

## HEALTH CARE CORPORATIONS: MORAL OBLIGATIONS AND RESEARCH BIOETHICS

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### Abstract

Many companies rely on research to ensure market relevance and to optimise their profit making potential. The paper examines the legal-moral dimensions that constitute corporations and considers how these relate with bioethics, notably the 'four principles approach' autonomy, beneficence, non-maleficence and justice. There appears to be an inherent tension between the profit making prerogatives of health care corporations and the ethical principles of medical research. A resolution to the moral tensions may be achieved by way of moral reasoning (Richardson, 2003). The paper forwards arguments based on Richardson's reconciliation of divergent moral principles via his pragmatist notion of practical intelligence that seeks to inform us that we must remain open to revising our conception of what is good and what is right.

**Key words:** corporation, profit, research, ethics

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### Introduction

The premise of this conceptual composition considers the business organizational entity known as the 'corporation' and the issue of research ethics, particularly in the medical domain. The paper examines the unique legal and moral dimensions that constitute the modern corporation, and in particular focuses on Milton Friedman's pivotal and enduring viewpoint regarding the nature of the corporation and its responsibilities (Friedman, 1970).

In order to frame the discussion it is necessary to recognise that while there are several interpretations of research ethics and its purpose this paper proposes that the 'four principles approach' advocated by Tom Beauchamp and Jim Childress in 1979 for medical research will allow us to consider the moral obligations of a corporation in relation to a set of generally established bioethical principles upon which the South African Medical Research Council articulate their guidelines on ethics for medical research (MRC, 2003). These principles include *autonomy* (respect for the person – a notion of human dignity); *beneficence* (benefit to the research participant); *non-maleficence* (absence of harm to the research participant); *justice* (notably distributive justice – equal distribution of risk and benefits between communities). Furthermore it should be mentioned that these principles are based on three international documents, namely the Belmont Report

(1979); World Medical Association Declaration of Helsinki (2000); and the Nuremberg Code (1949) and also concur with the ethical concepts forwarded by the World Health Organisation (WHO) and Council for International Organisation of Medical Sciences (CIOMS). While the 'four principles approach' provides the focus for the present debate it is recognised that it has its limitations and some might argue it does not embody the moral theories of various perspectives such as Marxism, cultural relativism or even utilitarianism, and has been considered by the MRC (2003) in some ways to be traditional and paternalistic. However, for the present debate the issue of corporate morality will be considered primarily in respect of the 'four principles approach' that includes autonomy, beneficence, non-maleficence and justice.

It is also important to recognise that to a large extent the landscape of medical research ethics and bioethics has been fashioned by the issue of human rights. The British Medical Association (2001) argue that the language of human rights remains the best one we have for pursuing justice throughout the practice of medicine, and indeed, throughout the world.

In order to provide a more comprehensive overview of corporate moral obligations and the debate around what a corporation 'ought to be,' some complementary theoretical interpretations and perspectives (other than Friedman (1970) will be

reviewed in relation to the issue of research ethics, especially in terms of research in the medical domain.

## The Corporation

Rossouw (2008) contends that modern corporations exert substantial influence on the societies in which they operate. As the *King Report for Corporate Governance for South Africa II* astutely observes; companies have in many respects become a more immediate presence to many citizens and modern democracies than either governments or organs of civil society (IoD, 2002). One can gauge the power and influence of the modern corporation if one considers that dollar-for-dollar the revenues of the worlds leading pharmaceutical companies exceed the government budgets of many of the world's nations (Fortune Magazine 500, 2009).

Historically we can observe that the corporation was created as a unique type of organization in which, and perhaps most importantly, ownership of the company was separate from the management of the organization. As such one group of people, namely the directors and managers, ran the firm while another group, the shareholders, owned it. Nace (2005) identifies three key elements that have characterized the development of corporate rights and power since the industrial revolution, which include (i) legislative, (ii) judicial and (iii) trade agreement transformations of the corporation from what was an essentially outlawed institutional entity, illustrated by the Bubble Act in the UK (which was repealed in 1825) into what we see, and experience today.

While corporations may be construed in law to be legal persons, do they have moral obligations and responsibilities that go beyond what law requires of them?

