

From “One World Now” to Global Business Ethics
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Erasmus University - Bachelor Thesis Double Degree: Philosophy of a Specific Discipline

Main Study: International Business Administration

11.25 ECTS – Completed on 30th June 2020

Word Count: 9516

For my uncle Sandro, who has taught me that we can learn from each other across time, space and life.

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1. Introduction

1.1 Presenting the topic

Globalization has led to an increasing interconnectedness of countries and societies worldwide. The astonishing fast-paced development of technological means in the last few decades connected human beings and societies more than ever before, amplifying the role played by globalization.

This increased interaction between different cultures and societies has driven our world into one the most unique eras of humankind to date, reframing our perception of the world and ourselves. Several distinctive achievements have been reached during this time, including increases in economic prosperity, life quality and expectancy, and a general time of peace among most countries.

Nevertheless, globalization has also been the driving force of an increasing complexity for ethical matters, which have been affecting our planet, our societies and ultimately our lives on a global scale.

Following World War II, the soon-to-become economic and political powers initiated an influencing process towards the rest of the world, which has led many countries to pursue an economically liberal approach aimed at obtaining a dominant position in the world's economy. Since then, governments, corporations, societies and individuals have embraced ethical values deriving from this approach, mostly known in the form of capitalism, contributing to building our current society and shaping its ethical values.

In more recent years, the combination of economic liberalism and globalization has brought both opportunities and challenges upon us. Among some of these opportunities, we could think about the unlimited access to products and services from around the world, the increase of higher-level jobs and disposable income, and much more.

On the other hand, in order to create and provide these opportunities, some equilibria have been shaken. For example, the equilibrium of the impact of humans on the environment, world trade regulations, national sovereignty and support to developing countries.

It is indeed the combination of these opportunities and challenges that leads us to question “*Which ethical approach should we pursue in our globalized society?*” Thus, defining guidelines and means to re-establish solid equilibria between our planet, our economies, our societies and every individual.

In this paper, I will present an analysis and interpretation of the book *One World Now*, written by contemporary philosopher Peter Singer. This book discusses the above-mentioned four topics: human impact on the natural environment, the regulations concerning world trade, the structure of national sovereigns and the involvement of international support for third-world countries.

Singer is a renowned utilitarian, and one of many current and past philosophers tackling ethical concerns in relation to capitalism and globalization. Thus, he approaches topics of our current world from a consequentialist standpoint, offering solutions to address them.

I will therefore discuss and elaborate on Singer’s approach and solutions, in comparison to different ethics, specifically deontological ethics. The aim is to address the previously mentioned question “*Which ethical approach should we pursue in our globalized society?*” in order to provide deeper philosophical understanding of its surrounding discussion.

1.2 Motivation for the topic

Why should we specifically focus on ethics to address the challenges brought by globalization? From a lay perspective, we could think that ethics lacks the pragmatism and tangibility of other disciplines, to tackle issues such as global warming, trading malpractice or financial support to developing countries. Some would identify economics or politics as to be more relevant to approach these challenges.

However, as it will be further elaborated in this paper, consequentialist ethics offers the unique possibility to envision solutions (at least partially) detached from national, economic and cultural boundaries, when compared to disciplines such as politics or economy. Yet, as to clarify from this point moving forward, defining a utilitarian ethical dimension to address challenges of globalization does not mean offering simple solutions, and definitely not solutions that are easily digested by different governments, societies, corporations and individuals.

In fact, utilitarianism focuses on those actions that ultimately lead to an increase of utility for individuals, meaning their happiness or pleasure¹. The complexity of applying utilitarianism to a globalized world comes with the understanding that at times, to increase global utility, it is necessary to prioritize actions outside the borders of a specific country. This is often a challenge for political agendas and economic policies, as they tend to aim at the maximization of utility for individuals within specific borders².

The role of ethics to address challenges of globalization becomes particularly relevant when we focus the discussion on business ethics. The rise of economic liberalism in the 18th century lead to a stronger focus on economy as an independent object of philosophical study³. In the last two decades, philosophy of economics has centered its attention around business ethics and corporate social responsibility. This became increasingly relevant following the inability or lack of interest by governments to control practices of corporations worldwide⁴.

¹ Sinnott-Armstrong, Walter, "Consequentialism", *The Stanford Encyclopedia of Philosophy*, 2019

² Singer, *One World Now: The Ethics of Globalization*, 185-190

³ Hausman, Daniel M., "Philosophy of Economics", *The Stanford Encyclopedia of Philosophy*, 2018

⁴ Herzog, Lisa, "Markets", *The Stanford Encyclopedia of Philosophy*, 2017

Indeed, if we just look to business ethics from fifty years ago, we find the famous statement by Milton Friedman: “*The Social Responsibility of business is to increase its profits*”⁵.

Therefore, it has been often the case that the ethical dimension of business would have been considered independent from the rest of ethical standards applied to individuals, societies or governments, in the eyes of many.

Nevertheless, today we are beginning to experience and suffer the consequences caused by shortcomings in business ethics. We are suffering the consequences of CO2 emissions caused by intensive cattle and goods productions, contributing to climate change. We are suffering the consequences of air and water pollution caused by inappropriate waste disposal, contributing to health issues. We are suffering the consequences of managerial malpractices focused on cost cutting, leading to child labor and human’s exploitation in Third World Countries.

These are just some of the consequences that have been arising in the last two decades in relation to corporate actions showing a lack of global ethical standard for businesses.

Globalization has radically changed the way businesses operate and affect the world. As different cultures started integrating and mixing, and technology provided new tools for simplified communication, businesses grew outside their national boundaries. Production facilities have been located to low-cost labor regions, increasing competition forced to cut costs at the expense of product quality and moral standards, and the consequences of business processes performed on one side of the world are being suffered on the other side of the planet through air and water pollution.

