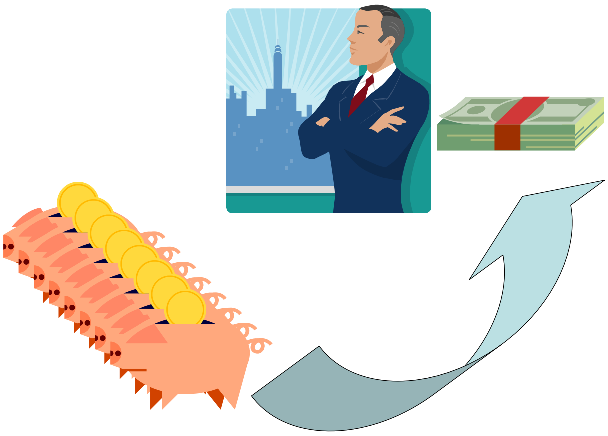
Good evening and welcome.

There are several ways in which an academic might address the question of greed and corruption in business and government. An economist, like my friend Mark here for example, might seek to predict the levels of corruption to be expected within different institutional contexts, or analyse how efficient corruption is as a means of doing business. A philosopher specialising in applied ethics might draw on ethical theory to analyse just how and why corruption is wrong, and to distinguish morally between different kinds of corruption and the different actors involved in it. As a teacher of business ethics, I take this kind of approach myself with my students. As a researcher, however, my interests in this subject have to do not so much with how people *should* behave as with how people *do* behave in practice, and how other people respond to these behaviours. In general terms, I am interested in the relationship between business and moral culture: in the evolving tension between the financial self-interest that drives, and has always driven, the business enterprise on which the wealth and welfare of our society depends, and the traditional moral duties and obligations that bind our society together and so are also critical to our welfare. More particularly, I am interested in the institutional structures that support these conflicting value sets and in those that mediate between them. In what ways and by what criteria do we hold people to account, and on what basis do we criticise and blame people for their actions? Underlying all this is a long-standing interest in the internal tensions and contradictions that make up the human condition, that make us what we are: in the extraordinary power of human reason, combined with the inability of reason alone to answer the questions that most concern us, whether they be scientific, ethical, political or existential; and in the extraordinary capacity of human beings for benevolence and lovingkindness and for noble thoughts and ideals, combined with our chronic susceptibility to selfishness, greed, hypocrisy and other human weaknesses. We are at the same time, as we might say, "truly human", possessed of the most marvellous qualities, and "only human", unable, in almost every case, to live up to the ideals we set ourselves.

