Ethics and moral practice

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This paper is concerned with the ways in which we make ethical judgements. Insofar as they discuss ethical judgement, most textbooks refer simply to applied normative ethics (utilitarianism, Kantian ethics etc.). In real life, however, we typically draw on other resources, in particular our emotional responses and the social norms and traditions of the societies in which we live or were brought up. One of the reasons for teaching people normative ethics is because the resources of tradition and the emotions are often inadequate to deal with some of complex ethical problems arising in business and professional contexts, or with problems arising in cross-cultural situations. But even when this is the case we don't, in the real world, dispense with these other resources completely. And if the problems of business or professional or administrative ethics are to be made relevant to students and practitioners, it is important that they should be treated in a way that connects with the way in which everyday ethical issues are treated. Most people have a clear understanding of what they consider good or bad in personal life (without taking a course in it) and if we treat business ethics in a way that is disconnected from how people treat their personal ethics it risks become a useless abstraction.

The grounds of moral judgement

Most textbooks on applied ethics (for example on business, professional or administrative ethics) treat ethical or moral judgement either as the product of applied normative ethics (the ethics we find in philosophy texts) or just as a matter of general reasoning or common sense. But what do we mean by common sense? What do we mean, indeed, by reasoning? And where and does normative ethics fit in? The vast majority of people know nothing about it, but they aren't obviously less ethical as a result.

In order to understand what normative ethics can do for us, we first need to understand something about moral judgement more generally. What are we doing when we say something is good or bad, right or wrong? What do we base such judgements on? If I respond to some action by thinking 'that in my view is morally wrong', what lies behind such a response?

To begin thinking about this problem let's take an example of an ethical problem from everyday life (i.e. not from business, or from the professions) – an example that is, sadly, all to common:

> An elderly relative (your mother or grandmother) has Alzheimer's disease and is in the advanced stages of dementia. Her mind has almost gone, and she has lost control over her bodily functions. She may seem calmly oblivious of the world, or she may seem to be tormented and in agony (the disease can work both ways), but she cannot communicate any of this to you. When she was healthy she had said very clearly that if this ever happened to her she should be given something that would kill her.

Our immediate response to such a situation is usually *emotional* and most people in this situation would want to help their relatives to die. We wouldn't keep a pet animal alive in this condition, we would 'put it out of its misery', and it seems cruel and heartless not to do what we know our relative wanted and what we would almost certainly want in her place.

On the other hand, the *cultural norms* of most contemporary societies, informed and reinforced by long-established religious traditions, dictate that we should not intentionally end a human life, in any circumstances.

Faced with this conflict, our legislators, guided by doctors and moral philosophers, turn to some kind of rational analysis. The most common conclusion reached so far, and widely embodied in the law, is that the doctors cannot help someone to die but can, under

some circumstances, refrain from preventing them dying: so if our relative gets pneumonia, for instance, they can withhold treatment and let them die. The arguments behind this position are quite complicated, but in general terms it is a balanced compromise between an argument to the effect that killing the patient is generally beneficial all round and an argument to the effect that if killing were allowed people in less extreme situations would feel under pressure to opt to die, even when that was not what they wanted. There is a quite convincing philosophical argument to the effect that elderly people who have few life prospects and become a drain on society *should* opt to die, but the consequences of making that a general rule seem deeply unattractive.

Consider another common problem, also concerned with human life:
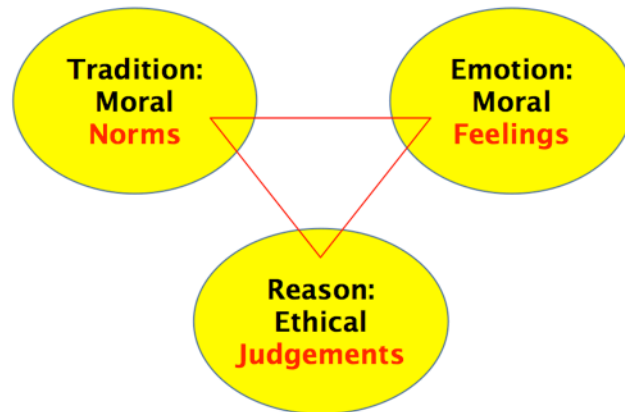
Under what conditions, if any, is it ethically acceptable to abort a pregnancy? And under what conditions, if any, is it acceptable to terminate the life of a small infant born with a painful and incurable disease or disability? We may think here of pregnancies which, if carried through, would lead to a severely disabled child, pregnancies that if carried through would harm or even kill the mother, pregnancies as a result of rape or pregnancies that are simply unwanted – or any number of points in between. For the child who has been born, we may think of a child who will be permanently disabled and dependent on others, a child who will die anyway after a few months or years of great pain, or a child who is less severely disabled or simply the wrong gender.

