

## **Doing Business with China - Economic and ethical opportunities and challenges**

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Scientific sharing between Chinese and Swiss scholars is a great chance. I'm very glad to participate in this effort to learn from each other, to increase mutual respect and hopefully to contribute to a harmonious development in China, in Switzerland and in this globalized and yet divided world. In this short contribution of 15 minutes I mainly concentrate on the ethical challenges and opportunities. I can present not more than a few thesis. I developed their justification in various articles and books.

### ***1. Which Business in which China?***

"Doing Business with China" is in fact a twofold limitation and therefore has to be specified: "Business" means primarily the big multinational companies with their global activities. And they are not doing business with the whole of China but primarily in the South-Eastern part of this huge and very interesting country with its long history and great potential.

### ***2. Economic opportunities and challenges***

Great opportunities are obvious.

1. China achieved to feed almost every forth human being on earth! China therefore enormously contributes to the most fundamental human right: the "right to adequate food" (International Pact on Economic, Social and Cultural Rights, 1966, article 11; Universal Declaration of Human Rights, 1948, article 25).
2. Over 260 million people of the fast growing middle class in China live in much better economic conditions than before 1979.
3. The political and cultural openness of China today seems to be also a result of the economic openness including the membership in the WTO.

Crucial economic challenges are also obvious:

4. The international as well as big Chinese companies have an enormous potential of capital which enables them to invest, to compete and also to drive out smaller companies. As a result the concentration process of economic power continues with high speed.
5. The disparities within the different regions and sectors of China as well as in Switzerland are growing. The gap between rich and poor, between towns and the countryside and between people with lower and higher education is growing.
6. The economic growth in China leads to dramatic ecological destruction (see e.g.: Robert Benewick: the State of China Atlas, London 1999) and the economic crisis in Europe leads to a lack of political will for environmental protection.

7. The economic development transfers in a huge way jobs from one country to another. The textile factory of my father in law employed 120 workers in Switzerland, 20 years ago. Today they are only 30. How to develop the economy while creating jobs and not as a “jobless growth”?

### **3. Ethical challenges and opportunities**

The value judgments of ethical challenges and opportunities are based on respective value systems. Fundamental Christian values are justice, peace, freedom, environmental protection, solidarity, participation as they are developed in many books on theological ethics as well as a publication on fundamental values of the FSPC which is in preparation. What are – on this basis - ethical challenges and opportunities of this extraordinary economic development in China? What should be done in order to respect fundamental ethical values in our country Switzerland as well as in your country China? How should it be done in order to respect the different contexts and reach the goal of a harmonious society and relationship?

1. Respect and renew ethical values in this fast transition process.
2. Recognise religious worship and Bible studies as a contribution to ethical orientation and behaviour and a meaningful life
3. Strengthen the right to adequate food (the farmers are the caretakers of this most fundamental Human Right).
4. Integrate the environmental costs in the economic prices.
5. Decrease the gap between rich and poor in order to maintain social stability and enable a peaceful development.
6. Direct economic investments also to weaker developing countries in order to decrease the threat of China for them.
7. Create jobs instead of supporting a jobless growth.
8. Strengthen responsible leadership in companies and religious communities.

### **4. Steps for the future**

4.1 Further develop bilateral (Chinese-Swiss) and global research partnership. The exchange on ethical concerns between the Federation of Swiss Protestant Churches and Chinese scholars as well as with CCC/TSPM is an encouraging step with a good potential for future cooperation. Also the newly established Globethics.net ([www.globethics.net](http://www.globethics.net)) is an efficient global network of ethical institutions that I initiated last year.

4.2 Strengthen the capacities for theological formation in ethics and social responsibilities of the Churches in China. More centres for Applied Ethics should and could be established in the coming years. In addition churches and academic institutions could profit from a closer cooperation between theological seminaries and public universities and research institutions. Knowing that the Church in China must invest almost all efforts in the encouraging church growth, it has nevertheless to prepare the capacity to respond to the growing ethical expectations of society and government.

4.3 Dialogue on common concerns of economic ethics between Swiss and Chinese companies and Churches. E.g. the UN-Global Compact is signed by many Swiss companies working in China and the Chinese government hosts a big conference on the Global Compact later this year 2005 in China. The FSPC shares the values of the

ten human rights (individual, political, economic, social and cultural rights) which build the foundation of the “Global Compact”. At the same time FSPC holds a critical dialogue with CEO’s of huge Swiss companies (which are also very active in China) and asked them to make this voluntary guidelines more binding for the companies and to establish an independent monitoring system.