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Committee Secretary
Senate Education, Employment and Workplace Relations Committee
Department of the Senate

SUBMISSION TO SENATE INQUIRY INTO ACADEMIC FREEDOM

Attached are some select scans from "Economics, Business Ethics and Law, Lawbook Co, Sydney, 2003 (ISBN 0 455 21911 7)" a textbook written by Dr. Scott Mann, a lecturer from the School of Law at the University of Western Sydney. This text is the required reading for "Law, Economics and Business Ethics" (code 69017) which is an LLB elective subject. The subject can be taken in a variety of degrees, including accounting and social sciences.

The language of the text is that of a Marxist or Socialist.

The question should be asked of the University of Western Sydney School of Law, why Marxist theory is given the same credit points as Contracts, Equity or any of the other substantive law subjects.

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many contracts in late capitalist society, most obviously in the case of the wage contract between corporate employer and individual employee and in contracts to purchase raw materials from desperate third world producers.

An article from a recent *Sydney Morning Herald* newspaper¹⁴ nicely illustrates this point. It concerned evidence given to a Royal Commission inspiring into "Australia's biggest corporate collapse", that of HIH Insurance, with losses of \$5 billion, by the then head of Goldman Sachs Australia, merchant bankers, Malcom Turnbull. More specifically, it concerned the involvement of Goldman Sachs in the takeover by HIH of the moribund FAI insurance company, as major contributor to its downfall.

As Jennifer Hewett observed:

"An internal memo of Sept 7 written by two employees of Goldman Sachs Australia to Goldman Sachs New York [in relation to proposals to privatize and refloat FAI Insurance - rejected by Goldman Sachs following a 9 month investigation of the company's assets, prospects and liabilities] explained that they estimated FAI's 'true' net assets...were approximately \$20 million, compared with a stated book value of \$220 million....One week later, Goldman Sachs was formally appointed by the FAI board to advise it on the HIH bid for FAI, which valued the company at \$282 million. Goldman Sachs recommended the bid and its valuations of FAI ranged from \$106 million to \$374 million, with \$237 million considered the most likely. Depending upon the assumptions, The bid went ahead and the huge

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premise of the royal commission's investigations into his role contains a fundamental error - a confusion between a formal valuation of a company and internal calculations about FAI's net tangible assets that don't include things like goodwill. It also why he insists that the memo and the later advice to the FAI board were completely consistent.¹⁶

The capitalist ruling class want a system of laws capable of protecting their wealth and privilege and facilitating their market operations. At the same time, they want laws that in no way impinge upon or restrict their own profit maximising operations. It turns out that, in theory at least, this is not so easy to achieve. In practice, they can rely upon a range of protective barriers to reduce the chances of their becoming victims of their own legal system.

Compared to other groups, they are protected by the invisibility and difficulty of detection of their criminal operations. As Croall points out;

"those people at the top of the occupational hierarchy have more opportunity to commit more complex crimes and are subject to less surveillance.

¹⁴ 18 May 2002, p 35.

¹⁵ *Sydney Morning Herald*, Hewett J, 18/5/02, p 35.

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The privileged youth, never lacking in money, sent to the best schools and universities, assured from birth of their own superiority and guaranteed to inherit their fathers' business, is hardly likely to feel too affronted by name calling in the street. Even if they don't like it, there is no problem in calling upon the coercive powers of the state to "deal" with it. Clearly the situation is a bit different for a youth of a persecuted racial group, brought up in poverty, assured of no worthwhile career or financial security. The wider society has shown no sign of treating them with respect. At least they expect some respect from those in their immediate environment who should be sensitive to their feelings. They are rather

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together in positive feedbacks of frustration, despair, violence, drug-taking and crime from one generation to the next

As Wilkinson points out, deprivation is not only a social condition, but also a

property crimes and crimes of street violence, considered so far. It seems, therefore, that the most significant factor correlated with the tendency to commit crimes of these sorts (petty property crimes, and drug dealing, crimes of street and domestic violence), and suffer as victim of such crimes, is social inequality and deprivation. Most of these crimes appear to be

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It seems, therefore, that the most significant factor correlated with the tendency to commit crimes of these sorts (petty property crimes, and drug dealing, crimes of street and domestic violence), and suffer as victim of such crimes, is social inequality and deprivation. Most of these crimes appear to be committed by the poor against the poor, with working class youth more likely to burgle and to become involved in violence (than members of other class groups), and the youth of the poorest and most deprived sections of the working class the most likely to do so. This is confirmed by Hogg and Brown's comments on violence in Aboriginal communities.

