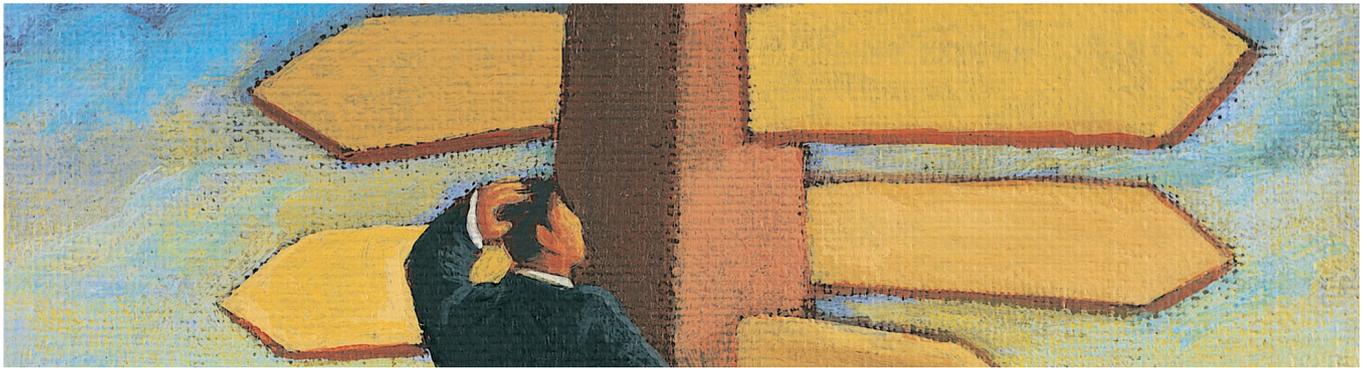




# Problems in international practice

Professional engineers working outside Canada could face tricky choices on a host of ethical issues they never encounter here at home. While there are no easy solutions, there are some things you can do when in doubt.



---

by Jim Ridler, P.Eng.

---

**B**arriers to international trade in goods and services and investment continue to fall. The free trade movement, the power of information age technology, the shift of formerly communist and dictatorial states toward democracy and capitalism are all significant factors. Free markets, the means to supply them and the investments to support them have all gone global. As a result, global trade went up 12 per cent in 2000 and Canada participates actively as the seventh-largest trader in the world.

For most parts of the world, the result has been more freedom, choice, income, economic growth, food production and a longer life expectancy. Adam Smith was right: Capitalism and freedom are winning.

But globalization has also produced concerns. One is the corresponding shift in power from elected national governments to unaccountable transnational corporations and global nongovernmental organizations and to such unelected global bodies as the World Trade Organization, the International Monetary Fund and the World Bank. Another concern is the grow-

ing wealth gap between the globalized “have” areas, predominantly in the west, and the non-globalizing “have not” regions, for example most of sub-Saharan Africa. While some parts of the world, like China and eastern Europe, are closing its gap with the “haves,” some are falling further behind. A third concern is the questionable performance of some transnational corporations and their suppliers, which have taken advantage of lower legal, environmental, corruption, labour and human rights standards in other parts of the globe.

Clearly, ethical leadership is needed from all sectors of society and the economy to address these concerns. To maintain a level playing field, there must also be development of more international guidelines and laws that are effectively enforced. There are encouraging signs on all these fronts, which will be outlined later.

There are other factors at work internationally as well. Technology has made business practices around the world effectively transparent and immediately so. Whether it is because of CNN or the Internet, there is no place to hide anymore. In addition, while underlying values, such as do not kill, steal, lie or cheat

are shared by most cultures around the world, specific practices vary between cultures (e.g. gender discrimination) and can cause difficulties for international operations. In particular, foreign cultures may well resist what they see as cultural imperialism if “head office” rules are applied internationally. Also, Canadian society’s expectations for their transnationals’ international operations are high and rising: Talisman Energy Inc. can attest to that, given the negative public reaction to its Sudanese oil exploration (Talisman’s critics charge that the oil revenues from the company’s development project go to support the ruling governments fight against southern rebels seeking independence.)

## Professional engineering roles

There are many roles professional engineers can play in this globalized world. The role might be indirect, such as designing, manufacturing and marketing products for export. It could be direct, such as working for their Canadian employer in a foreign affiliate. Lastly, the engineer could be part of an international engineering services consulting practice.

