

What Philosophy Can and Cannot Contribute to Business Ethics

Nicholas Capaldi
Loyola University, New Orleans

This paper has two theses. The first thesis is that many traditional and current notions of philosophy, in general and ethics in particular, cannot help us either to understand or constructively critique the norms of business practice in contemporary commercial societies. The second thesis is that there is a form of philosophical endeavor that is capable of doing so.

Philosophical Failure

Much of the literature of business ethics is produced by philosophers, who are both confused about the nature of their own discipline and who have misunderstand the practice of business. What relates these two shortcomings is one specific and longstanding conception of philosophy (but I hasten to add that it is not the only conception of philosophy). The classical view of philosophy is that it consists in discovering an external structure to which our practice must conform.¹ We shall represent this view as (T/P hereafter stands for the view that practice ought to follow theory). What this permits philosophers to do is to proclaim what the alleged external structure is and then demand that current practice conform to that structure. This procedure immediately excuses business ethicists from knowing anything about the actual practice of commerce (or economics, etc.).

¹The distinction between the classical view and the modern view is borrowed from Leo Strauss. For my own further elaboration of this distinction see Capaldi (1998).

Why is this classical view of philosophy confused? There are two reasons. To begin with, it is not the only conception of philosophy. There is a modern view of philosophy in which theory is the explication of practice. We shall represent this view as (P/T). It is modern in the sense that it arose in the post-Renaissance world, specifically in the 17th and 18th centuries.² (Again, I hasten to add that not all modern and contemporary philosophers adhere to the “modern” view). The second reason why this classical view of philosophy is confused is that there is no consensus on what the alleged external structure is. This is especially the case in that branch of philosophy known as ethics.

Let us examine these points in further detail. Many classical, ethical views presuppose that we must begin with an independently established ethical account and then measure actual practice against that ideal account. Plato alluded to the “Forms” and Aristotle claimed to have discovered a metaphysical teleological biology. This runs the risk at times of reducing philosophy to an ivory-tower exercise in ideology. In addition, classical philosophers had a number of biases. Their first bias was that human fulfillment reaches its zenith in contemplation, not in action and not in imagination.

As a consequence, there was a second bias: specifically, many classical philosophers had an inherent antipathy to commerce in its ancient forms and would oppose it in its modern forms. There was no notion of modern technological and market-driven societies. One of the

² Another way of making this point is to note the distinction between pre-Copernican and post- “Copernican Revolution” philosophy. We are using the expression in the Kantian sense. It is important to note why post- Copernican philosophy supersedes the distinction between rationalism and empiricism. All modern empiricists acknowledge the role of the mind in organizing data; however, some of these empiricists hold out for the possibility that there can be an external objective account of how the mind operates. A true Copernican, e.g., Kant, would deny that there can be a transcendent account of the operation of the mind.

things that made the U.S. Founding a great experiment was that, following Montesquieu, it was constituted as a large and commercial Republic, not a small and agrarian republic in the classical sense.

The third bias was an adherence to a conception of a collective³ common good that is totally alien to modern commercial societies. Part of the authority claimed by philosophers was that they could see the total picture and that, therefore, they were uniquely positioned and privileged to determine public policy and resolve apparent conflicts. This explains why so much of contemporary business ethics literature sounds like obiter dicta directed to the business community. The clearest example of a position in business ethics that is a contemporary articulation of the notion of a collective common good is the controversial, if not discredited, view known as “stakeholder theory.”

There is a fourth bias—a bias in favor of government planning and regulation of the economy. This results from the fact that the social good is tied to a larger all-encompassing metaphysics.⁴ If there is a larger metaphysical structure to the universe, and if that structure and all of its

³In order to avoid the dangers and charges of a collectivist conception of the common good, some theorists substitute the notion of a common good as arrived at by democratic election. In short, we have socialist democracy as the common good.

⁴As we shall see, many if not most analytic philosophers who espouse scientism subscribe both to a form of metaphysics (e.g., physics and artificial intelligence will explain all), usually a form of determinism, and to government planning. No doubt mention will be made of some analytic philosophers who are pro-market. However, to say that many, if not all, subscribe to something is not to deny the existence of exceptions. Moreover, I would explain the exceptions as those who adhere to a different version of the alleged external structure. For example, Karl Popper ended up with a kind of commitment both to scientism and to a complementary teleological freedom. Since there is no consensus on the ultimate structure and since there are no ways, as we shall see, to arrive at consensus in ethics, it is possible for some analytic philosophers to disagree.

subparts including economic activity can be modeled, then it should be possible to plan economic activity. In addressing the major ethical issues of modern commerce, the default position for most business ethicists is government regulation.

