

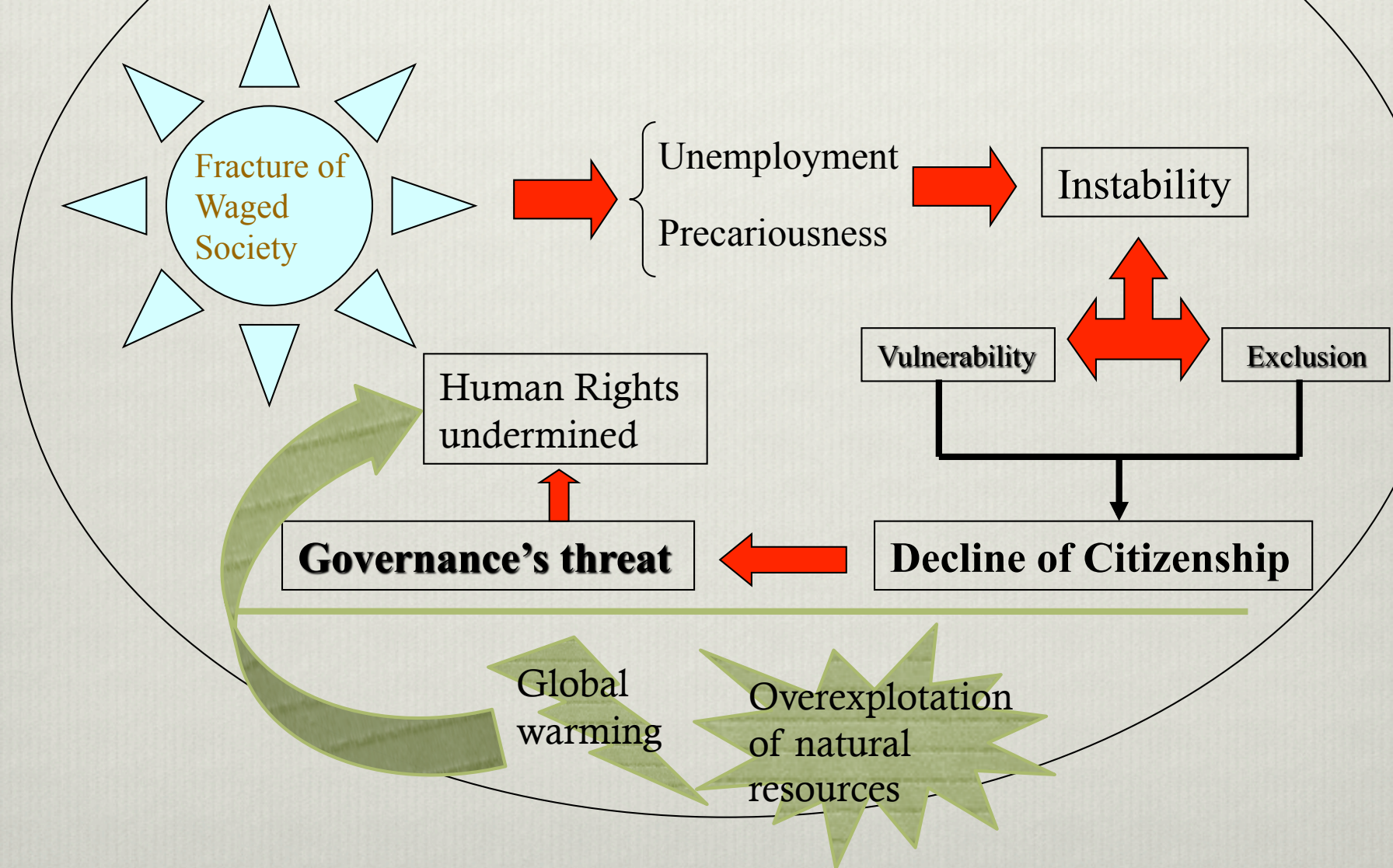
Globalization and Social
Responsibility: The Role of Business
Schools in Building up of a New
Ethics for the New Millennium
Challenges