The latter area has an excellent, long history of growth, with Canadian sales in over 100 countries. This success is based on respect for Canadian engineers' competence, fairness and high standards of practice and ethics. As well as direct design and project management functions, the internationally practising engineer might have any of the following additional roles:

- ◆ technical advisor to a foreign government, especially regarding standards;
- ◆ definer of contract terms of reference and contract negotiator;
- ◆ trainer of local personnel, to transfer Canadian technology to the foreign country; and
- ◆ expert witness for contract interpretation.

Note that these roles require the client to trust in engineers' integrity and professional ethics, as well as their technical competence.

## The ethical issues

Some of the issues faced in international practice are similar to those at home. They are made more serious and/or complex by the different and often less ethically demanding foreign work environment, however.

For instance, in the host jurisdiction there might be limited or negligible legal standards in areas in which we are used to high standards. Safety, health and the environment are obvious examples. Also, the level of public education on these topics may be much less than in Canada, leaving open the opportunity to exploit this lack of awareness.

Labour issues can be particularly difficult. If you try to act ethically by paying local employees more than the low local pay rate, you can cause social chaos. If you do not discriminate in favour of the local tribe, conflict can ensue. You might find that pay rates vary by nationality and presumed education quality. Should you challenge this basis and upset the prevailing balance? Is child labour wrong in principle, or is it better than the options often

available in less developed countries? Should you operate in areas torn by civil strife, providing employment but also exposing your employees to serious risk of personal harm?

Lastly, there is the widespread, infectious, but illegal, practice of corruption, which takes many forms, including the local agent with a link to government officials. Corruption is enormously costly to the bribe payer, competitors, the economy and society. It undermines management's control, provides no guarantees or recourse, establishes the wrong precedent and sends the wrong message to everybody. Finally, it undermines trust in the person, profession and institution involved—including engineering.

## International ethics tools

In the face of the description so far, a Canadian engineer practising abroad could use some tools to help make the best ethical decisions. The International Federation of Consulting Engineers (FIDIC) provides a "template" for contract format, terms and definitions, as well as policies on practice specifics (e.g. copyright liability). It also has a code of ethics for engineers and their firms, which is generally consistent with PEO's definition of professional misconduct and Code of Ethics.

While FIDIC and the PEO codes make clear that local laws and codes must be followed, they are not clear on whether a Canadian engineer should follow Canadian ethical standards if these standards are more demanding than local codes or standards. This issue is especially critical in such areas as safety. Until there is clarity, I suggest that Canadian engineers should apply Canadian standards, since they were likely hired because they represent these standards.

In addition to engineering-specific codes, there are international ethics initiatives, which can also provide useful guidance:

- ◆ *International Code of Ethics for Canadian Business*—Organized by the Department of Foreign Affairs and International Trade, this list is voluntary and is signed by many major Canadian companies.

- ◆ *United Nations Global Compact*—The U.N. compiles this voluntary list with over 500 "blue chip" signatories, which foster responsible globalization.

- ◆ *Organization for Economic Cooperation and Development Anti-bribery Convention*—This combats bribery by legislation by making bribery of foreign government officials, or their agents, illegal. Canada passed this legislation in 2000.

- ◆ *World Bank and International Monetary Fund criteria*—Both now screen proposals made to them using ethics criteria, emphasizing avoidance of countries and companies associated with corruption.

If you are faced with no ethical option, it is time to walk away: Leave the "bleeding ethical edge" to your competition. There will be another day or place or way to practise engineering internationally *and ethically*. ◆

**Jim Ridler, P.Eng.**, is principal, James G. Ridler and Associates, in Lansdowne, Ont., and a director of the Canadian Centre for Ethics and Corporate Policy. He coordinates the professional practice course for the Professional Development Centre (Engineering) at the University of Toronto and teaches Business Ethics at Queen's University.

### Here are some suggested guidelines for international practice:

- ◆ Aim for doing no harm, realizing mutual benefits, having respect for local views, and being consistent with your values.
- ◆ Find the best local people, prove your integrity, build trust, and become part of the solution, by being a good corporate citizen and supporting the local community.
- ◆ Do not participate in corrupt practices and fire employees who do.
- ◆ Use common sense, good judgment and creative options.
- ◆ If a client is resisting an ethical solution to an issue, explain that your professional standards are as important to *you*, as the client's standards are important to *them*.