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**Abstract**

**Purpose** – This paper aims to investigate the systemic causes of the failure of business ethics (BE) and suggest some possible remedies. The discipline and the movement of BE has at least three decades of history. BE has developed concepts and theories, and provided empirical evidences. However, BE as a movement and as a practice has failed to deliver the expected results.

**Design/methodology/approach** – The paper uses results from management ethics, moral psychology and corporate governance to analyze the underlying causes of corporate unethical behavior.

**Findings** – The failure of BE is deeply rooted in today's corporation-ruled business world. BE has failed to realize systemic features of modern business and therefore missed its target. The social, ethical and environmental problems caused by corporations may require a different kind of treatment based on law, politics and social institutions.

**Originality/value** – The paper uses models outside ethics to help business organizations to become more ethical in their functioning.

**Keywords** Corporate governance, Business ethics, Globalization, Corporate social responsibility

**Paper type** Viewpoint

The discipline and the movement of business ethics (BE) has at least three decades of history. BE has elaborated concepts and theories, and provided empirical evidences. It has its academic journals, departments and professors. However, BE as a movement and as a practice has failed to deliver the expected results: it would be bold to say that business nowadays is more ethical or sustainable than it was 30 years ago.

What are the reasons of this failure? We do not think that the reason is that BE is still not good enough; that the BE community should further work on its projects, refining its concepts, analytical tools and organizational solutions. We believe that the reasons of the failure lay in some deeply rooted features of today's corporation-ruled business world. BE has failed to realize systemic features of modern business and therefore missed its target. BE targeted corporations as the main actors in the globalized economy and aimed at making them responsible. This effort failed because corporations and, more generally, the mainstream business world dominated by global corporations cannot become truly ethical in any deep sense. Therefore, the social, ethical and environmental problems caused by corporations require a different kind of treatment based on law, politics and social institutions.

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**1. Why business ethics is not effective?**

"Cannibals with forks" is a good metaphor which can describe the mission of BE in the past decades (Elkington, 1997). BE aimed at teaching corporations to behave more civilized, that is, eating their "victims" in a nicer and ethical way. Most of the corporations tried to accept ethical advice to some degree but they did not become vegetarian at all.

There is a long debate about the possibility of BE in general. Peter French, Kenenth E. Goddpaster, Archie B. Carroll, Patricia H. Werhane and others discussed the problem in Anglo-Saxon context (Goodpaster, 2012). In European context, Bauman (1993) and Bevan and Corvellec (2007) argued for the impossibility of translating ethics into the organizational level. In this paper, we do not enter in this general debate (Ims and Pedersen, 2015). Our goal is to analyze the systemic causes of the failure of *BE* as it was *practiced* in the past 30 years.

There are powerful mechanisms which make the ethical efforts of corporations ineffective or even counterproductive. One mechanism is described as the *ethics management paradox* while the other can be understood by the phenomenon of *moral disengagement strategies*.

Leuven-based philosopher *Luk Bouckaert* discovered the so-called "paradox of ethics management" (Bouckaert, 2006). He warns about the danger to reduce ethics to a management tool. Instrumental use of ethics may crowd out moral feelings and commitments of managers which in turn may result in more opportunistic behavior in business.

According to Bouckaert the paradox is the following:

> By creating new regulations to temper opportunistic behavior in and among organizations, we may temper the symptoms but often reinforce the underlying roots of opportunism. We introduce economic incentives like benefits, such as premiums or tax relief for those who respect the new regulations, but by doing this, we substitute moral feelings for economic calculations. Preaching moral concepts such as trust, responsibility or democracy on the basis of calculative self-interest or as conditions of systemic functionality is not wrong but ambiguous. It opens the door for suspicion and distrust because calculations and systemic conditions can easily be manipulated. When the fox preaches, guard your geese (Bouckaert, 2006, pp. 201-202.)

Stanford psychologist *Albert Bandura* described how human agents make dirty things and at the same time disengage themselves from the unethical consequences of their conduct. The mechanisms of moral disengagement enable people and organizations to commit transgressive acts and live with themselves without experiencing distress or moral shame (Bandura *et al.*, 2000).