In light of the distinctive factors that characterize a corporation, the question is asked, can one expect corporations to embrace the moral principles that underpin research ethics, and are these principles likely to be discordant and possibly incongruous with an entity whose customary and primary goal is to make a profit and in doing so merely has to comply with legal and legislative requirements.

## Corporations, Bioethics and Research Ethics

There is a widely held belief that medical research should be the domain of socially responsible and accountable organisations, broadly speaking public health institutions such as universities, public hospitals and associated public health-education institutions served by health care professionals and researchers, whose guiding duty as a member of the medical profession under the Declaration of Geneva (2006) is 'to solemnly pledge to consecrate *my* life to the service of humanity'.

The tentative proposition forwarded here, is a recognition of the increasing influence and control that corporations exert throughout society, which has meant that public health and medical research is increasingly less likely to be performed in public funded organisations like university hospitals, but rather by private business and/or if being conducted at a university hospital, the funding is increasingly being derived from corporate funding, and therefore the corporation will have significant influence on the research process. The medical researchers and clinicians who are conducting 'corporate research' may be construed to be operating within conflicting value systems.

It may be rational to forward the view that when we talk about the directors and managers whose actions are driven by corporate principles and strategies that these business prerogatives are likely to be at odds with the ethical principles directing persons conducting medical research. How is it possible for apparently different professional groups with differing moral mandates to work together?

## Moral Reasoning

A partial resolution to the inherent moral tensions described thus far, may be achieved by way of Richardson's paper Moral Reasoning (2003) where he considers the issue of '*How can we reason morally, with one another*' in which he makes the point that debate regarding moral reasoning is often conducted as if it were a solitary endeavour when it is not. Thus in this instance we have debates around issues that consider profits, corporate social responsibility and conflicts of financial interest within a company, while on the other hand we have what might be seen an alternative didactic discourse shaped by ethical and moral principles which guide and legislate medical research, prioritising issues such as the duty of care to patients and participants, autonomy, beneficence, non-maleficence and social justice. Richardson (2003) forwards the notion that by thinking of moral reasoning as a collective concern the obstacles that arise from disagreement and the possibility that differentiated social structures are of intrinsic importance to moral reasoning. It may be reasonable to postulate that Richardson's appeal for joint moral reasoning provides potentially discordant role players, such as corporate managers and medical researchers a dialectic mechanism by which moral frictions can be assuaged.

The following section attempts to apply Richardson's (2003) understanding of joint moral reasoning to explore and better understand the relationship between notions of corporate morality and medical research ethics. To this end, a number of the significant theoretical perspectives regarding the corporation and what it 'ought' to be will be discussed, and these views will be considered in relation to the issue of research ethics. Richardson's views regarding

the reconciliation of divergent moral principles which are broadly based on his pragmatist notion of practical intelligence informs us that we must remain open to revising our conception of what is good and what is right.

### What a Corporation Ought to be?

It is perhaps somewhat disingenuous to automatically assume that the purpose of a corporation is simply to make a profit. There are alternative explanations as to the role of business entities and their moral obligations and these views also need due consideration if we are to advance an improved understanding of the corporation, as Beauchamp and Bowie (1993) emphasise ‘considerable disagreement exists concerning the fundamental purpose or goal of capitalist business organisations’.

Thus the view that the purpose of a corporation is simply to make profits for stockholders is not factual, but a normative statement. In other words, according to Beauchamp and Bowie (1993) there are differing views as to ‘what a corporation *ought* to be’, and what other obligations it has beyond simply making profits, importantly these views include elevating the status and substance of arguments concerning the moral obligations of corporations.

### The Corporation and its Moral Obligations

The debate in recent times about the moral obligations of corporations has been to a large extent shaped by the arguments forwarded by Milton Friedman in his paper *The social responsibility of business is to increase profits* (1970). The title of Friedman’s paper, boldly and definitively informs the reader as to the purpose of a corporation, which is to increase profits. His resolution for this statement is firstly based on the argument that because the stock holders are the owners of the corporation, it follows that profits made by the corporation belong to them. Secondly because the managers and/or directors are agents of the stock holders they have a moral obligation to manage the firm in the interest of the stockholders that is to maximise the shareholder wealth (Beauchamp and Bowie, 1993). Friedman believes that talk about corporate social and/or *moral* responsibility by business executives is short-sighted and dangerous, unless it is done exclusively in the interests of the corporation (Rossouw, 2007).

