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Mapping Ethical Issues in BC and the Yukon, A Survey of Business Ethics Issues and Networking Workshop, November 20, 2009: CBERN Workshop Report

A CBERN workshop was organized to bring together academics and practitioners to discuss business ethics issues in BC and Yukon. It was designed to examine current extractive sector social, environmental and moral issues in B.C. and the Yukon identified during an initial research project. The workshop was held Friday November 20, 2009, at the Atrium, BCIT downtown campus, 555 Seymour Street Vancouver, BC. Attended by 40 participants, another 10 people plus CBERN staff joined the meeting by following the live blog (written by Ms. Olga Druecker, UBC) that is available on CBERN's website. In addition to the topics shown in the Workshop programme (see Table 1), there were opportunities to network prior to the start of the sessions and during breaks in the morning, at mid-day, and in the afternoon.

Table 1. Workshop Programme

1	Introduction to CBERN	Prof. Wesley Cragg, CBERN Director
2	Introduction to Mapping Project	Dr. Simon Handelsman, CBERN, Pacific Region Hub Coordinator
3	Survey Results	Mohit Bhatnagar, CBERN, Research Assistant
4	Research Agenda Discussion:	Prof. Malcolm Scoble, UBC, Robert Barron, Kwantlen Polytechnic University
5	Network Agenda Discussion	Alex Barber, CBERN, Alistair Kent, AECOM
6	China Issues Discussion	Edward Wang, Raydwell Consulting; William Roberts, Whistler Forum;
7	Public Policy Implications Discussion	Dr. Jane Lister, Liu Institute for Global Issues, Pierre Gratton, Mining Assoc of BC, James Cooney, CBERN
8	Role of Ethics in Academic Programmes	Prof. David Silver, Chair in Business Ethics, W. Maurice Young Centre for Applied Ethics, Sauder School of Business
9	First Nations Issues Discussion:	Moderator Dr. Dawn Mills, UBC. Panel: Bruce McKnight, consultant, Joe Ringwald (Brett Resources), Dave Porter, Leadership Council (AFN, UBCIC, FNS)
10	Next Steps Discussion:	Prof Cragg, CBERN

A summary of the workshop discussions follows (copies of all the PowerPoint presentations used during the workshop are available at CBERN's website):

1. Introduction to CBERN

Prof. Wesley Cragg, CBERN's Project Director and Principal Investigator introduced the Canadian Business Ethics Research Network (CBERN). The objective of CBERN is to bring together people from different fragments, or silos between which individuals/organizations did not normally cooperate. CBERN funding comes from a major SSHRC

(Canadian government) grant. It is based at York University, Toronto, and has three regional hubs: Pacific (Vancouver), Western (Calgary), and Atlantic (Halifax). Each hub is involved with: research, capacity building and public dialogue. Now in its 3rd year of receiving the grant, CBERN supports research and dialogue and has established several clusters:

- Socially Responsible Investment
- Business and Human rights
- Business and spirituality
- Ethics of resource extraction
- Graduate students

2. Introduction to the Mapping project

Dr. Simon Handelsman CBERN explained he was appointed Pacific Region Hub coordinator early in 2009. A steering committee was formed with representatives of academia, NGOs, First Nations, industry, junior mining companies and the service sector.

