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CITIZENSHIP IN A GLOBALISED WORLD

(Draft Version)

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Abstract

States are ill equipped to meet the challenges of a globalised world. The concept of citizenship with its rights and obligations, including the allegiance owed, is too narrowly defined to exist only between individuals and a state. Today, people identify with, and pay allegiance to, many organisations beyond the state. This paper suggests that citizenship could be extended further and be possible between individuals and quasi-governmental organisations, as well as non-governmental organisations, such as churches, clubs, interest groups, functional organisations and profit firms. Due to the larger set of types of citizenship individuals could choose from, their preferences would be better fulfilled and, due to the competition for citizens induced among organisations, the efficiency of public activity would be raised.

We live in the age of the market. Whenever an economic or social problem arises, the knee-jerk reaction is to ask for more market via privatisation and deregulation. In contrast, the government is on the defensive. A standard demand is to run the government as efficiently as private firms. Moreover, the globalisation of economic activities undermines many areas in which governments were traditionally active.

At the same time, governments are in many ways as important as they were throughout the 20th century. A large share of GNP is politically allocated, mainly through the government's redistribution. It has been found that privatisation needs governmental re-regulation, globalisation depends on rules enforced by governments, and the development of transition economies urgently requires a well-functioning government.

Government, and public activity in general, is still of overriding importance, but the existing forms of government are ill equipped for the problems of a globalised world. Governments must find new ways to master what lies ahead. New forms have to be found for the relationship between individuals and government, and more generally for the governance of the public sphere. The existing concepts of citizenship were devised in the 19th century in the wake of the French Revolution. Citizens are the subjects of one, and only one, nation. The concept remained unchanged in the 20th century, with partly catastrophic consequences. Nations are responsible for the carnage of the First and Second World War, and have forced their citizens to engage in other unwanted wars (such as Vietnam).

This paper advances proposals for a new concept of citizenship designed to be more adequate for the public sphere in a globalised economy and society. The new concept – it will be called *COM*, which stands for “*Citizenship: Organisational and Marginal*” – will at first sight appear rather unorthodox, if not revolutionary, compared to today's citizenship. It will certainly meet with strong opposition from the politicians in power, as well as marketeers. But the new concept of citizenship contains several features, which in one form or other already exist in reality. The proposal is based on institutional economics and modern political economy, but goes beyond positive analysis; it is clearly normative.

Section I develops the new dimensions of citizenship contained in the proposal. Citizenship is “Organisational” in the sense that individuals may become citizens not only of states but also of other organisations, such as non-governmental institutions, non-profit organisations, and even profit-oriented firms. Citizenship is “Marginal” as it can be held temporarily, may be multiple, and even partial, i.e. restricted to some functions only. Section

II discusses the working of COM in terms of voluntary contracts between individuals and organisations, and the interaction extending to include all dimensions. The advantages of COM, compared to the existing form of citizenship, are outlined in section III. In particular, the more adequate alignment of primary identification and citizenship, and the induced increase in efficiency due to strengthening competition, are pointed out. The claimed shortcomings of the new concept of citizenship are the subject of section IV, among others that it unduly raises complexity, is unfeasible in principle, or will be blocked by political resistance. Concluding remarks are offered in section V.

I NEW DIMENSIONS OF CITIZENSHIP

The concept of citizenship goes back to the city states of ancient Greece. Its modern meaning has been defined as follows by the *Encyclopaedia Britannica*:

“Citizenship is a relationship between an individual and a state in which an individual owes allegiance to that state and is in turn entitled to its protection.”

Three aspects of this definition have to be noted:

(a) The actors involved are the individuals (the citizens) and the *state*;

(b) The citizens have both *rights* and *obligations*. The rights refer to:

- the *civil* sphere, i.e. the citizens are protected against the state by the rule of law (or *Rechtsstaat*) and protected when they are abroad, and they may take residence within the borders of their state;
- the *political* sphere, i.e. the citizens, have the right to vote and to hold public office;
- the *social* sphere, i.e. the citizens are protected against economic hardship within the welfare state.

