

Business Ethics in Canada: A Personal View

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The subject for discussion is Business Ethics in Canada. My approach to this subject is not to attempt to give some grand view of the state of moral affairs in boardrooms and executive suites across this huge country, but rather to concentrate on two areas in which I consider Canadian business ethics to be most conspicuously at variance with the practice of other countries. With this focus in mind, I hope to give the newcomer to Canada a rapid introduction to some major characteristics of our business environment.

The first of the two areas concerns the intensity of attacks by social activists on various forms of natural harvesting in Canada. It is no exaggeration to state that more energy has been invested by social activists in stopping or modifying various commercial harvests in Canada than in any other country in the world. Each of these harvests, of seals, of fur-bearing animals, and of forests, produce intense emotions in those who are opposed to the activities. Canada has thus been host to some of the most controversial commercial activities in the world. The majority of the criticism against these natural harvests has come from Europe, and the leading social activist organization involved has been Greenpeace. Interestingly, although Greenpeace in Europe has spearheaded the many attacks on Canadian harvest practices, Greenpeace itself

was founded in Canada in 1971, in this very city where we are meeting today. Greenpeace is currently headquartered in Amsterdam, and displays a distinctively European perspective on environmental issues.¹ The first major attack on Canadian natural harvests was made on the collection of pelts from baby harp seals. These distinctive white pelts were used to make fur coats for the fashion industry. This apparently frivolous and unessential use of seal pelts contrasted sharply with the cuteness of the appearance of the pups and the violence of the method of dispatching pups via a blow to the head with a club. Prominent individuals, most notably the actress Brigitte Bardot, identified themselves with the cause. The campaign was eventually successful.²

The campaign against the killing of baby seals has spread to condemnation of the killing of all seals for human consumption, either for their coats, for meat or for both. In this regard the anti-seal hunting campaign has come to confront many of the customs and practices of Canada's aboriginal populations in the Arctic, and of a number of populations on the east coast which are highly dependent on harvesting sea life.

The debate over the killing of seals therefore pits the human rights of remote, long-established impoverished populations which have few alternative means of livelihood or survival against the rights of animals as determined predominantly by the sensitivities of European urban populations.³ In the realm of business ethics it is difficult to find a more contentious and difficult issue.

The debate over the seal hunt continues, sharpened by the recent drastic declines in Canadian east coast fish stocks. The number of

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east coast seals have increased substantially, and local fishing populations have asked for government permission to harvest increased number of seals, both to provide food and to reduce seal predation on surviving fish stocks.

In Europe, the news of possible increased seal culls has brought renewed protest and increased activism. At the political level, the European Union has made it known that it disapproves of the killing of seals for any reason.⁴ In the United Kingdom the International Fund for Animal Welfare, a vocal animal rights group, has been calling for supermarket chains and consumers to boycott Canadian products such as canned salmon.⁵ The most controversial aspect of the modern attack on seal hunting has come from the disputed accusation that a prime economic motive of the seal hunters is to supply seal penises for use as aphrodisiacs.⁶

The argument which pits animal rights against human rights was subsequently extended to the harvesting of fur-bearing land animals in Canada.⁷ The aboriginal peoples of Canada have always been fundamentally dependent for food and warmth on the harvesting of the animal populations which surround them. For these peoples, many of whom now live in conditions of dire poverty, there has never been any question about the morality of such harvesting.

The exploration and subsequent economic exploitation of the land mass of Canada by Europeans was fueled originally by the European demand for furs produced by the indigenous population. As with many other forms of exploitation of Canadian natural resources, little value was added to the raw material at the point of origin. Secondary processing of fur pelts took place in Montreal and New York, with the manufacture of fur coats often being completed in Europe itself.

When the anti-fur campaign commenced, targeted at European consumers and European retailers, little thought was given to the economic consequences on the aboriginal populations which supplied the fur pelts. The rights of animals not to die in those painful ways which preserved the integrity of their pelts appeared vastly superior to the needs of the rich who were the conspicuous consumers of fur coats. For the

European, the moral equation seemed simple to solve.

The strength of the anti-fur activists in Europe has been translated into law with the passing of a ban by the European Union on the importation of furs caught by inhumane traps. This law has been condemned by Canadian native groups as leading to "cultural genocide".⁸ The capital cost of the humane traps that would need to be purchased by the average trapper far exceeds a trapper's annual income. The plight of the native Canadian trapper does seem to be receiving some recent recognition in Europe.⁹ As with the anti-sealing campaign, the anti-fur campaign highlights an ethical dilemma in Canadian commerce which is painfully difficult to resolve.