As they note:

"In some Aboriginal communities the unemployment level is as much as 80% to 90%.....When in work, Aboriginal people earn on average about half of the income of non-Aboriginal Australians....In 1994 government payments were the main source of income for 55% of Aboriginal people...They are also massively disproportionately over-represented among the homeless population and the educationally disadvantaged. Aboriginal communities continue to experience high levels of infant mortality and health problems..."¹⁰

At the same time:

"In NSW between 1968 and 1986, Aborigines suffered a homicide rate about seven times that of the general population and about three times that of the high risk group constituted by young adult men. The Aboriginal homicides were predominantly a familial or communal phenomenon, over 87% of victims having been killed by other Aborigines."¹¹

Here again, the Australian situation is far from being unique. As Wilkinson

Such "public order" offences as strikes, occupations, pickets and demonstrations declared illegal by public authorities have a clearly political dimension, as direct challenges to capitalist property relations and capitalist power. Given the centrality of the social class struggle involved it is not surprising that it will probably be the more organised and class conscious elements of the working class that are mainly involved.

Again, Wilkinson highlights the psychological as well as the social links between household violence and street violence. Around the world:

"We should not...regard homicide as a bizarre form of behaviour, unrelated to the lives of most of the population of a society....Rather, we should see an increased homicide rate as indicating greater aggression and violence on the streets in general; and given what we know about the links between domestic violence in childhood and violence in early adulthood, it may indicate more domestic conflict as well."¹³

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¹⁰ Hogg and Brown (1998), p. 69.

¹¹ Hogg and Brown (1998), p. 69.

¹² Wilkinson (2000), p. 15.

¹³ Wilkinson (2000), p. 21.

are accelerated by the periodic business cycle slumps that knock out smaller, weaker competitors, leaving cheap technology, cheap raw materials, cheap labour and markets to be taken over by the survivors. Meanwhile, as corporate power increases, with more and more of the productive resources of the world in the hands of huge private firms, so does the wealth and power of the working population decline in proportion. This is precisely what globalisation, in its present form, is really all about; global domination by the chief executives of big corporations, answerable to no-one, controlling the bulk of the wealth of the world, sustained by cheap labour and servile nation states.

So, if those in a position to make it happen want it to happen, and any who don't are comparatively powerless to stop it, it will happen.

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increasingly cumbersome, inefficient and unprofitable corporations of smaller, weaker competitors to cannibalise in a crisis situation (restoring their own profitability at the expense of such smaller businesses). So that ultimately, it would be the largest corporations that would collapse, bringing the world capitalist system down with them.

Needless to say, the neo-liberal supporters of globalisation will be the first to remind us that such a prediction has been refuted by more than a century of subsequent growth. But they would also have to acknowledge that the global depression and war in the 1930s and 1940s did seriously hamper the liberalisation and extension of world trade. Another such major world depression, hitting the bigger businesses along with the smaller, could stop the current round of globalisation in its tracks or at least seriously slow it down. So the argument for the inevitable continuation of the process presupposes an argument showing that any such depression can be effectively avoided in the future.

We seldom see such an argument explicitly articulated. On occasion, brave economic rationalists do step up to assure us that there will indeed be no mere major downturns or depressions, for the developed nations, so long as governments hold firm to economic rationalist policies of budget balancing, slashing public services, privatising public utilities, undermining trade union power and so on. Indeed, they even continue to claim, against all the evidence, that the third world can be pulled out of its chronic crisis by ever more vigorous application of similar policies. The basic idea here is that the cause of crisis is inflation, and since inflation has now been conquered by such policies (in most of the developed world) there need be no further serious crises.

Orthodox theory identifies two major causes or types of inflation:

- demand pull inflation produced by too much money chasing too few goods, and
- cost-push inflation, where powerful groups of workers succeed in winning large wage increases which firms then pass on as price increases.

The case of Australia

In practice, in Australia, tariff cuts have encouraged the shift of manufacturing operations, particularly in car production, textiles, clothing and footwear, to low wage, low cost areas overseas. But high technology continues to be imported, at great cost to the balance of payments, to replace jobs, rather than create them. Rather than the creation of new high tech, "high knowledge" jobs, such developments have served merely to terrorize the declining population of actually productive workers (directly supplying valuable goods and services) into making themselves increasingly ill and abandoning all quality of life through ever increasing intensity and duration of labour.

