though this could happen in the future); but transnational networks and organizations are developing. Two significant examples can be mentioned to exemplify this trend towards the structuring of global actors: the Global Compact launched by Kofi Annan, and the alter-globalization movement. These two examples are quite different by nature, but in both cases, economic or social organizations from all over the planet have freely decided to join a common, self-organized initiative, to share their experiences and to unite their efforts. Many other networks or movements could be quoted, be they willing to change the course of events or not, which plead for the constitution of a worldwide civil society.

Besides, the already noted problem of social inequalities can be transposed on a global scale: today the whole world is affected by a social divide between developed countries (OECD members and some others) and developing
countries, between the North and the South. With a few exceptions, the gap is widening between rich nations and poor nations, and within each nation, be it rich or poor, between the small minority of those who hoard power and wealth and the large minority of the have-nots: this is one of the major issues entailed by the globalization process, and represents one of the main stakes of the coming decades. What is currently being established is a new kind of apartheid on a worldwide scale. This global apartheid does not follow from the existence of inequalities among countries and individuals, since these have always existed and are to some extent unavoidable; it follows from the almost incredible, historically unprecedented magnitude of these inequalities, from their relentless growth, and from the trapping effect that they induce for all the outsiders.

If it is true that companies bear a part of the responsibility for the deepening of social inequalities on a nationwide scale in countries where they operate, then it doesn’t seem unreasonable to argue that multinational companies (MNCs) are at least partly responsible for the emergence of this global apartheid. MNCs’ activities affect a great number of countries: those of the headquarters and research centers, those where the production takes place, those where the goods or services are marketed, those where subcontractors are located... When these large, indeed global companies decide to relocate their plants, facilities or offices in countries with lower labor costs, they necessarily impact on society in both the home and host countries; insofar as many MNCs act likewise and move for example to Mexico or China, the aggregate impact is high. But in their decision process, a large number of MNCs tend to target the countries that present the weakest social laws and requirements; as a result, this kind of competition is pulling all social legislations down, thereby worsening the situation of the poorest and aggravating the social divide. This is not the least concern of the emerging global civic actors, and that is the reason why global society is an important stakeholder for MNCs.

**An extended classification system**

Thus, stakeholder theory ought to be extended, and it seems appropriate to suggest a new, systematic classification of stakeholders, which encompasses global society and distinguishes it from national societies. This classification system is itself declined in three ways: a binary categorization, an intermediate taxonomy, and a developed typology.

As regards the stage of binary categorization, the separation stated earlier between stakeholders as economic interests and stakeholders as moral interests may seem somewhat arbitrary, as it can be argued that all categories of
stakeholders represent a combination of economic and moral interests. Besides, they also represent a social interest, because the way a firm responds (or does not respond) to their concerns and demands yields social repercussions, and their behavior may affect the company’s ability to preserve its license to operate. Consequently, it can be said that all kinds of stakeholders represent a combination of three sorts of interests: economic, social and moral, the proportions of which vary according to each category of stakeholder. The economic interest / moral interest split is not fully satisfying with respect to stakeholder classification, and an alternative scheme is needed.

The binary categorization proposed here differentiates between societal stakeholders on the one hand, and business stakeholders on the other. Stakeholders of the first general category are termed societal rather than social for two reasons: firstly, because they are not limited to social groups or institutions, but extend to national and global civil societies; and secondly, because many of the social groups that are part of this category have stakes which concern the whole society - for instance, environmental activists or the media. Not surprisingly, the other general category is termed business stakeholders because all of its constituents have business relations or interests relating to the concerned organization. Such a clear-cut distinction seems more convincing than many others that have been advanced in the stakeholder literature, since there can be no hesitation: a given stakeholder is either of the societal type, or of the business type, without any ambiguity.

The next stage of this systematic classification is that of intermediate taxonomy: each of the two general categories may in turn be split into three components. Thus, societal stakeholders comprise three intermediate categories: global society, national societies, and social groups or institutions. Similarly, business stakeholders include three kinds of actors: shareholders, internal stakeholders, and external business stakeholders.