Sirven Bin Sultan Brandt Bush in Saudi Skilling Black Berlusconi

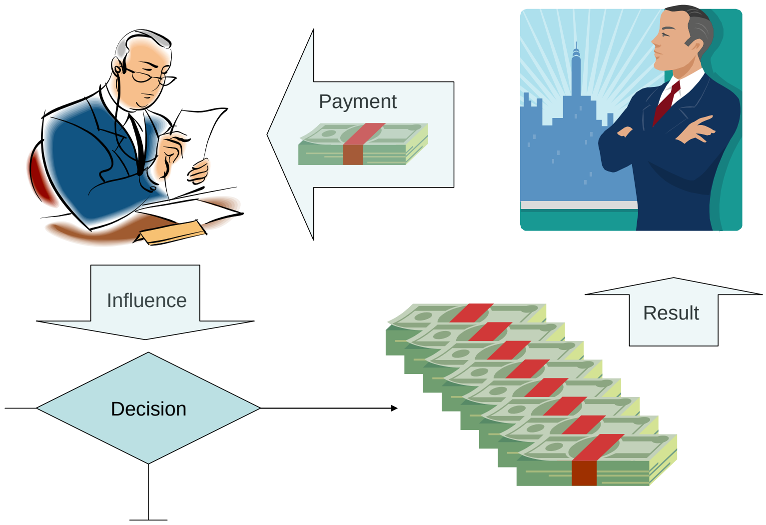
In this general context what particularly interest me, and what I'd like to share with you tonight, are not the most egregious cases of greed and corruption but the more contentious, grey areas: the recently publicised case of BAE Systems and Saudi princes; the use by American corporations of campaign funding and other donations to influence their legal and regulatory environment; the accommodations necessarily reached by the major oil companies with third world dictators; the so-called commissions and consulting fees that are a routine part of doing business in places like China and India, or indeed, for construction and utilities companies, in France and Italy. Take the BAE Systems case as an example. When the British government decided, last summer, to close the investigation into the commissions paid to members of the Saudi Royal family as part of the Al Yamamah deal, the media and the public were shocked. Here was a British company paying vast sums of money in bribes to members of a corrupt foreign regime. They were doing it, admittedly, with Foreign Office blessing, but that if anything seemed to make it worse. The response from the business community, however, not only in the firm itself but much more widely, including, as it is now turning out, on the "independent" committee appointed by the firm to oversee its future policies, was: "Get real. There's nothing wrong. How do you think business is done?" Similarly, when US businessmen pay into the campaign funds or advertise on behalf of senators and congressmen to advance their political interests, and senators and congressmen respond to those payments with appropriate actions; when politically nominated heads of US government departments instruct their professionals to act against their professional judgement; when oil company executives transfer revenues to host governments in the knowledge that they're going straight to Swiss bank accounts, or rely on government agencies to "re-settle" communities displaced by exploration (and I leave it to your imaginations what re-settlement means in practice); or when British companies pay commissions to local communist party officials for the privilege of setting up in China, outsiders almost always see it as immoral but the actors themselves rarely see themselves as doing anything wrong. Occasionally, of course, people get scruples, especially if they're new to the game, but by and large it is just viewed as normal business, business as normal.

What I'd like to do this evening is begin to unpack these contrasting attitudes and the relationship between them. First, though, a brief introduction to corruption. In a business school we normally like our professors to combine both academic and practical expertise in their areas. In this case, I'm afraid, my hands-on experience is somewhat limited, but for tonight's purposes a very basic understanding will suffice. There are many definitions, but most focus on the diversion of public resources for private gain. We can think of two models here.



In the first model, a politician or business executive simply uses public or corporate funds, represented here by piggy banks, to serve his own interests. This may be a straightforward cash transfer to his own or his families' Swiss bank accounts, as suggested by the picture. It may be a fraudulent misuse of public or corporate funds. Or it may be an appropriation of power, through the manipulation of public or corporate decision making. Familiar examples include the routine practices of many African presidents and, it would seem, on a very much smaller scale, of many British MPs; the frauds perpetrated, or allegedly perpetrated, by the likes of Robert Maxwell, Conrad Black, or Ken Lay and Jeff Skilling at

Enron; and the alleged manipulation of the 2000 presidential elections in Florida by George W Bush and his supporters.

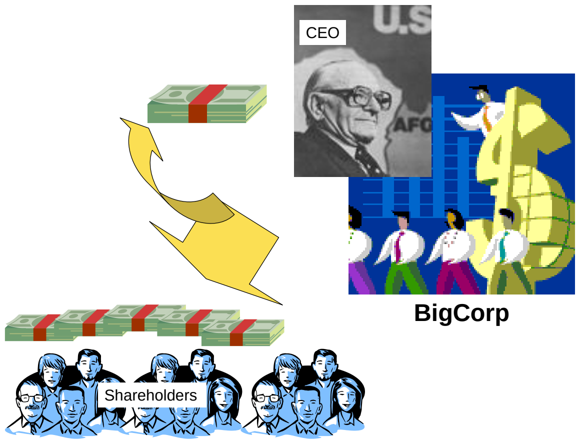


In the second, more complex model, a payment of some kind is made from a business to a politician or government official, in return for a decision (or the assurance of a decision if the politician is elected) that benefits the business. The payment might be a straightforward under-the-table bribe, or it might take a more subtle form such as corporate perks, campaign funds, jobs for the boys, charitable donations, and so on.

