

## **Human Rights and Business Ethics: Fashioning a New Social Contract**

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In 1948, the United Nations Declaration of Human Rights was adopted by the United Nations. In the intervening fifty years, it has been formally endorsed by most of the countries of the world. The Declaration itself was a response to human rights abuses that preceded and accompanied the second world war, a global war that created a global moral crisis to which the United Nations Declaration was a collective and global response. The Universal Declaration began:

*Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world, and*

*Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and, the advent of a world in which human beings shall enjoy freedom of speech and belief, **and freedom from fear and want** has been proclaimed as the highest aspiration of the common people.*

The General Assembly:

*Proclaims this Universal Declaration of Human Rights as a common standard of achievement of all peoples and all nations, to the end that every individual and **every organ of society**... shall strive to... secure their universal and effective recognition and observance..*

In the years following the proclamation, it came to be widely assumed that the Declaration of Human Rights was addressed principally to governments. In the liberal democracies of the developed world, governments, urged on by their citizens, did proceed to take up the challenge. Human rights were enshrined in constitutions; the Canadian constitution is an example. Laws designed to protect minorities from discrimination were passed. Provision was made for refugees, though it was not always as generous as it

might be. A social safety net was put in place to protect the poor including health insurance, unemployment insurance, old age security and so on. Constitutional guarantees were put in place to restrain governments in the exercise of their powers thus protecting freedom of expression and of the press, freedom of assembly, the right to a fair trial and so on.

One consequence of the assumption that protecting and enhancing human rights was a government responsibility, however, was *a de facto* division of responsibilities between governments and the private sector. The private sector assumed primary responsibility for generating wealth while the public sector accepted responsibility for ensuring respect for human rights including freedom from "fear and want".

Let me describe this arrangement as a tacit social contract. It is this "contract" that I want to examine and evaluate in what follows.

Establishing the existence of a "contract" or a general understanding of respective responsibilities in complex societies or tracing causally its impact is not an exact science. However, I do want to suggest that understanding the division of responsibilities between business and government in the post war industrialised world as forming a tacit social contract is illuminating however difficult it might be to prove its existence. It is illuminating, I want to suggest, because it highlights the striking character of that division of responsibilities and its implications for the way in which much of the private sector perceives its role and responsibilities. Specifically, as generators of wealth, many private sector corporations and business people have been persuaded to the view that their sole social responsibility is simply to maximise profits in lawful ways. As a result, many in the corporate world tend to pay little attention to human rights issues as a corporate responsibility.

The evidence supporting the existence of a tacit understanding of the social responsibilities of the private sector is extensive and multi-dimensional. There are for example the theories of management that emerged in powerfully articulate forms in the sixties and seventies that argued that a corporation's sole obligation is wealth maximisation for the benefit of its owners or shareholders whose property it is. As Milton Friedman put it both simply and elegantly, the social responsibility of the modern corporation is simply to maximise profits. To go beyond this objective is a misuse of power that is doomed to fail and in the process impede the exercise on the part of civil authorities of their own proper responsibilities.<sup>1</sup>

One would expect that companies that see profit maximisation as their primary obligation to define their social and ethical responsibilities narrowly. They would regard themselves as having a limited number of informal obligations defined by local conventions and culture. These would include obligations owed by the company to employees and the reciprocal obligations of employees to their employer. Other obligations would those be set out in contracts with employees, suppliers, customers, clients and so on. Taken together, these informal and contractual obligations could be anticipated to include:

honesty in financial transactions, respect for company property, avoidance of conflict of interest, meeting contractual obligations, respect for the law and respect for basic rules of civility.

One would also expect that when companies with this management orientation went beyond their ethical duties narrowly defined and their legal obligations, it would be for clearly defined public relations purposes governed by enlightened self interest.

In short, as Milton Friedman suggested, where the primary obligation is wealth maximisation, obligations to stakeholders can be expected to be defined by the law, prevailing ethical customs and good public relations.

