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**BUSINESS LIFE SEMINAR**  
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**BUSINESS ETHICS IN THEORY AND IN PRACTISE**

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**Summary of the Meeting**

What is business ethics all about ? Keeping to the law ? Company charters ? In practise, the answer is less simple. It would be useful to have a clear idea - a good theory - of what ethics actually are. Bernard Bougon defines ethics on three levels : individual, membership group and universal ethics. It is difficult to link up these levels in a business context, which leads us to rule out any absolutist theory of ethics.

## I - PRESENTATION BY BERNARD BOUGON

I started looking into ethics when I was at the Laennec Centre in 1982. I was sent there by the Society of Jesus, which I joined in 1971. The Laennec Centre was set up in 1875 to provide professional, personal and Christian guidance for students of medicine, surgery and pharmacy. At the time I was also the editorial secretary for a bio-medical review which had been created by the Laennec Centre in 1932. The review was probably unique in its field in the sense that whole issues had been translated into ten or fifteen languages during the 1950's and 1960's. Between 1987-1992, I directed the CCM in Marseille, which has the same vocation. While there I carried out a personal project in bio-medical ethics.

The Society of Jesus then asked me to get involved in business and economics. I started off with a training programme at a law firm specialised in turning around struggling companies. The company managed to get firms out of trouble, contrary to the predictions of the commercial courts. I completed my training with a company that trains directors in company law. At the same time, I started to teach business ethics at the Ecole Supérieure des Sciences Commerciales d'Angers (ESSCA). Finally, I met Frank Vermeulen, who got me involved in the founding of FVA Management to advise managers in business ethics, value systems and management principles, an involvement recognised today by the Society of Jesus.

### Three levels of ethics

There is ongoing debate about the words 'ethics' and 'morals'. Alain Etchegoyen talks about 'business morals' while others refer to 'business ethics'. Some place morals above ethics, whereas others put ethics first. I personally would agree with Jean Moussé who, in his book *Ethique et entreprises*<sup>1</sup> considers both terms to be equal. However, the debate runs deep, focussing on different levels of ethics that need to be made clear.

Firstly, there is the personal level. André Comte-Sponville, a member of the Marxist school of thought, talks of ethics as a way of life. The personal level concerns us all. It is a matter of freedom: the way we act, make decisions and react to contingencies here and now. Etchegoyen believes that this is also where we take on responsibility. In practise, ethics constantly affect our choices.

The second level is linked to group membership; one example of a group being a company. This is the level at which we find laws, codes, customs, rites and all that weaves the rich tapestry of our daily lives: these are the main frames of reference for all our decisions and behaviour as members of tribes. Comte-Sponville points out that when he says that our desires always have a social and historical element to them. Etchegoyen talks of 'warlike morals', stating that we tend to define ourselves in opposition to the others. We belong to several groups at once; this means that we have many frames of reference and ways of making decisions and acting.

The third level is the universal, ideal level towards which we always aspire but never reach. This is the horizon looked at by people and companies, as illustrated by the Arabic proverb: "*If you want a straight furrow, attach your plough to a star*". We all aspire to the ideal, even if we feel that it is a long way off. Universality raises a lot of questions. It goes back to Aristotle's virtues, Kant's basic laws, Habermas who expounded the principle of universal language based on Wittgenstein, and Mead who underlined the role of reason in universality. I became enlightened to this third level

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<sup>1</sup> Jean Moussé, "Ethique et entreprises". Vuibert, Paris, September 1993.

during a stay in India. I lived in the Indian countryside with the Untouchables. Many things are closed to Untouchables; they even have to take care that their shadow never brushes past and dirties the body of a Brahman, a Hindu of the highest caste. The Untouchables have no legal entitlement to exist. If someone of a higher caste fights them, all they can do is show their servitude by bowing and crossing their arms; and if their opponent wants to kill them, they are not protected by the law of self-defence. However, these men and women aspire to be respected as human beings. This aspiration is universal to all of humanity.

