

## Workshop discussion

### "The social responsibility of socio-economic agents"

#### Opening page

*The growth of economic interdependence leads to new social and environmental responsibilities.*

The current phase of development of capitalism is characterised by unprecedented growth of economic interdependence of companies, populations and regions. The pillars of neo-liberalism, which are the financialisation of the economy<sup>1</sup>, free exchange reaching an ever-growing number of goods, services and countries<sup>2</sup>, the affirmation of competition as the founding principle for economic regulation, in particular when creating regional trade areas (the EU, Nafta), the systemising of structural adjustment plans for Southern nations, have largely helped to globalise the social and environmental consequences of economic decisions and to limit the economic sovereignty of countries and people.

As highlighted by the 1998 Nobel Prize for Economics, Amartya Sen: “with the increase in the level of interdependence, it has now become natural to dream of extending reciprocal responsibilities”<sup>3</sup>. “Social responsibility is based on a recognition of the fact that individuals’ life in society carries interdependencies which imply reciprocal obligations linked to the economic, political and social relations that they mutually maintain”<sup>4</sup>.

Today, the most powerful economic players (states, regions and multinational companies) benefit extensively from the growth of economic interdependencies without taking on the other side of the coin; an accrued social and environmental responsibility. This includes the irresponsibility of the United States as the holder of the international currency, while the US Federal Reserve follows a monetary policy based only on the interests of national growth when variations in US interest rates and the dollar have direct consequences on the burden of debt of Southern nations or the price of raw materials. The irresponsibility of the international banks and private operators who do not take on the systematic risks of the financial markets and bank on the intervention of multilateral bodies and national central banks to share out the losses in society when there are international financial crises. The irresponsibility of multinational companies that, while profiting from national tax differentials and labour laws that vary from country to country, from the opening up of national markets and the growing financialisation of the economy, are only generally accountable to the financial markets and their shareholders, to the detriment of other stakeholders (employees, consumers, subcontractors, local groups...). In summary, the most powerful economic players only acknowledge the social interdependencies of globalisation when they can be used to their advantage. The institutions founded at Bretton Woods (IMF, WB, WTO), the United States, the European Union, Japan and the large multinational firms are today not accountable for the social and environmental consequences of their economic management to the world community.

---

<sup>1</sup> cf. Dembinski P., proposals paper “Escaping from the financial maze: finance for the common good”, [www.alliance21.org](http://www.alliance21.org).

<sup>2</sup> For international trade and the WTO, see Rongead, proposals paper “From the failure of the WTO at Seattle”, [www.alliance21.org](http://www.alliance21.org).

<sup>3</sup> Sen A., “*L’économie est une science morale*”, La découverte, Paris, 1999, p.92.

<sup>4</sup> Sen A., *ibid.*, p.119.

*Draw up a charter to use as guidelines of the fulfilment of socio-economic responsibilities?*

On the occasion of the citizens' assembly at Lille (December 2001), the project for a charter on human responsibilities in the face of the challenges of the 21<sup>st</sup> century ([http://www.alliance21.org/lille/fr/resultats/charte\\_present.html](http://www.alliance21.org/lille/fr/resultats/charte_present.html)) was presented and discussed by the 400 delegates that came from all over the world. The idea is that the guiding principles of this charter become the common core that can be transposed and specified within the different spheres of human activity and transmitted in different languages in a way that is adapted to each culture.

In this sense, the drawing up of a charter of socio-economic responsibilities takes the role of an essential adjunct to the recognition and application of socio-economic rights on a global level. The first phase, then, is to put the charter of human responsibilities into socio-economic terms. What do these principles mean and how can they be translated into the various socio-economic contexts (shareholders, industry leaders, workers, unions, consumers, savers, the administration, and so on)? A preliminary document has been drawn up and can be used as a foundation from which to embark on the discussions (see below).

*What conditions are needed to apply and fulfil responsibilities?*

The general principles of the charter must be translated into different contexts and be gradually applied in the different spheres of human activity as a reference framework for different contexts (people themselves, communities, socio-professional circles, governments, companies, etc.)