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- ❖ **“Is globalization a source of economic growth and prosperity, as most economists and many in the policy community believe? Or is it a threat to social stability and the natural environment, as a curious mix of interests ranging from labor advocates to environmentalists-and including the unlikely trio of Ross Perot, George Soros, and Sir James Goldsmith-argue?” Dani Rodrik**

Globalization



The Globalization Trend

- ❖ A social dislocation => A fighting against social and economic exclusion (e.g. anti-global movements)
- ❖ Social mobility is not the main concern
- ❖ Poverty understood as lack of resources becomes the central issue rather than how people participate in social wealth
- ❖ Fast technological change
- ❖ High rates of economic growth

Impediments for a Human Development Power

- ❖ Lack of adequate means for living
- ❖ Lack of access to adequate means of work
- ❖ Lack of protection from the possibility to be invaded by others

(C. B. Macpherson)

Democracy and Property Rights

- ❖ Two aspects of the property rights concept:
 - ❖ The right to exclude others from using things
 - ❖ The right of not being excluded from using things that are valuable for human development

- The Market Place = space for the exchange of property rights

- If not regulated = space of concentration of human powers => possible harm for accessing the means of life and the means of work => lack of opportunities (freedom) to develop human capacities

What Globalization Makes of Human Rights?

- ❖ “Globalization, in short, poses the question of our ‘species being’ on planet earth all over again. It opens up terrains both of conceptual and theoretical debate, and political struggles (shadowy forms of which can already be discerned). Above all it makes necessary and possible to redefine universal human rights that stretch far beyond those acknowledged in 1948. [...] Such rights will not be freely given or conferred precisely because they may lead towards revolutionary changes in social orders and political economies. They will be achieved only through struggles. This will entail intense and often irreconcilable arguments, particularly when the rights are in contradiction to each other or, more significantly, set precedents that are antagonistic to the workings of market capitalism” (David Harvey, 2000: 91).

Sen's Perspective

- ❖ Poverty = deprivation of basic capabilities vs. lowness of income => interpersonal comparisons \equiv the substantive freedoms a person enjoys to lead *the kind of life she has a reason to value*
- ❖ Capability perspective on poverty enhance understanding of the nature and causes of poverty from *means* (e.g. income) to *ends* that people have reasons to pursue and the *freedoms* to satisfy these ends

Why an approach based capability?

1. The approach concentrates on deprivations that are *intrinsically* [related to substantial values] important (\neq income, which is only *instrumentally*)
2. Capability deprivation relies on factors *other* than lowness of income
3. The impact of income on capabilities is contingent and conditional: it depends on differences between communities, families and individuals => is *variable*

Why are conditional variations important?

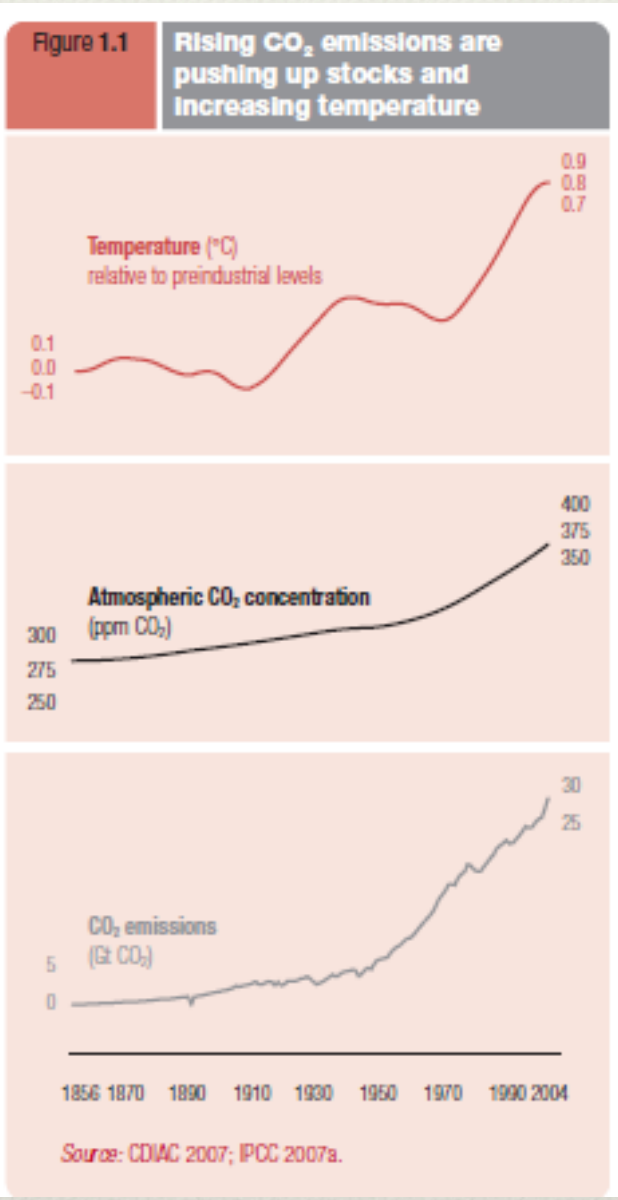
- ❖ Parametric variations matter: age, gender, location, etc.
- ❖ “Coupling” of disadvantages between income deprivation and adversity in converting income into functionings => handicaps (age, disabilities, illness) may imply more income to achieve the same functionings => “real poverty” in terms of capabilities can be more intense than based on income
- ❖ Income does not reflect intra-family distribution
- ❖ *Relative* deprivation in terms of incomes can yield *absolute* deprivation in terms of capabilities (in an opulent country more income is needed to achieve the same functioning) => e.g. social exclusion

