‘Business Ethics’–An Oxymoron?

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Introduction: Business and Games

The analogy between a game and business (both inside and outside the “business world”) is a common one. One often hears, “That is the way the game is played,” or “You’re not playing the game,” or “Just play the game.” The idea reinforces the impression that the business of doing business is an isolated system of activities which has its own rules. In following these rules or breaking them, it is not so much that we do not do anything right or wrong, but rather that we do something correct or incorrect with reference to the rules of the game. Some of the rules make sense, others do not and are even silly, but in any case, moral considerations do not really enter in.

Life in the corporate world, as life anywhere, can be made into a game. In the September/October 1983 issue of the Harvard Business Review, Robert Jackall, a sociologist, has done a good job of describing what the rules in corporate world are in the U.S.1 With the demise of the “Protestant Work Ethic,” the corporate world is ruled by pyramidal politics in which decisions are pushed low in the power structure, and credit is pushed high; in which the corporate CEO is treated like a king in a feudal system; that this feudal system is structured so that people with less power become the scapegoats for those responsible for mistakes; how success and failure are not defined in terms of real contributions, but socially, in terms of “luck”; where appearance is as important as reality, etc.

Given the moral or immoral realities of business life, treating it all as a game may be a necessary psychological means of providing distance from how one really feels about the whole thing, and such it might be useful for survival. But it takes very little thought to see that it is a rare game indeed into which moral considerations do not enter. For games in which one can win, one can win fairly or unfairly by following the rules or by cheating. Cheating in professional sports, for example, can have grave consequences for the player who cheats, from monetary penalties to permanent expulsion. There is nothing within the rules themselves which explains why this should be: it is rather that moral considerations lie behind such penalties.

The general analogy thus fails to support the contention that ethics has nothing to do with business and business with ethics. But perhaps the comparison is not with business and games but business and “mere” games.

If so, this latter analogy fails as well. For whereas work in the business world has rules as does any kind of activity, there the simile would appear to hold. Much of what many workers do in the business world has no similarity

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1 “Moral Mazes: Bureaucracy and Managerial Work.”
to a game at all—the work of secretaries, janitors, technicians, research scientists. If one is thinking of making the “business deal”—i.e. negotiating a contract, making a sale, etc.—there are sometimes whole companies and the many lives those who work in them at stake. We have here, then, no mere game.

Someone might protest that business is an activity that permits any legal activity in search of a profit. If we enter into a partnership or some of contract, I look after myself, you look after yourself—that is the understanding, and I have no obligation to look after you or you after me. If you do not fare well, an agreement is an agreement, I may act in your interest, but I am not obligated to do so. Whereas under other conditions within life, I am my brother’s keeper: if I can do good for someone, especially if it requires little cost or effort on my part, it is reasonable to think that I am morally bound to do so, or, at least, that my character is to be rendered defective in some way.

But this fails to show that ethics does not apply to business dealing. For the reasoning shows that special conditions apply here that might not elsewhere. The process of deal making is one which has rules which we freely (albeit implicitly) accept prior to entering into it. Kant would argue that deal making is itself a contractual situation, and one does not do wrong so long as there is no coercion or lying.

However, one might a different conclusion from the analogy—not that ethics does not apply to business, but rather, that it is a different kind of ethics than the one which applies elsewhere. The major proponent of this view, and so far as I have seen, the best and most detailed defense of the game analogy—is that of Albert Carr, who once served as an economic advisor to President Harry Truman.  

Carr makes the analogy more specific: business is like poker. Just as one is expected to deceive and mislead opponents in a poker game in order to gain advantage, so is one expected to do this in business. These are the rules of both games. Kindness, charity, love do not, or should not, enter in: the point is to be ruthless in order to win or make a profit, and in business, as big a profit as possible. Thus deceptive or even false advertising, ambiguity in contracts if it is in one’s own favor, bluffing, hiding one’s intentions or the complete truth about one’s product are all justified in the game of business.