The obligations consist in military (and increasingly social) service, the payment of taxes and lawful behaviour. The last two obligations even apply when a citizen is outside the borders of his or her state. Thus, for example, handing out bribes, or having sex with (consenting) minors, is not tolerated, even if it is customary in the foreign country a citizen happens to be in. The citizens also have to accept democratic decisions, even when they are not in their best personal interests in a particular matter (see Aristotle, and Rousseau’s *volonté général*).

(c) The *relationship* between an individual and the state goes beyond an exchange of taxes for public services. Rather, the citizen “*owes allegiance*” to the state. The citizens are expected to be public spirited and to exhibit civic virtue. The relationship is thus partly non-functional and resorts to the intrinsic motivation of the citizens [\[1\]](#) and to the community of people who share loyalty and identity (Eriksen and Weigard 2000).

Most individuals are citizens of one nation. Only exceptionally is it possible to be a citizen of more than one nation, but most governments strongly discourage or even forbid it. Some persons feel that they are “citizens of the world”, or at least “citizens of Europe”, but this is no more than a feeling and is of no legal consequence.

The existing rigid concept of citizenship can be opened up to include four major dimensions:

1. Temporary Citizenship

An individual could choose for a predetermined period to become a citizen of a particular nation, for instance because he or she is working and living in the respective country for a specified period. During that time, his or her main preoccupation is with the new country, but thereafter it is of little interest. Therefore, there is little sense in taking up the new citizenship for good, which is the only possibility existing today.

2. Multiple Citizenship

For persons simultaneously working and living in various countries, a good solution might be to split up the citizenship into various parts. If the time and intensity of being in one country is approximately the same as in the other, the split might be fifty-fifty. But if the person mainly lives or works in one country, and is only occasionally in the other, an 80 percent citizenship in the first, and a 20 percent citizenship in the second, might be in order.

3. Partial Citizenship

An individual might be a citizen of a country with respect to one particular function, while being a citizen of another country with respect to other functions.

4. *Citizenship in Various Types of Organisations*

A person need not be a citizen of a nation, but might be a citizen of another organisation. The following possibilities are conceivable:

(a) Levels of Government

Citizenship might refer to the level of the nation – which is the rule – but also to a lower level, such as the region, province or commune (the latter being the case in Switzerland) or to a higher level, such as the European Union.

(b) Governmental Sub-Organisations

Individuals might choose to become a citizen of only part of a government, such as the diplomatic service, the military or the social security administration.

(c) Quasi-Governmental Organisations

There are many organisations close to the public sector in which individuals might become citizens. Universities are such an example. Indeed, the institution of “*Universitätsbürger*” (university citizen) has commonly been used in the German-speaking academic system.

(d) Non-Governmental Organisations (NGOs)

Citizenship in the following types of organisations can well be envisaged:

- Churches, e.g. the Catholic Church (whose high functionaries have indeed a citizenship of their own provided by the Vatican State);
- Clubs, e.g. the Rotary Club, the Boy Scouts or even sport clubs such as Manchester United or FC Barcelona;
- Interest Groups, e.g. trade unions or action groups, such as the World Wildlife Fund, the “*Medecins sans Frontieres*” or the Red Cross.
- Functional Organisations, e.g. ICANN, the “Internet Cooperation for Assigned Names and Numbers”, which is a virtual centre of the Internet, providing web addresses, and the Root Server establishing connections between the different web sites. This dimension of citizenship relates directly to the concept of Functional, Overlapping, Competing Jurisdictions (*FOCJ*, see Frey and Eichenberger 1999).

- Profit-Oriented Firms. Citizens of firms have a special relationship, which goes beyond just being a customer or employee. To be a citizen of a firm is not the same as being a shareholder on the one side, and being a stakeholder on the other side. Shareholders have a decision weight according to the number of shares, while stakeholders have no formal voting right at all. In contrast, each citizen of a firm has one vote according to generally accepted democratic principles. Firm citizenship can well exist jointly with shareholder rights, but their relationship is open and depends on specific circumstances [2].