Poverty by income or by capabilities

- ❖ The higher the capabilities you have the higher your potential to earn a higher income
- ❖ More education and health give better chance for overcoming penury
- ❖ Reduction of income poverty alone cannot be the ultimate motivation of antipoverty policy
- ❖ It is very important to understand poverty in terms of lives people can actually lead and the freedoms they do actually have

Understanding and defining inequality

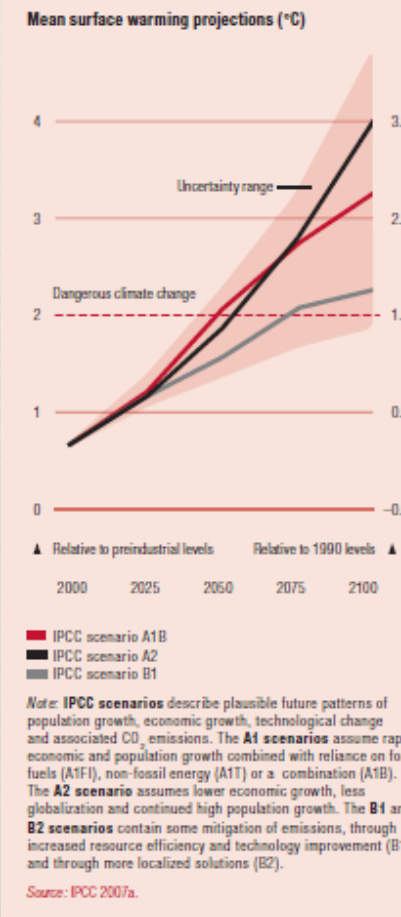
- ❖ Inequality matters because erosion of social cohesion and the difficulty for achieving efficiency
- ❖ Eradication of inequality is a conflictive issue: some may lost, all may lost (self-defeating)
- ❖ Inequality of income \neq inequality in other relevant aspects (e.g. well-being, freedom, quality of life) \Rightarrow from where are we going to analyze inequalities?