### **How can we link these three levels?**

We can first of all find a link between the individual and group levels. Paul Ricoeur, a contemporary philosopher from the Protestant school, describes this aptly with what he calls 'ethical intention'. Ethical intention is the relationship between 'I', who is driven by the desire to lead a 'good' life, and 'YOU' who lives for himself. According to Aristotle, each person strives to derive pleasure from meeting the other. However an ethical goal can only be achieved if something regulates the interaction between 'I' and 'YOU'; Ricoeur calls this 'IT', referring to just laws, rules and codes of behaviour, as well as language and reason.

This is true of business life: all business originates from a meeting between two people. Whenever I tried to defend a delinquent payer in front of an important company director, I found myself saying, "*Business is about people!*". This meant that anything is possible, on the condition that the people who are involved respect and trust each other mutually. Without trust, you cannot even think of doing business.

If 'I' and 'YOU' want to build something solid and lasting, they have to negotiate on the level of their reciprocal aspirations and not simply in terms of "I'll impose what I want". This is the 'win-win' relationship of transactional analysis. It risks being no more than a useless gadget when it is regarded as a recipe for success; however, if it helps people to respect truth and human values, it is nothing short of an ethical statement.

The second link is dual. On the one hand, there is the link between the personal level and the universal level, and on the other hand, there is our relationship with the Universal through our belonging to many groups. Each of us, in our desire to win respect, shares the principle aspiration of humanity. This is also the case of the groups to which we belong. Every group, institution and human organisation aspires to universal values.

### **Business ethics in practise**

Let's take an example that directly involves business ethics. The Paris Court of Appeal recently dismissed the case of Carnegie International against the Chargeurs company, on the grounds that Carnegie International had produced as evidence a tape of a telephone conversation which had been made without the speaker's knowledge. The Chamber of Commerce of the Paris Court of Appeal dismissed the claims of Carnegie International, because of the 'illicit' nature of the taping which had been acknowledged in the first instance but which had nonetheless been allowed as evidence at the Paris Commercial Court. Since the method used to provide the evidence was judged unacceptable in ethical terms, the evidence could no longer be used and the case was weakened. This illustrates how ethics comes into the law. A commentary on the case in *La Gazette de Paris* on 20 September 1994 provides a reminder that precedents are being established in the business field, where the law tends to insist on "the obligation for loyalty and good faith in business relations". Of

course, we can always wonder about what the words 'loyalty' and 'good faith' actually mean.

Mencius, a Chinese philosopher from the 4th century, once travelled a great distance to meet the King, and was told, "*If you have travelled all this way to come to see me, you must have some intention of profiting from me*". To which Mencius replied, "*What does the word 'profit' mean? The only real issue is justice and honesty. If a state's people live on profit, then that state is on the road to ruin...*" This was the first of many lessons in political morality that Mencius gave to his prince and which provide us with food for thought.

*Michel Brodier puts it another way: "Defining a company only in terms of profit is a confused mistake"*. He believes that the principal aim of a business, its economic goal, is to create wealth or value-added. He distinguishes between the company as defined in legal terms, and the company as a human community. Brodier suggests dropping our overly narrow vision of the company, which has been reduced to a simple combination of capital and work. He believes we should distinguish between three elements: entrepreneur, capital and work. In France and elsewhere in Europe, it is in our interest to review our management tools, the status of entrepreneurs, the legal status of companies, etc. I have learnt from Michel Brodier that short-term profit brings side effects.

When a company is run merely according to financial criteria, with ratios to optimise short-term results, employees are sometimes made redundant when there may be alternative solutions. This is what happened in glassworks that dismissed expert glass blowers who had over 30 years of experience: in doing so, they realised with a shock that they were losing some precious and even irreplaceable capital. Here we have a value with an end product that is difficult to quantify in classic terms and this raises the issue of the company as a citizen or socially responsible companies. In its white paper, the European Commission underlines the importance of this for companies' future and their ability to survive in the long-term.

### **Company charters**

Company charters are also relevant to this discussion. Let's look at the code of conduct of one major multinational. It's very short and to the point. The introduction states that interpersonal relationships must be based on values like honesty and respect for others, including at work. Then there is a standard chapter entitled "Respect and Responsibility For the Company Heritage": i.e. the company's means should be used exclusively to meet its goals; this concerns the abuse of corporate assets, concealing such abuse, etc.

