Post-credit crisis: what new concepts are needed? Which old notions or practices should be abandoned?

Daryl Koehn

Published online: 31 May 2011
© Springer Science+Business Media B.V. 2011

Abstract The recent financial meltdown in the US mortgage markets and the ongoing budgetary crises in Europe suggest that we are at an economic and ethical crossroads. What has caused the problems? Do we need to rethink in some fundamental way our ethical notions and some of our practices? These questions clearly are not separable, for, as I shall argue, some of our ideas about corporate responsibilities, technological innovations, and nation states' ability to regulate corporations have been a cause of the recent problems. Key ethical notions need to be rethought.

Keywords Post-credit crisis · Finance · Credit

The recent financial meltdown in the US mortgage markets and the ongoing budgetary crises in Europe suggest that we are at an economic and ethical crossroads. What has caused the problems? Do we need to rethink in some fundamental way our ethical notions and some of our practices? These questions clearly are not separable, for, as I shall argue, some of our ideas about corporate responsibilities, technological innovations, and nation states' ability to regulate corporations have been a cause of the recent problems.

Stress corporate professional responsibility

It has become abundantly clear that the idea of corporate social responsibility does not and cannot function as a guiding ethical principle. In the first place, corporate executives may steal from shareholders but salve their consciences by giving to the local ballet or making some other investment in the local community. Corporate

---

D. Koehn (✉)
Opus College of Business, University of St. Thomas, 1000 LaSalle Avenue, Minneapolis,
MN 55403, USA
e-mail: koehnd1@yahoo.com

social responsibility (CSR) should be identical with acting justly in the fulfillment of one's corporate duties to all relevant stakeholders (Etzioni 1998), but, in practice, CSR serves as a kind of greenwashing mantra cynically chanted by almost every large company in the world. Indeed, firms that claim to be CSR are far more likely to restate suspect earnings than firms that are not reputed to be highly ethical or devoted to social causes (Koehn and Ueng 2005). Restating firms are also far more likely to make large cash and non-cash donations to stakeholders in order to buy goodwill (Koehn and Ueng 2010). So CSR appears in some respects to be significantly inversely related to ethical behavior by companies.

Second, CSR tends to focus on community relations. This focus is understandable, given that the earlier exclusive focus by corporations on shareholders unjustly neglected the larger community that has invested in the firms that it charts. This investment entitles the community to some fair return in the form of local hiring, community reinvestment, etc. However, this focus has meant that shareholders have often been forgotten. Such neglect is itself unjust for, as John Boatright has persuasively argued, shareholders are the most vulnerable of all parties (Boatright 1994). Bondholders have greater legal rights and recourse than equity holders, employees may have unions representing their interests, and consumer welfare is protected by a number of federal and state agencies. The lowly shareholder gets short shrift and is often left with little or nothing when firms go bankrupt as occurred during the mortgage debacle.

I am not, however, advocating a return to a Friedmanian notion that the only social responsibility of business is to maximize profits (Friedman 1970). It matters crucially how profits are made. A publicly owned firm that made oodles of money by trading illegal weapons would not become ethical simply because the firm delivered large profits to its shareholders. Adding that the money must be made legally (Friedman 1970) is unlikely to alter any executive's behavior. Once executives begin to think that everything possible should be done to maximize profits, teleopathy is likely to set in (Goodpaster 2006). Overly focused on an overriding goal or "telos" of profit maximization, executives become desensitized to other possible legal or ethical obligations they may have.

I do think, however, that it would be useful to stop talking about CSR and to start referring simply to "corporate responsibility," a notion that includes duties to all stakeholders and can even be expanded to include the responsibility of managers and employees to actualize their distinctive capabilities or their "virtues." Indeed, we might go so far as to invoke the notion of "corporate professional responsibility." Managers like to see themselves as professionals, in part because professionals are relatively richly compensated and are generally held in high regard in societies with a tradition of professionalism. However, with such rewards come major and significant responsibilities. Foremost among these is the professional's duty of trust owed to the vulnerable parties whose interests he or she is obligated to promote above all other interests (Koehn 1994).