Friedman (1970) reiterates his scepticism of social responsibility, describing it as a “cloak for actions that are justified on other grounds rather than a reason for those actions.” Friedman believes that corporate executives who act in such a way, where they endorse and implement social responsibility as a business function are simply engaging in “hypocritical window dressing”. Friedman concludes that there is one and only one social responsibility of business - to use its resources and engage in activities

designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.

Friedman (1970) asserts that executives who choose social and environmental goals over profits - who try to act morally - are in fact, immoral. Thus, the only time that corporate social responsibility may be construed to be acceptable is when it serves the purpose of increasing profits.

Another point that should be mentioned at this point is that the ‘existential imperative’ that drives a corporation toward one clear goal, profit; is cemented into the institutional and societal mindset by the legal precedent set by *Dodge v. Ford* in 1919, where the legal principle was established that managers and directors have a legal duty to put shareholders interests above all others and no legal authority to serve any other interest – what has become known as the “best interest of the corporation” principle.

### Health Care Corporations and their Moral Obligations in terms of the Bioethical Principles Guiding Research

The present paper seeks to scrutinise the relationship between the traditional Friedmanite view of the corporation, notably health care corporations and the fundamental elements of bioethics and research ethics, and furthermore considers alternative theoretical perspectives regarding what a corporation ought to be, especially in terms of its moral responsibilities.

It is interesting that most corporations operate and generally flourish in free market economies, where democracy and freedom of choice are fundamental principles. However, due the unique quasi-legal determination of the corporation and its status as an artificial person and the binding obligation placed upon management to make profits for the shareholders, one must query whether those individuals who work for the company, and those persons affected by it, are able to be autonomous and exercise choices based on their moral convictions.

If individuals who are employed by the company choose social and environmental goals over profits, and these same people try to act in a manner based on their moral convictions, they are according to Friedman, being immoral. On the other hand, if a company utilises research as a key commercial function that feeds into its profit making ambitions, such as pharmaceutical corporations like Pfizer who emphasise the importance of medical research, and indicate on their website that they historically have invested more than \$7 billion annually in research and development ([www.pfizer.com](http://www.pfizer.com)). Then, according to Friedman’s view of corporate purpose this is quite acceptable, and economically essential. Friedman points out that in a free-enterprise, private property system, a corporate executive is an employee of the owners of the business. He/she has a direct

responsibility to his/her employers. That responsibility is to conduct the business in accordance with their desires, which will generally be to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom. Following Friedman's line of reasoning, it therefore becomes incumbent on corporations engaged in research, and especially large pharmaceutical companies whose success depends on the development of new drugs, to do so in a manner that not only seeks to maximize profits, but also conforms to ethical research principles and adheres to the 'basic rules of society' (Friedman, 1970). However, it is recognized that an inherent tension is likely to exist between the profit making imperative of the corporation and bioethical issues such as autonomy, beneficence, non-maleficence and justice, and this may require an ethical debate and judgment.

### **Some Alternative Views Regarding the Moral Responsibilities of Corporations**

One of the notable critiques of Friedman came from Simon, Powers and Gunnermann (1972) who were concerned about the moral minimal requirements of a social organisation. They recognised that "you cannot legislate morality," but one can devise laws which minimise the injury that one citizen might suffer at the hands of another. Following this line of reasoning, they forward the concept of the "moral minimum," implying that however one may choose to limit the concept of social responsibility; one cannot exclude this negative injunction.

These authors acknowledge that reasons may exist why certain persons or institutions cannot or should not be required to pursue moral or social good in all situations, there are many fewer reasons why one should be excused from the injunction against injuring others. One could therefore suggest that corporations involved in research should be bound strongly by the principle of non-maleficence.

Even so, Beauchamp and Bowie (1993) noted that the obligation to always avoid harm is too strong, because the production and distribution of products and services by firms will involve risks and tradeoffs between benefit and harms. This is underpinned by one of the fundamental principles of ethics that "ought implies can," whereby one can only be held accountable for events that are within ones powers. Thus if a person inadvertently overdoses on a drug because they are illiterate and cannot read the prescription, is it the companies fault? Beauchamp and Bowie (1993) would almost certainly make the point that while such consequences are regrettable, and to some degree avoidable this does not suggest that pharmaceutical companies should stop making drugs. However, if for example the data generated from the drug efficacy trials was interpreted according to a less rigorous statistical procedure, and they used

the less scrupulous method to justify selling a potentially harmful drug to a large market, and people suffered and perhaps died, then the corporation should be held accountable.

