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Ethics in a time of crisis: editorial introduction to special focus

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The financial crisis that has swept the globe since 2008 still rumbles on. Not only has it precipitated a sovereign debt crisis in Europe, and threatened growth rates and political stability in India and China, but also the liquidity of many banks is still a matter of debate. Despite the refuge that capital has taken in assets other than finance, worries remain that the basic financial machine may again freeze up in a renewed bout of crisis. The alternative to ever-increasing waves of crisis hardly looks more appealing, however. Ordinary people from Britain to Greece, Spain to California, face years of austerity, starved social programs, and precarious employment. These sacrifices occur against multiple smoldering resentments. In Greece, for example, what can only be described as a simmering hatred for Germany infects daily conversation; in the United States, bitterness at the immunity of what have been dubbed 'the 1%' is on the rise. In the background, the claimed technical certainties that counterbalance all the talk of irrational exuberance and the dangers of animal spirits have experienced their own epistemological crisis. How many experts declared the end of boom and bust? How many put faith in business ethics, corporate social responsibility, and social enterprise rather than governmental regulation?

Speaking from a position that is still clearly *within* this time of crisis, this special issue cannot help but start with its own conditions of possibility today. Rather than ask – as one might do in less extraordinary times – what is the proper role for business ethics, this issue concentrates instead on what business ethics might come to be under conditions of what feels to many like a state of permanent crisis. As crisis becomes the image of the age; we can begin to see in this image the reality of what Walter Benjamin called 'dialectics at a standstill' (Benjamin 1999: 463). All the previous conditions of crisis for business ethics in the last 20 years, from outsourcing and sweated labour to environmental crimes and accounting scandals, now appear both local and symptomatic, in the face of the truly global financial crisis. If these past challenges raised the question of whether business ethics was adequate to the task, the global crisis did not, in a sense, stop to ask. Business has not only been unable to regulate itself, including ethically, but it was unable to immunize itself from sheer self-destruction.

Given that business ethics – and its offshoots corporate social responsibility, sustainable business, and social entrepreneurship – tends to present itself largely as a counterbalance to the idea of state intervention in corporate behaviour, the financial crisis was obviously not just a crisis of finance, or of global economy, but of business ethics, too. Not because of this or that inadequacy or because of a problem of application as in past crises, but this time at the very level of its own sustainability; at the level of what we might call the ontology of business ethics, its very prospects for continued existence. As it turns out,

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business ethics is not the only human endeavour to suffer this ontological crisis. Finance also experienced such a crisis, even if this is not so obvious in the way the story of the global crisis has been told. Before the crisis, what we might call an ethics of finance began to come into view; but in the heat of the crisis, most accounts fell back on the separation of the supposedly distinct practices of finance and ethics.

When we return to the way the global crisis was understood in the media, in government, and in universities, we can see that two accounts tended to predominate. On the one hand, we had the story of individual, immoral behaviour; on the other hand, we had the story of structural flaws in the regulation of markets and firms. The story of Bernie Madoff is emblematic of the first, and the excessive profits, savings, and capital flows of the East breaking the levees of weakened Western regulation and overflowing into cheap home loans of the second. Let us leave aside for the moment the irony of these discussions taking place against the backdrop of massive state intervention; an intervention on a scale that, in addition to making any role for business ethics abruptly appear archaic, also made discussion of how much or how little regulation, how moral or immoral were the actions of individuals, look like academic luxury.

This first narrative, quite common in business ethics and corporate social responsibility in the past, takes it that through changes to education, culture, and procedure, individuals can come to act more ethically in their work. The second narrative, more common to politicians, is that moral conduct is a matter for state oversight through regulation, even if that regulation may be organized and executed by sectors of the private economy, as they often are within finance. In both cases, however, ethics comes from the outside to finance, either from the moral systems of individual business people and business association, or from the deliberative systems of government. These two narratives omit a third, however, or even disguise it. This is the possibility that finance itself has its own internal ethics of sorts; indeed that its own practice was a practice not just ethical, but a practice of ethics.