As Stillwell points out, Australia has actually become more dependent on

beginning of the trade liberalisation process. The largest export remains that major contributor to global warming — coal. Not only does this material produce more carbon dioxide (per unit of energy generated) than any other fuel, but its combustion also releases sulphur oxides, sulphates, mercury and other toxic metals, along with carcinogenic organic compounds. This toxic pollution causes millions of cases of avoidable human illness and death around the world every year, with acid rain from coal destroying huge areas of forest in Europe, Asia and North America.

great swathes of natural ecosystems, dumping tailings into valleys and leaving the land unfit for future agricultural operations. So that, in recent years, even China, as the world's largest coal producer, has been rapidly closing down mines and establishing coal-free zones. All ecologically enlightened

Australian entrepreneurs and politicians continue regardless, mining, exporting and burning this filthy fuel, and demanding special treatment from the international community (in climate control negotiations) because of the extent of their dependence upon it. Nor is this material exported to poorer regions so as to reduce their dependence upon destruction of old growth forests for fuel and subsistence farming. It goes instead to wealthy industrial areas to be burned up in the production of high tech luxuries.

Close behind coal as major exports, come wheat, wool and beef, the production of which inflicts massive damage on local ecosystems and is quite unsustainable in the longer term. Again, such material goes to wealthy purchasers, rather than to those in greatest need. Its production uses up resources that could have provided sustainable subsistence for the poor and the hungry.

of old growth forests to timber and grown over. The industry is effectively transferring the ancient forests of Australia to the rubbish tips of the northern hemisphere. It is an industry that harms those from whom it takes, as well as those to whom it gives; for it also undercuts the paper recycling industry

social environment. Such a "two-pronged" attack upon the major causes of ill-health can be expected to increase life-expectancy for all up to and beyond the level currently enjoyed only by those in the higher echelons of the social hierarchy.

AUTONOMY

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Just as (epidemiologically enlightened) socialists see material equality as the key to physical health, so do Marxist socialists see political equality, along with such material equality, as the key to mental health. We have already seen how moves towards material equality could improve mental health through reducing chronic anxiety, powerlessness, low self-esteem, frustrated anger and addiction without any other necessary changes of the capitalist world order. Further progress depends on truly radical political and ideological transformation of that system.

misunderstanding. It has nothing whatever to do with what we today call "dictatorial," single party rule or lack of respect for human rights. Rather, it reflects Marx's idea that, independent of the particular form of government, all states are at heart, systems for mobilising an effective monopoly of the means of repression in the service of a particular class group.

Amongst political theories, it is the revolutionary communism of Marx, Lenin and Trotsky that calls for the most radical dismantling of capitalist private property and the capitalist state. The plan calls for the creation of a socialist or workers state (as owner and controller of productive resources) as a necessary intermediate step to a future, state-less communist society.

this implies severe restrictions on the rights of former exploiters and others whose interests are opposed to those of workers. Where previously the repressive forces of the state existed primarily to "protect" the private property, rights and privileges of the capitalist few, they now serve to protect the public property and political rights of the "associated producers" from attempts to re-establish private property relations, inequality, and exploitation.

Such a state continues to enforce a system of rewards and punishments to shape and direct the behaviour of its citizens, as was the case with earlier state forms. But where capitalist states for example, merely pretend to develop, encourage and reward social responsibility, effort and creative development of ideas, institutions and technologies, such a future socialist state really would do so (though not, of course, in any way that promoted radical material or political inequality).

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Just as (epidemiologically enlightened) socialists see material equality as the key to physical health, so do Marxist socialists see political equality, along with such

Marx's description of the transitional socialist society (as first goal of social revolution), as a class dictatorship of the proletariat has led to much misunderstanding. It has nothing whatever to do with what we today call "dictatorial," single party rule or lack of respect for human rights. Rather, it reflects Marx's idea that, independent of the particular form of government, all states are at heart, systems for mobilising an effective monopoly of the means of repression in the service of a particular class group.

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In a workers state, it is the interests of the workers that are paramount and this implies severe restrictions on the rights of former exploiters and others whose interests are opposed to those of workers. Where previously the repressive forces of the state existed primarily to "protect" the private property, rights and privileges of the capitalist few, they now serve to protect the public property and political rights of the "associated producers" from attempts to re-establish private property relations, inequality, and exploitation.