Familiar examples here (all to be treated, again, as reported allegations only) include Bernie Ecclestone's donation to the labour party ahead of a decision to continue cigarette advertising in motor racing (that was particularly good value as they had subsequently to give the money back) ; Sylvio Berlusconi's $0.5 million payment to the judge who was deciding his appeal in a commercial case against his business rival, Carlo de Benedetti; the BAE Systems payments already referred to in association with its Saudi contracts; oil company support to members of the Bush family; and the arrangements made to secure contracts or planning permission from local authorities, whether in sub-Saharan

Africa, India, China, or dear old England. In much of Africa and the Middle East, customs clearance, vehicle regulation and public works are carried out entirely on this model. In the USA large corporations seem to have effectively controlled public decision making in their fields (Monsanto, for example, in the regulation of genetically modified agricultural products, the big pharmaceutical companies in drug regulation, or Enron, going back a few years, in power deregulation), while Halliburton and the oil majors often appear to have control of foreign policy.

As some of these examples suggest, corruption is rarely black and white. Cause and effect are hard to prove, and intent still harder. Even the case against Berlusconi remains, quite extraordinarily, unproven. And while some cases are evidently egregious, many are hard to call. Just sticking, for the moment, to the first, simple model, and the case of the CEO or Chief Executive Officer of a large corporation, it is far from clear where we should draw the line between legitimate and illegitimate self-interest.



Economists of corporate governance treat the CEO as being driven entirely by self-interest, and in the USA many CEOs appear to live up to this ideal. It is commonplace for them to pack the board with their associates, reward them handsomely, and ensure that they themselves are granted, in the name of their shareholders, not only enormous salaries but all manner of perks and protection when things go wrong. Is this corrupt, or is it just normal and acceptable business practice? For a variety of reasons UK corporate governance, which focuses more on issues of incompetence than on those of greed, turns out to be much more effective at preserving checks and balances, and my own research suggests that our chief executives appear to be motivated more by peer respect than by pecuniary gain; but there's not exactly a shortage of that, they would never have got where they have without an insatiable appetite for success, and the distinction between an insatiable appetite on one hand and greed on the other is, to say the least, a fine one. (I can expand on this during questions if anyone's interested.)

Turning to the more complex model of business-government interactions, a black and white picture is, as I have already suggested, even harder to draw. While the press and the public invoke simple, if not simplistic, notions of morality, businessmen and their government advocates respond that the people don't understand, that the real world is just not like that, and that their actions are not only morally acceptable but necessary if the public interest is to be truly served. For obvious reasons, politicians quite readily equate the national interest with their own election or re-election, and business executives also often confuse and conflate their personal and corporate interests. More fundamentally, over the last forty years, self-interest has itself acquired a degree of social legitimacy quite unparalleled in history, at least since the late Roman Empire. Moral culture is changing.

To understand this change we need to go back into history, borrowing as we do so on some of the insights of anthropologist Mary Douglas's cultural theory.

Hierarchical or role-structured cultures

Finely structured society or organisation, with structure reflected in language, artefacts, behavioural norms, patterns of authority, etc.

Ethics of conformity to norms and obligation to help others and to act for the common good.

To be good is to do what you're told, and to put others first.

To be bad is put self-interest before one's duties to others.

Market cultures

While the masses conform and do what they can to survive, the competing Big Men set their own rules.

To be good is to be self-reliant and to pursue one's self-interest, within agreed rules of contract and performance.

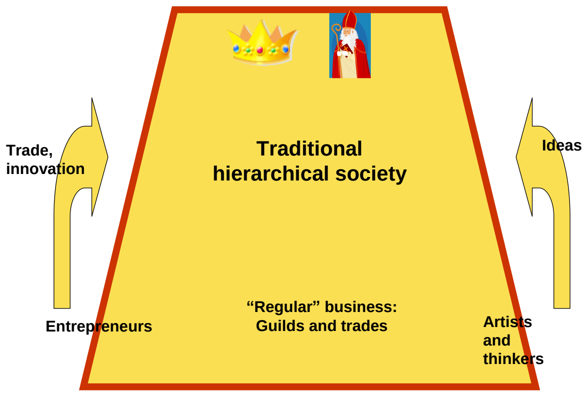
To be bad is to undermine the competitive market, whether by nepotism, by fraud or by welfare.