The next part concerns "activities outside the company" (if you are employed by the company, it is difficult for you to also work for a group that rivals the company or one of its subsidiaries). Then we see "favours bestowed by third parties" (it is forbidden to receive gifts for any reason), followed by "information and its role in the company's behaviour". "The use of confidential financial data" refers us to a special brochure. We then find chapters on "integrity in accounting transactions", "penalties and sanctions" and finally "resolving conflicts with the help of the hierarchy".

Let's go back to the second chapter on "Payments made by the company". It states that "The bestowing of favours on third parties must conform to local practices, ethical norms and legal provisions". This wording ultimately leaves quite a bit of room for manoeuvre. The director of a subsidiary whose markets are practically all abroad made this clear: "*We have no problems with our home market. However*

*abroad, with local customs, some Heads of State regard commission as another way of filling the coffers". This particular company set up a system for paying commissions to intermediaries. This is the fusewire system: only certain people are aware of the commissions and the Managing Director does not even know how much money is involved. If ever there is a problem, top management is safe. Having said this, the company recently fired the entire senior staff of one of its subsidiaries which had been caught up in Mafia-style business.*

This charter smacks of bad conscience. The reference to ethics bothers me, especially since I don't see why employees should be forbidden from receiving favours if they themselves are bestowing favours on third parties. Why? Why are there two different weights and measures? The company's secretary-general told me that this was a problem but that, the fact that there was a code of conduct was likely to change practise in the long run, even if the code in question was imperfect, unclear and sanctioned some questionable practises.

By contrast, the code of conduct of a major oil company makes the following statement: *"Staff must understand that the company's first concern is the way in which the results are obtained rather than simply the results themselves."* And also, *"The company is counting on all its staff to ensure that we continue to support colleagues who turn down opportunities that would mean transgressing our ethical standards."* This company puts its principles into practise. It acknowledges having lost market shares due to its refusal to pay commissions. It would appear that these values drive the whole group. There are internal checks and employees are asked to pledge their respect for a certain number of points in the charter, such as refraining from sitting on the boards of other companies.

I admire this company, which is genuinely interested in how it does business and is not content with merely seeing results. This reminds me of a fine quote from Soljénitsyne in "The Goulag Archipelago" on the prisoner's freedom: *"As soon as you stop trying to survive at any price -i.e. by making others pay - then in the money-grubbing eyes of your captors you become one of the most dangerous of men since they will no longer have any hold over you".*<sup>2</sup> This is a wonderful way of describing how to be free in a concentration camp, a theme which we also find in the very fine tale "A Day In the Life of Ivan Denisovitch".

### **Abusing corporate assets**

When business scandals hit the news, ethics are also an issue for the magistrates. How should the examining judge react, for example, when a managing director tells him *"If you prosecute me, the future of my company and many local jobs will be on your head"*. Given the current economic climate, this sort of argument holds sway and the magistrate can feel genuinely blackmailed. In one case of this kind, the examining magistrates and the case's experts agreed on the following principles:

- to avoid making press statements in order to prevent competitors from cashing in on the CEO's investigation by the law;
- to stay in their field, i.e. respect for the law;
- to guard their role of examining without biasing the decisions of the judges;
- to aim to establish the objective facts and to acknowledge only those facts proved by irrefutable evidence;

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<sup>2</sup> A. Soljénitsyne, *Archipel du Goulag*, T. II p 455, Seuil, Paris, 1974.

- to always refer to the accused by his function rather than by his surname, and with his agreement, to ensure that his identity was concealed from journalists.

This case boiled down to the responsibility of the CEO. Each of his actions involved other people, which made his blackmail heinous. However, looking at it in a different light, you wonder whether the judges and legal experts were right to pursue the case, since despite all the precautions taken, the company is now in trouble and has been forced to make large-scale redundancies.

