



Chumir Ethics Forum



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President's Message

The first months of 2002 have brought frequent reports of perceived ethical lapses in the worlds of business, politics, the professions and sport. This has, once again, focused public attention on institutional codes of ethics and the extent to which there exist regulatory structures capable of effective monitoring.

According to the *New York Times*, the Board of Directors of the recently bankrupt Houston-based energy firm Enron voted twice in 1999 to bypass its own ethics guidelines, or conflict-of-interest rules, in order to allow their Chief Financial Officer to set up private partnerships, which in turn did business with Enron.¹ As a result, company executives may have been able to mask Enron's increasing debts and benefit themselves at the expense of their shareholders.

In Ottawa, former Minister of Public Works and Government Services Alfonso Gagliano was accused of political interference by Jon Grant, a former head of the crown corporation Canada Lands Co., resulting not only in the usual opposition calls for an independent inquiry, but also in changes in responsibility for overseeing federal crown corporations. And, again on the corporate side, we have had further revelations of insider trading scandals at Nortel and Corel and allegations of bank fraud in Baltimore.²

These stories remind us that con-


flikt-of-interest and ethics rules are integral to the legitimacy of our shared political and economic systems. As economist Paul Krugman has commented: "You can't run a modern economy with family-owned companies and partnerships. So capitalism as we know it depends on a set on institutions – many of them provided by government – that limit the potential for insider abuse."³ In a related opinion piece Krugman "predict[s] that in the years ahead Enron, not September 11, will come to be seen as the greater turning point in U.S. society."⁴

In the past few years there has been an explosion of ethics codes in the public and private sectors: there are thousands of such codes in use in everything from government, business and professional associations to academic organizations. This gives rise to the question as to what codes of ethics can be expected to accomplish, and the extent to which they can serve to remind those both inside and outside of an organization of the collective aspirations of its members.

Critics have often argued that codes of ethics are simply 'window dressing', operating so as to deflect or preempt potential criticism of the organization's behaviour, but rarely being used to enforce the ethical norms they are designed to support. Indeed, although much is often made of the existence of ethics codes, effective

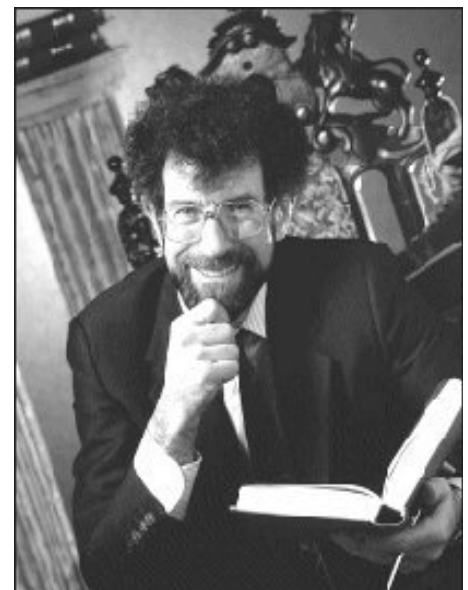
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Special Event

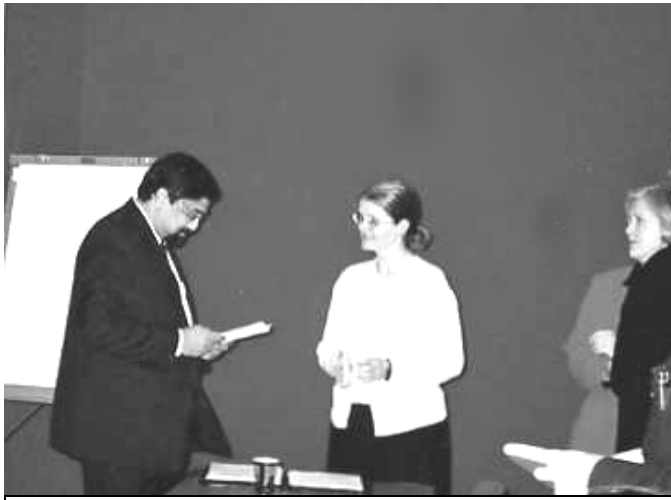
"Community Values in an Age of Globalization", Symposium and registration information 

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Sheldon M. Chumir



Public Policy Fellow Alison Jeffrey and Speaker Errol Mendes at Corporate Responsibility Event

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modes of ensuring compliance are rare. As well, many commentators have complained of an absence of attention to the public good in implementing these codes, thus rendering their effectiveness questionable. As John A. Campion has insisted: "A regulated and rules-based financial system is essential for the well-being of our economic success, but nothing can replace an ethic of trust and fairness at every level in the system."⁵

What, if anything, is to be done? The common reaction to revelations of outrageously self-serving behavior is a kind of resigned tolerance. But it seems to me that increased public awareness of the importance of ethics in public life and prospective (rather than after-the-fact) public discussion of the issues and potential solutions could help to make a difference. And in all of this, we need to be thinking not only about issues of integrity and avoidance of corruption, but also about how the organization can be directed toward enhancing the public interest. In the longer term, such a focus should also serve the broader interests of the organization itself.

