The Faustian Spirit of Capitalism and of its Opponents:

A Critical Business Ethics Analysis of Wall Street and its Occupiers

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Abstract

Suppose that business ethics is not an underdog ideology that criticizes the excesses of capitalism and finance, but is instead a dominant Faustian spirit that is a central pillar of finance and capitalism, of opposition to finance and capitalism, and of our everyday lives. Business ethics in the view we adopt in this paper is a culturally evolving way of solving social games in which we harness our vices as well as our virtues to produce for an entity or cause greater than ourselves. We believe that the rise of business ethics over the last several hundred years has made a major contribution to human progress. But we also believe that the time for radical progress may not be over. We describe in the paper our hope for a politically, religiously, and culturally inclusive critical business ethics movement that sympathetically considers a diverse array of possibilities for radical change. We discuss six such possibilities, including the possibility of an extension of business ethics in its current form to what we call equity ethics, in which a variety of socially motivated and economically motivated investors, including for-profit firms, non-profit firms, individuals, and governments, invest in individuals.

Today we must regain control of the future before it is too late—reverse the financialization process and ensure that finance once again operates in the interests of human dignity and progress. –Manifesto of Observatoire de la Finance

In the language of myth, Western civilization has made its peace with the Devil, in return for which it has been granted hitherto unimaginable resources of knowledge, power, and pleasure. This is, of course, the grand theme of the Faust legend, immortalized by Goethe. The irony is, however, that now that we have at last achieved abundance, the habits bred into us by capitalism have left us incapable of enjoying it properly. The Devil, it seems, has claimed his reward. Can we evade this fate? Perhaps, but only if we can retrieve from centuries of neglect and distortion the idea of a good life, a life sufficient unto itself. –Skidelsky & Skidelsky, 2012

The problem was not that the firm was a hell on earth; it wasn’t. There were sensible arguments to be made that people, you included, needed and wanted to spend to spend at least
some time doing work in one sort of firm or another (yours, the D.A.’s office, a community organizing group, IBM, the ACLU, the Salvation Army, Yale, the corner hardware store, etc.). You sensed that in any plausible social arrangement the dance of order and resistance that characterized firm life would continue to exist, though perhaps, one might hope, in a very different form from what now prevailed. What at bottom was impossible to understand, though, was why the firm should consume as much of your life as it did. There were, after all, other things to do with your life than the work of the firm, and that included things you should be doing as well as things that you wanted to do. –Eastman, 1992

It’s very nice in some ways that you were known from the moment you were hired as gov-owned. You’re not slotted in for the regular all-nighters the way the private-owneds at the firm are, and you’re not under the intense up-or-out pressure that they are. You’ve got a reasonable shot at staying with the firm for the long haul as a permanent associate, with enough time to cultivate the family and civic and arts gardens you see as the point of your life as much or more than writing legal briefs is. You went with a consortium of New Jersey suburbs for a reason. You’re good with the idea of moving to one of them from the city at some point when you’re married and have children, and with doing volunteer work in local government and politics. All fine. And yet. There’s a part of you that wants to join the party with your co-workers who are all in. You could recapitalize yourself, make a deal with a private, and get a nice little—or maybe big—pile of money. Your life coach from Maplewood is a very nice person, and fine as far as she goes—but maybe a coach from Goldman or another top private would be a more interesting person. And you don’t have to sell yourself to a finance private. You could always go with a mellower private, which would be better if you change your mind later and want to buy out your owners. [Imagined future reflections of a young lawyer from an imaginary book, 2084: A Wall Street Associate’s Diary of Capital in the Late Twenty-First Century]

INTRODUCTION

The first quote above, which introduces the Rationale for our IESE symposium, articulates what we regard as the prevailing view in the North American and European business ethics communities. Under that view, ethics is a possible counter to financialization, with business ethics operating within firms to check financial excesses and kindred forms of political and religious ethics operating at the social level to provide similar desirable checks on finance. The second quote, from Robert Skidelsky and Edward Skidelsky’s recent book (2012) arguing that people in wealthy countries should reduce the amount of time devoted to paid work, is also
grounded in what we regard as the prevailing view of ethics as a potential check on the maximizing spirit of capitalism in general, and finance capitalism in particular. The third quote is from a paper that one of us wrote years ago, looking back on his 1980s experiences as a Wall Street law firm associate in a Skidelskyan spirit. The fourth, imagined quote prefigures the themes of this paper, which presents an alternative, critical view of business ethics and its past, present, and possible future relationship to financialization.

The first part of the paper consists of a meditation on the possibility of a new, intellectually ambitious genre of politically, religiously, and culturally inclusive critical business ethics. In that part, we discuss six highly ambitious thinkers of the eighteenth to early twentieth centuries who have inspired our views, and our ambitions for critical business ethics. In the second part of the paper, we suggest that business ethics can be understood as a maximizing, equity-oriented ethic that should be distinguished both from a prehistoric, hunter-gatherer ethic associated with sharing and resistance to bullying, and a pre-1800, compliance-oriented, debt-oriented ethic (Graeber, 2011). Our idea is to imagine business ethics as a powerful ideology, and to imagine critical business ethics as a vehicle for transformation, as a proactive, reactive and transformative engine, tool or method that embraces creativity of thinking and diversity of thought but also engages the everyday practical realities of human existence in context. In the third part, we discuss five possibilities for radical change in our current social order that have recently been advanced, along with our idea of equity financing for individuals. We suggest that although critical business ethics should not harness itself to a particular agenda, these six possibilities all warrant contemplation from critically inclined business ethicists.

Critical business ethics. Critical business ethics as we envision it (Eastman, 2013) spans theory and practice. Its roots are based in the intellectual contributions of Kennedy (1976) and
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Unger (1982), and share in the performative dialectics of Freire (1982) and Rogers (1970). It is an experimental method, a tool, for uncovering the hidden or unspoken conversations that exist within and between the private and public self, the private and public sphere, and that have difficulty making their way out. Critical business ethics allows for the awakening of thinking across boundaries, across genres, across extremes of ideology. It is also a tool that embraces the core and the periphery, the marginal and the majority, for the sake of breakthrough. We believe the emergence of such an experimental method within business ethics proper can help awaken and fuse what practitioners of marketing describe as a reason to believe—in this case, a reason to believe in business ethics.