In this regard, we should recall that all of the learned professions are grounded in a covenant or profession to serve some specific, genuine good. The doctor professes to serve the patient's health, the lawyer the client's legitimate desire for justice, and the minister the salvation of congregants (May 2001; Kass 1985; Koehn 1994). In and through this service to others, the professional simultaneously fosters his or her

own health or salvation. All professional activity, strictly speaking, is *pro bono* or, literally, in service “toward the good.” If managers are professionals, then they, too, must further some specific, genuine good. What is this good?

Businesses are frequently described as offering goods and services. Implicit in this claim is the notion that businesses are not manufacturing or hawking just any old product or service because it makes the firm money. The community expects the products to be genuinely of value to consumers. Products such as cars, aspirin, laptop computers, and interest-free mortgages should truly enrich people’s lives. Accounting services should create real value by helping investors decide which firms are most professional in the deep sense of this word. Consultants should assist managers in deciding which strategies and products are most “*pro bono*.”

The real professional does not operate on a fee for service basis. Professional doctors, lawyers, or engineers often must say “no” to would-be clients when these clients ask for some service that is not consonant with the essence of the professional’s stated goal. Thus, the doctor does not sew someone’s nostrils shut merely because the person wants this procedure and is willing to pay. Interfering with breathing is not good for the health understood as the well-functioning of an organic whole (health is related to “wholeness”). The professional defense attorney does not destroy evidence that the client finds inconvenient. The lawyer uses available truth to develop and present the best possible case for the client but does not interfere with the ability of the other side to do the same. Evidence must be produced in accordance with the rules of evidence. Managers, too, must sometimes say “no.” Professionals are not hired guns of their patients, clients, congregants, or even of their consumers.

Technique is necessary in order to act professionally. Master of business administration (MBA) students and business people need to know how to produce truthful financial statements and how to read annual reports and balance sheets that might not be that accurate. It is useful for financial executives to understand derivatives and to know when such instruments may be usefully deployed. I am concerned, however, that all of our past talk about profit maximization has reduced technique to manipulation. As Karl Llewellyn once stated, “Technique without values is wickedness” (quoted in McKay 1983). We need to put the idea of value or, more precisely, the notion of service “*pro bono*” back at the heart of professional business activity. If our managers do not have some sense of professionalism, they will get caught up in the excitement and drama of the hunt for profit and will not stop to reflect on whether the products they are promoting should be offered in the first place.

On the other hand, I think that many business ethicists underestimate the importance and value of technique in the professions, including in management. Just as we would prefer a skilled surgeon to an inept, empathetic doctor with an active moral imagination, so, too, we want our managers to know how to formulate and execute strategies, to roll out products, to manage supply chains. The law professor Charles Black “once recalled a remark by a late professor of music...to the effect that the aim of all training in singing is that the student at last learn to sing naturally.” Black continued, “I profoundly believe that the final result of training in law is that one may come close to thinking naturally about problems of justice. It is visibly true of law that a really high technical proficiency liberates instead of binds

and this is one of the surest diagnostic signs of art.” (Black quoted in Mooney 1986, 61). MBA programs, thus, need to focus on technique but *technique in the service of that which is genuinely good*.

To reiterate, by “genuinely good,” I do not mean some vague notion of promoting social welfare. I mean rather that managers should learn to evaluate which goods and services they should provide and how they should do so in light of their professional commitment. Goods and services should be just what their names suggest—genuinely good and truly of service to the community that charters the corporations. Using this standard, we can say that overly complicated mortgage products should not be pitched to unsophisticated home buyers who do not understand how these products function and who do not comprehend the risks they may be assuming if they sign on to such a product. Credit cards should not be given to young people who do not understand how to manage credit or to the mentally disabled who may not even grasp the concept of credit. A professional manager should not cut corners to save on costs if doing so endangers human and animal lives, threatens water quality, and risks massive environmental damage.