There is a good deal of evidence to suggest that this view has become the dominant view since the second world war. The codes of conduct that have become common features of corporate policy and public relations in the last three or four decades are one rich source of supporting documentation.<sup>2</sup> What they reveal is a focus on "measures designed to protect the firm from wrongful acts by its employees".<sup>3</sup> That is to say, the primary purpose of codes of conduct historically has been the protection of the corporations. Public relations also emerges as a key factor in this regard. Thus, a 1978 UK study of advertising codes of ethics around the world found that for example "industry will dedicate resources to code administration only if it expects benefits such as consumer goodwill or the removal of government legislation", a view that studies of Canadian and American codes have echoed.<sup>4</sup>

Further evidence comes directly from the private sector itself. A good example is a statement by François Vincke Secretary General of PetroFina, who says in a recent discussion of the International Chamber of Commerce's campaign against bribery that "until recently, ... corporate responsibility was dictated by the law, or to put it in even simpler terms: the ethical code of a company was the criminal code".<sup>5</sup> Perhaps even more persuasive is a report to the OECD by a business sector advisory group which states categorically that: "Most industrialised societies recognise that generating long-term economic profit is the corporations primary objective."<sup>6</sup> The authors of the report acknowledge that ethics and ethics codes have a clear place in corporate governance whose goal is profit maximisation. However, those ethical values must connect directly or indirectly to enhancing the bottom line. Furthermore, corporations that go beyond these ethical parameters should disclose their social agenda. The implication is clear. Commitment to respect human rights in international commerce even where it is not mandated by law implies a willingness to diverge from the goal of maximising long term economic profitability<sup>7</sup>. There is no parallel suggestion that companies that propose not to respect international human rights and other ethical standards in their operations disclose this fact as well. Thus implicit among the assumptions of the report is the tacit understanding that the primary ethical obligation of a modern corporation is to maximise profitability within the constraints of law. This implication is reinforced by the report's suggestion that where important social objectives are at stake, governments will have to assume the leadership position.<sup>8</sup>

This view has come to dominate the thinking not only of business but also of governments and international economic institutions established to deal with the growth of international trade. Its effect has been to separate economics, which in the minds of many means "the science of profit maximisation", from any ethical values beyond those required to ensure the achievement of the corporations primary objective, namely profit maximisation.

### **The post war social contract evaluated**

The post war period has seen remarkable growth in respect for human rights and economic wealth for industrialised countries. While not everyone has shared equally in the wealth generated, it is unarguable that the economic wealth available to the citizens of the industrialised world today is many times greater than the wealth available to citizens of the same countries either before or after the war. Respect for human rights has also become an entrenched feature of the industrialised world's political and social systems. One again, not everyone has benefited equally. But it is surely evident that human rights and related moral principles are more widely respected and constitutionally entrenched than was the case fifty years ago. The benefits have been enormous.

We might therefore describe the outcome of the tacit social contract that has guided post war economic development in the developed world as follows: profit maximisation + a free market + the law = economic wealth (development).

This formula, though apparently widely endorsed, has none the less come under considerable scrutiny in recently years. Two factors have been particularly influential. First is a series of "moral crises" involving illegal or unethical conduct on the part of employees and senior management acting in what they thought was the best interests of their employers that resulted in significant damage to a number of large and apparently successful corporations. What these crises have revealed is that the mantra of profit maximisation can work both for and against corporations and their shareholders by rationalising unethical and illegal actions. Cutting ethical corners, which many have come to believe is at least sometimes the price that tough minded business people have to pay to compete successfully, can backfire resulting in serious public relations costs and financial penalties.

The Lockheed bribery scandal in the late 1970's was for many the first clear warning sign. Both the actions of Lockheed senior management and subsequent investigations on the part of the U.S. Senate made it painfully clear that respected business leaders were prepared to condone bribery in foreign business transactions if that is what it took to beat the competition. Particularly important for our purposes, however, was the fact that those condoning corruption saw it as justifiable in the international market if it did not involve breaking the laws of the corporation's own country or what were seen as the moral conventions of the country in which it took place. Even more insidious was what appeared to be an implied suggestion that similar conduct might also be justified in the home market if competing successfully demanded it. This conclusion was relatively

easily rationalised if law was equated with law enforcement and risks associated with skirting the law were carefully and rationally calculated.

The Bophal disaster further illustrated ambiguities about how the social contract was to be interpreted in international commerce. Against what laws and environmental regulations should management be judged, India's or those of the country in which a company was headquartered, in this case the United States? What moral conventions, for example with regard to health and safety standards, should prevail, those of the host country or those of the parent?

