THE IMPORTANCE OF ETHICS IN LAW AND COMMERCE

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INTRODUCTION

the theme of our conference is how cultural educational and commercial ties between Calabria and the Calabrian Diaspora can be broadened to the mutual benefit of Calabria and the diaspora.

my topic is ethics and their importance to law and commerce. The importance of ethics to law and commerce lies in the fact that without ethics there could be neither law nor commerce. That is because the Law, like all other relations in society is dependent on the underlying ethics that underpin it for its proper operation, and commerce, without the backing of the law, would be difficult if not impossible to transact. This can be exemplified by a very simple example:

if a buyer in Australia offers to buy a thousand tons of bergamot from a seller in Calabria at an agreed price to be delivered within 10 days of the order, both parties operate on the agreed assumptions:

1 that the seller has the bergamot and is able to deliver on the stipulated date; and

2 that the buyer is able to pay the price.

What happens if the Bergamot is delivered but the price is not paid? Or the price is paid but the Bergamot is not delivered?

Underlying the transaction is the assumption that both parties are acting in good faith. If one party is not acting in good faith, then there will be conflict.

This is where the law intervenes to give the wronged party a remedy. It is only when the legal system is unable to give a remedy that the wronged party may resort to other means of redress.

The assumption of good faith is fundamental to commercial relations because without it there would not exist any commercial relations. The belief in the system is essential. It is so, because persons are not going to enter into commercial relations unless they are secure in the belief that they will get what they bargained for. That security can only be guaranteed if the parties share a belief in ethical interaction. Clearly, the absence of the belief in ethical interactions will affect the commercial relations between the parties. The seller is not going to deliver unless he is assured that he will be paid the price.

The importance of ethics has been universally recognised from almost the beginning of what we refer to as civilisation.

The ancient Greek philosophers from Socrates to Plato and Aristotle believed in the concept of Eudaimonia that is the concept of a happy life. Aristotle defined it as “a happy life is one of virtuous activity in accordance with reason.”

According to the theory all persons sought to achieve the state Eudaimonia. Virtue or Arête according to Aristotle was the essence of an individual. Thus, we should all strive to do the right thing for the right reason at the right time irrespective of the area in which we may be involved.

Ethics underlies everything that we do and the struggle between good and bad is a struggle between acting ethically and acting unethically.

These concepts are not limited to Western thought. The philosophy of Confucius has been said to be similar to the philosophy of Aristotle on this issue in that the

Arete or virtue of Aristotle is very similar to the Ren in Confucius.[1] The aim of everyone is to achieve a happy life and that is done by behaving ethically. The

[1] Koehn For Aristotle, *areté* means the goodness of specific kind of thing or being : "Something's virtue is relative to its own proper function (*ergon*)" (Aristotle, 1139a17).[2] This function is the thing's essential being or nature (Aristotle, 1176a3-9). A thing's excellence consists in performing or fulfilling its specific, proper function well. The excellence of a milk cow lies in producing a lot of nutritious milk. "The virtue of a human being will likewise be the state that makes a human being good and makes his perform his function well" (Aristotle, 1106a23-24).

For Confucius, *ren* is the fulfillment of one's humanity. Becoming humane is a person's specific excellence. The Chinese written character for *ren* consists of a human being with the number two written next to it. As many commentators have noted, the character itself captures a key aspect of Confucius' concept of virtue. To become a true or genuine human being is to realize a humanity potentially shared by all of one's fellow beings. Moreover, attaining virtue requires learning goodness from those with whom one shares life. For every virtuous person, there is another individual on the road to humaneness who is transmitting to others his or her practical insight into right conduct. In this respect, virtue is an excellence of humanity as such, and hence is transmittable from person to person.

It is one thing to define virtue, quite another to become virtuous. How, then, exactly does a person become virtuous? Again Aristotle and Confucius are in agreement: Virtue entails building upon natural powers and endowments. Confucius believes that we have an innate natural benevolence (Meng, 2004). ThisA natural benevolence, however, is not *ren* in the full sense. As Confucius notes, taking care of one's parents is merely an act of natural benevolence--even animals do that much (Confucius, 2003, 2.7). Acquiring virtue means learning to extend that benevolence outward from one's immediate family to others in society, discovering what it means to treat non-blood relations as if they were one's brothers and sisters.

the natural self becomes virtuous only insofar as it gets refined through mindful and conscientious practice. The number two that occurs next to the character for man in the word *ren* may thus also be seen to indicate that virtue is becoming a second self through carefully and habitually building on a natural disposition toward benevolence.