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As to the form of government of the workers' state, here Marx saw it as absolutely vital that it mirror the kind of radical, assembly-based, democratisation of social life that developed in the Paris Commune (praised by Marx in *The Civil War in France*). In particular, he rejected the very limited "bourgeois" democracy of liberal parliamentarianism, with its huge gulf

Anarchists believe that such a stateless society (without external coercion and control) can be created immediately, at any time, without any need for Marx's intermediate socialist state. But Marx was much more conscious of the deeply corrupting effects of centuries of capitalist private property and competition, (of massive wealth and desperate poverty, child abuse and neglect, nationalism, racism, sexism, ageism, possessive individualism, libertarianism and fundamentalist religion, and so on) and the consequent necessity for the development of intermediate social technologies of transformation of capitalist human nature.

The withering away of the state in communism does not mean the end of politics or of government. It merely means the end of external coercive control of human beings by a central monopoly of repressive power (and the pressure of basic material need). In such a society, rational and responsible human beings control themselves without needing or allowing any such external control (on

Capitalism has completely denied the great majority any opportunity to significantly develop their powers of self-governance, insofar as such self-governance in a complex industrial society necessarily involves deep going political involvement with many others. While those who have exercised power

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¹³ Levine A, *Arguing for Socialism* (Routledge and Kegan Paul, 1984).

other. This radical inequality of power becomes the basis for inequality and exploitation in the wage contract; the property-less are forced to sell their labour power and to produce a surplus of goods over and above the value of their wage. Such a surplus becomes the basis for capital accumulation, to still further increase the power imbalance between the classes.

We saw earlier how some utilitarian defences of capitalist profit maximization focussed upon the allegedly unique productivity gains achieved in the past, and achievable in the future, through profit driven capital accumulation. We also saw how such defences typically fail to provide any serious comparison with other possible means of economic organisation, both in terms of levels of

The obvious alternative means of economic organisation for consideration here is socialism, with collective ownership of major productive resources and planned distribution of goods according to need. Without serious consideration

of socialist alternatives (and of the effects of the periodic recessions and slumps to which capitalism is subject), defences of profit maximisation lack any kind of credibility. Yet such serious consideration is almost totally absent

There is no necessary relation between socialism and totalitarianism. But there are straightforward logical reasons for seeing socialism as a necessary condition for any real political democracy. Even the horrors of the Soviet distortion of socialist theory and practice provide suggestions of the very substantial productivity growth that can be achieved through economic planning.

Democracy

Liberal theory supposedly champions democracy as (self) rule but the common "mass" or majority of citizens. Business ethics texts, however, seldom make any reference to democracy. This is because of the very limited scope of liberal ideas of democracy and the liberal tendency to associate ethics with individual belief and action in the area of civil society, rather than with collective action, with politics and the state, with social policies and institutions.

Liberal defenders of free markets frequently maintain that there is a natural affinity and interdependence of such free markets with the political freedoms of democratic politics. In particular, the freedom of all to participate in voting for parliamentary representatives. Sometimes they argue that free markets automatically produce representative democracy, or vice versa. The historical facts, however, provide little support for any such claims.

As Macpherson points out:

social groups "on grounds that are inappropriate"¹⁴ — that are not, for example, genuinely, related to productive contribution or to merit.

Individuals should be selected purely on the basis of such appropriate criteria. People in all social groups, including different regional, income, class, gender and ethnic groupings should — presumably — have an equal chance of satisfying such criteria. Equality of opportunity in this sense is opposed to discrimination and supported by anti-discrimination legislation. It is an obvious focus of concern in business ethics courses insofar as the students, as managers, are likely to be in a position to formulate selection criteria and make such selections — of candidates for jobs or promotions (as well as themselves being such candidates). Indeed, business ethics texts sometimes go quite deeply into some aspects of the issue, particularly in the difficult area of positive discrimination.

In a hierarchical society, with massive material inequalities, irrelevant characteristics such as race, religion, gender and poverty will turn out to be correlated with such typically relevant characteristics as status quo or privilege

and inequality. A more egalitarian approach would call for greater allocation of educational or other resources to the poor and other oppressed groups and for systems of quotas or reverse discrimination to try to correct the results of unrestricted competition.