Management economics has coined the term “*corporate citizenship*” to indicate when employees have an intrinsically motivated relationship with their firm. The concept has been generalised to “*organisational citizenship*” (see e.g. Organ 1990, Van Dyne, Graham and Dienesch 1994). It includes such behaviour as co-operation, supporting superiors and co-workers, enhancing the reputation of the organisation, suggesting improvements, as well as abstaining from harming the organisation e.g. by anti-social, counterproductive, deviant and maladaptive behaviour. There is indeed a special “psychological” contract (see Rousseau 1995) between the employers and employees in the organisation, going beyond short-term egoistic motives.

Individuals might choose to establish citizenship with a national firm (particularly one in which they work themselves) or with an international firm. An example of the latter would be citizenship with VISA or Mastercard, which are well equipped to support citizens in their international travels. Not only can they guarantee the identity of the person, but also his or her financial status, as certified by travel documents or by computerised means.

II THE WORKING OF THE NEW CITIZENSHIP SYSTEM

“Citizenship: Organisational and Marginal” (COM) is based on *voluntary contracts* between the persons aspiring towards citizenship in a particular organisation and the organisation offering the possibility of citizenship. These contracts are necessarily *incomplete* because it is impossible to state all the contingencies the future might bring. The organisation expects a measure of “citizenship” behaviour from their members, where the members abstain from exploiting all short-term advantages. Rather, “citizenship” means that the members exhibit an intrinsically based motivation to support “their”

organisation[3]. The contract specifies the rules governing the relationship and the mutual obligations. This includes the taxes to be paid by the citizens in return for the public services rendered, as well as the political participation rights of the citizens, e.g. the right to elect the organisation's directors and to initiate citizens' initiatives and referenda. Political participation rights will be sought the more intensively by the citizens, the larger is the pure public good part of the public activity provided by an organisation. It is to be expected that the most intensive participation will be sought in the case of governmental organisations, as the very *raison d'être* of the state lies in the provision of public goods (see e.g. Mueller 1989). But it is equally clear that it is not only governments which supply goods and services with public good characteristics, but many other organisations also – including (of course to a more limited extent) profit-oriented firms.

The contracts are also *public* in the sense that a citizen cannot contract for any individual service, as would be possible on a market. Rather, a citizen could participate in the consumption of the pure or impure public goods supplied by the organisation of which he or she is a member. COM thus refers to goods where non-members can be excluded but where the consumption among the citizens has public good characteristics.

As has already become clear, the four aspects of the new concept of citizenship can be – but need not be – combined. This may best be explained by way of an example:

Consider a person who chooses

- (1) for the period of seven years,
- (2) to be a citizen of organisation A, and of organisation B,
- (3) to be a citizen with respect to basic scientific research and development aid,
- (4) organisation A being the University of Zurich and organisation B being the World Wildlife Fund.

Aspects (3) and (4) will often be linked, due to the advantages of specialisation. Presumably, it makes sense to be a citizen of the University of Zurich with respect to basic scientific research, and a citizen of the WWF with respect to environmental affairs. In both cases, the citizens would have

to pay the respective taxes to finance the activities, but would be likely in turn to ask for political participation rights.

III ADVANTAGES OF THE NEW CONCEPT OF CITIZENSHIP

A. Opening Up More Flexible Solutions

The existing concept of citizenship with its in principle immutable, monopolistic and lifelong attachment to one nation in many respects does not fit the requirements of persons acting in a globalised economy and society. This holds in particular for internationally very mobile persons such as managers of global firms (e.g. of IBM or ABB), sportsmen and sportswomen (e.g. formula 1 racing drivers or top tennis players), artists (e.g. opera singers or conductors) or scientists teaching at several universities across continents. But the traditional nationality concept is also inadequate for some ethnicities such as the Sinti and Roma, whose roaming life style is inconsistent with being citizens of one particular nation.