The abuse of corporate assets is another type of situation where ethics challenges the law. This is common in public building work. For example, site work may stop due to delays in the delivery of materials which were ordered on time, a lack of respect for timing from suppliers, poor co-ordination or even continual bad weather, none of which is any fault of the company chief. He finds himself forced to lay off workers or rush the small jobs, for which he contacts customers or friends. As he is in desperate and urgent need of their help, he has to offer unbeatable conditions. Often he pays only for the supply of raw materials and labour. Structural costs are not taken into consideration because they are paid for by the main building work, which has been halted momentarily. French law sees this as an abuse of corporate assets, with the co-contractor as party to the crime. However, isn't this just an intelligent way of managing unpredictable situations ?

## II - DEBATE

### Who is the Other ?

**Participant :** *When you say "what you do isn't sound if it doesn't honour humanity" I think you're revealing your own morals.*

**Bernard Bougon (B.B.) :** For exemple, I'm intrigued by the rapid succession of management methods. Doesn't this show that we never really invest ourselves in them and that we are always looking for a recipe for success? When one formula fails to work, we simply switch to the next. Some people defend re-engineering, saying, "*Careful, this is not an instant formula but in-depth work that takes time*". This is more like it. These disciplines call for time, rigour and methods that are tailored to local specificities, contingencies and specific situations. My own conviction sprang from my background in psycho-sociology and I have strengthened it over the years: I feel that the facts tend to lend weight to my argument.

**C. Riveline :** *You've given us a clear description of three levels. I personally tend to quote four levels, including the three which you mentioned. Your presentation included the individual, group and ideal levels, but not the material level. However, industry does have to deal with material constraints. What's more, your examples all have a "make-do" attitude, although this is not the case with your theory.*

*Another niggle I have is the stress you put on respecting others, which is certainly a universal concern, but it is also something that has never been resolved. Everyone agrees on this point, but we should ask, "Who exactly are the Others ?" It's easy to love your neighbour like yourself but loving a stranger is another thing altogether!*

*These problems are linked: universality is a myth and a myth only survives if it is passed on by a ritual tribe. I did wonder what tribe you belong to. Evidently this is*

*the Society of Jesus. In a recent interview<sup>3</sup>, Father Kolvenbach, General Superior of the Society of Jesus, was asked "Who do you obey?" and he replied "Every Jesuit knows who: the general orientation of his apostolic commitment, and in many cases even of certain practical pastoral tasks, comes from the Holy Father, the pastor of Jesus Christ on earth. A vow links him emotionally and practically to the Church's mission as the Pope understands and presents it." I thought to myself: "The Pope is missing from this presentation!"*

*However, the material aspect is also missing. Why? Because our Western society has only found two sources of universality: the Pope and matter. From Descartes to Marx, people have never stopped using material arguments to reject the Pope.*

*But this "evangelisation at the frontiers of faith and science" as Father Kolvenbach defines your vocation, is making you jump from the frying pan into the fire, toeing the line between unconditional papal allegiance and slavery to science. You are trying to construct universality with neither the Pope nor science. This is heroic, but something nobody has ever succeeded in doing.*

**B. B. :** I have trouble in seeing the material level as running along the same lines as the other three levels. I thought that I underlined the importance of contingencies, i.e. all the events that may effect us. But perhaps this is not what you understand by "material constraints" ?

As for obeying the Pope, I would like to take a short apologia from the "Fathers of the Desert" (2nd-4th century). One day a master asks his disciple to go and look for a lion living in the desert. The disciple, obeying his command, sets off on a hunt and finds a lion, which he catches. He returns with the lion on his back and lays it down at his master's feet. The lion then gets up and devours first the master and then the disciple. The moral of the tale is this: a disciple can be all that is obedient, but inconsequential orders should not be given and certainly not be obeyed.