Civilized societies have always been characterized by the co-presence of two contrasting sets of principles governing how people live their lives. One of these is associated with what we might think of as traditional morality, the morality of obligation or, in the language of cultural theory, the morality of a hierarchical society. To be good in such a society is to conform to the thought structures, language, appearances and behavioural norms that hold it together, to do what you are told by those in authority, whether parents, bosses, commanding officers, priests, rulers or others in positions of authority, and to act directly in the common interest – to put the needs of the society itself and of others within it first. To put one's own, selfish interests first, to any great extent, is bad.

The other set of guiding principles is associated with what cultural theorists would label the morality of a market society. Here the ethic is competitive rather than collaborative, morality goes hand in hand with self-reliance and self-interest, and to help others is to harm them. Think, in modern terms, of the arguments used by the American right against welfare as a source of evil.

Note that traditional moral principles have always allowed for a modicum of self-interest, but their emphasis is on people's obligations and duties to others: duties of honesty and respect, fairness and equity, care and assistance. Note too that the principles of market morality also impose some obligations, but these are relatively limited and their emphasis is competitive rather than cooperative, on preserving a framework within which self-interest can operate as an organizing principle.

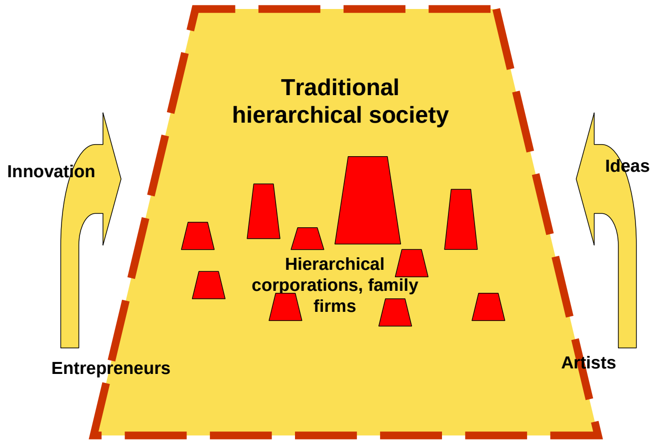
Mary Douglas first observed these moralities in relatively pure forms in primitive African societies, where the culture of a tribe corresponded to what was needed, in particular circumstances, for its survival – the organisation of labour in some communities, trade in others. More complex, civilised societies need both of them together: the morality of obligation to organise and defend themselves and the morality of the market to trade and create wealth. But from the dawn of civilization until very recently in history, the principles of traditional morality, the morality of obligation, were very clearly dominant. Social behaviour was regulated by the dominant hierarchical institutions of church, state, and community, all of which acted as traditional moral authorities. Even business organizations were structured as traditional hierarchical moral communities, with the obligations of managers, whether in the traditional family firm or, most strikingly, in the modern bureaucratic business organization, mirroring those of citizens in society at large. Behaviour according to the morality of the market was accepted as necessary for the economic growth and development of a society and entrepreneurs, much like artists, were valued for their ability to innovate and take risks. But entrepreneurial self-interest, like artistic free expression, was also seen as a potential threat to the traditional moral order. It was permitted only under license, so to speak, in carefully circumscribed arenas, and most notably in international business: ripping off foreigners has always been much more morally acceptable than ripping of one's own people. And this entrepreneurial self-interest was also subject to a wide range of state controls and other safeguards.



It may be worth pausing here and trying to explain a little further, albeit with a rather poor graphic. If we go back to, say the Middle Ages, we can see a hierarchical society ruled by a combination of crown and church, and to the extent that it is meaningful to talk about business that business was largely regulated through guilds, controlling quality, price, behaviour and so on. Of course people acted out of self-interest – they always have done and always will – but even for tradesmen this was expected to operate within quite strict moral constraints. The exception was in international trade, which was in hands of entrepreneurs and conducted by completely different rules, but this was quite carefully kept very separate, physically as well as institutionally, so as not to pollute the dominant moral culture.

