



Humanistic
Management
Center

Foreign Direct Investment and Quantitative vs Qualitative Freedom

4th Annual Humanistic Management Conference

Humanistic Management Center

Hohenweg 2 • 9000 St. Gallen • Switzerland

www.humanisticmanagement.org

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Foreign Direct Investment (FDI)

2

Foreign Direct Investment and
Quantitative Freedom

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Foreign Direct Investment and
Qualitative Freedom

CONTEXT

One global marketplace

US Facility
Services Firm

Cleaning
Products
from Canada

Made by a
Japanese
company

Steel
Made in
Brazil

by an
Indian
Company

Paul from
Nigeria

Lift from
Mexico

Made by
a German
company

Squeegee
from China

Using
Indonesian
Rubber

Glass from
the
Netherlands

Made with
Quarz Sands
from France

Global
Business
Tenants

in the Building
Owned by
Investors from
Abu Dhabi,
Singapore and
the US

FOREIGN DIRECT INVESTMENT

In essence FDI is about access

Resource Seeking



Gaining access to
resources

Market Seeking



Gaining access to
markets

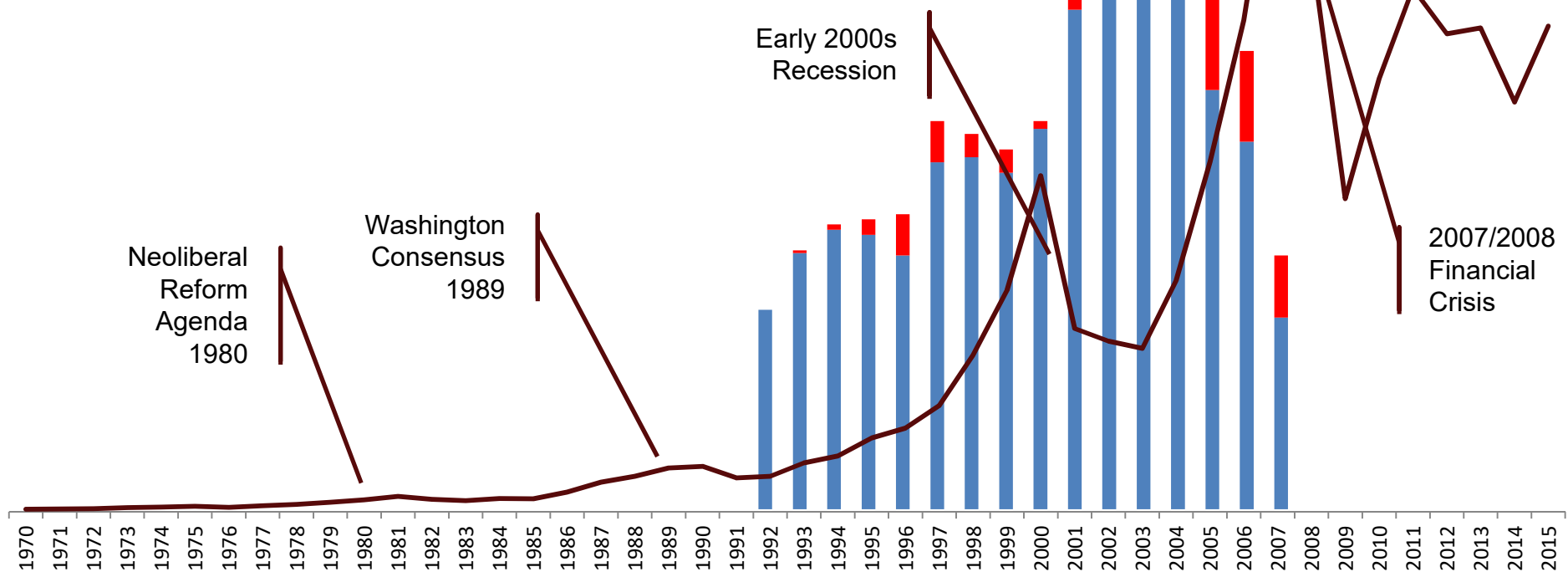
Efficiency Seeking



Gaining access to
efficiency enhancement

FOREIGN DIRECT INVESTMENT

FDI is both Driver and expression of globality



FDI AND QUANTITATIVE FREEDOM

Foundation

- Freedom is the overarching aim
- Freedom is choice
- More choices equal more freedom

Rationalization

Freedom for the FDIr is the absence of obstacles to allocating capital to where it promises to return the highest yield

Effect

Removing obstacles for FDI is good:

- for the investor who gets higher yields
- for the investee as it promotes capital formation and positive spillover effects



FDI AND QUANTITATIVE FREEDOM

The Washington Consensus

“Liberalize as much as you
can, privatize as fast as
you can, and be tough in
fiscal and monetary
matters!”

(Kolodko, 1999)

FDI AND QUALITATIVE FREEDOM

Foundation

- Freedom is the overarching aim
- Freedom is life chances
- More responsibility equals better chances equals better freedom

Rationalization

Freedom for the FDIr is contingent upon embracing responsibility for the impact generated so that capital is allocated to deliver better life chances

Effect

Freedom is good:

- for the investor who gains the foundation for ongoing success
- for the investee benefitting from shared well-being on a healthy planet

FOREIGN DIRECT INVESTMENT

FDI in Qualitative Freedom

“The better, the more”
(Dierksmeier)

WELTETHOS
INSTITUT
GLOBAL ETHIC
INSTITUTE

SUMMARY

From a might makes right logic to life conducive FDI

1

We live in one global market place.
The way we run things is unsustainable.
Moral and pragmatic reasons demand change



2

Our notion of freedom will determine how successfully we manage to include FDI in addressing the challenges we face as a global community



3

A quantitative notion of freedom is yesteryears (destructive) song.
Only a qualitative notion of freedom supports the requisite transformation



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