

# Statutory Regulation versus Self-Regulation:

## Thoughts on Creating a Climate of Good Business Ethics

*Recent scandals in the business world have resulted in calls for more statutory controls on business. **Andrew Wadsworth** looks at various initiatives in self-regulation, including a National Forum set up by the Institute of Directors. While the arguments are finely balanced, he concludes that only strong ethical behaviour by individuals will change the culture and so prevent even more governmental regulation.*

I completed an Archbishop of Canterbury's Lambeth Diploma by thesis on Business Ethics and the Mission of the Church in 1994. A major conclusion of the thesis was that there is an ongoing tension about whether to use the law to enforce good business practice and stop abuses or to encourage

voluntary codes which businesses create of their own volition to promote good business.

This issue continues to be a vital and controversial matter, as has been seen in the failure of the social media platforms to remove dangerous sites on a voluntary basis. Stopping these

sites will entail legislation. The Chancellor of the Exchequer's recent spring statement revealed a further commitment to legislate to stop late payments of bills by large companies to small businesses. Both these areas of poor business practice, which have been constantly highlighted over several years, could



**'Failure of the social media platforms to remove dangerous sites'**

Facebook CEO Mark Zuckerberg faces Congress

Photo: New York Times