The sources that have influenced us and on which we will reflect in this paper include Adam Smith’s *Wealth of Nations* (1776) and *Theory of Moral Sentiments* (1759), Karl Marx’s *Capital* (1867), Thomas Piketty’s *Capital in the Twenty-First Century* (2014), Max Weber’s *Protestant Ethic and the Spirit of Capitalism* (1905), Roberto Unger’s *Passion* (1984), David Graeber’s *Debt: The First 5000 Years* (2011), Robert Skidelsky and Edward Skidelsky’s *How Much is Enough?: The Love of Money and the Case for the Good Life* (2012), Jaron Lanier’s *Who Owns the Future?* (2013), and Bruce Ackerman and Anne Alstott’s *The Stakeholder Society* (1999). Gender balance is not reflected in these sources—indeed, nearly all the authors are men. The critical business ethics approach as we see it is inclusive of multiple perspectives, genres, styles and intellectual contributions, yet not governed by the requirement to have all perspectives and backgrounds reflected in all pieces of analysis. We are informed by and open and indebted to the thinking of scholars and practitioners, workers and managers, farmers and contractors, across divides of generation, cultures and gender and class. Our thoughts contemplate the intellectual and methodological contributions of K. Anthony Appiah’s *In My Father’s House*
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(1992) and Frantz Fanon’s *Black Skin, White Masks* (1952). We believe it is worth engaging fairly deeply and personally with a smaller number of sources, rather than relying on the usual academic string-citing of many sources that may or may not be important to the author. While a more traditional style of citing may work for mainstream business ethics scholarship, for critical business ethics we believe the method of integrating the private and the public in a way that opens a primary place for the introspective, personal dimension is of value.

*Our current state of stuckness.* Contemplating business ethics through narrative, whether understood through competing or complementary lenses, offers a window into recurring and emerging conflicts and transformations that have shaped and continue to shape the field. It also provides a tool for examining how business ethics relates (or fails to relate) formally and informally, reactively and proactively, to some of the stickiest challenges of our day. The hope is that critical business ethics can help spark new thinking and provide a vehicle through which radical shifts in thinking about these challenges can be exercised. In truth, for some among us there is a sense of urgency, even imperative, that cuts deeper and reveals our own existential and ideological, even metaphysical, proclivities. Some of us (whether for egoistic or altruistic reasons) worry that without such a spark, without a tool like critical business ethics, the kind of stuckness and stagnation that accompanies entrenched group-think will continue to impede innovation and breakthrough in our field, continue to dominate and alienate, continue to allow for no movement on the issues we care about and limit space for engagement.

In this paper, we conceive of stuckness in existential and ideological, even metaphysical realms, as situated within resistance, e.g., resistance to competing demands of self as self and self in collective, but also struggle (actively, passively, quietly, loudly) between extremes of discourse. In some ways, critical business ethics in narrative can be seen as emerging out of and
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evolving through existential, ideological, metaphysical stuckness—as emerging and evolving out of a need/desire for radical thinking to mitigate deadlock and facilitate breakthrough. Such stuckness, we posit, is worthy of consideration and contemplation. Stuckness and its effects, we believe, can be observed in the psychology of people, in the discourse of culture and in the dilemmas of business. Stuckness in its many iterations straddles extremes of fatalism, realism and idealism, sometimes manifesting as complacency, contempt, apathy or vengeance, other times pessimism, hopelessness and despair, yet other times inspiring the kind of can do attitude that is helpful for radical transformation.

In the 21st century context of financial reform, we believe stuckness manifests as discomfort from different perspectives with contemporary iterations of capitalism. Contemplations on the role of markets and the project of formal and informal regulation of behavior inspire curiosity in some but deadening flatness in others. At the same time, the emergence of new technology, including technology designed for managing the regulation of financial markets, brings with it a host of curious responses that reveal an underlying discomfort with the inability to control the nature and convergence of capitalism and technology. Resistance is sometimes expressed in detached, ideological terms—“GPS dumbs the memory”, “video games breed antisocial behavior”, “technology corrupts”, and in other cases rings with a different, more emotive conviction—“technology is the belly of alienation and moral decay”, “automation is the evil of our day”, “Wall Street defies human dignity”, and so on. Much like our conversations around where capitalism is taking us, debates around the meaning and role of technological innovation—conversations around what technology is good for and whether or how to regulate its reach, admit varying degrees of discomfort with uncertainty for the future and our place within it. Stuckness is seen in debates over the future of technology and finance and
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capitalism. Existential and metaphysical dimensions of stuckness are expressed through intense moral feelings with different ideological valences—“It’s wrong to have banks that are too big to fail!”; “Finance is parasitic!”; “Finance is at the heart of value creation!”; “Austerity doesn’t work and is morally wrong to boot!”; “Pumping the economy full of free money will not work and is morally wrong to boot!” etc. In practice, domination of the policy debate by moderate and technocratic perspectives on Dodd-Frank, Basel III, etc., within the context of a burgeoning slice of corporate governance, not only allows those in the “moderation in all things” center to remain in charge but also allows for the illusion of a real conversation. In critical business ethics we are interested in the unspoken conversations, in disrupting the illusion and in creating a vehicle for real conversations to emerge. We are interested in process and product, in transcendence and transformation of thinking. In truth and perhaps in irony, the practice of critical business ethics, as inclusive as it is, may lead us to a space or to an understanding that we ourselves are less comfortable with, that we ourselves wrestle with, and in the end that we ourselves fight to reconcile. The process, we believe, is part of a consciousness-raising that can help us get unstuck. In panels and a paper we are presenting this summer at the Academy of Management and Society for Business Ethics conferences in Philadelphia, we will pursue that personal, introspective, narratological aspect of critical business ethics, which runs alongside the political inquiry into possibilities for radical change pursued in this paper.

Stuckness in our view is associated with a despairing centrist sense of a contemporary political debate that is polarized between a morally irresolute center that is lacking in conviction and intense radical poles that lack practicality and are morally wrong in their willingness to engage in a sacrifice of human beings on behalf of ideology, between a purist anti-government, free-market ideology not responsive to the realities of a financial system in which business and
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government are intricately interwined and a purist anti-financial, anti-capitalist ideology impractical in its failure to recognize how the world works and immoral in its atavistic distrust of finance and its angry desire to expropriate financiers and capitalists on behalf of an anti-capitalist ideal that in practice has amounted to something much worse than the mixed system of business, government, and democracy that we now have. Our central focus in this paper is on the center, and how might it become unstuck from technocratic detail in thinking about finance and from moralistic disdain at purist supporters and opponents of finance and capitalism. The suggestion is that the center, or at least part of it, needs to discover its own inner radicalism, its own Faustian spirit.

In the first, positive part of the paper, we suggest that business ethics in the past few centuries has become distinct from political ethics, that support for business ethics is shared, at least in wealthy nations, across political lines, that business ethics has a Faustian, maximizing ethic of productivity as one of its key constituents, and that the Skidelskys’ dream of a future that identifies the good life with leisure is implausible in a culture of adherence to productivity. In the second, normative section of the paper, we engage in our version of the Skidelskys’ radicalism. We present our own hopes for a new social order of equity ethics that extends business ethics by valuing diverse forms of unpaid work more highly, and achieving more effective forms of unpaid work, than our business ethics culture does now. We suggest that achieving that end could be fostered by a novel form of equity finance, in which individuals become accountable to private-sector and public-sector investors for unpaid as well as paid projects. At this point, our vision of the future and that of the conference call converge: Finance and its Faustian spirit are better aligned with human dignity and progress.
PART I:

TOWARD A RADICALLY INCLUSIVE CRITICAL BUSINESS ETHICS MOVEMENT THAT THINKS BIG

Roberto Unger. This paper is intended as a contribution to a nascent genre of critical business ethics that is politically diverse, open to radical alternatives to current practices and beliefs, rhetorically experimental, and committed to analyzing ideology and its personal correlates without claiming to rise above it (Eastman, 2013). In particular, the paper is intended as an initial contribution to a subgenre of critical business ethics that combines system-wide positive analysis with normative advocacy. In carrying out the experiment that the paper represents, we have been inspired in particular by the work of Roberto Unger. Since the 1970s, Unger has taught courses on law and philosophy at Harvard Law School and elsewhere and has brought the grand tradition in Continental philosophy and social theory to the American legal academy, the Critical Legal Studies movement, and critical legal scholarship more broadly with his work on the fundamental contradictions of liberalism (1975), jaded and aspiring legal consciousness (1983), the ambivalent relationship between modernism and leftism (1984), creating less ossified forms of social order through government-sponsored destabilization funds and other means (2004), the awakening of the self (2007), and the past and future of religion (2014), among other topics. Unger’s ideas on financially-oriented topics relevant to this paper such as rotating capital funds and destabilization rights (2004) tend to be highly abstract, sometimes frustratingly so. But our intuition is that if big picture critical business ethics scholarship is to work, it will need Unger’s philosophical spirit, as well as a measure of concreteness that his work lacks. As Americans who are steeped in a pragmatic Anglo-American tradition very different from that of the Continent or of Unger’s native Brazil, we may
not be the right people to bring social theoretical ambition to a Barcelona financial ethics conference. But then again, we might be. Whether business ethics work by us or by others that summons up Unger as well as the great past spirits of social theory is credible certainly may be questioned; our thought is simply that it is worthwhile to find out. In the next part of this section, we conduct an introspective analysis of the psychological correlates of a critical business ethics movement that is indebted to Unger’s analysis of human personality in *Passion* (1984) and of the Critical Legal Studies movement (1983).

*Psychology.* Some of us are temperamental moderates. Our passions, real and powerful as they are, align equably with expressing ourselves in accord with what is held to be sensible among researchers, legislators, executives, and other communities of serious and respected people in our culture. Others of us are temperamental radicals. Our passions, though not necessarily fiercer than those of our moderate brothers and sisters, leave us in some ways out of kilter with what our culture’s norms of good manners, common sense, and sanity demand of us. We want radical alternatives, a breakthrough to the other side, a revolution in consciousness, the discovery of a brilliant green garden underneath the prosaic gray sidewalk.

The moderate-radical dichotomy applies in regard to rhetoric as well as to substantive political and ethical positions. Some of us are temperamentally moderate in the sense of being comfortable with our own righteousness and self-righteousness when it is in accord with relevant community norms. Others of us are temperamentally radical in the sense of being uncomfortable with our own self-righteous voice, even when that voice is standard and appropriate within a given social, business, or academic setting. We feel uneasiness within our own skins. We want to express ourselves in a different way, one that acknowledges the personal and the ideological in
what we are saying and that is less tainted by what feels to us like rationalized anger and pride. We are not sure how to do it, but we want to try.

The thought here is that the combination of receptivity to radical political and ethical alternatives and to alternative forms of rhetoric that are not imbued with standard forms of either in-group or individual self-righteousness is a good one for a nascent critical business movement to adopt. For moderate, mainstream ideas that fall within the broad domain of common sense as it is now understood, ordinary firmness and aggressiveness in advocacy is fine. But for radical ideas of whatever political and ethical stripe that defy current standards of practicality or decency, a greater modesty in expression is called for. We, no less than our mainstream brothers and sisters, should worry about a tendency in those of us with radical proclivities to ourselves exemplify dogmatism and rationalized rage. Let us express radical thoughts and feelings, yes, but let us do so in a way that recedes from the ordinary dogmatism of academic, legal, and managerial prose and voice in favor of new modes of expression that are different in ways we shall only figure out if we experiment.

For a new critical business ethics movement, it seems to us that radical inclusivity to a wide array of radicalisms—religious and cultural as well as political— is called for. That is so partly for reasons of practicality. Business ethics is a small field, and sustaining separate, competing movements for rhetorically experimental radical thought of left, libertarian, religious, and other persuasions is hardly likely to work. More fundamentally, though, radical inclusivity is called for as a practical way to push us to live out a self-critical, reflexive ethic of challenging our own self-righteousness. Disdain, denigration, and dogmatism toward those who think differently from us are less likely to take us over in a radically inclusive critical movement. The radical dream worth dreaming is not of a world transformed by those with ideas that make us
angry abandoning those ideas in favor of our ideas. It is of a world in which anger, real though it is and will always be, does not consume us or them; a world in which we love other radicals who differ radically from us but who are also our critical partners; a world in which we with our radical bent also love moderates and a balance of opposites in them that we aspire to our own version of, even if we cannot attain it easily as some others can.

We need to be modest because we need to be bold. Boldness can and should take different forms, but one central form it can take is a conviction that our field of business ethics lies at the heart of the disturbing, complicated, wondrous culture that we shape even as it shapes us. That sense of the centrality of what one studies is not hard for critical scholars in some fields, such as law or economics, to adopt. It can be hard for us in business ethics. Capitalism, finance, law, management, politics—these are the hard realities of our culture, we may think, and business ethics is a weak countercurrent that we wish to strengthen but we suspect is bound to remain a tiny and beleaguered field surrounded by huge and aggressive fields with giant mainstreams. We do not have any proof to offer to the contrary that will demonstrate that we are great rather than small. We do, though, have an idea of an alternative vision. In that vision, business ethics, alongside capitalism, industrialism, science, enlightenment, democracy, nationalism, the rule of law, modernity, and grand names and concepts, is an excellent label for the practical and moral system that increasingly has governed our interactions with other people over the last few hundred years, and that is likely to continue to extend its power in individuals, in social interactions, and around the world in the future.

Constituents of business ethics: Bentham’s utilitarianism, Kant’s deontology, Smith’s sympathetic human nature, Weber’s Protestant ethic, Rousseau’s and Marx’s radicalism. In developing our alternative account of business ethics, we borrow from and are inspired by
greater than ourselves. Jean-Jacques Rousseau, Immanuel Kant, Adam Smith, Jeremy Bentham, Karl Marx, and Max Weber, for all the differences among them, can all be understood as engaged in a common project of trying to understand the actual and ideal wellsprings of the rapidly changing social order of their time, in which an old order was giving way to a new one. All of them take positions different from ours, in that none of them asserts that a rising business ethics is a lodestar of that new order. For Rousseau, business is one component of a social order that has perverted human nature from its original goodness. For Smith the moral philosopher in Theory of Moral Sentiments, sympathetic human nature is a largely trans-historical phenomenon, and for Smith the political economist in Wealth of Nations, a narrower ethic of economic interest outweighs the broader ethics of his earlier book, with its intricate psychological descriptions of the interweavings of sympathy, shame, righteousness, and interest in human moral nature. For Marx, a deep reluctance to adopt any ethical framework as his own—a reluctance that one may see as bullying arrogance, but one may also see as a modest rhetorical recession from the grandiose German idealist tradition of Kant and Hegel—leads him to present socialism as an economic rather than an ethical system, and to disdain not only interest-driven bourgeois ideology but also the idealist socialism that he and Engels denounce in The Communist Manifesto. For both Bentham and Kant, a shared ambition to lay out the universal conditions of ethics overpowers the specific business ethics and historical elements that are also present in their writings. Finally, for Weber, the era of the Protestant ethic, of the irrational but also worthy (Weber is cagey on that point, but one senses his sympathies) and world-changing drive to work to prove oneself among the elect, is long over as of the early twentieth century and Weber’s reflections on the spirit of capitalism. Within the iron cage of technological rationality that Weber portrays us as living in, one can be many things—a disillusioned scientist, a role-following
manager or worker, a politician fated to decide, an aesthete attempting to escape the cage, an ethicist criticizing the cage—but the era of what one might call business ethics, the era of the Calvinist true believer in an ethic of productivity, is long gone.

