

Stakeholders as Recipients and Co-creators of Justice in Collaborative Business Models for Just Transition

Stakeholders' justice perceptions on the food system transition

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Abstract

Stakeholder involvement is the key in the development of collaborative business models for just and inclusive low-carbon transition. Heading towards just transition and ethical value creation requires embedding stakeholders' perceptions of value and justness in business models. This paper investigates the twin role of stakeholders as recipients and co-creators of distributional, procedural and recognition justice, and capacity building. We provide empirical insights into stakeholders' justice perceptions on food system transition.

Keywords

Just transition, collaborative business model, recipient of justice, co-creator of justice, stakeholder involvement

Introduction

Just (and inclusive) transition¹ refers to collective actions for transition to a post-carbon future in ways that 'leave no-one behind' (Evans & Phelan, 2016; Tribaldos & Kortetmäki, 2022). Hence, just transition can only be achieved through involvement of all stakeholders with diverse perspectives and multiple capacities in the co-creation of justice know-how and ethical value. Collaborative business models (CBM) can contribute to just transition by involving multiple stakeholders with diverse values and consequently CBMs benefit from multiple stakeholder contributions in the value creation process (Jonker et al., 2020). This can enable innovative value creation outcomes and processes fairer to multiple stakeholders at different levels. Moreover, fairness perceptions of the stakeholders concerning the CBM actions can contribute positively or negatively to the value creation process (Bosse et al., 2009) and stakeholders' justice perceptions in business models can be viewed to contribute to just transition. Paloviita and Kortetmäki (2022) argued that integrating the concept of justice into CBM can increase the legitimacy, acceptability and effectiveness of low-carbon transition in the society.

In this paper we bring up how stakeholders of CBMs can be both recipients and enactors of justice in just transition. First, as recipients of justice, relevant stakeholders can include vulnerable groups, the least powerful actors in the value chain or other actors in disadvantaged positions. Second, stakeholders can be seen as co-creators of justice where they can adopt roles such as distribution balancers, capacity builders, claim-makers, and awareness raisers (Kortetmäki & Huttunen 2023). These stakeholders can make decisions with broader impacts and ethical implications, they have power to allocate resources in the value network or they can contribute to fairness in other ways.

This short paper fuses literature on just transition and stakeholder engagement in business models and provides empirical insights into stakeholders' justice perceptions on food system transition in Finland. We draw on the conceptualization of distributive, procedural and recognition justice, and capacity building as four relevant interrelated and irreducible dimensions relevant for just transitions (Tribaldos & Kortetmäki, 2022). The paper contributes to just transition and collaborative business model development by highlighting the twin role of stakeholders as recipients and co-creators of distributional, procedural and recognition justice, and capacity building.

¹ According to the conceptual framework we just, justice includes inclusiveness by definition and the latter term is, hence, redundant in this expression.

Connecting justice dimensions with CBM

While it has been acknowledged that business models can contribute to sustainability transition, this literature has very rarely connected the concept of justice with business models. Collaborative business models, which engage a broader spectrum of stakeholders with different values, could benefit from addressing justice perceptions of different stakeholders. Konietzko et al. (2023) consider justice and fairness as one element in developing regenerative business models. They note that regenerative business models promote justice and fairness at different stakeholder levels, including nonhuman nature, society, customers, partners and suppliers, shareholders and investors, and employees. Paloviita and Kortetmäki (2022) present a just transition tool for CBMs and discuss how it could help to promote more trustful and reciprocal relationships within CBM. They apply the three-dimensional framework of justice, including distributive, procedural and recognition justice, linked to general principles of justice, such as right to vital goods, just supply chains and fair livelihoods, procedural justice, respectful pluralism and esteem recognition, global fairness, ecological integrity, justice to nonhumans and capacities. In this article, we include a fourth dimension, capacity building, that has become considered increasingly central to just transition and brings forward the role of diverse stakeholders as potential justice agents (enactors).

Distributive justice in transitions refers to the fair distribution of benefits (money or other valued goods) and burdens (costs, harms, risks) from the sustainability transition (Tribaldos & Kortetmäki 2022). This leaves open which 'distributables' are relevant for justice and what the fair distribution in each case requires (for example, equitable distribution, meeting needs, or rewarding for contribution). For distributive justice, CBM makes the broader network of benefit/burden recipients visible and improves their possibility to argue which things are relevant for distributively just business models. Classically distributive concerns relate to profit distribution in value chains but go far beyond that and may concern, for example, the access and sharing of data. Hence, distributive justice contributes to CBM through fair distribution and value allocation, and identification of non-financial values.