A detrimental corporate act can be morally justified if it is connected with valuable social or moral purpose. Reprehensible corporate activities are masked by euphemistic labeling. Injurious corporate conduct may appear tolerable if it is contrasted with more scandalous activities of other companies. Corporations and executives displace their own responsibility viewing their actions as a result of social pressures or as dictated by others. Personal responsibility for harm caused by an organization can be diffused by attributing the harm largely to the behavior of other members of the organization. Organizations disregard or distort the consequences of their actions when they avoid facing the harm caused by them or try to minimize it through misrepresentation. Corporations may dehumanize stakeholders by divesting their human qualities or attributing bestial qualities to them. By attribution of blame organizations and their leaders view themselves as faultless victims driven to injurious conduct by forcible provocation of others or by compelling circumstances.

The selective use of the mechanisms of moral disengagement is analyzed in famous BE cases such as the Ford Pinto Case, the Nestle Baby Formula Case, the Three Mile Island Accident Case and the Bhopal Disaster Case (Bandura *et al.*, 2000). In his recent book, Bandura (2015) extensively documented that moral disengagement relates to almost every major industry in the USA such as the gun, entertainment, tobacco and financial industries.

Moral disengagement is a universal psychological phenomenon. The question is whether there are external (social) and internal (organizational) mechanisms at work which may act as countervailing forces. We argue that some systemic features of today's business environment do not let those countervailing forces work at the social level and weaken them at the organizational level. Facing the pressures of the stock exchange, fierce international competition and the current corporate governance systems, there is little chance for whatever sophisticated BE proposals and programs to be effective and beneficial in today's corporate world. Without addressing the systemic causes of unethical corporate behavior, we cannot hope much progress in BE theory and practice.

## 2. Systemic causes of unethical corporate behavior

Corporate transgressions are not exceptions, but everyday phenomena of today's business – the numerous corporate scandals of the past decades and the growing literature of "corporate criticism" illustrates the point (Bakan, 2005, Klein, 1999, Korten, 1995). While these accounts are sometimes accused of presenting only occasional cases, "anecdotical evidences", academic writers have also contributed to this genre, providing thorough and critical analysis of today's business practices (Daly, 2007; Locke, 2013; Mayer, 2013; Milberg and Winkler, 2013; Sethi, 2013). In 1999, UN Secretary-General Kofi Annan called multinational companies to embrace basic norms like respecting human rights, eliminating all forms of compulsory and forced labor and abolishing child labor. This was a recognition of the deep problems that characterize the functioning of global economy. Kofi Annan argued that globalization was unsustainable and unfair. Unfortunately, we cannot believe that this has changed since. Indeed the Global Compact itself, launched by Kofi Annan, has proven to be largely ineffective facing the problems it sought to address (Sethi, 2013; Soederberg, 2007). Our world is still environmentally unsustainable, struck by mass poverty and full of corporate power abuses and illicit labor practices. "It is not an exaggeration to say that through their negligence, incompetence, greed, or fraud, corporations are a threat to our livelihood and the world we live in" (Mayer, 2013, p. 24).

This observation is even more striking considering that the Global Compact has not remained the only initiative to guide and somehow regulate business operations. The Organisation for Economic Co-operation and Development (OECD) guidelines for multinational companies and the International Labor Organization's tripartite declaration on principles concerning multinational enterprises and social policy have been renewed regularly. Management standards like the Global Reporting Initiative, the Social Accountability 8000, the ISO 14001 and ISO 26000 have been launched to measure and improve corporate social and environmental performance. Thousands of codes of conduct have been issued by individual companies, industrial associations and chambers of commerce or different stakeholders (Marx *et al.*, 2012). These codes and guidelines aim to translate the principles of BE into practical tools and at the same time exert pressure on companies by representing social expectations toward them. In the past decades, companies could not avoid facing these expectations – however, they have largely remained unaffected by them.

That is, the BE thinking, the social movements and the many institutional initiatives have equally remained unable to fundamentally change corporate practices. How is this possible? How could corporations resist to these challenges which are extremely strong in an ethical sense?

Our thesis is that some deeply rooted features of today's globalized business inhibit corporations to become environmentally sustainable and socially responsible – that is, truly ethical. Corporations are embedded into *an institutional system that systematically spreads* and *discounts responsibility*. This institutional system and its corresponding value universe make ethical behavior virtually impossible or contingent at best.