### **Ethics and the law**

**Participant :** *The law has moral foundations but it is not ethics as such.*

**B.B. :** *The Bouchery report from January 1993, entitled "Transparency and the Prevention of Corruption in Business" talks about this in the chapter on international business: "At the moment, payments made abroad that are known as "Fringe Expenses", undergo a confidential procedure of preliminary authorisation by the Ministry of Finance, with the benefit of overriding tax deductions, as well as hedging by COFACE. This system of preliminary authorisation, which was originally linked to the now-defunct Foreign Exchange Control, has hardly brought this phenomenon under control, let alone curbed its excesses. This means that in future, the authorisation process may drag the State into a process of international corruption, all for the sake of obtaining statistics on 'fringe expenses' and the companies involved. Under the cover of business competition and foreign trade performance, this procedure turns out to be very liberal, as refusals are rare; it is also a burden on public money. In addition, the current inspections cannot guarantee that the fringe expenses are not profitable to French residents, or even that they do not return to the country in another form and at various times."*

As for abolishing this preliminary authorisation procedure that Bouchery called "the confes-sional", it might have been ambiguous but at least it was a control. I'm not sure that it's more ethical to turn a blind eye to the commissions being made.

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<sup>3</sup> *Libération*, 6/1/95.

**Participant :** *I'm a bit confused as to this separation of law and ethics, which seems to me to be very arbitrary. The law is spelt out in a formal manner, which makes it difficult to believe that it goes against ethics, or at least that this has been the intention of the law-makers.*

**B.B. :** Perhaps I was not systematic enough in my presentation. With the examples I gave that implied a relationship with the law, I wanted to underline how we need to keep ourselves at a certain distance from the law since we must always judge specific circumstances. We also have to appeal to our conscience when the law has conflicting aims. For example, the 1985 law on legal settlements aims first and foremost to safeguard business activity and jobs (article 1). But at what price ? The price to be paid is the freezing of debts in the case of a recovery plan, 50 % at best. The creditors and the banks kicked up a lot of fuss about this, and have finally secured some agreements.

When your task is to save an activity and the jobs that go with it, you find that there's some sense and ethical value in it. You stick to the letter of the law, but sometimes this is to the detriment of others. This raises a question of justice in an ethical sense. We can therefore see a gap between the application of the law and ethics, even if legal principles rest on ethics. This is an example of the relationship between the second and third levels that I described earlier.

### **Ethics and contingency**

**Participant :** *In a debate on ethics, the accused company chief's answer always runs along material lines: "If I hadn't done that, we would have folded..."*

**B.B. :** Yes, but this sort of argument doesn't always hold water and it can point to a lack of imagination and even a lack of courage.

**Participant :** *A wealthy company can afford to design and implement an charter of ethics, but what about poor companies ? A director of finance from the public building trade used to tell me, "There is strong competition and few markets which you won't conquer unless you pass money under various tables. We are asked to follow an ethical charter, whilst also being asked to produce bottom-line results which can even override the ethics; if we get caught we'll be the ones in trouble". The danger is that these charters are at the root of a scapegoat policy.*

**Participant :** *An old immigrant worker used to say: "honesty is a luxury that the second generation can afford".*

**B.B. :** *"Can I legitimately steal if I am starving to death ?" The classic moral question is whether there is another way of getting fed. Some people say that there are other means available to businesses. L'Expansion<sup>4</sup> presents the cases of three company chiefs :*

- The president of Synergence, a company with a turnover of 22 million francs, says: *"There is corruption in every market, but where does it start ? What with expensive business lunches and money passed under the table to enter a market, it can sometimes be difficult to distinguish between legal and illegal behaviour."* He concludes, *"I make it clear that I take an ethical approach."*

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<sup>4</sup>L'Expansion, No. 109, November 1994.



- The managing director of AINF (turnover = 175 million francs) explains, “*I have reviewed the delegation of all signatory powers*”; Mr. Vigouroux, who is mayor of Marseille, signs everything that tops a certain figure.
- Finally, the third example is Alain Bodel, the president of Faiveley, a railway equipment company with a turnover of 761 million francs; he states, “*We have an internal charter, which is entitled “Faiveley Policies” and I rely on very precise management control. For example, we fired one manager on the spot: he had been regularly charging expenses from the same restaurant, and a telephone check showed that the restaurant had been closed for two years. On the other hand, we are more tolerant on small matters: we don’t quibble over an expenses claim which is a little too high, and we allow our staff to accept the free flights offered by airlines after a certain number of trips.*” This hints at a different approach.