Another consideration pertains to the fact that many people believe that corporations have responsibilities beyond only mitigating or preventing harm. There is a view that they should exercise affirmative obligations to do good and use their power to benefit society. This may be construed to embody the principle of beneficence and justice.

Thomas Mulligan (1992) offers a refreshing argument in his paper *The Moral Mission of Business* which contends that corporations have affirmative obligations to society, and that this extends beyond simply providing products and services that consumers want.

Mulligan (1992) believes that corporations have the power to shape new strategies that provide products and services that society really needs. However, the extent to which pharmaceutical companies are conducting research on developing new products that will assist with the disease burden in poor countries is highly debatable. To put this into perspective consider that only 16 of the 1393 new drugs that were marketed between 1975 and 1999 were registered for diseases that predominantly affect people in developing countries, and three of these were for tuberculosis, which is not restricted to developing countries (Troullier et al., 2002). Why is this? A cynical refrain may be supported by the fact that if one looks at the regional share in global trade according to the World Bank, then sub Saharan Africa (excluding South Africa) represents only 0.1%, while the inclusion of South Africa improves this share in global trade to 0.64% (Fofack, 2009).

It is noteworthy that one of the contentious elements deliberated upon in the case *Dodge v Ford* 1919 concerned itself with economic justice. The Dodge brothers who took Ford to court believed he was wrong to exercise what may be construed to be distributive economic justice and the presiding judge agreed with them. This set the legal precedent that managers and directors have a legal duty to put shareholders interests above all others and no legal authority to serve any other interests. This legal precedent has profound implications for corporations, as well as those persons who are working for them in terms of whether they can exercise economic justice. In essence they cannot because they would break they law, unless of course the shareholders direct the corporation to integrate such objectives into the company strategy.

Mulligan (1992) was aware of the questions raised about affirmative obligations to do good, and maintained that the obligations of corporations to do good cannot be explained without limit. This viewpoint may partially exonerate business from acting in a manner that diverts resources from its

bottom line earnings. Mulligan makes the point that if society asks too much of business it may get nothing.

### **What a Corporation “ought to be” and Issues Concerning its Moral Obligations**

One of the concerns that have been raised about Friedman’s view of the corporation is an acceptance regarding the way by which a corporation may use a person as a means to an end; that is a means to make a profit. Evan and Freeman (1993) make a number of challenges to what they believe is the presumptive nature of the corporation as described by Friedman. Evan and Freeman take exception to the belief that because stockholders own shares in the firm, they have certain rights and privileges, which must be granted to them by management, as well as by others, these take the form of sanctions “the law of corporations” and other protective mechanisms in the form social custom, accepted management practice, myth and ritual that are thought to reinforce the primacy of the stockholder.

Evan and Freeman (1993) challenge the present nature and purpose of the corporation and suggest an alternative theory, “*a stakeholder theory of the modern corporation*”. They believe a revitalised concept of managerial capitalism that includes replacing the notion that managers merely have a duty to stockholders, ought to be replaced with the concept that managers bear a fiduciary relationship to its stakeholders, that is practically all people involved in the company, its employees, its customers, even the communities in which they operate. In terms of research this would allow other social and moral principles to have equal if not greater significance than the overriding assumption that all issues are subordinate to the purpose of making a profit, unless of course they contravene the law.

Goodpaster (1993) questions the concept of managerial capitalism forwarded by Evan and Freeman, and believed that treating all stakeholders similarly would create intolerable demands within the company, which would be contradictory and irreconcilable. Goodpaster contends that the fiduciary obligation by managers towards shareholders does not have to result in a situation where the interests of all other stakeholders are sacrificed for the profit making imperative of the shareholder; and managers have a special fiduciary relationship with their shareholders (owners), but they also have moral responsibilities towards the other stakeholders of the corporation. According to Roussouw (2008), within this framework of fiduciary obligations to shareholders, managers should find ways to respect their moral obligations to all other stakeholders. Thus, in Goodpaster’s view, corporations can accord due consideration to their moral obligations to all stakeholders without sacrificing the private economic mission of corporations. Such an interpretation of corporate operations would certainly lend itself to

moral and ethical compliance in research. However, it is worrying that the enactment and implementation of such moral and ethical considerations have the potential to be construed as illegal.

