



Institute for Business Ethics

University of St. Gallen



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"Corporations and Global Justice:
Should Multinational Corporations be Agents of Justice?"

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Waiting for the Mountain to Move: The Role of Multinational Corporations in the Quest for Global Justice

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Moving beyond CSR...

To become agents of justice, companies need to move beyond CSR; the justice perspective is more fundamental and more demanding than what we commonly understand as CSR



The Justice Perspective

John Stuart Mill: Justice is “the chief part, and incomparably the most sacred and binding part of all morality”

The domain of justice

- What we owe to each other
- What is *owed*, can be *claimed*: rights and obligations
 - ≠ realm of virtue, beneficence, supererogation
- Presumption of impartiality and basic equality
- “Minimal justice”: human rights (obligations)

Institutional focus of justice

- Rawls: Justice refers to basic structure of society
- Political constitution and the principal economic and social arrangements (major social institutions)



The Case for Global Justice

“Injustice anywhere is a violation of justice everywhere.”
(Martin Luther King)

Globalization of justice

- Unconditional argument:
 - To regard people as moral equals *“is to treat nationality, ethnicity, religion, class, race and gender as ‘morally irrelevant’ – as irrelevant to that equal standing”* (Martha Nussbaum)
 - I.e. any assault threatens to undermine the foundation of justice
- Conditional argument:
 - Globalization of basic structure calls for globalization of justice



Objections to Global Justice: Compatriot Favoritism

Definition

- Boundaries of state (statism) or nation (nationalism) limit moral obligation
- I.e. not against universal principles, but against transnational obligations

Foundations and Critique

- Based on national identity
 - Critique: Incongruence of state/nation boundaries; multiple identities
- Based on special relationships (similar to family)
 - Critique: intimacy of relationships rarely given for compatriots
- Based on citizenship (shared political and cooperative order)
 - Critique: **Result** of given state boundaries. I.e. logical fallacy.



Objections to Global Justice: Psychological Limits

Rationale

- Limit to our natural capacity of loyalty, trust, and empathy

Critique

- Emphasizes importance of global justice!
- Hardly coincide with national boundaries (e.g. Liechtenstein vs. China)
- Moral sentiments *and* moral reason: reason must complement sentiments (rather than being limited by them).



Agents of Global Justice

Agents of justice...

- ...make a positive contribution to justice
 - ...advance and promote justice; they do not merely avoid being unjust
- ...are motivated by a sense of obligation rather than self-interest
 - ...have a genuine interest to change the world for the sake of justice
- ...aim at lasting structural change
 - ...are not content with isolated acts of beneficence

Wide and narrow definition

- **Agents of justice in a wide sense** (secondary agents): help maintain a just order
- **Agents of justice in a narrow sense** (primary agents): transform institutional structures toward more justice → political actors



Should Corporations Be (Primary) Agents of Global Justice?

Traditional view

- States primary agents, corporations secondary agents
- Distinction becomes obsolete in global context

Power, influence, and justice

- Influence on institutional structure is uncontested
- «Agents of change», «drivers of globalization», etc
- I.e. call to act as agents of justice (rather than injustice) seems plausible

Obligations of justice

- Responsible use of leverage to improve institutional order
- Obligations of justice = political responsibilities



Are Corporations (Primary) Agents of Global Justice?

(1) Conceptual basis of CSR: initiatives fall short of justice perspective

(2) Impact of CSR: limited impact of CSR standards

- on global institutional structure
- on business behavior

(3) Content of CSR: Standards rarely include political dimension



(1) Conceptual Basis

Perspective of CSR		Perspective of justice
Voluntary	vs	Owed
Win-win (shared benefit)	vs	Unconditional minimum
Avoidance of harm in core business	vs	Advancement of justice beyond core business
Economic/social role of company	vs	Political role of company

- Even social enterprise reinforces apolitical role of company; not aimed at institutional structure



(2) Impact of CSR

Impact on global institutional structure

- E.g. UN Global Compact
 - ~8000 companies
 - ~30% non-communicating
- E.g. GRI
 - ~4900 organizations
- Many of them are the same
- Compared to 80'000 transnational companies

Impact on business behavior

- Static assessment: low entry barriers
- Dynamic assessment: Significant improvement in the last 12 years?
 - Especially: beyond the handful of champions?