For this reason, it is essential to assess not only the potential role of a global utilitarian ethical approach for governments and individuals, but also to build a global utilitarian ethical framework specifically for businesses and corporations worldwide.

⁵ Herzog, Lisa, "Markets", *The Stanford Encyclopedia of Philosophy*, 2017

1.3 Thesis

After reading *One World Now* and reflecting on the several considerations and analyses offered by Singer, I was left with a combination of hope and inspiring doubts.

Hope, coming from the possibility to truly address systemic issues in our globalized societies through a global ethical approach, such as a utilitarian ethical strategy offered by Singer. Doubtful, yet inspired, by the focus that Singer gives to the role of individuals and governments in his solutions, whilst offering fewer pragmatic actions from the business world.

In this paper, I will explore the utilitarian ethics by Singer in relation to the four challenges described in *One World Now*: human impact on the natural environment, the regulations concerning world trade, the structure of national sovereigns and the involvement of international support for third-world countries.

I will support the author stance regarding the vast applicability of utilitarian ethics in our current globalized society, specifically in relation to the four above-mentioned topics.

However, I will concentrate my focus on the applicability of utilitarian ethics in business.

Differently from Singer, I believe that instead of states and individuals, the core entities that can increase global utility the most are businesses and corporations. It will be argued that if it is important to have a globalized ethical framework for individuals and governments, it is simply paramount to have a global ethical framework for businesses and corporations, as they are the largest contributors to issues arising from globalization.

Another important aspect is why specifically utilitarianism for a global ethical framework of business. As I will elaborate in this paper, criticisms against utilitarianism become particularly unsubstantiated when the object of discussion is a business entity rather than an individual. More specifically, the criticism of deontological ethics claiming that utilitarianism is either too strict (not allowing moral abstinence), or not strict enough (allowing immoral

actions if they increase utility) falls short when the decision-making entity is a business rather than a person.⁶

Some may argue that even if utilitarianism is shown to be the optimal ethics for a global framework, a utilitarian framework created by someone in a developed country is inherently biased in its definition of improved utility. In simple words, this criticism assumes that utility is dependent on who experiences it, therefore by proposing a global framework to increase utility, developed countries might try to influence developing countries on how utility should be experienced⁷.

Therefore, I will address the potential concern that a global ethical framework could be perceived as a form of Neo-colonialist trap created by developed countries in an attempt to enforce their influence in developing regions. I will tackle this concerns in favor of Singer, by developing two conditions, which I have called Condition of Time and Condition of Influence. These two conditions applied to utilitarianism allow us to overcome the risk of building a global ethical framework that falls into a Neo-Colonialist trap.

The current issues discussed in *One World Now* are affecting everyone on a global scale. For the first time, humankind will have to come together and overcome its differences in order to find solutions to tackle these challenges, or it will suffer unprecedented consequences.

Due to their contribution to challenges of globalization and their capabilities to fix them, the main players in this change must be corporations, guided by a utilitarian global framework.

⁶ Alexander, Larry and Moore, Michael, "Deontological Ethics", *The Stanford Encyclopedia of Philosophy*

⁷ Sinnott-Armstrong, Walter, "Consequentialism", *The Stanford Encyclopedia of Philosophy*, 2019

1.4 Roadmap

This paper will be developed in six different parts. The first section will discuss human's impact on the natural environment, and it will focus mainly on the role played by corporations in contributing to climate change. In this section, the importance to build an eco-central ethics in the business world, due to the irreparable impact of current actions, will be addressed.

In the second section, the regulations concerning world trade will be discussed. Here, the focus will be on the ethical standards across countries in terms of *product and process* quality. The discussion will also centre on how corporations should increase their ethical decision-making process and avoid exploiting weaker regulations for their own profits in spite of environmental and social consequences.

In the third section, the impracticability of national sovereignties will be addressed. More specifically, the role played by international law will be discussed in relation to the necessity at times to overrule national sovereignty to protect citizens under authoritarian regimes. In this section, the ethical duty of corporations to understand the criminal actions of some of these regimes and avoid economic relationships will be discussed.

In the fourth section, involvement of international support for third-world countries will be discussed. Here, the focus of discussion will be to address the necessity to create a new perception of belonging in a global community and the necessity to increase foreign aid in developing regions. Thus, the role of corporations in contributing financially and socially will be addressed.

In the fifth section, I will address the philosophical concerns related to Singer's utilitarian stance and the criticism surrounding some of his arguments. In this part, I will address alternative perspectives on the above-mentioned sections, and criticism of deontological ethics to utilitarianism. Furthermore, in this section I will discuss how the implementation of two conditions, namely the Condition of Time and the Condition of Influence, can help us overcome the risk of a global utilitarian framework falling into a Neo-Colonialist trap.

Lastly, a conclusion will be presented, including the main points of discussion presented in this paper, and a personal reflection.

2. From *One World Now* to Global Business Ethics

2.1 Human Impact on the Natural Environment

To begin with, Singer approaches the issue of climate change and the impact of human activities on the environment of our planet. As a first element of consideration, the author addresses the main crucial points of the *Fifth Assessment Report*, a document of over 2000 pages and based on 9,200 peer-reviewed articles concerning climate change. This report has been published in 2014 and it is the result of work from over 800 experts on the matter of climate change.⁸

The *Fifth Assessment Report* is the most reliable and thorough research document on climate change and presents shocking information on the consequences of human activities on the environment. Just to name a few, the exponentially increasing temperatures on a global scale, the increasing levels of gasses in the atmosphere, the clearing of vegetation and the rising of sea levels. As a direct consequence of these factors, inhabited regions on the coasts are being struck by floods, destroying cities and crops in some of the poorest areas of the world. Multiple species of plants and animals are extinct or on the brink of extinction. Arctic regions are seeing their glaciers melting, and tropical climatic events are spreading further away from the equator towards urban areas, which are unprepared for elements such as hurricanes.⁹

