



Towards Ethical Norms in International Business Transactions

Report **ibe**

Report

By Simon Webley

Summary

Two questions that are often raised in discussions about the way international business operates are:

- Is there a truly global definition of responsible business?
- Can a set of universal standards (or norms) be developed which take account of value differences across cultures?

This IBE report explores these questions specifically in relation to international business. It sets out some relevant ethical norms, the purpose of which is to generate and sustain trust between businesses engaged in international trade and investments.

This report revisits the 1995 Interfaith Declaration: *A Code of Ethics on International Business Ethics for Christians, Muslims and Jews* in light of recent international standards and significant global economic changes, and it describes how multinational corporations seek to apply ethical values in their relations with their stakeholders.

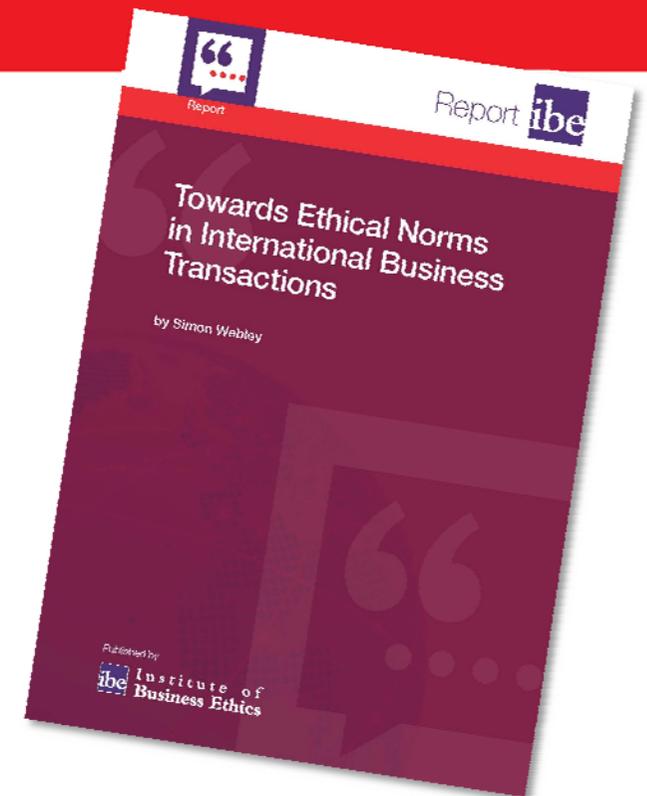
Chapter 1 looks at the broad economic context at the time when the Interfaith Declaration was published and how it compares with the situation in 2013. This is important because it indicates a very substantial acceleration in world trade and investment over the period.

Chapter 2 explores the role and relevance of establishing ethical norms in international business transactions, as indicated by the number of **international standards** which relate to aspects of business behaviour.

Chapter 3 examines the roles that **ethical values and mutual trust** and their expression in corporate codes of ethics play in enhancing trade and investment across frontiers and cultures.

Chapter 4 focuses on how multinational corporations embed and **apply their ethical values** in their relations with their stakeholders anywhere in the world.

The paper concludes in **Chapter 5** by setting out some **challenges** facing those businesses working across cultures where there are differences in values and their application.



By setting out some of the challenges in working across cultures, this report aims to assist corporate directors to consider the basis of trust for long term commercial relationships wherever they operate in the world.

Towards Ethical Norms in International Business Transactions by Simon Webley

Free download from www.ibe.org.uk

Publication date: 21st May 2014