Drawing on these two first steps, the last stage of classification consists in a developed typology of the stakeholder spectrum. The main societal stakeholders are: global society, civil societies of the countries where a company is located and/or operates, local communities surrounding its establishments (and those neighboring the establishments of its subcontractors, especially in developing countries), international institutions, governments, activist groups, NGOs, civic associations, and the media. The main business stakeholders are: shareholders, executives and managers, employees and workers, trade unions, customers, suppliers, subcontractors, banks, investors, competitors, and business organizations.
The whole classification system is illustrated in the form of a mapping in the following figure, which represents the complex interplay between the organization and its stakeholders, and between stakeholders themselves. In this regard, the large arrows connecting the two general categories (the “arms” of the chart) suggest that these two universes influence one another, whereas the arrows within each part of the chart illustrate the reciprocal links between the organization and its stakeholders, and between the stakeholders themselves, as it is clear that stakeholder relations go beyond dyadic ties modeled like a bicycle wheel (Rowley, 1997). Consequently, every category of stakeholders is connected with the others, and this mapping tends to confirm that stakeholder theory is related to systems theory – a point already made by Freeman (1984) in his historical overview of the stakeholder concept, after the investigations conducted by Ackoff (1974).
The organization and its stakeholders: a mapping

**Societal stakeholders**

- Global society
- National societies
- Social groups or institutions
- Host countries
- Local communities
- Intl. Institutions, Governments
- Activist groups
- Civic associations
- NGOs, Media, etc.

**Organization**

- Shareholders
- Executives
- Internal stakeholders
- Employees
- Trade unions
- Customers
- Suppliers
- External business stakeholders
- Suppliers
- Banks, Investors
- Competitors, Business organizations, etc.

**Business stakeholders**

- Executives
- Employees
- Trade unions
- Customers
- Suppliers
- Banks, Investors
- Competitors, Business organizations, etc.
Social cohesion as a normative core for stakeholder theory

An overview of the normative stream of stakeholder theory suggests that there is little agreement among scholars over its normative foundation. Several approaches have been advanced in the literature, focusing either on property rights (Donaldson and Preston, 1995) or on the rise of a Kantian capitalism (Evan and Freeman, 1993), developing a feminist interpretation (Wicks, Gilbert and Freeman, 1994; Burton and Dunn, 1996), concentrating on the principle of fairness (Phillips, 1997), or on the common good (Argandoña, 1998). This mere statement of existing approaches obviously demonstrates the wide diversity of standpoints and schools of thoughts that have expressed themselves in this regard, and therefore normative stakeholder theory is somewhat disconcerting.

However, all these interpretations are subject to criticism, mainly because they are not connected to the reality of corporate behavior and stakeholder expectations. The relationship between normative and empirical business ethics is certainly problematic and again researchers are divided over this subject (Weaver and Treviño, 1994; Donaldson, 1994; Werhane, 1994); but to a large extent, it is undeniable that the normative stream of stakeholder theory has developed independently from the descriptive/empirical stream.

The criticism relating to the lack of realism could be rejected by moral philosophers, alleging that the normative dimension of the theory shouldn’t interfere with the realm of experience; but this argument is itself highly questionable, as it leads to unreal philosophy (Victor and Stephens, 1994). The same observation can be made on this position as the French writer Péguy has already made about Kant:

“Kant has pure hands, but he has no hands.”

Put differently, the lack of realism is a classic pitfall in theory elaboration; this does not mean that normative ethical conclusions can be deduced from empirical data; it means, rather, that empirical findings can be incorporated in normative theory building - a path followed by Donaldson and Dunfee (1994) for the elaboration of their integrative social contracts theory. As far as stakeholder theory is concerned, the lack of realism in the definition of its normative core seriously undermines the whole theory and hinders its integration. Existing normative foundations of this theory are not fully satisfying, because they are not rooted in reality; hence, the question of the ultimate moral justification of the theory remains open. As a matter of fact, companies that are striving to manage stakeholder relations, or those engaged in
a sustainable development process, do not respond to their stakeholders’ claims because they assume the latter have property rights, or because they seek fairness or the common good.

From a European point of view, the choice of social cohesion as a normative foundation for stakeholder theory is more satisfying because it corresponds to the objectives pursued by companies. Rather surprisingly, the term social cohesion does not appear in the corporate social responsibility literature, although it is fraught with varied characterizations of corporate actions: whereas many authors deal with corporate community involvement (for example Burke, Logsdon, Mitchell, Reiner and Vogel, 1986), others focus on corporate philanthropy (Smith, 1994) or community development (Somaya, 1996); others still place emphasis on corporate social initiatives (Hess, Rogovsky and Dunfee, 2002) or corporate citizenship (Altman, 1998) – but social cohesion is not mentioned. This may probably be ascribed to the Anglo-Saxon origin of the greatest part of this literature and of the companies it refers to; however in Europe, many companies strive to be more socially responsible, and develop stakeholder relations, with a view to strengthening social cohesion.