The confidence of scientists in the *Fifth Assessment Report* regarding the contribution of human activities to the above-mentioned issues is between 95 and 100 percent. This means that, as of today, it is (almost) certain that the root cause to these catastrophic events is human activities. However, most of the consequences are suffered in Third World Countries, regions that strongly rely on cattle production and agriculture, and where the infrastructures for protecting from natural calamities and from diseases spread by malnutrition and high temperatures are extremely scarce. Indeed, even though the consequences of climate change can be catastrophic for First World Countries, just think for example to Hurricane Katrina killing 1,833 people in New Orleans in 2005, the magnitude of impact they have on poorer regions is simply incomprehensible. Just think, for example, of the East African drought of

⁸ Peter Singer, *One World Now: The Ethics of Globalization* (New Haven & London: Yale University Press, 2016) 17

⁹ Singer, *One World Now: The Ethics of Globalization*, 17-18

2011, which affected over 10 million people, out of which almost 1 million turned into refugees and which claimed over 50,000 lives.¹⁰

The enormous impact of human activities on our environment has led to the development of the theory about Anthropocene, namely the shift from the geological Era of Holocene into a new era. The Anthropocene represents an era where the 7 billion people inhabiting our planet, engaging in mass productions and burning fossil fuels on a global scale, are irreversibly affecting the dynamics of our planet and its environment.¹¹

For the sake of this paper, the importance of this new distinction comes with the understanding of the ethical standards that must be developed to match the elements of Anthropocene. The major ethical complexity which has to be considered in the Anthropocene is that, compared to the past, our actions have consequences on individuals living thousands of miles away. To make it simple, by using a gasoline-fuelled car in Amsterdam, or buying meat in London, we become part of a chain of factors that contributes to a deadly flood in Bangladesh¹². However, our individual efforts to reduce these types of damage would not be enough to overcome the entirety of the consequences of climate change.

Singer introduces an interesting view on how governments could fix on a larger scale the issue of climate change: that is, the internalization of costs related to the damages caused by production and consumption, which are currently considered externalities. In simpler words, this means that the costs of those factors contributing to climate change should be paid by producers and consumers within the borders of the country where the transaction occurs. Instead, these costs are often paid than by individuals that are external to the transaction and not reaping the related economic benefits connected to these costs.

I believe that Singer's approach to the internalization of costs could be extremely relevant to address the environmental damages caused by production and overconsumption, however the application of this approach on a country basis has shown to be ineffective.

¹⁰ Singer, *One World Now: The Ethics of Globalization*, 20-21

¹¹ Singer, *One World Now: The Ethics of Globalization*, 23-25

¹² Singer, *One World Now: The Ethics of Globalization*, 24-25

For example, the Paris agreement has been an attempt to create policies to internalize the cost of the damage caused by a specific country in terms of environmental impact, but it was not legally binding for the countries involved. Therefore, some governments have been able to avoid such policies and the costs of their environmental impact remained an externality paid by developing countries¹³.

This example shows that it is often complicated to enforce governments to implement policies that aim at costs internalization, even when governments agreed in front of the world on a set of policies to reduce emissions and internalize related costs.

However, it is interesting to elaborate on the internalization of environmental costs on a corporate level, rather than on a state level. This becomes relevant in a globalized economy, particularly if we consider the idea of internalizing costs related to emission levels for a country like China. Indeed, China hosts productions for corporations from all over the world, yet it is responsible to pay for costs related to emissions produced also by international corporations on Chinese territory.

Even though this is a simplistic way to consider the issue, due to the economic benefits that China receives from hosting international corporations' production facilities, it is a good starting point to address what businesses can do, in a first place, to address externalities of their productions.

Indeed, due to the nature of international businesses and their decentralized operations worldwide, it could potentially be more effective to address the problem of emissions and relative costs on a corporate level rather than state level. If the final objective is to reduce factors that influence climate change, why not addressing directly the major source of them, rather than the overarching governments?

To give an example, we can think of a major global corporation, such as McDonald's. This is the largest fast-food chain in the world, with 38 thousand restaurants, and 69 million

¹³ Singer, *One World Now: The Ethics of Globalization*, 25-30

customers per day spread across 120 countries ¹⁴. McDonald's sells on average 75 burgers per minute, and only for their signature burger, the Big Mac, they sell 550 million pieces each year. However, McDonald's cattle production facilities are decentralized to almost each individual country, meaning that the emissions they produce as a corporation are spread around almost 120 different nations. One Big Mac carbon footprint is 4 kg of CO₂, of which 0.5 kg is from diesel emissions, 0.9 kg is from electricity emissions and 2.6 kg is from cattle¹⁵. That is about the same CO₂ emission levels of consuming 1.8 liter of gasoline.

The level of emissions produced by McDonald's Inc worldwide is just incredible, specifically for such a non-essential product. Yet, it is not even close to be among the 90 companies which have contributed to 63% of global warming man-made emissions worldwide since 1750. By itself, ChevronTexaco has contributed to 3.52% of all man-made emissions until today¹⁶.

Even though some of these corporations are state owned and thus, it makes sense to approach the issue of emissions also on a government level, it is not possible to neglect that a direct approach which involves individual corporations could strongly contribute to a reduction of the impact of human activities on the environment. Nevertheless, it is not possible to place all corporations on the same level, due to their differences in terms of industry, scope and contribution to society. This raises ethical concerns regarding what type of approach would be fair to use in order to reduce damages from businesses while avoiding disruption of competitive equilibria.

On the line of Singer's proposal for governmental policies, the concept of *equal per capita* distribution of allowed gas emission shall be applied to corporations instead of states¹⁷. This concept assumes that emissions should be regulated with a maximum that can be produced per person in each individual state. In theory, this would allow developing countries with higher population to exploit higher allocation for their emissions, while forcing developed

¹⁴ Craig Smith, "McDonalds Statistics and Facts", 2019.