Procedural justice concerns the fairness of decision-making processes (inclusive processes, opportunities to participate, and the fair consideration of available knowledge) for transition (Tribaldos & Kortetmäki 2022). The classic understanding of justice considered only public institutions as responsible for making decision-processes fair and inclusive. Private sector was, by definition, private and didn't face procedural justice responsibilities. CBM challenges this 'traditional' view that freed private actors from procedural and many other justice responsibilities, joining more recent calls for broader justice responsibilities of private actors (e.g., Mills & Karp 2015; Kortetmäki & Huttunen 2023). There have also been some private organization-types, such as co-ops, that have already adhered to more inclusive decision-making. Overall, procedural justice contributes to CBM through fair and

respectful treatment of stakeholders in value creation processes, less opportunistic use of power and increased trust and reciprocity.

Recognition justice covers issues related to socio-cultural respect for difference and sensitive consideration of differential needs and vulnerabilities in the face of transitions (Tribaldos & Kortetmäki 2022). Recognition discussions are tension-prone for socio-culturally focal issues such as food system transitions (Kaljonen et al. 2021). CBM opens new possibilities for companies to engage in more pluralistic processes of product and value creation. This could be used to foster recognition via more inclusive and difference-sensitive stakeholder relations that are not built primarily on the salience factors of power or urgency (Kortetmäki et al. 2023). In addition, CBM creates a leeway for various interest groups to realize their potential as justice enactors as claim-makers (Kortetmäki & Huttunen 2023) in companies' decision-making processes. In sum, recognition justice contributes to CBM through identification of non-evident (non-visible, vulnerable, excluded) stakeholders and respectful treatment of perception differences of stakeholders.

In this article, we enrich the previously proposed just transition tool conceptualisation and test whether thinking about just transition in CBMs would benefit from including a fourth dimension, capacity building. While the three above-described dimensions of justice comprise the standard understanding of just transition framework, capacity building has become considered increasingly central to just transition and brings forward the role of diverse stakeholders as potential justice agents (enactors), which to us seems valuable for discussing the role of private organizational actors and their stakeholders in just transition. Capacity building in just transitions concerns how un/equally actors are endowed with adaptive and transformative capacities to engage in transition demands. Actors and groups with low capacities are more likely to be burdened more heavily by transition policies or their societal impacts (Tribaldos & Kortetmäki 2022). Unequal capacities increase risks for injustices. CBMs provide a way for strengthening the capacities of those involved in the created collaboration networks. Simultaneously, capacity building for just transitions via CBMs might also entail the imperative to expand the network of involved actors with additional parties, such as NGOs or research group representatives, whose knowledge or resources are considered necessary for capacity building to promote justice. Capacity building contributes to CBM by supporting the more active involvement of various types of stakeholders to value creation in CBMs.

Stakeholders as recipients and co-creators of justice

Including justice and fairness as key considerations for stakeholder management can unlock additional potential and conditions for value creation process (Harrison et al., 2010; Bosse et al., 2009), but can also help to identify potential unfair value creation processes.

Moreover, justice and fairness link CBMs more closely to ethical considerations and ethical contents of business decisions, as the aim is to mitigate unethical behaviour towards stakeholders and promote ethical actions (Freudenreich et al., 2020). Attanasio et al. (2021) identified nine key stakeholder groups relevant for business models, namely entrepreneur, employees, customers, shareholders, government, society, other organizations/competitors, influence groups, universities/research institutes and natural environment (for the need of going beyond 'natural environment' as a unified stakeholder, see Kortetmäki et al. 2023).

Regarding justice, the two basic questions for definition concern the 'what' and 'who' of justice (e.g., Fraser 2007): that is, what issues can create concerns of justice, and among whom are the conditions of in/justice looked at (who can be said to suffer from injustices, who are entitled to enjoy the circumstances of justice, and whose responsibility the promotion of justice is). In CBMs, justice can be promoted with and for stakeholders. The former refers to stakeholders as co-creators of justice and the latter to stakeholders as recipients (or subjects or patients) of justice. This is in line with the study of Freudenreich et al. (2020) distinguishing between the value creation with (co-creators of value) and for stakeholders (recipients of value). This dual role perspective challenges the traditional view that limited the responsibility of business actors for justice to concern only compliance with publicly set regulations and respect for human rights.