Again our first response facing such a situation is likely to be emotional, though in this case the emotions are much harder to predict – they will vary from person to person. Again we will be aware of cultural norms. In most Western societies infanticide would be condemned as deeply immoral, but it has historically been commonplace and is still accepted in some communities and some parts of the world. Abortion is very widely accepted, even when the foetus is known to be healthy and there is little risk to the mother, but in some traditions and communities it is considered absolutely immoral, under any circumstances whatsoever. Again, legislators resort to reasoned arguments, but find that they have to compromise between those arguments, and between what reason tells us and emotion responds. It turns out, for example, that it is extraordinarily difficult to justify rationally any argument that depends on drawing a line between conception and early childhood – to justify, for example, abortion at 4 weeks but not infanticide at 3 months. We do draw such lines, but we draw them at a point that is socially acceptable, using reasons that are socially persuasive but rationally flawed.

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In very simple terms, drawing on the above reflections, we might distinguish between three possible grounds of practical moral judgements, as indicated in the figure below.

First, I may think something is wrong because I feel it is wrong emotionally. Maybe I find it repugnant, or it makes me angry to see someone doing it, or I feel strong sympathy with a victim of the action. Or maybe I feel guilty or shameful if I do it myself. If I see someone hit out at a child or smash a window, or if I lose my temper with one of my own children, it is this immediate emotional response that appears to be dominant.
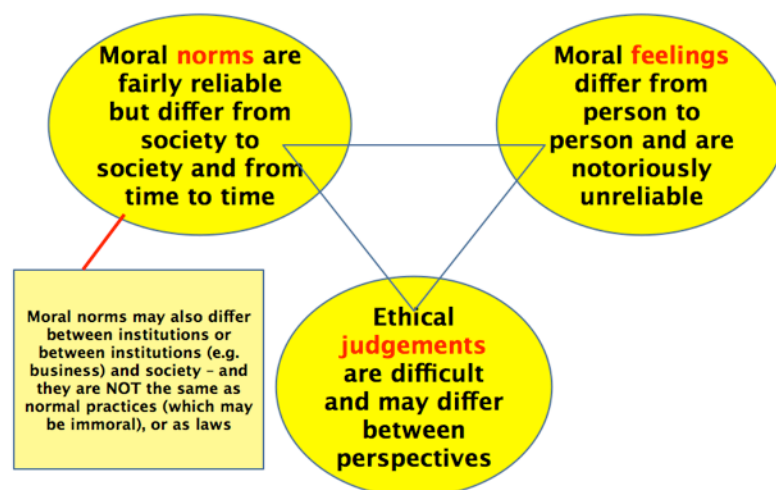
Second, I may think it is wrong because it goes against the written or unwritten rules and norms of my society, or perhaps of a section of society with which I identify (my church, my class, etc.), rules and norms that I have consciously or unconsciously taken as my own. I may not think any further than 'it's wrong', but the judgement stems from norms endorsed by the traditions I've been brought up in or the authorities I respect and have learnt from. (I have labelled this 'tradition', but 'culture' would be an alternative.) This is probably the most common and most natural response, especially in the absence of any particularly strong emotions.

Third, I may think it is wrong on the basis of some kind of rational analysis. I may judge it wrong because it has foreseeably bad consequences, for example: it will cause people harm. Or because it is in conflict with some criteria of fairness or equality, or seems, when I analyse it, to lie within a particular class of actions I consider generally wrong. Even here, I am unlikely to refer explicitly to normative ethical theory. I will tend to rely on general rules or principles that seem to me to be self-evident, or at least uncontroversial, and my reasoning will be directed more toward the question of how a particular action is to be classified than toward any justification of the principle being used. If normative ethics is to play a part, however, this is where it will fit in.

As our examples, illustrate, things are not really that simple. In the first place, neither emotions nor social norms nor reason provides a straightforward or infallible guide to what is right or wrong. In the second place, they often conflict with each other.

And in the third place, they are all interdependent. It is instructive to explore these complications.

As indicated in the figure above, none of the ways in which we typically ground our practical moral judgements is infallible. Emotions and feelings vary from person to person and they are notoriously unreliable as moral motivators. They clearly do guide our moral thinking, but they can also badly cloud our judgement. Negative emotions like anger can obviously prompt us to do things we shouldn't, but so can positive ones like love: love for one person can easily blind us to the needs of another and make us neglect our responsibilities.

