

WORLD TRADE AND ANTI-GLOBALIZATION: ETHICAL IMPLICATIONS

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Introduction

Globalization, the integration of the world technologically, economically and politically, is the most important development of our time (Dicken, 1992). Global production and global markets offer business organizations extraordinary opportunities for growth and profits. Globalization is credited with stimulating innovation and technological progress. However, it is also blamed for increasing the gap between rich and poor, accelerating the destruction of the environment, and threatening human rights. The intensity of feelings in the globalization debate is astonishing. In the last three years, the anti-globalization movement has staged protests at meetings of the World Trade Organization, the European Union, the World Bank, the International Monetary Fund, the World Economic Forum, and the G-8. These demonstrations took place in Seattle, Nice, Prague, Davos, Quebec City, Gothenburg, Barcelona, Salzburg, and Genoa. The crescendo of violence peaked in the Genoa demonstrations against the G-8 summit. There, the movement had its first martyr, Carlo Giuliani, who was shot to death by the Italian police (Newsweek, 2001). Moreover, the opposition to globalization shows no sign of abating. On March 16, 2002, in Barcelona, Spain, at a summit of European leaders, thousands of people demonstrated against globalization. Some 8,000 police officers and soldiers were used to control the crowds. Rubber-coated bullets were fired, and 38 people were arrested (Reid, 2002). To analyze the ethical implication of these conflicts, we must identify the various actors and their respective concerns, interests and values. We also need to use some recent developments in business ethics, such as the integrated social contracting theory of economic ethics and stakeholder learning dialogues.

Actors and Issues in the Anti-Globalization Debate

The anti-globalization movement defies easy classification, as it involves a wide spectrum of actors and issues. To bring order to this confusion, we must define the various actors in this drama and the complex issues that divide them. Some of the major players in this drama and the main targets of the anti-globalization movement are the international governmental organizations that guide global economic integration, e.g., the World Trade Organization, the European Union, the World Bank, the International Monetary Fund, the World Economic Forum, and the G-8. On the business side, the entity that is most closely associated with globalization is the multinational enterprise (MNE). The MNE is seen as a player that spans national borders, able to profit from cooperation with nation states, but often locked in an antagonistic relationship with nation states (Vernon, 1991). The MNE can help a nation state with economic development by supplying needed technology, investment capital, brand names, access to markets, and so on. The MNE is also a major target of the anti-globalization movement, especially the high profile firms that seem to have the greatest impact on the world, e.g., Nike, McDonald's, and Coca Cola. The nongovernmental organizations (NGOs) are also important players (Smith, Chatfield, & Pagnucco, 1997). These are organizations involved in grassroots activities in support of a wide spectrum of causes, such as human rights and environmental protection. There are a very many NGOs. For example, it has been estimated that by 1990, there were more than 100,000 NGOs concerned with environmental protection. In 1909 there were 176 international NGOs. In 1996, that number had grown to more than 20,000 in 1996 (Runyan, 1999). Among the more prominent NGOs, are Greenpeace, the Sierra Club, the Rainforest Action Network, and Earth First! (which advocate environmental protection); Nader's Group, Global Exchange, Global Trade Watch, Direct Action Network, and Radical

Roots (which defend human rights); and People for Ethical Treatment of Animals (which defends animal rights). More recently, organizations have been formed more directly for the purpose of demonstrations and non-violent civil disobedience, e.g., the Ruckus Society and Co-Motion Action. Although they lack the resources of the MNEs and the national governments, NGOs have proved amazingly adept at addressing the problems of globalization. Finally, there are the demonstrators themselves, a wide assortment of people: socialists, environmentalists, feminists, intellectuals, anarchists, and so on, who champion a wide spectrum of causes.

The issues involved in the anti-globalization movement are as complex and varied as the actors in the drama. Most anti-globalization demonstrators are not opposed to the integration of the world through modern transportation and electronic communication. This can be gleaned from the fact that demonstrators use the Internet (the greatest source of globalization) to convene their troops from all corners of the globe for a demonstration. Much of the anger in the anti-globalization camp is directed at MNEs (especially the major brands, such as Nike, Monsanto, and McDonalds) for a variety of ills, such as child labor, low wages, sweatshops, destruction of the natural environment, global warming, genetically modified foods, and so on. Also high on the list of grievances are the actions of international institutions such as the World Trade Organization, the European Union, the World Bank, the International Monetary Fund, the World Economic Forum, and the G-8. In fact, most of the anti-globalization demonstrations have been staged at meetings of these institutions. These institutions are accused of spearheading economic development, promoting the interests of corporations, and doing little for the people. For example, they are accused of channeling huge sums of money into investments such as oil fields, dams, and mines, which make the elites richer but do nothing for the poor. They are also accused of lending huge sums of money for grand industrial projects (such as steel plants) that