¹⁵ Mark Bittman, "The True Cost of a Burger", Nytimes.Com, 2014.

¹⁶ Suzanne Goldenberg, "Just 90 Companies Caused Two-Thirds of Man-Made Global Warming Emissions", The Guardian, 2014.

¹⁷ Singer, *One World Now: The Ethics of Globalization*, 54

economies with extremely high per capita emission levels to reduce their carbon footprint ¹⁸. Furthermore, Singer also forgives developed countries for their past activities and enormous levels of emissions, claiming that due to our lack of knowledge regarding emissions in the past and the necessity to maintain market stability, the concept of *equal per capita* shall only be enforced from the present time, disregarding past emissions ¹⁹

However, in order to be applied to business, we need to readapt this model for corporations. The concept of equal per capita could be restructured for businesses by substituting population as metric, with sales or service revenues. In this case, the remaining allowance for emissions worldwide could be allocated to private and state-owned businesses on the basis of their revenues. The aspect of this approach is that it would not only favor reduction in carbon footprints, but also foster businesses to engage in alternative sources of energy, increase in product quality and creation of more sustainable business models.

This model becomes particularly interesting when including the concept of emission trading. Singer introduces the concept of emission trading as an exchange of allocation for emission between states which have broken their limit of carbon-footprints and those who have produced less emissions ²⁰. In this way, states who have indeed produced less emissions would be able to profit by selling allocation to those countries who have exceeded their limits.

When applied to business, corporations who chose business models that favor low emissions, for example by not engaging in cost cutting practices that make use of high carbon-footprint products, or by reducing the amount of flights their sales team performs each year, would be able to make additional profits by selling emissions allocation space. On the other hand, corporations that are currently producing high levels of emissions would face the choice to either cut their profits to buy emissions allocation, potentially from competitors, or to change their internal processes and policies in order to reduce their emissions.

Therefore, a model based on *equal per capita* and emissions trading applied on corporations seem to fit the current necessities of our planet, either by forcing corporations into paying for

¹⁸ Singer, *One World Now: The Ethics of Globalization*, 54-56

¹⁹ Singer, *One World Now: The Ethics of Globalization*, 56-60

²⁰ Singer, *One World Now: The Ethics of Globalization*, 55

the externalities of their processes or by creating incentives to avoid these externalities completely.

2.2 *The Regulations Concerning World Trade*

The second topic discussed by Singer is the current regulations surrounding world trade. In particular, the author focuses on the role played by the World Trade Organization (WTO), the current institution that regulates imports and exports across those countries who choose to enter the organization. The WTO has been established following the needs of our globalized economy, in which goods and semi-products are continuously entering and exiting different states, requiring an overarching entity to monitor quality and dynamics of these exchanges ²¹. As it will be discussed, such an institution is pivotal in our new globalized economy, particularly when taking into account the ethical concerns in relation to cross-border trading, such as human exploitation, value appropriation and animal mistreatment.

In *One World Now*, Singers discusses four main criticisms that have been made against the WTO by governments and the international community. Even though Singer identifies space for improvement of the WTO, he still defends the organization and states his opinion on the critical role that WTO has in our globalized economy. In the following section, the arguments by Singer against these four criticisms will be addressed, and their relationship with corporate social responsibility and business ethics will be discussed.

The first criticism regarding the WTO is that it places economic outcomes above environmental, animal and human rights. This specific criticism is mostly the result of a misinterpretation by governments and consumers of developed countries regarding the *process versus product assessment* ²². This assessment is indeed the main method used by the Dispute Panel of the WTO to evaluate bans placed by individual governments on foreign products. In fact, as a global organization, it is of utmost importance that the WTO guarantees to the member states equal and fair chances to perform exchanges with each other. Thus, in order to avoid discrimination toward countries with different standards and regulations, the WTO assessment on goods is only based on the inherent quality of the product, while the process of production is disregarded ²³.

²¹ Singer, *One World Now: The Ethics of Globalization*, 69-70

²² Singer, *One World Now: The Ethics of Globalization*, 79-80

²³ Singer, *One World Now: The Ethics of Globalization*, 80-82

This methodology matches the basis of consequentialist ethics on the basis that the outcome is prioritized over the process, since it allows to perform any activity to produce a certain good, as long as the final quality matches WTO standards. So, for example, if specific cruel butchering methods are allowed in Mexico, but not in France, the latter state is not allowed to ban meat products from Mexico as long as the quality of the product itself is approved by WTO.

This assessment methodology has been implemented by WTO in order to overcome issues with state protectionism. Indeed, the risks related to an evaluation based on processes rather than products, would allow member states to exploit internal regulations to favour national products and embargo substitutes from other countries²⁴. In addition, the choice made by WTO to apply this methodology did not exclude the organization from also implementing regulations and parameters on immoral and unethical actions from member states.

In fact, the WTO also applies conditions to “protect public morals”. Such conditions are meant precisely to overcome issues with products resulting from unethical behaviours or processes, particularly in case such issues are particularly relevant for the importing state²⁵. In this way, the WTO can avoid strategic protectionism from individual governments, whilst guaranteeing ethical and moral standards over the traded goods.

The second concern of WTO critics is that the organization reduces state sovereignty. The first, and easiest, counterargument to this criticism is that entering the WTO is a choice made by the individual states, thus it represents a free decision of a government. However, it cannot be denied that, particularly for states who decide to enter and then exit the agreement, the cost of withdrawing from the WTO is almost prohibiting, since industries and employment develop on the basis of free trade²⁶. Nonetheless, such industries and employment are indeed the result of the WTO, which makes questionable the choice to exit an agreement that provides economic benefits as such.