Stone (1975) is dismissive of Friedman’s confidence in the ability of government processes and its agencies to control the behaviour of corporations. He contends that if the agencies – or the other public control mechanisms – were effective, then it would appear to brush aside the calls for corporate social responsibility by relying on the law to keep corporations in line. The weakness of the regulatory agencies is a further argument that trust in our traditional legal machinery as a means of keeping corporations in bounds is misplaced – and therefore something more is needed. Stone (1975) is not at all convinced by the so-called promissory agreement that management has a promise to its shareholders to maximise profits. He believes that it is sometimes morally justified to break promises (even to break the law) in the furtherance of other social interests of what he describes as of ‘higher concern’.

Friedman (1970) is not ignorant nor completely dismissive of sentiments and actions driven by social and moral convictions. He recognises that in some cases the owners of a company may have a different objective to simply maximising profit. Friedman indicates that a group of people might establish a corporation for what he describes as an eleemosynary purpose – for example, a hospital or a school. The manager of such a corporation will not have money profit as his/her objective but the rendering of certain services. Such organisations are quite acceptable to Friedman, as are their moral obligations.

### **Pragmatist Notion of Practical Intelligence: The Corporation and Bioethics**

Richardson (2003) makes the assertion in his treatise on ‘moral reasoning’ that the pragmatist notion of practical intelligence emphasises that we must remain open to revising our conception of what is good and what is right, and because ‘morality’ is such a complex subject that our collective learning about it requires that we divide our epistemological labour. This may entail entrusting different social institutions and practices with different values (Walzer, 1983), much as we entrust lawyers with certain aspects of justice and medical doctors with certain aspects of health. However, as Richardson points out another approach is to differentially encourage or authorise those in different roles to rethink their understanding of various aspects of what is morally incumbent on them. Bearing this in mind, it may be sobering to consider an perceptive observation made by Krieger and Birn (1998) who state that “we should resist the hubristic belief, that as health professionals, we have all the answers or can by ourselves improve the public’s health without efforts to ensure social and

economic justice.” This statement perhaps crystallises Richardson’s concern at two levels, firstly that moral reasoning is often conducted as if it were a solitary endeavour, in this case by health professionals where it concerns matters of medicine; secondly Richardson (2003) clearly supports the notion that if we are to move forward on the issue of moral reasoning, and in this instance we refer to the issue of corporations and bioethics, then there is a clear need to involve persons whose roles are embedded in the medical, economic and social domain. This is to provide a condition by which the pragmatist notion of practical intelligence can be employed, and by inference of their moral reasoning and actions ensure the impetus and capacity to revise our conception of what is good and what is right.

It is quite apparent that a potential and irrevocable discord exists between the legally determined mandate of corporations to make profits and the ethical principles that hitherto have guided bioethical and public health research. If one accepts Friedman’s view of the corporation, in which its existence has been fundamentally and legally entrenched into the western societal economic and legislative systems, then it is timeous to return to Richardson’s contention that an appeal to holism and overlapping consensus makes a scientific case that joint moral reasoning is possible even in the face of deep moral disagreement.

### **Economic Justice, the Corporation and Research Ethics**

Perhaps one of the most persuasive issues that influences the way in which social and economic systems are developed, and thereafter function, relates to the notion of economic justice. Mappes and Zembarty (1992) consider that two moral ideals, liberty and equality, are of key importance in conceptions of justice in general, and economic justice in particular. These authors forward the view that economic justice is generally interpreted and applied in one of three ways. Firstly there is a libertarian or individualistic conception of justice that embraces liberty to be the ultimate moral ideal; secondly, there is the socialist conception of justice that takes social equity to be the ultimate ideal; and thirdly there is a liberal conception of justice that endeavours to combine both equality and liberty into one ultimate moral. Thus, in terms of the theoretical perspectives associated with the corporation we may argue that Friedman’s view aligns itself most amenable with the libertarian or individualistic conception of justice. While those theorists who are critical of Friedman, and who propose alternative visions of what a corporation ‘ought’ to be, err more strongly towards a socialist conception of justice that takes social equity to be the ultimate ideal. Of particular interest for our consideration and analysis of the corporation is the liberal conception of justice

that appears to best embody Richardson’s suggestion regarding moral reasoning in a discordant moral environment, namely an appeal to holism and overlapping consensus.