These points may seem obvious. Yet ethicists have drifted away from the relatively clear notion of professional responsibility, choosing instead to talk about CSR and “corporate citizenship.” Businesses have been only too happy to jump on this bandwagon because (1) they get to define what counts as CSR or citizenship and (2) they can perform all kinds of questionable acts while patting themselves on the back for their CSR initiatives. The time has come to adopt a clearer conceptual standard—professional responsibility—that we can use to hold business managers and companies accountable.

Emphasize fiduciary duties and the need for strict controls on conflicts of interest

A large part of the recent financial crisis in the US can be traced back to conflicts of interest. A conflict of interest exists, roughly speaking, whenever any agent of one party has an interest that calls into question his or her ability and willingness to act in the best interests of that party whom he or she is supposed to be representing or assisting. In short, a conflict of interest calls into question the conflicted agent’s trustworthiness in the eyes of the trustor. The financial rating agencies have long had a conflict of interest insofar as they rated the financial instruments being marketed by the very people who paid them their fees. The dot.com crisis of the early 1990s revealed that financial analysts had a conflict of interest because they were under constant pressure to give “buy” ratings to instruments that their firms were trying to sell to investors. The US politicians who were supposed to be regulating the financial industry in a way that protected the public interest have accepted so much money from this industry that their trustworthiness has become questionable in the eyes of the public.

The list of conflicts of interest goes on and on. Professionals have long known how dangerous such conflicts were, and they have gone out of their way to prevent them from arising. It is not an exaggeration to say that most of professional ethics centers on fiduciary duties and the need to avoid conflicts of interest. Lawyers

cannot represent both sides of a conflict nor can they benefit from wills they themselves have drafted. Doctors cannot accept gifts from pharmaceutical companies, and until recently, they were prohibited from selling dietary supplements and other such items to their patients lest patients feel pressured to buy from the doctor in order to secure good health care. Professionals have long known what the research is now establishing: the temptation to cheat, and then to deny having cheated is enormous. According to standard economic theory, people do a cost–benefit analysis to determine whether they should cheat—What is the benefit? What is the cost if the cheater gets caught? What is the likelihood of getting caught? This view is incorrect. Experiments show that “people cheat only to the extent that they can continue to feel good about themselves and can rationalize their actions. You can call it a Personal Fudge Factor, a limit up to which human beings comfortably cheat without feeling bad about it” (Ariely 2010). By emphasizing the idea of professional responsibility, we may be able to increase the guilt or shame people feel and thus reduce cheating.

The losses associated with white collar crime connected with conflicts of interest are enormous (Ariely 2010). Although we cannot eliminate all conflicts, we need to be far more diligent about spotting them, eliminating them, and not creating them in the first place. Business ethics textbooks currently tend to be rights-focused. They should instead be centered on the fiduciary duties of managers and employees and the absolute need to prevent conflicts of interest from arising and from interfering with the discharge of those duties and the provision of genuine goods and real services.

Admit our limited ability to regulate corporations using laws

In addition to reemphasizing fiduciary duties, we need to rethink to what extent large modern corporations can successfully be regulated by the passage of laws. As Tocqueville noted about 150 years ago, every time Americans see a problem, they say, “There ought to be a law against that.” Most of our senators and representatives are lawyers, and they certainly have passed huge numbers of laws. Sarbanes Oxley, for example, was supposed to prevent another major financial crisis after the dot.com implosion. Yet here, we are a few years later reeling in the United States from what is the worst recession since the Great Depression, and we are not out of the woods yet. While I think the intentions of many lawgivers are laudable, I believe they have failed to consider several factors that cast doubt on a nation state’s ability to control the behavior of major corporations through legal regulations.

First, every law a state passes simply creates a host of new loopholes. Corporations employ a virtual army of lawyers who have absolutely no scruples about devoting hours of cunning thought to figuring out how firms can circumvent the spirit and, in some cases, even the letter of the law. Congress’ definition of a “bank” in the 1980s spawned thousands of “non-bank banks.” Despite known difficulties with the insider trading laws, Congress has refused to redefine the meaning of an “insider” lest any alteration create worst loopholes than the ones already known. Any new law prompts a host of corporate responses that effectively eviscerate the law. Although in time Congress can rewrite these laws, during the

intervening period corporations are largely free to do whatever they want. Insofar as many managers have little or no sense of fiduciary duties owed to anyone other than themselves, corporate behavior can become quite deviant indeed.