But, as Levine points out in light of the sort of correlation just considered, this can be seen merely to support or enhance the existing status quo of privilege and inequality. A more egalitarian approach would call for greater allocation of educational or other resources to the poor and other oppressed groups and for systems of quotas or reverse discrimination to try to correct the results of unrestricted competition.

John Rawls in his *Theory of Justice* (1971), understands distributive justice in terms of two principles. The first is the requirement that each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty of others and second, that social and economic inequalities should be arranged so that they are both (a) to the greatest benefit of the least advantaged and (b) attached to offices and positions open to all under conditions of fair equality of opportunity.

The first principle merely spells out the classical liberal idea of liberty as an absence of political and social interference in individual action. It is generally taken to insure liberal freedoms of speech, association and religion — protected from any utilitarian violation in the name of general social welfare. The second clause of the second principle spells out a strong commitment to equality of opportunity. Rawls tends towards an egalitarian sort of interpretation of this idea, with support for positive discrimination. As Levine argues, the difference principle, clause (a) of the second principle, is more strongly egalitarian insofar as it:

...stipulates a presumption for egalitarian distributions, a presumption for material equality. That presumption can, however, be contravened. Deviations from strict egalitarianism are justified, by this principle, whenever they work to the advantage of those who are least well off or...to a representative member of that

We could interpret this latter requirement in terms of a communist principle of planned distribution of goods and services according to need, so as to achieve a higher order equality of well-being. Rawls, however, confines his

considerations to different possible redistributions of societal benefits under capitalism — through progressive taxation and income redistribution towards greater equality, rather than considering the possible benefits of socialism. He focuses upon the question of whether such developments would lessen the

As suggested earlier, there are very serious problems with the fundamental assumptions behind the liberal perspective. In particular, the idea of society as, first and foremost, a mass of human atoms, purely externally related and in pursuit of their own individual self-interest, is mistaken and misleading. Such a

WHAT IS MISSING.

SOCIALISM, DEMOCRACY AND NATURAL LAW

As suggested earlier, there are very serious problems with the fundamental assumptions behind the liberal perspective. In particular, the idea of society as, first and foremost, a mass of human atoms, purely externally related and in

It is this sort of world-view that encourages libertarian entrepreneurs to see themselves as “creators” of their own wealth, power and privilege, and legitimates their attempts to minimize their taxation payments. They have single handedly created wealth and jobs and economic growth, through their manipulation of the recalcitrant social materials to hand. They, therefore, “deserve” the full rewards of their efforts.

legitimates their attempts to minimize their taxation payments. They have single handedly created wealth and jobs and economic growth, through their manipulation of the recalcitrant social materials to hand. They, therefore, “deserve” the full rewards of their efforts.

The fact that such a liberal perspective remains generally unconsidered and unquestioned behind much of the ethical and social deliberations of business ethics texts and courses, therefore, radically undermines the claims of such texts and courses to any sort of serious philosophical consideration of the issues raised. They have, seemingly, failed to get past the first hurdle.

Even if we go along with the assumptions of liberal theory, we find that business ethics texts rarely, if ever, look sufficiently deeply into such ideas to see

the better.⁴ The recent "cash for comment" scandal involving Alan Jones and John Laws, showed that leading bankers were quite willing to influence talk back radio hosts to abandon criticism of high fees and poor services in favour of support for banking operations.

The rich and successful strive to pay as little tax as possible, as evidenced by the fact that 80 out of 100 leading wealth holders in a recent BRW "rich list" declared a taxable income of less than \$25,000. Family trusts and other minimisation schemes are facts of life amongst this group. Increasing

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The rich and successful strive to pay as little tax as possible, as evidenced by the fact that 80 out of 100 leading wealth holders in a recent BRW "rich list" declared a taxable income of less than \$25,000. Family trusts and other minimisation schemes are facts of life amongst this group. Increasing numbers of Australian entrepreneurs have moved their operations offshore to take advantage of low wages and minimal regulation. Further, BHP's massive pollution of the OK Tedi and Fly river regions of Papua New Guinea, along with recent cyanide spills from Australian mining operations in Eastern Europe, clearly demonstrate the callous attitude of Australian transnational corporations (TNCs) to indigenous overseas populations.