Benatar (1998) candidly renders a searching overview on global disparities in terms of health and human rights. He indicates that in the Western world the application of a somewhat libertarian version of liberal political philosophy, with overemphasis on economic thinking (and under emphasis on social and economic rights), has been associated with erosion of spirituality, loss of a sense of community, and a division of the world (and many countries) into a small, rich core and a large poor periphery.

Yet while the economic and social reality for much of the world is starkly reflected by Benatar’s commentary, Pogge (2001) makes the somewhat ironic observation that most people are against oppression, hunger and extreme poverty. Moreover, it is Singer (2002) who takes the discussion into a conceptual notion of justice that offers a contemporary understanding that perhaps allows for pragmatic action and solutions to these disparities. Singer believes that while it would be good for the richer countries to care about the worlds poor out of compassion, it will be more strategic, politically, to argue for reducing global disparities based on self interest. This would imply that corporations are ill advised to follow a narrow and selfish profit making prerogative that culminates in the exploitation of communities and resources, because the long term repercussions in the form of social instability, industrial action and even terrorism will invariably and negatively affect the bottom line. Therefore, consideration for corporate responsibility and an evolved ethical and moral behaviour in business is likely to enhance the reputation of the company, while at the same time enhancing its profit making potential. This would complement Friedman’s assertions in this regard. Furthermore, if the company is focussed on research initiatives, especially in the medical field, as is evident in the pharmaceutical industry; then engaging with and complying with high ethical standards in research are both desirable and necessary for the long term success of the corporation, especially in terms of the bottom line.

### **The Future and Some Concluding Comments**

A straightforward deliberation of corporations, especially health care corporations and their moral obligations compared to those that underpin the principles of biomedical ethics and research in the public health provision domain, would usually reveal two highly polarised and incompatible sets of theoretical, ethical and moral values. Furthermore, an uncritical understanding of the world in which we live, would unfortunately and often invariably result in conditions that would sustain what Kass (2004) saw

as a continuance of international research ethical dilemmas that stem from global injustices. Fortunately, as Benatar (1998) states “our consciences can be reawakened through critical thinking and social activism.” And this change may be achieved in a way that hinges to a large extent on Richardson’s (2003) belief that a pragmatist notion of practical intelligence allows us to revise our conception of what is good and what is right.

It is important to reiterate that while the legal nature of the corporation has not changed, by contrast however, the type of people who own companies (the shareholders) has changed, and perhaps more importantly the ethical and moral values that guide these people in the modern era are more likely to be influenced and guided by the Universal Declaration of Human Rights whose arch divining principle is the recognition that “all human beings are born free and equal in dignity and rights” (OHCHR, 2010). This would be a significant shift from the principles of the classical libertarian philosophical outlook that one typically associated with many of the wealthy individuals who historically were the predominant owners of corporations. It might be reasonable to forward here, that in an age when ownership, responsibility and issues of accountability are being framed in a mindset that is considerate of human rights, and furthermore where information access and exchange are ensuring better transparency and understanding; that a liberal conception of justice that endeavours to combine both equality and liberty into one ultimate moral is becoming a more prevalent point of departure. This change appears to be having a profound effect on nature and function of corporations.

Davis, Lukomnik and Pitt-Watson (2006), indicate that as recently as 1970, a handful of wealthy individuals controlled corporations. Today by contrast these authors indicate that a major transfer in ownership has occurred whereby funds (institutional investors) own more than half of the stocks in the American stock market. This shift has been manifest in the United Kingdom as well where private wealthy individuals (who proportionately and demographically represent less than 1% of the population) owned 54% of UK stock in 1963. They now control less than 15%, while institutions representing broad based shareholder interests hold more than 70%. Minow and Monks (1996) assert that the power to sway whole nations’ economic fortunes - once exclusively the province of the state or of merchants and princes such as the Rothschild’s or the Medici’s - is now held by those institutional investors representing policemen, autoworkers, and computer programmers saving for retirement. In fact, according to Davis et al. (2006) this trend is being reflected throughout the world, most notably in Australia, France, Germany, Japan, Netherlands, and Sweden where the capital of institutional investors is beginning to dwarf that of the individual rich.