But will this call for an ethic of responsibility, even extensive responsibility, suffice to ensure that it is followed and put in practice in daily economic decision-making? If the large transnational companies timidly adopt codes of conduct today, it is mainly under pressure from civil society, media and consumers. The socio-economic irresponsibility of the agents and institutions of globalisation is often raised on the basis of the injunction of other players (partners, funders, competitors, clients...). The acknowledgement and fulfilment of each person's responsibilities give rise to controversy and conflicts made legitimate not only by their political representativeness and the financial power of the parties involved. In what kind of regulation will the dynamics of socio-economic responsibilities result? Under what condition can the application of the principles of human responsibilities serve the common good at a time when the damage and injustices done by neoliberal globalisation are more and more glaring? How can one measure the effects of implementing each person's responsibilities? Under what condition can a charter help to draw up a real social pact?

So many questions that must be answered by this workshop. We cordially invite you to take a very active part.

### ***Charter to use as guidelines of the fulfilment of socio-economic responsibilities***

This is an initial attempt at translating the charter for human responsibilities into socio-economic terms, as proposed by the Socioeconomy of Solidarity Pole of the Alliance.

*The original principles of the Charter resulting from the Lille Assembly are referred to in italic (version of the Alliance web site).*

#### *The principles*

We have the responsibility to bring socio-economic rights alive where they are already established and to make them known where they are not respected in the daily activities of production, exchange, consumption and saving.

*We are all responsible for making sure that Human Rights are expressed through our ways of thinking and through our actions.*

The full development of human beings requires meeting both their intangible aspirations and their material needs.

*The full development of human beings requires meeting both their intangible aspirations and their material needs.*

Helping to give each person freedom and dignity in their work, exchanges and consumption means that each person must fight all forms of socio-economic exploitation, alienation and domination.

*Every person's dignity implies that he or she must contribute to the freedom and dignity of others.*

Lasting peace cannot be established on permanent and growing socio-economic inequalities, on poverty or on social exclusion.

Or

Lasting peace cannot be established without a form of social justice that increases the freedom of the most underprivileged.

*Lasting peace cannot be established without a justice respectful of human dignity.*

The exercise of economic power can only be legitimate if it serves the common good and if it is controlled by those over whom it is directly and indirectly exercised.

*The exercise of power can only be legitimate if it serves the common good and if those over whom it is exercised have control over it.*

In economic decisions regarding short-term priorities, an attempt must be made to evaluate their long-term economic, social and environmental consequences and an attitude of caution must be adopted.

*In decisions regarding short-term priorities, an attempt must be made to evaluate their long-term consequences and an attitude of caution must be adopted.*

Consumption of natural resources to meet human needs must be accompanied by an active protection of the environment that takes account of disparities between generations and between countries.

*Consumption of natural resources to meet human needs must be accompanied by an active protection of the environment.*

The pursuit of economic prosperity through market mechanisms is only equitable if it improves the situation of the most needy.

*The pursuit of economic prosperity through market mechanisms must include concern for an equitable sharing of wealth.*

Human development means respecting and developing the plurality of forms of wealth and commercial, non-commercial and non-monetary exchanges.

*While taking advantage of the dynamism of the market system, non-market exchanges must be promoted, as they are indispensable for the development of human beings.*

Freedom of scientific research implies accepting its limitations under ethical criteria that are not subjugated to economic interests.

*Freedom of scientific research implies accepting its limitations under ethical criteria.*

Education founded on competition and the pursuit of material success must be offset by education in co-operation and solidarity.

*Education oriented toward excellence and based on competition must be offset by education for solidarity and for peace culture.*

To face our present and future challenges, it is just as important to regulate the global economic interdependencies as to protect the diversity of forms of production and local exchanges and acknowledge their wealth.

*To face today's and future challenges, it is just as important to unite in action as to protect cultural diversity and take advantage of its wealth.*

Fully exercising one's economic and social responsibilities means that everyone must work to improve the material conditions under which other exercise their responsibility.

*Supplementary principle*

Document drawn up by Laurent Fraisse