

## Business Ethics – Third lecture Q & A

**Kamilla:**

*How is progressive taxation justified?*

I asked google and google answered: "The rationale for a progressive tax is that a flat percentage tax would be a disproportionate burden for people with low incomes. The dollar amount owed may be smaller, but the effect on their real spending power is greater."

**Luis:**

*All views strict in their interpretation and application are consider evil, but if the views are understood inside the CRS frame, are all of them considered just in our present historical context? Hope the question makes sense.*

They all have their functions in reminding other interpretations of justice of their shortcomings, so yes.

**Conrad:**

*Related to Michael Sandel's views on spontaneously developed communal tradition:*

- *Sandel argues that policy making should be founded on the recognition and acceptance of natural elements of human life, but many elements of human life are abstract principles and ideas. Following Sandel's logic, attempts to employ these abstract elements of human life jeopardizes and violates good, so how can he reasonably make these seemingly contradictory statements?*

According to Sandel, some abstract principles and ideas, first and foremost solidarity between members of communities, fall within the realm of spontaneously developed tradition, and should be cherished. Other abstract principles and ideas, such as the pursuit of the greatest good of the greatest number and abstract liberal-type individuality, are "forced" into our thinking by mistaken philosophies which assume that everything in our lives can be humanly controlled. The assumption of total control makes us guilty of hubris, an excessive faith in our own powers. We then also assume that everyone else has total control over their fates. This eats away our solidarity, the realization that we are interdependent, and leads to a dog-eat-dog ideology. As far as I can tell.

- *Furthermore, how can societies and governments respect organically formed (not human-made), reasonably defensible attitudes and practices without the use of abstract principles or calculations? To determine what is reasonable requires consideration of abstract principles related to, for example, the relationship between humans and societies, therefore, accepting or rejecting attitudes and practices implies that the allowed attitudes and practices and human-made insofar as they require human approval.*

As in the above, but the "reasonably defensible" does a lot of work here. Sandel's Harvard lectures are freely available in the net, and judging by them, he pretty much draws his own lines and distinctions, and if anything truly horrible is emerging, he tiptoes his way out of

the mess by some conceptual acrobatics. But this may be an unfriendly interpretation. If you are truly interested, check out one or two of the lectures, and if I am wrong, report back, so I can correct my ways.

- *How is it determined what is and is not “organically formed”?*

Good question, especially for communitarians who are more conservative and less philosophical than Sandel. In this corner, we can find nationalism, populism, religious fanaticism, etc. The usual tactic is to choose something that “we” believe unquestionably and go from there.

**Saara:**

*Often capitalist theories prefer globalization whereas socialist theories perhaps tend to be more protectionist (at least more protectionist than the capitalist theories). Are there any capitalist theories that favor protectionism, or any socialist theories that see globalization as a key to prosperity?*

As you will see in the exam books, “capitalism at home” was all the rage in the United States – not a colonial power – in the beginning of the twentieth century. No doubt some futile philosopher theorized about it. Socialism during the twentieth century ran into the problem of “socialism in one country”. The thinking was that when the entire world is socialist, the temptation of the consumerist West would be gone. Oh, well...

**Sabina:**

*Which of the theories do you think is most realistic and describes our current society the best? Why?*

*Does one of these theories justify the behavior of Vladimir Putin? If yes, how could it be justified according to the theory?*

As you will see toward the end of the course, I believe that our current politics happen mainly in the upper half of the map, while environmental and social issues would make it more advisable to operate in the lower half. I will explain this in the last lecture.

I hope not. But I will analyze the situation and report back.

**Joonas:**

*Degrowth was mentioned as one solution towards justice. In the current capitalistic paradigm, this is still a marginal idea. However, when the growth of the global population inevitably stops, markets will likely stop growing. This will possibly lead to strong discomfort among the elite and the middle class as sustaining their lifestyle will become very difficult. How to achieve peaceful degrowth and just redistribution of wealth?*

To answer your question, with considerable difficulty. Perhaps it cannot be altogether peaceful. The discomfort, we could argue, is well deserved and necessary, so (we should) bear it! But could economies keep growing somehow immaterially? And would that be enough to spare us the just retribution of the Global South and the natural environment?