²⁴ Singer, *One World Now: The Ethics of Globalization*, 81-83

²⁵ Singer, *One World Now: The Ethics of Globalization*, 83-85

²⁶ Singer, *One World Now: The Ethics of Globalization*, 89-90

The second counterargument is that, even if sometimes the WTO might overrule state decisions on trade, it does so when it is ethically valuable and moral. This is in fact one of the major upsides of an organization regulating world trade in a global economy, rather than on a local economy. An example of this comes with *compulsory licensing*, which is a practice allowed by WTO when a country is in a state of emergency. For example, this allows a government to produce life saving items in-country disregarding intellectual property rights owned by a foreign company, thus highly reducing costs of medicines whilst remaining protected by WTO from suffering consequences of retaliation on other trades ²⁷

In 2001, when one-fifth of adults in South Africa was infected with HIV, the South African government used compulsory licensing to bring down the cost of medicines from 10.000 dollars, as offered by US pharmaceutical companies, to 350 dollars. At that point, the US government threatened the South African government to impose sanctions on their trades²⁸. The WTO publicly attacked the US government, denying their right to claim these sanctions due to the nature of the events, and set policies for potentially similar events happening in the future. Therefore, even though states might suffer some overruling of sovereignty from the WTO, it is to increase the overall utility on a global level.

The third criticism against the WTO could be defined as a resource issue. Indeed, critics claim that the WTO makes decisions affecting all countries, but these decisions are ultimately made by a handful of states defined as Quad, composed by US, European Union, Japan and Canada. This has been true in the first years of the organization, during which the Quad had indeed stronger claim over other states, mostly due to their funds and resources to involve private law firms in their proposals to the WTO. Nevertheless, since the inception of the WTO, the organization has worked to provide developing states with resources such as offices and lawyers in order to allow all members of the organization to have an equal say. Even though there still are stronger members in the WTO, the Quad does not hold such a dominant position anymore, and the gap between states has been reduced and efforts keep being made to flatten these inequalities²⁹.

²⁷ Singer, *One World Now: The Ethics of Globalization*, 89-90

²⁸ Singer, *One World Now: The Ethics of Globalization*, 90-93

²⁹ Singer, *One World Now: The Ethics of Globalization*, 93-95

The fourth criticism against the WTO is that it contributes to the increase of separation in wealth between the rich and the poor. Since economic globalization allowed corporations to shift jobs to regions where labour cost is lower, thus lowering employment in developed countries, the WTO favours the rich by allowing them to increase their wealth at the expense of lower classes ³⁰.

However, Singer's utilitarianism attacks these claims: indeed, if we have to look into the overall utility created by these actions, by shifting employment to less developed countries, employees in these areas would be much more well off. Therefore, even though people in rich countries would be worse off due to reduction in employment, the overall global poverty would be reduced, increasing global utility. Thus, if we would have to think about improving the global situation, this course of action shall be supported³¹.

Nevertheless, some might argue that by doing so the WTO still favours the rich to increase their wealth by taking away from those worse off. Yet, when we look at values of wealth worldwide in the last two decades, even though we can observe that the rich have indeed increased their wealth, we can also see that the poor has strongly improved their average income. Therefore, it is possible to say that the WTO has indeed increased the gap between the rich and the poor, but it has not taken away from any party. Differently, the globalized economy has enlarged the overall amount of wealth, improving the economic position of both

³²

The argumentations in favour of the WTO are compelling, and they show the necessity to maintain an overarching organization to monitor and regulate international trade. In fact, even though economic globalization has proven to improve the international welfare, the absence of the WTO might lead to unethical and immoral behaviour from developed countries toward developing ones.

Nonetheless, it is also pivotal to address the role of business ethics regarding international trade, since several of the above-mentioned concerns about the WTO could be avoided in the first place by addressing directly the issues at the corporate level rather than state level.

³⁰ Singer, *One World Now: The Ethics of Globalization*,95-99

³¹ Singer, *One World Now: The Ethics of Globalization*,99-104

³² Singer, *One World Now: The Ethics of Globalization*,105-106

As for the *process versus product assessment*, the role of businesses seems straightforward: it is not only necessary that corporations guarantee the quality of their products, but also that they actively monitor their production processes. Indeed, corporations should always include ethical and moral concerns in their decision-making concerning processes, despite regulations in the countries where they operate. This becomes even more relevant for corporations from regions with high ethical standards outsourcing their productions to developing states, where the regulations might be lagging behind due to other external factors. Thus, the fact that corporations might be legally allowed to undergo certain production techniques or practices, it does not mean that they should disregard the ethical nature of such operations just for the sake of profits.

As we have seen in the case of South Africa's health emergency with HIV, corporations may often own the resources to impact and save the life of millions of people. In that specific context, pharmaceutical corporations actively attempted to block the South African government from exercising its right of compulsory licensing³³. These attempts included the involvement of the US government then followed by the counterattack from the WTO, which is the type of action that arises doubts about the influence of this organization on national sovereignty.

Yet, the stance taken by pharmaceutical companies is much more ethically criticisable than the power exercised by the WTO. As a matter of fact, the WTO might have never taken a position in the issue if corporations avoided completely to pursue actions against the South African government for trying to save the life of 20% of its adult population. In fact, it is essential that businesses acknowledge the critical role that some of them have on this world, therefore understanding when shareholders interest has to be cast aside for a greater good. Thus, also avoiding seeking governments intervention in a first place in order to defend their profits, particularly when lives are at stake.

Corporations also play a vast role in contributing to the widening of the gap between the rich and the poor. This usually occurs in two instances. In the first case, corporations contribute to this issue by leveraging low cost of labour and resources in poor regions, thus only allocating

³³ Singer, *One World Now: The Ethics of Globalization*, 90-93

a small value of the final product to those areas, while bringing most of the value obtained to developed countries. A widespread example is the coffee industry, where poorer regions such as Ethiopia are exploited for their resources and low-cost labour, but further processing stages are then performed in more developed areas, thus not allowing Ethiopians to fully benefit from the value of their natural resources.