While it is true that some who work within finance are quick to point to moral failings or regulatory deficiencies precipitating the crisis, it is also the case that before the crisis, finance had an understanding of itself as constituting an inherently ethical action in and on the world. A good example of this was the harnessing of finance to home ownership in the United States. Some have pointed to sub-prime mortgage schemes as an unholy alliance between greedy banks and politicians who wanted to offer improved lives to citizens without providing better paying jobs or public services. In the shorter term, houses on cheap credit worked for both parties, and for otherwise embattled working families in the United States. A less cynical view, however, is that given access to credit, more and more people would have not just had the incentive to work harder, but the possibility of a better life. After all, it is worth remembering that the much touted solution called micro-credit is also, technically, 'sub-prime' and offered at interest rates that would in other contexts be taken to be extortionate. Similarly, there is an ethos of meritocracy in many banks, in which talent and hard work are rewarded. This underlying meritocracy has been overtaken by the older narratives of a supplementary ethics around the 'bonus culture' of banks, but the organizational culture of finance before the crisis displayed a strong sense that those with brains and dedication will only rise to the top. Certainly, there are examples of individuals exhibiting poor moral judgment by accepting bonuses even without evidence of merit, and of a bonus culture that needs regulating – the arguments of the two dominant narratives – but this obscures the ethos, not just of meritocracy but also of something like collective reward. In this concept of collective good, when a firm does well, some who are thought to be most responsible are rewarded, but so, too, are many in the firm, in a kind of distributive ethos, from each according to his ability, to each according to his need.

But there is perhaps an even more fundamental ethics to finance, of which these others are just manifestations. At its core, finance is an activity of expanded comparison and the manufacture of difference. In this ever-expanding moment of comparison, for instance, assets, profit rates, or investment environments, new connections are made, as are new relationships and new possibilities. For these to be realized, new differences must also be produced. This is the derivative logic, as has been so aptly observed by Randy Martin (2007). Finance, as the ultimate socialized moment of what Marx and Engels could only predict in capital more generally, contains within it not just an ability to compare territories but durations and futures, too, and in these comparisons provoke yet more differentiation, more variation. This kind of understanding of ethics, as an increasing of powers and potentials, of becoming something more, new, or different, while less common in business ethics, is a well-established approach to ethics; most famously in a line of descent that runs through Spinoza, appearing again in Nietzsche and in Deleuze. This ethics emphasizes embodied combination and recombination in search of new sensations, durations, intensities, and becomings; a language perhaps not immediately associated with finance or business ethics scholarship in the main, but the 'financialisation of daily life' (Martin 2002) has precisely brought together calculation and affect: we feel the moods of the economy; we feel connected to those moods. Finance brings us together not just as financial subjects, but emotional or better affective subjects, moved by forces that clearly exceed our individuality. Indeed, we could even say it is one of the ethical accomplishments of finance that it allows us to feel each other through its mediation, and at the same time to feel something extended, larger than us, in these moments.

On its own terms, we might suggest, the practice of finance as ethics has thereby failed comprehensively. Typified by the moment when the markets froze, all new comparison seized, and emblematic of the end of finance as a machine of difference, all lending for investment ceased. As the rise of the market can be understood as a confidence in expanded comparison, and because investment can be understood as the production of the new, of something different, finance, at the moment of crisis, ceased to operate as an expansion of powers. Moreover, the ethical capacities of finance to bring people together into combinations that exhibit duration, occasion new becomings, experiment with new sensations – all of these things that we could intuit in the period of financial expansion – not only collapsed, but produced its opposite. What this Spinozist tradition of ethics can identify as 'bad compositions' arise in the crisis, in national prejudice, class war, and racial antagonisms: finance lost not just its power, but its powers, its potentialities, its project of an ethics.

Of course it is possible to argue that such powers were always circumscribed, even doomed. So although some had the sense that finance is truly limitless in possibilities, what we see today in this contraction is the reality that the expansion of capital requires that value has to be captured and privatized and that what is shared will eventually be withdrawn from common use, feeling, and even apprehension. The limits of finance in other words remain the limits of capitalism. This recognition, though sobering, risks a certain ahistorical determinism. Finance did not arise with capitalism and may not in the end be coterminous with it. Here the vagaries of history rather than theory will decide, and in fact another reading of capitalism, that we can find in the work of Michael Hardt and Antonio Negri, follows the socializing effects of the development of capital, and posits what Marx calls an emerging 'society of producers' that begins to pull away from capital and posit its common production and reproduction independently from the demand of capitalist capture. Today, one might rather imagine a principle of expanding sociability based not only on how we work together but also on what we owe each other in the form of promises, in the form of collective debt; promises to work together in the future (Moten & Harney 2010).