Ren is natural in a second way. Becoming a humane person means striving to act in ways

that keep us from feeling ashamed of our actions and ourselves. Confucius urged rulers, "Lead[the people] through moral force and keep order among them through rites, and they will have a sense of shame and will also correct themselves" (Confucius, 2003, 2.3).[3] We acquire a sense of shame through living in a community of judging and action-shaping individuals—parents,legislators, teachers, peers, etc. We have a natural or innate ability to acquire this sense of shame, so developing such a sense is a completion or a fulfillment of our nature. Such a fulfillment is so central to the Confucian view of virtue that the Confucian Mencius proclaimed that someone without a sense of shame was not human (Chang, 2010). For Aristotle, becoming virtuous means developing habits that enable us to fulfill our distinctive human function. Since living is doing, these habits of acting well become constitutive of the good life and of the end or goal of life–happiness. We could not develop these habits if we did not, from birth onward, experience shame. Although shame is not a virtue (because it is not a particular sort of voluntary doing lying in a mean), Aristotle understands it to be a natural quasi virtue (Aristotle, 1985, 1108a). We experience shame

comparison of western and eastern philosophy and their similarity on this issue is to demonstrate that the so-called cultural relativism is not correct. Fundamental ethics is similar in all societies. What may differ is the adhesion to ethical behaviour.

However, the failure to adhere to ethical behaviour does not mean that there is an absence of ethics in that society.

This can be shown by what happened to IKEA in Russia Its executive in Russia at the: time Lennart Dahlgren in a book ***Despite Absurdity: How I Conquered Russia While It Conquered Me*****,** set out his experiences.

When IKEA sought to open a new store outside of Moscow, local officials threw up all kinds of roadblocks as a way of extorting payment (Osipovich, 2010). First, the officials intervened and prevented IKEA from finishing a pedestrian overpass designed to enable would be customers to get across a major highway to get to the IKEA store. The officials were seeking to extort a bribe. IKEA refused to pay up. After the pedestrian bridge to nowhere stood half-finished many months, the officials reversed course and ordered IKEA to complete it. Why?_7Because the bridge was an eloquent witness to their greed. Then when it came time to open the store, the local politicians sought to stop the opening. They contended that the store was too close to a major gas pipeline, casting themselves as protectors of the people who sought to save Russian citizens from greedy capitalists. However, this argument was merely another façade for highway to be built directly upon this same pipeline. IKEA went ahead with the planned ceremony. The Swedish ambassador showed up, and the ribbon was cut while scores of Russian police cars barricaded the entrance into the store. Then the press appeared. All over the world people could see the standoff between IKEA and greedy Russian politicians. Higher ups in the Russian government were afraid that this publicity was making them look bad, and so they ordered the local Moscow politicians to allow the store to open (Osipovich, 2010). In other words, the Russian authorities themselves were embarrassed that everyone would see their wrongdoing for what it was—corrupt extortion, not a local practice

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when we fall short of doing the right thing. Shame is unpleasant; therefore, experiencing shame motivates us to try to do better next time. Habits are built upon this foundation of natural shame.

that was as equally ethically good as any other business practice. Moral relativism often is little more than a way for business people and authorities to rationalize away ethically suspect practices.

Nor does acting ethically mean that one cannot make a profit. Even Adam Smith, the grandfather of the concept of the free market believed that the pursuit of profit had to be subject to acting ethically. The arch capitalist Friedman recognised the importance of acting in accordance with society rules and the principles of law when he wrote:

"the social responsibility of business is to make profits while conforming to the basic rules of the society. Both those embodied in law and those embodied in ethical customs."[2]

there are some who believe that the only function of business is to make profits. That led to the notion that continuous growth was not only desirable but essential to the maintenance of the lifestyle that Western cultures have adopted. However, in 1972 in a significant publication by the club of Rome known as The Limits of Growth, it was predicted that, unless growth was restrained the earth as we know it would perish.

The study was criticised although it led to the adoption of the concept of sustainable growth. More recently there have been studies undertaken that have concluded that the view in relation to the limits of growth was correct. Thus, in a CSRIO publication by Graham Turner entitled "a comparison of the limits of growth with 30 years of reality[3] he found:

> "As shown, the observed historical data for 1970–2000 most closely match the simulated results of the LtG ''standard run'' scenario for almost all the outputs reported. This scenario results in global collapse before the middle of this century. The

[2] Milton Friedman, "the social responsibility of business is to increase its profits." New York Times 13 September 1970

[3] CS RIO global environmental change. [2008]CSRIO 18 397 – 411.

comparison is well within uncertainty bounds of nearly all the data in terms of both magnitude and the trends over time. Given the complexity of numerous feedbacks between sectors incorporated. in the LtG World3 model, it is instructive that the historical data compare so favourably with the model output.