In a second case, often corporations reach trading agreements with dictatorial governments, where self-established authorities exploit natural resources of their controlled regions for their own profit, at expense and loss of local populations. Singer provides the example of Angola and Equatorial Guinea, where authoritarian leaders achieved power through military action, and have traded for natural resources with corporations such as Chevron Texaco, Exxon Mobil and Marathon Oil ³⁴.

Once again, it is of utmost importance that such practices are desisted by corporations, as they do not allow for populations in poorer areas to benefit from the richness of their resources and labour. By acting only for sake of profit and disregarding consequences of their actions on human beings, these businesses are actively contributing to the enlargement of the gap between the richest and the poorest on our planet.

2.3 The Impracticability of National Sovereigns

The third topic discussed by Singer in *One World Now* is mostly legislative in nature and strongly focuses on the role of national sovereignty when it comes to violation of human rights, war crimes and crimes against humanity. However, as it will be presented shortly, corporations may still play a solid role in having political influence on governmental actions, thus making utilitarian business ethics relevant in this context.

The initial point of discussion is that globalization has also led an international audience into witnessing crimes committed in war zones, less developed and/or tyrannic regions. This has automatically raised awareness concerning crimes such as genocide, ethnic cleansing or torture practices. On one hand, this has led to progress toward the implementation of new international laws and to the creation of prosecuting institutions for those who commit atrocities of this kind. On the other hand, several ethical and practical concerns arose

³⁴ Singer, *One World Now: The Ethics of Globalization*, 112-113

regarding the authority of other states to interfere with ongoing events within other regions, particularly in cases where such interference might cause additional harm to local populations³⁵

In order to address these issues, it is first important to understand what type of legislative framework is most suitable for the international landscape. Indeed, it would be naïve and dangerous to reduce the entirety of international interference to military actions in areas where these types of events occur. In fact, it is necessary to build an international law-enforcement system that allows to fairly evaluate and prosecute for crimes in areas where local populations and/or governments cannot or do not want to act. Then, if and only in case these enforcements are not effective, and the potential downsides of avoiding military actions outweigh the casualties of such actions, then military intervention can be considered ³⁶

The idea of a universal jurisdiction has been advanced in the past, but it has never reached full consent for its implementation. A universal jurisdiction, which would allow to prosecute individuals anywhere despite of their nationality, status or location, seems fair and sound to address matters of this calibre. Nevertheless, it fails to take into account the possibility that hostile states might attempt to frame influential individuals from other countries in order to pursue a suspicious political agenda ³⁷.

As an alternative to universal jurisdiction, the implementation of an international court seemed to attract more support. Indeed, this system would remove the necessity for a universal jurisdiction, still allowing for the centralization of a global institution for criminal justice. Even though international courts have been set up in the past for specific occurrences, the International Criminal Court (ICC) has been constituted only in 1998 ³⁸.

Singer argues that from a utilitarian perspective, punishment of those guilty of these crimes should work as a deterrent for others. Therefore, if such punishment can be allowed because of its positive outcome, then intervention to interrupt the crime should also be allowed, despite matters of national sovereignty. Furthermore, the author makes an additional step

³⁵ Singer, *One World Now: The Ethics of Globalization*, 122

³⁶ Singer, *One World Now: The Ethics of Globalization*, 129

³⁷ Singer, *One World Now: The Ethics of Globalization*, 133-134

³⁸ Singer, *One World Now: The Ethics of Globalization*, 134-135

claiming that if someone has the means to stop atrocities in another region, it has positive responsibility to intervene, also by overriding national sovereignty. Such responsibility shall arise in the moment when “it is a response to acts that shock the moral conscience of mankind”³⁹

Corporations should hold ethical responsibility on the basis of the same principle, even though this is not always the case. Indeed, due to the nature of their activities, some businesses have prolific deals when it comes to agreements with tyrannic governments or self-established authoritarian leaders. When it comes to agreements with governments and individuals which have been prosecuted by the ICC for crimes against humanity, those corporations are direct contributors to the atrocities committed. For example, this is a major ethical concern for arms companies engaging in deals with tyrannic governments.

Additionally, often corporations with interests in regions where criminal acts are occurring will attempt to exploit their power to push governments to engage in military actions, in order to retain control or partial control over resources. As mentioned above, sometimes it might be best to engage in military actions, but definitely not for economic interest in a specific area, leveraging the suffering of other human beings. Therefore, it is essential that corporations take into account the current political situations in countries where they operate, refraining from engaging in business activities with governments and individuals committing international crimes.

2.4 Involvement of International Support for Third-World Countries

The last topic discussed by Singer is the role that shall be played by developed countries in reducing issues affecting Third World Countries. More specifically, the role of financial aid is addressed, and the reasons why most citizens of First World Countries do not perceive supporting other societies as important as supporting their own.

Indeed, it seems a common thought to believe that national boundaries, as well as family boundaries, hold a moral weight that justifies our negligence for those outside of them.

³⁹ Singer, *One World Now: The Ethics of Globalization*, 138-139

However, for Singer's utilitarianism, this approach only shows the limitations of our current society, which still has not embraced the idea of global community⁴⁰.

As we perceive to belong to a community formed by fellow citizens of our nation, despite not knowing the majority of them, we shall begin to perceive ourselves as belonging to a global community, in which each of us has a moral duty toward everyone else. Nevertheless, it is comprehensible that as human beings we have levels of partiality toward those that we love and feel closer to us. Yet, it is possible to develop a two-level utilitarianist approach, in which we reflect on our own ethical decision-making processes in moments of rest, so that during our every-day life decision making we automatically take into account for a deeper ethical dimension ⁴¹.

