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*Bożena Klimczak**

**GREAT MORALISTS AND THE MYTH
OF AMORAL BUSINESS**

Economics and ethics, economy and morality, effective actions and honest actions, have always constituted pairs equally related to each other but at the same time divisive however impossible it is to separate them.

The origins of social sciences and ethics were joined from the times of ancient Greek philosophy until the 19th century. Aristotle combined them in the idea of practical philosophy. The paradigm of practical philosophy functioned during the period of creating modern economics. Adam Smith, professor of logic and moral philosophy, published first *The Theory of Moral Sentiments* (issued in Poland in 1989) and seventeen years later *An Inquiry into the Nature and Causes of the Wealth of Nations* (1954). Another prominent classic of economic thought, John Stuart Mill, was the author of *Principles of Political Economy* (1957), and essays on religion, freedom and utilitarianism (1959). It is therefore clear that combining the economic and moral problems has a long standing tradition and, although difficult, is possible.

Economic activity and in particular trade and finance have been evaluated since times immemorial. Based on these evaluations, people formulated commandments, norms and duties indicating whether one should or should not behave in a certain way. It is enough to recall the prohibition found in the *Book of Judges*: "Thou shalt not steal ..." which also stipulates not using adulterated measures; there was also a moral dismissal of usury delivered by Aristotle (1990).

Economic activity was evaluated and contained in the moral rules in the same way as other kinds of human activities. The ancient Roman principle *pacta sunt servanda* referred in the same degree to commercial contracts and political agreements and marriage vows.

Alongside the development of trade, markets and the creation of a market economy, there appeared the myth of amoral business which declared that economic activity has no room for moral responsibilities. That myth expresses

* Department of Microeconomics, Wrocław University of Economics.

a popular way of the understanding of business activity. It describes immoral deeds of people involved in business without which they would not get rich: from taking away lands owned by native Americans in the times of the conquistadors, to employing racial discrimination amongst their workers, tax fraud, bribery and polluting the environment and harming the consumers. It serves as a justification for those businessman, managers and merchants who chose to get rich at the expense of others. It also expresses the helplessness of people who found themselves in the situation described as the prisoner's dilemma: those people want to be honest and break the moral rules not to gain but in order not to lose in relation to the participants of economic activities who implement the myth of amoral business.

That myth also found support in the trend of the Enlightenment philosophy stressing human attitudes, individualism and egoism. Bernard Mandeville was a radical representative of economic amoralism and in his *The Fable of the Bees* argued that the motive of human activities should be a private and egoistic interest. He stated that following the moral rules creates obstacles for development because it is the egoistic motives which aid enterprise and stimulate economic activity and therefore indirectly contribute to raising general wealth. Mandeville claimed therefore that self-love and looking after one's own interest cannot in any way depend on the wish to do good for other people. It was a lucky coincidence for him that "private vices benefit society"—as the subtitle of his book says.

Business ethics dealing with the answer to the question of whether economic activity based on self-interest can find room for morality, became a scientific discipline in the second half of the 20th century. However I shall remain here within the moral philosophy of the 18th century since that period brought a doctrinal differentiation between what is moral and what theological, what is legal and what ethical, and created the ideas of independent justification of morality.

I would like to add that period brought a clear division between profit-making activities and domestic activities, showing self-interest and individualism of business activities. I shall continue with this theme since its representatives placed in the centre of their reflection a free man able to make choices expressing in his actions and words his own interests, rejecting external authority; it was a prototype of *homo oeconomicus*, the model of man functioning in a market economy. The philosophers of the Enlightenment rejected the justification of morality contained in the *Book of Judges*, which says that God is revolted by these who adulterate measures. Such philosophers as Hume, Smith and Kant, unlike Mandeville, did not reject in general the idea of morality in economic activities but searched for its autonomous justification. For Adam Smith, a faithful friend of David Hume, it turned out to be too

difficult – his famous “invisible hand of the market” has undoubtedly divine attributes. The issue of morality in business activity has a double dimension connected with co-ordinating market mechanisms. The issue is not only to understand how Man can move from the *status quo* to the state he should be in and also to understand why the moral obligations of businessmen are indispensable to creating order in the market economy. To illustrate this problem I shall contrast two Enlightenment ways of justifying autonomous morality: understood as Man’s voluntary self-restriction. One justification is based on the premiss that moral conduct and judgement is based on feelings and the other that they are based on reason. Both, as we can see, refer only to one area of human nature.

The problem of moral sentiments was based on separating by some of the philosophers, for example Mandeville, self-interest from performing moral obligations. Such a separation, as explained by Hume (1963) stemmed from the fact that human actions are directed not by the mind but by emotions, that is passions, desires and impulses. Because moral judgements refer to actions, therefore they cannot be the result of thought, they are a matter of feelings. However, obligations are the result of thought based on the axiological premiss therefore they refer to the whole set of people for whom such premisses are convincing. Hume did not represent ethical subjectivism which is related to his view on the role played by emotions on decision-making. He only stated that the mind cannot judge or criticize feelings which direct human actions even such that “one chooses the destruction of the whole world rather than scratching one’s own little finger”. The mind can be used, however, to decide how Man can best fulfill his desires and therefore it is possible to accept moral duties because of self-interest. Hume explained this using two categories of feelings: long-term personal benefits, and shared sympathetic emotion.