By comparison, the ‘‘comprehensive technology’’ scenario is. overly optimistic in growth rates of factors such as food, industrial output and services per capita, and global persistent pollution. Similarly, significant departures in the trajectory of key factors such as population, food, and services per capita, and global persistent pollution are evident between the data.”

A more recent study has confirmed the findings of Turner. thus, in “Update to Limits to Growth: Comparing the World3 Model with Empirical Data” by Gaya Herrington[4] she concluded: “collected data from academia, (non-) government agencies, United Nations entities, and the World Bank. This was plotted along four.LtG scenarios spanning a range of technological, resource, and societal assumptions. From these.. I found that the scenarios aligned closely with observed global data, which is a testament to the LtG work done decades ago. The two scenarios aligning most closely indicate a halt in growth over the next decade or so, which puts into question the usability of continuous growth as humanity’s goal in the 21st century. Both scenarios also indicate subsequent declines, but only one—the scenario in which declines are caused by pollution, including greenhouse gas pollution—depicts a collapse pattern. The scenario with the smallest declines aligned least with empirical data, however, absolute differences were rarely big and sometimes insignificant. This suggests that it’s almost, but not yet, too late for society to change course.”

[4] Journal of Industrial Ecology 2021; 25: 614– 626 which has been published after peer review in final form at https://doi.org/10.1111/jiec.13084.

Thus, the drive for continuous growth imperils our very existence. It also has been the primary motivation of corporations and it and its perceived offspring ever increasing profits.
often results in unethical conduct by commercial entities. Growth is also used to justify increases in executive benefits with wages and bonuses often linked to increase in share price which is of course dependent on increase profit by the company. Thus, often Ethical boundaries are overlooked because of the desire to maximise profits and defeat competitors.

the law.

In most societies the Law is the instrument by which conflict is resolved without the resort to violence. The legal profession is essential to the proper functioning of the legal system. That is why most societies recognise the need for an independent legal profession. Independence is not for the benefit of the profession but for the benefit of society as a whole. That principle finds expression right across the board in both the common law system applicable in the US and Australia and the civil law system applicable in Europe and Latin America. Thus, in the code of conduct for European lawyers' article 1. 1.states, "in the society founded on respect for the law the lawyer fulfils a special role. The lawyer's duties do not begin and end with the faithful performance of what he or she is instructed to do so far as the law permits. A lawyer must serve the interests of justice as well as those whose rights and liberties he or she is entrusted to assert and defend, and it is a lawyer's duty not only to plead the client's case but to be the client's advisor. Respectful lawyers' professional function is an essential condition for the rule of law and democracy in society."

Legal practice, like most human endeavours has been subjected to Globalisation and there are some who now argue that one of the consequences of globalisation is that legal practice now needs to make ever increasing profits. Globalisation has resulted in the international legal firms that are often incorporated. In such circumstances the need for profits to satisfy shareholders may conflict with a duty to the clients. Some argue that the consequence of the drive for profits is said to be a reduction in the observance of the ethical requirements of legal practice. If that be correct and, in my view, it isn't, that would still not excuse lawyers from complying with their ethical obligations.

The ethical duties that apply to lawyers are twofold. There is a duty to the court because lawyers are seen to be officers of the court and the duty to the client. Indeed, their duty to the court is paramount to all other duties, even if complying with it is contrary to the interests of the client.

The duties to the client and the duties to the court have a similar underpinning.

The fundamental ethical obligation of the lawyer is one of integrity. This is evidenced by the need for an applicant for admission to practice to satisfy the authorities that he/she is a fit and proper person to be admitted to practice. That entails full disclosure of any conduct that is relevant to the determination of that issue and failure to make full disclosure is of itself a sufficient reason to deny admission.

The duty to the court imposes on the lawyer a duty to ensure that the court is not misled . His primary duty is to the court, even if complying with the duty is contrary to the clients' interests. The duty is absolutely vital for the proper function of the legal system. When it is breached, not only the client, but the entire legal system is detrimentally affected.

the relationship between the lawyer and the client is based upon trust. The reason why the law imposes a duty on the lawyer is to ensure that the client is able to fully and properly instruct the lawyer without the fear that anything that he tells the lawyer may be revealed or disclosed to the other side. The most important of the duties to the client are:

the duty of confidentiality.

the duty to avoid a conflict of interest ;and

the duty to advance the interest of the client at all times ahead of the self-interest of the lawyer.