never turn a profit, and then forcing creditor nations to squeeze the common people for the money to repay the debt. Finally, the anti-globalization movement opposes some actions of nation states, often the United States, e.g., the Bush administration's opposition to the Kyoto Protocol and support for missile defense. Nation states are also accused of squandering huge sums of money on military weapons, blocking imports from less developed nations in order to protect their own industries, and investing in self-serving projects, while neglecting humanitarian crises such as the AIDS epidemic in Africa. This list of grievances of the anti-globalization movement might be considered anti-capitalist. Some of the opponents of globalization do, in fact, oppose capitalism in general and support socialism. However, many opponents of globalization simply want to reform capitalism and free trade for constructive purposes. They acknowledge that free markets can bring economic development, e.g., by creating jobs and improving the people's standard of living. However, they also feel that economic development in its present form, especially in globalization, excludes much of the human population and is destroying the planet.

We can see that the anti-globalization movement is also very complex in the variety of actors and of issues. It is also complex in the way in which the various actors relate to each other and to the various ideological positions and issues. The configuration differs from case to case.

The Tuna-Dolphin Case

The Tuna-Dolphin Case is an important case because it suggests that there is a systemic conflict between free trade and environmental protection (Mayer & Hoch, 1993). The case is interesting because it casts the United States on the side of the environmentalists in opposition to Mexico and GATT. The central issue in the case is the protection of dolphins, which were being killed by the fishing for tuna. The United States imposed an embargo on Mexican tuna (under the U.S.

Marine Mammal Protection Act) because Mexican fishermen were trawling for tuna with “purse-seine” nets, which often ensnare dolphins as well as the tuna.

The problem originated in the tropical Pacific Ocean where much of the fishing took place. Until the 1970’s, U.S. vessels dominated fishing in the tropical Pacific Ocean. For reasons that are not well understood, schools of large yellow fin tuna swim together with dolphins. For this reason fishing vessel used dolphins as markers for the tuna below. Unfortunately, the purse-seine nets used to catch the tuna also killed the dolphins. It was estimated that the tuna fishing in this region killed 350,000 dolphins per year. Partly because of the dolphin mortality, the United States passed the Marine Mammal Protection Act (MMPA) in 1972, which required the use of dolphin friendly fishing practices. As a result, dolphin mortality from U.S. fishing began to decline. The number of dolphins killed by the U.S. tuna fleet fell from 368, 600 in 1972 to fewer than 10,000 in 1983 (Jenkins, 1996). However, the number of foreign vessels fishing in this region began to increase. By the 1980s, foreign vessels dominated the fishing in this region, and dolphin mortality from foreign fleets was estimated at more than 110,000. For this reason, the U.S. Congress amended the MMPA twice during the 1980s to impose restrictions on the importation of tuna harvested by foreign fleets. The purpose of these amendments was to impose on foreign fleets the same standards that applied to U.S. fleets. The embargo imposed by the United States against Mexican tuna under the MMPA was appealed to GATT, which ruled that the embargo violated trade rules (Mayer & Hoch, 1993). The GATT ruling emphasized the difference between import restrictions based on the characteristics of the product itself and those based on the production process. The United States had no objections to the tuna itself, but rather to the way in which it was caught. With regard to the environment, GATT had a provision that allowed countries to override trade rules in order to pursue policies of

environmental protection. However, in the view of the panel, this provision applied only to the protection of the environment within the nation's borders. In the case of the Mexican tuna, the United States was addressing a problem outside its own borders. In doing so, the United States was imposing its values and its laws on other nations. This ruling shocked environmentalists and prompted considerable debate about the relationship between international trade and environmental policy (French, 1994). It left the impression that perhaps international trade and globalization are a threat to the environment. One article referred to "GATTzilla the trade monster," which could force nations to break their own environmental laws (Luoma, 1993).