Carr thus concludes that when an insurance company uses outdated actuarial tables to obtain unfairly high premiums, or when the same companies delay hearings of lawsuits in order to wear out the plaintiffs and win cheap settlements, or when a key manufacturer provides master keys to

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everyone, including potential car thieves, they are just business game
players, despite condemnation for the general public. ³

Now it is important to make clear what Carr shows, if he has shown us
anything, since he himself seems unclear on the matter. It is not business-
activity in general which involves this kind of behavior to a great degree.
Indeed, it involves very little of what goes on in the name of business. For
example, an accountant working for a company X is morally obligated to
provide a professional and accurate (and, if I may say “non-creative”) account
of how X is doing financially overall or in part. He or she is not or should not
be engaged in a poker-like game with his/her employers. The same can be
said for most people who engage in their jobs in the business world.
Buying/selling, advertising, and the negotiation of contracts are important
parts of business, but not by any means the whole.

Of course, any job requires some of what Carr describes. Often, for
example, it is not prudent to be completely candid to one’s employer or one’s
fellow employees about career goals and strategies, odd preoccupations,
extreme political or religious views, or potentially controversial hobbies.
Critical opinions of one’s company, one’s employers, one’s employees—even of
oneself—though honest, and even helpful and necessary, sometimes are best
kept to oneself, given human nature and vulnerability. And appearing to do a
good job can be often just as important as actually doing it. But even here,
one might insist, “poker playing” is but a small part of actual work.

In close agreement with Carr, we find the views of libertarian
economist Milton Friedman, who argues on various grounds that the only
moral obligation a company has is to its stockholders, chiefly because any
other use of profit apart from paying stockholders dividends is “using
someone else’s money.” Friedman adds that the focus on profit within the law
is essential, that an economy free of moral constraints or intentions works
better anyway.

Both Carr and Friedman recognize that there may be truth of a sort in
the bromide that ethics is just good business. But when ethics and good
business coincide, they insist, it is “strategy”—not really ethics. They simply
assume that strategy and ethics are two different things.

Are they right?

Strategy vs. Ethics

The distinction between strategy and ethics is commonly attributed to
the late eighteenth century British economist Adam Smith. Given the
division of labor in a free economy according to which each specializes in
some task, Smith is thinking, an exchange of what each party wants but
cannot have singly is a profit for both.

³ Carr, p. 109.
most advantageous employment for whatever capital he can command. It is his advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage, naturally, or rather, necessarily, leads him to prefer that employment which is most advantageous to the society...

As every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestic industry, and so direct that industry that its produce may be of the greatest value, every individual necessarily labors to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security: and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which has no part of his intention. Nor is it always the worse for society that it has no part in it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it.4

Self-interest is the motivation for profit in a business transaction. Business works better when this is the sole motivation, and when those in the transaction look out only for themselves to the exclusion of the other party.

But having said this much, notice that Smith nowhere says that morality has nothing to do with a business transaction. Rather, he says that the public interest is not the intent of such transaction. That is, he is excluding a certain moral motivation without necessarily excluding others. He has not, that is, excluded certain moral presuppositions of the business transaction. Further, self-interest is not in itself a morally neutral or non-moral concept. Very roughly speaking, if one thinks about it, self-interest is in fact a duty to self.

The grounds for this are obvious, but worth stating nonetheless. Contrast the fully matured functioning adult with a child or infant. Children require care and nurture from others because they are incapable of doing it for themselves. When parents or caregivers fail in this function, we rightly detest such persons and prosecute them in accordance with laws. Adults, on the other hand, are able to take care of themselves, and normally are equipped to do so. Those who do not through moral defect such as laziness we

4 The Wealth of Nations, Book IV, Ch. II.
think of as inferior because they make themselves less than human. It is for this reason that those who do not care for their children or other dependents are morally contemptible.

For at least a large part of the time (with some notable exceptions), an individual human is the best judge of what her/his best interest is, and as a result, we accord to each person certain personal rights over themselves. To enter into agreements and contracts with others to achieve one’s own good through a common good is a natural extension of this. In such agreements, each looks after himself/herself and only after the other insofar as it impinges upon himself/herself.