Marsha Hanen, President of the Sheldon Chumir Foundation

1. Richard W. Stevenson and Jeff Gerth. *The New York Times*, "Multiple Safeguards Failed to Detect Problems at Enron," Jan. 20, 2002.
2. Miro Cernetig. *The Globe and Mail*, "Meet John Dough," Feb. 16, 2002.
3. Paul Krugman. *The New York Times*, "A System Corrupted," Jan. 18, 2002.
4. Paul Krugman. *The New York Times*, "The Great Divide," Jan. 29, 2002.
5. John A. Campion. *The Globe and Mail*, "Avoiding the Next Iceberg," Feb. 27, 2002.

Health Care Reform in Alberta

by David Hughes

As part of its commitment to encourage informed debate about important public issues that have an ethical dimension, the Foundation held a public forum on "Health Care Reform in Alberta" on the evening of February 12th. The session was moderated by Jeff Collins from CBC Radio's *Calgary Eyeopener*.

Dr. Eldon Smith, former Dean of Medicine at the University of Calgary, and more recently one of the twelve members of the Premier's Advisory Council on Health, detailed some of the Council's recommendations for reform which appear in the Mazankowski report. The mandate of the Council was to find ways to maintain and enhance quality health care in Alberta that involved ensuring accessibility and sustainability. The Council took a long-term approach to health care provision and concluded that the system as currently conceived was not sustainable into the future from the current tax base. The report's recommendations included:

- Primary health care reform (full time uninterrupted coverage by teams of medical practitioners);
- Formation of an expert panel to examine 'comprehensiveness'. The panel felt this to be necessary because while Medicare was originally intended as an insurance plan for catastrophic illness, it has since drifted to encompass many procedures that would not originally have been included;
- Use of an electronic "smart card" to hold an individual's health records.

As Smith noted, one of the central barriers to health care reform is the question of how physicians should be paid. Dr. Peggy Aufricht, a family physician at the Crowfoot Village Family Practice, discussed her experience with both the traditional Fee For Service (FFS) and Alternative Payment Plans (APP). Aufricht was in favour of a change to APP (as recommended by the Council) for a number of reasons. FFS only allows a physician to be paid for face-to-face visits, and only for one issue per visit. This system encourages physicians to book patients for one issue per appointment (even for something relatively minor like refilling a prescription). Under the

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APP adopted by Crowfoot Village in 1999 (known as ‘capitation’), physicians are paid a fee per patient per month – this fee is the same regardless of the number of services provided to that patient. This APP provides physicians with greater stability by allowing them to work in teams and devolve responsibility for certain tasks, while still receiving a guaranteed income.

An example of this teamwork concept is the nurse helpline adopted at Crowfoot Village. Under this system the patient makes initial contact with a nurse who is available around the clock, seven days a week. The nurse uses standard questions plus the patient’s electronic record to evaluate the seriousness of the patient’s complaint and then advises treatment for less serious ailments or makes an appointment (the same day if required) for the patient to see the doctor if the complaint is more serious. Aufricht suggested that, although many patients are initially uneasy speaking to a nurse, such a system allows doctors to deal more promptly with serious issues.

In addition, unlike FFS, APP encourages opportunistic screening so that, for example, there is no financial incentive for physicians to make separate appointments to carry out these checks. One challenge that must be addressed, according to Aufricht, is the fact that, under APP, physicians’ overheads appear to increase, resulting in lower net incomes.



David Hughes speaking at the forum on Health Care Reform

Dr. Cam Donaldson, Svare Chair of Health Economics at the University of Calgary, began by saying that a discussion of health care was chiefly about values. Donaldson’s primary ethical concerns were:

- Who pays for reforming the system?
- Will any groups be disadvantaged?

On the face of it, Donaldson argued, the Council’s report appears reasonable. As with many things however, the devil is in the details. Donaldson stressed that some of the recommendations of the report have a potential to be regressive, resulting in the least well off paying a greater

proportion of the bill than they do now. For example, he argued that taxing tobacco is regressive – research has shown that it is less well off people who will continue to smoke and will thus become poorer still. Donaldson suggested that research was needed on why this was the case; he also advocated banning smoking in public places (together with an increase in taxes) so that children would not grow up accustomed to smoking. Similarly, with regard to payment, simply increasing premiums would mimic a regressive tax – where the poor will pay a greater proportion. The solution would be to increase health care premiums with many progressive gradations, such that the more one earned the more one would pay on every additional dollar of premiums.

