

# Doing business *and* doing what's right

by John Donohue

**W**hether this last decade of the 20th century marks the *End of History* and the *Last Man of Fukuyama* or the beginning of Huntington's *Clash of Civilizations*, one thing is certain: unrestrained capitalism cannot be the charter of any new world order worthy of the name.

Socialism in its various forms was an answer to a need. Pushed to the extremes it became brittle and cracked. Socialism is certainly not dead but it is not yet clear in what new forms the social sentiment it embodied will find expression.

Some concerned spokesmen like Jacques Delors insist on the need for a social model for Europe based on rules assuring justice. In other circles, there is a focus on business ethics — since rules and regulations lose some of their bite in a business world of multinational companies and a world wide web of communications which escapes the grasp of authority. What is needed is a responsible business conscience.

Recently, I represented St Joseph's University at a meeting of the International Association of Jesuit Business Schools which grouped 90 people from 23 countries (the Americas, Europe, and Asia) to discuss 'Service through Partnership'.

Business ethics were the centre of concern — not as a course among others in the study curriculum of business schools, but as a mindset across wider aspects of social responsibility.

One participant from Asia remarked that the American preoccupation with business ethics has generated a lucrative Ethics Industry. Law and accounting firms are brought in to clean up the act of businesses caught in financial improprieties.

Ethics is certainly not damage control or mere public relations. On that all were in accord. There were a few, however, whose conception of business was so positive that they projected that business, with its need for discipline and confidence, as the means to instill order in international chaos.

For these, legal and organisational structures and transparent transactions appear as the 'ethical infrastructure' necessary to enable the capitalist system to function smoothly in the countries in transition to a market economy. But the majority were interested in outlining broader ethical bases for all business.

The presentations and discussions focused on the need for a framework for debate among responsible business leaders. There are many groups offering such a framework in the US, Latin America, India, East Asia and southeast Asia. In Europe 30 national associations have formed the International Christian Union of Business Executives (UNIAPAC) which seeks to construct a socio-economic and legal order based on the social encyclicals.

In Latin America, the Association of Jesuit Universities (AUSJAL) is actively engaged in a study of poverty and underdevelopment. In the US, the Woodstock Business Conference and the Artrupe Program in Social Ethics for Business (Georgetown University) have worked out special formulae. The values of human dignity and the common good received special emphasis and there were frequent references to Christian values and the values of the Judaeo-Christian heritage.

When it is a question of teaching management in the US, the Catholic Universities form the largest block of schools that have not cut the ties to their religious mooring and thus find themselves poised to integrate these values into all the courses in business.

Integration is the key word. Merely to offer a course in business ethics along with all the other courses is no cure. Ethics have to become part of a permanent mind set which permeates all courses.

One should avoid the tendency to paste "Christian" on values which may have a broader span. Here the rather frequent references to the 'Caux Principles' served as a corrective. As a first-time participant in the forum I had to learn what they were all about.

They are the product of a truly global effort that unites respect for human dignity with the Japanese concept of *kyosei* — living and work-

ing together for the common good. They are the formulation of international businessmen themselves, not a construct of academics proposed from outside. The principles issue from the Caux Round Table (CRT), an international group of business leaders formed in 1986 with participants from Japan, Western Europe and the US. Recognising the need for common understanding as a basis for conducting global business, they came up, in 1994, with the Caux Principles, which have been adopted by the International Association of Jesuit Business Schools.

The principles advocate responsible cooperation rather than destructive competition in both the workplace and the market place, domestic and international; they are based on respect for human dignity as an inviolable principle of socially responsible business activity; they stipulate communitarian concern and explicitly address the interests of consumers, employees, suppliers, owners, competitors and communities as "stakeholders" in the organisation.

In other words, it is not merely shareholders and increased profits which motivate decisions. The Principles also direct managerial attention to an organisation's responsibility to advance social development and protect human rights in foreign lands where the organisation produces or markets products and services; to go beyond the letter of the law to what is ethically required, although not legally prescribed; to avoid all corrupt practices while refusing to trade in armaments or other materials that assist terrorism, drug traffic, or organised crime.

The Caux Principles merit discussion and adoption as a framework for business decisions which, though not tied to religious affiliation, incorporate the bases of Catholic social teaching. It would be interesting to have the inputs of other ethical-religious traditions.

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