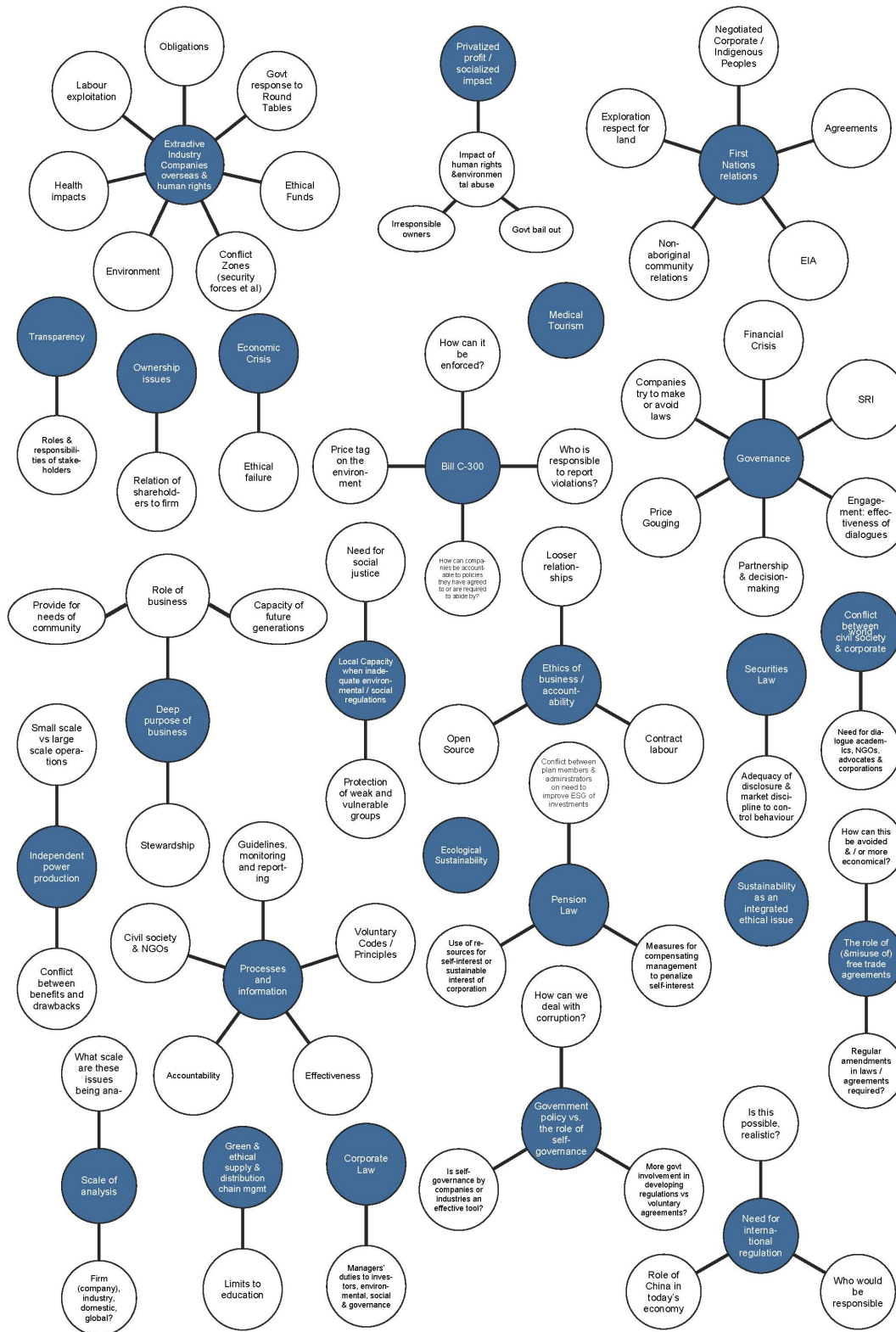
As a focus for an initial event to bring people together, a pilot business ethics mapping project was formulated. Its objective was to determine the ethical issues facing resource industries (mining, fisheries, forestry, agriculture, energy sectors) and other domains in BC and the Yukon. The project also recognized the importance of First Nations issues in the Pacific Region.

Three postgraduate researchers worked on this project using email, telephone and on-line survey approaches. The workshop was organized to discuss the results of the survey and the implications for a research agenda, network agenda and public policy implications. Discussions were included about two topics of interest identified in the survey (China and First Nations issues). The role of ethics in academic programmes was also examined.

3. Survey results

Mr. Mohit Bhatnagar, MASc, UBC, explained that he was one of three graduate students (with Mr. Andre Xavier and Ms. Sarah Hindle) involved in the initial research project. A draft report on the pilot survey was circulated before this meeting to all workshop participants. Copies of an updated tabulation of results was available to workshop participants at the registration desk. The survey requested participants to answer an open ended question, “*Please specify the most important business ethical issues that need to be addressed.*” Initial targets for the survey were individuals in CBERN’s database, organizations and/or established networks/centres, corporations or their representative associations, government, First Nations, academics and NGOs. One objective of the methodology was designed to make the questionnaire available to the maximum number of interested participants. It included online promotion by email and posting flyers; also the survey was made available online on CBERN’S website, and responses solicited by phone calls; plus two group discussions with graduate students were organized at UBC. Some 61 people participated in the survey. Major issues, illustrated graphically in Fig. 1, identified by the survey include:

Fig. 1. Business Ethics Issues



- Extractive industry companies overseas and Bill C-300
- Human rights
- Government policies versus self governance
- Accountability
- Effects of economic crisis
- Ecological sustainability
- First Nations relations with government, mining companies
- Impact of capital markets
- Emerging markets
- Philanthropy

In addition to the various ethical issues identified, most importantly the need for more research and dialogue on ethical issues was recognized. A rewarding learning experience for all the participating students, acknowledgement and thanks are due to the survey participants who contributed their views.

