

Global Economic Ethic – Consequences for Global Businesses

Preamble

For the globalization of economic activity to lead to universal and sustainable prosperity, all those who either take part in or are affected by economic activities are dependent on a values-based commercial exchange and cooperation. This is one of the fundamental lessons of today's worldwide crisis of the financial and product markets.

Further, fair commercial exchange and cooperation will only achieve sustainable societal goals when people's activities to realize their legitimate private interests and prosperity are imbedded in a global ethical framework that enjoys broad acceptance. Such an agreement on globally accepted norms for economic actions and decisions – in short, for “an ethic of doing business” – is still in its infancy.

A global economic ethic – a common fundamental vision of what is legitimate, just, and fair – relies on moral principles and values that from time immemorial have been shared by all cultures and have been supported by common practical experience.

Each one of us – in our diverse roles as entrepreneurs, investors, creditors, workers, consumers, and members of different interest groups in all countries – bears a common and essential responsibility, together with our political institutions and international organizations, to recognize and apply this kind of global economic ethic.

For these reasons, the signatories of this declaration express their support of the following Manifesto.

Manifesto for a Global Economic Ethic

In this declaration, the fundamental principles and values of a global economy are set forth, according to the *Declaration toward a Global Ethic* issued by the Parliament of World Religions in Chicago in 1993. *The principles in this manifesto can be endorsed by all men and women with ethical convictions, whether these be religiously grounded or not.* The signatories of this declaration commit themselves to being led by its letter and its spirit in their day-to-day economic decisions, actions, and general behavior. This Manifesto for a Global Economic Ethic takes seriously the rules of the market and of competition; it intends to put these rules on a solid ethical basis for the welfare of all.

Nothing less than the experience of the current crisis affecting the whole economic sphere underlines the need for those internationally accepted ethical principles and moral standards, which we all need to breathe life into in our day-to-day business practices.

I. The principle of humanity

The ethical frame of reference: *Differences between cultural traditions should not be an obstacle to engaging in active cooperation for esteem, defense, and fulfillment of human rights. Every human being – without distinction for age, sex, race, skin color, physical or mental ability, language, religion, political view, or national or social origin – possesses an inalienable and untouchable dignity. Everyone, the individual as well as the state, is therefore obliged to honor this dignity and protect it. Humans must always be the subjects of rights, must be ends and never mere means, and must never be the objects of commercialization and industrialization in economics, politics, and the media, in research institutes, or in industrial corporations.*

The fundamental principle of a desirable global economic ethic is humanity: Being human must be the ethical yardstick for all economic action: It becomes concrete in the following guidelines for doing business in a way that creates value and is oriented to values for the common good.

Article 1

The ethical goal of sustainable economic action, as well as its social prerequisite, is the creation of a fundamental framework for sustainably fulfilling human beings' basic needs so that they can live in dignity. For that reason, in all economic decisions the uppermost precept should be that such actions always serve the formation and development of all the individual resources and capabilities that are needed for a truly human development of the individual and for living together happily.

Article 2

Humanity flourishes only in a culture of respect for the individual. The dignity and self-esteem of all human beings – be they superiors, co-workers, business partners, customers, or other interested persons – are inviolable. Never may human beings be treated badly, either through individual ways of conduct or through dishonorable trading or working conditions. The exploitation and the abuse of situations of dependence as well as the arbitrary discrimination of persons are irreconcilable with the principle of humanity.

Article 3

To promote good and avoid evil is a duty of all human beings. Thus this duty must be applied as a moral yardstick to all economic decisions and courses of action. It is legitimate to pursue one's own interests, but the deliberate pursuit of personal advantage to the detriment to one's partners – that is, with unethical means – is irreconcilable with sustainable economic activity to mutual advantage.

Article 4

What you do not wish done to yourself, do not do to others. This Golden Rule of reciprocity, which for thousands of years has been acknowledged in all religious and humanist traditions, promotes mutual responsibility, solidarity, fairness, tolerance, and respect for all persons involved.

Such attitudes or virtues are the basic pillars of a global economic ethos. Fairness in competition and cooperation for mutual benefit are fundamental principles of a sustainably developing global economy that is in conformity with the *Golden Rule*.

II. Basic values for global economic activity

The following basic values for doing business globally further develop the fundamental principle of humanity and make concrete suggestions for decisions, actions, and general behavior in the practical sphere of economic life.

Basic values: non-violence and respect for life

The ethical frame of reference: *To be authentically human in the spirit of our great religious and ethical traditions means that in public as well as in private life we must be concerned for others and ready to help. Every people, every race, every religion must show tolerance and respect – indeed high appreciation – for every other. Minorities – be they racial, ethnic, or religious – require protection and support by the majority.*

Article 5

All human beings have the duty to respect the right to life and its development. Respect for human life is a particularly lofty good. Thus every form of violence or force in pursuit of economic goals is to be rejected. Slave labor, compulsory labor, child labor, corporal punishment, and other violations of recognized international norms of labor law must be suppressed and abolished. With utmost priority, all economic agents must guarantee the protection of human rights in their own organizations. At the same time, they must make every effort to see to it that, within their sphere of influence, they do nothing that might contribute to violations of human rights on the part of their business partners or other parties involved. In no way may they themselves draw profit from such violations.