Cultural norms are more consistent and may well be an adequate moral guide for most people, in most cultures, most of the time and in most circumstances. But times change, circumstances change and understanding changes, and our moral norms can be slow to adapt. looked at historically, with the benefit of hindsight, all societies have had well established moral norms that were accepted by the great majority of that society but were nevertheless open to serious question. We can think, for example, of the norms relating to slave ownership in the eighteenth century Americas, to homosexuality in twentieth century Britain, or to the position of women in some twenty first century Islamic societies, amongst many other examples. It is also common for norms to conflict with each other. We often run into situations in which we seem to have conflicting duties, for example, or have to choose the lesser of two evils.

It is also quite common, confusingly, for some of a society's normal practices to differ from its moral norms. Just because petty bribery or domestic violence may be endemic in a society, for example, does *not* necessarily mean that people in that society

consider it OK. A society can have widely shared values, but without the institutions to impose them.

Cultural norms also vary across social groups or institutions within any society, raising the difficult question of which norms should prevail in a group or institution that is also part of a wider society. This is a familiar issue in business ethics: the norms prevailing in a business corporation often seem completely different from those prevailing in the society in which it is located: on walking into the office in the morning people seem to leave their personal morals behind them. Many norms become embodied in formal laws, and in many cases we can take obeying the law as a useful proxy for behaving morally. Indeed, some American textbooks on business ethics equate what is wrong with what is illegal. But this doesn't always work. Someone who commits a low level traffic offence, for example, is breaking the law, but is are not necessarily immoral. On the other hand someone who is really nasty to someone else is surely immoral, even though there's no law against being nasty.
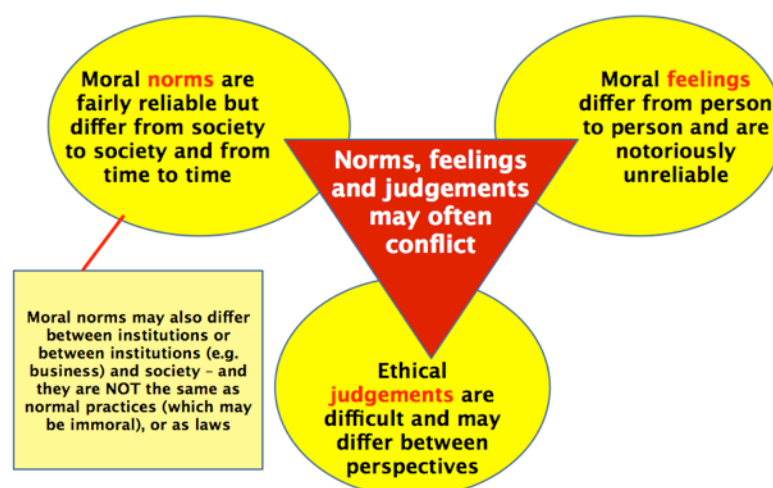
The third resource, reason, is invaluable in negotiating our way through such conflicts, as well as through cultural change, but even it is contentious. Different ethical theories sometimes lead to different conclusions, and even when they use the same theory philosophers will often disagree among themselves as to what it implies. Part of the problem here is that we can't reach any ethical conclusions from reason on its own. We need to start off by making some kind of assumptions as to what goodness, for example, entails, and all we have to draw on in making those assumptions are our emotions and cultural traditions. However we look at them the different sources of our moral judgements depend on each other, and they may also conflict with each other. We shall return to this below.

As well as reaching a range of quite different conclusions as to the grounding of ethical judgements, philosophers have also argued as to their status. If I say that 'cheating is wrong', for example, it can be argued as to whether I am (a) making a truth claim – stating my belief in a fact, which could in principle, like a scientific fact, be established to be objectively true or false – or (b) merely expressing a subjective attitude or feeling: I don't like cheating and take the view that people shouldn't do it. Both these positions turn out to be difficult to defend. On one hand, attempts to ground objective truth claims, whether in properties of the natural world, human intuition or even human evolution, run into a multitude of difficulties. On the other hand, a subjectivist view struggles to provide a sufficient grounding for the weight we attribute (or wish to attribute) to ethical statements, or for the resolution of disagreements. Indeed it doesn't even recognise such disagreements, since on a subjectivist view if John says 'cheating is good' and Mary says 'cheating is bad', John and Mary are not disagreeing about whether it is good or bad as a fact, but only approving or disapproving of it.

In their attempts to negotiate these difficulties philosophers engaged in what is known as meta-ethics have developed a long string of more and more sophisticated theories as to the nature of ethical judgements. For the most part, however, these don't

impact very much upon the project of normative ethics and its application. There is a widespread consensus that, however subjective ethical judgements may be, they are sufficiently objective, one way or another, to be the subject of constructive rational debate, but it is hard to eliminate subjectivism altogether.