Second, lawgivers pass laws with little or no awareness of the many unintended consequences such legislation tends to produce. By an unintended consequence, I mean an unforeseen adaptation by human beings to an alteration in their natural or social environment. As I have argued elsewhere, many of these unintended consequences are in principle foreseeable, especially in cases where the laws affect people's risks, rewards, or costs (Koehn 2010). Let me give a few examples from the US and from China.

As is well-known, the financial crisis in the United States has been caused in part by the massive amounts of debt incurred by consumers of all ages. The credit card companies targeted young people, especially university students. These students received scores of credit card offers; many banks would give a credit card to any student who would accept a token gift such as a free pizza. A fair number of students had multiple cards. Under a new law that went into effect in February 2010, credit card firms can no longer market cards to anyone under 21, but has this law stopped students from getting cards? No, for a student can still get a card if an older adult is willing to co-sign as a guarantor of any debts the student fails to discharge. This law has given rise to entrepreneurial firms that match students with older individuals who will, for a fee, co-sign with the credit card applicant. In other cases, students' older siblings or friends are doing the co-signing. So look at what is happening. Students are still getting cards and incurring debt. Now, though, many students are not only responsible for their debts but also for other students' debts. Most, I fear, do not realize just how onerous co-signing obligations can be. If you are a 17-year old who racks up US \$25,000 worth of debt and if I have co-signed on your credit agreement, I am on the hook to pay all of that money plus interest charges and fees, even if you die! The law may wind up having the effect of creating a much more serious personal debt crisis than the one we have just gone through if potential co-signers are not quickly and thoroughly educated concerning their obligations. Insofar as many of these students may be the offspring of irresponsible American baby boomers who racked up huge debts that they could not pay off, it seems unlikely that these parents are going to do a good job of educating their kids regarding debt management. We have changed the rules, but we have not changed the game.

Foreign, as well as domestic, legislation has created perverse unintended consequences. In order to protect employees who work on contract from exploitation, the Chinese government revised its labor law in 2007 to require that employers hire contract workers as regular employees if they wish to continue to use the workers. In other words, contract workers may work for two, fixed contractual periods (often 5-year periods, but sometimes shorter), but they may not be hired for a third such period unless the contract worker explicitly states that he or she prefers to continue as a fixed contract worker (Grieve and Dickinson 2008). In the absence of such explicit consent, the worker must be offered an open-term employment contract. The law also stipulated that employees who had already worked for a company for 10 years or more without a contract had to be offered an open-term (i.e., quasi-permanent) contract if the firm wished to retain them. Open-ended contracts are more expensive (up to 40% more costly) than fixed-term arrangements. This revised law

created a clear incentive for employers to dump contract workers after two terms, and to start anew with a new set of contract workers. Although no formal studies have yet been done quantifying the effects of the new labor law, many academics in China believe that the layoffs prompted by the new legislation have been substantial.

Forbes has reported that layoffs appeared to increase dramatically in response to the new law: “As trickles [of layoffs] turned into tidal waves, China’s media and analysts started to find a common denominator in these mass layoffs, pinpointing the high-risk groups: certain temporary workers, whom employers now must sign on at a greater cost, and staff that have served long tenures, who will soon receive almost ironclad terms of employment, all thanks to a new national labor law, effective January 1, 2008 ... Huawei and LG Electronics, not coincidentally, targeted for job cuts staff members who were approaching the ten-year limit” (Chen 2007). CCTV (the huge China telecommunications giant) and the Shenzhen school system fired many workers who were approaching the end of their second contractual term. The central government has become so concerned by these pre-emptive layoffs that it has started intensely pressuring companies behind the scenes not to lay-off workers. In short, the law designed to protect employees has jeopardized them. Workers who would have been steadily employed on a renewable contract or no-contract basis now find themselves completely out of work.