Increasingly, companies also have also begun to realise that the mantra of profit maximisation can be turned against a corporation when it becomes the frame of reference for individual employees. This knowledge in turn has made it more and more difficult for senior management to accept the idea that 'business is business and ethics is ethics' particularly when confronted with employee fraud and other forms of unethical activity<sup>9</sup> a lesson driven home for many by the collapse of Barrings Bank.

For many, what these developments have stimulated over the past two decades is the growing realisation that ethics and business are much more closely connected than the tacit social contract, forged in the post war period, would suggest. The remedy offered has been to develop better articulated and more robust understandings of the role of ethics in leadership and corporate culture. The result has been the growth of interest in corporate codes of conduct that set out acceptable standards of conduct for both corporations and their employees.

What is more, decisions to create codes and build more ethical corporate cultures have had some surprising results. Many corporations have discovered that substantial positive benefits can flow from building a reputation as an ethical company. Employees prefer to work for ethical companies. A reputation for ethical business practices attracts better qualified, better motivated job applicants. Employee morale and public relations benefit. Long term profitability can be enhanced and so on. These discoveries have added additional weight to the view that ethics and business are related and that indeed there is a place for ethics in free market economies.

The difficulty is that the resulting codes are largely self serving. Their primary function, as Craig Forcese points out in his two volume study for the International Centre for Human Rights and Democratic Development (Montreal, Canada), has been to ensure that the corporation and its employees meet their reciprocal obligations to each other and to the law and act in ways that enhance the corporations public image. Hence corporate codes have not been extended, for the most part, to cover issues like respect for human rights.

Of course, human rights are covered in the country in which corporations are headquartered since they are embedded in the legal structures of the industrialised world. Hence, in those contexts explicit reference to human rights values is redundant. However,

the law of industrialised states does not as a rule extend beyond their borders. Hence they do not govern corporate operations abroad, specifically the developing world. As a result, current interest in ethics codes has not altered in any fundamental way the post war social contract.

The second factor relevant to an evaluation of the post war conception of the social responsibilities of corporations is globalisation. Globalisation is a complex phenomenon and not easily characterised accurately. What can be said, however, is that it has had dramatic impacts on the legal environment in which corporations, particularly multinational corporations, conduct business. These changes in turn have significant implications for corporations and the post war social contract.

First is the fact of corporate power. The largest transnational corporations have budgets that dwarf those of most of the world's nations. This power has been enhanced by corporate mobility. In today's world, corporations have a great deal of freedom in deciding where to do business. They can choose the countries in which they invest. They can choose their suppliers. And their suppliers can choose with remarkable freedom where in turn they will produce the goods and services they offer. An equally important parallel development has been advances in communications technology allow the movement of capital virtually instantaneously from one country to another.

The effect of these developments has been to give multinational corporations remarkable freedom to choose the legal systems that will govern their operations. Corporations are now free to seek out those environments in which the laws in place provide the most favourable conditions for maximising profits. This fact in turn has given corporations a powerful tool for persuading the countries in which they do business to create a favourable legal environment, namely one that puts the fewest possible regulatory constraints on the conduct of business. Thus, various states have made themselves into havens for firms seeking to avoid tax, banking restrictions, corporate disclosure and other regulatory regimes in their home country.

Globalisation has also provided nation states with an incentive to engage in 'regulatory competition'. The temptation to attract investment by promising a legal environment that minimises labour or environmental standards, for example, is obvious. The result has been what some have described as a 'race to the bottom.'<sup>10</sup>

In contrast, while globalisation has strengthened the capacity of multinational corporations to choose and shape the regulatory environment in which they operate, it has weakened the capacity of nation states to regulate business activity. Law as we know it is the creation of nation states. The jurisdiction of national legal systems is bounded by the principle of extraterritoriality limiting the capacity of states to project their domestic law abroad. The ability of states to control the legal environment regulating international commerce has been further weakened by free trade agreements such as NAFTA and the WTO.<sup>11</sup> The effect of these factors both apart and in combination has been to put much of the activity of multinationals beyond the effective reach of any one country's legal

system. Paralleling these developments has been the emergence and increasing importance of transnational agencies and institutions, for example the OECD. However, to date, few if any of these agencies and institutions -- the European Union is the single obvious, but still limited, exception -- have been willing or able to stand proxy for the state, to make regulatory standards effective across national boundaries. Even when they are able to 'legislate' (e.g. the ILO) many countries refuse to treat such regulatory standards as legally binding until and unless they are expressly incorporated into domestic law. When they are able to 'adjudicate' (e.g. the United Nations or the World Court) they seldom have at their disposal effective regimes of enforcement, and sanctions must still be applied by states.