First, at the core of the problem lies in *the corporation* itself – as many have observed (Bakan, 2005; Mayer, 2013; Stout, 2012). The modern corporation as a legal entity was an institutional innovation in the early capitalist era. While it has considerable merits, such as serving as a means to collect and unite into one organization the small investments of many individuals, it has also had the uncomfortable feature of spreading and, ultimately, to salve responsibility. Limited liability means also limited moral liability:

> The situation may be contrasted with the case of unincorporated businesses, where unlimited liability also means unlimited moral liability. No distinction can be made by the business and the person(s) conducting it because the reputation of the one is the same as the reputation of the other (Róna, 2014, p. 10).

By nature, corporations and their owners have only limited responsibility.

The fact of many owners imply that individual shareholders do not necessarily have the power or simply the interest to control the corporation, influence decisions and hold accountable the management. They are interested in the dividend, that is, the return on their investment. Dispersed ownership means also a limited commitment toward the future of the company (one can sell his or her shares any time) and aggravates the dangers of a hostile takeover (Mayer, 2013). Takeovers may easily happen especially when a corporation makes long-term investment into the future and this undermines its short-term profitability. Falling or stagnating share prices make owners to get rid of their shares. Therefore, the reality of corporations cannot be but putting the shareholder value idea above anything else. Lynn Stout calls this the "shareholder value myth" (Stout, 2012) which has a profound effect on how corporations are managed, governed or simply conceived and interpreted.

Stout argues that neither compelling legal nor economic arguments support the shareholder value myth. The corporate law does not impose any duty on corporate executives to maximize profits or share price of their companies. Also, there is no strong and convincing empirical evidence that individual corporations perform better when they are managed according to the shareholder value maximization rule in comparison with those corporations that are not managed on that basis. (Stout, 2012) Still, this is the shareholder value myth that determines what we think of corporations, what is taught in business schools and finally how they are managed. The shareholder value myth together with the competitiveness myth has devastating effects on the social and environmental performance of businesses (Tencati and Zsolnai, 2010). However, considering the institutional environment of corporations, the shareholder value myth is a logical reaction to the constantly present threat of takeovers.

Second, today's extremely complex *financial system* makes ownership and accountability even more blurred and impersonal. (Epstein, 2005) True, if individual people are the shareholders, than there is a small chance for ethical action, as some examples of shareholder activism demonstrated it – very few examples though. However, nowadays not individuals, but institutional investors, investment funds and pension funds hold the large majority of corporate shares. Those funds – generally corporations also – are themselves managed according to the shareholder value myth and look for increasing profits at any cost. Moreover, they stand as mediators between individuals and companies. Their investment portfolios and complicated financial services distance investors from the companies they are putting money into. The financial crisis of 2008 revealed how derivatives and other complicated financial products are indeed able to hide reality away from the eyes of experts even. Nowadays investors choose between investment portfolios offered by their banks or agents, and are rarely knowledgeable about how their money works and what it does.

The financial system also acts as a principal evaluator of corporate performance. The core element of the shareholder value myth is the shareholder value which is constructed by the financial market and its institutions: rating agencies, consulting firms, auditors and finally the stock market itself (Stout, 2012). A complex institutional infrastructure that promises to evaluate corporate performance forces companies into an arms race for profit. Without a constant effort to increase profits and save on costs companies are threatened with losing shareholder value and finally being discredited. Certainly, one of the most effective ways to save on costs is to externalize them, make them pay by nature, society and future generations (Daly, 2007; Princen, 1997).

Third, on top of the shareholder value myth and the operation of the financial system, corporations face also the consequences of *globalization* that separates corporate decisions and stakeholders, owners and workers, consumers and the places of production. This makes the externalization of costs (a polite way to say causing social and environmental problems and damages) easier. Chief executive officers are not aware of what is happening down the long supply chain even if they really wanted to. Moreover, given the many actors and many decisions involved in the supply chain, the result of their actions should be interpreted as a collective decision-making exercise which can be irrational and suboptimal even if each actor and each decision would be rational and moral. Shareholder value myth and competitive pressures are the guiding principles of decisions throughout the supply chain. Globalization therefore contributes to a shading of business activities and the externalization of production costs (Princen, 1997).

Externalization is made easy by the growing corporate power *vis-à-vis* society, especially in developing countries. Metaphorically speaking, globalization opens up new corridors of power (Jensen and Sandsröm, 2011). While corporations feel pressure from the financial markets to increase profits and are in a fierce competition with other companies, they are in a comfortable power position when it comes to looking for investment opportunities or state assistance for it. While it has been debated in the literature whether the effect of companies on softening labor and environmental regulation, that is, the "race to the bottom" thesis could be generalized (Drezner, 2001; Vogel, 1995), there are evidences supporting it (Diamond, 2003).