Smith was one of the major moralists of his time--a fact often forgotten now. And it is no accident that one cannot find anywhere in the “invisible hand” passage anything like a prescription for lying, cheating, or taking unfair advantage in a business transaction. Indeed, he is presupposing that business takes place under favorable moral conditions: trust, cooperation, fair sharing of information, lack of deceit, etc.

But overarching Smith’s description of a business transaction is something which may not be apparent to an economist, but is to a philosopher who reads it--a moral justification for the free economy, for business and profit-seeking private enterprise: such an economic system maximizes the common good. That is to say, such a free market economy is morally right, just as much as maximizing the common good is. Or, put differently, on the theory of rule utilitarianism that a moral rule is a correct one if it maximizes happiness in society over all, the rule allowing a free market economy and free enterprise and profit-seeking is a morally correct one.

Smith, of course, is guilty of oversimplification and important omissions, and, as we all know, the kind of economy he envisioned which is free from interference on moral grounds failed to promote the common good as well as he predicted it would.

Or did it in fact fail? Perhaps only in the short term. Labor unions, collective bargaining, anti-trust, anti discrimination, and environmental laws all came into place because parties who were self-interested banded together to create them. Is this not the “invisible hand” at work again?

In any case, it is fairly uncontroversial nowadays that Smith was largely if not totally right. The invisible hand works, even if one thinks that it requires some outside help or guidance now and then. The once viable alternatives, most notably socialism and communism, are an illusion.

With or without the tinkering, the justification for free enterprise and profit, then, is a very moral one. If so, business by its very nature is--or should be--a very moral enterprise. Thus I like to say to my students, the modern corporation is the most efficient instrument of doing good ever invented by humans.

To see this further, let us consider the concept of profit.
That Root of All Evil—Profit

There is an argument against profit which is based upon justice: every purchase must be a fair trade, and a fair trade must consist of an exchange of two items of exactly equal value. Anything beyond equal for equal is usury.

We find this argument in Aristotle, who claims that a just exchange of sale, though sometimes not true “reciprocity,” is in some regard an equal for equal:

The terms ‘loss’ and ‘gain’ in these cases are borrowed from the operations of voluntary exchange. There, to have more than one's own is called gaining, and to have less than one had at the outset is called losing, as for instance in buying and selling, and all other transactions sanctioned by law; while if the result of the transaction is neither an increase nor a decrease, but exactly what the parties had of themselves, they say they ‘have their own’ and have neither lost nor gained. Hence Justice is an intermediate between gain and loss in a sense, that is, those which are involuntary (for the loser): it is to have after the transaction an amount [20] equal to the amount one had before it.  

These remarks are in Aristotle's treatment of justice in the Nicomachean Ethics. As such a fair exchange fits the general pattern of justice which Aristotle provides: two parties A and B, and an exchange of two equivalent items, whether this is an object and money, two bartered objects, honor, or an eye for an eye and a tooth for a tooth as in retributive justice.

If so, profit is unjust. Thus, he writes in the first book of the Politics

But, as we said, this art (of getting wealth) is twofold, one branch being of the nature of trade while the other belongs to the household art; and the latter branch is necessary and in good esteem, but the branch connected with exchange is justly discredited [1258b] (for it is not in accordance with nature, but involves men's taking things from one another). As this is so, usury is most reasonably hated, because its gain comes from money itself and not from that for the sake of which money was invented. For money was brought into existence for the purpose of exchange, but interest increases the amount of the money itself (and this is the actual origin of the Greek word: offspring resembles parent, and interest is money born of money); consequently this form of the business of getting wealth is of all forms the most contrary to nature.  

5 Nicomachean Ethics 1132b11-20; cf. 1131a10ff.
6 Politics 1258a37-b4..
In response, there is Smith’s point that due to the division of labor, each in a profit-making exchange in fact benefits. I do not have to own and care for a cow to get milk, that is, since there are farmers, dairy industries, and grocers to make milk available to me. This frees me to do other things (which is, after all, worth something). In buying milk from the grocer, he/she gets something he/she wants (monetary gain), and I get milk--both gain something in the exchange each would not have otherwise.