Resist the hype about technological innovation

In addition to serving a genuine good, professional managers have a duty to speak the truth to all of their stakeholders. The truth has been in short supply. In particular, the average citizen and business school student has been served a steady diet of implausible claims about how markets actually work.

Economists have known for some time that stock prices seem to exhibit excess volatility, i.e., price movement beyond what can be explained as a rational response to dividend announcements or projected cash flows. The United States saw a huge run-up in stock prices in the 1990s, followed by the rapid and unsustainable appreciation of house prices. Business leaders, though, responded to these increases by denying that Americans were in the grips of a kind of hysteria. They assured citizens and investors that the developed world had entered into a “new era” in which higher price/earnings ratios and sky-high asset prices were entirely justified.

Such talk about a “new era” is seductive, especially when the talk occurs at a time in which new technologies have, in fact, appeared. It seems that we want to believe that the rules of the game have been changed in some fundamental way by technology and that the old fundamentals of good products, adequate cash flow, and conservative accounting no longer apply. Shiller (2000) has shown that investors consistently overreact to apparent technological innovation. Gordon (2006) and White (2006) compared the latter half of the 1920s with that of the 1990s and found that, in both periods, stock market bubbles were fueled by productivity gains coupled with technological innovations.

Readers will recall that Alan Greenspan famously resisted the notion that the US was suffering from a housing bubble brought on by low interest rates, lax documentation standards by mortgage brokers, and a host of interest-only loans.

Greenspan contended that advances in the information technology permitted lenders “to quite efficiently judge the risk posed by individual applicants and to price that risk appropriately” (Greenspan 2005). In other words, housing prices were soaring because lending had supposedly been vastly improved by technological innovation and bankers could safely lend to “more marginal applicants” (Greenspan quoted in Burry 2010).

Bubbles can be masked in the short run. When people are hypnotized by the prospect of a new era and rush into investments, firms find it easy to raise money and to finance investment projects. This investment often leads to real productivity gains, which appear to justify the stock price increase, but the hype is usually not sustainable because the consumer demand is not as great as producers predict for a variety of reasons. Consumers need cash, for example, and if productivity gains are accompanied by layoffs, then consumers may lack the funds needed to buy the “new era” products.

Subsequent events have shown that these bubbles were not the effect of lasting productivity gains but rather the result of rash speculation on a huge scale. Not all speculation is wicked. If a given society suffers from a dearth of capital, speculation may enable a country to increase investment in a helpful way. Still, in most cases, speculation increases the volatility of financial markets and harms many innocent people who suffer when asset prices come crashing down and when banks and brokers must be bailed out using public monies raised through higher taxes.

The time has come for us to return to fundamentals and to call out those who predict “new eras” in which old truths about capital no longer apply. Corporate professional responsibility requires that managers avoid slipping into this misleading hype and speak the truth to power when a bubble seems to be developing.

Be more modest in our projections and solutions

Looking back at recent crises, the economist Richard Thaler remarked,

As the oil spill in the Gulf of Mexico follows on the heels of the financial crisis, we can discern a toxic recipe for catastrophe. The ingredients include risks that are erroneously thought to be vanishingly small, complex technology that isn’t fully grasped by either top management or regulators, and tricky relationships among companies that are not sure how much they can count on their partners (Thaler 2010).¹

His point is well-taken. Just because a catastrophic outcome is unlikely, it does not mean that it is impossible. Moreover, we may not all agree on the meaning of the term “unlikely” or how to calculate the odds of an unlikely risk. British Petroleum (BP) CEO Tony Hayward called the BP blowout a one in a million event. Yet, as several commentators have noted, the Mexican rig “Ixtoc 1” blew out a mere 30 years ago. It seems unlikely, therefore, that the event is really as rare as Hayward has portrayed it.

¹ In this section, I draw liberally upon Thaler 2010.