The lumber industry has also been singled out for attack by European social activists. This industry has seemed generally unresponsive and insensitive to criticism. When it has responded, the response has more often been reactionary and confrontational than conciliatory. There are a number of possible reasons why this industry, and others in the Canadian primary resources sector, might theoretically display such characteristics and ignore the protestations of distant stakeholders:

- * These kinds of industries are classic pioneering industries, literally at the frontier of the relationship between mankind and nature. Loggers and miners conform to the classic heroic stereotype of the pioneer who values independence and shuns the notion of conformity to big-city values.
- * Many resource industries are commodity industries, subject to boom-and-bust economic cycles which may effectively extinguish any notion that management (or any other stakeholder) has the power to exercise control over demand.
- * The industries are affected by geographical isolation, both in a global sense, by being situated in a huge distant country which has a low population density, and in a local sense, because most primary resource production comes from remote, one-industry towns.
- * The industries are affected by isolation from

customers, because of the lack of forward vertical integration by primary producers.

In theory we might expect to see in the Canadian resources sector a collection of remote industries which may not just display a lack of sophistication, but which could be downright primitive in their response to the expression of changing value systems on the part of customers and social leaders. The industries may be literally "out of touch". This does seem to have been the case in the Canadian lumber industry in the past couple of years.

In the 1990s Greenpeace launched a battle against MacMillan Bloedel and other forest products firms in British Columbia over their clear-out logging practices. The British Columbian Government's decision to allow logging on new watersheds in Clayoquot Sound on Vancouver Island was a major trigger for the campaign.¹⁰

Greenpeace used highly emotional propaganda in their advertising, reminiscent of the techniques used in the successful anti-seal hunting campaign of the early 1980s. Photographs of large tracts of apparently devastated clear-cut forests in picturesque locations were used to convey an image of the thoughtless plunder of a pristine environment. One group of activists toured European capitals with a huge old-growth red-cedar stump on a trailer, simultaneously a monument to the majesty of the West Coast rain forests and a plaintive record of the destruction of what many Europeans regard as one of the last "pure" environments in the world.¹¹

One tactic of the European activists was to threaten to boycott brand-name consumer products (e.g. "Klennex" and "Scott" tissues) made from Canadian-sourced pulp wood.¹² Several consumer firms switched away from Canadian sources of supply as a result. The lack of forward integration by the pulp producers appeared to make them vulnerable to attacks by social activists who threatened a boycott of intermediaries who used "ecologically unsound" suppliers. The intermediaries were only too ready to ditch a supplier branded as unsound, and hence the social activists found themselves in an exceptionally powerful position.

If the pulp producers had been vertically integrated through to the consumer, and did have an investment in branded consumer products, then it is likely that they would have been far more responsive to the criticisms of their production practices.

While Greenpeace was threatening consumer boycotts in Europe, and was operating a sophisticated communication system via the Internet, the logging industry replied with what can only be described as a primitive set of responses. The Premier of British Columbia embarked on a European tour to "set the record straight" about the unfair accusations of Greenpeace. He was dogged by protesters at every turn. A "day of protest" against the activists at the British Columbia legislature was attended by busloads of loggers.¹³ Their demonstration went unobserved by European residents.

The Canadian forest products industry's lack of understanding of the sophistication of the consumer as stakeholder was nowhere more evident than in recent advertising by the Pulp and Paper Makers of Canada, produced in response to Greenpeace ads attacking clear-cutting. One advertisement's copy read as follows:

"Never see a tearjerker on a first date. Larry and I went to see Love Story. What a first impression. When the tears started rolling down my mascara-treaked cheeks, Larry handed me a tissue. When I couldn't stop, he handed me the whole pack. Come to think of it, Larry turned out to be a lot like a tissue: soft, strong, and disposable." The romantic things in life . . . brought to you by paper. (*Globe and Mail*, Nov. 3rd, 1994)

Thus we have a sexist ad extolling the virtues of throwing away paper as a response to attacks on clear-cutting. The logic of this particular ad in such a political context defies rational explanation.

By way of contrast, a US forest products firm was simultaneously running a series of advertisements which directly addressed the issues raised by environmental activists. In a typical edition of the *New Yorker* magazine (e.g. Mar. 27th, 1995) we can read the following advertising copy:

"You take care of the things you care about."
 "It's up to all of us to take care of the Earth, as well as the things that live here. I work for Georgia-Pacific, a forest products company, and they believe the same thing. When we learned that Coho salmon and Steelhead trout were struggling to survive, we came up with a plan to help. We're putting large boulders and logs in the rivers to create calm pools where the small fish can grow and survive until they head out to the ocean. It was something that needed to be done to help the fish. And it feels good to know that my company is doing it." Dick Patton, Resource Manager.

On the opposite page, an additional ad states:

This year Georgia-Pacific will plant 50 million trees. Help us make it 50 million and one. Join us in planting trees for America. Call today and we'll send you a seedling of your own. We believe everyone has a part to play in caring for our environment. Our company. You. All of us. Together we can make a difference. For generations to come.

The public posture of this US firm stands in stark contrast to the cavalier disregard of the concerns of the consumer and of environmental activists by the Canadian forest products industry.

The battle between the social activists and the forest products industry was clearly a mismatch, with the European-based social activists winning hands down. The British Columbian government announced new regulations restricting the use of clear-cutting in the logging industry in 1995.