Thus, the institutional setting of today's mainstream business helps to *dilute responsibility*, and therefore leads to an aggravation of the tragedy of the commons happening on a global scale. It is a system in which the pursuit of profits is the ultimate goal and where the externalization of costs upon society, future generations and nature is not an exception, but the rule. Businessmen caught by the logic of the system use moral disengagement mechanisms on a daily basis to cope with the tension between the expectation of everyday morality and the logic of the market.

Amartya Sen argues that for Adam Smith, self-interest was only one of the motives for action (Sen, 1987). Smith assumed that businessmen were decent members of the society, embedded into the universe of social norms and led by empathy and moral values. But today's business logic embodies self-interest without true accountability and feedback mechanisms. Also, decisions have both broad and long-term consequences. The logic of the Invisible Hand cannot prevail under these circumstances: it is not true anymore that the pursuit of self-interest leads to common good.

## 3. The failure of CSR

Before talking about those actions that could and probably should be taken to face the ethical challenge of today's business, we should briefly touch upon what has not been working.

BE as a social movement and as a corporate practice has been associated with the corporate social responsibility (CSR) movement, especially in Europe and Asia. In the USA, the most important ethics-related corporate practice is the ethical officer movement, but we leave aside the question concerning the similitude or differences between ethical officers and CSR. The CSR discourse has been embraced by corporate circles, social movements and even international institutions (like the EU and the OECD). The CSR discourse is certainly a rich one and we cannot review its diversity here. However, the discourse and practice of CSR builds on three fundamental and interconnected assumptions which turned out to be false. The first is that of *voluntary compliance*: companies would be willing and able to become responsible. The second assumption is about the *potential role of the market*, while the third is about *the potential role of stakeholders* in promoting ethical business practices.

The first assumption about the *voluntary compliance* of corporations is to be discarded in light of the above said. Companies have certainly made efforts to change, but these efforts have remained superficial and contingent.

The second assumption implies that being ethical is somehow profitable for companies, that is, *the market will reward them* for their responsible behavior. Indeed, researchers and business analysts have been trying to prove this hypothesis, looking for convincing data or cases of best practices and "win-win" solutions (Banerjee, 2008). Obviously, evidences are sparse and contradictory; cases are hard to generalize. Responsible and relatively successful enterprises may flourish at the local level among small firms, but the picture on the corporate world is hardly convincing. Some flagships of "responsible companies" were bought up by competitors like the Body Shop or Nokia; others fell back into the mud after some time of fame – see the example of British Petroleum (BP) and its disappointing story from announcing the "Beyond Petrol" program to the ecological disaster of the Mexican Gulf.

The third assumption implies that *stakeholders would be able to force corporations to change*. Ethical investors and ethical banks would avoid bad companies while providing funding to the responsible and sustainable ones (Soppe, 2010). Competitors, by adopting ethical standards and developing sustainable products, would challenge corporations and force them to come up with new, innovative responses (Porter and van der Linde, 1995).

Among stakeholders a special role was assigned to consumers. Ulrich Beck, the German sociologist, argued that while globalization and the free movement of capital undermined the power of trade unions, consumers are in a position to influence global business (Beck, 1994). Consumers were expected to be partly self-interested (like in case of bio-products which are supposed to be healthy) and partly ethically motivated toward corporations and use their power through conscious consumer decisions or boycotting to force companies to comply with them (Boda and Gulyás, 2006).

However, ethical market forces are too weak to become compelling for corporations: investors and competitors are not primarily motivated by ethical considerations. The same can be said about consumers. True, there have been some promising developments in the past years, like the fast development of Fair Trade or organic agriculture. But overall consumers send only weak signals to companies. What the French philosopher, Paul Ricoeur, said about the general attitude of late modern societies can be applied to consumers too: we started to hate what we love (Ricoeur, 1991). People are concerned about the environment, criticize big companies and their mass products – at the same time, they enjoy the comfort and the choices of the consumer society.

Consumer power is limited to consumer goods and highly publicized brands. As Jared Diamond observed oil companies have always tried to do more in terms of environmental protection than mining companies, simply because they are usually well-known brands, seen by people and the media (Diamond, 2005). Reversing the argument means that consumer power, if any, is limited to consumer products and popular brands (Klein, 1999).