As a further elaboration of the classical model of philosophy (T/P) and its continuing influence we shall examine analytic philosophy. Curiously, the whole notion of applied philosophy, specifically in bioethics and in business ethics,⁵ is an outgrowth of analytic philosophy and carries within its very name the idea that an independently arrived at and premeditated ethical theory will be applied or extended to judging practice.

Analytic philosophy is the current manifestation of the Enlightenment Project, the intention to explain everything without remainder in scientific terms (scientism), to establish a social science to explain the social world, and to construct a social technology for the repair of and organization of the social world.⁶ We see in Carnap, one of the founders of analytic philosophy, the endorsement of a specific political agenda of a social technological sort not based on any actual social scientific study. This is seen in Carnap's "conviction that the great problems of the organization of economy and the organization of the world at the present time, in the era of industrialization, cannot possibly be solved by the 'interplay of forces,' but require rational planning. For

⁵These are the only growth areas in an otherwise stagnant and dying professional discipline. I refer here to the death of professional philosophy as an academic discipline not to philosophy itself.

⁶See Capaldi (1998) for a detailed elaboration of this thesis. This work also addresses all the usual criticisms directed against anyone who tries to generalize about analytic philosophy. Part of the phenomenology and pathological mindset of an analytic philosopher is that he/she will studiously avoid reading this book or any other work overtly critical of analytic philosophy.

the organization of economy this means socialism in some form; for the organization of the world it means a gradual development towards a world government.”⁷

The Debacle of Analytic Applied Philosophy

The axiology of analytic philosophy⁸ begins with the primacy of theoretical knowledge. As a consequence of scientism, theoretical knowledge is primary and practical knowledge has a secondary status. Only factual judgments can be true. Value judgments are not truths because they do not refer to structures independent of the observer or agents. The philosophical challenge for analytic philosophers is not merely to identify the realm of the practical but to explain it theoretically.

Under these circumstances, can there be a science of ethics? The answer is yes if we construe values as a kind of epiphenomena. Given the primacy of theoretical knowledge and the derivative nature of the social sciences, there can be a physical-scientific and/or social-scientific factual account of the sub-structure of the context within which values function. Ultimately, this is how the realm of the practical will be explained in theoretical terms. What emerges is a two-tier view of human psychology in which values are epi-phenomena with a materialist sub-structure. Freedom is compatible with sub-structure determinism only if freedom is construed as the absence of external constraints. The foregoing conception of freedom, which denies anything like the freedom of the will, leads to a political conception of ethics based on external social sanctions (hence the need for government regulation) instead of morality (which would involve the inner sanction of autonomous agents).

⁷Carnap (1963), p. 83. See Capaldi (1998) for many other such examples and expressions.

⁸This discussion of the axiology is taken from Capaldi (1998), pp. 13-15.

The fundamental truths about human nature alleged to exist in the sub-structure are neither culture specific nor conscious level specific.⁹ It is further presumed that these fundamental truths seek some kind of homeostasis or maximization that permits negotiation or overruling specific surface phenomena. This substructure allows for a social technology in which cognition can control volition because this sub-structure is not dependent upon a perspective; it is a structure that reveals our basic and universal drives so that we respond automatically (causally) to any information about this structure. If we add a cultural (i.e., social and historical) dimension to our understanding of this sub-structure (i.e., a social epistemology) we arrive at Hegelian versions of analytic philosophical ethics. Liberalism, socialism, and Marxism all subscribe to the two-tier view of human psychology in which values are epi-phenomena with a materialist substructure that is trans-cultural, timeless, and allows for a social engineering that renders human beings compatible and cooperative (homeostasis). This substructure can be appealed to in order to correct surface disagreements and overcome relativism. The correct ordering of the universe for analytic philosophy, therefore, is

metaphysics (identified with the philosophy of science)→
epistemology→
ethics →
political philosophy →
applied philosophy.¹⁰

⁹Economists who have succumbed to positivism like to give explanations by reference to animal behavior.

¹⁰Given the paradigm of scientific creativity, it is easy to establish the status hierarchy of specializations within analytic philosophy. In descending order, we have:

This diagram clearly indicates the priority of the ethical over the political but also the political over the economic, once more reinforcing the notion that applied ethics will favor government regulation.

What must applied ethics (including business ethics) become under these circumstances? Taking physical science as their model, analytic applied ethicists construes ethics as the construction of theoretical models of the hidden sub-structure of practice. Historically, there have been two versions of scientific explanation:¹¹ elimination and exploration.