Our proposal is that central elements in the thought of Rousseau, Smith, Marx, Bentham, Kant, and Weber can serve as pillars of the business ethics-centered understanding of their time and ours that we propose, even though none of these thinkers individually espouses such a position. First, Kant and Bentham. In Part II, we will suggest that business ethics compared to classical ethics is characterized by a ramping up of shame and righteousness related both to utility and moral duty. We believe that the business ethics system of exchange and sharing conjoined called for, and has been reinforced by, Kantian guilt—“I must not steal or lie, no matter whether anyone knows!”—Kantian righteousness—“Morality must be upheld, no matter if the world is ending!”—and Kantian freedom—“Rights, for business and others!” Similarly, that system has called for, and been reinforced by Benthamite shame—“I should not deviate from what people agree is good for the community”—Benthamite righteousness—“Let us act together so as to achieve the greatest good”—and Benthamite freedom—“People are generally the best judges of their own interests”. To achieve the high level of trust, cooperation, leading, following, and harmonization among people who know one another little or not at all that we believe has been a signal accomplishment of the business ethics system, we need both Bentham and Kant and their dueling ethics of duty and consequences, both the hot, passionate “You must!” yang of deontology and the and the cool, calculating yin of utility.

Next, Weber. The drive to work that he famously and controversially characterized as a now-bygone Protestant ethic that lived once in the aphorisms of Benjamin Franklin, the theology of John Calvin, and the relentless toil of bosses and workers adhering to that faith system can be
better characterized, we would submit, as a broad, overarching ethos of his time and ours that has in fact grown in its power over the centuries. The modern business corporation has helped foster in its employees, and by extension in the rest of us, a widely diffused morality of harmonizing with others on behalf of the firm one works for, buttressed by a belief that doing so is conducive to the good of society as well as oneself, one’s co-workers, and the organization. An ethic in which one views oneself as a tool to be employed on behalf of one’s firm was limited in the eighteenth and early nineteenth centuries. Such a consciousness had come to the fore by Weber’s time, and it has continued to rise between his time and ours. That consciousness, as much or more than the material conditions we live in, drives us to work. We can resist its for-profit incarnation if we like by asserting the value of working for a non-profit firm, the government, our families, or ourselves. But even as we do so, we live according to the terms of a work ethic that is, we would suggest, a central component of the great value system—or ideology, understanding that we are not using the term pejoratively—of business ethics that we believe defines our age. Though we mean other things by business ethics than what Weber called the Protestant ethic, the drive to work and produce that he focused on is one thing, and indeed the single major thing, that we mean by our alternative definition of the term. As we see it, Weber’s great essay amounts to a meditation on business ethics and its role in creating our material order. Our perspective is deeply indebted to his. But where he saw a work ethic that brought a new material order into being that in turn laid waste to that ethic, we see an ever-escalating cycle, with productivity-oriented business ethics and the material conditions of our lives steadily reinforcing one another over time.

Next, Smith. Had we the historical, philosophical, and literary skills, the will, the wit, and the time, we would endeavor to historicize Smith’s sympathetic description of human nature
in *Theory of Moral Sentiments*, ethicize his political economy in *Wealth of Nations*, introduce a measure of modern terminology, and combine both books into a portmanteau work that might be called *Sympathetic Business Ethics and its Connexions to the Wealth of Nations*. Lacking as we do some and possibly all of the attributes for completing that project, we would simply note that Smith’s two great works can be understood together as embodying a theory of human morality as highly social, emotional, and effective from its inception, and as changing in Smith’s own time toward an even more productive though not more virtuous form—business ethics, we would call it—that features broader conceptions of trust, less expansive conceptions of hierarchy, and a stronger work ethic than earlier, and still important, forms of human ethics. One of us has a contract to write a book (*Why Business Ethics Matters: The Logic of Moral Emotions in Game Theory*) that advances such a theory of ethics, which employs an ethicized version of game theory and to which we will present a truncated version of in Part II. In that book-to-be, Smith, with his equable, ecumenical acceptance of sympathy, shame, righteousness, pleasure-seeking, and pain-avoidance alike as useful moral emotions, is central. He and his legacy should also be central, we would suggest, in an inclusive critical business ethics movement. In the tradition of Smith, one can be simultaneously radical and optimistic; radical and prone to express oneself in terms of the twinkling face of comedy rather than the twisted face of tragedy; radical and a centrist believer in the expansion of human capability and national wealth through a future conjoined rise of markets, sharing, firms, and governments.

With our next proposed pillars of business ethics and critical business ethics, Rousseau and Marx, there is no question about their radical temperament, theorizing, and politics. For all of us who are temperamental radicals in whom our anger, our guilt, and our competitive pride in our intellectual skills are intertwined with our hope for radical alternatives to the way things are,
to read Marx and Rousseau is to recognize oneself, to feel a possibly thrilling, possibly painful “C’est moi!” But there are questions to ask about their radicalism. Given Marx’s deep alienation from moralizing, not to mention his opposition to capitalism, how can he be understood as a pillar of business ethics? Given certain deeply sad and unpleasant aspects of Rousseau’s character, such as his increasing paranoia later in his life, can he really be a figure whose radicalism is an inspiration? Given that Marx’s Capital and Rousseau’s Confessions are upside-down, nay-saying, dark-side versions of the yea-saying Wealth of Nations and Theory of Moral Sentiments, how can there be a critical business ethics movement that includes both urbane, self-interest accommodating Smithian radicalism and tormented, dreaming, guilt-haunted, pride-laden Rousseauvian and Marxian radicalism?

Under our definition, business ethics is accommodating not only to self-interest a la Smith in a way that classical ethics was not, but is also accommodating toward anger, guilt, envy, and pride a la Marx and Rousseau. Are Marx and Rousseau bad in their Faustian incorporation of these dark-side emotions? Classical ethics says yes, but business ethics says not necessarily. There is good in Faustian badness. Just as business ethics can see virtue in greed--Mandeville’s fable of the bees and Smith’s invisible hand--it can also see virtue in anger and other dark side emotions. Commonsensical, moderate temperaments, and the conventional morality associated with them, will tend toward a moralistic disdain for the Faustian bargains with rage and other dark-side emotions that Marx made in his crusade against capitalism and that Rousseau made in his crusade against civilization. We have no general quarrel with the verdicts of moderation, common sense, and conventional morality—in fact, we believe they should rule the world most of the time—but for those of us with radical, out of the mainstream temperaments, we suggest that a reaction to Rousseau and Marx different from moralistic disdain
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is called for. A subversive part of the message of business ethics, we believe, is to love the dark-side bad even as we love the sunny-side good—and sometimes even with a greater measure of devotion, as with the prodigal son who was loved more than the good son. We believe in being inspired by and loving Marx and Rousseau, along with the other figures in this section. Love for them may be mixed with exasperation, anger, and other emotions—but it seems to us that if we in business ethics are to build a radically inclusive movement, as opposed to yet another form of sectarianism, we will need it for all of the six figures here, not just for Smith at the urbane, moderate end or Marx and Rousseau at the radical end.