Further the accusation that profit is usury assumes a crude and implausible economic theory in order to amount to any kind of objection. To see this, let us assume that a gallon of fresh milk cost the grocer $2.00--that’s what she paid for it, at least, from the distributor. (My grocer does happen to be a “she.”) The grocer sells it to you for $3.00 with $1.00 profit. But the grocer must also make the milk available to you, and this means hiring and paying people who will stock it, keeping it refrigerated, and paying for other costs, with enough left over so that grocer herself can afford to live in a nice house, have a family, and drive a nice car like everyone else, including you. Given the work in overseeing the process of getting safe and clean fresh milk to you, is not the grocer’s personal labor worth something as well?

If you expect the grocer to be nice to you, and you accuse her of being selfish or of usury because you do not wish to or cannot afford to pay the extra dollar, perhaps she can provide the milk to you at the price of your liking because you are such an exceptional person. But she cannot do this for everyone, or for even all exceptional people, without going out of business and self-destructing. This is certainly in neither of your interests, since if you require her to self-destruct, you must, in order to be fair, require other grocers to do the same, in which case, you do without milk.

Suppose we agree that we should pay more than the $2.00 that the grocer paid for the gallon of milk, but insist that it is in fact too much. On what basis do we insist upon this? It is no answer that we can get the same gallon of milk somewhere else for fifty cents less, since either some other grocer has found a way to make a profit here (in which case we still have a profit, less of one, perhaps, but still wrong), or we have someone going out of business (which is not germane).

Or this person is just breaking even--not a very attractive prospect for her for a number of reasons, despite Aristotle--it provides no safeguard for losses later on, no money for expanding to sell gourmet cheese, say, or for opening up another grocery store someplace else for other people who want to buy milk. There is no way to buy a new car when the old one breaks down, no way to finance children for college, etc., for someone who only breaks even and as of yet does not have the money for these things. If you insist that on moral grounds that she only break even in every sale she makes, to be completely equitable, you must also refuse any possibility of advancement for yourself if you discover that doing so is dependent upon someone else’s “usury.”
But apart from the insistence that you don’t want to pay $3.00, all there really is to determine monetary value is supply and demand--what the grocer can ask and reasonably get, given that there are other grocers with whom she is in competition. In any case, you have lost the moral argument against profit.

But let us consider another principle of just distribution (albeit one out of the context in which it is supposed to work)--Marx’ “From each according to his ability to each according to his needs.” It certainly is a noble slogan, and one which, if we could make it apply, would make the world a much better place. Or would it? Suppose I suffer from kidney disease and you have a spare. You clearly have the ability (with appropriate medical technology and surgical aid, plus the vast sums required to play for these) to supply me with your second kidney, and I clearly have the need. But I still have no right to your kidney, and a government or economic system which transfers your kidney from your body to mine without your consent violates your rights and your personhood.

Now Marx would agree, and insist that what he was talking about was not body parts or personal affects--private ownership of these is legitimate. He was talking instead about socializing the means of production, the private right to ownership of which he would deny. And such a principle only is intended to apply in the transitional period between capitalism and pure communism, after which “justice” would no longer be needed.

But given the genesis of the technology for organ transplantation, however, and a “means of production” of donor organs, it seems to me that Marx would have no choice but to socialize this as well, in which case, my objection still stands--the principle inevitably violates fundamental human rights.

Although a similar application of Marx’ principle of distributive justice in terms of the grocer’s milk and my need for milk she has in her store might seem less extreme an example, in principle, I suggest, it is the same. The right you have to your kidney is a property right, just as is the right of the grocer with respect to her milk. The point is that if there is such a thing as a right to property (and here I think there is, in disagreement with Marx), it either excludes rights of others based on need, or, at the very least, the act of transferring the milk from the grocer without her consent to someone who needs it requires some considerable justification. Under what we might consider ordinary conditions in this culture in which most people either have enough money to buy milk or have adequate means to milk if they do not have enough money, the odds seem slim to me for such a possible justification.

It is of course a different but nonetheless related question whether an economic system based upon Marx’ principle could ever be made to work. I suspect that it cannot, and that we have no alternative but to accept private property, self-interest, and profit. If these are necessities, no other good can
be achieved without them, and there is no way in principle to object to them on moral grounds, since such an objection presupposes that there are other economic options when in fact there are none.

So self-interested profit is not in itself morally wrong. But just how self-interested is it? If one acquired money only to keep it in a safe at home, and that is that, this might mean that the profit motive is strictly self-interested, i.e. prudential. But this is hardly ever the case. Our grocer, for example, takes care of her family and buys other goods that they need, thereby furnishing a living for many others. And if she is smart, she invests extra money to finance other business enterprises. This, and banks which make money available for this purpose, provide society with a real service, since this is one way in which value (=good) that did not exist in society before can be created.

In arguing this way, I am supporting and in some ways supplementing an important argument by Kantian business ethicist Norman Bowie:

...people seem to assume that actions that enhance the bottom line are acts of self-interest on the part of the corporation. However, for publicly held corporations and for partnerships, this is not the case. Publicly held corporations have an obligation to make a profit based on their charters of incorporation, legal obligations to shareholders, and an implied contract with the public. It would not be stretching a point too far to say that the managers of a publicly held corporation have promised to strive for profits. If that is so, the position of the Marriott Corporation is a moral one, even for the strict Kantian. The Marriott Corporation is honoring its obligation to realize profits and its obligation to beneficence. Thus, Kant’s insistence that an action must be done from a truly moral motive need not undercut acts of corporate beneficence that also contribute to the bottom line.  

Bowie’s point about keeping promises to make a profit only works, of course, if profit-seeking and -making are themselves moral activities, otherwise it is similar to a society of thieves keeping the promise of carrying out organized theft for each other’s mutual benefit. His answer is that in the case of publicly held corporations and partnerships, the profit is shared and hence it is also for someone else.

But I have given a stronger answer than even this. The notion of a profit that only benefits one person to the exclusion of all others really makes no sense. The question to ask is rather whether it benefits the right people in a just and fair way—not whether the institutions of private property or profit should exist at all.

Kant, Selfishness and Self-Interest

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But even supposing profit is just a form of self-benefit and only that, is it wrong to seek benefit for oneself?

In the history of Western thought, the idea that what is done in self-interest cannot coincide with what is ethical is largely an alien one. The Greek ethical tradition extending up to Kant and Adam Smith is thoroughly egoistic. Take Aristotle for example: the ultimate good one is to seek is one’s own, and practical wisdom (*phronesis*) is the capacity of doing this well, even though this is essentially connected with the interests of others and a common good. The difference between being good and being bad is largely a difference between knowledge and ignorance of what actually is good for oneself. Thus economics was thought up until the end of the eighteenth century to be a branch of practical wisdom.

If Adam Smith is seen, perhaps wrongly, as divorcing economics and ethics from one another, the philosopher Immanuel Kant must perhaps more rightly share in the blame. Thus he writes in his *Lectures on Ethics*

\[\ldots\text{it is in accordance with duty that a dealer should not overcharge an inexperienced customer, and wherever there is much business the prudent merchant does not do so, having a fixed price for everyone, so that a child may buy of him as cheaply as any other. Thus the customer is honestly served. But this is far from sufficient to justify the belief that the merchant has behaved in this way from principles of duty and honesty. His own advantage required this behavior; but it cannot be assumed that over and above that he has a direct inclination to the purchaser, and that out of love, as it were, he gave none an advantage in price over another. Therefore the action was done neither from duty nor from direct inclination but for a selfish purpose.}^8\]

Note the implicit assumption that self-interest and selfishness are one and the same, and that selfishness is morally wrong.

A distinction must be made between these two, on Kantian grounds, no less. For as Kant contends, a rule, in order to qualify as a true moral law, must be capable of applying to everyone. So consider the rule, “Do not be selfish.” Suppose everyone were perfectly selfless, so that nobody ever sought any good for themselves out of deference to others. In such a world, who would be these souls to whom one is supposed to defer? Let us call the good deferred to those who need it G. If those who need G try to claim it, they are being selfish. So that is ruled out. But then so is selflessness, since giving to others (a necessary condition for selflessness on the part of those who do the giving) makes those others who receive selfish. That is, selflessness becomes a good that one accepts at the expense of others, who are made to be selfish because they accept G.