Source: UNDP, HDR, 2007/8

❖ <http://www.gapminder.org/>

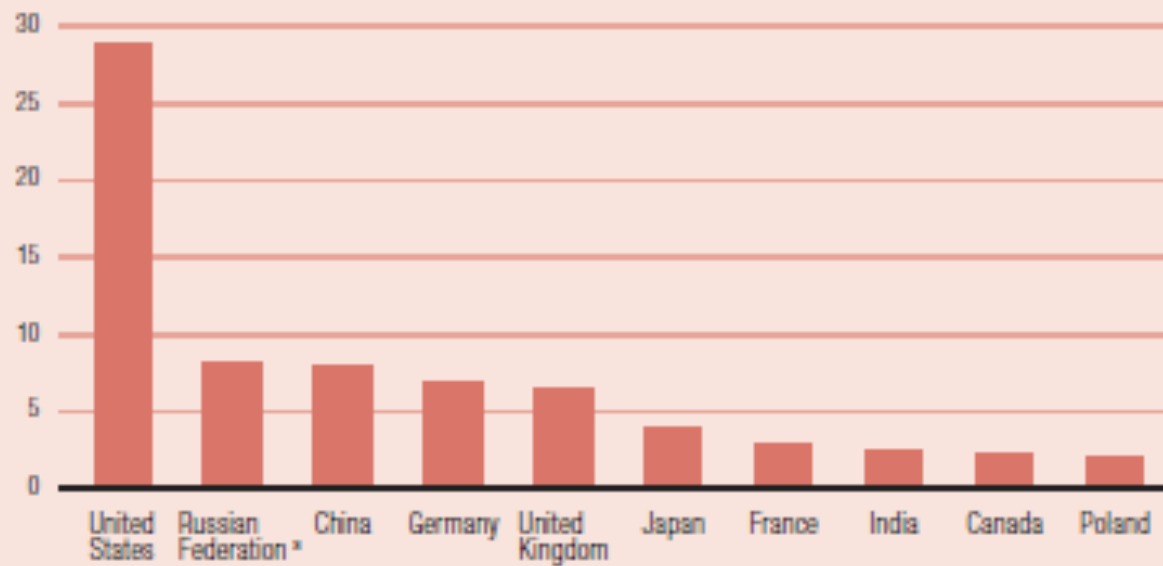
Figure 1.2 Global temperature forecast: three IPCC scenarios



Source: UNDP, HDR,
2007/8

Figure 1.4 Rich countries dominate the cumulative emissions account

Share of global CO₂ emissions, 1840–2004 (%)

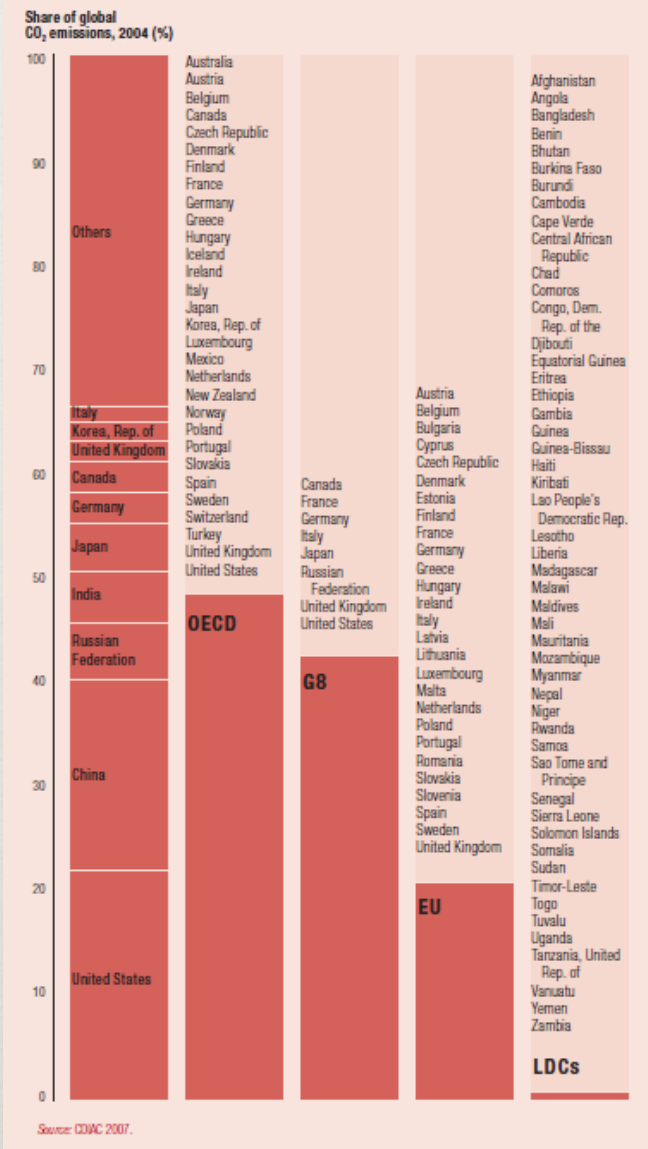


a. Includes a share of USSR emissions proportional to the Russian Federation's current share of CIS emissions.