The Case of Genetically Modified Foods

Another interesting case is that of genetically modified foods, which pits the United States and biotech firms against Europe and various NGO's. As a prelude to this battle, these actors confronted each other over the sale of meat treated with growth hormones. Since the late 1980's, the European Union has had laws against the sale of meat produced with these hormones. European law did not discriminate against foreign companies, as it applied both to domestic and foreign producers. Moreover, the European Union saw this policy as a health issue and not a trade dispute. In fact, several studies suggested that beef treated with hormones could cause cancer and problems of fertility. Nevertheless, the European position threatened hundreds of millions of dollars in beef exports. For this reason, the U.S. livestock industry sought the support of the U.S. government, which took the issue to the WTO. The WTO ruled that the European ban was unfair to beef exports from the United States and Canada. When the European Union refused to withdraw the ban on meats treated with hormones, the United States imposed 100% tariffs on \$116.8 million dollars worth of food products imported from Europe. These U.S. sanctions provoked outrage in Europe, which saw this problem as a health issue

rather than a trade dispute. Since 1998, Canada and the United States have urged Europe to respect the WTO ruling, without success.

The second chapter in this food war between the United States and Europe was the confrontation over genetically modified foods. This is an important issue. Advances in plant biotechnology have produced a stunning array of hardy plants. In some cases, plants have been genetically modified so that they will grow in inhospitable climates and produce crops that have attractive qualities (such as resistance to insects) or grow in greater quantity. Genetically modified foods could improve the health and welfare of millions of malnourished people. At the same time they provide billions of dollars in profits for biotechnology firms. However, it is argued that the technological and economic benefits may be more than outweighed by the social costs, in the form of potential threats to the well being of mankind. There are legitimate concerns about the dangers to those who consume genetically modified foods. Such concerns were unleashed when genetically modified corn was found in taco shells in the fall of 2000 (Raeburn, Forster, & Magnusson, 2000). The discovery resulted in nationwide recalls of food products and the embarrassment of the biotechnology industry and the taco manufacturers. There are also concerns about damage to the environment, for example the threat to biodiversity. Critics of genetically modified foods also point to the dangers of creating new microbes or modified bacteria that could threaten human and animal forms of life. Because of these dangers, the European Union passed a law, in 1998, requiring that genetically modified foods be labeled as such. Several other countries have followed the European example. Nevertheless, the U.S. and Canadian governments see the labeling requirement as a barrier to trade. Europe had already refused to implement the earlier ruling by the WTO. Since 1998, the European Union has also

placed a moratorium on the importation of genetically modified foods. The U.S. Bush administration claims that its patience with Europe is running low.

In the United States there is also opposition to this technology. Groups like the Friends of the Earth, the Sierra Club, and the Natural Resources Defense Council have demanded that the government keep genetically engineered foods off the market. A lawsuit was filed against the U.S. Environmental Protection Agency by a coalition of environmentalists and organic farmers, accusing the agency of disregarding the law and its own regulations in its approval of the farming of generically engineered crops. A more recent development is the entry of state legislatures in to the fray. For example, North Dakota is considering a bill that would ban the planting of a genetically modified crop, i.e., wheat. This is one of 40 state bills introduced in 2001 that would regulate genetically modified crops (Pollack, 2001). In this interesting case of genetically modified foods, we find NGOs allied with the European Union and other nations vs. the United States and multinational enterprises like Monsanto. Interestingly, some states may take a position closer to that of Europe than to that of the U.S. government.

The Case of Deforestation

The interaction of actors and issues becomes even more complex, in cases where the national actors do not represent their own population. A case in point is that of Indonesia's deforestation. The problem of deforestation is widespread. As French (2000: 19) points out, "nearly half of the forests that once covered the Earth have already been lost, and almost 14 million hectares of tropical forest—an area nearly three times the size of Costa Rica—is being destroyed each year." Indonesia, Brazil, and Malaysia are among the top ten exporters of forest product, and these three countries accounted for 40% of the world's forest loss in the 1980s and 36% in the first half of the 1990s (French, 2000). Indonesia, has 10-percent of the world's

