

Promoting social responsibility in large transnational corporations is very difficult. A globalized world needs a globalized civil society.

Companies need to be held responsible for the negative effects of their practices on human communities and natural resources, by pursuing legal action and seeking compensation for those who suffer from these practices.

With the today's increasing practice of outsourcing, long-term agreements between transnational corporations and local producers are absent; the quest is for ever lower cost production. It is important that corporations be held responsible for working conditions in their whole supply chain.

Many companies claim to be socially responsible, but without meaningful, effective monitoring processes, compliance is difficult to ascertain. Enforceable actions are needed to deal with those who do not comply.

Companies need to be advised and equipped to engage in more ethical trade, through ongoing dialogue and, at times, confrontation.

If public protest is organized against a transnational company because of the bad working conditions of those it employs, the company may shut down its operation (“cut and run”). Not only does this expose workers who may be in the country “illegally,” but they lose their source of livelihood. How can this dilemma be dealt with?

When even governments fail to protect people's rights, where can people go, given the lack of enforceable global mechanisms?

How can corporate social responsibility be globalized beyond the North, with an agenda not primarily driven by or misused for protectionist interests of the North?

How can your congregation be involved in supporting members as they seek to pursue neighbor-love through business activity? In holding companies accountable for their social and environmental responsibility?

You are encouraged to share examples of what is occurring in your setting, and what you are thinking or doing in relation to the above with kbl@lutheranworld.org.

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¹ For more on this, see “Engaging Economic Globalization as a Communion” and “A Call to Participate in Transforming Economic Globalization,” both available at www.lutheranworld.org/What_We_Do/DTS/Programs/DTS-Church-Social_Issues.

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PURSuing NEIGHBOR-LOVE THROUGH BUSINESS ACTIVITY?

SOME THEOLOGICAL POINTS OF DEPARTURE

As Christians we do not stand outside the dynamics of economic globalization, but are caught up in them. This is especially the case for those in positions of access to economic and political power, as well as for others who are attracted by the allure of economic globalization but largely left out of its benefits. The life of faith is lived out in the midst of this tension.

Christians are invited to approach ethical dilemmas emerging through economic activity from a deeply formed sense of a baptismal vocation to further what will be good for neighbors around the globe, especially those who are economically marginalized. How can *their* interests be more directly factored into economic decisions and actions? How can the good of the most vulnerable best be served through the decisions made and actions taken in economic life?

The criterion of neighbor-love goes against the grain or resists the assumptions¹ embedded in economic globalization. In these ways, the grammar of the church and that of prevailing economic theory and practices are in tension. But for the most part, this tension and the conflicts it generates within believers as well as within the wider society are not made explicit or addressed. Christians who work in business are left to struggle with this for themselves, rather than the church being a place for this deliberation.

When injustice is structured into our lives, we need to ask,

What is going on (who loses, who benefits)?

What should be normative (what beliefs, criteria)?

What constructive alternatives are there?

How are we empowered spiritually and morally to act?

WHAT DOES IT MEAN TO LIVE OUT NEIGHBOR-LOVE IN DIFFERENT ARENAS?

In the area of personal or *individual ethics*, what it means to “love the neighbor” in word and deed is usually rather obvious and direct. Here is where the churches’ moral formation has tended to focus.

More challenging, and often overlooked, has been discerning what “neighbor love” means in *organizational ethics*, especially in businesses that must make a profit if they are to survive. Here neighbor-love is lived out within the constraints of certain structures. This requires deliberative reflection. Neighbor-love needs to be translated into additional “bottom lines,” such as protecting or enhancing conditions for the most vulnerable, distributive justice, environmental sustainability, and restraint in the use of power. The corporate culture of an organization plays an important role, along with how responsibility is understood and lived out by those involved. Exchanges are “fair” if they add value to all those involved in the exchange, for example, when a company enters a host country. Otherwise, there is no viable relationship with the neighbor. “Love” is expressed corporately by building up all kinds of assets—for all those affected—rather than by depleting the resources of some. The corporate social responsibility movement has pursued adherence to criteria such as these through dialogue with business.

A third area or level is that of *structural ethics*, which focus on the framework, policies, laws and regulations by which organizations or sectors are expected to operate. This is where public policy advocacy work focuses. Today there is a need for enforceable international standards or laws, given the increasingly global reach of economic activity. Lacking this regulation at the global level, it is even more important for responsibility to be exercised at the organizational level.

SOME CHALLENGES TO CONSIDER

It is important that churches boldly proclaim God’s prophetic word of critique and at times judgment on unjust economic practices. At the same time, churches need to be more open, hospitable places where people can share and discuss the tensions they face in economic activity, and to process these in light of the Christian faith. This involves being attentive to the language used, which sometimes is polarizing and alienating.

Consider the following as discussion starters in your setting:

The market economy is not to be equated with economic globalization. Some market systems can work for the good or ill of others, depending on the terms and relative power of the parties involved.

Because businesses can focus power and resources in ways individuals cannot, it is crucial that such organizations exercise restraint in how they use these.

Businesses must move beyond focusing on short-term growth gains, and account for externalities that affect human and ecological well-being.

People’s sense of ownership and participation is key. They need the freedom to develop rules and structures that make sense for them in their own context.

Attention needs to be given to how, in a given context, social capital is generated and sustained, both through institutional arrangements and informal networks of reciprocity and good will.

The era of industrial production has extracted the earth’s natural capital to a disturbing extent. Natural capital must be included in the accounting, for the sake of the sustainability of all of creation.

Measuring growth only in terms of money is limited. Other kinds of growth should be emphasized, for the sake of the flourishing of communities and the rest of creation.

It is not necessarily bad when companies move to other locales; people there also need jobs. What is troublesome are the terms under which companies typically do so, which can have devastating effects on the communities affected.

If a company enters a host country, its activity there is “just” only if it adds value to both sides, does not deplete the human or ecological resources in the short or long term, and carries out the commitments it makes to the host country.

There are important reasons for churches to favor and encourage the development of small businesses. They are likely to be more responsive and accountable to the communities in which they operate, and overall they create most of the new jobs.

Churches should support persons who experience the gaps between their values, those a company espouses, and how it actually operates.

SOME CORPORATE SOCIAL RESPONSIBILITY CHALLENGES

In recent decades, churches and related organizations have given more attention to encouraging and furthering corporate social responsibility: by investing in socially responsible companies or funds, dialoguing with corporations regarding their practices, and in select cases, organizing boycotts against them (e.g., to end apartheid in South Africa). Many sets of guidelines, principles and benchmarks have been developed. Four “gateways” through which greater social responsibility can be pursued are through market demand (e.g., intentionally buying or refusing to buy certain products), through nurturing a culture of social and environmental responsibility in a company, through government regulations, or through legal action against a company.

As corporate social responsibility is pursued, further dilemmas and challenges arise, such as: