UTILITARIANISM

For John Stuart Mill (the greatest nineteenth-century English philosopher), the master utilitarian principle is roughly this: choose that act from among your options which is best from the twin points of view of increasing human happiness and reducing human suffering:

The creed which is accepted as the foundation of morals "utility" . . . holds that actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness. By happiness is intended pleasure, and the absence of pain.

This formula does not tell us when an act is right, period; but the idea is that right acts contribute at least as favorably to the "proportion" of happiness to unhappiness (in the relevant population) as any alternative the agent has. Thus, if one act produces more happiness than another, it is preferable, other things equal. If the first also produces suffering, other things are not equal. We must weigh the good consequences of our projected acts against any bad consequences and, in appraising a prospective act, subtract its negative value from its positive value. Utilitarianism calls for maximization. To see why producing even a lot of good may not be ethically sufficient, consider two points: (1) the more we have of what is good—good, basically good—the better; (2) it is a mistake to produce less good than we can or, correspondingly, to reduce what is bad less than we can. Arguably, no good person would act suboptimal if this could be avoided. Ideally, then, we would simultaneously produce pleasure and reduce pain. Often, we cannot do both. A situation may be so dire that reducing pain is all we can do. For utilitarianism, although some people are better candidates to be made happy—or less unhappy—everyone matters morally. On the plausible assumption that total happiness is best served by maintaining minimal well-being for the worst off, utilitarianism supports welfare capitalism. But it does not automatically support any highly specific position on the obligations of business. One might think otherwise if one identifies utilitarianism with the idea that ethics requires our producing the "greatest good for the greatest number." One reason utilitarianism does not imply any such thing is that great benefits (hence much good) to some, say col-lege students, could quantitatively outweigh even the greatest benefits a business or government could pro-vide for a larger number of people, say by tax cuts for the whole population. How utilitarianism apparently supports welfare capitalism over other economic systems needs ex-planation. Here is a possible account. Arguably, businesses will contribute most favorably to human happiness (roughly, to the proportion of happiness to unhappiness in the world) by simply making a profit in a fair system of competition and paying taxes at a level high enough to support effective welfare pro-grams and low enough to preserve incentives to gain wealth. For—given the incentives this arrangement might provide for talented people—it might not only support welfare programs but also lead to miracle drugs, fuel-efficient cars, superior fertilizers, and the like. Utilitarians may also argue that—at least if business leaders are utilitarians—then for both eco-nomic and ethical reasons, businesses operating in a welfare capitalist system will also contribute to the overall well-being of society through voluntary contributions, such as support for community projects, education, and the arts.

RIGHTS-BASED ETHICS

A very different ethical approach takes off from the idea that the main ethical demand is that we act within our rights and accord with other people theirs. On this view, right action is simply action within one's rights, whereas wrong action violates rights. Rights may be negative, for instance, rights not to be harmed or deprived of free expression, or positive, say rights to be given what is promised you, including such things as emergency medical treatment if the government has guaranteed it. Roughly speaking, negative rights coincide with liberties, positive rights with entitlements to benefits. From this perspective we can see how someone might ask: Why should businesses have to contribute to the well-being of society by doing anything positive for society? What right does the government have to force taxation for this purpose, as opposed to police and military protection? Granted, our property rights are limited by obligations to support some government programs, most notably policing and defense, but once businesses pay their fair share of taxes for these, why should they do more? To this view, utilitarians and other good-based Theorists may reply that even if businesses have a right not to do more, in the sense that their freedom not to do more should not be abridged by compulsion, they ought to do more. The plausible ethical point here is that a rights-based morality is unduly narrow. It takes what we ought (morally) to do to be only what we have no right not to do—presumably because someone else has a right to demand our doing it, in the sense that our not doing it violates that person's rights. All else is discretionary. However, we can and do distinguish between what we ought and ought not to do even within the sphere of our rights. Take a simple example: relations with coworkers. Our coworkers have a right to some consideration, say to being given at least minimal cooperation, but we ought to do more to support them than the minimum they can claim as their right. It is not just utilitarians who think that ethics calls on us to do things we have a right not to do. This will be apparent from an outline of two other plausible and widely held ethical views: Kantianism and virtue ethics.

KANTIAN ETHICS

The great eighteenth-century German philosopher Immanuel Kant held that we should always act in such a way that we can rationally the principle we are acting on to be a universal law: So, act as if the maxim of your action [that is, the principle of conduct underlying the action] were to become through your will a universal law of nature. This "Categorical Imperative" implies that I should not leave someone to bleed to death on the roadside if I could not rationally the universality of the practice—say, even where I am the victim. We would not want to universalize, and thus live by, the callous principle: one should stop for some-one bleeding to death provided it requires no self-sacrifice. Similarly, I should not make a lying promise to repay borrowed money if I could not rationally universalize my underlying principle, say that when I can get money only by making a lying promise, I will do this. One way to see why the Imperative apparently disallows this is to note that we count on promises from others and cannot rationally endorse the universality of a deceitful promissory practice that would victimize us. Kant also gave a less abstract formulation of the Categorical Imperative: Act so that you use humanity, as much in your own person as in the person of every other, always at the same time as an end and never merely as a means. The idea is roughly

that we must treat people as valuable in themselves, never merely as means to some end of ours. We are never to use people—including low-level, readily replaceable employees—as in manipulatively lying to them. Treating people as ends clearly requires caring about their good. They matter as people, and we must at times and to some extent act for their sake, whether we benefit from it.

VIRTUE ETHICS

Virtue ethics differ from both utilitarianism and Kantianism in not being rule centered. Instead of proposing rules of conduct, it demands that we concentrate on being good as people. Be honest, just, kind, and honorable, for instance. Thus, the ancient Greek philosopher Aristotle described just acts as the kind that a just person would perform. He did not define a just person as one who performs just acts, nor as one who follows certain rules. He apparently considered moral traits of character ethically more basic than moral acts and moral rules. He said, regarding the types of acts that are right: "Actions are called just or temperate when they are the sort that a just or temperate person would do." Similar virtue-ethical ideas are also found in non-Western traditions, such as Confucian ethics, especially as represented by the ancient Chinese philosopher Mencius. For a virtue ethics, then, agents and their traits, as opposed to rules of action, are morally basic. Virtue ethics would have us ask both what kind of person we want to be and how we want to be seen by those we care about, say friends and family. Who wants to be (correctly) seen as cheap, insensitive, or even just indifferent to others' suffering? Who does not want to be seen as generous, caring, and fair? One could say that virtue ethics endorses be-rules (be just, be honest, be kind) in contrast with do-rules (keep your promises). But suggestive as it is, this contrast is misleading since be-rules do not make clear reference to how to fulfill their demands. We cannot fulfil rules without some prior knowledge of what to do. (It is because this point is understood that virtue ethics is often seen to require a good up-bringing with definite kinds of acts prescribed for children.) The positive idea underlying virtue ethics is that we are to understand what it is to behave justly through studying the nature and tendencies of the just person, not the other way around. We do not, for instance, define just deeds as those that, say, treat people equally, and then define a just person as one who characteristically does such deeds. Thus, for adults as well as for children, and in ordinary life as in business, role models are crucial for moral learning. Virtue ethics is indeed a kind of ethics of role modeling: good role models are sources, as well as potential teachers, of ethical standards. Rules of action can be formulated by generalizing from observations of virtuous agents, such as team leaders in a sales division; but the basic ethical standard is character rather than rules of action. One value of the virtue approach to business ethics is that leadership in business is partly a role-modeling function. To call for conduct of any kind—but especially ethical conduct—when we do not exhibit it ourselves is at best unlikely to succeed and often hypocritical too. Good role modeling, as any major ethical view can stress, is both instructive and motivating.

COMMON-SENSE ETHICAL PLURALISM

Many readers will find something plausible in each of the approaches just sketched. Might a less abstract, more definite view capture much of the best in each? Utilitarianism above all requires good deeds; rights-based views stress respecting freedom, keeping commitments, and protecting property; Kantianism demands respecting others and acting on principles that accord with this respect; and virtue ethics demands such ethical decisions as are made by people who are, say, just, honest, and beneficent. There are many standards here, but they are not too numerous to be reflected in ordinary principles that morally decent people teach their children and generally follow. These ordinary ethical principles (1) prohibit in-justice, harming others, lying, and breaking promises and (2) positively, call for doing good deeds toward others and for efforts toward self-improvement. They do not require maximizing good consequences but do require at least certain good deeds we can do without great self-sacrifice. Thus, fraudulent accounting, as lying, is prohibited; providing for employees' healthcare, up to some reasonable point, is, as doing good deeds, an obligation of most companies. Most people find these principles intuitively plausible, and the view that such principles are directly knowable based on reflection on their content—intuitively knowable—is called ethical intuitionism. It is considered a common-sense view because these and a few other principles seem to be a commonsensical core toward which the best ethical theories converge. It must simply be included among the perspectives from which to view the task of determining the ethical responsibilities of business. Many who reflect on ethics find something of value in all the approaches just described, especially virtue ethics, Kantianism, and utilitarianism. Might a single wide principle include much of their content and encompass much of the common-sense plurality of obligations just indicated? There are apparently at least three conceptually independent factors that a sound ethical view should consider: happiness, which we may think of as welfare conceived in terms of pleasure, pain, and suffering; justice, conceived largely as requiring equal treatment of persons; and freedom. On this approach—call it pluralist universalism—our broadest moral principle would require standards of conduct that optimize happiness as far as possible without producing injustice or curtailing freedom (including one's own). This principle is to be internalized—roughly, automatically presupposed and normally also strongly motivating—in a way that yields moral virtue. Right acts would be roughly those that conform to standards—including the ones described in Chapter 4—whose internalization and mutual balancing achieve that end. Each value (happiness, justice, and freedom) becomes, then, a guiding standard, and mature moral agents will develop a sense of how to act (or at least how to reach a decision to act) when the values pull in different directions. Pluralist universalism is triple-barreled. It implies that no specific, single standard can be our sole moral guide. This is especially so in the case of principles (like this one) that appeal to different and potentially conflicting elements. How should we balance these in the triple-barreled principle? A priority rule for achieving a balance among the three values—and among the common-sense principles that pluralist universalism helps to unify—is this. Considerations of justice and freedom take priority (at least normally) over considerations of happiness; justice and freedom do not conflict be-cause justice requires the highest level of freedom possible within the limits of peaceful coexistence, and this is as much freedom as any reasonable ideal of liberty demands. Thus, public sale of a drug that gives people pleasure but reduces their freedom would be prohibited by the triple-barreled principle (apart from, say, special medical uses); a social policy (say, draft exemptions for all who have a high

school education) that makes most citizens happy but causes great suffering for a minority (who must go to war) would be rejected as unjust. Moreover, although one may voluntarily devote one's life to enhancing human happiness (if only by reducing human suffering), this is not obligatory. Thus, coercive force may not be used to produce even such highly desirable beneficence.