

This issue is in memory of Luca Savoja

Introduction

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This special issue of *Politeia*, devoted to “Corporations and Global Justice: Should Multinational Corporations Be Agents of Justice?”, contains the papers delivered at the Ninth Politeia Forum on Business Ethics and Corporate Social Responsibility in a Global Economy, held on 14 December 2012 in Milano, Italy. In addition, other relevant essays are included. The Forum was organized by the Research Centre Politeia, in partnership with the Department of Political and Social Sciences of the University of Milano, the Institute of Ethics of the Dublin City University and the Global Compact Network Italy, and with the support of the Promoting Committee, composed of several well-known Italian companies and organizations.

The publication of this issue is particularly important for Politeia, because it sees the light in the 30th year since its foundation and it witnesses the success and the consolidation of the Forum over time. The Forum is a reference point in the community of scholars and practitioners in the field of business ethics and CSR: from 2004 onward, some of the most important scholars and experts in in this fields worldwide have offered a contribution of knowledge and experience to an international public, discussing a number of vital themes related to the ethical challenges emerging in the global economic system¹. The series of special issues of *Politeia*² is a valuable tool for all those who work in the field. Moreover, the series is thought as a further contribution to the fulfillment of the main aims of the Forum: those of providing the theoretical support necessary for the programmes on ethics emerging in an ever increasing number of companies, and of raising the awareness of companies on their ethical and social responsibilities, through an approach meant to fill the gap between ‘experts’ and ‘practitioners’.

The Ninth edition of the Forum is in continuity with the Seventh (Milano, May 2011) and the Eighth (Milano, December 2011), respectively on “The Corporation as a Political Actor: A New Role of Business in a Global Society”, and on “Business and Human Rights: in Search of Accountability”. The Seventh edition focused on how, in a globalized world, transnational corporations and NGOs play an increasingly active role in the formulation and implementation of regulation in policy areas such as the protection of human rights, the implementation of social standards, the preservation of the environment, the struggle against corruption, and the production of global public goods: this trend results in the promotion of positive social changes and thus in the assumption of direct *political* responsibilities which traditionally belonged to governments (Crane, 2011; Palazzo, 2011). The Eighth edition developed the theme

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of the new role of business in a global society, by analyzing in particular the impact of business activities on human rights. The debate on the legal and ethical responsibility of multinational enterprises to respect human rights is one of the most significant recent developments in the field of business ethics, mostly thanks to the research carried out by the ‘Special Representative of the UN Secretary General on the issue of human rights and transnational corporations and other business enterprises’, John Ruggie. In June 2011, he concluded his mandate with the publication of the *Guiding Principles*, which are based on the conceptual groundwork of the *Protect, Respect and Remedy Framework on Human Rights and Business* and are meant to implement it, thus fulfilling the need of practical guidance much felt by transnational corporations which are pressured to uphold human rights in countries where the rule of law is weak and abuses are commonplace.

The aim of the Ninth edition of the Forum was to contribute to the international debate on the grounds and scope of the duties of MNCs, by framing the role of MNCs in the quest for global justice. In political philosophy, the question of global justice concerns “the just redistribution of global resources and the legitimacy of the global institutional order in light of global poverty” (Arnold, 2013: 127; Pogge, 2010). The demands of global justice traditionally concern the duties of states and of their citizens; however, today there is a debate on whether such demands concern MNCs as well. While it is widely recognised that the latter have the negative duty not to engage in harmful activities, it is less clear whether, and to what extent, they have the positive duty to remedy global injustices. Philosopher Onora O’Neill suggested a distinction between *primary agents of justice*, which have the “capacities to determine how principles of justice are to be institutionalised within a certain domain”, and *secondary agents of justice*, which are “thought to contribute to justice mainly by meeting the demands of primary agents, most evidently by conforming to any legal requirements they establish” (O’Neill, 2001: 189). According to this distinction, primary agents of justice are represented by states, and MNCs should be considered as secondary agents of justice. However, this distinction can work only under ideal conditions, that is, when states are capable of bringing about and maintaining justice. In the case of non-ideal conditions, when weak or failed states are unable to advance justice, this distinction blurs: according to O’Neill, in these circumstances MNCs could act as primary agents of global justice.