Stakeholders who make an active contribution to justice can aim for fairer distribution of benefits and harms, more participatory decision-making processes and more respectful treatment of the various stakeholders and their interests and values. The last aspect, much related to recognition, implies transformative rethinking of stakeholder relations: justice perspective questions the descriptive and instrumental models of stakeholder salience that value powerful and strategically most relevant stakeholders, thus perpetuating power inequalities, cumulation of privilege, and the ignorance of nature as a stakeholder (Kortetmäki et al. 2023). Stakeholders who are perceived to be potentially harmed unjustly or being able to enjoy more just treatment by business actions, the recipients of justice from business actors, should be carefully identified. The injustices in place as well as potential future injustices related to the transition should be specified to see which interests create justice claims and which are other-than-justice related interests: disadvantage as such is not yet synonymous to injustice. Justice is usually understood to imply those aspects of equality that are enjoyed by justice recipients regardless of their different values and conceptions of good life. Nevertheless, various stakeholder recipients can have different understanding of what justice requires or what kinds of measures may promote or hinder justice. Thus, justice created through CBM implies that the outcome is also a matter of balancing stakeholders' justice perceptions.

The view that promoting justice is not merely the task of the public sector makes business actors and their stakeholders as potential co-creators of justice. Promoting justice does not

refer to the promotion of anything that is good or valuable but concerns either supporting the certain circumstances of justice generally or helping protect or fulfill the justice-related entitlements of particular (disadvantaged or vulnerable) justice recipients more specifically. Stakeholders can have different roles in just transition in relation to different justice dimensions. Stakeholders can be understood as the agents of justice, who can be responsible for realizing justice or/and who are not responsible for realizing justice, but are nevertheless committed to doing so (Hickey et al., 2021). Hence, co-creation of justice with stakeholders requires appreciation of the stakeholders' active contributions to justice. Co-creators of distributional justice can function as, for example, transition guarantors, distribution balancers or right protectors (Kortetmäki & Huttunen, 2023). Moreover, co-creators of procedural justice can function as decision preparers whereas co-creators of recognition justice can function as claim-makers and awareness raisers (ibid.). Co-creators as capacity builders, in turn, can include nation state implementing adjustment programs and sub-state public actors with the capability of knowing regional strengths, challenges and vulnerabilities (ibid.) For just transition, the role of government and society is important, as CBMs need supportive regulative, financial and technical environment and governance frameworks (Hiteva and Sovacool, 2017).

Illustration of stakeholders as recipients and co-creators of justice in the food system transition

Our illustrative empirical study aims to shed light on the stakeholders as recipients and co-creators of justice in potential CBMs, that align with public sector interests. Stakeholders' justice perceptions were obtained through thirteen focus group discussions with the stakeholders of food system transition in Finland. Discussions focused on the major food system transition pathways in Finland, including land use change (focus on peatlands), dietary change (promotion of more plant-based diets) and technological change (food technology and agricultural technology). The discussions centered around the fairness of public policies and private actions towards food system transition.

The main criterion for inviting the participants to the discussions was their participation in food system activities and their role as an enactor or recipient of justice in the food system transitions. Stakeholders represented wide spectrum of representatives from administration, agriculture, food industry, food services, retail, NGOs and interest groups. We identified the justice issues raised by the participants and categorized them under four justice principles. Furthermore, we identified the recipients and co-creators of justice associated to the various justice issues. In an ideal CBM for transition, public and private actors collaborate to solve societal problems, which serves the collective interest (Klievink et al., 2016). In table 1, we provide examples of recipients and co-creators of justice according to four justice dimensions, based on the justice perceptions derived from

discussions. Although the interpretation of justice can make it challenging to actually create a form of justice that would appear as fully just to all stakeholders, our framework can facilitate a more equal distribution of value among stakeholders, a more equal participation in the value creation process, a holistic recognition of stakeholders’ values and building stakeholders’ capacities.