**Participant :** *The Treasury has a special department for organising payolas abroad...*

**B.B. :** Wasn’t it closed after the Bouchery report ?

**Participant :** *It’s impossible to close down a system that sells Mirages to Saudi Arabia for 3 billion francs. And yet all civil servants are under obligation to denounce any malpractice they may witness (article 40 of the Civil Service Code); here we come back to the question of internal corporate deontology. This code causes day-to-day problems since the department obviously has to deal with corruption of a general nature. What can be done about it ? Should a scandal be leaked or should problems be sorted out internally ?*

### **Can ethics be taught ?**

**Participant :** *Can ethics be taught?*

**B.B. :** I teach ethics every week to business school students who have done work placements. I wouldn’t teach them if they didn’t already have practical experience of their own, since ethics teaching is all about giving future managers the means to deal with the problems they’ll face. With them, I try to develop an ethic of action, a science of decision. For example, they can learn not to look at everything from the same angle but to distinguish between the different levels, to recognise conflicting values or principles, organise them in a hierarchy and weigh up the consequences. It’s a question of having a better grasp of how ethics and the law interact, whilst also taking into account conviction and responsibility, to use Max Weber’s categories. Conviction is about ideals, whereas responsibility concerns action : what I can do from where I’m standing and with my own constraints. This is what I’m trying to do with my students.

**Participant :** *When you teach management, you really sense the need to tackle the ethical issue, which is in great demand among the young students. I have always been very uncomfortable on this topic. We are living in a rapidly-changing society and are preparing people to live in a global market economy, where not all the rules are well-established and respected. Does a system like this allow a company to make its own rules, independent of what’s going on around it ?*

**Participant :** *I think that the crux of the matter is the law. The first thing is knowing whether something is legal or not. I don’t think that people are more corrupt nowadays but we have shifted from an under-informed society to a society where we have too much information at our fingertips, there is considerable openness and we see many things that would previously have been hidden from us.*

*With the law as it stands, it's clear that there is excessive abuse of corporate assets. As the managing director of my company, I am guilty of abusing corporate assets every time I use the phone to call my wife. The law should be flexible: where are the limits? Poorly defined rules lead to culpable behaviour.*

*Another example is interna-tional commissions. Here too we should look to the law to provide solutions. We're trying to organise our world, badly of course, but some progress has been made: the GATT agreements have just been concluded and the World Trade Organisation and the IMF have been set up. What's stopping us from bringing legal principles into the WTO rules, solving the problem of commissions by international sanctions? If we were to ask a French director to be the only angel among his American, Japanese and German competitors, he'd lose market shares and wouldn't be doing his job. We can't put ourselves in a position of inferiority on the pretext of so-called moral practise. Our real duty is to formulate the problem and find solutions at the appropriate level, to make business relationships more civilised, as it were. This is also true of international finance.*

**B.B. :** *This is indeed something that needs to be done, which will imply reforming our current practises that are out of step with the changes in companies. A start has already been made with one international organisation whose members are committed to clearer business practises on behalf of their companies; these members include chairmen, managing directors and treasurers from major international groups, many of which are American and Japanese. What you're calling for will be possible if managers have the courage to say: "On behalf of our group, we pledge to follow X policy concerning commissions, corruption, loyalty in relationships, goodwill, etc."*

**Participant :** *Company charters are based on goodwill, but they're a drop in the ocean when you consider just what has to be done. We need the World Trade Organisation to help do away with commissions in the Middle East.*

### **Ethics as ideals**

**Participant :** *Such arguments are tempting but I think they're unrealistic and even dangerous. Spinoza said, "There are two sorts of men: those who are capable of facing the truth, and the rest. The rest make up a large majority. They become dangerous if they know what's going on." Certain things can only be tolerated if there is an element of secrecy. We should write charters that sound a bit like fairy tales. Then the people who use them will have no choice but to believe that everyone else does so also.*