Elimination is an explicit substitution of new ideas for old ideas. Elimination is a form of radical replacement through innovation. All forms of reductionism are forms of elimination. Elimination is most characteristic of physical science and technological thinking. Some examples would be the elimination of Ptolemy's geocentric view of the universe and its replacement by Copernicus' heliocentric view of the universe. Another example would be the elimination of traditional theories of disease by the discovery of microbes. Elimination is a form of technological thinking which seems to make sense if there is some

-
1. logic, epistemology, and the philosophy of science
 2. the philosophy of . . . (e.g., language, mind, etc.)
 3. axiology (ethics, social and political philosophy)
 4. history of philosophy and comparative philosophy

This hierarchy explains the inferiority complex among those business ethicists who follow the analytic model. For analytic philosophers, committed as they are to (T/P), the only intellectual challenge is the formulation of the theory. The application to practice would appear to be a minor afterthought. Of course there are philosophers like Wittgenstein who deny this simplistic model, but that is precisely why Wittgenstein has been marginalized in the analytic conversation. See Capaldi (1998), chapter six.

¹¹This distinction originally appeared in N. Capaldi, "Scientism, Deconstruction, and Nihilism," in *Argumentation*, 9: (1995), pp. 563-575. It has been elaborated at length in Capaldi (1998).

prior agreed upon framework in terms of which we can judge that one new theory is better than an old theory. Early Positivism subscribed to the view that all correct thinking is eliminative thinking. Certainly in the early Russell and in the positivism of the Vienna Circle one sees optimism about how science is the successful elimination of superstition and nonsense and how philosophy is the overseer of the transition period to a totally scientific world view. The major difficulty with elimination is that there must be some independent criterion in terms of which we can judge an elimination to be successful. Positivists believed, originally, that science bore the empirical mark of its own validity. Therefore, in order to decide when one theory has successfully eliminated another, we can look to science itself. Within physical science we would, presumably, find examples of “successful” reductions of one theory to another or eliminations of one theory in favor of another. So it would seem to be the case that it is a simple matter to extract the criteria for such success. Unfortunately, this is not the case. Instead of being a minor technical problem of specifying when reduction-elimination was successful, it turned out that there was no consensus on when elimination was successful. In logic, in mathematics, and in science there are *a priori* elements (semantic notions, conventions, appeals to common sense or to intuitions, etc.) which cannot be eliminated in a straightforward and unambiguous fashion. Turning to the larger question of how science “progresses” from one theory to another we find an even greater mystery.

In exploration we begin with our ordinary understanding of how things work and then go on to speculate on what might be behind those workings. In time, we come to change our ordinary understanding. The new understanding does not evolve from or elaborate the old understanding; rather it replaces it by appeal to underlying structures. The underlying structures are discovered by following out the implications of some hypothetical model about those structures. There are two versions of exploration. In one version, our ordinary understanding is a necessary but temporary scaffolding to be taken

down when the construction is completed. In a second version, our ordinary understanding is indispensable but revisable in the light of the clarification of underlying structures.

Exploration is a mode of thinking found in the physical sciences and is exemplified, for example, in the use of the atomic theory to explain chemical behavior or the behavior of gases. But exploration is also preeminently the mode of thought of academic social science. By alleged analogy with physical science, the social sciences have persistently sought to discover the hidden structure behind the everyday understanding of social activities. From Durkheim to Marx, Freud, the functionalists, Chomsky, etc., social scientists have persistently sought to reveal a structural level of which we are not immediately aware. Exploration, then, stresses the search for structure rather than for meaning, the search for the formal elements underlying the everyday world rather than believing that the everyday world can constitute its own level of understanding.

The problem with exploration is the same as the problem with elimination, namely, there is no way to confirm or disconfirm an exploration. We are unable to choose among competing explorations. Denied formal criteria or extra-systematic criteria for evaluating their own hypotheses, theorists can only fall back upon aesthetic and/or informal criteria. As a consequence, immense prestige is accorded to those individuals skillful in formulating clever, ingenious, and sometimes bizarre hypotheses. Ingenuity becomes the benchmark of success, and like present-day movements in the arts leads to sudden shifts in fashion. Another dead-end is the appeal to intuition so that rival explorers claim that their hidden structure hypothesis "better" captures some intuition about our ordinary understanding. There is, of course, no independent way of establishing this. The failure of foundationalism in science and epistemology leads sensitive writers like Richard Rorty to a kind of despair and to the suggestion that perhaps philosophy is an interminable conversation of incommensurable voices.