Overall, then, the moral terrain of the Canadian commercial environment has been dominated by the intrusion of European social activist groups voicing their protests over natural commercial harvests conducted by Canadians. The debate over the morality of harvesting seals and fur-bearing animals is made vastly more complex by the extreme economic plight of those native people and remote fishing communities which rely on these activities for their survival. They may not have any ability to be flexible in response to the kinds of demands that European activists make of them. On the other hand, industries such as the forest products industry should have more theoretical flexibility to respond to criticism by social activists.

In all of these cases, however, the fundamental moral problem lies in the differences in values between those who inhabit the densely populated urban environments of Europe and those who live and work harvesting what the earth provides at those remote interfaces with nature which are so common in this vast land of Canada.

I mentioned at the start that I would concentrate on two areas in which I consider Canadian business ethics to be most conspicuously at variance with the practice of other countries. Having identified one area where Canadian practices have been especially criticised, let me now turn to something more positive.

The second area I would like to briefly talk about relates to the relatively advanced nature of Canadian business attitudes to issues like ageism, sexism, and gender preference. I speak here from a purely personal anecdotal perspective as an immigrant from Britain who arrived in Canada in 1978. I recognize that others may have very different personal experiences than mine, and indeed that I could have a distorted view of the reality of the Canadian workplace. My personal observation is that the average Canadian in the workplace has a far lower consciousness about the age or sex of other employees than exists in all other countries where I have worked. In Canada, individuals appear to be judged far more by their technical merits than by any classification based upon some stereotype. I have seen male and female workers co-exist in cooperative work environments which exhibit a degree of mutual respect which I have rarely seen elsewhere. This is not to suggest that sexism does not exist in Canada: I merely contend that in my personal experience the working relationships between genders appears better in Canada.

In Canada I have also seen dramatic illustrations of smooth-working administrative hierarchies where high-level administrators are of a preposterously young age in comparison to their European counterparts. This Canadian lack of discrimination on the basis of age stands in contrast to the seniority-obsessed administrative structures of European organizations. The civility and tolerance of the average Canadian is the key difference here, I feel. While politicians have been engaged in difficult debate over issues such

as the extension of spousal benefits to same-sex couples, many Canadian firms have just gone ahead and quietly modified their benefits schemes to eliminate any gender preferences bias.

As the moderator of the Canadian Business and Professional Ethics Network, I also note the civilized tone of debate among Canadian business ethics academics in comparison to the often strident tone of debate on parallel foreign networks. There does seem to be a different value set shared by Canadians, which is expressed by respect for others in the workplace. I believe that the rest of the world recognises this aspect of the Canadian character, and quietly admires this quality.

It is unfortunate indeed that this positive attribute of the Canadian business ethics environment, the good nature of the average Canadian, is not perceived to extend into the relationship that Canadians have with nature itself.

Notes

¹ See Brown, M. H. and J. May, *The Greenpeace Story* (Prentice Hall Canada, 1989), for a full history of the organization. Greenpeace was conceived in 1971 when members of the Don't Make A Wave Committee in Vancouver, Canada, renamed their organization the better to proclaim their purpose: to create a green and peaceful world.

² *Globe and Mail* (Toronto), 'Ban on Canadian Seal

Products Passes European Parliament', Mar. 12, 1982, pp. 1-2. See also *Greenpeace Magazine*, '128,000 Seal Pups Saved', Spring 1983; and *Greenpeace Magazine*, 'The End to a Decade of Harp Seal Hunts', April/June 1985.

³ For a review of the issues see Wenzel, G. W., *Animal Rights, Human Rights: Ecology, Economy and Ideology in the Canadian Arctic* (University of Toronto Press, Toronto, 1991).

⁴ *Globe and Mail* (Toronto), 'Sael Hunt Resisted by European Community', Oct. 20, 1995, p. A9.

⁵ *Globe and Mail* (Toronto), 'UK Chain to Keep Canadian Salmon', Dec. 21, 1995, p. A12.

⁶ *Globe and Mail* (Toronto), 'Atlantic Storm Brewing Over Seal Penises for Use In Aphrodisiacs', Nov. 6, 1993, p. A3.

⁷ *Globe and Mail* (Toronto), 'Fur Trapping Next Target of European Environmentalists, Group Fears', Feb. 24, 1993, p. 13.

⁸ *Globe and Mail* (Toronto), 'Canadian Assail EU Fur Ban: Native Groups Claim "cultural genocide"', Nov. 8, 1995, p. A12.

⁹ *Globe and Mail* (Toronto), 'EU Delays Outlawing Leg Traps: Officials Respond to Native Campaign', Nov 23, 1995, p. A19.

¹⁰ *Vancouver Sun*, 'Logging War a Lift for Greens: Clayoquot Battle Triggered Flood of Cash to Environmental Groups', Nov. 15, 1994, pp. B1, B4.

¹¹ *Vancouver Sun*, 'Stumpy Branching Out for European Road Show', Mar. 18, 1994, p. D2.

¹² *Globe and Mail* (Toronto), 'Loggers Face No-win Fight', April 11, 1994, pp. B1, B3.

¹³ *Vancouver Sun*, 'Angry Forest Workers Marching to Victoria', Mar. 19, 1994, pp. C9, C10.