Ethical Climate

Global expansion brings new ethical challenges. There are major concerns about child labor, facilitation payments (bribes), and environmental issues. The emergence of the Internet challenges cultural borders. What was forbidden becomes common.

Major Ethical Dilemmas

Unsafe work practices in third world countries

Increased corporate liability for personal damage (cigarette companies, Dow Chemical, etc.)

Financial mismanagement and fraud

Business Ethics Developments


Class action lawsuits

Global Sullivan Principles (1999)

In re Caremark (Delaware Chancery Court ruling re Board responsibility for ethics)

IGs requiring voluntary disclosure

ERC establishes international business ethics centers

Royal Dutch Shell International begins issuing annual reports on their ethical performance