TOO MUCH AND TOO LITTLE
2004 PRESIDENTIAL ADDRESS

Well, it's happened. Our own major homegrown business ethics scandal with local and international ramifications, right in the middle of an election campaign. Oddly enough, I have not heard the " E word" spoken very much in public concerning this matter. In one place, however, there was a reference to morality.

I am speaking, of course, of the James Hardie asbestos victims compensation case and the now apparent underfunding of the medical compensation fund while around the same time the company moved its legal structures offshore.

There has not been sufficient time to digest the findings of the Jackson Commission, although serious questions have been raised concerning the legality or propriety of a number of acts involved on the part of some senior management. At the same time, it seems that the Board was at best ignorant, but allowed itself to be wrongly reassured that proper arrangements had been made to cover the liabilities which might arise from the company's asbestos operations.

The James Hardie Company is not alone in having such liabilities in Australia – both State and Federal governments are likely to have continuing claims of hundreds of millions of dollars made against them for asbestos related matters.

The present case is, in some features only, reminiscent of the Johns Manville case in the USA, where, for decades – from the 30's – that company referred to accept that asbestos operations had an injurious affect on workers exposed to asbestos dust. During World War 2 and subsequently, the use of enormous quantities of asbestos in fire proofing and heat retention on ships and in industry, exposed tens of thousands of workers to the injurious effects of asbestosis.

By the 1980's claims and litigation connected to such sums that the Johns Manville Company went into protective bankruptcy and finally established a trust to compensate victims of its asbestos operations. This trust now is the recipient of at

least 20%of the net earnings..of the restructured company and eventually ownership of up to 80% of the company might belong to the trust. The rcconstituted company recently won a major environmental prize in the USA.

I do not wish to go into these two cases and investigate them in minute detail. But, given that there is knowledge of such past cases, and the John Manville case is used frequently in the teaching of business ethics, was there no-one who saw the difficulties that might be thrown up for a company, if it seemed to deliberately minimise its responsibilities for compensation?

How did the various legal firms and the officers of other companies who gave advice, justify their actions? What was their background in ethical and professional formation?

I think the occurrence of this act raises some central questions for those of us involved in the applied and professional ethics venture.

Have we done our job well enough, or have we possibly done it too well at a technical level while losing sight of the great questions of meaning and justice?

When the executives and various professionals who gave advice and made the decisions relating to James Hardie's Medical Research and Compensation Fund and the Board's decision the move the company structure offshore, was there any deep and lengthy consideration of the ethics of what they were doing?

To what extent had they taken note of the frequent public discussions of corporate social responsibility? The company had been attempting at some levels to be a good corporate citizen by engaging in philanthropic activities. But had the various decision makers been exposed to ethics education during their tertiary education and management courses? Maybe they traversed the different approaches to normative ethics only to finally collapse into relativism or normlesness before entering upon their professional employment? Or were they educated in the tradition only of botttom line thinking?

Whatever happened, and for whatever reasons questionable behaviour in business and professional areas occurs, I think, it requires us to question ourselves as would be ethiically minded professionals ,or ethics educators, about what we are doing, and how we do it.. That is, does the academic study of practical ethics have any effect? And with that, the hoary old chestnut arises: can ethics be taught? What is the relationship between theory and practice? Can ethical behaviour be taught?

At the 1995 AAPAE Conference, a number of attempts were made to deal with such questions.

For Lynne Gillam, part of the problem was over specificity of forms in teaching applied ethics – it seemed that greater demands were being made for this, but with these demands she saw a vacillation regarding not just the content of applied and professional ethics courses, but beneath this, a lack of definition as to what such courses should aim at.

She saw the question in this form:"Are we aiming to influence what the students will know, what they value, what they will be able to do, or what they will actually do?"

Certainly, it seems easy enough to provide material for a critical review of activities in professions or business, but from what standpoint will we, i.e. practitioners/professionals, act? Students, she saw, needed the knowledge of the various justifications for declaring something as right or wrong so as to make their own decisions about meaning , but is that enough?

Thinking is –must be – prior to acting, but why, when business people and professionals know about the all too frequent experiences of people doing the wrong thing, for example, through case studies or newspaper reports , do they repeat them? What instruction or incentive do we need to act as ethical beings?

It is rather like the insight offered by the Apostle Paul who, when dealing with what the Greeks called akrasia – weakness of the will – expressed it in this way: "That which I would not, that I do, and that which I would (should) do, I do not."

Lynne Gillam .plumped for the approach suggested by Barbara Harman, which allowed for "all kinds of mid level discussion – strategies, rules, principles, emotions and attitudes" on which normative theory provides a critical check.

Thus she saw that the answer lies in teaching applied ethics so as to give students the skills to act on their convictions, as well as to form them.

In that same symposium William F May claimed that too little and too much was claimed for applied ethics. Too much, in that it seemed that there was too sharp a distinction between ethical theorists and applied ethicists. Again, it seems to point to a kind of rescue and .salvation function for the humanities. As if the humanities are to provide 'values' for society. Malcolm Muggeridge, he said,once called values "the polite BBC name for religion"! Thus the applied ethicist becomes a kind of magician – one who eliminates or solves the moral problems of professions.

Too little is claimed he says, because the applied ethicist, can be seen as a technician, applying foundational tools a work properly done by real philosophers.

For May, both practice and theory go together. The applied ethicist works as an instructive moralist who offers "fresh theoretical insights in the course of interpreting and criticising a speciific world of practice."