John Rawls' *A Theory of Justice* (1971) is an excellent example of

exploration. It is the most influential and most widely-discussed example of analytic political philosophy. The book is also the most celebrated re-articulation of the agenda of modern liberalism. It is, first of all, a 'theory' about justice. What this means is that instead of explicating what we commonly mean and how we have distinguished justice and injustice in our experience, Rawls takes our common sense intuitions about justice as epiphenomena whose hidden structure he intends to explore. His exploration of the hidden structure behind our ordinary preconceptions is done with the hope of modifying our preconceptions in the light of that exploration. What Rawls describes as the method of reflective equilibrium is precisely what we have identified as exploration.

Robert Nozick's *Anarchy, State, and Utopia* (1975) is the classical liberal exploratory response to Rawls' modern liberal exploration. Nozick's analysis is also an exploration but one which finds a different hidden structure behind our everyday understanding of social and political life. We pause to note that the very existence of these two (Rawls and Nozick) competing and mutually exclusive analytic explorations underscores our contention that there is no way of deciding between two competing explorations unless one either is willing to accept a prior common sense point of view or is appealing to a hidden agenda.

Exploration has three main shortcomings. First, it misunderstands social practice. What I mean by that is that it is impossible to make sense of social practice without accepting a common sense understanding of social practice. In order to theorize, that is in order to explore a hypothesis, about the hidden structure behind our practice we must first identify the object of analysis; i.e., one must first identify the practice. Therefore, one must already possess an intuitive common sense understanding of practice before it can be analyzed. The theoretical analysis is forever parasitic upon the intuitive understanding and can never go beyond it. In examining any social practice, including our cognitive or normative practices, we are not

really observing an independent object as the physical sciences presumably do, rather we are examining what we mean by what we are doing. It is therefore logically impossible to explore the hidden structure of our practice because there is no such structure! This is the crucial difference between practical knowledge and theoretical knowledge. I shall elaborate more on this when I discuss explication below.

Second, it leads to a proliferation of accounts, no one of which can be confirmed or refuted. Business ethicists and bioethicists are “for sale,” that is, whatever your policy position you can find someone who will use philosophical language to legitimate your position by producing an exploration on demand. Ironically, the world called upon professional philosophy starting in the 1960s to address a whole array of public policy issues, starting with bioethics but ultimately including business ethics. I say ironically because the discipline of philosophy, under the aegis of analytic philosophers, was wholly unprepared to meet this challenge. Philosophy as a discipline had just gone through a lengthy period in which it had declared normative issues beyond the bounds of rational analysis. The development of exploratory analysis as in Rawls and others seemed to offer a new hope. However, this hope was never realized. “A variety of competing theories arose, and philosophers had no clear idea how to adjudicate the differences among them. In practice, philosophers largely reproduced the disagreements found at the level of cultural practice at the level of normative theory. Whereas initially the problem with Anglophone ethics had been its impotence, caused by its commitment to moral neutrality and the alleged gap between facts and values, now the problem was (and is) different: there are too many rival approaches to ethics, and no clear way to adjudicate among them. The academy cannot respond authoritatively to the cultural crisis, because it has no sense of how to ground such an answer, or even how to pursue an appropriate

ground.”¹²

Third, it distorts the historical resources of philosophy that might actually be of some use. This distortion takes the form of turning the ethical insights of important figures in the history of philosophy, such as J. S. Mill and Kant, into “theories” (utilitarianism, deontology, etc.). That is, it treats these insights as if they were explorations. This is a distortion in the sense that these ethical insights have been rigidified into abstractions and are held quite independently of the positions that these philosophers actually held on public policy issues that are now discussed in business ethics. For example, Mill had a great deal to say about such issues in his *Principles of Political Economy*, the dominant textbook in economics and public policy in the last half of the nineteenth century. Rather than asking how Mill understood the application of utilitarianism to business ethics issue, “utilitarianism” has been turned into an independent exploratory theory. Business ethicists have artificially constructed a model of utilitarianism or Kantianism that neither Mill nor Kant would recognize and which completely ignores what Mill and Kant, among others, have to say substantively about issues in business ethics

The problem with treating utilitarianism, or any other so-called “ethical theory,” as an exploration is that it leads to irresolvable proliferation. Construed as theories, these positions beg all the important issues: It is not simply the case that there are significant ethical disagreements about substantive issues. Many, if not most, of these controversies do not appear to be resolvable through sound rational argument. On the one hand, many of the controversies depend upon different foundational metaphysical commitments. As with most