tropical forests and the largest areas outside of Brazil, and the rate of destruction of this forest has been unparalleled. Much of the destruction has occurred with government approval. In his analysis of the Indonesian deforestation, Dauvergne (1993), reviews the traditional explanations of deforestation, but interprets them in light of the Indonesian political system. The central problem is a centralized military leadership and institutionalized corruption. Traditional farming techniques are not the real problem, but rather the policy of settling millions of peasants from Java in the outer islands, where they burn large areas to grow cash crops like tobacco or coffee. However, the most important cause of deforestation is logging, which is controlled by the Ministry of Forestry. This Ministry has 74% of the land under its jurisdiction and bestows logging contracts on those who are politically connected (Runyan, 1998). Government, military, and business leaders cooperate for their mutual benefit at the expense of the forest and the public. A major problem in logging is “high-grade mining,” the practice of taking the most profitable trees by the least expensive method. As many as two-thirds of the trees that are left are either destroyed during logging or die as a result of ecological imbalances that are created (Dauvergne, 1993). Again, this practice is tolerated because of corruption. In the 1980s, Indonesia established a total ban on the export of unprocessed logs and developed a domestic wood-processing industry. All of the plywood mills were forced to join the Wood Panel Association (Apkindo). Apkindo, which controls three quarters of the world’s plywood exports, avoided paying \$500 million per year in royalties, which should have gone into the public treasure (Runyan, 1998). Because the problem of deforestation in Indonesia (as in some other parts of the world) is to a great extent the result of corruption, the exploitation of the nation’s resources does little to alleviate the nation’s poverty. Efforts by environmentalists to address the problems of deforestation cannot succeed because of a centralized military leadership and

institutionalized corruption. In the case of Indonesian deforestation, we find several environmental NGOs in opposition to the national government and those corporations that benefit from the destruction of the forests. Interestingly, in permitting these practices, the government of Indonesia represents neither the interests nor the preferences of the Indonesian people.

Are There Ethical Processes For Coping with Globalization Controversies?

The problems of globalization do not lend themselves to simple ethical solutions because they involve so many actors (such as interest groups, international governmental institutions, national governments, and non governmental institutions) with conflicting values, interests, and concerns. In order to be effective, an ethical approach must somehow reconcile the conflicting interest and values of all these groups. In the cases cited above, criticism of the globalization process takes two forms: (1) Current WTO/World Bank/IMF rules and MNE practices focus on narrowly defined parameters of “market-driven” economic development that marginalizes concerns for human (or species) rights and for the sustainability of complex social or environmental systems. (2) Current WTO and corporate governance practices lack *transparency* when they privilege “expert” deliberations behind closed doors and seek to marginalize or silence the voices of critical stakeholders. These globalization cases illustrate “messy” problem domains, defined by Ackoff as “complex systems of strongly interacting problems” (1999: 13). They encompass the conflicting needs and values of many players on the global stage. In the globalization debates, the voices of all affected parties must be heard if the issues bounded by a messy problem domain are to be sorted out and resolved in a manner that is as fair as possible to all relevant stakeholders.

Several recent developments in the fields of social issues in management and business ethics suggest the outlines of a dialogic approach to enable a process of collective cognition that can shape a shared sense of “relational responsibility” (McNamee & Gergen, 1999) in coping with messy global problems. Among these developments are the emerging theory and practice of “global corporate citizenship” (Waddock, 2002, Wood & Logsdon, 2001), and a related effort to formulate a pluralist epistemology of ethical sense making (Benhabib, 1993; Donaldson & Dunfee, 1999) that can be practiced via multi-stakeholder learning dialogues (Calton & Payne, 2001; Payne & Calton, 2002).

Global corporate citizenship as a pluralist process for achieving system sustainability

For Waddock (2002) global corporate citizenship practice is a *systemic* phenomenon within overlapping economic, political, and social spheres of action, all of which are contained within the global ecological system. It follows that corporate citizenship performance is a pluralist construct best measured by a “triple bottom line” (Waddock, 2002: 200-232). The conventional measure of corporate *financial* performance suggests that the firm is bounded by its primary relationship with shareholders and creditors -- as well as by the residual claim of government taxing authorities. Measures of corporate *social* performance suggest that managers of the firm must mediate and sustain complex, on going, interdependent relationships with a wider pluralist network of stakeholders who pose multiple, often conflicting claims upon the firm. The desired outcome from positive social performance and improved stakeholder relations is not simply enhanced “long term” financial performance of the firm, as suggested by “instrumental” stakeholder theory (Jones, 1995). The outcome of *system sustainability*, as proposed by Rowley (2001), is more appropriate, given the “stakeholder mismatching problem” (Wood & Jones, 1995). If stakeholders have plural, often conflicting claims and expectations

within the shared problem domain, then the social responsibilities of corporate citizenship cannot be captured in a unitary performance measure. The third bottom line measure of *environmental* performance extends the boundaries of corporate citizenship even further, encompassing responsibilities and practices that support the sustainability of the global ecology as a whole. It is in this sense that the business organization becomes a global citizen with global responsibilities.