The idea of implementing an electronic health card was supported by Donaldson, although he was concerned about the psychological damage done to the chronically ill if they were to receive a statement of how much they had cost the system at the end of every year. He foresaw that this could only have a negative effect on their motivation to recover from illness, without having any positive effect on those who were relatively healthy and didn’t use the system much.

Donaldson’s biggest concern lay with the concept of medical savings accounts. These too, he felt, were likely to have regressive impacts. Donaldson cited studies that showed that people are not good judges of when and when not to go to the doctor – many people respond by reducing their demands for essential as well as non-essential care. Thus, putting the decision-making burden on the consumer is not a good idea.

The most positive aspect of the report, he noted, was the recognition that solutions lie on the supply side – i.e. that it is physicians who need to be responsible for making the big decisions.

Audience questions and comments dealt with concerns about possible increased costs to individuals who can least afford it, “delisting” of services and the appropriateness of advertising by pharmaceutical companies.

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Update on the Chumir Foundation's Partnership with the Pearson Ethics Initiative:

by Alex Barber

The Foundation's partnership with the Lester B. Pearson College of the Pacific is moving in interesting directions. Pearson College, located on southern Vancouver Island and part of the system of United World Colleges, enrolls some two hundred students aged 16-19 chosen by academic merit from eighty-seven countries around the world. All students live in residence, and all are on scholarship in a two-year International Baccalaureate Program.

Recently, the Chumir Foundation has been actively involved with a relatively new venture - the Pearson Ethics Initiative (PEI). The primary focus of the PEI has been on exploring ways of engaging students in a variety of aspects of discourse about ethics, assessing the morally relevant dimensions of an issue and understanding and appreciating differing moral perspectives.

Since the beginning of 2002, PEI director Andrew Sewell and Chumir Foundation research associate Alex Barber have been developing an innovative high school ethics curriculum with associated teacher training and evaluation methodology. Mr. Barber's involvement in this project is part of the Foundation's commitment to helping to educate future leaders on ethical issues and decision making.

Pearson College students have begun testing the curriculum through presentations to high school classes in the Victoria metropolitan area. Following each presentation, feedback from students is used to design subsequent materials. The response of students and teachers has been very positive. Interestingly, most of the participating students had no previous classroom exposure to ethics and were anxious to explore these topics further.

The relationship with the Victoria school district is intended to be extended over time to other districts. But, even more ambitiously, as Andrew Sewell says: "Building on our work with local schools and the contacts we have made with international schools, we envision a national and global network of educational institutions forming our community of inquiry focused on ethics." The Chumir Foundation will be supporting and participating in this vision as it develops.

Alex Barber is Research Associate with the Chumir Foundation and can be reached at: alexbarber@chumirethicsfoundation.ca

Publication:

Beyond Cynicism: Towards Ethics in Leadership

The Chumir Foundation's first publication is now available. Completed at the end of 2001, the volume contains presentations from the Chumir Foundation's first Symposium held in Calgary in December 2000. The speakers included Alan Borovoy, Maureen Maloney, Peter Desbarats, and Bob Rae. Also included, as an afterword, is a research project completed by the Foundation's first intern Lindsay Gluck.

We are in the process of distributing the volume to schools, libraries and universities throughout Canada. If you would like to request a copy please contact Alex Barber at: alexbarber@chumirethicsfoundation.ca or phone our office at 403-244-6666. Cost for the volume is three dollars plus shipping.

Look for our second volume to come out soon after the conclusion of our major event, April 26-28, 2002: "Community Values in an Age of Globalization."



IN A CIVIL TONGUE: Stereotypes and their Effects on Civility in Society

by David Hughes

What influences the quality, the civility, of our society? Much has been made recently of the decline in civic participation in many developed societies, including Canada. Part of the underlying story of the quality of civic life has to do with how we treat others – and importantly how we speak about our fellow citizens – for this will influence opportunities for meaningful participation.

I was spurred to reflect on this subject by a number of recent events. At a conference in Ottawa in December, I was taken aback by the fact that many public servants there expressed surprise that a foundation for ethics in leadership could exist in Calgary (of all places!). The frequency of this type of remark made me recall Jean Chretien's comment in the run up to the last Federal election about Albertans being 'different'. While these comments may have been intended to be humorous they are not particularly funny if you are on the receiving end, to which the number of Albertans who took offence bears witness. In responding to this type of remark I was quick to point out that there are a lot of very engaged, concerned, people living in Calgary; that Calgarians lead the country in volunteering; and that an ethics foundation here was by no means out of place. Little wonder that many people here feel aggrieved when it comes to their relationship with Ottawa.

