Globalization is under fire, and not just from the usual suspects. Over the past several years, many scholars, policymakers, and even business executives have advanced a series of thoughtful and considered critiques of globalization from a range of perspectives. Some of these reappraisals have come from the very architects of the modern global economic system – Joseph Stiglitz, Jeffrey Sachs – who have come to reevaluate their own established orthodoxies. It is in this context that John Dunning, arguably the most esteemed living international business (IB) scholar, has organized and edited a volume on Making Globalization Good. Dunning’s contributions to the IB field are legendary. That he would devote his energies to assembling a book on the moral relevance of global capitalism (GC) is a profound statement that should be welcomed by IB scholars who have, themselves, begun to question the field’s theoretical solvency and its relevance to contemporary global challenges (Buckley, 2002; Shenkar, 2003).

The book is divided into three parts, with contributions loosely grouped according to the essays’ subjects and the authors’ backgrounds. Part One lays out the analytical framework for the volume’s main themes, and Part Two explores the challenges, opportunities, and dilemmas associated with GC, largely from the perspective of religious philosophy. Part Three is presented as a series of prescriptive statements on how global society might better organize itself in response to these challenges. Parts One and Three are likely to be of greatest interest to the IB community. Part Two, while an interesting read, speaks less to business or economic studies, and more to individual moral and ethical belief.

The main argument proposed by the volume’s contributors is that modern GC is in desperate need of a new moral ecology that is more responsible and inclusive. Such a system should recognize the range of economic and social spillovers of GC, seek to attenuate many of its negative side-effects, and should involve broad constituencies that have heretofore been excluded from important dialogues on globalization and its impact. While this is not an “IB” book per se, it is an important anthology for those who care about the impact of IB practice and scholarship on the world around us.

Dunning’s chapter, which opens Part One, is one of the strongest contributions, and the one most accessible to an IB audience. In it, he argues that modern GC has fallen short in a number of respects, and he advances the concept of Responsible Global Capitalism (RGC)—an inclusive system made up of individuals, private commercial corporations, NGOs, governments, and supranational agencies. RGC goes beyond simply producing goods and services for consumption. According to Dunning, RGC explicitly asks what should be produced, how and where it should be produced, and, importantly, “who gets what.” Dunning then addresses the moral dimensions of capitalism, drawing insight from received philosophy, the work of business ethicists, and the virtues of creativity, cooperation, and compassion.

Other essays in this section include contributions from Deepak Lal, Alan Hamlin, Joseph Stiglitz, and Jack Behrman. Stiglitz echoes his previous critiques of misguided development policies, arguing for reform of the Bretton Woods architecture to make it more responsive to the needs of developing countries, which include knowledge, social and organizational capital, and family development. Behrman argues for a new moral ethos that would extend and transform societal interests to include human
development as opposed to economic returns.

Part Two of the book presents an insightful review of what different religious perspectives can bring to RGC. Hans Kung summarizes his approach to development – previously presented in numerous anthologies – arguing that modern capitalism has failed on at least three basic dimensions: failure of markets, failure of institutions, and failure of moral virtues. Kung contends that the collective force of the world’s religions can be harnessed to achieve an integrated, balanced global ethic. Subsequent chapters in this section review insights from specific religious traditions – Christianity, (Brian Griffiths), Islam (Khurshid Ahmad), Judaism (Jonathan Sacks), and Eastern religions (David R. Loy).

In Part Three, Michael Novak draws on religious and political philosophy in his discussion of globalization and the crisis of moral ecology. Richard Falk argues for the political relevance of Global Civil Society (a sector that is receiving increasing attention in the IB research community; see Doh & Teegen, 2003), and Robert Davies presents a reasoned and logical argument for increasing attention by corporations to their global social responsibilities. Two short essays by Gordon Brown, the UK Chancellor of the Exchequer, and Baroness Shirley Williams complete the section. Dunning's concluding essay summarizes the main insights of the contributors, and provides a brief discussion of “recipes for action” for corporations, civil society, states and governments, and individuals.

This is an expansive volume with a range of contributions of potential interest to the IB reader. First, all of the contributors to this volume believe that globalization can be harnessed for good, but that positive outcomes are hardly automatic. Hence, IB research that offers normative insight about basic questions in multinational management (beyond narrow findings on how firms can increase performance) should be buoyed by the broad consensus in this book. Second, these authors believe strongly that globalization requires a new institutional architecture and a new moral ecology that undergirds its application, providing additional support for the emerging IB research stream on institutions (Kostova and Roth, 2002).

Third, according to Dunning and many of the contributors, each set of stakeholders has a legitimacy and potential role in the process. Corporations, NGOs, religious organizations and other members of civil society must take a much more active role and engage forcefully in discussions and managerial decisions related to global capitalism. For those in IB who are turning attention to organizational actors other than multinational corporations, and who are expanding the outmoded MNC-host government bargaining model to include these new entities (Teegen, Doh, & Vachani, 2004), this book provides relevant insights and additional directions. Finally, many contributors, including Dunning himself, believe that the organized religions of the world are an important force in achieving RGC. This is not a trivial observation, and one that has major implications for IB as a field and our study of cross-cultural, ethnic, and religious issues and topics. In particular, it suggests a renewed focus on the perennial question of how global standardization and efficiency can be balanced with local responsiveness and sensitivity. Interestingly, this will be a principal theme of the 2005 AIB meeting in Quebec.

Despite its many strengths, the book is frustrating on two fronts. First, the near-unanimous consensus among the authors on the basic questions and challenges – in spite of the authors’ wide-ranging backgrounds – makes for a good deal of repetition. For example, I would have liked to see more on the implications of GC for the natural environment, a topic that receives only passing attention. Second, excluding the fine conclusion by Dunning, some prescriptions from Stiglitz, Gordon Brown, and Robert Davies, and the final section, which is billed as “a way forward,” the book is heavy on “will” and light on “way.” The authors offer an effective and persuasive argument for what is wrong, some general principles that could guide an improved form of GC, but little in the way of specific guidance as to who must do what to achieve this transformation. Few would disagree with the goal of making globalization good; however, many would part on how to achieve this noble end. This would be an excellent subject for a follow-on volume or future AIB panel.

Many of the modern pioneers of the IB field – Stephen Hymer, Charles Kindleberger, Ray Vernon – had serious reservations about the impact of capitalism and MNCs on broader societies, especially on developing countries (see Meyer, 2004, for a review of literature on the impact of MNCs on development). As Shenkar (2003) has argued, contemporary interpretations of the IB field have over-emphasized the strategic and financial benefits of internationalization for the MNC, neglecting broader and potentially much more important questions related to the very nature of IB and its utility in serving broader societal needs. The contributors to this book remind us of the normative implications of IB research and of the primary role of global capitalism, which is to meet the social needs facing the world. As IB scholars – and as global citizens – we would be wise to
take this call seriously. John Dunning and the contributors to his volume believe that if global capitalism is not buttressed by a stronger and deeper commitment to ethical and moral values, it is at great risk of unraveling. The same could be said for IB.

References


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