Looking now at the relationship between the different bases of ethical judgement, consider the relationship between emotions and culture or tradition. On one hand, our emotions are clearly conditioned by the cultures in which we grow up. We don't know automatically what is disgusting or shameful; we *learn* it as children. And what is disgusting to one culture may be quite the opposite to another. On the other hand, our cultural norms are also conditioned by our emotions. We condemn what makes us angry, and when we invoke well internalised cultural norms, they seem to come with feelings and emotions attached. These norms and the laws that sometimes formalise them are also the products of reasoned judgements. We might, retrospectively, criticise the reasoning, as changing circumstances or the accumulation of critique make us question what people earlier took for granted. And the reasoning is often distorted by the interests or prejudices of those in power. But the norms would never have become established as norms in the first place if they were not in some sense reasonable, given certain widely held assumptions. When we judge that a particular cultural norm is irrational, it is generally because our underlying assumptions have changed, or because the reasons that were once used to justify it no longer carry weight, or do not carry weight with us, not because there never were any reasons.

So, culture and emotion are strongly interlinked, but as we saw in the case of the elderly relative they can also conflict. Cultural norms can be a way of keeping our emotions in check as well as a way of expressing them.

Reason, as we have just noted, depends on some combination of culture and the motions as a starting point for rational argument. We cannot derive ethical answers from logic, or even from empirical facts. We have to base our reasoning upon some general principles or axioms, and these have to come from somewhere. Exactly where that 'somewhere' might be is the subject of a lot of philosophic debate and contention. It has traditionally been positioned in either divine injunction (what is good is what God or the scriptures say is good), or in human intuition (we all know, intuitively, what is good and bad) or in some empirical properties of the natural world (happiness, perhaps, or well-being). In any scientific account of morality, however, emotions and culture tend to dominate, and there is a growing consensus that ethical reasoning needs to be grounded at least partly in one or both of these areas: either in the emotions or norms of specific individuals or societies, or in those that are characteristic of nearly all humans or nearly all human societies, seen as the products of biological and cultural evolution.

The interdependence of the three different grounds of our moral judgements is reflected in our practical moral thinking. My response to a situation may well encompass elements of all three dimensions, and I may be hard put to determine which is dominant. In informal discussions we may also draw haphazardly on our feelings, social norms and rational arguments. In general, though, everyday public discussions of morals tend to be dominated by reference to the prevailing social norms, in the sense that the principles to which people adhere are legitimated by reference to commonly held cultural values rather than by reference to the emotions or arguments from first principles. More formal discussions, on the other hand, such as we need when formulating a company policy or making decisions that impact on the public domain, need more careful reasoning. Social norms provide the necessary starting point and, in many cases, a default position. But they cannot just be taken for granted. Even within the context of a specific society they need to be treated critically, and when we move beyond that context – as we often do in a rapidly globalising world – we inevitably have to look beyond its norms.

Local cultures, global norms

If we accept that ethical judgements depend in some way on culturally-based assumptions, and cannot be reduced completely to reason, we immediately run up against the problem of relativism. If a cannibal society believes that killing your enemies and eating them is OK, is it OK? Philosophers respond to this in various ways. Some argue that concepts of right and wrong are only meaningful in specific cultural contexts. So cannibalism is right (under certain conditions) for cannibal societies, it is wrong for us,

and to say it is universally right or wrong is meaningless. Even if we accept the logic of this argument however, it doesn't seem especially helpful. In the contemporary, heavily globalised world, cultures routinely interact with each other and societies are often to some extent multicultural. On trivial matters we can perhaps agree to differ, but on more important matters we need to reach a common view.

A more common response is to argue that ethical values are in some sense universal and independent of cultures, even if we cannot prove it. Many philosophers would argue that cannibalism is universally wrong, insisting that any assumptions needed to derive this conclusion are intuitively obvious or otherwise beyond question. Others would say that even if we can't prove it to be wrong we have strong grounds for believing it to be wrong, and an ethical duty to do what we can to prevent it. This again raises the question of how we mediate, in practice, between the ethical values of different cultures, especially when the arguments seem much more finely balanced than they do in the case of cannibalism. Different cultures do have different moral norms, and when they interact choices have to be made.

Philosophical discussion of this practical problem has focused on the questions of multiculturalism within societies and cosmopolitanism across them, with a starting point in both cases in political philosophy and the question of justice. The core question of multiculturalism, crudely put, is whether we should treat every individual impartially as equal, regardless of ethnicity, gender, religion etc., or whether we should recognise and respect different cultural groupings and make room in society for their particular values and traditions, and for the political representation of these traditions. Within the liberal political tradition the equality of individuals is a core ethical value, but simply treating everyone the same can discriminate against minority groups, partly because it fails to redress past wrongs, which leave people with very unequal opportunities, and partly because it overrides traditional practices and traditional moral values.