Another stakeholder group that received special attention is the civil society. From Ulrich Beck (Beck, 1994) to (Ingelhart, 1997), researchers have predicted and demonstrated the rise of civil movements in the 1990s as a manifestation of growing disenchantment with the grand institutions of modernity, Business, Politics and Science. Thanks to the Internet, the civil society went global, linking people and NGOs all around the world in their criticism against bad corporate practices (Anheier *et al.*, 2001). The new civil movements have been characterized by a value-driven agenda making and a turn toward business (Boda *et al.*, 2009).

We would not want to undervalue the achievements of civil society movements. Indeed, they have contributed to a growing awareness about corporate misbehavior by ringing the bell and making scandal in numerous cases that have been the direct cause of creating several international treaties and codes of conducts from the Basel Convention regulating waste trade to the International Code for the Marketing of Breast-Milk Substitutes, the first international multi-stakeholder code that has been followed by hundreds of others. NGOs not only initiated those codes but made them as stringent as possible (Jenkins, 2002, p. 18). NGOs have also acted as the guardians of those treaties and codes, pressuring corporations to comply. But they have also initiated partnerships and joint projects with corporations to promote sustainable practices. That is, their activity has embraced a wide variety of means from conflict to cooperation to spur and assist corporations to become sustainable (Bendell, 2000). However, on a final account, we must conclude that the influence of civil society on corporations has remained limited.

The CSR has failed to deliver the expected results in terms of improving ethical performance of corporations. Companies have been reluctant to make genuine ethical progress; the "business case" of CSR has remained weak; and stakeholders, on a final account, have been unable to pressurize companies to become socially responsible and ecologically sustainable. The structural features of the dominant business model have made it largely resistant to the challenge of CSR. BE should recognize this failure and look for more fundamental or at least different kinds of remedies.

## 4. Discussion: some possible remedies

Social actors are not able to act as countervailing forces to corporate power and effectively enforce basic social and environmental norms. Moreover, CSR has almost entirely neglected basic problems as poverty and inequalities (Banerjee, 2008; Jenkins, 2005). These failures call for the use of more compelling regulatory means, like laws, international treaties and organizations. Social actors, like NGOs, have their own role to play, but they should also be backed by legal instruments.

Sketching a framework for a new governance system that is able to tackle to problems of corporations in the globalized world would go beyond the limits of this paper. Our aim here is just to raise some fundamental issues and mention some ideas that point to the right directions.

According to Colin Mayer, the corporation's "[…] first and foremost objective is not to its shareholders, or to its stakeholders. It is to make, develop and deliver things, and to service people, communities and nations" (Mayer, 2013, p. 4). However, this objective is impossible to achieve in the institutional environment of today's business. Therefore, Mayer argues that *trust companies* should be created. These new type of companies would be overseen by a board of trustees charged with the role and duty of harmonizing the interests of various stakeholders and ensuring that the companies lived up to their foundational values (Mayer, 2013). Business should certainly develop different kinds of organizational and legal structures when moving away from the corporation model. We need family-owned business that hold the name of their owner; we need cooperatives; local companies, social entrepreneurs and partnerships – all kinds of organizational forms that may help collaborative logic to flourish and that are alternatives to the corporation.

New organizational forms of economizing may and indeed do emerge spontaneously. However, if we believe that it is in the best interest of society, than more should be done in this respect. Management studies and BE research should devote more attention to the social embeddedness and ethical performance of different kinds of organizations. And some kind of regulatory interventions that benefit new business models over the corporation may be also needed. For instance, community-based local companies may be given specific advantages over large corporations.

Róna (2014) argues that the limited liability of corporations is at the root of their irresponsible behavior. The rule of corporate accountability and governance should be changed. The corporate scandals of the early 2000s triggered the new corporate governance rules in the USA under the Sarbanes–Oxley Act (SOX) in 2002. Although the SOX has turned to be an inaccurate means to prevent Enron-type corporate scandals (Romano, 2009), this should not imply that future regulation on corporate governance and management/shareholder accountability should be considered as futile. Indeed, the financial crisis of 2008, the irresponsible behavior of banks and other financial institutions and the important rescue packages involving public money has made that kind of regulation timelier than ever.