I have included artists and thinkers in the diagram, because the comparisons are, I think, helpful. The successful artist or thinker is one who can transcend the mind-set of a culture and then enrich it or take it forward by feeding in new concepts, new ideas. But very few people can transcend a culture and at the same time conform to it, so artists often flout the norms and moral conventions of society. Most of the time this is not too threatening, and the potential rewards, for the society, are well worth the risk, but there is a risk, and really strict hierarchies, to their long-term cost, allow little scope for artistic or intellectual freedom. We can think here of the long-standing but hardly dynamic Chinese Empire, or of the twentieth century Soviet Union. Entrepreneurs are in many ways comparable, the main differences being that they are not so easily identifiable and hence marginalisable; that their nonconformity threatens the very heart of a hierarchical culture – entrepreneurs are by and large out to serve themselves, not others; and that success brings personal wealth, which is all too easily converted into power. So while rulers would often court entrepreneurs and vice-versa the institutional structures by which society was protected from them were much more elaborate.

Over the centuries, the safeguards that separated entrepreneurs from the mainstream culture, like those that separated one culture from another, were gradually relaxed, and by the second half of the twentieth century business enterprise had become an integral part of society. But it remained very tightly regulated: indeed in the post-war period it was in many respects far more tightly regulated, regulation always lagging behind its perceived need, than it had been at the turn of the century. And its social practices remained closely tied to those of society at large, with its traditional morality of obligation. Up until at least the 1970s the rules of behaviour prevailing in business organizations were for the most part (though there were always exceptions) those that had always prevailed in a family or local community. The profit motive, for those employed by or interacting with the big corporations, was carefully hidden from view.



So if we change the graphic, we now see business taking the shape of lots of mini-societies – think 1950s IBM, very much a moral microcosm of society at large. For its employees and the public the firm was a community, which the employees served and which, in turn, looked after them. Of course these firms now conducted international trade, and the boundaries of society were generally a bit more porous, though foreign travel, currency exchange and so on were still quite tightly limited. And we still had entrepreneurs driven by open self interest. But society now was generally more worried about other sources of pollution

– communism, homosexuality, and free sex generally – so moral regulation was for a period aimed more at artists and thinkers than at entrepreneurs.

This model takes us through the sixties and much of the seventies. Over the last thirty years, however, the dominance of traditional moral principles and especially of the authorities supporting them has been severely eroded. Freed from many of the constraints of both domestic and global regulation, the institutions of business and finance have grown massively in power and influence and now dominate our society. Meanwhile, the traditional moral authorities of church, state, family, community and education have all been seriously if not fatally weakened. In this country, for example, the churches between then have far less support than Manchester United and have become almost an irrelevance to most of the population. Government and the judiciary are a moral laughing stock; and who would now turn to the police for moral guidance? Changing, increasingly suburbanized lifestyles, enabled by the automobile and new communications technologies, have weakened people's traditional moral ties and reduced the moral engagement of communities. Television has played havoc with traditional moral sense-making, both glorifying bad behaviour and, most critically, blurring the distinction between fiction and reality. (There is also, I'm told, some evidence that television effectively turns off the parts of the brain we use for critical moral argument.) Economic and instrumental forms of reasoning, rooted in the ideology of market culture and based on the principles of self-interest, have been applied to areas that had previously been the preserve of moral feelings and beliefs, dominating political discourse and changing the way we think even about our own families, where looking after no.1 now competes quite legitimately with looking after one's dependents.

The Bimoral Society

Obligation and self-interest are both socially legitimate, and it is no longer clear when to apply which.

Traditional morality remains but is now unsupported by moral authority

Traditional rules remain but are no longer binding

We are each, in effect, our own moral authority.

As a result of these and other, related developments, the morality of self-interest has acquired a social legitimacy to match that of traditional morality. Traditional moral principles are still very important and still govern people's lives, both directly and indirectly, through custom and the law, in all sorts of ways. There is no evidence that people are any less moral now than they were a generation ago. But their morals are no longer imposed on them by society, and in a wide range of situations the traditional precepts are no longer binding. Where once people followed authority, they now find themselves becoming, of necessity, their own moral authorities, weighing the principles of traditional morality as best they can against those of a legitimate self-interest. To put it another way, the two sets of principles by which people govern their lives are no longer confined to separate, well-defined arenas: entrepreneurship on one hand, and the rest of life on the other. Their ranges of application overlap significantly, and in many situations it is no longer apparent which should take precedence. The result is what I called in a recent book a bimoral society.

