

TITLE

Corporate Hypergoals, Sustainable Peace and the Adapted Firm

CITE

“Corporate Hypergoals, Sustainable Peace and the Adapted Firm,” *Vanderbilt Journal of Transnational Law*, 2003

AUTHORS

Thomas W. Dunfee

Timothy L. Fort

The Wharton School

CORPORATE HYPERGOALS, SUSTAINABLE PEACE AND THE ADAPTED FIRM

THOMAS W. DUNFEEⁱ

&

TIMOTHY L. FORTⁱⁱ

ABSTRACT

The ultimate survival of humanity depends on controlling a strong propensity toward the use of violence to resolve conflicts. Similarly, an environment conducive for business transactions requires certainty, minimized violence and maximized human choice. In this article, we explore the role of corporations in contributing to sustainable peace. We begin by analyzing the potential for identifying “hypergoals” applicable to all publicly owned for-profit corporations, independent of their purpose, type, business or legal governance. Second, candidate hypergoals of transparency and contributing to sustainable peace are identified and discussed. Third, the specific role of business corporations in contributing to sustainable peace is explored and a decision framework is presented that helps to identify strategies corporations may follow in resolving conflicts and minimizing violence. The framework is demonstrated through an analysis of the current controversy surrounding the marketing and distribution of conflict diamonds. Finally, we present the aspirational Adapted Firm as a model of how business firms may best contribute to the hypergoal of sustainable peace.

The central point of this article is that in identifying sustainable peace as a teleological end for corporate practice, a series of empirically grounded obligations become relevant. Given the scope of the paper, it will be beneficial to bear in mind the characteristics of The Adapted Firm, our model for how corporations can best contribute to peace. In many important respects, The Adapted Firm is simply a firm practicing good citizenship as advocated by others in the field of business ethics. However, by linking such behavior to an aspirational quest for peace, the particular motivations for being ethical become clearer. The Adapted Firm survives because it is attentive to the

immediate, local emotions and sentiments of the stakeholders affected by corporate action. The Adapted Firm also contributes to a longer term survival by insisting on certain practices correlated to peace, to wit: providing economic development, being open to external evaluation of actions (including transparency and support for the rule of law), and pro-actively practicing good citizenship, particularly with respect to strengthening the voice of corporate stakeholders. The Adapted Firm thus consciously commits itself to two levels of decision-making analysis: (1) a commitment to a hypergoal of sustainable peace and the practices associated with sustainable peace, and (2) a commitment to attending to the immediate sentiments of local constituents, including those of shareholders.

Table 2

THE ADAPTED FIRM AS A CORPORATE DECISION TYPE

Type	Decision rule	Source of Values	Code	Ethics Program	Flag	Ethical Orientation
Imperialist Citicorp, Nike	apply own ethical values everywhere	internal, from company culture and history	corporate level, unified specific	integrity oriented, centralized, strong ethics officer	company	ethical absolutist
Chameleon Shell, United Technologies	adopt ethical values from host environments	norms and customs of host environments	decentralized code, separate subsidiary	business practice officers at each subsidiary	host country for each subsidiary	ethical relativist
Nationalist Honda, AT&T, Renault	adopt values of home country for decisions everywhere	laws and customs of home country	references to home country laws	compliance oriented	home country	ethical absolutist
Opportunist Texaco, Northrup, Huntingdon Life Sciences	maximize firm's profits, strategic use of ethics to enhance profits	any source enhancing profits	general, focused on performance goals	if any, results oriented goals	many flags (including pirate) depends on context	ethical egoist
Adapted Levi Strauss	profit-making consistent with relevant marketplace morality and universal norms	firm, local communities and manifest universals	local norms and manifest universals integrated into overall corporate code	integrity oriented, strong ethics officer, role for subsidiaries	U.N., national, host, corporate	contractarian

ⁱⁱ Associate Professor, Business Law & Business Ethics. The University of Michigan Business School