PART II:
BUSINESS ETHICS AS A RULING SPIRIT

Under one understanding of ethics in general and business ethics in particular, ethics is an underdog, fighting to counter the dominant practical realities of an immoral or amoral world. Perhaps no one has ever followed the moral law for its own sake, Kant says—but no matter. Perhaps no one is truly acting to achieve the greatest good for the greatest number, Bentham might concede—but no matter. Perhaps human beings are condemned from the Fall onward to live in and perpetuate sin, as Augustine said—but no matter. In this conception, ethics, ineffective though it might be, is the heart of a heartless world, the shining opposition to the earthly reign of indifference and wrong.

In another understanding of ethics, one to which we are inclined, ethics shapes and is shaped by a human social world that is infused with moral feeling. In this understanding, which one can find in different forms in Adam Smith, in Aristotle, and in Confucius, among others, ethics is not the opposition to what rules us, but is itself what rules us. Ethics is our melancholy, our anger, our serenity, and our sociability. Ethics is our self-righteousness, our shame, our
happiness, and our sympathy. Ethics is our gossip, our bias, our harmonizing, our calculation. Ethics is us.

The “ethics is us” interpretation to which we are inclined is associated with a more favorable view of human nature than the view of ethics as the upright opposition to the unpleasant realities of human nature and the world. But it also logically implies a more critical attitude toward ethics than does the view of ethics as an underdog upholding the right. If we understand human nature and human social orders as instantiations of ethics, we need to consider ethics more as a reality akin to history, psychology, economics, and anthropology, a reality that is contingent and imperfect, even as we and our institutions are contingent and imperfect.

We suggest that human ethics can be understood as the way in which we are biologically and culturally evolved to solve social games of cooperation (the Prisoner’s Dilemma), trust (the Stag Hunt), leadership (the Battle of the Sexes), and rationality (the Harmony Game). There is no unique solution, no single best way to solve the games. Rather, there are multiple ways to overcome cheating, mistrust, rivalry, and irrationality. These multiple approaches to ethics coexist within us, harmoniously and less harmoniously, and are hence psychological. They are also historically conditioned and contingent, in that certain modes of production are fostered by and foster certain ethical modes as opposed to others. Hunter-gatherer bands that share meat according to need, rather than rewarding the most productive hunters, do so partly because of an ethic of sharing, an ethic that is in turn reinforced by the material reality that productivity-based distribution is difficult with meat that cannot be readily stored. Agricultural civilizations with sharp hierarchies and high inequality are the way they are partly because of an ethic that supports authority and obedience, an ethic that in turn is reinforced by material conditions that make revolt against hierarchs more difficult than in a hunter-gatherer band.
Where does business ethics fit in? Under the approach that one of us is developing in a book, business ethics is a particular way of solving social games that involves broad trust, shared leadership and following, harmonization with others on behalf of one’s shared work, and the harnessing of vice alongside virtue. Business ethics as we define it has a practical, calm virtue ethics incarnation in the form of a morality that impels one as a well-socialized person to align with well-socialized others in a commitment to paid work. In addition, it has an ideological, righteous incarnation that fuses Benthamite utilitarianism—“work for the greater good!”— and Kantian deontology—“produce because it is your duty!”—into a powerful, emotion-laden work ethic.

Our critical view of business ethics as a ruling ideology is indebted to, but also different from, the critical perspective on ethics advanced by David Graeber, one of the major intellectual inspirations of the Occupy movements, in his mordant Debt: The first 5000 years (2011). Graeber challenges Adam Smith’s optimistic account of an early-appearing, natural human tendency to barter, truck, and exchange and to create value in doing so—what Graeber calls the founding myth of economics—as ahistorical and wrong. In its place, Graeber offers a two-stage historical view of human ethics. First, there was a hunter-gatherer ethos of communist sharing and resistance to bullying. Then, with the rise of agrarian civilization, a new ethos arose, overwhelmingly shaped not by barter between equal parties, but rather by debt transactions between profoundly unequal parties. That ethos of debt is cosmological and cultural as well as practical; it combines a theology in which human beings owe a primordial debt to their creator, an ideology that upholds inequality and hierarchy, and institutions and practices that place creditors above debtors.
We are in accord with Graeber’s account of a change from a communist ethic, or sharing ethic, associated with hunter-gatherer bands to a debt ethic, or hierarchichal ethic, associated with agrarian civilization. What we think needs to be added to his account is business ethics, its role in the rise of our current system of production, and its reinforcement by that system. To put the point in terms of two of the six thinkers we discussed: Graeber updates Rousseau, which is fine. But we also need to update Marx by thinking about business ethics as the ethical system that underlies, and is in turn reinforced by, capitalist production. A key part of capitalist production is the modern corporation, and its class of managers who feel accountability to maximize the investment of shareholders in the corporation. The ethics of debt anatomized by Graeber is a conservative, non-Faustian ethics. But business ethics in our view is not the debt ethics of agrarian civilizations, much as debt ethics remains a real part of us and our society. Rather, business ethics is the structure of values that underlies the much more productive material order of industrial and post-industrial civilization, and that is in turn reinforced by the realities of that world. Business ethics unlike debt ethics is in substantial part an ethics of equity, and has a strongly Faustian spirit. One is reaching for the stars, not simply to repay a fixed debt.

By comparison with communist ethics and debt ethics, both of which are highly politically controversial, we would suggest that the key constituents of business ethics--broad trust, shared following and leading, harmonizing on behalf of one’s organization or other collective entity, and the Faustian harnessing of vice as well as virtue--are values that are shared across the political spectrum. Business ethics as we define it is a largely though not entirely consensual value system, embraced alike by the ideologically intense who are passionately ambivalent about the dominant institutions of our civilization—by libertarians who love the “free to choose” spirit of finance and capitalism, but hate the collective coercion of government and
politics, by Occupy Wall Street activists, such as those one of us joined in 2011 for a march in Boston and an afternoon in New York’s Zuccotti Park, who hate the inequalities of finance and capitalism, but love the communitarian spirit of government and politics, and by radical centrists who love both business and politics but hope for certain major changes in our social order—as well as by those who are less passionate in their ideological feelings.