As Thaler (2010) also observes, it is genuinely unclear how we should seek to manage risks that rock the economy or threaten the livelihood of whole populations (e.g., all fishermen along the Gulf Coast). Almost any measure we adopt is likely to have severe unintended consequences (see above section), making it difficult to know what the most ethical response is. We need to be modest not only in our claims to know risks but also in our assertions concerning management of these risks. We could tax firms in advance for any activities that might severely harm the community or require that firms set aside monies in an escrow to pay for damages they causes, but even assuming one could arrive at a risk-adjusted estimate of the cost, various parties would likely contest the estimates. How, then, would we decide among competing projections? And who would make this decision? Leaving it up to the regulators has proven less than satisfactory because of the problem of “regulatory capture.” The Department of Minerals and Mining Safety (MMS) was supposed to protect citizens from threats posed by offshore drilling, yet it is clear that the MMS regulators were overly cozy with those whom they were supposed to be regulating. A similar charge could be laid at the door of the financial regulators.

If we make companies pay after the fact (and it may take years to extract payment from firms as the cases wind their way through various courts), then we must assume that these firms have very deep pockets. That assumption is not valid for many firms involved in risky operations. Moreover, imposing high costs on firms creates an incentive for them to outsource drilling, finance activities, etc. Business may wind up getting shifted to undercapitalized, poorly managed companies. We saw precisely such a shift after the Exxon Valdez disaster when new tanker regulations led big companies to outsource shipping to smaller companies with less well-maintained, leaky vessels. Prior to the BP spill, most spilled oil came from older vessels that continually oozed smaller amounts of oil. Oil leaks may actually have increased as a result of this post-Exxon Valdez legislation (Koehn 2010). Care needs to be taken, therefore, when imposing any substantial cost on firms.

We could settle for raising the cap on damages firms must pay, but this strategy ignores any uncapped costs (e.g., removal costs in the case of a big oil spill). The cost of making things right may be so exorbitant that the offending firm is forced into bankruptcy. The even bigger problem is that the strategy of imposing costs assumes that firms have a desire to survive, and that they accordingly monitor risks carefully and adjust their behavior when the risk/reward ratio changes. Although I have no doubt that senior managers do adapt their behavior, these executives frequently respond in ways that maximize their returns and minimize their risks, while ignoring the larger threats posed to the firm and the community. Leveraging financial risk paid off handsomely for investment banking senior managers but not so well for the rest of us. Greenspan himself confessed that he was stunned to discover that, during the run-up to the mortgage meltdown, the banks showed such disregard for their corporate self-interest: “Those of us who have looked to the self-interest of lending institutions to protect shareholders’ equity, myself especially, are in a state of shocked disbelief” (quoted in Clark and Treanor 2008). It is striking in this regard that Hayward has admitted that “it is undoubtedly true ... that [BP] did not have the tools you would want in your tool kit” (quoted in Mouawad and Krauss 2010). The financial services firms seem to have been similarly lacking in “tools.”

These high-profile disasters should make us circumspect when we make bold projections or pose radical solutions to business ethics problems.

Conclusion

In my comments, I have assumed that it is possible to change modestly the context and the manner in which corporations and managers operate. I would stress that corporations *do* evolve in response to social stresses and economic convulsions, but their evolution is complex, often unpredictable, and not easily theorized. In this respect, Max Weber was remarkably prescient. In his neglected work, *The History of Commercial Partnerships in the Middle Ages*, Weber rejects Karl Marx's scientific approach and implicitly rejects Friedrich Hayek's theories as well. Weber shows that, as a matter of historical fact, commercial partnerships, general and limited, did not follow the same pattern. The "emergence of a distinct legal personality in the partnership, whereby the assets and liabilities qua individuals are distinguished from assets and liabilities qua members of the partnership, is linked ...to a social framework, not some abstract concern with rationality and profitability... Institutions such as free labor and profit-seeking enterprises, although component parts of capitalism, do not uniformly develop but emerged quite separately according to no common logic" (Tribe 2004, 128). If Weber is correct, we need to move beyond dogmatic interpretations of capitalism and market behavior and to focus instead on the complicated interplay among a wide array of factors such as conflicts of interest, unintended consequences, risk management, rhetorical hype about technology, regulation by the state, and the evisceration of the idea of corporate professional responsibility.