European countries at the cutting edge of corporate societal involvement include: France, the United Kingdom, Belgium, Denmark, the Netherlands, Germany, Sweden, Spain and Italy, but significant actions exist throughout the whole European Union. Most of these initiatives in favor of social cohesion started in the mid-1990s, when the social divide began to widen seriously. In 1995 was launched the European Business Network for Social Cohesion, now renamed CSR Europe, a business-driven network whose mission originally was to encourage and help companies to prosper in ways that stimulate job creation, increase employability and prevent social exclusion, thereby contributing to a sustainable economy and a more just society. Marsden and Mohan (1999) have conducted a research on 500 business best practices in Europe, based on the information collected by the network regarding different activities undertaken by 340 companies to promote some aspect of social cohesion. The results show that 74% of these companies concentrate on employability issues, while 26% are involved in other aspects, such as urban regeneration, ethnic diversity, or educational issues. The driving forces behind their engagement are linked to business considerations in almost all cases, and equally split between internal and external motives; these initiatives are generally led in partnership with at least one category of stakeholders, and bring about both business benefits and economic / social integration (of disadvantaged groups, long-term unemployed, young people, etc.) - thereby helping strengthen social cohesion.
According to this European view of businesses’ engagement, it seems appropriate to suggest that social cohesion be a normative justification for stakeholder theory. The concept of social cohesion is not easy to define. This expression primarily refers to society at large within the national framework, and points out the principle which unites its members against all the dislocating forces that may threaten it: precisely, what makes it possible for a given society to exist. Society is more than a mere conglomeration of individuals; this implies the existence of an organic bond between them, of a unifying principle that goes beyond each individual. Society as a whole exists as a distinct reality, not reducible to the sum of its constituents, and differing in its essence from all the peculiar communities that are formed within it.

Besides, the concept of social cohesion also applies at a lower level, that of the community. Historically, the distinction between community and society goes back to the famous book by Ferdinand Tönnies, one of the founding fathers of modern sociology: in *Gemeinschaft und Gesellschaft* (1887), he explored the clash between small-scale communities, based on kinship and neighborhood, and large-scale societies. This theme was also studied by Max Weber a few decades later in his posthumous book *Wirtschaft und Gesellschaft* (1921): in a more analytical way, he underlined that the societal relationship and the community relationship are opposed to one another—since in the first kind of relationship, individuals are linked only by personal and often antagonistic interests, which induces a loss of awareness of everyone’s common belonging to a whole. More recently, Etzioni (1992) argued that society nowadays is neither a *gemeinschaft* nor a *gesellschaft*, but “a mixture of the two sociological conditions”; his vision of a “new community” is intended to balance the need for unity and diversity. But this view is not fully convincing: small-scale communities and nationwide civil society exist at the same time, but they remain clearly distinct from one another; communities are included in society, but the former and the latter cannot be mixed or melted into an intermediate concept.

Social cohesion is all the more difficult to define as its interpretation depends on the sociological and cultural context under consideration. At this point, it is useful to compare two countries with truly different conceptions in this regard, for instance France and the United States.

The French society is characterized by a long-standing republican tradition and an ideal of equality and fraternity. Social cohesion “à la française” is ultimately grounded in the philosophical principles which have inspired the French Revolution and the advent of the Republic; it goes hand in hand with solidarity. This idea of solidarity, which arose during the French Revolution, was the underpinning principle of public policies after the Second World War.
The conception of social cohesion which prevails in France entails a high degree of social mixing, through an integration process spurred on by the State, which results in a strong national consciousness. The French model of society is typically republican; it involves living together, not side by side, and therefore seeks the integration of all within the same group, namely the nation.

In the United States, by contrast, the concept of social cohesion rather points out the ties that may exist within such or such community, and seldom the cohesion of nationwide society: this sense does not correspond to the American socio-cultural environment. The Constitution is the only strongly unifying element of a nation which does not think of itself very much in terms of a united society. The social role of churches should also be emphasized: long-established in the life of their communities, the numerous religious institutions assume missions that the State is not willing to bear. Besides, the American society is also characterized by a strong philanthropic tradition which dates back to the early stages of America’s economic history, and has been maintained ever since by the business world, which gives back to society part of the wealth it has accumulated through its activities.