Source: CDIAC 2007.

Source: UNDP, HDR,
2007/8

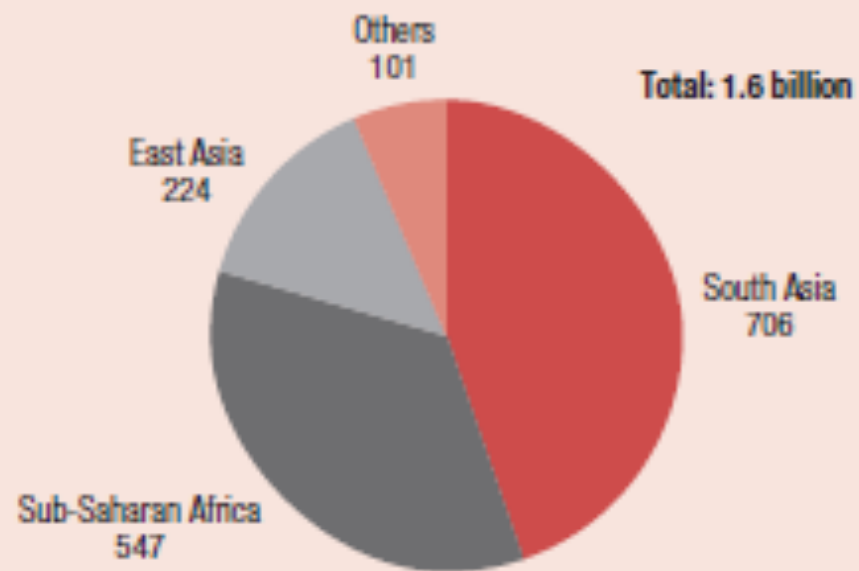
Figure 1.5 Global CO₂ emissions are highly concentrated



Source: UNDP, HDR, 2007/8

Figure 1.7 Living without electricity

People without access to electricity (millions, 2004)



Source: IEA 2006c.