Notwithstanding the criticism against the idea that corporations bear the responsibility to contribute to the realization of justice, many theories in favour of it have been put forward. Among these, the “social connection model” suggested by the philosopher Iris M. Young (2008) is one of the most influential, having spurred the birth of the field of research in corporate responsibility known as “political CSR” (Scherer & Palazzo, 2007; Palazzo, 2011) or “corporate citizenship” (Crane, Matten, Moon, 2008; Crane, 2011). According to the social connection model of responsibility, “all agents who contribute by their actions to the structural processes that produce injustice have responsibility to work to remedy these injustices” (Young, 2008: 137). When MNCs are engrained in a whole system that produces injustices, they are “socially connected” to injustices, even if they are not their direct cause. At the same time, when MNCs have the power to influence the transformation of unjust structures, they have a

responsibility to find lasting solutions, in cooperation with other actors. In conclusion, “responsibility from social connection is ultimately political responsibility” (Young, 2008: 156).

In this emerging body of literature on the political role of corporations, among the most significant contributions there are those of two leading business ethics scholars, Nien-hê Hsieh (2004, 2009) and Florian Wettstein (2009, 2012). On the basis of the theory developed by John Rawls in *The Law of Peoples* (1999), Hsieh (2004) has claimed that MNCs based in developed countries have a “duty to assist” the poor countries where they operate, as long as such an assistance does not outweigh the benefits obtained by these MNCs in those countries. However, MNCs have this duty only when the developed country where they are based is not already fulfilling its obligation to assist those poor countries. More recently, Hsieh (2009) has further developed his perspective towards a consideration of MNCs as agents of justice, attributing to corporations the responsibility to promote just institutions where they are missing.

According to Wettstein, since “the corporation has always been a public institution serving a genuinely public purpose” (Wettstein, 2009: 336), thus being a “quasi-governmental institution”, it is consequently required to meet state-like human rights obligations. On this account, MNCs are obliged to make positive contributions to human development, consistent with their expertise and resources (Wettstein, 2009). Thus, the scope of corporate human rights obligations is limited only by the corporation’s capabilities.

Hence, as we can see, referring to these two prominent business ethics scholars is extremely important, if we are to disentangle whether MNCs have a responsibility to serve as agents of justice.

The special issue of the journal is divided into two sections – I. *Ethics and Economic Success*; II. *Ethical Values in Global Business* – in which leading scholars and experts examine from different points of view the subject of ‘Corporations and Global Justice’. Between these two sections, a panel – *The Role of Business in Development* – allows managers and representatives of NGOs and institutions to illustrate the actual projects and experiences of their organizations in the promotion of global justice.

The first section consists of six essays, respectively by Florian Wettstein (University of St Gallen), Klaus M. Leisinger *et alia* (Novartis Foundation), Angelica Bonfanti (University of Milano), Alessandro Perfetti (University of Teramo), Antonella Ficorilli (University of Torino), Pierluigi Santosuosso (Sapienza – University of Rome).

In the essay “Waiting for the Mountain to Move: the Role of Multinational Corporations in the Quest for Global Justice”, Wettstein deals with the role and responsibility of multinational corporations in the quest for global justice, and specifically poses the question as to whether corporations ought to be agents of justice: according to the Author, they do. The aim of his paper is to tackle the issue of corporate political responsibility, which he perceives “as of key importance both for a normative understanding of the role of corporations as agents of justice as well as for the practical concern of advancing justice in a global society”, whereas traditional approaches to CSR “tend to put little emphasis on the political dimension of corporate responsibility”.

In the essay “Improving Access to Medicines in Low and Middle Income Countries: Corporate Responsibilities in Context”, Klaus Leisinger and his colleagues make strong public health, human rights and economic arguments for improving access to medicines in LMIC and discuss the different roles and responsibilities of key stakeholders. The Authors establish a framework of pharmaceutical firms’ corporate responsibilities and make recommendations for actionable business strategies for improving access to medicines: their aim is “to contribute to constructive dialogue on the responsibilities of the pharmaceutical industry and its activities of good corporate practice”, since partnerships and collaboration among multiple stakeholders are vital to improve equitable access to medicines in LMIC.