4. Research agenda

The underlying question was: *What are the needs for research- how do you fill in gaps?*

To advance the research agenda requires identifying a process to move forward. Issues were illustrated graphically on a poster.

The survey had identified some ten major topics. Ethics are a more difficult subject for business to discuss than sustainability. They can be profitable and important to business and need to be built into the business vocabulary. Members of the workshop sought clarification and raised some questions. For example

- In the developing world the rule of law is not always efficient
- How well suited are businesses to deal with this.
- Discussions about ethics arise because regulatory and ethical issues are intertwined.
- Corporate governance, laws and regulations fall through cracks because of the focus on economic not ethical performance.
- The disjointed nature of discussions was understandable with a need to build bridges between isolated academics and other organizations where people address issues from different backgrounds and points of view. Business needs to understand academia with collaboration and channels of communication. An understanding of issues and building alliances to achieve business objectives leads to the betterment of society.
- There are very real challenges in assessing ethical issues every day. A need was suggested to look at business and community relationships where there are many questions and ethical dilemmas.

At the suggestion of one participant, the workshop participants were invited to introduce themselves and the main ethical issues of concern to them. The responses reflected the diversity of responses to the survey including, government issues, legal accountability,

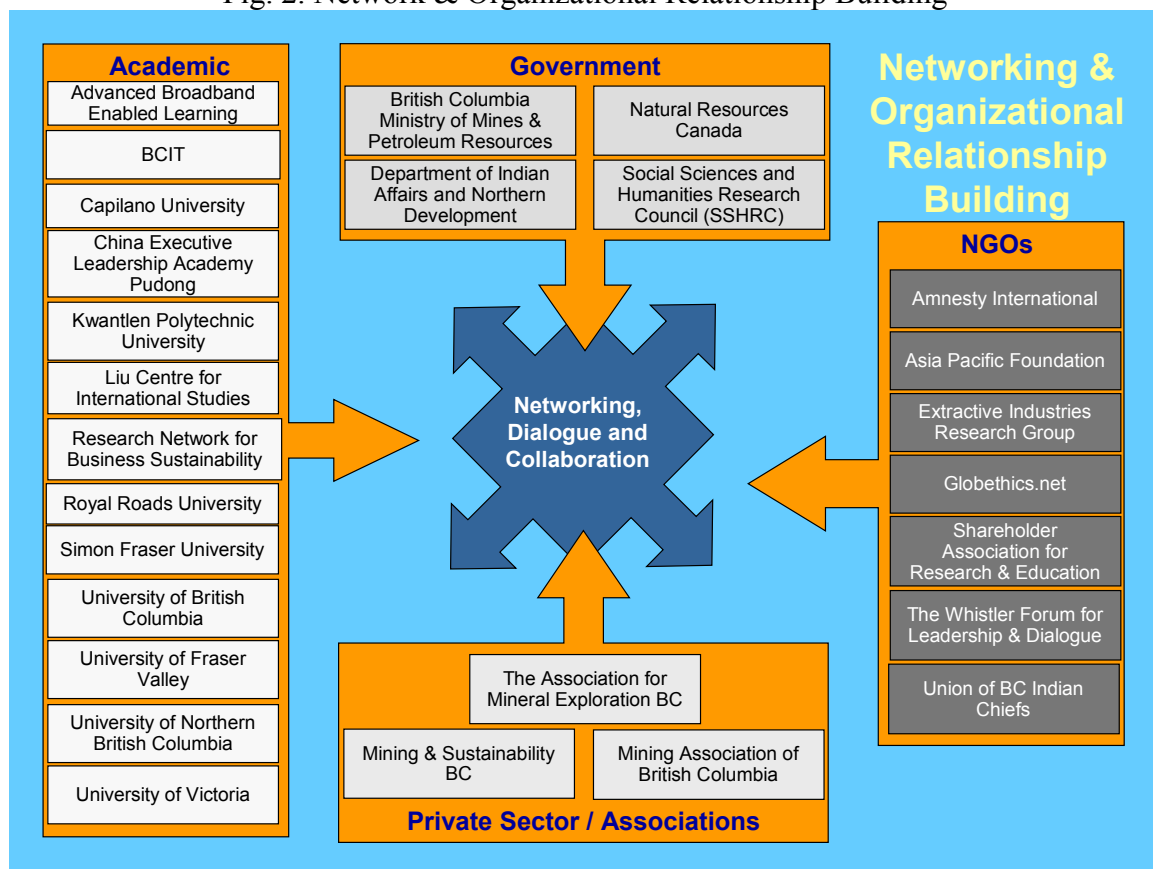
communities, business ethics and ethical challenges working in China, sustainability, First Nations, the exchange of information between industry and academia, CSR public policy, the ethics of lobbying and policies, business and human rights research, social issues, human rights, teaching decision making incorporating ethical behaviour, and how companies can do better in ethics.