Source: UNDP, HDR,
2007/8

Figure 1.11 Halving emissions by 2050 could avoid dangerous climate change

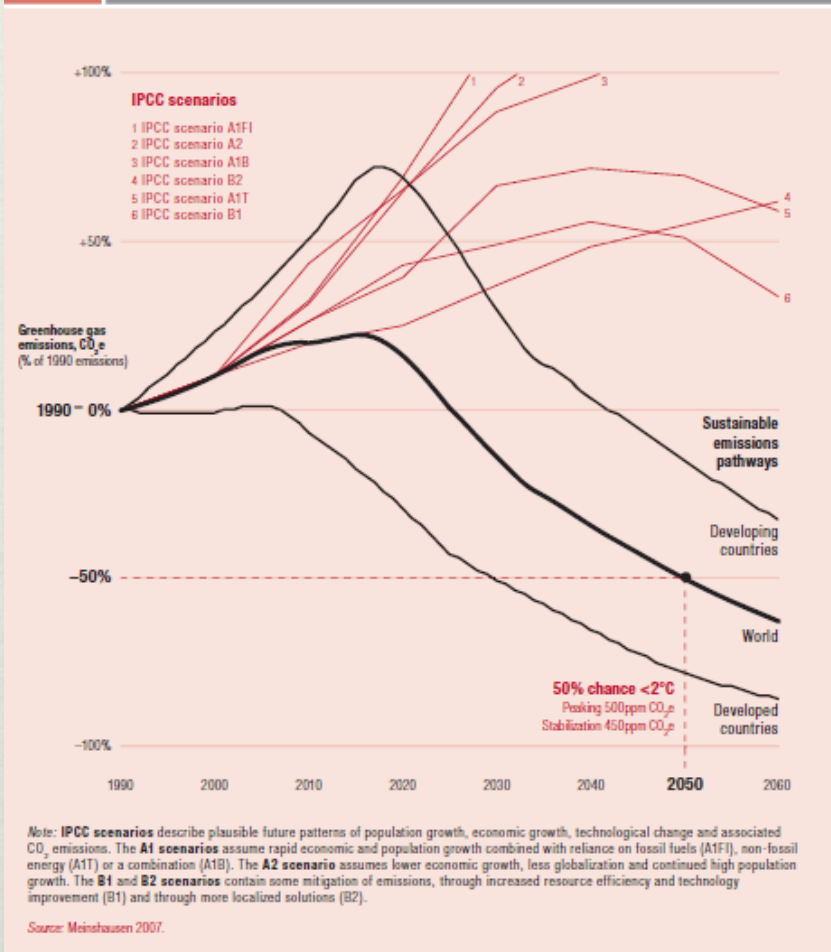
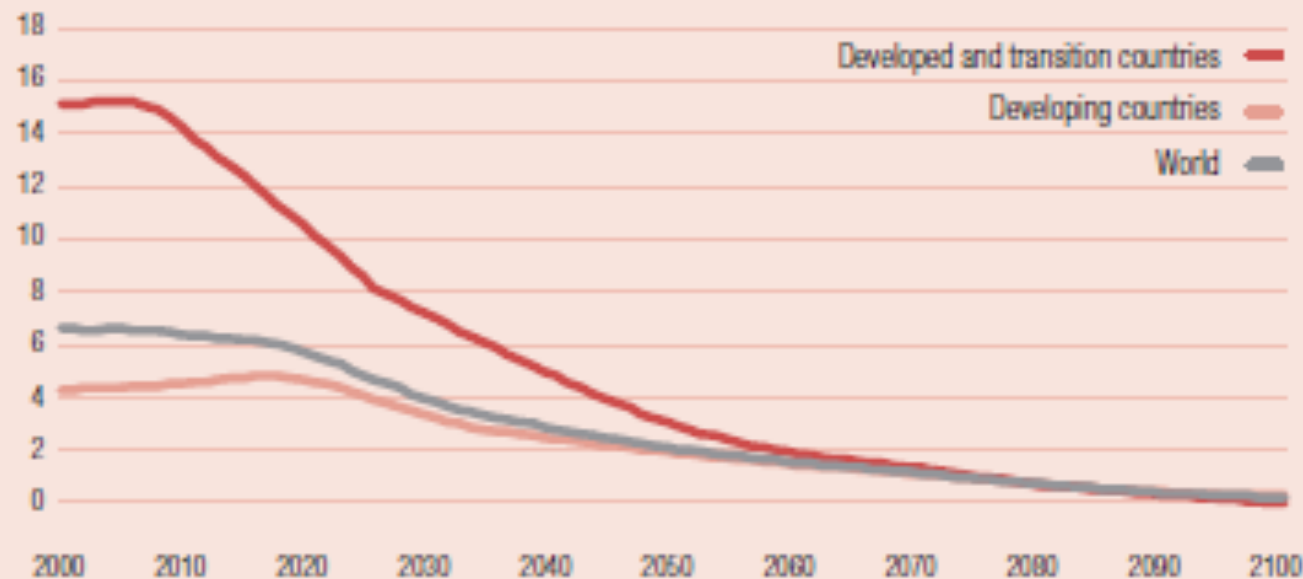


Figure 1.12

Contracting and converging to a sustainable future

Emissions per capita for stabilization at 450 ppm CO₂e (t CO₂ per capita)

Note: IPCC scenarios describe plausible future patterns of population growth, economic growth, technological change and associated CO₂ emissions. The **A1 scenarios** assume rapid economic and population growth combined with reliance on fossil fuels (A1FI), non-fossil energy (A1T) or a combination (A1B). The **A2 scenario** assumes lower economic growth, less globalization and continued high population growth. The **B1 and B2 scenarios** contain some mitigation of emissions, through increased resource efficiency and technology improvement (B1) and through more localized solutions (B2).

Source: Meinshausen 2007.