Looking across societies, a similar dilemma arises. Does treating people impartially or equally mean treating them the same, or should we respect the different moral norms associated with different traditions even when we can't agree with them? And underlying this is the core practical question of relativism: to what extent is there some universal basis of ethics, that applies in all societies, and how is this related to the particular moral norms of different societies? Setting aside the disagreements of philosophers, common sense suggests that are things on which people generally agree as well as things on which they differ, but how far can that agreement take us? To what extent can we assume that the foundational values of the liberal West coincide with the values on which people can or should agree? To to what extent can we legitimately impose these values on others? To what extent do they impose a duty to help people in economically disadvantaged societies, or indeed in politically disadvantaged societies?

One way of beginning to think about these issues is in terms of the relationship between thin and thick or minimalist and maximalist moralities. Here a thin or minimalist morality is conceived as a skeletal set of widely or even universally shared moral

principles. A thick or maximalist morality is a fully worked out system of morality such as we find in particular cultures and societies. Philosophers committed to an objectivist view of ethics typically start out by trying to establish some minimalist principles and then building a more maximal structure upon them, and view maximalist moralities in the same way, as elaborations (sometimes faulty elaborations) of a common minimalist morality. As Michael Walzer has observed, however, this is not how things work in practice. If we look at the morality of any real society (even, we might note, the most primitive) what we find is an articulated maximalist morality, deeply embedded in the culture of that society. In certain situations it becomes possible to abstract from that some minimalist ethics. At times of crisis, for example, people in one culture might find common cause with those in another around thin ethical ideas like freedom, justice, equality and so on, but those ideas are not foundational for either party. If an American, a Russian and a Chinese talk about freedom then they are in some sense talking about the same thing, but in another sense this universalism is illusory, because the American, Russian and Chinese conceptions of freedom are not identical. They are not talking about the same things, but about concepts that remain, even in abstract form, subjective and culturally embedded, expressive of a thick morality.

Walzer accepts that we can talk meaningfully about some kind of universal ethical values. Since all societies are made up of human beings, who share a common biological humanity and a common condition of social living it would be surprising if we couldn't. He accepts too that minimalist principles such as impartiality or respect for persons have a role to play, both in supporting solidarity across cultures and in framing critiques within them. But he is not prepared to accept that any meaningful ethics can be fully articulated independently of any social context.

Another philosopher to take this kind of view, and one well placed to comment on cultural difference, is Kwame Anthony Appiah, a Princeton professor who is the son of an English mother and a Ghanaian father. Appiah advocates a cosmopolitan ethics according to which people should act as citizens of the world and not just of their own societies. He supposes that all cultures overlap and interconnect sufficiently to allow meaningful conversations between them. He is optimistic about the potential of our shared humanity. But he is very cautious about the possibility of reaching agreement, arguing like Walzer that apparent agreement on thin ethical principles will typically hide a diversity of thick meanings and applications. Even the Golden Rule, 'treat others as you would wish to be treated', or 'don't do to other people what you wouldn't want them to do to you), which is found in most cultural traditions, can only be applied, he suggests, with the help of a thick interpretation. As a thin moral principle, divorced of any cultural setting, it is meaningless. Moreover even if we can agree on the relevant values, within elements of a shared culture for example, we often cannot agree on how to weigh them in different circumstances. In arguments about abortion or capital punishment the two sides often share the same ethical values but differ in what weight to give them: in ethics, application is everything.

One particular aspect of the cultural embeddedness of morality is that we may actually agree on what is right and wrong without being able to agree why, and this leads Appiah to suggest that while reasoned argument may have a role to play in moral change – essentially the critical role which we are assigning to normative ethics in this book – that role may in practice be less important than one would think. The simple fact of conversation between cultures, opening up new thought patterns, generating new sympathies and exploring in very general ways our shared humanity, may be more important than any rational agreement that might come out of it.

Appiah argues strongly for a kind of universal ethic in the form of a concern and respect for our fellow human beings. What he is sceptical about is the possibility of capturing this in any more elaborated principles. Others who adopt the label of cosmopolitanism have fewer qualms. David Held, for example, accepts that universal principles are always subject to local meanings but argues that we can nevertheless frame a set of universal cosmopolitan principles on which we might reasonably build a global political order. The principles he suggests are: equal worth and dignity; active agency (people have the ability to act otherwise); personal responsibility and accountability; consent; reflexive deliberation and collective decision making through voting procedures; inclusiveness and subsidiarity (effectively the localisation of decision making wherever possible); and the avoidance of serious harm and amelioration of urgent need. Against Held, it might be argued that these principles are far too loaded with liberal Western ethical values to be viable as a universal prescription. To the extent that they do command universal assent they are likely to be interpreted in radically different ways. But is that necessarily a problem? Just as we might agree what is wrong without agreeing why, so perhaps we might agree on shared ethical principles without agreeing on what they mean, and while this leaves open the possibility of misunderstanding it also opens up the possibility of conversation.