**J. Moussé :** *Ethics are ideals. By definition, ideals can never be reached. This means that we always have to keep things flexible, because we're inevitably influenced by our own interests, fears and habits, which all weigh down on social relations. The law can paralyse society. We have to untangle the web of laws and allow people to live together as freely as possible. The law has at least four weaknesses :*

*- It is usually the law of the strongest. We can recognise the strongest because they are the ones that make the law. However, this is far from ethical. "Primam partem tollo quoniam nominor leo": I was taught this phrase in Latin which means, "I'll take the lion's share because I'm the lion".*

*- The law always lags behind technical and scientific changes, as we see in the Marxist theory on relations between production workers and production returns.*

*- The way the law is put into practise depends on how it is interpreted, which always implies some subjectivity. Many manufacturers are exasperated, feeling that they are*

*being too easily judged by intellectuals who haven't got first hand experience of their problems.*

*- Finally, a law cannot be enforced without some special dispensations. The law says one thing, but different behaviour is allowed in certain cases. This isn't ethical.*

*In addition, bribes bring up the question of cultural differences. We are talking about wiping out commissions and corruption: this is typical of the western culture. In other cultures, such as Africa, it isn't work that is remunerated, but a social status, which is something completely different. The person who is paid has a duty to grease the palms of those around him. If this is the way their society works, then why not ours too?*

**Participant :** *In the end, aren't ethics a question of meaning? There was a fairly clear slant towards positivism during the Glorious Thirties and the industrial revolution. Aren't we just asking the same old question about meaning again ?*

**B.B. :** *What we're talking about is both a general orientation and practical guidelines. Companies not only have to win market shares, but they also have to make internal changes in order to jockey for position in their markets. We advised a diversified service company in this respect, and they now have a better understanding of where they're going and how to get there.*

### **Is business ethical ?**

**Participant :** *Companies weren't created for ethical reasons. F. Braudel shows how capitalism was invented for commerce before being concerned with any creation of values. Mercury was the god of merchants and also the god of thieves; isn't trying to bring market-efficient practises closer to moral behaviour like trying to mix oil and water ?*

**B.B. :** *The question is whether ethics is a passing fad or whether it's an issue that's here to stay. You're asking a good question, but I'm afraid that the answer escapes me. I think that a profound change is taking place, probably due to the globalisation of the economy and the dominance of talks, thought and economics practice in politics. If economics replace politics, companies have to consider the issues of ethics and meaning.*

**M. Berry :** *Economics are replacing politics, although people are becoming disillusioned with economics. The fact that business reports are now published is doubtless linked to the fact that managers are no longer considered untouchable.*

*During the session we had in November 1994 with the "Guests of the Ecole de Paris" ("Can The Law Change Companies?"), Michel Bon said that there is never any proof in corruption scandals since there is a corrupter and a corrupted party, but the law gives the judge the power to remand suspects in custody and tell them that they'll be let out if they talk. Michel Bon asked us "Do you think that the law wins?" After the discussion, Antoine Lyon-Caen told me, "I used to be a lawyer, and this is what we always did with the informers, dealers and small-fry. The only thing that's new is that these days judges dare to try this with the big bosses as well."*

*In this way, managers are no longer untouchable, perhaps because companies have become too overwhelming and threatening after the waves of redundancies and loss of sense that these have caused.*

*So what can we say about ethics? Your three levels disprove the theory, since no approach that leaves out a level can be ethical. In the end, this schema refutes every absolute idea on ethics: the ethics issue is not as clear as it seems.*

*The other thing which struck me was that every time you gave examples to illustrate ethics, the audience had a little smile: the pleasure of sinning never disappears. Finally, when one teaches ethics, one describes what sins look like without being at all able to show how to get rid of them.*

*In other words, we can give a good demonstration of what isn't ethical without being to say clearly what is. This is a very useful lesson, because it can prevent a certain number of people from deviating and being put in the stocks, but perhaps it shouldn't be given to everyone.*

**B.B. :** This is the key to the whole subject. In ethics, nobody can tell anyone else what to do because the best solution is always something different. It is up to each of us to always make a fresh decision, at new costs.