Business ethics as we define it is an ideology, in the sense of being a system of beliefs that is grounded in shared social meanings and faith rather than in scientific truth, divine revelation, or other sources of authority. But as an ideology that can be, and largely is, embraced by all the major contending sides in contemporary politics, it is different from the righteous and self-righteous contending ideologies of leftists, rightists, centrists, libertarians, communitarians, and religious sectarians. Business ethics is the air one breathes along with everyone else; political ethics is the tap water, the Evian, the Champagne, the sake, the Stoli, the communion wine, or whatever else one chooses to drink along with some people, but apart from other people.

In our view, business ethics and the material culture of corporate enterprise and productivity that it helps to flourish and that in turn helps it to flourish are profoundly valuable historical accomplishments. At the same time, we believe, business ethics and the material culture associated with it have not rendered obsolescent the ethics of sharing and resistance to oppression that appears to have animated our hunter-gatherer ancestors (Boehm, 1998), or the ethics of debt, authority, loyalty, and sacredness that animated our agrarian ancestors who created cities, writing, and civilization (Graeber, 2011; Haidt, 2012). We also believe that it is an open question, and one worth exploring, as to whether business ethics in its current form, and the material order associated with that form, represent the end of history, or whether there are
potentially significant ways in which our current ethical and material order may be transformed in the twenty-first century. To that question we turn next.

PART III:
SIX IDEAS FOR AN INCLUSIVE CRITICAL BUSINESS ETHICS THAT ADVANCES RADICAL ALTERNATIVES TO OUR CURRENT ORDER.

All of the big thinkers of Part I had big ideas for concrete social and political change as well as big ideas at a more abstract level. Marx’s manifesto, Rousseau’s advocacy of democracy, Bentham’s panoply of aggressively reformist proposals on politics, economics, and culture, Smith’s urbane but sometimes passionate support of commercial liberty, Kant’s reformist cosmopolitan liberalism—modest by French or British standards, but quite real by Prussian standards—and Weber’s anti-Kaiser, anti-war activism and support for a new, liberal democratic Germany—all of the large-scale visionaries of the past to whom we appeal had not only a theoretical side but also a practical side to their vision, a side that in the case of Marx, Rousseau, Bentham, and Smith is central to their overall vision. Our sense is that critical business ethics if it is to succeed needs a similar ability to combine abstraction and practicality. We may wish for a critical movement with other qualities as well—in particular, we may wish for, and perhaps demand, receptivity to others’ differing visions, along with a self-critical, reflexive attention to the specifics of personal experience, emotions, and activism, not simply grand radical pronunciamentos issued from on high. But whatever else an intellectually ambitious critical business ethics movement may need, it needs concrete elements, along with broad theoretical frameworks, such as the one we offered in the last part for understanding business ethics.
In this section, we consider five contemporary scholars who have advanced not only broad theoretical visions but also radical proposals for economic and social change that we believe can and should be incorporated as elements of an eclectic critical business ethics movement. We then advance our own proposal for radical change. The claim we make is not that the six proposals should all be adhered to as elements of some kind of critical manifesto. On the contrary. We expect, and for that matter hope, that dissensus, not consensus, will prevail among critically-minded people in business ethics on specific radical proposals, including the one we advance. We also, hope, though, that a spirit of receptivity and inclusivity will prevail. Instead of mutterings of “anti-capitalist idiot”, “capitalist lackey”, or “libertarian nutjob” at ideas that do not match our particular sectarian politics, we hope for a sense of appreciation, combined with a sense that we may, if we are lucky enough, be a small part of a great movement in many areas for change, such as the one a few hundred years ago that went along with the transition from the old regime of hierarchy and debt ethics to our current regime of capitalism and business ethics.

_Thomas Piketty’s vision of political economy and of a global wealth tax to counter inequality._ Since submitting our paper outline for the conference in January, we have read Thomas Piketty’s ambitious effort in _Capital in the Twenty-First Century_ (2014) to revive the Smith-Malthus-Ricardo-Marx-Keynes-Friedman grand tradition of political economy, with a particular focus on providing a more credible version of Marx’s flawed effort to explain the relationship between economic inequality and the laws of motion of capitalism. Piketty (2014) draws on a wide array of empirical research to show how the return on capital “r” may over time tend to exceed the growth rate “g”, resulting in increases in inequality and in the share of national wealth coming from inheritance. In Piketty’s carefully documented empirical analysis,
which counters the optimistic mid-twentieth century perspective of Simon Kuznets, there is no natural equilibrium in capitalism that favors relatively egalitarian growth, and there may well be long-term tendencies toward inequality. If we care about equality and avoiding a future in which unearned wealth increasingly dominates the social order—a world akin to the old Jane Austen world, in which a key desideratum is how many hundred a year a potential spouse or a householder has or does not have in inheritance income—we need, Piketty suggests, to work out how to counter the inequality-enhancing tendencies within capitalism in general, and within finance in particular, with political action. His primary proposal for action to counter inequality is a progressive global tax on wealth.

By advancing a global wealth tax proposal, while at the same time acknowledging that it is a utopian one under current political circumstances, Piketty self-identifies with a radical rather than a moderate stance. From the point of view of a critical business ethics movement concerned both to embrace radical possibilities and to avoid a sectarian “this version of radicalism is right, that version is heresy” politics, Piketty’s work presents a significant opportunity to accomplish both objectives. Much as we in business ethics can and should be dealing much of the time with the moderate, “achievable in current political terms” proposals that we believe most of the conference will be devoted to, we should also be talking about the broad matters of political economy that Piketty treats (Kourula & Makinen, 2013). But in doing so, we need to avoid falling into the self-righteous radical sectarianism that characterized many of the movements inspired by Piketty’s great political economy predecessor Marx. Piketty can be one very good source of inspiration for some of us—but a movement for critical business ethics should not be “Pikettyism”.
David Graeber’s vision of debt regnant and redeemed. David Graeber’s cultural anatomy of debt is a central source for our claim in the last section about the historically-conditioned ethical modes of sharing ethics, debt ethics, and business ethics. We suggested there that there is a kinship between Graeber’s pessimistic vision of debt and Rousseau’s pessimistic view of civilization. Compared to Rousseau, though, Graeber is normatively reticent, elliptical, and ironic. But he is not silent, even as the Occupy movements that he helped inspire have not been silent. “Perhaps the world really does owe you a living”—the title of his concluding section—is a nice surrealist slogan rather than a platform, but his conclusion contains two parts that do amount to a platform. First, he endorses the idea, to which we shall return shortly when we discuss the Skidelskys on leisure, that the real challenge is to ratchet down capitalism so that people work less. Second, he suggests that we should have general debt forgiveness—a modern Jubilee of some kind—that would apply to nations, companies, and consumers alike: “Nothing would be more important than to wipe the slate clean for everyone, make a break with our accustomed morality, and start again.” (Graeber, 2011: 391).