In practice, international ethics tends to be dominated by institutional guidelines rather than by culturally situated conversations, and these are various kinds.

The Universal Declaration of Human Rights was drafted by an international commission of the United Nations and published in 1948. It is concerned not only with the protection of people from government oppression but also with the ethical standards to which states might aspire, and since its publication it has provided the basis for a range of national bills of rights, international treaties and international conventions, including for example the European Convention for the Protection of Human Rights and Fundamental Freedoms, which is backed up a European court of law and which has been formally incorporated into the laws of many European countries.

As a basis for global ethics, the Universal Declaration has a number of intriguing features. First, is it is very much a document of its time, and in particular of a world in which the family unit was the ethical norm, women didn't work, and the claimant of rights could be described, as in Article 23, as 'himself and his family'. In today's terms the language seems generally sexist. This isn't fundamental to the document, however,

and subsequent adaptations have had no difficulty in bringing it up to date. The language may seem discriminatory but the intention clearly wasn't.

Second, and more significant, while it was framed by an international committee, the values it most strongly reflects are those of America, and to a lesser extent North-West Europe. In the last 65 years, American influence has if anything increased, as American culture has been globally disseminated, and the language of rights has become commonplace. In recent times even America has found this a problem, especially in respect of the rights of foreigners, as it has been accused by others of serious human rights violations in Guantanamo Bay and elsewhere. Britain too has struggled with a European convention that appears to many to give excessive rights to convicted criminals. These problems are, however, an indication of the forcefulness of an ethics of rights, for whatever we may think of particular rights it is always much easier to assert them than to deny them. A rights-based approach starts by assuming the rights of a potential victim, and puts the onus of proof on those who would deny them. In one of those wonderful ironies that characterise human life it is reported that Chinese citizens learnt to demand their rights when faced with harassment from corrupt police officials from the example of villains confronted by the hero cops of American TV series such as Starsky and Hutch and Hawaii 5-0.

The third feature of the Universal Declaration worth noting is the range of rights it covers. Some are basic 'liberty rights', such as the rights to freedom of movement, freedom of speech or freedom from torture or oppression, or the right to use one's property without interference. In such cases each right has a corresponding obligation of non-interference, and one person's right is another person's (every other person's) obligation. Others, such as the right to participate in free and fair elections, or the right of employees to 'periodic holidays with pay' impose obligations on specific parties, including in the second case businesses, to ensure that they are upheld. Most of the rights listed are not, however, of this kind. Usually classified as 'welfare rights', they specify a right to certain goods, but do not impose a direct obligation on any specific party to provide these. Examples include the right to a standard of living 'adequate for the health and wellbeing of himself and his family', including food, clothing, housing and medical care and necessary social services; the right to welfare provision in old age, unemployment, disability or widowhood; and the right to not only elementary but also technical and professional education.

Such 'rights' do not impose direct moral obligations on any individuals, and are effectively meaningless in the absence of institutional frameworks through which the associated obligations can be parcelled out and the goods delivered. It could be said that governments are under an obligation to develop societies in which such institutional frameworks are operative, but in their absence it remains unclear what obligations the rights of a starving person place on whom. Does a multinational business have duties to contribute to the education or health of any disadvantaged communities within which it operates? Or would this, on the contrary, be an unwarranted intrusion on government?

Human rights are often honoured in theory but breached in practice and both governments and businesses often ignore these breaches, either for political reasons or in pursuit of profit. In this context, an important part in the promotion of a global human rights ethics is played by cross-national and non-governmental organisations. The various agencies of the United Nations are relevant here, including the World Health Organization (WHO) and the United Nations Children's Fund, UNICEF. For international business, the most important body of this kind is probably the International Labor Organization. A tripartite body involving government, business and trade unions, the ILO was set up in 1919 and subsequently incorporated into the UN. It sets international labour standards of all kinds (minimum working age, health and safety requirements etc.) and provides mechanisms for their supervision and enforcement in its member states.

Also important for the preservation of human rights are charitable NGOs such as Amnesty International, which closely monitors and reports on human rights abuses, and campaigns for fundamental human rights cross the globe; Greeenpeace, which campaigns on environmental ethics; and Transparency International, which monitors and exposes corruption and bribery around the world.

