

CAROL AND LAWRENCE ZICKLIN CENTER FOR BUSINESS ETHICS RESEARCH
PROPOSAL FOR FUNDING 2007-2008

GLOBAL BUSINESS AND DEMOCRACY

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I propose to examine what responsibilities, if any, large-scale multinational enterprises (MNEs) have to promote democratic political institutions in the countries in which they operate and with which they transact. In pursuing this research, I aim to contribute to the literature on the responsibilities of MNEs by building on my work to date on this topic.¹ In addition, this research is motivated by debates that arise in the context of globalization about the universality of political values often taken for granted.

The basic idea underlying the proposed research can be summarized as follows. At a minimum, it seems that an MNE owes it to the people of a host country to obtain a license from their government to operate in the host country. One reason for this is that the government claims legitimate authority to regulate the impact of the MNE's operation in the host country—for example, by setting minimal standards or by allocating the benefits and burdens of economic activity. By obtaining a license to operate, the MNE meets some minimally acceptable standard on the part of those whose interests are affected by its operations. Suppose, however, that the MNE has good reason to believe that the government's claim to legitimate authority is lacking or that the government does not adequately represent the interests of the persons affected by its operations in the host country. In order to benefit, does the MNE have a responsibility to help promote legitimate or representative political institutions? More specifically, does the MNE have a responsibility to promote democracy? Does the answer change if the MNE is from a country that also does not have democratic political institutions?

In this research, a central topic to be explored is the claim of democracy to be a universal value. Are democratic institutions required to legitimate a government's claim to exercise authority, including in the area of economic activity? For example, it has been argued that political traditions in some non-Western countries make it such that legitimate government authority need not involve Western conceptions of democracy. Much of the analysis with regard to this topic involves a comparative examination of the literature in legal and political theory on democracy.

¹ "Voluntary Codes of Conduct for Multinational Corporations: Coordinating Duties of Rescue and Justice," *Business Ethics Quarterly*, vol. 16, no. 2 (2006): 119-135; "The Obligations of Transnational Corporations: Rawlsian Justice and the Duty of Assistance," *Business Ethics Quarterly*, vol. 14, no. 4 (2004): 643-661; "Property Rights in Crisis: Managers and Rescue," *Ethics and the Pharmaceutical Industry in the 21st Century*, ed. Michael Santoro and Thomas Gorrie (Cambridge: Cambridge University Press, 2005).