In the meantime, what we are left with is the rubble of history, but as Hito Steyerl (2010) suggests, rather than looking back upon this rubble like Benjamin's angel of history, in a sense it is us that is the stuff of this rubble. Our practices of finance, of business ethics, will now not so much arise from the rubble, as we will learn to make of it, of ourselves, a new practice. In this project, finance and business ethics are potential allies not adversaries, potentially no longer external to each other but shared, generating substance.

Indeed, it may be that the way to invigorate what Arianna Bove and Erik Empson in their contribution to this special issue call the malaise of finance may be to pursue it precisely as an ethical practice. This would mean taking finance's own ethical claims seriously, and extending them. In particular, the authors ask how an attention to investment as the new could, in potential at least, direct finance away from the lack of originality that leads herd mentalities in markets. How could an interest in duration lead to sustainable forms of finance? How could sensation and intensity become ways to distinguish investment in what is good for us, from what is bad for us, beyond culturally bound moralities? How could attention to expanded sociability become not just the result of more finance, but the practice, shifting focus from the quantity of the ends to the quality of the means? Such questions would also have a profound effect on some of the outward symptoms of the meritocratic and distributive ethos in the organizational cultures of finance, rewarding the articulation between political imperatives to improve lives, and the operations of finance.

Bovet and Empson suggest something similar around strategy and ethics, but rather than seeing an ethics immanent to strategy, as we have suggested one might in finance, they detect a strategy immanent in ethics. This strategy would be subordinate to ethics, but, as we have suggested with finance, it would return strategy to some habitable form that might help us recompose the rubble in order to dwell in a future without crisis. Their logical investigations into the combinations of strategy and ethics, into what they share and what keeps them apart, points firstly to the need at this moment to return to fundamental premises. In a sense we have gone back to the foundation to find it is rubble, yet, in so doing, find this rubble as the material of our yet-to-come subjectivities is perhaps something that can now be recombined and re-imagined as foundation.

In his contribution to this issue, Edward Wray-Bliss also starts from the premise of an ethics internal to business, in this case internal to leadership, and to the subjectivity of the much-chronicled 'business leader'; but the crisis is an opportunity for him to locate the failure of this leadership not in a lack of ethics, but in a type of ethics, sovereign ethics, which pulls away from the other, deploying Seyla Benhabib and Emmanuel Levinas to interrogate this sovereignty. Wray-Bliss instead advocates a proximity and an embodiment in organizational ethics that returns us to the ethics of sensation and intensity; of building and practising immediate sociability, not enunciating principles to be subsequently added to action. Of course, Wray-Bliss' proposals enact a considerable shift in power to the Others of the organization – and considerable surrender of control by business leaders.

Armin Beverungen, Stephen Dunne and Casper Hoedemaekers are very much concerned with the production of subjectivities, too, and particularly those produced through education in the business school. They reject the notion that business ethics is something that could just be added to the curriculum, any more than it could be added to the practice of finance. Instead, they look directly to the financialisation of daily life in the university to ask under what conditions financialisation allows us to study, and how financialisation might, in its quotidian pervasiveness, be practised in the direction of study.

It is instructive to read the contribution of Steve Fuller against the grain of the argument set forth here for finance as a practice of ethics. In his attention to reversibility and exchange in the moral entrepreneur, Fuller argues that rather than seeking access to the other by imagining an infinitely variable self, we would be best to keep our distance, and our sense of self, at least partly, intact. Here, crisis returns in the disruptions that make possible some of the worst manipulations of others, but also to focus on the reason we would be looking for an ethical practice in the first place, in finance or elsewhere; a sense that however much capitalism remains unsurpassed in its powers of creative destruction, whatever is now or might become humanity, may not be able to survive it.

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