There is also a wide range of organisations sponsored by business and dedicated to the promotion of ethical business practices, both nationally and internationally. These need to be treated with great care, as many of them have more to do with the promotion of business interests than the promotion of business ethics. An organisation that seems on the surface to be concerned with the preservation of a particular environment, for example, is quite likely to be a lobbying group on behalf of firms and industry seeking to exploit that environment. Any business-sponsored organisation devoted to business ethics or corporate social responsibility is likely to be dominated by those corporations that are, on the face of it, the least ethical or the least responsible, and whose membership is either a public relations exercise or an attempt to influence the definition of the ethical or responsible so as to legitimate their own dubious practices. These companies are not necessarily being cynically unethical. In most cases the executives involved genuinely believe that the values of their own companies are ethically appropriate. But all these organisations need to be judged on the basis that you can't tell a book by its cover.

Two organisations of particular interest of this context are Fairtrade International and the Ethical Trading Initiative, both of which are concerned with the ethics of global supply chains. The Ethical Trading Initiative (ETI) is an international alliance of business companies, trade unions and charitable organisations, committed to comprehensive employment standards, based on the conventions of the International Labor Organization, not only in the member companies but throughout their supply chains. An important feature of the ETI is that it is not a kite-mark. Member companies commit to its standards, and to an effort of continuous improvement, and continued membership depends on this commitment being recognised as bona fide not only by the companies involved but also by the trade unions and charities. But membership does not allow them

to claim that they have achieved any particular standards, and cannot be used as an ethical branding.

Fairtrade International is an alliance of about twenty charitable labelling initiatives across the developed world (Fair Trade USA, the Fairtrade Foundation in Britain, etc.). The Fairtrade charities are concerned primarily with the promotion of fair terms and payments, to secure sustainable living conditions, to farmers and workers in developing countries, and they work by a process of certification, allowing businesses to label products that meet the standards set with the Fairtrade kite-mark. This has proved controversial, because although fair-trade products are in general more ethically sourced than alternatives, the labelling acts as a marketing device, both for the product itself, which is typically more highly priced, and for the businesses concerned, which seem to claim a lot of ethical credit for a very low proportion of Fairtrade products. The suspicion is that the standards are set at a level that is convenient for big business, at that least some of the price difference is going to big business, rather than being passed on to the suppliers.

Finally, we should mention two sets of guidelines for international business ethics. Dating from the 1980s, the Caux Round Table is an international network of business leaders, which describes its aim as being to promote 'moral capitalism', or 'principled capitalism'. It does this in a variety of ways, but the centre point of its activity is the promotion of its seven Principles for Business, first launched in 1994, and founded on the dual concepts of human dignity and kyosei, which translates roughly as 'living and working together for the common good' and had been by the Japanese firm Canon to underpin that company's philosophy of responsible business.

The Caux principles are a good example of a balance between business values and moral values that is often found in the professed values, if not always the actions, of large multinational corporations. In this case as in others three elements are combined. The first is a commitment to sincerity and straight dealing. Not only should corporations refrain from acting illegally or illicitly, or condoning illegal or illicit behaviour, in particular bribery and corruption, they should follow the spirit as well as the letter of the law and act transparently and in good faith. The second, reflecting the origins of the principles in European and Japanese rather than American thinking, is a commitment to taking seriously the interests of all stakeholders and not just shareholders. This is detailed in the Stakeholder Management Guidelines appended to the principles. Corporations should, for example, take care of their customers and deal fairly with their suppliers and competitors. They should adopt employment standards that are non-discriminatory and developmental, and should contribute positively to the communities in which they operate, respecting both the physical environment and local customs. The third element is a commitment to free market principles. So while corporations should follow all local laws and regulations, they should also support reform of any rules that hinder free competition.

While some parts of the Caux principles relate to just one of these elements, in others they are intermingled and the whole is well described by the phrase principled

capitalism. In sporting terms, companies should play to win, but they should play fair. They should also be mindful of the fact that business is not like a sport in that there is no final whistle, after which everything starts again in the next game. Companies should operate for the long term and recognise that in the long term their own success will depend on the well-being of their many stakeholders: they should not forget that capitalism is a social institution that is justified by its capacity to enhance wealth and well-being across society.

The Caux principles are described as aspirational, and while much of the detail is open to interpretation they are exceptionally comprehensive and seem to set a high standard – too high, perhaps, for many international companies. A more limited set of principles, but one focused more sharply on some of the most urgent ethical issues facing international business, is that developed by the UN Global Compact and launched in 1999 by UN Secretary General Kofi Annan. The Ten Principles of the Global Compact commit companies to the protection of human rights; to the core employment principles of the International Labor Organization, in particular the elimination of child labour and forced labour and the rights to collective bargaining and non-discriminatory treatment; to the development of environment-friendly policies; and to the elimination of corruption.

The great strength of the Global Compact is that it has been able to command a broad consensus around some of the most important issues of business ethics. While many companies undoubtedly breach the principles in respect of human rights and corruption, they would be hard put to argue with them when challenged. There are still many companies that do not meet the employment standards of the ILO, but the relevant principles are again put so simply, and are so relatively uncontentious, that it is hard to contest them. The environmental principles are, inevitably, much vaguer and more open to interpretation, but that is perhaps appropriate in a world in which business and environmentalism are still often at odds and it is hard to build a more specific consensus.

Appendix 1. Articles of the Universal Declaration of Human Rights

Article 1. All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 2. Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

Article 3. Everyone has the right to life, liberty and security of person.

Article 4. No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

Article 5. No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 6. Everyone has the right to recognition everywhere as a person before the law.

Article 7. All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.

Article 8. Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 9. No one shall be subjected to arbitrary arrest, detention or exile.

Article 10. Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Article 11. (1) Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence. (2) No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

Article 12. No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

Article 13. (1) Everyone has the right to freedom of movement and residence within the borders of each state. (2) Everyone has the right to leave any country, including his own, and to return to his country.

Article 14. (1) Everyone has the right to seek and to enjoy in other countries asylum from persecution. (2) This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.

Article 15. (1) Everyone has the right to a nationality. (2) No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

Article 16. (1) Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution. (2) Marriage shall be entered into only with the free and full consent of the intending spouses. (3) The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.

Article 17. (1) Everyone has the right to own property alone as well as in association with others. (2) No one shall be arbitrarily deprived of his property.

Article 18. Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 19. Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Article 20. (1) Everyone has the right to freedom of peaceful assembly and association. (2) No one may be compelled to belong to an association.

Article 21. (1) Everyone has the right to take part in the government of his country, directly or through freely chosen representatives. (2) Everyone has the right of equal access to public service in his country. (3) The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

Article 22. Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 23. (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. (2) Everyone, without any discrimination, has the right to equal pay for equal work. (3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. (4) Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24. Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25. (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Article 26. (1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit. (2) Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace. (3) Parents have a prior right to choose the kind of education that shall be given to their children.

Article 27. (1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits. (2) Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Article 28. Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

Article 29. (1) Everyone has duties to the community in which alone the free and full development of his personality is possible. (2) In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society. (3) These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

Article 30. Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

Appendix 2. Caux Round Table Business Principles

Principle 1 - RESPECT STAKEHOLDERS BEYOND SHAREHOLDERS

A responsible business acknowledges its duty to contribute value to society through the wealth and employment it creates and the products and services it provides to consumers.

A responsible business maintains its economic health and viability not just for shareholders, but also for other stakeholders.

A responsible business respects the interests of, and acts with honesty and fairness towards, its customers, employees, suppliers, competitors, and the broader community.

Principle 2 – CONTRIBUTE TO ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT

A responsible business recognizes that business cannot sustainably prosper in societies that are failing or lacking in economic development.

A responsible business therefore contributes to the economic, social and environmental development of the communities in which it operates, in order to sustain its essential 'operating' capital – financial, social, environmental, and all forms of goodwill.

A responsible business enhances society through effective and prudent use of resources, free and fair competition, and innovation in technology and business practices.

Principle 3 – BUILD TRUST BY GOING BEYOND THE LETTER OF THE LAW

A responsible business recognizes that some business behaviors, although legal, can nevertheless have adverse consequences for stakeholders.

A responsible business therefore adheres to the spirit and intent behind the law, as well as the letter of the law, which requires conduct that goes beyond minimum legal obligations.

A responsible business always operates with candor, truthfulness, and transparency, and keeps its promises.

Principle 4 –RESPECT RULES AND CONVENTIONS

A responsible business respects the local cultures and traditions in the communities in which it operates, consistent with fundamental principles of fairness and equality.

A responsible business, everywhere it operates, respects all applicable national and international laws, regulations and conventions, while trading fairly and competitively.

principle 5 – SUPPORT RESPONSIBLE GLOBALISATION

A responsible business, as a participant in the global marketplace, supports open and fair multilateral trade.

A responsible business supports reform of domestic rules and regulations where they unreasonably hinder global commerce.

Principle 6 – RESPECT THE ENVIRONMENT

A responsible business protects and, where possible, improves the environment, and avoids wasteful use of resources.

A responsible business ensures that its operations comply with best environmental management practices consistent with meeting the needs of today without compromising the needs of future generations.

Principle 7 – AVOID ILLICIT ACTIVITIES

A responsible business does not participate in, or condone, corrupt practices, bribery, money laundering, or other illicit activities.

A responsible business does not participate in or facilitate transactions linked to or supporting terrorist activities, drug trafficking or any other illicit activity.

A responsible business actively supports the reduction and prevention of all such illegal and illicit activities.

Appendix 3. United Nations Global Compact – The Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.