Because this change in moral culture has come about very recently and very quickly, and is at least partly attributable to recent advances in media, communications and other technologies, some commentators, such as the American writer Francis Fukuyama, have suggested that it is just a temporary blip, and that once the information revolution and sexual revolutions of the late twentieth century work themselves through traditional moral authority – and indeed traditional patterns of religiosity – will be reasserted. Others, arguing from both the libertarian American right wing and the postmodernist European left wing, have associated moral decline with the bureaucratic organisations of the mid-twentieth century and suggested that a freeing of entrepreneurial self-interest will automatically be accompanied by a moral revival. A careful historical reading suggests, however, that bureaucracy has always been a morally conservative influence, and that the change I have described has deep historical roots. What we have seen over the last few decades is not something that has arisen out of the blue, as a product just of contemporary technologies, but an acceleration of processes that have been well under way and gathering pace at least since the Enlightenment of the eighteenth century. It is very unlikely to be a temporary blip, of merely transient significance. What the long-term holds in store is of course impossible to predict. It may well depend as much on how the growing world tensions between cultures are resolved as on developments within our own, Western culture. For the foreseeable future, however, the bimoral society is here to stay.

The Bimoral Society in Business

Hierarchy remains, but rigid and complex bureaucracies give way to networks, projects and teams in which members both work with each other and compete against each other.

In employment, a social contract of mutual obligation gives way to one of mutual self-interest.

Through incentives and through culture, the self-interest of the employee is made to serve to self-interest of the firm.

As might be expected, this new world is manifest in different ways in different contexts. In business, the values of self-interest are now clearly dominant. In place of the traditional bureaucracy we now find organisational structures, based on networks and teams, that fit properly into neither a market nor a hierarchical culture but seek to get the best of both worlds. There is still an element of hierarchy, of course. There is still a requirement that employees do as they are told by their bosses, and act out of duty to the firm, even though the firm no longer recognises much of a duty to the employee. But the emphasis is on judging by results rather than prescribing actions, and through payment by results on using the employee's own self-interest to advance the interests of the firm. Crucially, these interests are no longer hidden. If we go back to the large corporation of the 50s and 60s, the dirty question of profit was of concern only to the top management, and was arguably of far too little concern even to them, as the comforts of office blunted the sword of enterprise. Other employees were expected to dutifully do their jobs and not to worry about how much or how little the firm was making, or what moral compromises it might be engaging in along the way. Today, in contrast, the paramount importance of the share price is pressed on every employee, both through persistent internal communications and through the mechanism of incentive pay and employee share ownership. The public justification is still traditionally moral – the job of the managers is to serve their shareholders – but the primary operational appeal is always to self-interest.

IBM employees of the mid twentieth century would have been horrified by the thought that their firm engaged, as it almost certainly did, in corrupt practices. They would also have been disbelieving. The kinds of acts we have classed as corrupt would have been instantly categorised as wrong, but they were also well hidden and well-disguised and would have been vehemently denied. In the early twenty first century, in contrast, the exploitation of self-interest and the use of whatever means are necessary to deliver on the bottom line are openly acknowledged, at least within the confines of the corporation.

The Bimoral Society in Government and the Public Sector

Culture and incentives replace the ethos of public service with mixed motivations of service and legitimate financial self-interest, with the latter controlled not so much by values as by endless petty bureaucracy.

Breaking the rules ceases to be a cardinal sin and becomes an operational necessity.

Government organizations have changed too. When Margaret Thatcher sought to bring enterprise culture to the public sector, she had a curious notion that one could somehow introduce all the enabling qualities of entrepreneurship without any loss of hierarchical control. The new public sector managers were supposed to exhibit self-reliance, self-motivation, autonomy, personal responsibility, self-regulation, boldness, energy, productivity, efficiency, competitiveness, initiative, innovativeness, creativity, and a willingness to take risks – and at the same time to do exactly what was expected of them. Somewhere along the line someone forgot to tell her that entrepreneurs work for themselves, not for other people, and the most obvious consequence of her move has been the mind-boggling mass of form filling, documentation, self-assessment and so-called quality inspections, now characteristic of the public sector, that proved necessary to re-impose the controls once provided, far more effectively, by a public service culture. But the other deeply significant consequence has been the establishment of the idea that individual enterprise is an acceptable attribute of a public official. Indeed, since government officers and public sector managers suffer from the excesses of petty regulation every bit as much as citizens and businesspeople, getting things done has become, in government as in business, much more important than the processes by which this is achieved. It’s almost impossible now to get anything done without breaking the rules, and once one accepts that the rules will have to be broken anyway, it is a slippery slope to breaking them in ways that violate traditional moral principles.