Wood & Logsdon (2001) make an important distinction between corporate and human citizenship. They follow Bovens (1998) in arguing that corporations must be secondary citizens, without full rights of human citizens. Otherwise, “power inequalities between individuals and complex organizations are so severe that granting equal rights to both types of entities destroy the capacity of individuals to protect themselves from organizations” (p. 7). Thus, the concept of global corporate citizenship is a device for subordinating MNE management practice to human purposes -- particularly the preservation and extension of “human moral agency” and human liberty throughout the world. (Wood & Logsdon, 2001: 10).

Conventional approaches to applying human moral agency are not well suited to the resolution of pluralist paradoxes and contested knowledge claims within messy problem domains such as those associated with globalization controversies. Kantian deductions of universal ethical principles and even utilitarian cost/benefit calculations are the constructions of autonomous rational actors who are concerned with determining their *individual responsibility* to others when confronted by a moral dilemma. Donaldson & Dunfee’s (1999) *macrosocial contracting process* is driven by hypothetical thought experiments that resemble Kant’s categorical imperative process and Rawls’ “veil of ignorance” device for crafting universal ethical norms that should be applicable to all cultural and other contexts. However, universal

rules that define individual responsibilities (including the responsibilities of artificial corporate “persons”) are not all that easy to apply under conditions of “bounded moral rationality” in particular community contexts. Depending on the community context, “dolphin safe” restrictions on Mexican fishing practices may be perceived as either a regulatory barrier to trade or as a humane attempt to minimize harm to endangered (or cute) species.

Donaldson & Dunfee (1999) offer assistance in working through such problematic contexts via their integrated social contracting theory (ISCT) of economic ethics. An extant *microsocial contracting process* can generate ethical norms appropriate to particular economic communities. More context-specific norms are needed to guide citizenship practice within the “moral free space” of each community. Such guidance could take the form of specific corporate or industry-wide codes of conduct that address such concerns as sustainable fishing or forestry practices and genetically modified foods. Some ethics scholars have expressed reservations about this formulation of the microsocial contracting process, particularly with regard to the issue of consent. Donaldson & Dunfee agree that the consent of community (or network) members is necessary for ethical norms to be binding on human moral agents. However, they are prepared to accept evidence of *implied* consent to authenticate community ethical norms. They argue that such consent can be implied from a community member’s decision to remain in the relationship, so long as the right and opportunity for exit exists. Their control mechanism to assure that authentic local community norms are normatively legitimate is the requirement that local norms cannot contradict universal macrosocial *hypernorms*, such as the right to life, respect for human dignity and the importance of truth-telling and promise-keeping.

Van Buren (2001) questions the normative legitimacy of the ISCT’s microsocial norms in the absence of more *explicit* expressions of consent from community members. He notes in

particular the plight of “dependant” stakeholders who have legitimate and urgent moral claims (such as the Third World sweatshop workers), but who lack the *power* to establish the salience of their contractual concerns within stakeholder networks (See also Mitchell, Agle, & Wood, 1997). The absence of power and voice in non-human species is even more problematic for achieving system sustainability. Van Buren concludes that sustainable, trust-based stakeholder contracting relationships must be based on the principle of *fairness*. And fairness is most likely to be present when moral agents contract freely and give voluntary, non-coerced consent to contractual arrangements and understandings. Thus, multiple stakeholder voices must, somehow, be incorporated into the governance processes associated with corporate citizenship. Van Buren concedes, “We are a long way off from imagining – much less creating alternative means of governance...” (2001: 495).

Toward multi-stakeholder learning dialogues grounded in a pluralist epistemology of moral sense making

Calton & Lad (1995) and Calton & Kurland (1996) have made early attempts at envisioning an alternative governance process that incorporated stakeholder voices. Swanson (1999) has suggested that corporations could improve their social performance if they replaced a “value neglect” approach with a “value attuned” process of decision-making. Whereas a conventional value-neglect orientation prompts managers to screen out discordant stakeholder voices as being value-laden, and hence suspect as a threat to unitary control, a value-attunement orientation would arise from a “communicative ethic or a dialogue based on mutual respect among corporate managers and groups in the community” (1999: 518). Swanson’s suggestion is consistent with a more pluralist notion of corporate citizenship practice.