Nor is globalisation the only obstacle to state regulation. The apparent popularity, some have suggested the inevitability, of neo-conservative policies has led many governments in the developed world to reduce state regulation of the economy, taxation and state expenditure, thus liberating market forces and, hopefully, stimulating investment, jobs and hopefully general prosperity. While the state has by no means disappeared and has even deployed its coercive powers more vigorously in certain fields of social control, for example the bribery of foreign public officials, in many areas, business is being freed from many of the constraints which had been imposed over half a century of interventionist state policies.<sup>12</sup>

The result of these domestic and global shifts is the apparent emergence of what might be called a regulatory vacuum with regard to many aspects of international commerce. It is a vacuum furthermore which many corporations have shown considerable willingness to exploit. Thus, it is now painfully obvious that many business leaders are prepared to ignore some of the most basic norms of human behaviour in the name of profit maximisation. It is equally obvious that many of their competitors feel compelled to follow their lead or lose an important competitive advantage.

What are the implications of these developments for an evaluation of what I have described as the economic assumptions underlying the post war social contract, namely that 'free markets + profit maximisation + the law = economic wealth (development)'? It would appear to be this. Where corporations are able to control the legal environment that governs their activities then 'law' drops from the equation. When law is removed from the equation, the formula equates unconstrained profit maximisation with the generation of economic wealth and development.

The most appropriate moral characterisation of unconstrained profit maximisation is greed. It is perhaps unsurprising therefore that we have seen serious efforts over the past two decades to rehabilitate greed. The 1980's, for example, are now widely known in North America as the greed decade. It was a decade in which a few enormously 'successful' entrepreneurs toured business schools extolling the virtues of greed. It was also a decade in which an undisciplined pursuit of profits caused a spectrum of disasters from the wide spread collapse of financial institutions (in the United States, for example) to the destruction of fishing stocks that had been the source of livelihood and subsistence for communities for centuries (in Canada's Maritime provinces, for example). And it was a

decade that ended in a damaging recession from which many communities in the industrial world are only just beginning to recover after seven years of steady economic growth.

In the present decade, the collapse of the 'tiger' economies and the spread of 'the Asian flu' is widely agreed to have involved two factors. The first was the lack of accountability and the apparently irresponsible use of power on the part of Asian financial institutions and conglomerates. But equally important has been the pursuit of profits at any cost on the part of investment managers and financial institutions in the industrialised democracies.<sup>13</sup>

Hedge funds provide an excellent example of management for profit maximisation in a global economy in which legal constraints are minimal. These funds are managed with a view to making as much money as possible in as short a period of time as possible for wealthy investors. Global financial markets are largely unregulated. Hedge funds exploit that fact for the benefit of their managers and shareholders. In the process, they have been known to seriously destabilise financial systems around the world.

The story of Long-Term Capital Management illustrates the phenomenon. This hedge fund was managed by some of the world's most gifted and knowledgeable money managers who used the financial resources of some of the world's largest and most powerful financial institutions and their own talents to gamble on the movement of money markets. The result was the near collapse of the financial systems of the industrialised world, an outcome that was avoided only by the intervention of the American Federal Reserve Board.<sup>14</sup> In reviewing these events, surely the name, Long-term Capital Management is not without significance. Neither is the fact that two of the managers of the fund were Nobel laureates. But perhaps most important is the obvious implication that greed disguised as the unrestrained pursuit of profits can have very destructive impacts on a global market economy.

In this environment, ethics that goes beyond the bounds of corporate self interest is seen as not simply irrelevant to economic development but also an impediment forcing corporations to choose between ethics, including respect for human rights, and profits. Neither is there any evidence that an economy built simply on unconstrained profit maximisation will result in economic development let alone minimally equitable development of the sort that has characterised the post war economies of the industrialised world.

Seen from an ethical perspective, the unrestrained pursuit of profit maximisation, as I have already pointed out, is simply another word for greed. And greed has been condemned as personally and socially destructive by all of the world's great religions and by moral leaders at virtually every stage of the development of human civilisation. Furthermore, there is today no shortage of evidence confirming that view. What that evidence suggests is that unrestrained profit maximisation or greed is the enemy not the driving force of a free market economy.