The duty of confidentiality is to ensure that any communication from the client to the lawyer is protected from disclosure.

The importance of ethics in the law and commerce can best be seen by looking at the consequences of a failure to abide by the ethical rules.

One of the fundamental rules is that a lawyer must not mislead the court. A simple example, and I use it because it is recent is what happened in the recent case of **Mata v Avianca Inc.**

The plaintiff alleged that he had suffered personal injury when a steel trolley was pushed into his leg whilst he was seated in an aeroplane. The airline sought to have the claim dismissed and the plaintiff's lawyers were obliged to make submissions resisting the application. The submissions were filed but the airline alleged that the cases referred to in the submissions did not exist. Initially Mr Mata's lawyers resisted any such contention, but ultimately, they were obliged to concede that the cases cited in the submissions did not exist. The judge then required him to provide an explanation for that fact. The explanation that was provided was that the submissions had not been drawn by a human but was the product of artificial intelligence. Indeed, the application known as chat GPT. The judge found the lawyers to have breached their duty to the court and imposed a fine of $5000. In doing so, he pointed out that whilst lawyers could have recourse to artificial intelligence in their practice. The duty to the court required them to be the gatekeepers and to ensure that no misleading submissions were made.

In some respects, that is a trivial example, but it highlights the rationale and the need for the ethical duty imposed on lawyers in such circumstances. Without the court and indeed the other party to litigation, being able to rely on the fact that lawyers will not make deliberately misleading submissions legal practice would be impossible and the law would be held in disrepute. In Australia a much more serious example of the breach of a lawyer's duty is exemplified by the case of Nicola Gobbo

In the case involving Gobbo, a lawyer who practised in the criminal jurisdiction and acted on behalf of many notable criminals was also a police informant. She, on many occasions, disclosed to the police information that had been provided to her by her clients.

That was clearly a breach of her duty to the client. Equally, the police, who encouraged her to be an informant, at the very least, aided and abetted her breach and probably, more seriously, were involved in the offence of the perversion of justice.

The high court of Australia had no difficulty in finding that the lawyer had breached her duty to the client as well as the court. She was ultimately struck off the role of counsel and prevented from practising.

Her conduct also resulted in some people for whom she had acted, and who had been convicted of crimes, applying to the court seeking that the conviction be overturned. Indeed, one murderer who had been convicted of the crime was ultimately released because the court concluded that the evidence that was presented to the jury, which included information that had been provided by Gobbo to the police, was such that there was a risk that a miscarriage of justice had occurred.

the government also appointed a Royal commission to enquire into the system of police handling of informers. The commission's report found that the police had breached ethical duties and the law in the manner in which they had recruited Ms Gobbo as an informer and also encouraged her to disclose the confidential information that had been disclosed to her by her clients. However, despite a recommendation that criminal charges be brought against some of the police officers involved the director of public prosecutions concluded that it was unlikely that the trial would result in a conviction and therefore refused to bring charges.

The case illustrates the very serious detrimental consequences that flow from the breach of the ethical duty. Some of the police sought to justify the conduct of using Gobbo as an informer on the basis that the end justifies the means. The High Court and the Royal commission have established that assumption is incorrect.

In the administration of the law and in the performance of the ethical duties imposed upon lawyers the ends can never justify the means. A classic example of that is the advice given by the Office of Legal Counsel to the Bush administration in relation to what was referred to as "enhanced interrogation techniques," that permitted torture of detainees. That advice was given in breach of ethical standards that bind the

lawyer even when the state is its client and resulted in significant criticism of the state and of the practise.[5]

What is of concern in that example is not only that the authors of the memo appeared to ignore relevant international treaties to which the USA was bound, as well as judicial decisions of its own Supreme Court but that the wording of the memo reflected similar wording to a memo that had been used by the Nazis to justify "enhanced interrogation techniques" and which had led to the conviction of a number of Nazi personnel who had been involved in the administration of that policy.

What also needs to be acknowledged is the fact that there was widespread condemnation of the memos such that Bush had to distance the administration from it, however not before some persons suffered its consequences.[6]

The memos may have been motivated by a desire to enable interrogators to extract information that might have saved lives, but it highlights the problem of adopting the end justifies the means argument. Rather than advising that the techniques that were sought to be employed were unlawful, the lawyers sought to serve their client by providing advice it wanted to hear rather than what was warranted.