Glynn, Barr, & Dacin (2000) note that the impulse to “organize” is antithetical to the effort to “pluralize.” Whereas the former suggests an effort to “form into a coherent unity or functioning whole,” so as to achieve managerial control, the latter recognizes that “there are more than one or more than two kinds of ultimate reality” (p. 726). In pluralist stakeholder networks, the managerial impulse to “organize” can be counterproductive to system sustainability, as reflected in an improved “triple bottom line.” This is especially the case when corporate managers must contend with complex, interdependent “messy” problem domains, such as those they encounter in globalization controversies. Such messes are more likely to be swept under the table, where discordant voices are either ignored or silenced by corporate managers determined to impose an “orderly” solution. The combination of value-neglect corporate decision-making processes with non-transparent WTO governance procedures is a recipe guaranteed to raise, rather than resolve, anti-globalization controversies.

Multi-stakeholder learning dialogues to address messy globalization controversies must be grounded in a pluralist epistemology that tries to make sense of multiple perspectives, value conflicts, and contested knowledge claims. Benhabib’s (1990, 1993) call for a multilateral moral discourse between “situated selves” and “concrete others” can resolve the problem of consent posed by the ISCT while also legitimizing the moral claims of dependant stakeholders common to globalization controversies. The purpose of moral discourse is to achieve a reflective position of *reversibility*. This empathetic knack for putting oneself in other’s shoes is necessary to achieve a moral point of view. Benhabib shifts attention away from procedures for achieving rational agreement on moral norms and toward the need to create and sustain “those normative practices and moral relationships within which reasoned agreement *as a way of life* can flourish

and continue” (1990: 346). She embraces the principles of “ideal speech” that underpin the discourse ethics of Jurgen Habermas (1990). These are:

- The *principle of universal moral respect* – the “requirement that we recognize the right of all beings capable of speech and action to be participants in a moral conversation.”
- The *principle of egalitarian reciprocity* – that “within such conversations each has the same symmetrical rights to various speech acts, to initiate new topics, to ask for reflection about the presuppositions of the conversation, etc.” (Benhabib, 1993: 337).

She goes beyond Habermas in insisting that these principles of moral discourse can be embedded in actual processes of intra- and inter-organizational dialogue, rather than in hypothetical thought experiments. To the extent that the procedural principles of universal moral respect and egalitarian reciprocity are reflected in the rules of dialogic engagement, ethical norms that arise from the process must be considered both authentic and legitimate. The commitment of participants to remain engaged in dialogue demonstrates their assumption of a “relational responsibility” (McNamee & Gergen, 1999) to keep the conversation going.

One of the most promising contexts where multi-stakeholder *learning* dialogues could usefully be applied is the contested, pluralist nexus of paradoxical concerns that binds managers of multinational enterprises to their multitude of global stakeholders. Payne & Calton (2002, forthcoming) have detailed the various types of multi-stakeholder dialogues already being conducted within and across national boundaries. These dialogues are being sponsored and coordinated by: (1) *consulting firms* such as DIA-logos, AIDEnvironment, RANDEnvironment, and the Centre for Innovation in Management at Simon Fraser University; (2) *business coalitions*, such as the World Business Council for Sustainable Development; (3) *coalitions of NGOs and other interest groups*, such as European Partners for the Environment, the State of the

World Forum, and the International Forum for Capacity Building; (4) and *international agencies*, such as the United Nations, Organization for Economic Development and Cooperation, and the World Bank. Many of these multi-stakeholder dialogues are being convened to consider how global economic development can be reconciled with environmental or system sustainability. Payne & Calton (2002, forthcoming) attribute the mixed record of extant multi-stakeholder dialogues to insufficient attention having been paid to designing a process that promotes *learning* dialogue. This is an important point, since the emergence of a global corporate citizenship practice capable of coping with such messes places a premium on helping MNE managers learn new ways to communicate with and relate to their global stakeholders (Waddock, 2002).

And what are the responsibilities of reflective, value-attuned managers in keeping the conversation going? Rather than impose control upon a unitary organization, cutting off valuable lines of communication with relevant others, the manager would act as the “convenor” of a stakeholder network, exercising a capability to “evoke, hold, and embody” conversations (Isaacs, 1999: 238). Working within an interactive process of mutual learning, the reflective manager resembles a concerned, empathetic teacher: Palmer (1998) notes that a good teacher must respond to the need to “hear people to speech.” This can involve listening for “voices before they are spoken – so that someday they can speak with truth and confidence.” This also means “making space for the other, being aware of the other, paying attention to the other, honoring the other” (p. 46). Such reflective managers would develop the Aristotelian capability of *phronesis*, which Benhabib defines as a “form of contextually embedded and situationally sensitive judgment of particulars (1993: 333). This reflective capability can help situated managers empathize and communicate with various concrete stakeholders who are engaged by the messy, but very real, problems associated with globalization.