Would a general debt holiday of some kind be a good idea? We may wonder and may doubt—but if we are critically-inclined business ethicists, we should, we submit, be receptive to the idea, both at the level of exhortation at which Graeber presents it and in the form of more developed, concrete versions of his Jubilee radicalism. The visceral “that’s crazy!” reaction that we may feel, fine though that emotion is in itself, should not be the final word. At the same time, critical business ethics should not be confused with Graeber, with Occupy, or with a pro-Jubilee movement akin to Occupy that has an anti-debt agenda. The agenda of critical business ethics is, among things, to avoid an agenda.
A similar but somewhat different point applies to Graeber’s self-critical, ironizing spirit and his associated reluctance to advance a normative agenda. We heartily endorse the self-critical consciousness that we believe lies behind his reluctance to emulate Marx and Rousseau with a grand platform for the remaking of society, and would not hesitate to proclaim a commitment to some form of self-critical consciousness as a requisite for any of us who would associate ourselves with critical business ethics. Irony, though, ought to be an option, not a requisite. We should be receptive to, but we may not necessarily share, the off-kilter sensibility that leads Graeber to conclude his radical opus with a paean to the non-industrious poor whose idleness is not destroying the planet in the way that industry is. Likewise we may, but need not, share Graeber’s deep-seated reluctance to make proposals for radical change, and we may but need not follow his lead in making radical proposals in a tossed-off, off-handed way, rather than a systematic, worked-out way. Critical business ethics if it is to grow and flourish will need the detached ironist’s sensibility that looms large in Graeber and modern critical academics from the Frankfurt School on who have doubted programmatic radicalism—but it will also need the serious, practical sensibility that animates our next set of modern radicals, Bruce Ackerman and Anne Alstott. As much or more, it will also need a sensibility on the part of both ironist radicals and programmatic radicals that is receptive to the other’s sensibility.

Bruce Ackerman and Anne Alstott’s revisioning of the welfare state: A government-provided stake for all young Americans. Let us suppose that Graeber has a point in his concern about the ethics and culture of debt, as we have suggested in our previous section in arguing that business ethics in its modern form embodies a partial revolt against an earlier, more constricted ethos centered on debt and obedience in favor of a maximizing ethos centered on equity and a Faustian project of harnessing the bad as well as the good within us to transcend our legacy of
material limitation. Graeber’s universal debt holiday is one radical proposal to get beyond the ethics of debt. What other radical ideas—which might be pro-capitalist or centrist or agnostic, rather than anti-capitalist—can be offered to achieve that end? One idea, advanced by Yale Law School professors Bruce Ackerman and Anne Alstott in *The Stakeholder Society* (1999), is for a grant payable to young adults after they turn 18. In their U.S.-focused, millennial conception, each young adult who graduates from high school would receive an equity stake of $80,000 from the government that could be used for education, starting a business, or any other purpose, and that would be repaid to the government from the recipient’s estate; they accord with Piketty in proposing a wealth tax as a way to fund their stake plan in the early years of its implementation, before estates take on part or all of that role.

If Graeber is a modern Rousseau, Ackerman and Alstott are modern Benthams, with a nice additional element in the form of personalized, psychologically sensitive speculation on how their stake proposal would play out in the lives of couples and singles receiving stakes. Where Graeber is expansive in his critical anatomy of the culture of debt and terse on its reform, Ackerman and Alstott are terse in their critique (though Ackerman has been expansive in that regard elsewhere, notably in his case for moral neutrality as a cornerstone of liberalism (1980)), and expansive and detailed in their analysis of how a stake proposal could be implemented. Our point on their particular contemporary radical proposal as an element of critical business ethics scholarship parallels our point for our other authors: If we can be receptive to their radicalism without necessarily subscribing to its particulars and without becoming sectarian on its behalf, or against it, excellent.

*Jaron Lanier’s vision of keeping humans at the core of a technological future:*

* Micropayments for contributions to shared economies. Piketty, Graeber, and Ackerman and
Alstott’s versions of modern radicalism all fit readily enough on the left side of the political spectrum. The radicalism of Jaron Lanier is different. In *Who Owns the Future* (2013), Lanier, who works at Microsoft Research, lays out a dark-side vision of how the already-occurring disruptions of journalism, music, and some other sectors by technology are likely to be followed in the fairly near future by massive technology-based disruptions of central sectors such as manufacturing, transportation, healthcare, and education that could lead to mass unemployment and extreme inequality. His vision of mass technological unemployment is entirely compatible with—in fact, it is an extreme version of—Piketty’s vision of a future in which returns to capital rise faster than returns to labor. But where Piketty advocates redistribution through wealth and income taxes as a response to inequality, Lanier worries about a socialist backlash against progress and takes a Smithian tack by supporting the expansion of markets to new domains. His basic idea starts with the fact that a great deal of wealth is created for companies such as Facebook and Google by people who share content for free. From this starting point, Lanier moves to making a case for new markets in the form of micropayments to people whose labor in sharing economies benefits others. The remedy for inequality in his vision is not centralized redistribution, but rather an expansion of commerce that monetizes transactions online and elsewhere for which people previously received no compensation.

As should be obvious by now, our position is not that a radical movement in business ethics should embrace Lanier’s Smithian vision of government and business creating new markets, as opposed to other radical visions with different political associations. Rather, our position is that Lanier’s monetizing radicalism, no less than the more left-leaning radicalisms of Piketty, Graeber, Ackerman and Alstott, and the Skidelskys, to whom we turn next, deserves our sympathy, if not our allegiance on particulars. It is unclear in our view what radical measures,
and for that matter what moderate ones, might help us move beyond our current state of stuckness to something new, and one hopes better. If we in the small field of business ethics are to be a microcosm in this century of the great transition in the past from the old regime of debt and authority to the new regime of capitalism and business ethics, we will need pro-money, pro-market Smithian radicalism of the kind Lanier offers, as well as other kinds of radicalism.

Robert Skidelsky and Edward Skidelsky’s vision of abundance and the good life.

Perhaps the core question for a contemporary radical movement in business ethics is how to relate to the work ethic and its future. Does one adopt an ambivalent, quasi-literary stance—which one senses to be Weber’s own, though his normative reticence makes it hard to tell—that a relentless Calvinist drive to produce is simultaneously glorious, irrational, and tragic? Does one shift at least partly away from ambivalence in favor of extending the work ethic and the concomitant pressure to produce, which now operates very strongly in relation to our jobs, but not so strongly in relation to other spheres of our lives, to some or all of those other domains? Or does one shift away from ambivalence in the other direction, by following the Skidelksys, to whom we now turn, Graeber, and one of us years ago in his reflections on being a Wall Street lawyer (Eastman, 1992), in advocating shorter hours and other ways to ratchet down the work pressures of capitalism as it now exists? Finally, might one move in both directions at once by envisioning a work ethic that is as strong and efficacious as the one that now prevails in our current order of capitalism and business ethics, but that is more evenly distributed across life’s domains?

In How Much is Enough? (2013), the father and son team of Robert and Edward Skidelsky focus on why work hours have not declined with increasing productivity, as Keynes had thought they would. They attribute high and even rising work hours to power relations—
those at the top though not the rest of us are benefited by a high work-hours system—and to a broader, Faustian culture of insatiability that we find ourselves trapped in, even as we in wealthy nations have achieved what by our ancestors’ standards is wealth beyond dreams. As a core remedy, they propose legislatively limiting work hours for high-level as well as other employees, with exemptions for self-employment, small business, and some occupations. They further endorse a basic income—a proposal that could readily enough be recast into the form of a universal stakeholder endowment, along the lines proposed by Ackerman and Alstott—life-long education that aids people to enjoy leisure, a shift toward consumption taxation to restrain the rat race, and norms-based and perhaps legislative limitations on advertising.