The resolve by shareholders to invest with morally principled companies is becoming more commonplace. McKinsey & Company (2002) in their global survey on corporate governance found that fund managers holding shares in U.S. companies said they would be willing to pay 14% more for well governed companies than for poorly governed ones. This trend was also mirrored in other countries where investors in the United Kingdom would pay 12% more; in Italy 16%; in Japan 21% and in Brazil 24% more. It may be reasonable to contend that since the advent of the recent financial crisis (2009-2010) that fund managers will be more inclined to invest in well governed corporate entities, characterised by transparency, accountability along with a strong commitment to social and environmental responsibilities. One might ask why this is, but again if we revert to Friedman’s analysis of the corporation it is quite clear. Companies that are transparent in their executive decision making and more accountable create an organisation that is more likely to gain further investor confidence. Also, if the broader social benefits are accompanied by profit, then this makes good business sense. In fact some studies (Bughin and Copeland, 1997) have shown that corporations aligned with shareowners create more jobs over time than those managed for the special interests of managers. This in effect supports the contention forwarded by Adam Smith (1759), the “invisible hand” principle, a notion of broad based beneficence based on improving employment and alleviating economic deprivation.

Davis et al. (2006) refer to the new shareholders and/or those fund managers representing their interests as the “New Capitalists” and these authors believe that the rise in citizen investors is mandating a new focus on accountability so that the market forces can carve what they describe as responsible paths. A significant feature of this process has been what they see as the constitutionalising of the marketplace, which means that while in the political sphere, civil society is served by democratic institutions where there is a separation of powers and protection of civil liberties (human rights), a similar transformation is occurring in the business. Perhaps Basel II is a poignant example of this pragmatic process. Thus there is a view that an equivalent structure is emerging in the economic sphere, a framework that could promote growth in employment and equitable prosperity. However, it should be stated that while there is a social and environmental need for corporations operating and being managed in more accountable ways, underpinned by their moral obligations, these firms continue to be in the minority.

The question needs to be asked, if corporations, notably health care corporations are changing, what are the implications for bioethics and research? It would appear that increasingly corporations are subject to the influence of society, and specifically the shareholders. As was noted earlier, there has been a

significant change in the nature the ownership of companies and this has been associated by a greater emphasis on accountability and the moral obligations of companies. It is argued that the continuing involvement of the corporation from a predominantly libertarian / individualistic defined purpose, which was largely controlled by a small, but rich board of ownership towards a more liberal philosophically premised organisation with broad shareholder ownership, provides a more appropriate space in which issues regarding research ethics and its moral foundations can be better aligned with corporate obligations. This would imply that companies (with shareholders who endorse moral and ethical principles based on human rights), whose operations span (for e.g.) medicine, pharmaceutical products and health service provision generally, 'ought' if they wish to be economically successful, also be morally and ethically accountable for their decisions and actions. This has been accompanied with a shift towards greater inclusivity in terms of consultation of role players relating to the organisation, along with an increasing recognition of moral issues within the guiding frameworks of many large corporations. An example of which is illustrated in the corporate responsibility report of the pharmaceutical giant Pfizer who state that "it is clear that today's regulatory and economic challenges need to be addressed in ways that preserve our ability to innovate for the benefit of millions of patients who depend upon us for healthier lives. This will require a working partnership involving the industry, government regulators, academia, physicians, pharmacists, patient advocate groups and drug benefit payers." (www.Pfizer.com/responsibility). Thus directors and managers are increasingly inclined, if not bound, to effect morally reasoned decisions that take into account the need to make profit, but that also adhere to fundamental bioethical and moral principles based on the Declaration of Human Rights, underpinned by a process of collective moral reasoning with the key stakeholders. Therefore the ability of corporations to merge profit making objectives with moral obligations, and bioethics is an example of Richardson's view of how 'we' (the owners, directors, employees, government, academia, advocate groups and the community) can reason morally with one another, and form mutually beneficial partnerships on the basis of a pragmatist notion of practical intelligence.

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