

ETHICS AND ECONOMICS

The Routledge Companion to Business Ethics **Eugene Heath, Byron Kaldis, and Alexei Marcoux (Editors)** New York: Routledge, 2018 (702 pages)

This *Companion* offers a checkup or check-in on the academic field of business ethics fifty years in. The editors promise a “broad and unmatched overview” (2) of the discipline and they largely deliver on their boast. I would highly recommend this book as a resource to anyone studying in this field. Someone just beginning his or her scholarly career would benefit from seeing the expansiveness of the study as they set out. Those who have already been teaching and researching in the field for some time will find, as I did, genuinely new insight in chapter after chapter.

The editors put the *Companion* together in eight parts containing thirty-nine chapters in all. One of the editors writes an introduction to each part and provides what amounts to abstracts for the articles of that section. These orientations to each part are very well written and are valuable in letting the reader know what to expect. The logic or ordering of the parts is well-chosen. The general approach is to lay out the larger theoretical and economic framework before looking at the ethical issues involved in executing specific business functions. I will provide a sketch of the contents of the parts later in the review. Before I do this, I want to make note of a couple things.

First, I cannot overemphasize the quality of the scholarship in the book. In many instances senior scholars in the field are presenting a summary of the insights they have gained in a lifetime of studying an issue. Even those without this standing demonstrate their learnedness by getting to the heart of the matter they are examining. Two examples can be cited to make the point. Authors Christian Lautermann and Kim Oliver Tokarski set up their reflection on the ethics of entrepreneurship by identifying the central quality

of entrepreneurship as getting things done and then asking, “What things?” and “What for?” (275). In his chapter on the accounting profession Ken McPhail rejoins the discussion of accounting ethics by asking what does it mean to render a good account. He then proposes that this must mean more than simply a financial tallying up. Not everything, and certainly not the human person, can be assigned a number. He brings home to the profession the responsibility for accounting for basic human rights. Unjust social structures must be taken into account if they are to be changed.

Second, a historic sweep of the overall field is presented. This is both fascinating and crucial. It is easy to forget some of the pivotal moments that changed how business is conducted in the world, and recalling them helps us to see where we have come from and where we now stand. For example, the passage of the Foreign Corrupt Practices Act by the United States government in 1978 in response to a number of high profile bribery cases changed the way, albeit over time, corruption was regarded. Today, no one would think it okay for a corporation to offer the Central Intelligence Agency a large sum of money to block the election of a foreign leader as the International Telephone and Telegraph Corporation did in 1970. In the 1980s, the Sullivan Principles movement ultimately led to the divestiture of holdings of companies doing business in South Africa. The success of this application of social pressure has been a mixed blessing. Today, nothing escapes the scrutiny of social media so organizations must provide a warrant for their actions. It also means that ideologies that work against good management at the firm can be imposed on the decision makers of a commercial entity. The globalization of business has arisen alongside the developments in communication technology. This has shifted the focal point of business ethics to the United Nations. The Global Compact Principles (1999), the Guiding Principles on Business and Human Rights (2011), and now the Sustainable Development Goals (2015) endeavor to set out standards and aims that all businesses must meet or work to achieve. Business, as a social institution, is being asked to assume greater responsibilities and it is doubtful that this demand will abate.

Part 1 sets the stage for the rest of the thematic units by recounting the history of thinking about the ethics of business. Chapter 1 traces out this reflection from ancient times all the way to the establishment of business ethics as a field of study in university education and then catalogs the major and minor developments in the discipline since that point of time. In the next chapter George Bragues presents the story of philosophy’s relation to business in four historical phases beginning with the ancient and medieval and then moving into three modern periods. Bragues posits that modern philosophy, after Mandeville, took on the mission of making selfishness morally acceptable. Completing this task required that key elements of the philosophy of Aristotle and Aquinas would have to be abandoned. Teleological thinking would have to be set aside. God and any notion of an underlying divine order would have to be removed. Moral obligations, if there were to be any, would have to be derived from “the confines of the self” (29). Thus it is that social contract theorizing, Kantianism, and utilitarian thinking are the dominant perspectives in the field. The culmination of this is the Enlightenment project aptly defined by Nicholas Capaldi in chapter 3: “[It] is the attempt to define, explain and control the

human predicament through scientific technology. It involves the intention to explain everything, without remainder, in scientific terms, to establish a social science to explain the social world, and to construct a social technology for the repair of and organization of the social world” (44). In the absence of objective good, the end result of this project, as C. S. Lewis pointed out, is the abolition of man.

Part 2 expands upon the general coverage of moral philosophy presented in part 1. There is a great deal of redundancy here as the same territory of consequentialism and nonconsequentialism is reviewed. There is also the startling claim that all ethical theories can be “reduced to consequentialism” (91). Apparently, even though we might not know it, we are all utilitarians. Religion comes off the sidelines in chapter 9 but then gets no playing time in the rest of the *Companion*. In chapter 7, “Can Profit Seekers Be Virtuous?,” Michael C. Munger and Daniel C. Russell convincingly argue the question in the affirmative. Their summary conclusion is that entrepreneurs are entitled to “*extraordinary* profits” (118) because of their “alertness to new ways of bringing people things they want” (119). They even invoke Adam Smith’s famous butcher, brewer, and baker to buttress their position. But this is inadequate ethically. Companies spend billions of dollars creating demand, so you have to ask how buyers came to have their wants. More importantly, you have to ask whether this want should be satisfied. Just because something can be sold does not mean that it should be. Adam Smith’s conjecture has some validity because meat, bread, and drink sustain and enhance human existence. Let us update his passage to reflect our current commercial world: “It is not from the benevolence of the pornographer, the abortionist, or the drug dealer that we expect our flourishing, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantage.” This is what ensues when the normative foundations are destroyed.

Part 3 looks at social responsibility, stakeholder thinking, and integrative economic ethics. The middle term here is covered by Kenneth E. Goodpaster. His chapter is worth commenting on because he pins down the fundamental weakness of the stakeholder account and offers an alternative, comprehensive moral thinking that transcends the stockholder/stakeholder debate. Essentially, Goodpaster is calling for a return to pre-Enlightenment philosophical thought. He insists that the proponents of stakeholder thinking, “must offer a normative account of human persons and their well-being” and must “develop an account of true goodness and true service” (194, 193). The very possibility of any such objective account was rejected at the outset of the Enlightenment and the founder of stakeholder theory is adamant that these premises must be adhered to. We must relinquish the possibility of “finding some moral bedrock” for business, “for there are no foundations for either business or ethics” (106). If the moral ideal for which Goodpaster argues—that business ought to uphold human dignity and serve the common good especially by collaborating with other responsible institutions to address societal problems—is to be realized, it must be lodged in something more firm than air.

Part 4 takes up essential conceptual considerations regarding business as an organization. Basic questions are asked, including the following: What counts as a business and

why? What are the origins of the modern corporation and what are the current theories of corporate identity? How are alternative business organizations and social enterprises to be governed? Can advances in economics temper the hostility of the dismal science to the existence of moral norms and their impact on people's actions?

Part 5 looks at the background institutions within which business is done—property, money, the state, economic markets, entrepreneurial innovation, and the natural world. In his chapter on the environment Joseph DesJardins rightly points out that *sustainable development* is a single term—that is, that by itself the word *sustainable* “lacks any normative meaning” (386). The modifier must be kept with the noun, but for the modifier to have any substance, the noun must be specified. Development is a normative, teleological concept. It implies progress to an end, to a state of being not yet possessed. To develop is to mature, to become what one ought to become. Where will substantive content come from for this in a universe drained of final causes?

Part 6 looks at the management of the firm. For many this is what will come to mind when they think about business ethics or corporate social responsibility. What managerial theories are available to use and how do they map onto ethical theory? What should everyone's place at the workbench be? How should products and services be marketed and sold? In what direction should the firm be steered? What is ethical leadership and how does one avoid the intoxication of power? In a chapter that would have wide appeal outside of academia, Linda Klebe Treviño lays out what is required in encouraging and sustaining an ethical organizational culture. The program she offers is thorough, covering both formal elements—ethics at the top, values statements, codes of conduct, employee selection criteria, orientation and training programs, and performance management systems—and informal aspects—norms, rituals, and language.

Part 7 asks what business ethics should mean in a globalized world economy. The highlight of this section is the chapter on corruption and bribery by the late Wesley Cragg. The clarity of his presentation should make this the starting point for anyone studying the issue. Part 8, “Business Ethics across the Globe,” builds on the theme of the previous section and brings the reader up to date on where, geographically, the field has gone. The editors stress that the discipline has global reach by covering in successive chapters the theory and practice of business ethics in China, South Asia, Africa, Latin America, Central Europe, and Russia. The chapter on South Asia focuses on the economic and political thought of Mahatma Gandhi. While it is unlikely that his ideas will gain wholesale adoption, and maybe they should not, it is interesting to note the parallel that exists between the building blocks of Gandhi's philosophy and the principles of Catholic Social Thought. Trusteeship roughly equates to Christian stewardship. *Sarvodaya*, or the universal betterment of all, matches up with solidarity. *Aparigraha*, or nonhoarding, would relate to the universal destination of goods.

An imprimatur for the *Companion* on its back cover refers to the book as a gem. The brilliance of the work is marred, however, by what it does not include and by what it treats superficially.

The subject of usury surely warrants an in-depth examination since we have based much of our social order on lending money at interest. No such study is completed. The chapter on ethical issues in finance is silent on the issue. Another chapter on the 2008 economic crisis criticizes the Federal Reserve Bank for overstepping its boundaries but sees nothing wrong with a private banking cartel creating money *ex nihilo*.

The entire corpus of Catholic Social Thought (CST) is covered in half a page, which means the profundity of the perspective is simply lost. For twenty years a community of scholars has inquired into how the principles and values of CST can inform business conduct. The scholarly output of this community, including the articles in this journal, have yet to make it past the gatekeepers of the field.

Metaphysical and moral realism have no place in the *Companion*. Not only is natural law thinking not accorded a chapter in the book, the only reference to it is a one-line dismissal of the approach in favor of Habermas's communicative ethics. The notion that there is a moral law inscribed on our hearts, the understanding that goodness is a property of reality, runs counter to the Enlightenment project that has pride of place. The moral theology of John Rawls is referenced in dozens of chapters. The moral theology of Saint Thomas Aquinas is never developed and therefore never used. Pope Saint John Paul II alerted us to the dire consequences of rejecting natural and divine laws: "The neglect of being inevitably leads to losing touch with objective truth and therefore with the very ground of human dignity" (*Fides et Ratio*, 1998, no. 90).

—Jim Wishloff

The University of Lethbridge, Alberta

Just Business: Christian Ethics for the Marketplace (Third Edition)

Alec Hill

Downers Grove, Illinois: IVP Academic, 2018 (300 pages)

Now in its third edition, *Just Business* is Alec Hill's articulation of a "Theocentric approach" to the growing field of business ethics. The book, whose first edition appeared in 1997, superimposes an orthodox theological perspective onto today's complex grid of commercial activity.

Ambitious in its coverage, the book begins by asking whether a Christian ethic within the realm of business is even possible. Yes, Hill concludes, if our ethical activity aims to mirror the character of God (and is not just something derived from biblical "rules").

From here, Hill uses the opening chapters to elaborate on the three-legged composite of God's character: holiness, justice, and love. Holiness is zeal for God, purity, accountability, and humility; justice considers our rights against others as well as our duties toward them; and love—the cornerstone of the Christian faith—consists of empathy, mercy, and self-sacrifice. Held together, holiness, justice, and love serve as a prism by which to adjudicate ethical action across the vast range of moral dilemmas in the marketplace.