IN THE AREA OF COMMERCE.

Most large corporations now rely on accountants, lawyers, and other professionals to carry out their activities. However, as we do in law, we also in the commercial field require corporations and individuals who are involved in their management to act ethically. We do so for the same reasons that we insist upon lawyers acting ethically, we

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[5] See for a discussion W. Bradley Wendel* DEFERENCE TO CLIENTS AND OBEDIENCE TO LAW: THE ETHICS OF THE TORTURE LAWYERS (A RESPONSE TO PROFESSOR HATFIELD)Northwestern University School of Law Vol. 104 Northwestern University Law Review Colloquy 58;Stephen L. Pepper, Counseling at the Limits of the Law: An Exercise in the Jurisprudence and Ethics of Lawyering, 104 Yale L.J. (1995). Available at: https://digitalcommons.law.yale.edu/ylj/vol104/iss7/1; Office of the Deputy Assistant Attorney General Washington. D.C. 20530 March 14, 2003. Memorandum for William J. Haynes IT, General Counsel of the Department of Defence Re: Military Interrogation of Alien Unlawful Combatants Held Outside the United States.See also: The Torture Papers: The Road to Abu Ghraib Edited by Karen J. Greenberg and Joshua L. Dratel OUP 2005.

[6] One of the authors was subsequently appointed to the Bench.

have reached a stage where there is a good deal of relationship between lawyers, accountants, and managers. Thus, to pose a simple question “if a company manufactures a contraceptive device that is shown to cause injury to women who use it, should it continue to sell it? If it does, should the women injured be able to sue?”

In the case of Essure that was the issue. In the United States the company was sued and settled the case by paying 1.6 billion to the plaintiffs. In Australia they took the case at trial.

In most societies, the trafficking of drugs is a crime that carries heavy penalties. What happens when a manufacturer of drugs misleads the authorities and the consumers about the addictive nature of the drug? That was the issue in the case of **Perdue pharmaceuticals** and its drug **OxyContin.** Reports indicate that there were thousands of individuals who died as a consequence of the use of the drug, and many more that became addicted to it. When it was sued, the company went into voluntary liquidation pursuant to chapter 11 of the United States legislation. That occurred in 2019. It faced approximately 2600 lawsuits.

On 21 October 2020. The company agreed to plead guilty to the charge of enabling the supply of drugs “without legitimate medical purpose”. As part of the deal to plead guilty, the company was to be sold and from the proceeds of sale it was agreed that it pay $8 billion towards compensating the victims. The Sackler family who owned Perdue and had made billions from the sale were to contribute 3 billion of their own money in return for being released from all actions in relation to the manufacture and distribution of OxyContin. There were some who opposed the settlement, but ultimately the New York

Court of Appeal approved it. However, on 11th August 2023 the US Supreme Court agreed to hear an appeal brought by some attorney general's requiring that the decision of approval be set aside.

What is significant and troubling about the case is that the company admitted deceiving people about the addictive effects of OxyContin. Many people were injured and the Sackler family who were the main beneficiaries of the company's performance will escape scot-free. For it would appear that they had siphoned billions of dollars from the company's accounts prior to seeking bankruptcy. On one view, the company and the family who owned and ran it were drug dealers. However, unlike persons who deal in prohibited substances they have not faced criminal prosecution rather they have filed for bankruptcy and are likely to keep most of the wealth accumulated as a consequence of the wrongful behaviour. Had they acted ethically, the drug would not have been sold or at least people would have been warned of the danger of addiction. The breach of ethics resulted ,according to some reports, to over 500,000 people dead and in one family making billions. **See Harrington V Perdue Pharma**.

On one view, the Perdue Pharma case is the latest example of companies and individuals who run them acting unethically. The contraceptive device case referred to earlier and also the thalidomide case of some years ago were equally reprehensible. What emerges from an analysis of recent commercial frauds is that all of the individuals involved in the company acted unethically. Indeed, it might be said that if individuals had acted ethically either the Fraud would not have eventuated at all or would have been discovered much earlier.

Thus, the collapse of Enron was caused by the individual's belief in the pursuit of profits and in the failure to behave ethically. Then the investigation into its collapse found that "compliant lawyers as well as greedy executives, lazy directors and malleable accountants are necessary for the large corporate frauds to come to life and persist long enough to cause major damage. The assistance of inside and outside lawyers is required to structure and report on corporate transactions."7

the tobacco industry has been shown to have been actively involved in deceiving consumers over a long period of time in a variety of ways, some of which included the establishment of so-called activist groups who favoured the consumption of tobacco.