Participants identified farmers, startup entrepreneurs and consumers as the major recipients of justice in the food system transition. In Finland, emissions from the peatlands are the main source of greenhouse gas emissions. Hence, farmers who own and cultivate peatlands, are especially vulnerable to climate policies. In addition, meat and dairy producers were perceived as losers in the dietary transition towards more plant-based diets. Participants called for distributional justice towards active farmers producing food instead of subsidizing passive farmers with little contribution to food production. In technological transition, not all farmers are in equal position due to different market know-how, digital skills and financial resources. Startup entrepreneurs operating in niches were perceived as recipients of justice in terms of support for commercialization process over the “valley of death” as well as legislative support in applying novel food permits. Consumers were perceived as recipients of distributive justice especially in the context of affordability of new food products to low-income households. Capacities-related justice was called for consumers through the provision of comparable and valid information about the environmental and health impacts of the food products. In addition, many participants emphasized consumer-orientation in the product development processes.

Dimension of justice	Stakeholder’s role in just transition	Example in the food system context
Distributive	Recipient	Providing fair price to farmers for the products they produce
	Co-creator	Subsidy providers treating producers of different protein sources with different production methods equally
Recognition	Recipient	Anticipating startup entrepreneurs’ and family farmers particularly great vulnerability to burnout Avoiding blaming of farmers or consumers for climate change
	Co-creator	Media promoting the respectful and solution-oriented public discourse on dietary transition instead of polarization

Procedural	Recipient	Consumer involvement as a criterion in the EU-level R&D funding for food products
	Co-creator	R&D organizations providing accurate information to policy-makers
Capacities	Recipient	Supporting startups in the commercialization process and in legislative processes that can be disproportionately burdening and difficult to small companies
	Co-creator	Retailers supporting consumers to increase the use of plant-based food and knowledge on plant-based eating

Table 1. Examples of stakeholders as recipients and co-creators of justice in relation to dimensions of justice.

Participants identified various public and private sector actors as co-creators of justice in the food system transition. Identified private sector actors included food industry, food services, marketers, and retailers. Food industry can educate their suppliers, e.g. farmers, to enhance their transition capacities for climate action. Food services, including private and public, can educate consumers by providing healthy and sustainable meals in affordable price. Similarly, retailers can educate consumers by providing healthy and sustainable food products in affordable price. Marketers, in turn, could serve more societal goals in their marketing practices. Identified public sector stakeholders as co-creators of justice included various authorities, state, and subsidy-providers. The role of the EU and national states in introducing just legislation and policies were emphasized by the participants. Subsidy-providers, in turn, need to find just balance in subsidizing different modes of food production. Other identified co-creators of justice included R&D organizations, investors, and media. Universities and research organizations were perceived as important stakeholders in promoting procedural justice and capacities. Collaboration of public sector investors and private funds was seen as a prerequisite of just transition. Media, in turn, can increase the climate change and healthy diet awareness of citizens.

Discussion and conclusion

This article contributes to new business model research by applying a theoretical framework of just transition and a stakeholder theory perspective in a CBM. This study highlights mutual stakeholder relationships in which stakeholders are both recipients and co-creators of distributional, recognition, procedural and capacities -related aspects of justice, although not in symmetrical ways: some stakeholders can sometimes be only

receiving or only co-creating justice. This study will facilitate ethical value creation in CBMs by offering additional clarity in terms of what justice is created with and for whom. Due to the plurality of views among stakeholders on values that are relevant for collective value creation, CBMs also need to embrace different perspectives of different stakeholders to reach a collective perspective on the fair distribution, recognitive practices, procedures and relevant capacities.

Strengthening the link between CBM and ethical value creation with and for stakeholders can accelerate low-carbon transition by facilitating trustful and reciprocal relationships between stakeholders. Our illustrative case of food system transition highlights the diversity of justice claims and perceptions, the diversity of recipients and co-creators of justice, and the relevance of capacity building as an analytically separate dimension of justice in describing the functions of different stakeholders in promoting just transition. As this is an exploratory study, deeper scrutiny is needed to analyze the stakeholder roles and responsibilities in just transition in-depth. Especially re-consideration of justice recipients as potentially active justice agents rather than mere passive beneficiaries could be useful (see also Frame and Brown, 2008). An agency-centered approach, in turn, would benefit from exploring the justice dimension related to capacities of individuals, groups and communities. For example, farmers as producers of food and consumers at the other end of the value chain could have more active role in just transition by enhancing their capacities to cope and respond to transition challenges.

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