We should pose here a question why people involved in the economy take on certain responsibilities like for example giving exact change, fulfilling contractual obligations, repaying debts, giving necessary information about goods, truthfully filling in tax return forms, even though it would be in their interest not to do so. Hume answers this question saying that people do so for their own benefit understanding that not fulfilling such duties could bring them only short-term advantages and the effects of the harm caused mostly by losing trust would be long-term. The harm will be caused above all by the necessity of allowing that serving one’s own interest without moral restrictions refers not only to a certain person but all the other people involved in the economy, and so sensible people agree because of their own interests and their own welfare to fulfill certain obligations at the same time on condition that others will do the same. Moral obligations are then justified by Hume as the means to achieve personal advantage.

Hume was a great philosopher, therefore he knew that it was a weak justification of morality. There is a possibility that people will fulfill certain obligations towards a narrow circle of intimates – family, tribe, Mafia group – because only within such a group can any personal benefit be achieved. Thus Hume's justification would lack universalism. In order to solve this problem Hume, followed by Smith, ascribed to human nature the ability to sympathize. I shall come back to this problem now however I would like to concentrate on the answer given by Kant concerning the question mentioned earlier: why should a businessman take on moral duties? Kant's Man (1984) is above all a thinking being. Thanks to reason, he can define what his duties are, fulfilling those duties is an act of will related to knowledge of reality and using logic in order to establish how to behave.

In order to establish whether a sentence about duty has a moral dimension, Kant proposed a test known as categorical imperative. This test comprises of three elements, two of which have a formal nature. Taking the latter first, we shall begin testing the moral value of the statement chosen as an example by Kant himself and related to economic activity which says: "whenever I think I need money, I should take a loan and promise to repay it although I know that I shall never be able to fulfill this promise". Formal elements of categorical imperative state that one should firstly check if the given sentence could be objectively accepted as a universal principle, and secondly if all sensible people would agree to such principles being universally used. It is a test of universalization and acceptability of moral obligations, let us test it against the quoted sentence. If taking loans and not repaying them would be a general view, after a certain time it would be naive to grant loans. One can therefore accept that no sensible person would agree to a common implementation of the principle that "I promise to return the debt knowing that I shall not keep my promise".

Kant thought however that the power of logic is not sufficient to make this principle subjectively acceptable or non-acceptable. It is possible that people will state loudly that one should not make promises without any intention of keeping them – however they will be inclined to make exceptions for themselves for their own interests. That is why Kant strengthened the formal elements his test introducing to it the ability to sympathize, as did Hume. Approaching the problem of whether one should help the needy, he argued that one should take under consideration the fact that refusing charity can turn against such a person becoming needy himself. And thus in spite of the fundamental difference between Hume's ethics of feelings and Kant's ethics of reason, their considerations become parallel at this point where it is necessary to justify why moral obligations require from Man sacrificing some of his wishes and own interests.

These and other lesser philosopher-moralists turn at this difficult point to the golden rule always known to humanity. In the *Old Testament*, father gives Tobias the advice not to do to others what he would not want to have done to himself. Tales of Milet, answering the question of how to conduct our life to make it good and just, replied not to do ourselves what we would condemn in others. Heroditus wrote that we should not do ourselves what we reproach others for. Such a principle can also be found in Confucianism and Hinduism (Enderle 1988). These are so-called negative versions of the golden rule containing the warning that Man should not commit acts which are harmful to others and which can turn against himself. Hume used this to define personal grievance as behaviour which harms others. In the positive version, the golden rule was included in the Sermon on the Mount, in which Jesus said that all that we could expect from others we should practise ourselves. The same commendation was given by Buddha and the prophet Muhammad. Kant expressed it in the following way that: "conduct yourself that humanity in your person and in any other person is used at the same time as the purpose never only as the means." Together with formal requirements, categorical imperatives, stated that moral obligations are universal and generally accepted when they express respect for oneself and every other human being.

The modern version of the golden rule was introduced to the philosophy by John Rawls (1994), who suggests that people should imagine that they are behind the curtain of unawareness related to the situation in which they can find themselves. They do not know if they will be white or black, poor or rich, healthy or ill, and then they should think what would be best for everybody.

The golden rule becomes the subject of criticism because it refers to emotions and acts on the premiss that people do not differ in the way of feeling in a similar situation. I am not saying that such criticism is not justified, I would like however to show that the basis of free market economy originating from the Enlightenment is not immovable without the human ability to sympathise. I think that in repeated everyday marked situations based on trust that both the stated and the unsaid rules of contract will be fulfilled "the invisible hand of the market" is morality demanding from the participants understanding and compassion based on the unshakeable conviction that their interests and rights depend on universalism and objectivism of moral duties.

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