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Clearly, there can be no such moral rule, since it cannot consistently apply to everyone. Nor can an ideal of perfect unselfishness make any sense on its own independently of any obligation to be altruistic. For one could not seek to meet fundamental needs of food, water—even air. One's duty reduces down to having no duties at all—i.e. being a corpse.

There are of course examples of situations in which people give their lives selflessly—individual soldiers in combat for their comrades, for example. But quite obviously, following this ideal means dying—one cannot by definition live in accordance with it for very long. There is thus no ideal of perfect unselfishness according to which one could consistently live that makes any sense.

If so, a degree of “selfishness” is necessary. To speak this way, however, is unfortunate, given that this is a term for a vice, and it is thus accordingly best to distinguish between selfishness and self-interest. Self-interest is a medium state between selfishness (too much self-interestedness) and downright self-neglect or worse.

Self-interest is necessary for survival and well-being, not only for our own, but also for that of others who are dependent upon us, and as such, I submit, qualifies as a moral virtue—indeed, it is the basis for being a moral being and for morality as such. But if self-interest is a virtue, it follows that seeking personal profit—no doubt under proper conditions and constraints—can be a good thing as well. To be sure, to seek one’s own self-interest to an excessive degree, especially when it is at the excessive expense of others, is selfishness. But nonetheless, one needs to keep self-interest and selfishness distinct.

If so, to seek a profit in a business transaction need not be selfishness—it can be self-interest, and as such, the above moral objection to it fails. An objection still remains, of course, against excessive profit, or profit acquired unfairly (however one defines these), which can be motivated by selfishness. But this is another matter.

We can still ask, though, whether self-interested actions have any moral value. Kant would deny that they do—he in fact draws a sharp distinction between the prudential and the ethical. If this is the case, profit seeking under the very best of conditions can be only a prudential action, and if we cannot object to it on the grounds that it is wrong, we nonetheless can never say that it is right or good. For it does not fall at all within the realm of the ethical. And thus at best business and ethics have nothing to do with one another.

Kant distinguishes between the prudential and the ethical on several grounds. The statement of a legitimate moral duty—“Thou shalt not lie”—follows the Categorical Imperative and are categorical in form—they are unhypothetical and universal. It presents itself to the will as objectively necessary, without regard to any other end. It is a thing of reason. The prudential, on the other hand, is hypothetical—a statement of it takes the
form of “if I want such and such, I must do so and so to get it.” The prudential is a matter of inclination, and inclination is the dependence of desire upon the senses, and is not therefore a matter of reason.  

So an action for the sake of duty to self and a prudential action for the sake of self-interest are distinct because of the intentions behind them are different, and because the imperatives they follow are different. And further, given Kant’s conception of a moral law as a law which applies of necessity to all rational beings as such, the prudential cannot be ethical, since what is hypothetical cannot be categorical.

As a matter of course, self-interest all too often leads to actions which are contrary to duty, making the distinction in this kind of situation an easy one to see. But of course this is not always the case. There is the kind of situation in which self-interest and duty coincide, one in which the action is in accordance with duty but one does not feel impelled for this reason to do it, and is not impelled by any direct inclination to do rather because of some other inclination. (Example: the child who does his duty of practicing piano after coming home from school, not because it is his duty, and not due to any direct inclination--he hates practice-- but because he does not want to lose some of his allowance money.) And then there is still another kind of situation in which the action is both in accordance with duty and one has a direct inclination to do it. How does one distinguish between the prudential and the ethical in these latter two cases?

For Kant, anything that is morally good comes from a good will which chooses to do what it is right because it is right. So it is the intention of an action which determines whether it is prudential or ethical. He distinguishes duty to oneself from self-concern in the following way.

. . . it is a duty to preserve one’s life, and moreover everyone has a direct inclination to do so. But for that reason the often obvious care which most men take of it has no intrinsic worth, and the maxim of doing so has no moral import. They preserve their lives according to duty, but not from duty. But if adversities and hopeless sorrow completely take away the relish for life, if an unfortunate man, strong in soul, is indignant rather than despondent or dejected over his fate and wishes death, and yet preserves his life without loving it and from neither inclination nor fear but from duty--then his maxim has moral import.  

