Associative corporate governance: the steel industry case
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Preface

This thesis examines the corporate governance of multinational corporations and the way corporations take their decisions. The ever-growing impact of the outcome of these decisions has a major effect on the public domain and the future of many citizens. I argue for a radical change in the way multinational corporations prepare these decisions both on a strategic level as well as on a day-to-day operational level. The financial crisis of 2008 underlined the impact of corporate behaviour on politics and public policies and the threat this poses to the democratic process.

Many corporations are aware of this impact. They need a ‘license to produce’ from the society in which they operate. The modern corporate governance concept for testifying this awareness is ‘corporate social responsibility’ or ‘sustainable entrepreneurship’.

However, these concepts do not change the way corporations take their decisions. From a democratic point of view, multinational corporations remain ‘black boxes’ in the surrounding public domain, with many opportunities to transfer their business to other parts of the world whenever they consider the pressure of the labour market or environmental requirements too compelling.

In this thesis, I propose and elaborate on a more democratic governance of corporations as a pre-condition for a real sustainable company policy. I want to show that governance that is more democratic will lead to an increased social embeddedness of multinational corporations and a decrease in the tension between these corporations and their environment.

For two reasons, I have chosen the steel industry as the breeding ground for the new concept of ‘associative corporate governance’. First, I chose the steel industry because this industry stands on the eve of a major internationalisation and a globalisation wave and, second, because it is a labour intensive industry with relatively high investments and long-term thinking.

This thesis matters, politically as described above and socially because the social and economical future of millions of workers worldwide will be under discussion. To try to change the functioning of multinational companies by increased political and financial control from outside, as nowadays proposed by politicians, is looking at these companies from a traditional, unchanged angle. Unchanged because the principle of ‘black box’ and the dogmatic opinion that corporate governance and democracy are incompatible remains unchallenged. I will shift the emphasis and approach the subject from a new angle: a democratic reform of corporate governance. By looking at corporations from this new and different angle, I will ‘let air in from outside’ and will create new insights and ideas, following Isaiah Berlin’s statement that the task of philosophy is ‘to subvert, break through, destroy, liberate, let air
in from outside’ (Berlin 67). Philosophy should be a perpetual search for new answers in new situations.

Associative Corporate Governance can be the next step in industrial democracy as the 21st century representative of industrial democracy ideas and practices as developed during the past two centuries.

A number of people have inspired and assisted me in writing this thesis. I would like to thank Wout Buitelaar for his contribution to the industrial democracy aspects of this thesis. We spent many hours on brainstorming sessions resulting in new and fresh ideas on this issue. I would like to thank Gerard de Vries for his critical and helpful assistance on the philosophical aspects of this thesis. Both spent many hours in reading my work and providing me with constructive and useful feedback. I thank Veit Bader for teaching me the principles of associative democracy and his assistance on the development of the associative corporate governance case.

Of great help were the personal interviews with and feedbacks from former colleagues in the steel industry and a variety of specialists from outside the steel industry, during the period 2006-2010. I want to thank the employees of the Knowledge & Library Services Department of Tata Steel in IJmuiden for their faithful and reliable assistance in finding and supplying relevant articles on my case published within the international steel industry.

Writing this thesis was a long and often difficult project. I want to thank the members of the philosophical ‘Gata Negro’ group for their supportive and stimulating role during the years. Many thanks also to my family for their encouragement, moral support and patience during all phases of the project.

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1 See “List of Personal Interviews”