In Australia, powerful law firms and ex-politicians work together with tobacco corporation executives to continue to promote addiction on a huge scale, and protect the corporations from litigation in relation to their activities. Overseas, a former director of an organisation smuggling contraband British American Tobacco (BAT) cigarettes into China and Taiwan is abducted, tortured and murdered before he can testify against his ex associates as the star prosecution witness in an investigation launched by Hong Kong's Independent Commission Against Corruption.⁵ He was about to implicate three former BAT executives in a HK\$100 million bribery scandal.

And we now know of increasing numbers of instances of major accounting firms working together with big corporations to systematically falsify the true value of such corporations in order to allow them to sell securities for prices far higher than can be justified by any proper assessment of their value.

of the business community to fulfil such requirements.

At the same time, with such increasing popular awareness of the "new realities" of the business world, competitive market forces will operate "automatically" to ensure high standards in production while protecting the public. Workers will refuse to work in unsafe workplaces and consumers will avoid buying substandard or unsafe goods. Nor are consumers really so easily taken in by those misleading advertisements.

⁴ Grace D and Coher S, (1995), p 120-121.

⁵ "Smoking Gun", *South China Morning Post*, 26 June 1998, p 20; Buddle C, "Judge blasts tobacco firms as Jerry Lai sentenced", *South China Morning Post*, 25 June 1998, Hongkong Internet Edition; Buddle C and Fraser N, "Tobacco Firms 'aiding crime'", *South China Morning Post*, 26 June 1998.

irrational hopes and fears, not to provide false or misleading information about the goods in question to the potential buyer — through advertising, labeling or word of mouth, including bogus special offers and sale price reductions (cash for comment and “dummy bidding” in auctions) and not to sell dangerous, defective, addictive or counterfeit goods. Particularly, suppliers of food, transport, medical products and services, have a responsibility to ensure that their products are properly tested, safe and reasonably priced, to allow all who need them to access them, to make sure that users are fully informed of their limitations and dangers, and certainly not to encourage dangerous or irresponsible use of their products (that is, driving fast down narrow roads, playing loud music through headphones and so on). Those who supply goods for intellectually and emotionally and physically vulnerable children and sick or disabled people have special responsibilities for the welfare of such consumers.

Inherent in the role of employer is the prima facie duty to provide a healthy and safe working environment and reasonable remuneration for the workforce, to refrain from bullying and intimidating employees, to avoid stealing from

Entrepreneurs and highly paid professionals who have benefited greatly from social services provided by other taxpayers via the state (for example, education for themselves and their employees, infrastructures, public health provisions, subsidised research) have a clear prima facie duty to pay substantial taxes back to the state to continue to fund these and other services. Such a prima facie duty should prevent this group from engaging in tax evasion or tax avoidance, from defrauding the public (through false claims), depleting natural resources at the expense of future generations and polluting and poisoning the environment. So do they have a responsibility to refrain from seeking to bribe government officers in order to gain an advantage in tendering for works, planning consents, licences, grants and so on.

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These are some particularly obvious examples of such prima facie duties. There are many more we could refer to. Not everyone finds these ideas supported by their ethical intuitions or ethical reasoning. Certainly, some leading Australian business people treat any such ideas with utter contempt. Thus, leading advertising executive, John Singleton³ assures us that the only kind of objectionable advertising is that which does not work. If an advertisement shocks people, creates controversy or even outrages, so much

feelings of dependence upon others and empathic identification with their pain. Here, pursuit of domination and control of the self and the other takes the place of empathy and caring.³

However deeply repressed, suppressed or denied as a result of later developments, such primordial feelings, capacities and tendencies of empathy, love and depressive reparation, provide a permanent possibility for counteracting the destructive effects of a corrupt social super-ego or powerful manic defences of insensitivity and control. Re-accessing such feelings of depressive guilt can allow for a reconstruction of such a corrupt super-ego, and general moral re-orientation of the personality.

It is true that feeling, alone, is not enough. Logic has an equally important part to play in developing, mobilising, extending, and generalising these types of feelings into some kind of coherent ethical system, capable of coping with the vast complexity of modern social life. But without any such basis in feeling, logic is likely to remain only a tool for clever rationalisation.