If partiality is not a justification for our lack of moral concern toward others outside our family and friends, geographical proximity cannot be considered an issue at all. Indeed, if we ought to increase the overall well-being of our planet, it is more relevant to address inequalities between countries, rather than within countries ⁴². Actually, if we observe the marginal utility that can be achieved with relatively little from the richest given to the poorest, we will realize that that contribution saves millions of lives. Differently, if the richest in developed countries would donate the same amount to the worse off in their same country, in most cases it would only contribute to an increase of non-vital material possessions of the worse-off.

Furthermore, this could only be an issue in the moment that both a reduction in inequality within and between countries is not achievable at the same time. Nonetheless, by looking into the financial foreign aid currently provided by developed countries compared to their other spending, such as military expenses, it is clear that the majority of tax money is channelled toward other objectives despite the available resources ⁴³. In fact, the very conservative requirement from the United Nations (UN) for the members is to provide at least 0.7 % of their general spending for foreign aid. This target has been consistently met only by a handful of European states, whilst most countries only dedicated around 0.3% of their annual

⁴⁰ Singer, *One World Now: The Ethics of Globalization*, 176-177

⁴¹ Singer, *One World Now: The Ethics of Globalization*, 178-187

⁴² Singer, *One World Now: The Ethics of Globalization*, 185-190

⁴³ Singer, *One World Now: The Ethics of Globalization*, 200-203

spending to foreign aid. In 2015, the US military spending accounted for almost 54% of all federal spending, whilst the foreign-aid spending accounted for 0.19% ⁴⁴

Nevertheless, despite the role of governments in contributing to Third World Countries development is pivotal, corporations shall not abstain from this role either. Compared to some lack of ethical concerns from corporations previously discussed in other sections of this paper, in recent years businesses have often engaged in fund raising campaigns for developing countries. Nonetheless, particularly due to their physical presence in many developing countries, corporations should increase their role of ambassadors to attract the attention of national governments. Indeed, it should be expected of corporations to engage in utilitarian decision making also when it comes to fundraising for specific causes, by addressing issues where they can intervene directly through their local presence to improve the situation of the worse off. This means, prioritizing those causes that will benefit utility on a global level, rather than focusing on their own country and population in order to obtain positive publicity to improve their company image.

⁴⁴ Singer, *One World Now: The Ethics of Globalization*, 204-207

3. Utilitarianism applied to business: the ethical framework for globalization

In the previous sections, I have elaborated on the argumentations proposed by Singer, and applied his consequentialist ethics to concretely showcase a framework that focuses on businesses, as main contributors to issues from the era of globalization. In this section, I will focus on addressing why *utilitarianism applied to business is the ethical approach we should pursue in our globalized society*.

The first question is why utilitarianism instead of deontological ethics. In contrast to utilitarianism, deontological ethics focuses on the morality of actions, rather than on the utility generated from those actions. In simple words, this means that the focus of deontological ethics is not on the consequences of certain actions, but rather on the moral nature of the actions themselves.

Scholars of deontological ethics takes two major stances to criticize consequentialism, but in both cases, they accuse utilitarianism to be overly extreme. In the first instance, utilitarianism is essentially accused of being excessively strict, as it does not allow any moral permission or abstinence which does not lead to an increase of utility. In the second instance, utilitarianism is accused of not being strict enough regarding the morality of actions undergone to achieve an increase of utility. This is the case, for example, of the well-known dilemma of murdering one person to save many by transplanting her organs.⁴⁵

Differently to what it could be expected, I partially agree with both these criticisms. It is indeed true that expecting a human being of consistently being able to endure a utilitarian decision-making process leaves little space to the reality of human characteristics, such as emotionality. It is also true, that utilitarianism tends to fall apart when a human being is asked to decide on a specific moral action that involves personal loss or sacrifices, aiming only at the improvement of global utility. Yet, this does not fully justify individuals for not engaging in utilitarian decision making, however it does indicate certain fallacies of utilitarianism when related to the nature of human beings.

⁴⁵ Alexander, Larry and Moore, Michael, "Deontological Ethics", *The Stanford Encyclopedia of Philosophy*

However, is it not possible to expect both these characteristics from highly structured organizations where every sacrifice could theoretically affect only one factor, namely profit?

Indeed, even if we were to assume the criticism of deontological ethics to be true for individuals, it does not apply in the same way to businesses. It is in fact not only possible, but morally right, to expect companies to place frameworks that guarantee a utilitarian decision-making process in spite of the loss they could endure. In the same way, it is morally right to expect companies to not withdrawal from a specific moral stance, but to proactively engage every single time in a utilitarian decision-making process that leads to an increase of global utility.

An unfunded criticism to this statement, could be that companies might then be allowed to choose to sacrifice something else rather than profit, yet remain within the boundaries of utilitarian ethics. However, this falls short in the moment that businesses do not only apply utilitarian decision-making externally, towards the improvement of the worse off in society, but also internally, towards their own stakeholders.

Another criticism, in this case more specific to Singer's utilitarianism, is that it falls short in explaining who or what defines the characteristics of an "increase of global utility". To be more precise, what defines an improvement of global utility in a globalized world where the worse offs are, most likely, living thousands of miles away, often shaped by a completely different ethical perspective. The associated points of criticism to these concerns are the possibility to fall into what could be defined as a "Neo-colonialist trap".

The underlying consequence presented by this criticism is that by establishing a global ethical framework, particularly a consequentialist one, from the perspective of a citizen and scholar of a developed country, we could be biased by the nature itself of the outcome we are seeking. This becomes particularly relevant when addressing more subtle issues of globalization, rather than more globally shared ethical standpoints such as protecting people from genocides or fighting hunger.