Additional work is required to clarify research needs and how to fill gaps.

5. Network agenda

A preliminary network linkage was illustrated in a poster (Fig. 2).

Fig. 2. Network & Organizational Relationship Building



The workshop identified various networks working towards synergizing ethics and business practices:

1. APEGBC – The Association of Professional Engineers and Geoscientists of British Columbia (APEGBC)
2. Investing community such as Northwest Ethical Investment
3. BC Securities
4. Accounting firms such as CSCA
5. GRI – Global Reporting Initiative
6. Leadership Council

7. National Assembly of First Nations
8. EWB – Engineers Without Borders
9. Federal government
10. Transparency International
11. VanCity Bank
12. Centre for Sustainability
13. Social Innovation at UBC
14. Eco trust
15. Oxfam
16. CoDev – Co-Development Canada
17. EDC – Export Development Canada
18. Genome BC
19. UBCIC

Access to an IT base is necessary to be able to communicate effectively. An example was given as to how a website can function as a virtual discussion forum on a project basis whereby participants take part in discussions, post comments and share available research information and expertise. CBERN is not seeking to establish new groups but forge relationships between existing groups. It was suggested that the mapping project focus on compiling details of existing research activities in the areas of business ethics initially identified.

6. Business Ethics in China

Mr. Edward Wang, Raydwell Consulting, highlighted a lack of honesty, unfairness to employees, lack of integrity and lack of social responsibilities as some of the challenges faced by Canadian companies in China. One such ethical dilemma faced by Canadian companies operating in China is whether to follow high ethical / moral practices as adopted in Canada or to adjust to the local laws in China to maximize profits. Either are possible approaches to business in China.

Immense opportunities exist in China today as the doors of China are wide open to foreign investors. The environmental and social issues connected with the products manufactured in China are a major concern with the national government. China is also trying to reduce the gap between the rich and the poor.

There are cultural differences between the Chinese business practices and those in the West. Chinese ethics emphasizes the exploration of nature, functionality and relationship, whereas Westerners pay more attention to norm, structure and methodology.

A creative, applicable ethical plan for business practices in China includes the need to:

- Be aware of the problems
- Hire professionals
- Take advantage of opportunities
- Avoid common ethical traps and corruption by following the same ethical principles adopted in home country
- See the Trends!

7. Public Policy Implications

Dr. Jane Lister (post-doctorate fellow, Liu Institute of Global Issues) has major work interests in the field of forest certification. In the early 1990's, environment groups were frustrated by ineffective government measures to establish an international forestry convention. They joined forces with leading companies and other key forestry industry organizations to establish the Forestry Stewardship Council. The council was set up to address the issue of tropical deforestation with fast and innovative measures. Since its inception, companies and governments have been signed up to adopt deforestation guidelines outlined by the council. To obtain council certification, there is an independent audit.

A many-faceted problem, includes those who create, those who are impacted, and those who regulate, are the same people. On one hand while there is more stakeholder involvement, these bodies are not elected. **Whereas Governments are considered to be legitimate to enact public policies because they are elected, CSR regulators are not elected.**

Ninety percent of the certified forests are in developed countries, e.g., USA, Canada, Sweden, where regulatory capacities in the form of strong governments already exist. There is a dependency on NGO's and public organizations to regulate forest land. Only 1% of World's tropical forest is certified indicates that public capacity, governments play an important role in policy implications.

8. Role of ethics in academic programmes

Dr. David Silver, Chair Business Ethics, Sauder School of Business, explained he trained as a philosopher and taught philosophy for about 20 years, primarily in philosophy departments in different universities in the USA. Until recently he mainly taught introductory courses in ethics to students in Arts and Business faculties. He reflected on ethical issues through lectures and case studies.

At the Sauder School of Business his role in the business school is counter-cultural (the stress on ethics of the MBA programs). Much of an MBA schools' culture message to students is that their sole job is to make as much money as possible. The counter-cultural rule is that ethics can and do matter.