This seems to me to be a rather extreme view, almost amounting to a one according to which a morally right or good action is one that is such only under extreme test conditions. And it is a view that leads to absurd consequences. A sick friend in the hospital might take comfort in thinking

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that I have come to see him out of friendship and feelings of sympathy. But he might think of terminating our friendship if he were to find out that I am doing it only out of a deep sense of duty because I have no “inclinations” of friendship, sympathy and a sense of common humanity. Similarly, a spouse might well feel hurt to find out a conjugal nocturnal encounter came not from feelings of love but out of duty for its own sake. One might indeed suspect that a person who has lost all love for self might be justified in that loss, and if he maintains his life only out of duty he might not have had a life with much moral worth to begin with.

So what are Kant’s reasons for this position that an action has no moral value unless it occurs from duty? For Kant, the ethical is a matter of reason and free choice; the prudential seeks happiness as a goal, and is an inclination, i.e. something over which we have no (or at least less) choice, and so the prudential has no moral value.

But the most important reason comes from Kant’s position that the only absolutely good thing is a good will. It is, that is, the only thing which under all conditions always remains good, in contrast with happiness and good fortune (which can be a bad thing if possessed by a morally bad person), and even the moral virtues (for the same reason--courage is the last thing one would want a Hitler or Stalin to have). But as we have already seen, one may respond to Kant that within the context of friendship and marital relationships, even duty is not an unqualified good.

The moral is quite clear: Kant’s ethics falls into difficulty within the context of special human relationships: friendship, love, and family. Thus my duty to my son goes well beyond never treating him as a mere means, despite what Kant might say, and it is this relationship, and not the Categorical Imperative, which defines what my duties to him are. Further, my duties to him are special to him, and do not apply to all rational beings as such. These duties involve several “inclinations”, including especially that of love. For even if love is an inclination and not an action which one can freely do or not do, one can still freely do (or not do) things which foster it.

But if so, why cannot a business relationship be one of these relationships that have special moral significance? Such a relationship is a kind of contract, a mutual promise, for the purpose of mutual benefit. If you and I enter into such a relationship, my self-interest in the matter merges with yours, so that it is in my actual self-interest for you to benefit. And underlying self-interest for both of us is the duty to be self-interested.

Is there such a duty, parallel to a duty to love or be a friend? I think there is. If I do not care about myself, there are no bounds as to what I might do to others--clearly I would have no fear for harm and retribution-- and as a result a recognition of a duty to be self-interested is part of being a moral being. And fact that most of us overdo this duty to be self-interested does not nullify its existence.
But even Kant recognizes the existence of duty to self. He in fact maintains that duties to self are the foundation of being a moral being and of being able to fulfill one’s duties to others.

So just what does this duty consist in? Could this be at least in part a duty to seek happiness? Here, Kant seems to be of two minds. In *The Foundations of the Metaphysics of Morals*, Kant says that there is an indirect duty to seek happiness, since unhappiness leads to temptation to do wrong. In his *Lectures on Ethics*, however, Kant reasons that if the duty to self were a duty to seek happiness, this would make duty to self (the foundation of being a moral being) the search for satisfying one’s inclinations, and this conflict with all our duties to others.\(^\text{11}\) The idea here is that a genuine duty, if it is truly genuine, cannot conflict with other genuine duties.

Now since it is a notorious difficulty of Kant’s ethics that he fails to recognize that conflicts in duties can and do arise and so fails to provide us with a means to resolve such moral dilemmas, this argument is a weak one. For moral dilemmas do occur in some circumstances arising from a conflict in duties, such as between the duty to tell the truth and the duty to preserve human life. But if so, one might respond, and the occurrence of these conflicts does not undermine that these are duties, then a conflict between a duty to seek happiness and some other duties to others would not thereby show that the duty to seek happiness is not a duty.

If Kant thinks there is no duty to seek happiness (or, at least, not much of one), what is our duty to ourselves? Quite clearly, according to Kant’s first moral principle, the Categorical Imperative, one should never treat oneself as a mere means, solely as a tool, for the sake of some other good. This obviously rules out suicide and self-destruction.