### **Building a new social contract**

What then are the lessons to be learned from the post war experience? The first, surely, is the need to re-examine the ethical foundations of market economies and the relative responsibilities of the private and public sectors in ensuring that business activity leads to equitable economic development. A second and equally important lesson is that crises do provoke the kind of serious re-examination that seems now to be required. In this respect, the 1948 Declaration of Human Rights stands as a powerful example coming as it did as a response to a moral crisis of equally global proportions. So too does the rethinking that many corporations have undergone in the past two decades faced with crises caused by ethically questionable corporate conduct. Finally, as was the case in 1948, experience over the past fifty years has generated resources, insights and experience that are available to guide the process of re-examination and development of new standards if we choose to use them.

Let me conclude by highlighting some of those resources, insights and experience. Note first that in response to the damaging effects of corruption on economic development, some of the world's most influential international economic institutions (e.g. the World Bank, the International Monetary Fund, the Asian Development Bank) are now beginning to accept that ethics and economics are integrally related. One consequence of this re-examination is the recently concluded Organisation for Economic Co-operation and Development convention calling on member countries to criminalise the bribery of foreign public officials. This convention has emerged from the realisation on the part of a number of powerful multinational corporations that corruption is inconsistent with the operation of a market economy and a serious impediment to economic development. Equally important has been the realisation that the problem of corruption cannot be solved by individual corporations or the public or private sectors acting alone. Finally, events leading up to the creation of the convention have illustrated the impact that NGOs, Transparency International in this case, can have in bringing about co-ordinated actions by international institutions in dealing with this kind of global problem.

Second, faced with the need to provide principles and codes to guide corporations in the global market place, coalitions of business leaders, religious leaders and members of civil society are forming with a view to articulating model international codes of conduct. Two examples are the *CAUX Round Table Principles for Business* and *An Interfaith Declaration by Christians, Muslims and Jews*. The Interfaith Declaration builds on the values of justice, mutual respect, stewardship and honesty. The Caux Principles are grounded on two moral concepts, the Japanese concept of 'kyosei' which means living and working together for the common good, and the concept of human dignity. Both these statements give a central place to respect for human rights in business activity.

Third, a number of governments have begun to develop codes for the conduct of international business. A good example is the 'Standard of Principles for Canadian Business'. This code highlights respect for human rights and social justice. The American government has also published a statement on Model Business Principles and has become heavily involved in negotiations with American multinational companies in the fashion

industry. And while these efforts cannot be said to have been particularly influential to date, they do indicate a growing awareness that ethics has a serious role to play in the private sector.

Fourth, increasingly, multinational corporations too are recognising that the old social contract is no longer valid. The best indication of this is the development of corporate codes that explicitly recognise that one of the central ethical obligations of business is to ensure respect for human rights in their own operations. An example is the Code of Conduct for Alcan Aluminum Ltd., a Canadian multinational company in the aluminum business. This code states the 'Alcan is guided by principles of non-discrimination and respect for human rights and freedoms'. Placer Dome, a Canadian mining company, is a second example of a multinational corporation that has recently made a public commitment to operating world wide in accordance with principles of sustainable development which include respect for the human rights.

What these developments indicate is that segments of the business community are increasingly aware that ethics and economics are closely related. Thus, the Pacific Basin Economic Council Charter on Standards for Transactions Between Business and Government links good governance and economic growth and calls for honesty, integrity, transparency and accountability in business transactions as a key to building public confidence in business and government.

Fifth, civil society is beginning to play a central role in the growing awareness that respect for human rights is a private sector as well as a public sector responsibility. International coalitions are beginning to create model codes that establish benchmarks on an industry by industry basis for evaluating company operations and tracking corporate performance in the international market place. The emergence of the SA 8000 program in the United States and the Ethical Trade Initiative in England are two examples. These initiatives are slowly becoming influential factors reshaping public understandings of the responsibilities of transnational corporations.