Unfortunately we are probably all guilty at times of making this type of unjust derogatory comment about members of other groups. On my way home from work recently I shared an elevator with two well-dressed, Caucasian, gentlemen. An announcement flashed on the screen of the elevator stating that current U.S. President George Bush had not meant to offend anybody when he had called Pakistanis "Pakis" in comments to reporters. I laughed at how ill-conceived it was for the U.S. President to make such a remark. Reading this however, the man on my right turned to me and said "he's just like all the rest of us then", to which the man on my left said "he must have been hailing a cab". As the elevator doors opened the two men walked away grumbling about the 'hundreds' of Pakistani cab drivers that arrive in Calgary every year.

Like George Bush or Jean Chretien, these two men may not

have meant any harm by their comments. But harm results. The effects of such throwaway lines cannot be easily measured but there can be little doubt that they help to perpetuate a negative stereotype of Pakistanis, just as one might encounter a similarly damaging, condescending, stereotype of Calgarians among some people in Ottawa. Place these stereotypes in the wrong hands and they can hold deserving people back. One may well wonder why so many well-qualified immigrants cannot find appropriate jobs for their skills in Canada. What is perhaps even more disturbing is that, had I been a member of a visible minority riding the elevator that day, these two men would probably not have made their remarks. When attitudes of this nature remain in 'closed' groups they are harder to overcome – the subjects of the comments are excluded from the conversation and thus have a much harder job trying to counter these covert prejudices.

If the quality of our public life is indeed the pressing issue many believe it to be, then it is important not to arbitrarily isolate and antagonize sections of our community in the way in which we discuss them.

It is not just the words spoken that are the problem, but also the position of power of the person speaking the words and the effects that those words can have as a result. Pakistanis calling themselves Pakis is not the same as George W. Bush doing so. Such careless use of words is particularly troublesome when it is influential men in positions of power who are making the comments. Even if a number of Calgarians of Pakistani origin *are* cab drivers, why is this an issue? And even if some Calgarians *are*

people of dubious values, many are not, and such stereotyping hardly contributes to civil discourse or equality within our communities. If the quality of our public life is indeed the pressing issue many believe it to be, then it is important not to arbitrarily isolate and antagonize sections of our community in the way in which we discuss them. And if in the end we really do have a low opinion of members of another group we should be prepared to speak in a civil tongue and to examine that position in front of them so that they have a chance to respond. Rather than striving for cheap laughs, a truly civil society demands well thought out words about others with whom we share our city and our country – especially when those others may face greater challenges to survive and prosper than we do.

Where are they now?

Many of you may be wondering what our former interns have been doing since working with the Chumir Foundation.

Since she completed her internship with the Chumir Foundation, Lindsay Gluck has been a student at the University of Calgary Law School. Although still undecided as to the area of law in which she will specialize, she has a strong interest in international law. In fact, as part of a project with *Pro Bono Canada*, Lindsay has partnered with the non-profit group *Project Sudan* where she has been providing legal advice and assistance.

Ms. Gluck has also kept up her commitment to community service as a volunteer with the Student Legal Assistance program. The program seeks to provide low-income groups with free legal services. When asked if she would recommend the experience as a Chumir Intern to others Lindsay responded enthusiastically: "Absolutely. I learned a great deal and got lots of exposure to the field."

Since completing her work with the Chumir Foundation at the end of 2001, Jess Hadley has returned to the University of Victoria Law School to finish her degree program. Despite her busy schedule, Jess has been able to find time to assist the Foundation in a consultative role.

Ms. Hadley has begun an on-line petition to protest the cuts made to legal aid and related programs by the B.C. Liberal government. The petition has already collected over 1000 signatures, and has occasioned a good deal of public and professional interest.

We wish Lindsay and Jess all the best in their future endeavors and thank them for their commitment and hard work.

SHELDON CHUMIR FOUNDATION ETHICS IN LEADERSHIP

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Important Deadlines

March 15, 2002

Internship Application Deadline

March 22, 2002

Fellowship in Media Ethics
Application Deadline

March 29, 2002

Fellowship in Public Policy
Application Deadline

Please visit our website for more information
on all of the positions listed above.

www.chumirethicsfoundation.ca

What do you think?

We are anxious to hear your views on the activities of the Chumir Foundation. Are there issues you think we should be addressing either through commentary or public forums? What would you like to see in our next newsletter? Do you know of someone who would like to be added to our mailing list?

The Chumir Foundation aims to promote ethical action through the provision of education, increased public discussion and increased demand for ethically responsible behavior and accountability. This is the fourth edition of our newsletter.

Join our email list

We would be pleased to inform you of our upcoming forums, events, and annual symposiums throughout the year by email.

If you would like to join our email list,
please contact Elaine Wojtkiw at:

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See you on-line!