References

- Ariely, D. (2010). The mind's grey areas. www.rohan.sdsu.edu/~cba/facdev/ryan_L.html. Accessed 15 June 2010.
- Boatright, J. (1994). Fiduciary duties and the shareholder–management relation: or, what's so special about shareholders? *Business Ethics Quarterly*, 4(4), 393–407.
- Burry, M. J. (2010). I saw the crisis coming. Why didn't the fed? www.nytimes.com/2010/04/04/opinion/04burry.html?scp=1&sq=burry&st=cse. Accessed 14 April 2010
- Chen, S. C. (2007). "Mass layoffs? In Booming China?" *Forbes*, November 13. http://www.forbes.com/2007/11/13/china-mass-layoffs-markets-econ-cx_jc_1113markets02.html
- Clark, A., & Treanor, J. (2008). Greenspan-I was wrong about the economy. Sort of. www.guardian.co.uk/business/2008/oct/24/economics-creditrunch-federal-reserve-greenspan. Accessed 24 Oct.
- Etzioni, A. (1998). A communitarian note on stakeholder theory. *Business Ethics Quarterly*, 8(4), 679–691.
- Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine*, September 13.
- Goodpaster, K. (2006). *Conscience and corporate culture*. New York: Wiley Blackwell.
- Gordon, R. J. (2006). The 1920s and the 1990s in mutual reflection. In P. W. Rhode & G. Toniolo (Eds.), *The global economy in the 1990s* (pp. 161–192). Cambridge: Cambridge University.
- Greenspan, A. (2005). Technology and the economy. Remarks to the Federal Reserve Board, New York City, January 13. www.federalreserve.gov/boarddocs/speeches/2000/20001132.htm. Accessed 21 May 2011.
- Grieve, A., & Dickinson, S. (2008). China's new labor law. chinalawblog.com/2008/05/chinas_new_labor_contract_law_1.html. Accessed 20 May 2011.

- Kass, L. (1985). *Toward a more natural science*. New York: Free Press.
- Koehn, D. (1994). *The ground of professional ethics*. New York: Routledge.
- Koehn, D. (2010). *Living with the dragon: thinking and acting ethically in a world of unintended consequences*. New York: Routledge.
- Koehn, D., & Ueng, J. (2005). Evaluating the evaluators: should investors trust corporate governance metrics? *Journal of Management and Governance*, 9(2), 111–128.
- Koehn, D., & Ueng, J. (2010). Is philanthropy being used by corporate wrongdoers to buy good will? *Journal of Management and Governance*, 14, 1–16.
- May, W. (2001). *Beleaguered rulers: the public obligation of the professional*. Louisville, Kentucky: Westminster John Knox Press.
- McKay, R. B. (1983). "Legal education: Some compliments and some complaints," *Mercer Law Review*, 35, 789–802.
- Mooney, C. F. (1986). Law: a vocation to justice and love. In *The Professions in an Ethical Context: Vocations to Justice and Love*. Proceedings of the Villanova University Theology Institute, vol. 81, Villanova, PA: Villanova University Press, pp. 59–95.
- Mouawad, J., & Krauss, S. (2010). *Another torrent BP works to stem: its CEO*. June: New York Times. 3.
- Shiller, R. J. (2000). *Irrational exuberance*. Princeton: Princeton University.
- Thaler, R. H. (2010). Recipes for Ruin, in the gulf or on wall street. www.nytimes.com/2010/06/13/business/13view.html?scp=1&sq=thaler%20risk&st=cse. Accessed 11 June 2010.
- Tribe, K. (2004). Review of Max Weber, *The History of Commercial Partnerships in the Middle Ages*. *Max Weber Studies*, 4(1), 125–128.
- White, E. N. (2006). Bubbles and busts: The 1990s in the mirror of the 1920s. In P. W. Rhode & G. Toniolo (Eds.), *The global economy in the 1990s* (pp. 193–217). Cambridge: Cambridge University.