

# Ethical Theories

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# Utilitarianism

By the end of this lecture, students should be able to:

- Understand the core principles of consequentialism.
- Distinguish between different forms (e.g., act vs. rule consequentialism).
- Evaluate consequentialist reasoning in business contexts.
- Critically assess strengths and objections to consequentialism.
- Apply consequentialist ethics to concrete managerial decisions.

## Scenario

A long-serving supermarket cashier is dismissed without notice after allegedly redeeming two bottle deposit receipts worth €1.30 that did not belong to her.

## Discussion Instructions:

- **Turn to your neighbor** and discuss: *Was this the right thing to do?*
- **Explain your reasoning** to each other.
- **Take notes:** Each pair should record the reasons discussed.
- After 5 minutes, I will call upon some of you to share your reasoning with the class.

## Definition

Consequentialism is the ethical theory that judges the rightness or wrongness of actions **solely by their consequences**.

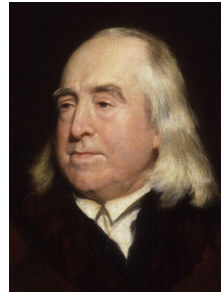
## Key Features:

- **Teleological structure:** Right acts promote the best overall state of affairs.
- **Impartiality:** Everyone's well-being counts equally.
- **Agent-neutrality:** The identity of the agent does not affect moral assessment.

Stanford Encyclopedia of Philosophy (2023)

- **Jeremy Bentham (1748–1832)**

*“Nature has placed mankind under the governance of two sovereign masters, **pain** and **pleasure**. It is for them alone to point out what we **ought to do**, as well as to determine what we **shall do**.”*



An Introduction to the Principles of Morals and Legislation (1789)

## Consequences

- The moral status of an action depends **only on the value of its consequences**.
- Consequentialism adopts a **teleological structure**: right actions promote the best possible outcomes.
- What matters morally is the **state of affairs** resulting from the action—not the motive, rule, or character.
- Two key variants exist:
  - **Actual-consequence consequentialism**: actions are right if they actually produce the best outcomes.
  - **Expected-value consequentialism**: actions are right if they are expected to produce the best outcomes, given what the agent knows.

Bentham, An Introduction to the Principles of Morals and Legislation (1789); SEP (2023)

## Utility

- Utility refers to the overall **well-being** or **welfare** of individuals affected by an action.
- An action is right if it produces the **greatest total welfare** across all individuals.
- This assumes a **welfarist value theory**: only individual welfare determines moral value.
- Different theories define welfare differently:
  - **Hedonism**: welfare = pleasure minus pain.
  - **Desire satisfaction**: welfare = getting what one wants.
  - **Objective list**: welfare = achieving valuable life goods (e.g., knowledge, relationships).

Bentham, An Introduction to the Principles of Morals and Legislation (1789); SEP (2023)



## Hedonism

- A theory of welfare that identifies **pleasure as the only intrinsic good** and **pain as the only intrinsic bad**.
- Classical utilitarianism adopts **hedonistic welfarism**: right actions are those that maximize net pleasure.
- Morality becomes a matter of producing the **greatest balance of pleasure over pain**.
- Bentham proposed the “**hedonic calculus**”: a method to measure and compare pleasures and pains based on factors like intensity, duration, certainty, and proximity.

Bentham, *An Introduction to the Principles of Morals and Legislation* (1789); SEP (2023)

## Impartiality / Agent-Neutrality

- Consequentialist ethics requires **equal consideration of all individuals' welfare**—no one's well-being counts more than another's.
- The theory is **agent-neutral**: the identity of the agent or their personal relationships do not affect moral evaluation.
- Each person's utility contributes **equally** to the overall good—this reflects the **egalitarian foundation** of classical utilitarianism.
- This principle supports the idea that morality should be **generalizable and universally applicable**, not tailored to personal interests.

Bentham, *An Introduction to the Principles of Morals and Legislation* (1789); SEP (2023)

Quantify the moral value of actions based on the pleasure (or pain) they produce. To make ethics objective and measurable, he proposed that we should assess how much pleasure (or pain) an action produces using seven distinct dimensions.

## The Seven Criteria:

1. **Intensity** – How strong is the pleasure or pain?
2. **Duration** – How long does it last?
3. **Certainty (or Uncertainty)** – How likely is it to occur?
4. **Propinquity (Remoteness)** – How soon will it come?
5. **Fecundity** – Will it lead to other pleasures or pains?
6. **Purity** – Is it mixed with pain?
7. **Extent** – How many people are affected?

Source: Bentham, *An Introduction to the Principles of Morals and Legislation* (1789)

# Applying the Hedonic Calculus: Triage and Duration

**Scenario:** During the COVID-19 crisis, a hospital has only one ventilator. Two patients need it:

- Patient A: 70-year-old medical doctor
- Patient B: 20-year-old business student

## Bentham's Duration Criterion:

- Duration asks: *How long will the resulting pleasure (or well-being) last?*
- Saving the 20-year-old may lead to a **longer expected lifespan**, i.e., more years of utility.
- Could be used to justify choosing Patient B to **maximize total future well-being**.

## Homework

Apply the remaining six criteria of Bentham's hedonic calculus (Intensity, Certainty, Propinquity, Fecundity, Purity, and Extent) to the triage scenario above. For each criterion, briefly explain how it might influence the ethical decision between Patient A and Patient B.

## 1. Unequal Moral Worth

Reducing life-and-death decisions to expected utility calculations can imply that some lives are worth less — undermining the principle of equal respect for all persons.

## 2. Loss of Public Trust

A system that visibly favors certain groups (e.g., the young) may erode public confidence in healthcare institutions and discourage vulnerable populations from seeking care.

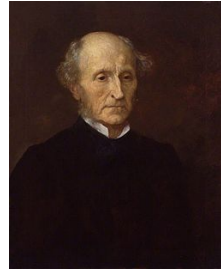
## 3. Unstable and Arbitrary Judgments

Case-by-case maximization based on uncertain forecasts (life expectancy, quality of life) invites inconsistency, bias, and moral distress among frontline decision-makers.

*Should we rely on individual outcomes alone, or consider broader principles that guide decisions across cases?*

- **John Stuart Mill (1806–1873)**

*“It is better to be a human being dissatisfied than a pig satisfied; better to be Socrates dissatisfied than a fool satisfied. And if the fool, or the pig, is of a different opinion, it is only because they know their own side of the question.”*



Utilitarianism (1863)

# Dissecting Mill's Quote

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Mill introduces a qualitative hierarchy of pleasures. This opens the way for moral rules that promote deeper forms of well-being — not just momentary satisfaction.

## Mill's Insight:

- Some pleasures (e.g., intellectual, moral, aesthetic) are **intrinsically higher in quality** than others (e.g., sensual, immediate).
- Their value is not just greater in quantity, but in kind — even if they come with dissatisfaction.
- Those who have experienced both (e.g., Socrates and the fool) will prefer the higher — suggesting a deeper basis for moral judgment.

## Problem for Act Utilitarianism:

- It evaluates each action only by its total net pleasure — **regardless of type**.
- This risks favoring lower pleasures if they are more immediate or intense.

## How This Leads to Rule Utilitarianism:

- Mill's position implies the need for **stable moral rules** that promote deeper forms of well-being.
- Rule consequentialism evaluates the **rightness of actions relative to rules**, not individual acts.
- This allows the promotion of higher pleasures — not through immediate outcomes, but by guiding behavior through **socially beneficial norms**.

**Conclusion:** Mill's elevation of higher pleasures demands a system of values and behaviors that cannot be justified act-by-act — but only through general principles that structure moral life.

Stanford Encyclopedia of Philosophy (2023), "Consequentialism", § What is Right Relative to Rules

# Example: TikTok vs. Reading

**Scenario:** Should a student spend free time on TikTok or reading?

## **Act Utilitarianism:**

- TikTok gives quick, easy pleasure.
- If it brings more immediate enjoyment, it's the “right” choice.
- Ignores long-term or qualitative value.

## **Mill's View (Higher Pleasures):**

- Reading develops intellect and character—**higher** pleasures.
- Those who know both prefer reading's deeper value.

## **Rule Utilitarianism:**

- Societies should promote habits (like reading) that foster higher well-being.
- This requires **rules**, not just case-by-case pleasure.

## Rule Utilitarian Principle:

An act  $A$  in circumstance  $C$  is right if, were everyone to follow the rule “If in  $C$ , do  $A$ ,” total utility would be at least as great as for any alternative rule.

## Example: Promise-keeping

- Situation: You have made a promise ( $C$ ).
- Options:  $A_1$  = keep it;  $A_2$  = break it (assume  $A_2$  yields more utility in this case).
- Rules:  $R_1$  = “If you made a promise, keep it.”  
 $R_2$  = “If you made a promise, break it.”

## Why would society-wide adoption of *R1* produce more utility than *R2*?

- **Trust and cooperation:** Keeping promises builds reliable expectations and enables long-term relationships — essential for families, business, and public life.
- **Social stability:** Rule *R1* supports contracts, institutions, and planning. Rule *R2* would erode social order and make commitments meaningless.
- **Moral integrity:** Acting on *R1* supports a sense of responsibility and self-respect; breaking promises weakens ethical standards and relationships.
- **Lower social cost:** With *R1*, people don't need to constantly monitor or enforce agreements — saving resources and emotional energy.

*Conclusion: Even if breaking a promise brings short-term benefits, following a rule to keep promises promotes the greatest good in the long run.*



## Advantages

- **Plausibility & flexibility:** Adapts moral rules to real-world business contexts.
- **Practicality:** Hedonic calculus underpins cost-benefit analysis.
- **Policy guidance:** Bentham's theory offers a framework for maximizing public benefit.
- **Stakeholder focus:** Shifts attention from the company to the interests of all affected parties.

## Critique

- **Measurement problem:** Who decides what counts as happiness or utility?
- **Questionable assumptions:** Not all "goods" are easily comparable.
- **Neglect of rights/intentions:** Focuses only on outcomes, not duties or individual rights.
- **Uncertainty:** Future consequences are hard to predict.

## Summary

Teleological (consequentialist) reasoning captures important aspects of moral thinking, but may not be sufficient on its own.

## Key Points:

- **Act Utilitarianism:** Maximizes pleasure in each case; useful for distributive decisions, but not the whole story.
- **Rule Utilitarianism:** Emphasizes higher (intellectual) pleasures and the value of stable moral rules.

*Conclusion:* Teleological considerations should inform any adequate moral theory, but must be balanced with other ethical principles (e.g., rights, fairness, dignity).

## Legal Outcome

In 2010, the German Federal Labour Court ruled the dismissal invalid, emphasizing the principle of proportionality in light of the minor offense and her long service record.

## Ethical Relevance:

- From a **consequentialist** view, dismissal could be justified to deter theft or preserve trust.
- Critics argue the negative impact on Emmely outweighs minimal benefit to the firm.
- A **rule-consequentialist** might reject such dismissals as leading to injustice and demoralization.
- Highlights the limits of outcome-based ethics in evaluating fairness, dignity, and proportionality.