In the essay “Land-grabbing o land-leasing? Imprese e investimento agricolo responsabile”, Bonfanti focuses on large scale foreign agriculture investments from the international law perspective, with the aim to examine, on the one side, the legal regime of foreign investments and, on the other, the main rules providing for the protection of the affected fundamental human rights. In this direction, the Author pursues the objective of marking a boundary between *land grabs* and *responsible land deals*. The latter can effectively contribute to the reduction of poverty in the countries where they are carried out.

In the essay “The Path Towards an International Framework for Promoting Global Food Security”, Perfetti offers an overview of the various international initiatives taken for the promotion of food security on a global scale, focusing in particular on the connection between the realization of socially oriented investments in agriculture and the achievement of the goal of global food security. The Author then illustrates future perspectives by examining the salient features of the new Global Strategic Framework for Food Security and Nutrition, recently endorsed by the FAO.

In the essay “L’interesse personale e la fiducia reciproca nelle relazioni personali ed economiche, anche in una economia globale: riflessioni a partire da un recente libro di M.Marzano”, Ficorilli discusses a recent book by the philosopher Michela Marzano, who argues that the current financial and economic crisis originates from fostering the idea that it is only through self-trust and the pursuit of self-interest that you can reach personal success and social development. Marzano suggests an alternative interpretation of trust based on logic of gift and gratuitousness ethics. Ficorilli highlights the weakness of this perspective by upholding a more adequate notion of trust in terms of moral responsibility to account trust relationships in the field of economy and other human contexts.

In the essay “Libertà e Codici etici nelle società quotate italiane”, Santosuosso poses the question as to whether Codes of Ethics permit managers and employees to decide freely. The empirical results of the analysis of the Codes of 161 listed companies on the Italian stock exchange, show that in most cases managers and employees are required to comply with the standards set by the Codes. Freedom of choice is the fundamental assumption of any moral action in private life and in business as well, therefore the Author claims that the “voluntary approach” should be taken into account in the exam of the moral requirements that Codes should satisfy.

The second section consists of seven essays, respectively by Nien-hê Hsieh

(Harvard Business School), S. Prakash Sethi (The City University of New York), Simone de Colle (Dublin City University), Alessia Muratorio (University of Padova), Giulia Mezzetti (Politeia), Giacomo Manetti (University of Firenze), Elena Candelo (University of Torino).

In the essay “Multinational Corporations, Global Justice and Corporate Responsibility: A Question of Purpose”, Hsieh deals with the question as to whether MNCs have a responsibility to serve as agents of justice, framing the issue within the debate about the purpose of the for-profit corporation. The paper examines the extent to which prevailing accounts of corporate purpose support the attribution of responsibilities of justice to MNCs, and concludes by suggesting a more promising account of the purpose of the for-profit corporation, framed as “its function in allowing members of society to meet their wants and needs by coordinating labor and capital in the production of goods and services”.

In the essay “The Human Tragedies of Global Supply Chain”, Sethi uses Wal-Mart as case study to examine the exploitation of negative externalities: corporations exert their bargaining power and market control to pressure host countries to condone violations of laws and harmful behaviors and practices, in order to maximize their profits at the expense of other factors of production, i.e., labor and resources. The Author claims that Wal-Mart’s unique business model, which includes “absolute growth and market share expansion by any means possible”, has led to the company’s enormous success, and that a large gap exists between Wal-Mart’s pronouncements of the company’s commitment to socially responsible conduct and its actual business practices.

In the essay “Giustizia Globale e Standard di responsabilità sociale: uno sguardo critico”, de Colle claims that, even though CSR standards can help multinational corporations to play a positive role in global justice, they may also generate a “paradox”: the more an organization focuses its efforts in implementing CSR standards, the higher is the risk that a *thoughtless, blind and blinkered* mindset emerges. This may be due to deceptive measurements, to responsibility erosion and to blinkered culture. The Author applies the perspective of Pragmatism to analyze these problems and to suggest a number of considerations that could help both CSR standards developers and users to address the paradox.

In the essay “Internazionalizzazione economica e tutela globale dei diritti sociali: il ruolo delle imprese transnazionali”, Muratorio highlights the challenges of policy-makers facing the social impact of modern international trade, aiming at putting in relation the social sustainability paradigm and the economic globalization goals. In this context, transnational corporations are seen as a potential source of growth and social inclusion linked to their activities; at the same time their role as non-state actors in governance decisions is increased. Considering this evolution, the Author focuses on the mechanisms through which globalization is given a strong social dimension and on the legal tools available for the protection of social rights.