But Kant elaborates further:

A drunkard does no harm to another, and if he has a strong constitution he does no harm to himself, yet he is an object of contempt. We are not indifferent to cringing servility; man should not cringe or fawn; by so doing he degrades his person and loses his manhood. If a man for gain or profit submits to all indignities and makes himself the playing of another, he casts away the worth of his manhood. Again, a lie is more a violation of one’s duty to oneself than of one’s duty to others. A liar, even though by his lies he does no harm to anyone, yet becomes an object of contempt, he throws away his personality; his behavior is vile, he has transgressed his duty to himself. . . Moreover, if a man gives up his freedom and barters it away for money, he violates his manhood. . . Moreover, if a man offers his body form profit for the sport of others---if, for instance, he agrees in return for a few pints of beer to be knocked about—

throws himself away, and the perpetrators who pay him for it are acting as vilely as he. . . .etc.

The constant theme in this portion of his Lectures on Ethics involves the notion that one fails in one’s duty to oneself if one makes oneself an object of other’s contempt by doing something to oneself which is beneath human dignity. But most tellingly he also speaks of the importance of taking care of one’s body, of having an occupation, of caring for one’s life.

Quite clearly, persons who can but do not take care of themselves, either through laziness or for other reasons, violate duties to self for the very same reason. To work for wages or to seek financial means to support oneself when this is necessary to survive and flourish is thus to fulfill the most fundamental duties to self—the alternatives are begging in the streets or suicide from starvation—none of which Kant would consider approvingly. And to have the means to hire others to work for wages provides those others with the ability to discharge these very duties to themselves.

But how is all of this possible? Kant says little about the nature of the economic system that allows one to make a living, to take care of one’s body and of one’s life. Indeed, he scarcely seems to have thought about the matter at all. He was a university professor, after all, and a great philosopher, but not an economist—a person who no doubt thought that all the money that he ever made was honestly earned, but never thought of how the wealth generated by others made possible his salary, and with it, his life and career.

What he does say is very revealing:

To the understanding the contempt of riches is noble, yet in the world of appearance riches themselves are noble. A rich man has great influence upon the social structure and on the general welfare; he provides occupation for many people. This does not, however, make his person noble; but the contempt for riches does. Riches ennoble a person’s circumstances, but not himself.12

Here in the same breath he tells us that a rich man provides occupation for many people, but that he is not noble, only his circumstances. But, we might protest, a rich man who provides occupation for many people thereby does good. Admittedly, perhaps, “noble” is not quite the right word here—to be a noble employer would perhaps require employing others at a great loss for some worthy reason, hence Kant’s connection between nobility and contempt for riches. But simple arithmetic shows that employment of others at a great loss, no matter how high the reason for it, cannot go on for very long, and so nobility must come to an end as a practical matter. More likely, a successful for-profit enterprise will do more good and for a much longer period of time.

12 Lectures on Ethics, p. 178.
And great wealth, for those who create it successfully for many others, it would seem, would be an appropriate reward—more of one in fact than for someone who was noble and failed.

A society which has the opportunity to be free and to support and care for themselves is one which must efficiently produce the wealth necessary to accomplish this. Only a capitalist economic system, it seems, can do this.

And so, the upshot of all of this is that Kant’s attempt to divorce self-interest and profit-seeking from ethics must be deemed a failure, resulting from not recognizing that the very duties to self which he recommends as the very basis for morality itself presuppose an economic system based upon self-interest and seeking profit. One cannot have this morality and at the same time reject the economics upon which it is based. This, of course, was Marx’ great insight, and one which led to his revolutionary position that capitalist economics and what we tend to think of as ethics are of one piece to be rejected together.

Clearly, if a free market economy is in the end the only kind that can work, Marx was wrong to reject it. To seek profit in business can be a way of fulfilling one’s duties to oneself, making a living for oneself and enabling others to do their own duties to themselves, etc. It must then, within proper parameters, be an ethical activity.

And so “business ethics” is not an oxymoron.