Independent media, watchdog organizations and NGOs potentially have important role in promoting the transparency and accountability of business practices. However, the failure of the CSR paradigm has shown that these social actors alone are not powerful enough to effectively influence companies. Legal regulation of business should be made to help them to fulfill their task, e.g. to make sustainability reporting mandatory.

Domestic law could also be used to regulate companies' behavior abroad. The Foreign Corrupt Practices Act of the USA was adopted in 1977. It is a pioneering example of the so-called extra-territorial legislation. A treaty made this regulatory means adopted in each OECD country; however, the model could be used in other areas as well. Nowadays extraterritorial legislation is only seldom used (apart from the USA where political considerations impose a number of prohibitions on corporations in terms of the country of origin of their trading partners). In the USA, NGOs used the Alien Tort Act to bring corporation to court for human right violations committed abroad. However, the Alien Tort Act seems to be an imperfect means for holding corporations accountable. It could be amended though and other legal means could also be used to make corporations accountable abroad (Choudhury 2005/2006; Kieserman, 1999). Indeed, extraterritorial legislation could sanction excessive environmental destruction, the use of child labor – not only human right abuses.

Extraterritorial legislation is more effective if it is applied by a multitude of countries – as the example of the Foreign Corrupt Practices Act and the subsequent OECD treaty illustrate the point. Indeed if the most developed countries of the OECD adopted extraterritorial legislation on a number of issues from human right, labor rights, to environmental principles, than this would certainly have an effect on the global economy. But this needs political commitment, just as the codification of any international treaty and the establishment of international organizations.

The political commitment and leadership is badly needed, as there are obvious imbalances in the international law concerning multinational corporations. First, it is striking that there is no international organization that would deal with multinational corporations. The last example of such an organization was the United Nations Centre on Transnational Corporations. It was established in 1974 and made considerable efforts in helping developing countries in their negotiations with investors. They worked out a detailed code of conduct for multinational companies, but it has never been adopted. The Centre was formally ceased to exist in 1993. Since then, there is no international organization that would at least monitor – not to mention regulate – the activity of multinational corporations. The issue has been raised several times by international NGOs, for instance, on the occasions of global sustainability summits, but the USA and the European Union have consistently opposed the idea.

Second, organizations protecting the rights and interests of key stakeholders are much weaker than organizations promoting business interests. The International Labour Organization (ILO) is not entitled to monitor companies. Its only means is to use informal pressure, a kind of "name-and-shame" practice, to convince states to sign the basic ILO treaties on human rights and labor conditions (Weisband, 2000). There is no World Environmental Organization that could represent the environmental concerns in the case of international negotiations.

Third, organizations pushing for a neoliberal globalization and representing the interests of corporations are powerful and strong, like the International Monetary Fund and the World Trade Organization (WTO). The WTO has great potential, as it is an organization with teeth; however, its regulatory emphasis has been on the "free-trade paradigm".

Santos (2002) argues that these international legislations protecting the multinational corporations have sought to enact a kind of "human rights" for corporations. However, instead of the international "rights" to which corporations are granted access under investment protection treaties, transnational investors should shoulder responsibilities. Extraterritorial legislation and other "counterclaim" mechanisms are needed that:

> […] would permit individuals who live in countries receiving foreign investment to bring claims against foreign investors for the violation of serious international rules by their agents or employees operating in the host country (Weiler, 2004).

International business and investments should be regulated to encompass social and environmental concerns. In the era of economic globalization, the goal of the international regulation of business should target protecting and promoting the basic human rights and the welfare of people, and preserving and sustaining the natural ecosystems.

## 5. Conclusion

BE should be self-critical and face its own limitations. Social and environmental problems linked to mainstream business are serious and call for urgent action. BE as it has been practiced in the past 30 years is not able to solve, let alone mitigate those problems. We argued that the failure of BE is linked to some systemic features of today's corporate-led globalization that cannot be dealt with at the organizational level. Broader institutional and social changes are needed that go beyond the conventional reach of BE. BE should join its forces with lawyers, social activists and politicians to contribute to real solutions instead of preaching surrogate ones.

We do not say that the extraordinary journey of BE has been a futile exercise. Thanks to its concepts, models and achievements, we have now a deeper understanding on the social role of business. BE has also developed normative models and organizational solutions that may be useful at some point. However, if BE cannot contribute to the much needed *transformation of business*, it may finally disappear as a discipline which did not deliver its promised benefits. BE has failed to produce the expected outcome. Now it should renew itself and reinvigorate its core project.

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