In the essay “Migrations, Brain Drain and Global Justice: what Role for Corporations?”, Mezzetti claims that, since migrants are unanimously considered a

“vulnerable group”, corporations are to be held accountable for the fulfillment of their negative duty to respect the rights of the migrants they or their supply chain employ. The Author then specifically tackles the “brain drain” phenomenon, one of the major issues in global justice debates, concluding that given the corporations’ stake in the mobility of human capital worldwide, brain drain issues should involve their positive duty to contribute to realize global justice.

In the essay “La comunicazione dialogica fra aziende e stakeholder attraverso Internet: potenzialità e limiti”, Manetti explores the role of computer-mediated communication (CMC) in building a system of dialogue, interaction, and engagement between organizations and their stakeholders, based on a psychological literature review of the differences between CMC and face-to-face communication. The main findings show that CMC can effectively contribute, under specific conditions, to build and reinforce authentic dialogic accounting, an accounting which organisations should pursue in order to create and consolidate the trust and consensus within the community.

In the essay “Enhancing Brand Strategies through Corporate Social Responsibility. Human Rights Respect as a Recognized Value for Multinational Companies”, Candelo analyses the relationship between brand strategies and CSR policies implemented by multinational companies. The growing need of corporations to differentiate themselves from competitors and to consolidate their reputation and customer loyalty, combined with changes in social and technological environment, requires deep changes in brand strategies. The decision to be accountable in relation to their CSR activities also involves branding choices and it is among the most relevant business strategy issues. The Author discusses some of the branding strategies available for multinational companies especially in relation to the issue of the respect of Human Rights.

I am glad to announce that the Tenth Politeia Forum will take place at the beginning of 2014 and will focus on “Back to Basics: What is the Purpose of the Corporation in Light of the Financial Crisis?”, further developing the themes treated in this special issue of journal.

I would like to conclude with a few acknowledgements.

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I wish also to thank the many persons who gave their precious contribution to the success of the Forum and to the making of this publication. First of all, a special thank goes to all the Authors for making this special issue possible, and to Simone De Colle and Nicola Pasini, for their precious contribution to the scientific organization of this edition of the Forum.

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Finally, I wish also to acknowledge Maria Beatrice Vanni and Giulia Mezzetti for their organizational contribution to the Forum and for their help in the editing of the proceedings.

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This issue is dedicated to the memory of Luca Savoja, friend and colleague, who passed away at the age of 54 in a tragic mountaineering accident on August 15, 2013. Luca was a prominent sociologist, associate professor of Sociology at the University of Torino. He started cooperating with *Politeia* at the beginning of the Nineties, carrying out some of the first empirical researches on business ethics in Italy, and thus contributing to the birth of this field of research in our country. Over the last years, he devoted himself to the study of the sociology of tourism and of sustainable tourism, applying in his work the stakeholder model. Some of these studies have been published in recent issues of *Politeia*. Luca's presence was important, as a scholar and most of all as a friend, and he will be missed by all those who had the pleasure and the honor of being acquainted and working with him.

Notes

¹ Further details about the Annual Forum past editions are available in the web page: www.politeia-centrostudi.org/forum.

² The proceedings of the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eight Forum, edited by Emilio D'Orazio, are published in *Notizie di Politeia*, respectively under the title "Business Ethics and Corporate Social Responsibility in a Global Economy" (n. 74, 2004), "New Perspectives on the Stakeholder View of the Firm and Global Corporate Citizenship" (n. 82, 2006), "Corporate Integrity, Ethical Leadership, Global Business Standards. The Scope and Limits of CSR" (n. 85/86, 2007), "Restoring Responsibility: the Accountable Corporation" (n. 89/2008), "Corporate and Stakeholder Responsibility. Theory and Practice" (n. 93/2009), "Corporate and Stakeholder Responsibility for Sustainability" (n. 98/2010), "The Corporation as a Political Actor: A New Role of Business in a Global Society" (n. 103/2011), "Business and Human Rights: in Search of Accountability" (n. 106/ 2012).

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