Again, ethics textbooks all too easily pass over any serious consideration of religious belief on the grounds of its irrelevance to serious ethical debate and

psychology of such belief. In particular, all sorts of crimes become possible when committed in the name of god. An individual who believes they have the support and love of an all powerful deity can effectively harden their heart to the suffering of their fellows brought about by their own actions. They can sleep easy believing their crimes are endorsed and condoned (or forgiven) by an all powerful authority. God still loves them even if no one else does. At the other end of the scale, victims can be persuaded to collaborate in their own oppression through religious requirements of uncomplaining passivity, hard work and the promise of a better life to come.

to ground and motivate moral belief and action, this does not mean that self-interest has no role. As Peter Singer has argued (following Plato and Aristotle), there is little hope for any ethical system being anything more than hot air if it does not offer solutions, and patterns of relationship, that are, not only possible for limited and far from perfect human beings living in limited and far from perfect societies, but also intrinsically worthwhile and rewarding.⁴ Indeed, it is easy to see how those with a vested interest in corruption and immorality should do their best to present morality as intrinsically impractical, painful and unrewarding in order to encourage its speedy rejection by — in this case — business studies students, in favour of expediency, adaptation to the demands of external authority, and the pleasures of money and power.

On the other hand, as Richard Norman points out, to suggest that we have to show that an action is in our own interests in order to explain why we should do it, is totally misconceived.

³ Klein M, *Envy and Gratitude* (Vintage, 1997).

⁴ Singer (1996).

... "because it is a fact of human nature that things do matter to us other than our own interests. We care about one another...in quite disinterested ways, and that care takes a variety of forms; our multifarious emotions, commitments, ties and loyalties are as much a part of us as are our desires for ourselves and our own wellbeing."⁵

As we will see shortly, the economic education provided to most students of business has the unfortunate ethical consequence of radically obscuring this last and crucial point about the nature of human identity. Rather than seeing fundamental human relationships and social responsibilities as internal to individual identity (that is, all humans as bound within complex networks of relationships from before birth), it fosters a view of an isolated pre-social

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RELIGION, SCIENCE AND MARKET RELATIONS

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As Max Weber (1864–1920) pointed out, Calvinist Protestantism provided a powerful legitimisation and driving force of capitalist profit-making and accumulation from the early seventeenth century with its ideas of predestination and puritan hostility to bodily pleasure. Success in business, measured by profitability, was proof of a life of good and productive effort (rather than idle time wasting and wicked pleasure seeking) and, therefore, provided reassurance of god's love and eternal happiness in the hereafter. Forcing others into such productive effort, making profits for their employers, could be justified as saving the exploited workers immortal souls as well.

⁵ ... *Religion, Ethics, and War* (Cambridge University, 1995), p. 27.

the occupational health and safety inspectorates, environmental protection agencies and so on), serious prosecutions and serious penalties for corporate offenders. In fact, we hear far more criticisms from corporate executives of such authorities' enforcements as unjustified over-reactions than demands for more vigorous prosecutions.

These considerations have been brought into public focus by the recent action of the ACCC in relation to alleged petrol price fixing by major oil companies in Australia, possibly involving billions of dollars taken from the public as a result of criminal conspiracy. The media coverage of the ACCC collecting evidence to mount its case produced a massive outcry, not only from

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Here, he apparently has the support of Australia's Liberal prime minister, who "worries about strangling entrepreneurial and business activity" through too much regulation, and about the community confusing "criminal and fraudulent activity" with "legitimately robust business activity."⁷ Mr Howard was also recently quoted as saying that he thinks corporate regulation is "not as important as the Commonwealth Games",⁸

competing with countries that were "fortunate enough" not to have anti trust laws, and of "competing with one hand tied behind his back" as a consequence.

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... "Consider the response of those captains of industry and finance actually charged by the regulatory agencies; the righteous indignation, the bluster and the threats, the calls for the immediate dismantling of the regulative agencies in question (no matter how ineffectual and resource-less). Nor is this all bluff, these people are genuinely indignant. Given these sorts of attitudes towards major corporate crime, it is clear that there will be problems in getting these people to seriously address "lesser" issues of corporate immorality.

The implication would seem to be that whoever business ethics courses and texts are addressed to, it should not be, or should not only be to those intending, or currently pursuing, careers as corporate managers. In other words, any significant reform will have to be imposed from without, by the intervention of state power or the power of the organised working class, with possible support from consumer boycotts and — genuinely — ethical investment by super funds. Text book authors should, therefore, shift their intended audience accordingly. Certainly we could suggest that reforming managers within such corporate structures needs substantial help from the outside in order to be able to institute or assist in significant changes.