The impairment of people's health through adverse working conditions must be stopped. Occupational safety and product safety according to state-of-the-art technology are basic rights in a culture of non-violence and respect for life.

Article 6

Sustainable treatment of the natural environment on the part of all participants in economic life is an uppermost value-norm for economic activity. The waste of natural resources and the pollution of the environment must be minimized by resource-conserving procedures and by environmentally friendly technologies. Sustainable clean energy (with renewable energy sources as far as possible), clean water, and clean air are elementary conditions for life. Every human being on this planet must have access to them.

Basic values: justice and solidarity

The ethical frame of reference: *To be an authentic human being means – in the spirit of the great religious and ethical traditions – not misusing economic and political power in a ruthless struggle for domination. Such power is instead to be used in the service of all human beings. Self-interest and competition serve the development of the productive capacity and the welfare of everyone involved in economic activity. Therefore, mutual respect, reasonable coordination of interests, and the will to conciliate and to show consideration must prevail.*

Article 7

Justice and the rule of law constitute reciprocal presuppositions. Responsibility, rectitude, transparency, and fairness are fundamental values of economic life, which must always be characterized by law-abiding integrity. All those engaged in economic activity are obliged to comply with the prevailing rules of national and international law. Where deficits exist in the quality or the enforcement of legal norms in a particular country, these should be overruled by self-commitment and self-control; under no circumstances may one take advantage of them for the sake of profit.

Article 8

The pursuit of profit is the presupposition for competitiveness. It is the presupposition for the survival of business enterprises and for their social and cultural engagements. Corruption inhibits the public welfare, damaging the economy and the people, because it systematically leads to false allocation and waste of resources. The suppression and abolition of corrupt and dishonest practices, such as bribery, collusion agreements, patent piracy, and industrial espionage, demands preventive engagement, which is a duty incumbent on all those active in the economy.

Article 9

A major goal of every social and economic system that aims at equal opportunity, distributive justice, and solidarity is to overcome hunger and ignorance, poverty and inequality, throughout the world. Self-help and outside help, subsidiarity and solidarity, private and public engagement – all these are two sides of the same coin: they become concrete in private and public economic investments, but also in private and public initiatives to create institutions that serve to educate all segments of the population and to erect a comprehensive system of social security. The basic goal of all such efforts is a true human development directed at the promotion of all those capabilities and resources that enable men and women to lead a life of self-determination in full human dignity.

Basic values: honesty and tolerance

The ethical frame of reference: *To be authentically human in the spirit of our great religious and ethical traditions means that we must not confuse freedom with arbitrariness or pluralism with indifference to truth. We must cultivate integrity and truthfulness in all our relationships instead of dishonesty, dissembling, and opportunism.*

Article 10

Truthfulness, honesty, and reliability are essential values for sustainable economic relationships that promote general human well-being. They are prerequisites for creating trust between human beings and for promoting fair economic competition. On the other hand, it is also imperative to protect the basic human rights of privacy and of personal and professional confidentiality.

Article 11

The diversity of cultural and political convictions, as well as the diverse abilities of individuals and the diverse competencies of organizations, represents a potential source of global prosperity. Cooperation for mutual advantage presupposes the acceptance of common values and norms and the readiness to learn from each other and to respectfully tolerate one another's otherness. Discrimination of human beings because of their sex, their race, their nationality, or their beliefs cannot be reconciled with the principles of a global economic ethic. Actions that do not respect or that violate the rights of other human beings are not to be tolerated.

Basic values: mutual esteem and partnership

The ethical frame of reference: *To be authentically human in the spirit of our great religious and ethical traditions means the following: We need mutual respect, partnership, and understanding, instead of patriarchal domination and degradation, which are expressions of violence and engender counter-violence. Every individual has intrinsic dignity and inalienable rights, and each also has an inescapable responsibility for what she or he does and does not do.*

Article 12

Mutual esteem and partnership between all those involved – in particular, between men and women – is at once the prerequisite and the result of economic cooperation. Such esteem and partnership rest on respect, fairness, and sincerity toward one's partners, be they the executives of a firm or their employees, their customers, or other stakeholders. Esteem and partnership form the indispensable basis for recognizing situations in which unintentional negative consequences of economic actions pose a dilemma for all concerned – a dilemma that can and must be resolved by mutual effort.

Article 13

Partnership likewise finds its expression in the ability to participate in economic life, in economic decisions, and in economic gains. How such participation may be realized depends on the diverse cultural factors and regulatory structures prevailing in different economic areas. However, the right to join forces in order to responsibly pursue personal and group interests through collective action represents a minimal standard that must everywhere be recognized.

Conclusion

All economic agents should respect the internationally accepted rules of conduct in economic life; they should defend them and, within the framework of their sphere of influence, work together for their realization. Fundamental are the human rights and responsibilities as proclaimed by the United Nations in 1948. Other global guidelines issued by recognized transnational institutions – the Global Compact of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, the Rio Declaration on Environment and Development, and the UN Convention against Corruption, to name just a few – all agree with the demands set forth in this Manifesto for a Global Economic Ethic.

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