The concept COM opens up several possibilities of overcoming the limitations imposed by unique national citizenship:

- (a) temporary citizenship according to the period of time spent in a particular country;
- (b) multiple citizenship in the various countries, with shares according to the length of time spent in each;
- (c) partial citizenship according to functions, e.g. with respect to international travel with country A, and with respect to state old age pensions with respect to country B;
- (d) citizenship in the organisation or firm one is employed in. The formula 1 racing driver, for instance, may be a citizen of Ferrari instead of keeping his German nationality (a country with which he no longer has a connection) and aspiring to become a citizen of Monaco (to which he is attached mainly, if not exclusively, for tax reasons).

B. Identification

In the 19th and the first part of the 20th century, the major focus of identification of many people *may* have been the nation. This has drastically changed in the second half of the 20th century, but this change has not been acknowledged by adapting the concept of citizenship accordingly. Today, people feel much closer to other types of organisations than to their nations.

Especially among the younger generations, identification with one's nation has appreciably declined.

The concept of COM allows individuals to become citizens of organisations they strongly identify with. They are therefore willing to engage in a relationship in which they not only have rights but also obligations (going beyond the payment of taxes). The following are some examples of non-national citizenship:

(a) A person might identify with a lower level than the national level, in particular a regional level. Pertinent examples are some people from Catalunya who are strongly attached to their language and culture, but do not wish to be nationals of Spain (or of any other nation for that matter). Some individuals might even identify more with their city or commune than with any other governmental level. Accordingly it makes sense that they are able to fulfil their preferences by becoming citizens of the corresponding local jurisdiction.

(b) A person's identification might be with a higher level of government. There are people who feel that they are no longer citizens of their nation but citizens of Europe or of NATO. The concept of COM would allow them to opt for this citizenship without having to wait for a fully-fledged "State of Europe"(which will perhaps never happen). In contrast, those persons who are less taken with the European unification process could keep their national citizenship.

(c) Many academics today have much closer relationships with their peers at universities located in other, often far away, countries than with other persons in the country where they live and work. They might become citizens of their own university or of university systems extending across various nations.

(d) Many individuals closely identify with their religious denomination. The example of the Catholic Church has already been mentioned. Such persons should be able to become citizens of their church; they are prepared to accept the corresponding mutual rights and obligations. Citizenship could also be envisaged for a part of a church. To stay with the example of the Catholic Church: a Cistercian monk, for example, has devoted his life to Christ, represented on earth by his order. He is truly a citizen of the Cistercian order. The traditional concept of citizenship forces him instead to be a citizen of a particular nation, with which he has no practical or spiritual connection.

(e) Sport addicts often identify with “their” club. Pertinent examples are European football clubs. Such persons should have the possibility of becoming citizens of, say, Manchester United or FC Barcelona. As in many previous examples, there is no relationship to a nation. In the case of the FC Barcelona, eight of the eleven top players, as well as the coach, had Dutch nationality. With citizenship, the persons, as well as the clubs, assume rights and obligations. The establishment of citizenship would help to tackle the problem of hooliganism. Today, the clubs are made responsible for any damage done by their fans, even outside of the stadium. It is unclear on what basis the clubs are made responsible, because they do not have any formal relationship with the supporters other than selling them an entry ticket to a game. With COM, the relationship between fans and clubs would be intensified and formalised, and the clubs could therefore require their citizens to behave in an appropriate way.

