FOREWORD

If our memories serve us right the origins of this book date back to the summer of 1959, when we were reading Aristotle by the banks of the Cam. Book V of his *Nicomachean Ethics* was very difficult, and chapter 5, in which he discusses “commercial justice” particularly unsatisfactory. A better account of justice in economic affairs was clearly needed. We went our different ways, one as an Oxford don, the other into business, ending up as a business consultant in Italy. The project of working together was agreed in principle, but deferred in practice until a term’s sabbatical leave from Oxford was spent in Tuscany, with drafts of academic prose being brought down to earth by questions and criticisms grounded in business practice. Businessmen are too busy to have time to think about the underlying principles of business practice, and are usually too committed to the job to challenge assumptions; academics are prone to take off in their search for fundamental principles, and fail to test them against the hard actuality of life, and to avoid facing awkward decisions by withdrawing into cloudy abstractions. We hope to have achieved a high-level over-view, while still keeping our feet on the ground, but must leave to the reader the final verdict on our attempt.

Since the project was first mooted, two tides of fashionable thought have flowed and ebbed. Left-wing egalitarians believed that business was bad, profits immoral, and everyone ought to be paid the same. For many years they occupied the high moral ground, and had the better of right-wing realists, who believed that business was business, the profit motive the only one that could move a rational man, and all moral considerations irrelevant to the proper conduct of business affairs. The collapse of communism, however, has left capitalism triumphant, but many now are unhappy at the selfish individualism it seems to foster, and yearn for a greater recognition of community values. Although the
efficiency of capitalism is undeniable, and, more importantly, the
security it offers against the totalitarian inclinations of the pos-
sessors of political power, it seems abrasively tough-minded about
the plight of those who lose out in the competitive market, those
who are poor, disadvantaged, or unemployed. Left-wing critics are
full of compassion and sympathy, but seem much happier spending
other people’s money than making their own. Business, though
no longer wicked, is still not esteemed. It is like refuse collection
and sewage disposal, activities perhaps necessary, but not greatly
thought of.

Many people who are partisans of neither side are bewildered.
They cannot accept the apparently amoral conclusions of the free-
marketeers, but shy away from the unrealistic sentimentalism of
those who seem to think that hard decisions need never be taken
and a caring attitude of mind will make everything come all right in
the end. Often they have to take decisions themselves, and would
like to take them responsibly and well. They do not want to ig-
nore all moral considerations, although often they believe they are
obliged to do so by reason of the very nature of business activ-
ity; and they would like not to be regarded as moral lepers simply
because they live in a real world and cannot do all that idealists
would have them do. They seek guidance, but guidance is diffi-
cult to glean from the current debate, which is fast becoming a
dialogue of the deaf, the two sides talking past each other, neither
appreciating what the other is saying.

Debate is polarised, largely because each side is operating with
confused concepts, taking too narrow a view of the variety of hu-
man activities, and extending too far the conclusions they draw.
We think both sides wrong. We reject the general thrust of egal-
itarian arguments, and do not hold that it is wrong to be rich
or to pay differentials based on principles of distributive justice:
but maximising profits is not, and ought not to be, the sole aim
of business activity; money, though useful, is a slippery customer,
not easy to control or allocate, not worthy to be worshipped. But
although we reach some conclusions, we offer no blueprint of what
business ideally ought to be, nor offer a Decalogue of dos and don’ts.
In the present state of mutual misunderstanding, simple precepts,
whether piously platitudinous or realistically hard-nosed, will be
heeded only by those already converted. Rather, we have tried to think out the nature of business from first principles, and how it fits in with other forms of social interaction, and to draw fine distinctions about selfishness and self-interest, morality and values, aims and objectives, cooperation and competition, duties and rights, as they relate to business decisions. Our purpose is to appreciate more clearly the nature of business, to delimit more exactly its scope, and to avoid unthinking identifications of profit with selfishness, or prudence with immorality, and thus enable those who are actually taking decisions to work out for themselves the ethical considerations they should take into account.

We therefore argue against the view that businessmen are so much constrained by economic pressures that they have no freedom of action, that there is always No Alternative. Decisions have to be taken because there are alternatives, and in deciding between them, we should be guided by ethical as well as economic considerations. Ethical economics, we argue, is not a contradiction in terms, though often it is difficult to decide in a particular case how different claims are to be balanced against one another.

A responsible businessman is responsive to the wider concerns that form the context within which his business operates, and knowing that business is always done with other people, he recognises the relevance of the other’s point of view, and makes fair dealing a cardinal principle of his business life. And because he does this, he can give a good account of himself, and does not need to feel secretly ashamed of the way he earns his living.

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Tuscany 1994
Oxford 1996