**Brage:**

*How does today's society fit into this? Where we have a "super capitalistic" way of thinking and we are ruled by a never ending thought of economic growth? This thought is shaping both the business aspect and the political aspect. When we know this is killing us, why do we push it harder than ever?*

*Don't we give different "laws" and different ways of thinking about CSR, because of different countries? (I think this question is sort of like a comment.)*

To the first, I don't think we are making a deliberate choice to bring about the loss of biodiversity or climate change or perpetuate misery among the precariat in the Global South on purpose. We just live our lives, not thinking too much about it, taking vacations, participating in conferences, driving around in cars, and buying the products that are the most reliable and cheapest. In part it's a question of not knowing (or not being sufficiently convinced) that this is killing us.

To your comment, perhaps, but the underlying problems remain the same in globalized capitalism.

**Helena:**

*For libertarianism, how this main principle work practically? If businesses were no longer regulated, how would monopolies stop from being formed, or why would they make environmentally responsible decisions? Or when people are too old to work and have little savings or expensive health care bills, how could they live comfortably in retirement?*

If monopolies are formed "naturally" – that is, without coercion or fraud – they must be accepted. Corporations make environmentally responsible decisions if these are profitable or otherwise in line with the corporations' aims (the aims can include protection etc. – this is up to the owners, including stockholders). Pensions and social security are taken care of on a voluntary basis. Insurance companies and people's mutual funds collect voluntarily paid money and pay back when the agreed conditions are met. For those who cannot pay for their insurance, there may or may not be charitable sources for getting by. Opponents of libertarianism argue that the system leaves the worst-off in misery. Proponents insist that when the state has not taxed the rich to death, they are more than willing to help the deserving poor. I do not know if there is any evidence for the latter on a societal scale.

**Kyoka:**

*Maybe this question is not related to mainstream of the last course, but I wonder in terms of non-human beings, how do you distinguish dolphins and whales to other animals? Since I am from Japan, issue of commercial whale fishing was brought to discussion quite many times. My question is, why protestant of whale fishing and dolphins usually only talk about them even though human cannot avoid killing and eating animals since only few people can survive without eating animals. How do they rationalize only talking about them?*

The reason why great apes (chimpanzees, gorillas, and bonobos) and cetaceans (whales and dolphins) take, in a way, precedence in the animal rights agenda is that they have mental

faculties that resemble those of adult human beings. They are aware of themselves as subjects of experiences over time, which means that they are, psychologically speaking, persons. They know that they are alive and expect to be alive tomorrow. By killing them we rob them of this expectation and arguable violate their right to live. – Other nonhuman animals, in contrast, usually lack this capacity, so they cannot be said to have a right to life. But many of them are sentient, in other words, capable of feeling pleasure and pain. Inflicting pain on them is bad, and they may have a right not to be subjected to it deliberately. – So this is the difference, and this is why the defenders of great apes and cetaceans “set them apart” from other nonhuman animals. Which does not mean disrespect to the others, only a recognition of difference in their acceptable treatment.

The Declaration of Rights for Cetaceans: Whales and Dolphins can be found and signed here: <https://www.cetaceanrights.org/>

Take a look at the abstracts of the founding conference and perhaps you will be convinced.

As for human survival without meat, I am not sure how serious you are, but yes, humans can live on a vegetarian or vegan diet, with a couple of vitamin precautions. This easy-to-read article states the essentials:

<https://www.psychologytoday.com/us/blog/the-human-beast/201610/do-humans-need-meat>

**Nils:**

*Given that following laws is not based on past deeds, how can we further increase justice within CSR, so that they behave in a way that is especially focusing on future generations. If laws could be written in a way that earlier deeds can be penalized, companies would have more incentives to question their actions and the impact it will create. So, how can CSR, especially long-term CSR, be more encouraging without having the pressure of new laws being passed in congress? (maybe relevant when looking at the construction of nuclear power plants or other questionable projects, where the impact on society in the long-term cannot be exactly stated at this point in time).*

We can add the requirements we like to CSR activities and thinking, but unless we make them legal we cannot guarantee compliance. Businesses say one thing and do another, which is why most CSR is smoke and mirrors, spin. It is better than nothing, more often than not, but it can also be harmful, making people believe in the lies of corporations. Lies which will, among other things, make sure that future generations live in a radically different, and probably more difficult world than we do.