(f) Many persons feel closely related to an interest or action group in which they (often voluntarily) work and to which they contribute money. The individuals active in “Médecins sans Frontières” and in the Red Cross make a distinct effort to disassociate themselves from any particular nation in order to be able to efficiently carry out their noble tasks. For such persons, it would be advantageous to become a citizen of these organisations (possibly for a restricted time period) rather than to have to hide their nationality. The Red Cross has actually split over this issue. The League of Red Cross Associations is comprised of nationally oriented sections which tend to concentrate on national tasks, and principally care for the wounded and POWs of their own country, which is scarcely compatible with Dunant’s fundamental idea of the Red Cross. The International Committee of the Red Cross endeavours to correct this shortcoming by spanning all countries. In an effort to overcome conflicting national interests, it has been ruled that the members of the ruling body, the Committee, are solely composed of citizens of Switzerland because of it being a neutral country. This construction is awkward: to overcome the strife between nations, one nation is exclusively favoured. While this solution is probably better than having all nations lobbying and using bullying tactics to get seats on the Committee, COM offers a better alternative. The members of the Committee, who must be supposed to be fully engaged in their task, should adopt the citizenship of the Red Cross.

(g) In internationally oriented firms, the nationality of the top managers, as well as of many of the employees, has become irrelevant. An example is the chemical company Roche, whose eight member executive board is

composed of managers of six nationalities, five of whom (also) have Swiss nationality[4]. As nationality is largely irrelevant, and these managers in the course of their careers have been in many different countries, citizenship with the firm would present an attractive alternative to the present national citizenships.

C. Better Preference Fulfilment

COM allows individuals a broader choice. Citizenship would no longer be restricted to one nation, and would not be imposed at birth. Rather, individuals would have the possibility of selecting that form of citizenship that they find most advantageous for their own lives. As has been stressed, this choice is not one-sided. The organisations offering citizenship would impose conditions for membership. In particular, they would stipulate the obligations, such as a specific degree of commitment.

As citizenship would extend to include the four dimensions listed in section I, individuals would be better able to find a citizenship arrangement suitable for them. They would be able to enter a public contract where their likes and dislikes are taken into account. The case of a strong supporter of European integration, who can personally choose to become a citizen of Europe, or the member of an ethnicity who want to associate themselves with their region and opt out of their nation, have already been mentioned. And persons who dislike the nation as an institution could become citizens of non-national organisations, such as NGOs or global firms.

D. Higher Efficiency of Public Activities

Following COM, the state loses the monopoly over a considerable set of activities traditionally considered to be the realm of the government. The nation is exposed to competition from lower and higher levels of government, foreign nations, as well as NGOs and profit-oriented firms. As a result of this larger opportunity set, exit would be facilitated, and all the organisations supplying citizenship would be induced to offer attractive conditions. This contrasts strongly with today's national monopoly, where an individual has a high price to pay when deciding to exit (most nations do not accept, or at least strongly discourage, double citizenship). Efficiency is also increased by the fact that citizenship could flexibly be adjusted to meet the present and still unknown future demand.

IV CLAIMED DISADVANTAGES

Four major arguments may be raised against the new concept of citizenship.

1. Citizenship is not needed.

It could be argued that the concept of citizenship is unnecessary, because an individual can get all the services on the market by private contract.

This argument does not hold, as many of the goods provided by non-governmental organisations including profit-oriented firms, have more or less strong public good characteristics, for which the market does not function sufficiently well. Moreover, citizenship entails more than just buying a good or a service. Citizens must be prepared to commit themselves to the organisation. They cannot behave in a purely selfish way and be solely extrinsically motivated. Rather, they must be prepared to abstain from short-term opportunistic behaviour; they must to some extent be intrinsically motivated. Only then will public activity of sufficient quantity and quality be forthcoming. The experience of the transition economies has made perfectly clear that such moral behaviour is required, even when this does not seem to be the case at first sight.

2. The new concept of citizenship is too complicated.

It might be argued that the transactions cost for the individuals would increase to too high levels when they could choose between many different suppliers of citizenship.

It is certainly true that COM enlarges the possibility set, and in this sense complicates the world. But the extended possibilities of choice just reflect a more complex globalised world. While COM introduces some new evaluation and decision costs, it should not be overlooked that the present monopolistic supply of citizenship also imposes costs – and as has been argued here, these costs may be high and tend to rise sharply with increasing globalisation.

3. The new system of citizenship is infeasible.

It may be argued that the marginalisation of citizenship, and even more so the extension of citizenship to non-governmental organisations, simply does not work.