Thus, In ***United States v Philip Morris USA Inc***. the trial judge said:

> "Finally, a word must be said about the role of lawyers in this fifty-year history of deceiving smokers, potential smokers, and the American public about the hazards of smoking and second-hand smoke, and the addictiveness of nicotine. At every stage, lawyers played an absolutely central role in the creation and perpetuation of the Enterprise and the implementation of its fraudulent schemes. They devised and coordinated both national and international strategy; they directed scientists as to what research they should and should not undertake; they vetted scientific research papers and reports as well as public relations materials to ensure that the interests of the Enterprise would be protected; they identified "friendly" scientific witnesses, subsidized them with grants from the Centre for Tobacco Research and the Centre for Indoor Air Research, paid them enormous fees, and often hid the relationship between those witnesses and the industry; and they devised and carried out document destruction policies and took shelter behind baseless

[7] Crampton, Roger C."Enron and a corporate lawyer a primer on legal and ethical issues" (2000 to Cornell faculty locations, paper 1049, available at HTTP://scholarship.law.Cornell.EDU/facpub/1040 9143

> assertions of the attorney-client privilege. What a sad and disquieting chapter in the history of an honourable and often courageous profession"[8].

in the Australian context we have the more recent example of the breach of the ethical duties of Price Waterhouse accountants. They were retained by the government to advise the government on certain tax initiatives. In breach of the duty, they disclosed the information to their clients and made large profits as a consequence. When it was discovered, the government terminated the contract and at least one of the persons was disqualified from practising as an accountant.

In the European context, the recent case that occurred in Germany involving the **wire card** company again illustrates the failure of individuals to abide by the ethical duties in that case, the company was effectively involved in money laundering and falsified its financial records. The accountants who acted as the auditors of the company, namely Ernst & Young failed to check with the banks to ensure that the Billions in funds which the company allegedly had on deposit existed. The executive behind the fraud disappeared and the head of the regulator in the German system was replaced. Ernst & Young were fine €500,000 and banned from auditing some entities.

In the Italian context there is the **BT Italia case.** In that case the company falsified its financial records to show much higher profits that it actually made. When the fraud was

8 United States v Philip Morris USA Inc 449 F Supp 2d 1, 4-5 (DDC, 2006) per Kessler J

discovered, some executives were charged with criminal offences. One Italian executive was convicted but the conviction was overturned on appeal.

What all these cases indicate is that a breach of the ethical duties imposed upon lawyers and accountants, and managers and others result in highly detrimental consequences not just for the company concerned but also for the broader community. It has also resulted in a loss of confidence in most of the important institutions on which all societies rely.

Thus, the conduct of the banks in Australia has led to cynicism about the banking sector, the conduct of the police and of the lawyer involved in the Gabo case has led to a loss of confidence in the legal system; breach of duty by auditors in the price Waterhouse case has led to a loss of confidence in accountants and in the auditing system and in the German case, a loss of confidence in the regulator that was supposed to be regulating the conduct of the company involved in that case. Such detrimental effects of course diminishes all who live in the society.

What these cases illustrate is the importance of ethics. Persons are not going to invest in places where commerce is not ethically conducted. The reason for that is obvious. Why would anyone invest somewhere where there is no guarantee that people will abide by their promises that is deliver on time or pay the price ?

this is evidenced by the recent disclosure relating to the conduct of quantus.Amongst other things it admitted to accepting payment for flights that had already been cancelled; for arbitrarily setting an end date for the use of credits as a consequence of Covid; for

accepting social security payments to keep staff and then unlawfully sacking 1700 workers because it decided to outsource those services.

The effect of the disclosure has been to detrimentally affect quantus in terms of market and share price.

Whilst the blame is being put onto the departing CEO the fat is that the Board must have known and agreed to such conduct or if it did not know it was negligent and should be removed.

An example of what an ethical company can do when confronted with a choice of being ethical or not is the experience of IKEA when it established a business in Russia

A sad footnote is that the company eventually reduced the investment plan it had for Russia because of the constant demands of the unethical politicians and bureaucrats.

The Ikea example is not an isolated one. Such conduct is found in many countries and explains the continuing problem of corporate unethical behaviour.

Calabria has much to offer in the commercial sector. It should demonstrate to the world that ethics in commerce underlays its conduct. For without ethics both in the law and in commerce rational commercial relations are impossible.

V.A.Morfuni

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