But these sociological features, in spite of their cohesive effects, have not been able to prevent the phenomenon of social dislocation. As a matter of fact, the American society increasingly looks like a cluster of various communities constituted on the basis of ethnic criteria, social status, age, and other factors; these multiple social groups live separately from each other. The retired people, the wealthy citizens often live in enclosed, protected residential areas, whereas the Blacks, the Asians, the Latinos and all the minorities are confined to urban ghettos, in Los Angeles, New York or elsewhere… This kind of segregation has become widespread in the United States, and this country offers now the most striking example of the disuniting of a democratic and developed nation, with the simultaneous development of vast areas of endemic poverty in the centre of the great cities, and of small islets of abundance on the outskirts.

The American model of society used to be referred to as a melting pot, but this metaphor is certainly challenged by the facts now, since it generates a juxtaposition of numerous, contrasting - sometimes antagonistic - communities. More generally, in the English-speaking countries, the meaning of social cohesion at the national level is not very different from mere social peace, although this generalization is somewhat abusive.

It is more accurate to assert that every nation has its own interpretation of social cohesion, and accordingly its own model of society; in this regard there seems to be nothing but exceptions. However, it is no exaggeration to say that
the issue of social cohesion - at the national level - is important in all European
countries, whatever the way they tackle it; the instruments of integration
policies may differ, but living together is the purpose that is sought after in all
cases. The phrase “social cohesion” is sometimes replaced by other expressions,
that are so to speak functional equivalents; but what is meant beyond the words
always implies a true sense of how a nation holds itself together.

In addition to these two meanings, the societal meaning and the community-
related meaning, the phrase “social cohesion” may also be used in a third, even
broader sense: namely, social cohesion on a worldwide scale, between the
North and the South, between the developed countries and the developing
countries, between the centre of the system and its periphery. Thus, social
cohesion applies at three different levels: the local level (communities), the
national level (countries), and the global level (the whole world). This
distinction between the three levels of social cohesion perfectly fits in with the
intermediate taxonomy of societal stakeholders presented above, which
differentiates between social groups or institutions, national societies, and global
society; furthermore, it also corresponds to the three types of belonging
experienced by all individuals: being part of a social group, of a nation and of
mankind.

Eventually, it is necessary to try and define social cohesion. This notion is
easier to grasp in a negative manner, just like health: when it is firm and solid,
one doesn’t notice its presence, but when it starts to deteriorate, one begins to
pay attention to it. To some extent, the comparison may be exploited further by
considering the social body in the image of the physical body: the
fragmentation of the former corresponds to the ruin of the latter… Thus in a
negative way, social cohesion could be characterized by the absence of social
exclusion. However, this purely negative approach remains rather vague; a
positive approach of the concept is needed, bearing in mind the definitional
problems. Social cohesion is the cement of a country’s national unity; it is what
holds nations together. It may be characterized as follows:

“a state of civil concord, which does not boil down to the absence of violent
conflicts or exclusion phenomena, but implies concern for others, an active will
to maintain social inequalities at a reasonable level, the implementation of
solidarity mechanisms, and provides everyone with the opportunity to blossom.”

This definition is an ambitious one, in particular because concern for others
goes beyond mere respect of others, and solidarity and blossoming exceed by far
the sheer will to live together; nevertheless, far from being definitive, it could
serve as a basis for discussion and for national adaptations.
Conclusion

The thrust of this article is that without civil society, stakeholder theory is incomplete. Therefore, it has endeavored to propose a reinterpretation of the theory, which underlines the importance of civil society and social cohesion. Instead of being considered as an optional, subordinate stakeholder, civil society ought to hold a prominent position in the stakeholder list. Moreover, it is necessary to differentiate between national societies and global society, which is now emerging. Indeed, stakeholder theory cannot ignore the issue of social inequalities and the deepening of the social divide, within and between national societies. An extended classification system has been presented, comprising a binary categorization - with the distinction between societal stakeholders and business stakeholders -, an intermediate taxonomy, and a developed typology.

The article then turned to the normative side of the theory, and advanced the concept of social cohesion as an alternative justification. The meaning of this concept has been discussed; the three levels of social cohesion correspond to the three categories of societal stakeholders presented in the taxonomy. Its relevance as a normative foundation has been justified, especially from a European perspective; indeed, in so far as many European companies act in favor of social cohesion, this interpretation provides some rationales for the connection of the empirical and normative streams of the theory, thus rendering it more coherent and strengthening its very status as a theory. Besides, social cohesion as a normative core may help universalize stakeholder theory, which stems from a peculiar socio-cultural context, namely that of the Anglo-Saxon countries.
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