However, in many important respects, aspects of COM are already in existence. Some examples are:

- (a) Multiple national citizenship exists to a limited extent. But, more importantly, the citizens of federal states are in actual fact, though not always legally, already members of several (governmental) organisations.
- (b) In several countries, foreigners have voting rights on the local level. Thus, the citizens of an EU-nation have the right to vote in the local elections of another EU-country in which they reside (Article 19 (8b) ECT). In this sense, multiple citizenship already exists.
- (c) Diplomats have an international status similar to a citizenship in the diplomatic world, providing them with a number of goods with public good characteristics. A case is immunity which could not be bought on the market.
- (d) The top persons in the Catholic Church, the Pope, the Cardinals and other clerics active in the central administration, have a citizenship of their own, vested in the minute Vatican State.

The COM-system would not require a sudden institutional change. It could be introduced in small steps. The first individuals who would probably take advantage of the new type of citizenship are the internationally very mobile managers, sports people, artists and academics. Persons satisfied with their present national citizenship would not have to take any action.

4. The new system of citizenship will be politically opposed.

Without any doubt, the politicians presently in charge will strongly reject COM because it robs them of an important part of their monopoly power. The same holds for public officials who benefit from the fact that, in many respects, the citizens do not have any alternatives. For example, what can a national citizen do if the public bureaucracy refuses to issue a passport? In many nations, recourse to courts is slow, costly in terms of time and money, or simply ineffective.

COM will also be opposed by persons who, as a matter of principle, want to restrict the term “citizen” to the traditional meaning. It will certainly be difficult for many to modify such a time-honoured concept.

Another group which will oppose COM are the “marketeters”, who want to improve the world by expanding the realm of the price system and pushing

back the state whenever it's even remotely possible. Here the reverse approach is taken: non-market based allegiance and identification with the concept of “citizenship” is expanded to areas beyond the state, including profit-oriented firms.

V. CONCLUSIONS

Citizenship entails a special relationship composed both of rights and obligations going far beyond short-term and egoistic exchanges between individuals and the state. The concept of citizenship has traditionally been reserved exclusively for the state. But states have proved to be unable to meet the challenges of a globalised world. The existing state monopoly of citizenship is too narrow and inefficient and conflicts with the tasks to be solved by public activities. Citizenship, with its rights and obligations, can be marginalised and generalised. In addition to temporary, multiple and partial citizenship, it makes sense to have citizenship in quasi-governmental and non-governmental organisations, including churches, clubs, interest groups, functional organisations and profit-oriented firms. Indeed, the notion of academic, corporate, organisational, industrial and functional citizenship can be observed in one form or another in reality. To extend citizenship to organisations beyond the state increases the choice set of individuals, leading to better preference fulfilment, and establishing more intensive competition between the many organisations able to provide public activities, leading in turn to higher efficiency.

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[1] These aspects are the subject of a large literature mainly in political science, see e.g. Mansbridge 1994, Levi 1988 or Putnam 1995. For contributions in economics, see e.g. Kelman 1987 or Frey 1997. They are also related to social trust, as discussed e.g. in Kramer and Tyler 1995.

[2] Two voting principles can well co-exist. This has been demonstrated by the formal co-determination rights, as they exist in Germany. In that country, in companies exceeding 2,000 employees, the shareholders and the representatives of the employees hold the same number of seats in the Aufsichtsrat, the main decision-making body. This arrangement seems to have worked reasonably well.

[3] As President John F. Kennedy said in his inaugural speech: “Ask not what your country does for you, rather ask what you can do for your country”. But Kennedy restricts such behaviour, and thus citizenship, to the national level. Needless to say, people’s willingness to act in such an altruistic way towards the state has often been exploited by governments. The First World War provides a drastic example, applying to all nations involved in this conflict.

[4] “Demnächst mit verjüngter Konzernspitze”, Neue Zürcher Zeitung, Friday 8 August 2000.