(3) Content of CSR

Global standards and political responsibility

- Most standards lack political dimension
 - E.g. requirements regarding lobbying behavior
 - E.g. political negotiation with host states
 - E.g. (responsible) use of leverage over other actors (including host and home states)

Two exceptions

- Addendum to Sullivan Principles in 1984
- Global Network Initiative



The Sullivan Principles

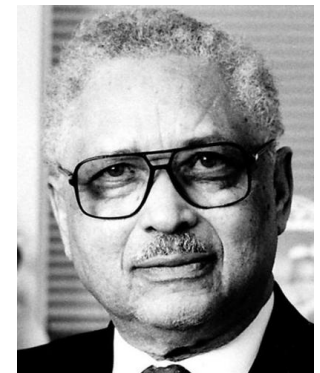
The Sullivan Principles of 1977:

- 1) Non-segregation of the races in all eating, comfort, and work facilities.
- 2) Equal and fair employment practices for all employees.
- 3) Equal pay for all employees doing equal or comparable work for the same period of time.
- 4) Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other nonwhites for supervisory, administrative, clerical, and technical jobs.
- 5) Increasing the number of blacks and other nonwhites in management and supervisory positions
- 6) Improving the quality of life for blacks and other nonwhites outside the work environment in such areas as housing, transportation, school, recreation, and health facilities.
- 7) Working to eliminate laws and customs that impede social, economic, and political justice. (Added in 1984.)**



Background

- Reverend Leon Sullivan, Baptist minister, board of directors GM
- 1977: Six principles called for desegregation of the workplace
- 1984: Additional principle called for dismantling apartheid laws
- 1987: Call for withdrawal





Sullivan Principles

Aim of the Sullivan Principles

- Without precedent: “Eliminate laws and customs that impede social, economic, and political justice”

*“Starting with the work place, I tightened the screws step by step and raised the bar step by step. Eventually I got to the point where I said that companies **must practice corporate civil disobedience** against the laws and I threatened South Africa and said in two years Mandela must be freed, **apartheid must end**, and blacks must vote **or else I'll bring every American company I can out of South Africa**” (Leon Sullivan)*

*“Simply **refusing to follow the apartheid laws was not sufficient** justification for remaining in South Africa....To offset the indirect support the companies gave the government, they had to take active steps to **undermine the government's unethical practices and laws. Passive resistance was not enough**; they had to be proactive in their approach, including promoting actions opposed to apartheid, **pressuring the government to change its practices**, publicizing their opposition to it, and supporting sanctions and other external attempts to influence the government to change.” (Richard DeGeorge 2010).*



Today's Perspective on The Sullivan Principles

General Context

- Overarching importance of South African experience for human rights and global justice movement

Looking Back

- Back then: controversy over corporate civil disobedience and use of corporate influence
- Today: controversy has shifted to questions about impact; companies that remained passive are now condemned for their complicity

Overall Assessment:

- Corporate influence did not bring the apartheid regime down, but it was an important piece of the puzzle (in terms of symbolism as well as impact).
- De George (2010: 420): *“The South African experience is...one of the clearest examples of the importance and possibility of joint corporate action.”*



Global Network Initiative

Context and Aim

- Global multi-stakeholder initiative aimed at *“protecting and advancing the rights to privacy and freedom of expression”* within and through the ICT sector → i.e. beyond “do no harm”!
- *“All over the world ... companies in the Information & Communications Technology (ICT) sector face increasing government pressure to comply with domestic laws and policies in ways that may conflict with the internationally recognized human rights of freedom of expression and privacy.”*
- *“Engage in public policy as part of a diverse coalition”, “demonstrate leadership in a critical area of social policy”*
- Members: Google, Microsoft, Yahoo!, human rights institutions, academic institutions

Global Network Initiative

Protecting and Advancing Freedom of Expression and Privacy in Information and Communications Technologies





Global Network Initiative

Political Responsibility

- Principle 5 (Multi-Stakeholder Collaboration): *Individually and collectively, participants will **engage governments and international institutions** to promote the rule of law and the adoption of laws, policies and practices that protect, respect and fulfill freedom of expression and privacy*

Litmus Test: China

- Google's confrontation with Chinese government in 2009
- Where were Yahoo! and Microsoft?

Global Network Initiative

Protecting and Advancing Freedom of Expression and Privacy in Information and Communications Technologies





Conclusion: Waiting for the Mountain to Move

Room for improvement

- Political dimension underemphasized
- Most CSR standards provide little guidance for political involvement

A light at the end of the tunnel?

- UN Guiding Principles and leverage-based responsibility
- Corporate advocacy for social and environmental
 - E.g. Copenhagen Communiqué
 - GBCHealth and the repeal of the US HIV travel ban;
Now: targeting 45 countries worldwide



Only business has the collective clout to stop unjust HIV travel bans.

As we approach the 25th World AIDS Day, it is hard to believe that 45 countries still impose travel restrictions based on HIV status. These obsolete laws are holdovers from the 1980s, when ignorance, prejudice and fear surrounded HIV transmission. They are unnecessary and unjust, but also unwise. HIV travel laws impede commerce, making them bad for humanity and for the bottom line. To end such backward policies once and for all, we are asking CEOs in the global business community to take a stand and call on countries to end these restrictions. The leaders of the companies below have already done so. Contact GBCHealth today and add your name to the list. Let the world know that these archaic laws should be sent packing.

To get your company involved, visit gbchealth.org.



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