As noted by Van Buren (2001), some legitimate stakeholders such as Third World sweatshop workers, may lack the power or self-confidence necessary to be heard. If multinational managers do not “hear people to speech” by imagining what their empowered voices would say and responding accordingly, other adversarial non-governmental organizations (NGOs) may “listen” to silent voices and create indirect voice mechanisms that speak for them. Endangered ecological systems (“Who speaks for the trees?”) are another example of an inarticulate, dependent stakeholder entity in need of hypothetical dialogue with corporate managers and/or NGO representatives. When multinational corporate managers and other stakeholder groups, including NGOs, struggle to hammer out generally accepted “global citizenship” (Waddock, 2002) standards with respect to Third World labor practices (e.g., “no sweat” rules) or sustainable environmental performance (e.g., the “Ceres Principles” -- See Waddock, 2002: 245), hypothetical dialogue is displaced by real community conversations. Even though consensus on these global standards of acceptable citizenship practice is not readily achieved, the commitment to continue talking is an important sign of constructive possibilities for the future.

The recent emergence of the “global corporate citizenship” movement reflects not only the development of tools to measure the pluralist dimensions of corporate performance but also the rise of stakeholder activism and pressure for corporate managers to engage with a variety of community representatives when business decisions threaten to messily impact environmental, human rights, and labor standards anywhere in the world. The recent accommodative response of Royal Dutch Shell and Nike to stakeholder pressures to improve their *multiple* bottom line performance suggests that management practice is adapting to complex systemic pressures generated within pluralist business contexts and that management theory to explain and guide

this multilateral learning process is struggling to catch up. The dialogic processes and shared “value attuned” learning outcomes from multi-stakeholder learning dialogues (MSLDs) could certainly inform aspects of the strategic management process, particularly issues management and stakeholder analysis by shifting the emphasis from win/lose “either/or” toward win/win “both/and” perspectives on problem identification and responses (Austrom & Lad, 1989; Yosie & Herbst, 1998).

Skeptics may argue that dialogic interactions are impractical since the managers of focal organizations will prefer to retain the power differential implicit in the impulse to establish and retain control of stakeholder relationships. We reply that in some “messy” pluralist settings, such as the controversy surrounding the impact of multinational corporations upon global human rights, labor practices, and environmental concerns, corporate executives no longer have the option of refusing to engage in dialogue. The role of dialogue in legitimizing the moral claims of dependant stakeholders and in mobilizing the power and voice of NGOs that speak for them is an important subject for further research. The increasing role of technology such as e-mail and issues-oriented websites in facilitating stakeholder activism and dialogue is a related research topic (Post, 2000). The emerging “global corporate citizenship” movement suggests a dialogue-driven search for generally acceptable standards of corporate behavior, as well as experimentation with monitoring mechanisms that include participation by NGO critics of conventional corporate practices. Such feedback mechanisms for monitoring of corporate social performance are also dialogic in nature. This emerging pattern of dialogic interaction between focal organizations and stakeholder groups in the global arena could conceivably be extended to other messy pluralist problem domains.

By focusing on the need to improve the *process* of ethical decision-making in stakeholder networks, we are neither encouraging nor engaging in utopian speculation. We are asking management practitioners and academic theorists to come out of their corporate offices and ivory towers so that they can engage in conversations with stakeholders. Such talk can encourage reflection about incremental actions that can improve stakeholder relationships, one voice and one step at a time. Our proposal is consistent with the Wicks & Freeman (1998) call for “pragmatist experimentation” in searching for stories that suggest better ways to realize the good life. It also echoes Nielsen’s (1996) call for “ethical praxis” as a form of “action learning” in developing norms and institutions for governing organizational relationships. A value-attuned, reflective managerial practice, informed by multi-stakeholder learning dialogues and the model of corporate citizenship, can seek to do good while also doing well. A broadening and deepening of dialogic processes may bring closer the day when participants in stakeholder networks learn how to work together in addressing messy problems that threaten environmentally and socially sustainable global economic development.

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