Theory is important – it is a way of seeing. Theory derives from theoria and refers to vision. In applied ethics insight and vision are joined. But the vision is of a special type – it is a corrective one – a re visioning of the world which enables us to move towards resolution of quandaries – to decide. It does so by giving new perspectives, opening up new possibilities for action and throwing off or refusing wrong ways of acting.

In her recently published work "Dark.. Age Ahead" Jane Jacobs identifies somecentral pillars of western society that she believes are in serious danger. One

that she identifies is the subversion – from within – of the previous self- policing of professional activities. Much of her discussion of this is taken up with the recent Enron debacle, the energy trading business failure in which executives, auditors,lawyers and one of the five largest accounting firms – Arthur Andersen - were all caught up a kind of 'everyone's doing it approach" On this jacobs uses the example of Barbara Ley Toffler – a well known business ethicist, who has taught business ethics at Harvard and Yale. She had been the partner in charge of ethics matters at Andersen's, until she realized she had been seduced by the organisation and resigned. In a series of small steps the leaders and the firm had changed direction. Tuffler recounted , " when the rules and the leaders stood for decency and integrity, the lockstep culture was the key to competence and respectability. But when the games and the leaders changed direction,, the culture of conformity led to disaster"
Jacobs turned her intention to the sort of advice coming from business schools – even a year after the Enron collapse - when at a seminar on accounting malpractice hosted by three major US business schools the practice of plausible denial was advocated. The triumph of image over reality, as jJacobs expresses it.

At this point, you may think that I will lapse into theology and perhaps abandon applied ethics completely, preferring to invoke a need for divine aid . Perhaps I am approaching the solution offered when the rich young man was told it is not good enough to just obey the law – in fact it is easier for a camel to go through the eye of a needle then for a rich man to be saved. The young man goes on ask "Who then can be saved?" The response of Jesus offers an insight from a faith conversion perspective – "The things impossible with humans are possible with (or through) God."

Maybe we can substitute something like a moral conversion for this. Perhaps you will recall the scene from the Oliver Stone film "Wall Street" when Brad Fox is unable to sleep. He gazes from his balcony across the bright lights of New York City. In the midst of his ne2 found affluence and its trappings ..designer decorated apartment, swish blonde live-in girlfriend – Italian suits, seven figure salary . Brad allows himself the question "Who am I" in the midst of the realisation that his new found wealth has all been possible because he has thrown off not just his inhibitions ,

but the values of his father and the community from which he comes. In other words, there is an attempt to look at himself in relation to what had been his case. In the film, Brad rejects the "greed is good" philosophy of Gordon Gekko and tries to save the firm which he has helped to pirate and in which is father is employed. But the conversion is onnnly partial and the morality superficial – it is not necessarily for a purely moral reason so much as the fact that his father's livelihood is threatened and he has been taken for a ride that Brad turns on Gekko. Loyalty is thus invoked but one that is partly self-centred. However, there is a hint of the influence of the moral community in which Brad has been raised and the values that still inhere in his character.

It is from character that moral action flows and character is formed through processes and institutions – by participation in them. Michael Oakeshott in an essay ,"The Tower of Babel" writes of the role of a tradition of conduct – of the acquisition of a moral education throughout life. We cannot necessarily give a natural account of it – i.e."explain actions in abstract terms or define them as emanations of moral principles." Rather it is that one's normal dispositions are bound up with our amour propre– the spring of our conduct is self esteem and to go against our felt duty to do this is to somehow diminish our self esteem.

The point is summarised by Leon Kass, the American Bioethicist (in whose writings I found the reference to Oakeshott) "habitual practice informs its source: heart and mind are together dyed fast by repeated immersions in the practice of daily living".

Kass employs Oakeshott's views to launch into a critique of academic ethicists, in the name, he says, of "genuine moral action performed by countless people in everyday life."

Bioethics is probably the most popular manifestation of applied ethics. Kass claims that the public's concern with bioethical questions is more immediate and profound than the approaches of most bioethicists. It begins, he says, with concrete existential questions, but reaches down to the central concerns of human life and the longing of the human soul. Because we in the west lack any "master cultural and moral narrative that can guide us through the minefields of the biotechnological revolution

we turn to the experts in bioethics in the hope of gaining clarity about what all this means and wonder about what we must do to keep human life human."

Bioethics, he therefore proclaims, must draw on moral capital of a different, a less academic sort. It needs to go back to asking the basic questions such as "How to Live".

For myself, I believe that it is because Peter Singer offers some kind of vision of this that his work is so popular in the western world and his often simplistic, but clearly set out views are so popular. At the same time, I find them – for myself and others – lacking in a deeper understanding of humanity itself. But, given the failure of most other applied ethicists to offer an approach to the questions of human flourishing, many are content with them. Too little is actually received whilst too much is promised.

The applied ethicist does reflect the deeper search for meaning and can offer a vision about humans as moral beings. The work of applied ethics cannot issue – must not issue – detailed guides for daily living within business and professions, but by looking at problems in the particular it can perhaps offer a way towards a vision of the whole.

Too much or too little?

The work of the applied ethicist is to make a contribution – a difference. Against those who condemn what they see as the surfeit of rationalism in this area we may see our activity of practical ethics as helping us to illuminate some of the deeper complexities of both the lives of professionals and the communities in which we live and work. It is through community and experience that character is formed and even reformed.

(I need to say a couple of things. I owned shares in James Hardie and sold them. This address is not footnoted but my debts to the writers mentioned in it is, I think, obvious.)