The third group of actors in the world of corruption, politicians, are probably the most accustomed to the bimoral society and the least troubled by it. Succeeding in politics has always required a hefty dose of self-interest combined with the ability to disguise that as a deep and genuine commitment to the public interest. Within a moral hierarchy, political rulers are in theory as subject to moral duty as anyone else. The Pope is the servant of the servants of God. But the temptation to exploit political power and use it for one's own personal benefit is as old as civilisation itself. In recent weeks the self-interest of our MPS has been particularly on show, but what is striking is how totally normal and how utterly timeless, for this group of people, self-interest seems to be.

We can fairly say that self-interest is now a dominant motivating force in both business and politics, and is fairly widespread in government too. It is, moreover, open where once it was hidden and socially legitimate where once it was taboo. In this context the line between what is corruption and what is acceptable business has inevitably shifted and at the same time blurred. As the focus on behaviour that characterised traditional hierarchical culture has given way to the focus on performance that is characteristic of the market, the pressures on people to do what is necessary to achieve their immediate aims, rather than to do what is right to achieve more long term aims – traditionally of course the ultimate long-term aim of a place in heaven – has grown.

But what about us, the public at large, and the press and other media who argue, supposedly, on our behalf? For ordinary people, the bimoral society has brought confusion. We still have a traditional moral compass, but we also now have good reasons to follow another bearing from that indicated. Traditional society imposed rules. When on a bus a man should give up his seat to a woman, a young person to an older one. This didn't always make sense, but most of the time it did. It worked, and it required no thought, no effort of implementation. Most young people, and most middle-aged people, now work largely by self-interest – first come first served – but the more thoughtful end up having to make conscious decisions: her need versus my mine, should I give up my seat or not? The example is of course trivial, but it becomes much more serious when looking after an elderly and failing parent, which with modern medicines enabling prolonged incapacity many of us in our 40s, 50s and 60s now have to do. Of course we have a duty to care, but we also now recognise a legitimate interest in getting on with our own lives, and struggle to balance the two..

And we do struggle, in all sorts of ways. Most of us are *not* consumed by self-interest. But we *are* increasingly inclined to assume that everyone else is, and increasingly torn between a pragmatic attitude that just accepts that that's how people are, and so lets corruption go, and a moralising attitude that condemns this self-interest and condemns anything that looks even vaguely like corruption, whether it is or not.

One of the reasons we tend to moralise, and especially to condemn people in business and government for corruption, imaginary as well as real, is that that's what the media do, sometimes, let's be generous, out of genuine conviction, but more generally because it serves *their* own interests. To create and then ride on a bandwagon of moralising sells more papers, gains more viewers, than either the defence of greed or, especially, any serious attempt to strike a balance. This is perhaps most apparent in the media treatment of professionals, most obviously of doctors, whose judgement lets them down. Judgement is an essential part of professional conduct. If illnesses could be diagnosed and treatments prescribed with absolute certainty we would get computers to do it and doctors would be redundant. In reality, the presentation of symptoms is often unclear, and confused by all sorts of emotional and other personal factors, and the choice of treatment may also depend on the person and the context in ways that cannot be precisely calculated. Surgical operations throw up complications that cannot be predicted, in combinations that make each individual case specific. What we look for in a doctor is someone who has all the scientific and technical knowledge, but also has clinical experience and the ability to make sober judgements, judgements that can never be guaranteed to be right in hindsight. Sometimes indeed these judgements will be wrong, and as a society we need mechanisms to ensure that people are protected from doctors or other professionals with chronic bad judgement, as well as from those – and there will always be some – who see their profession as a source of fees only, and make decisions on this basis rather than on that of their clients' interests. But deciding on these things itself requires very careful judgement as well as very detailed and accurate information. And these do not sell stories. The suffering of one family or of one person who could, with the full benefit of hindsight and of information the doctor may not have had available, or even with the benefit of a decision that would, all things properly considered, have been a bad professional judgement, have recovered or lived a better life – that does sell.