Finally, perhaps of most significance is the leadership being offered by a small number of transnational corporations that have committed themselves to competitive business practices consistent with respect for human rights in all aspects of their operations. What is unique about these corporate leaders is their commitment to allowing and encouraging independent evaluation and monitoring of the impact of their codes on the way they do business. An excellent recent example is a decision on the part of Levi Strauss, a large multinational corporation in the apparel industry whose code sets out 'Terms of Engagement' for its suppliers that require respect for employee human and labour rights, to obtain an independent evaluation of the effectiveness of its 'Terms of Engagement' in its business operations in the Dominican Republic. In pursuit of this objective, Levi Strauss engaged a group of four NGOs including Oxfam Great Britain to undertake an independent study. That study has now been concluded and its results are publicly available. This private sector/civil society 'partnership' model as a way of building ethics back into the global market is now being explored by corporations in such

areas as manufacturing, and resource extraction around the world.

What then is to be learned from these developments?

1. We need a new social contract to frame business activities in the emerging global market place. The wide spread view in the private sector that the protection of human rights is a government, not a corporate responsibility is not tenable in a global economy. As the Pacific Basin Economic Council points out in its Charter, the purpose of trade liberalisation is to promote development that increases living standards. Both traditional wisdom and recent experience demonstrate that free domestic or global markets that ignore internationally recognised ethical norms do not promote economic development and improve living standards. What they do promote is the reallocation of existing wealth from those who are already poor to those who are already rich.
2. The new social contract must include recognition on the part of the business community that they have an obligation to operate in all aspects of their operations within the framework of policies and codes that encompass respect for human rights and other values of fundamental human importance, for example environmental protection.
3. The new social contract must acknowledge that building respect for fundamental human values in the private sector requires business and government partnerships. National and international regulation is essential to creating a level economic playing field in market economies. To put the matter another way, one of the fundamental tasks of modern governments and international institutions is to protect the market and those it is designed to benefit from the worst vices of an outdated business culture in which such things as crony, casino and rogue capitalism are tolerated and greed is extolled as the driving force of business activity.
4. The new social contract needs to ensure a significant role for civil society in monitoring the adherence of corporations to the codes they adopt. This co-operation should be based on private sector/civil society partnerships whose goal is to work together for benefit of all stakeholders.
5. Finally and perhaps most important, we need to remind ourselves, as Gandhi and others have pointed out, that commerce without conscience are formulas for human exploitation, not human development.

## ***References***

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9<sup>th</sup> International Anti-Corruption Conference, 10-15 October 1999, Durban, South Africa

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## ***Endnotes***

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1. See for example: "The Social Responsibility of Business is to Increase Profits" in *The New York Times Magazine* (Sept. 13, 1970).
  2. American surveys indicate that by the late 1980's as many as 77% of large US corporations had some sort of corporate code of conduct . A 1981 survey of 125 of the largest Canadian businesses ranked by revenue found that 49% of the 51 responding corporations had corporate statements of objectives (Forcese, 1997, p. 14).
  3. *Ibid*, p. 14.
  4. *Ibid*, p. 12.
  5. Vincke et.al. 1999, p. 15.
  6. Ira M. Millstein (Chairman), April 1998.
  7. *Ibid*. p. 25.
  8. *Ibid*. p. 70
  9. Recent studies indicate the dimensions of the problem. A study by a Canadian accounting and consulting firm recently revealed that large Canadian corporations each lost on average \$1.3 million (Can.) from fraud in 1997. Similar studies in the United States have revealed that white collar crime may cost the private sector as much as \$100 billion (US) each year. In 1994, a study of over 4000 U.S. employees found that 31% of employees surveyed had observed conduct at work over the course of a year that violated either the law or the policies of the company for which they worked. Further, fewer than half of the 31% reported the misconduct they had observed to their employer.)
  10. See, for example, Roy Culpeper's analysis in *The Corporate Stake in Social Responsibility* (North/South Institute, 1998).
  11. The ongoing dispute over European Union regulations governing the import of bananas and the conflict between Europe and Canada over the export of beef that has been exposed to genetic engineering are obvious cases in point. In both cases, attempts to regulate goods has been struck down by the WTO.
  12. See for example, Arthurs, 1997.
  13. For an interesting discussion of these and other aspects of the Asian economic crisis see Jomo, 1998.
  14. See for example comments attributed to Paul Volcker, former chairman of the U.S. Federal Reserve Board, by Mathew Ingram in *The Globe and Mail*, Monday, Sept. 13, 1999. In an article entitled *The world according to Paul Volcker*, is said to have described the activities of Long Term Capital as completely unregulated and speculative. He is described as saying further that their activities threatened to destabilise a substantial portion of the U.S. financial industry.