Post-colonialist studies have in fact shown the impact left from actions undergone by developed countries to "civilize" developing countries in the past. Certainly, the most basic

counter argument to this would be that the intentions to apply a global ethical framework would be intrinsically different than those of colonizers in the past. For as much as this could be assumed to be true, globalization has shown a new form of influence through Neo-colonialism, and thus the possibility of this to occur again cannot be excluded.⁴⁶

As previously mentioned, this criticism is less likely to uphold when addressing global perspectives on the consequences of certain actions. Yet, even for heinous acts like murdering, a vast number of ethical standpoints arise when it comes to whether it brings an increase of utility. For example, it is possible to think about countries still supporting the death penalty by justifying it as an improvement for society by eliminating a dangerous individual, thus increasing utility.

Therefore, when it comes to less emotional, yet extremely impactful actions to improve global utility through consequentialist ethics, it is possible to encounter friction.

For example, if we would think about the previously mentioned internalization of utilitarian decision-making in business, some companies in developing countries might have to abide to regulations to protect their workers and society.

In turns, this would mean that children currently contributing to their family income by working, would not be allowed to do so anymore. Even though this seems a clear increase in global utility from a developed country perspective, ultimately the consequence would be that these families would be worse-off from the implementation of a global utilitarian business ethics.

To approach this criticism, I have developed two conditions to be applied: the Condition of Time and the Condition of Influence.

In the example of the children being unable to contribute with small, yet essential, additional income, the Condition of Time applies in the following manner. If a utilitarian business ethics would, at this moment in time, lead to a decrease in the utility perceived from an individual, but lead to an increase, in the foreseeable future, to the utility of that same individual , to a

⁴⁶ Kohn, Margaret and Reddy, Kavita, "Colonialism", The Stanford Encyclopedia of Philosophy

higher-degree of the improvement compared to the absence of a utilitarian business ethics, then the Neo-colonialist trap falls short. This means that, if the children are unable to contribute to their family income, at this moment in time, due to a utilitarian business ethics, yet their family would benefit from them being able to study instead of work, and then contribute to their family income to a higher level in the foreseeable future, then the criticism is not substantiated.

The condition of influence builds upon the condition of time. By referring again to the aforementioned example, this condition states that: if utilitarian business ethics increases the level of influence of a developed country towards a developing country at this moment in time, but ultimately it results in increasing the level of independence of that same developing country, in the foreseeable future, to a higher degree than if the utilitarian business ethics was absent in a first place, then the Neo Colonialist trap falls short.

Therefore, if the foreign company now employing the highly skilled children of the family in the developing country, contributes to the increase of economic independence of that developing country by designating most of the value generated to the developing country in the foreseeable future, then the criticism is not substantiated.

The condition of time and the condition of influence allow us to still think in terms of business ethics in consequentialist terms, allowing us to build a global framework. By addressing the criticism of a Neo Colonialist trap and showing that it does not present a limitation to the true improvements offered by utilitarianism applied to business, these two concepts present the practical power of utilitarianist ethics.

4. Conclusion

In this paper, I wanted to investigate an answer to the question “*Which ethical approach should we pursue in our globalized society?*”. I have argued that the answer shall be *utilitarianism applied to business*.

To support my stance, I have addressed individually the issues of globalization presented by Peter Singer in *One World Now*. In these sections, I focused on showcasing Singer’s arguments, and further develop on his utilitarian theories and solutions when applied and adapted to business.

In the very first section, I have discussed a model based on the *equal per capita* concept and emissions trading applied to individual firms rather than between states. This approach was meant to show the power of Singer’s utilitarianist model in reducing externalities of corporations affecting our environment, when we focus on business.

In the second section, I introduced Singer’s argument in support of the WTO, as an organization inherently using a utilitarian decision-making process to guarantee economic growth to developing countries. Here, I have further developed on how a utilitarian ethics applied to business can address matters concerning the WTO: the *product vs process* issue, by internalizing utilitarian ethics in corporate production processes despite a lack of governmental regulations, or as in the case of *compulsory licensing*, where the WTO should not be required to step in if businesses in basic-needs industries proactively provide necessary goods such as medicines to developing countries at a fair price.

In the third section, I have elaborated on Singer’s utilitarian argument on the duty of countries and international legislation to overrule national sovereignty in specific situations. Such specific situations are those where refusing to intervene, would result in worst outcomes than by overruling national sovereignty. In this case, I adapted Singer’s utilitarianism to business by presenting how the integration of such ethics in corporations would reduce the economic power of dictatorships that gain from unethical business with international firms.

In the fourth section, I have discussed Singer’s utilitarianism applied to financial aid, particularly with the focus on the higher global improvement for the worse off achieved when

contributing to developing countries rather than our own developed countries. In this case, I applied utilitarianism to business ethics by highlighting the role of corporations in acting as ambassadors for aid towards developing countries rather than focusing on causes that fits their PR agenda, as this will ultimately lead to a global improvement.

In the fifth section, I have exposed why utilitarianism business ethics is the optimal ethical approach for globalization compared to deontological ethics. In particular, I exposed the shortcomings of criticism of deontological ethics to utilitarianism when applied to business, due to the structural differences between decision-making process and loss for a business compared to an individual.

Lastly, I have addressed the criticism based on Post-colonialist studies that proposing a global business utilitarianism could lead to a Neo-Colonialist trap for developing countries. I have addressed this criticism by introducing the Concept of Time and the Concept of Influence in relation to global utilitarianism. Thus, showing that if the ultimate consequence of applying a global business utilitarianist framework will lead in the foreseeable future to an increase in global utility, the Neo-Colonialist trap criticism falls short.

As I come to conclude this paper, I would like to point out to a straightforward, yet crucial consideration. Even though I have argued, and I will continue to do so, about the pivotal stance that the business world has to take in adopting a global utilitarian framework, individuals cannot fall short of their responsibility to apply the same ethical stance.

As corporations and institutions are simply organized structures of individuals with a common objective, ultimately what will lead to a successful application of a global ethical model is the combination of individual efforts in achieving this objective.

In conclusion, as we move forward into a more globalized world, we shall move forward to establish a global ethical model that will leave hope and opportunities for the current and future generations.

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