**Lukas:**

*The political philosophies of capitalism and socialism still focus on the economic approach of maximizing monetary profits for (private) individuals or the society. Is there an alternative way of quantifying peoples' satisfaction (according to Harsanyi) in terms of happiness or common goals and basing a political philosophy on maximizing this instead of profits? Where are concepts like the “economy for the common good” ranging in this framework?*

“Economy for the common good” as a concept is pretty much hijacked by classical liberalism. It claimed and claims that maximum market freedom and a license to benefit oneself without constraint (libertarianism) mystically (by the invisible hand) leads to the greatest good of all (utilitarianism). No such connection has been scientifically proven. – Harsanyi was a cut-and-dry economist who stayed with empirically measurable preference satisfaction of any kind, so he is not really that helpful here. I have tried in my Just Better Utilitarianism – <https://doi.org/10.1017/S0963180120000882> – to call for some kind of a new definition along the lines that you suggest, but it is early days yet. I am continuing work on this as we speak. – The issue you identify is real and my research team members are trying to find responses and solutions.

**Ha:**

*My question concerning this viewpoint is: what then is the benchmark when evaluating those cases? What do luck egalitarians then consider freewill and how can people practice it in a world where luck egalitarian dictates rules and regulations?*

Most luck egalitarians employ a Trojan horse tactic. Saying that people are responsible for their choices is meant to silence libertarians. “Of course we recognize individual responsibility when it is in evidence.” Having said that, these luck egalitarians turn around and note that most “choices” are actually determined by biological and social factors. This being the case, the burden of proof is on those who want people to pay for their choices rather than on those who want them to have compensation. – A member of our philosophy research team, Johanna Ahola-Launonen completed her doctorate on this theme in her 2018 *Hijacking Responsibility*: <http://urn.fi/URN:ISBN:978-951-51-3340-3>

**lina:**

*My question considers the idea of different CSR for different people and justice-driven CSR – the idea of emphasizing the opposite views to prevent extremes. The idea is ingenious and relevant, but how this is actually seen in real world and how it could be utilized more efficiently? Although it is already year 2022, many states still suffer e.g., from extreme dictatorship and totalitarianism. (I understand the question is really extensive and at the same time ridiculously simple but difficult – if anyone had come up with an answer or solution to this, conflicts in the world would certainly be far less.)*

Thank you for complimenting the idea! I think that it would be well received by all who understand CSR as a compensating force to something. But people are deeply entrenched in their own views on justice and are likely to say that while others need the compensation, their own view does not. Hence they would need to take this course before I can guarantee any impact in the real world. (Said he, throwing all modesty and sense out of the window.)

**Susanna:**

*Thinking within the frame of capitalism, socialism, globalization and protectionism. We’ve so far witnessed that historically and even in present day globalization has led to discrimination and abuse of some group of human. Even though globalization has spread wealth it still has concentrated as Marx predicted and even in “modern” countries such as South Korea there is*

*huge problem with production being unethical and it is heavily tied to the global market and need to compete. What means are there to actually combat the negative effects of globalization that is heavily tied with the competitiveness of the reality's capitalistic consumerism when criticizing capitalism is associated with being an extremist communist? In western countries socialism is thought of as the big bad and capitalism as the good and questioning the status quo gets one labeled as a communist especially among business students, but I find that they really don't even question the current theories used in capitalistic politics and economics.*

Yes, that is the question, and I try to answer it as best as I can in the final lecture on Thursday. I suggest that we should change radically the way we think about sustainability. Not that anyone is listening. Here <https://journal.fi/tt/article/view/114993/67871> you can find my latest attempt in Finnish. Note (on p. 43) that in my opinion it is difficult even to give a name to what is the opposite of capitalism. I am currently writing yet another version of my rant in English for Some Big Journal but for now you will have to settle for my lecture and the linked article.

**Sofia:**

*As we've seen in the previous lectures, there is a punishment culture surrounding the sense of justice, the Norges Bank excludes the companies that do wrong actions from their fund, but the theories and views shouldn't focus on help them to have right policies and promote the seek for well-doing?*

The Government Pension Fund Global does that, too. In many cases, they have placed corporations "under observation". During the observation period, they try to influence decisions for the better as stockholders. The punishment of divesting funds in these cases comes in only as the last resort.