This issue of professional judgement, together with recent cases of evident political misjudgement, leads us to the importance of transparency and accountability in business, professional and government affairs. It is a commonplace that transparency is the best guard against corruption. Business ethicists refer to the New York Times test: if you can publish your actions, they're probably OK. A recent survey of European investors identified transparency as by the far the most important criterion of good corporate governance. The most prominent organisation monitoring business and government corruption worldwide calls itself Transparency International.

Two Notions of Transparency

The mythical ideal: transparency as revealing all, so giving access to "the truth".

The practical reality: transparency as throwing enough light on a situation to enable multiple versions of the truth, so as to provide a basis for challenge and response and for reasoned analysis.

Transparency must not be confused, however, with a window on some absolute truth. When we demand transparency in business, government or professional affairs we tend to do so in the hope of revealing such truth, what is *really* going on. As anybody who has been the subject of inspections knows, however, the very process is distorting and what is visible to those looking on is at best a caricature. Transparency *is* important, but it can only ever reveal partial truths and its real importance lies in the way it opens up alternative stories, alternative fictions if you like, to those offered by the actors, and so opens up a space for dialogue and debate. In so doing, it provides conditions for accountability.

Two Notions of Accountability

Individualising systems of accountability require actors to give an account, but in a way that distracts attention from the underlying problem (focusing instead on the account) and so hides more than it reveals. In the absence of dialogue, accountability becomes inseparable from blamableness.

Socialising systems of accountability, based on transparency, require actors to engage in reasoned dialogue and put understanding before blaming.

And accountability too needs to be carefully understood. First, we need to distinguish between what my colleague John Roberts has called the individualising and socialising modes of accountability. On one hand, the simple demanding of accounts, which leads all too easily to the production of self-justifying cover-ups, obscuring more than they reveal and enabling the very practices we are trying to control; and on the other hand, the dialogic engagement, based on transparency, that enables the giving, receiving and questioning of reasons and the consequent building of trust and understanding. Second, we need to distinguish between accountability and blame. Many of you will know the story of Oedipus, the tragic Greek king who unwittingly killed his father and married his mother. In Sophocles' most famous version of the story, there is no doubt that Oedipus must be held accountable for his actions, and suffers horribly in consequence. But he is emphatically not to blame for them. In contemporary society we are in danger of losing this distinction and of rushing to blame people not only for the wrongs they knowingly commit but also for unfortunate consequences of their honest endeavours, for being 'only human'.

Greed is addictive. Like a cancer it feeds upon and eventually consumes the individual. Springing from greed, corruption eats away at the institutions of a healthy society. But moralising will not cure them. In the bimoral society, we can no longer draw on simple, authority based rules of right and wrong. In a world in which everyone is his or her own moral authority, the only way we can establish moral boundaries is through open constructive engagement and reasoned discussion. And the necessary premises of that discussion are threefold. The first is a common concern with the promotion and fate of humanity, an engagement with the human ideal. The second is a common recognition of human fallibility, our own as well as that of others. And the the third is a common acceptance of the value of reason.

As I noted at the beginning of the lecture, reason too is part of the paradox of being human. Reason has its limits. Rational logic alone can never tell us how people should behave any more than it can tell us whether or not God exists or enable us to visualise what underlies the wave-particle duality of quantum mechanics. But reason as in reasonable arguments, the giving, receiving and analysis of reasons – that is essential not only to the control of corruption but to the flourishing of civilisation as a whole. In a bimoral society in which tradition has lost its authority, reason has never been more important. In a media-dominated world in which facts are obscured by opinions, and an educational world in which the political pressures are to make everything easy, it has never been harder to achieve. The nurturing and development of reason in young minds and its promotion in public debate will not always serve the immediate interests of business and the British economy, but in a university context, in a business school as much as in any other department, it’s probably the most important thing we do.