1. Each person has a tendency to rationalize while under pressure. When they think they won't be able to do it right, they will start bending the rules and do it wrong.
2. Ethics is sometimes easy, sometimes very hard.

One of the roles of teaching ethics in a business school is to find opportunities for institutional change. The challenge is to answer two questions: *Are the students getting the ethical education they need? Is ethics being valued?*

Prof Silver pointed out that the recent financial crisis has an unethical underpinning to it. He related a comment made to him by one of his students that an Accounting professor had told one of his students not to listen to their Ethics professor – the sole job of a business student is to make money.

During some discussion on ethics in education, a workshop participant commented about how the mining industry had been slow to accept the concept of sustainable development and suggested that ethics was slowly coming to the forefront. It is a mechanism that allows senior management to express themselves. A question arose as to whether it is better to experience ethical fault and then fix it or to stay clear of unethical practice altogether? There is great value to be found by using case studies to challenge students by indirectly exposing them to real life situations. The participants were encouraged to seek out their role in ethical issues.

9. First Nations agenda

The panel pointed out that the workshop was meeting on the traditional territory of Salish community. Indigenous people seek a commitment by developers to establish impact benefit agreements. First Nations people believe they should not be expected to pay for the cost of negotiating with industry and/ or government. An impact benefit agreement should discuss all development issues such as jobs, training, contracts which should be preferentially offered to the affected community.

There is a demand for continuous and real benefits for First Nations communities in the area of projects. Each project should have a bankable feasibility study that should be put on the table. Currently, some of the best agreements have been reached in Eastern Canada with contracts in Western Canada seen as lagging behind. Resources industries go through boom and busts, but communities want development not to be dependent on industry with remediation as part of an initial agreement.

First Nations say they want no more than fair agreements. Some companies in business with First Nations communities ethically bring up all the issues for discussion and are ready to work in the best of interests of both parties. When communities see genuine commitments from government and corporation, they become more interested in developing long term relationships with the companies. The first nations, industry and government should continue on the path of partnerships in which both the shareholders and the communities benefit from each other.

It was pointed out during some discussion that the conception that aboriginal communities are against the Mining companies is not true. Aboriginal people are the largest landowners in Canada offering tremendous opportunities to do business them.

A participant asked how to assure that building a relationship with a community does not just become about checking off a box on a list. He was concerned that legislation can lead to losing the spirit of the idea of building relationships.

A panellist suggested that companies are helping in some areas without negotiating benefit agreements. Another panellist pointed out that industry is usually the first party to communicate with First Nations which governments appreciate since this takes the responsibility from them. Industry seeks to ensure that government lives up to its responsibility. The role of industry is to ensure community benefits during operations, distributing jobs, contracts etc. while shareholders still make money from their initial investment. Without profits there can be no projects, and thus no benefits are possible.

The three legs of sustainability are industry, society and the government. The toughest leg is the government, which is very strict in not releasing any of their share of project revenues.

First Nations are adamant: “*No IBA, no project.*”

Another panellist pointed out that it is the right of a community to not support a project. It is important to understand that sometimes “*no*” really does mean “*no*.”

10. Future steps

Professor Cragg and Mr. Jim Coney led a discussion on the next steps. They recalled that CBERN focuses on three things:

1. Network activity to support research- Various workshops are in the planning stage for the year 2010. CBERN occasionally supports research activity through financial aid and also helps researchers in compiling grant proposals for funding through SSHERC. Another important contribution of CBERN is to build awareness of the ongoing research and help researches work together in a shared approach.

2. Capacity building- The CBERN network promotes capacity building in terms of facilitating people to meet and work together. Funding is available through CBERN for doing so.

3. Public dialogue – CBERN is very interested in promoting public dialogue, it has no intention of competing with other organizations which are doing the same. Many conferences are about showing a flag rather than sharing knowledge. This is not the purpose of CBERN. They want to create a more organized dialogue.

There are 4 major areas of research for CBERN:

1. Ethics of resource extraction
2. Business and Human rights
3. Business and Spirituality
4. Socially Responsible Investment

Each regional hub is providing leadership in one of the above mentioned research areas. Atlantic regional hub is focusing on providing leadership in the area of business and spirituality whereas it is natural for the Pacific regional hub to focus in the area of ethics

of resource extraction and mining. CBERN is also committed to raise the profile of Canadian research internationally.

It is amazing how many people are reluctant to put ethical issues on the table especially in the academic community and management schools. As a result, one of the main goals of this research network and its regional hubs is to establish ethics as an integral part of the process and business decisions.