We share the Skidelskys’ concern with the good life, and their belief that the parts of our lives beyond our jobs are crucial to the good life. We think that their particular radical agenda for giving us a better chance of living the good life is one that calls for the sympathy, though not necessarily the agreement, of those of us drawn to the critical project of thinking about radical possibilities for change in our current order of business ethics. We also think that a radical agenda of a very different political stripe, one that focuses on markets for equity investments in individuals as a way to help people achieve a better balance between paid work and the other demands of their lives, is also one that calls for the sympathy—again, not necessarily the agreement--of critical business ethicists. To that alternative radical agenda we now turn.

Our radical proposal: Moving from debt ethics toward equity ethics through shareholding in individuals. Suppose, as we argued in the last section, that the current social order of business ethics represents a real if partial shift away from an older ethics of agrarian civilization that was centered on debt and obedience and a yet older hunter-gatherer ethics centered on sharing and resistance to bullying. Suppose further that a key material factor in the
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rise of business ethics over the past few centuries has been the rise of the public corporation, and of a class of managers who feel accountability to maximize the value of their firms on behalf of their shareholders. The gist of our idea of a possible future is that managerial consciousness could become universalized, or at least greatly expanded, through markets created by business, governments, and non-profits in which individuals, not just corporations, become the recipients of equity investments. Such potential markets in individuals could be related to the Kantian ideal of autonomy and duty conjoined: In a future regime of equity finance, individuals would freely choose to uphold their moral duty to their investors. What we suggest is a much broader version, with an ethical substrate, of what the financial journalists Michael Lewis (2007) and Felix Salmon (2012) have discussed (positively in Lewis’ case, negatively in Salmon’s) in the narrow, quasi-debt context of contracts in which investors receive a percentage of recipients’ income.

How would equity markets in individuals work? In particular, how would the moral hazard problem be addressed? Or to put the point differently, how could a broad sense of responsibility to equity investors arise in individuals in a way that parallels the sense of responsibility that exists now for managers in firms? And what about investors? Would they be dollar maximizers, or would many of them be at least partially socially motivated, as in our example of a consortium of suburbs investing in a law graduate they believe is a good prospect to be a civic volunteer? Would having a variety of investors, including socially-motivated as well as economically-motivated ones, allow individuals who are bothered by what seems to them an undue pressure to work for money to attain what for them are better balanced lives, while at the same time supporting their peers who want to focus fully on paid work in doing so?
More questions: Would there be quasi-debt, quasi-equity contracts, of the kind that have already started to sprout up (Salmon, 2012), with investors receiving a percentage of the individual’s income? Or would investors receive a percentage of the individual’s estate? Or would there be gift exchange, with individual recipients of investment deciding how much to give or to bequeath their shareholders? Would there be a personal relationship between investors and the individual, as envisioned in the scenario with the young lawyer, in which a personal coach-trainer affiliated with the pool of investors advises the individual? Would investments also take place in families? Would people have one investor or pool of investors, as suggested in the quote, or could there be multiple investors, as in the stock market, perhaps with different investors corresponding to different domains of one’s life? Would transfers of shares in individuals require consent of the individual, as the quote suggests, or would interests be transferable without an individual’s permission? What would the role of government be in fostering and regulating markets for investments in individuals? Would it be a good idea to have an Ackerman-Alstott-style stake system available as an alternative for all individuals, or at least for individuals who cannot attract market investors? What would legal standards of fiduciary duty to investors look like? How would the courts of the future balance out individuals’ freedom to lead their lives as they see fit with their duty of loyalty to their investors?

Our aim here has been to raise another radical possibility to set alongside the five we have already canvassed in this section. We do not have the answers to the questions we raise. What we do have is an intuition that equity finance for individuals is a radical proposal for the human future that may possibly, along with the other ideas considered in this section—Piketty’s wealth tax, Graeber’s debt holiday, Ackerman and Alstott’s government-provided stake, Lanier’s micropayments, the Skidelskys’ reduction in work hours, and many other possibilities
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undiscussed here—be part of our becoming unstuck from our current equilibrium and moving to a new one. From the perspective of critical business ethics, we urge the same combination of sympathy without sectarianism for our idea that we have urged for the others we have discussed. As adherents of critical business ethics, we are interested in sympathetically exploring radical alternatives to current realities, and the idea of an ethical and practical system of equity financing of individuals seems to us one such alternative worth exploring by us and others. But critical business ethics, if it is to achieve what we hope it can, will not be a movement to advance that particular idea, any more than it will be a movement to advance a wealth tax or a reduction in work hours.

CONCLUSION

Our starting point in this paper has been the idea of business ethics as a powerful, Faustian spirit of striving on behalf of a collective entity—which could be one’s firm or one’s society—that unites capitalists, opponents of capitalism, and centrists alike. That perspective on business ethics lends itself, we have suggested, to a critical business ethics movement (Eastman, 2013) whose practitioners understand themselves as temperamental radicals with our own Faustian proclivities, and who view other radicals of different kinds, and the business ethics mainstream sympathetically as well as critically.

In the last section, we considered whether business ethics, and an associated culture of elevating paid work over kinds of work that the Skidelskys (2013) and we (Eastman, 1992) share concerns about, represent the end of ethical and political history. We have suggested that are potentially significant ways in which business ethics, capitalism, and current work arrangements may be transformed in the future. We considered five significant proposals for radical change,
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and suggested the possibility of a continued move away from an ethic of debt (Graeber, 2011) toward an ethic of equity, and toward an associated mode of production in which socially-motivated as well as economically-motivated investors invest in individuals and families, who for their part would be impelled in part by a sense of responsibility to their shareholders as well as to the other stakeholders in their lives. We suggested that such a future change might help those concerned by the dominance of paid work under our current system of business ethics to achieve better-balanced lives.

Throughout the paper, we have contended that eclecticism and inclusivity are called for in thinking about the possibilities for change in our current financial, economic, and ethical order. Our strong sense is that if we are to become unstuck in this century, it will involve a concatenation of diverse forms of business and financial ingenuity with politically diverse critical movements for ethical, social, and political transformation that include numerous, varied micro-movements, and that relies on the contributions of pro-capitalist evangelists for finance, anti-capitalist evangelists for sharing economies, and radical centrists alike. In advocating for the possibility of change, we appeal to history and to major figures of the past. A few hundred years ago, part of the world became partly unstuck from the old regime of debt and hierarchy. A great fusion of economic and cultural movements contributed to radical social change, embodied in the rise of business ethics, capitalism, the industrial revolution, and previously inconceivable mass affluence. We may or may not succeed this time around in a way that parallels the way our great predecessors succeeded in their time. But we believe there is value in emulating their Faustian spirit by striving for new forms of business ethics, and for new kinds of social practice, at least so long as we can accompany our vaulting ambition with a spirit of humility.
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