¹²Taken from David Solomon “Domestic Disarray and Imperial Ambition: Contemporary Applied Ethics and the Prospects for Global Bioethics,” unpublished manuscript that will appear in a forthcoming anthology on global bioethics edited by H.T. Engelhardt. Solomon discusses the same issue we are discussing but focused on the field of bioethics.

metaphysical controversies resolution is possible only through the granting of particular initial premises and rules of evidence. On the other hand, even when foundational metaphysical issues do not appear to be at stake, the debates turn on different rankings of the good. Again, resolution does not appear to be feasible without begging the question, arguing in a circle, or engaging in infinite regress. One cannot appeal to consequences without knowing how to rank the impact of different approaches with regard to different ethical interests (liberty, equality, prosperity, security, etc.). Nor can one uncontroversially appeal to preference satisfaction unless one already grants how one will correct preferences and compare rational versus impassioned preferences, as well as calculate the discount rate for preferences over time. Appeals to disinterested observers, hypothetical choosers, or hypothetical contractors will not avail either. If such decision makers are truly disinterested, they will choose nothing. To choose in a particular way, they must be fitted out with a particular moral sense or thin theory of the good. Intuitions can be met with contrary intuitions. Any particular balancing of claims can be countered with a different approach to achieving a balance. In order to appeal for guidance to any account of moral rationality one must already have secured content for that moral rationality.

Fourth, exploration becomes a rationalization for hidden ethical and political agendas. Business ethicists need not concern themselves with the actual working of organizations within a market economy; rather, they can pontificate about what the organizations should be like by appeal to a hidden structure analysis using all the latest philosophical jargon and by dropping names like "Rawls." As long as most of the philosophical community consists of modern liberals or social democrats who share the same private agenda an entire discourse or conversation can take place in journals and at conferences which is wholly removed from and totally irrelevant to business practice.

No one outside the academic community really takes business ethics seriously, however much they may pay lip service to it. There are

many reasons for this, but what concerns us here is why this dismissal of academic business ethics does not seem to bother academic business ethicists. The aim of analytic exploratory business ethics is not to have an immediate and direct influence on business practice. Its aim is to educate present business students to hold the same ideological position that liberal arts students are taught, and ultimately to change business practice through a political transformation of society. Their ideology is an abstract principle or set of principles which has been independently premeditated. It supplies in advance of the historical facts a specific political agenda; it supplies criteria for distinguishing between those policies which ought to be encouraged and those which ought to be rejected. To be educated by such business ethicists is to be taught how to articulate, defend, and implement the ideology. Despite the appearance of being premeditated, the content of the ideology is drawn from a previous practice. In this case, the ideology of analytic business ethics is drawn from the conversation of modern liberal and social democratic intellectuals.

The pervasive soft democratic socialism of business ethics, based upon the classical conception of philosophy and the notion of applied ethics exemplified in analytic philosophy, is a direct result of its basic premises. This can be seen in the way in which the notion of distributive justice has been totally reconfigured. Aristotle had originally understood distributive justice to mean the assigning of responsibilities and rewards to individuals based upon merit. For the contemporary world the notion of merit (desert) has disappeared and been replaced by adherence to environmental determinism. The contemporary virtue of distributive justice is the attempt to reconfigure society in such a way that all social goods are distributed on the basis of fairness. There is no longer any notion of individuals with the power and responsibility to discipline or transform themselves. The free and responsible individual has been replaced by the 'benevolent' welfare state. The most prominent advocate of distributive justice is John Rawls. He has

explicitly endorsed environmental determinism.¹³ Rawls famously claimed that the social world will always “affect the wants and preferences that persons come to have.”¹⁴ Moreover, “even the willingness to make an effort, to try, and to be deserving in the ordinary sense is . . . dependent on fortunate family and social circumstances.”¹⁵ Distributivists, or re-distributivists to be more precise, are sometimes vague about this doctrine. They tend to fudge the difference between: (a) we are sometimes influenced by social circumstances (something no one would deny), (b) we are sometimes determined by social circumstances (controversial¹⁶ but not implausible), and (c) we are always determined by social circumstances. It is (c) that has to be held in order to deny human freedom and justify distributive justice.

This soft democratic socialism is never openly and directly acknowledged. Business ethicists of this stripe refer to themselves as liberals and claim to acknowledge the benefits of a market economy. What they want is to regulate it through a democratically elected government. There are two reasons for this lack of frankness. First, an open acknowledgment of this soft socialism would immediately alienate the business world. Second, I do not believe that there is or could be a

¹³We leave aside philosophical issues about the intelligibility of determinism and whether any norm (including being rational) would make sense or can be generated if determinism were true. My suspicion is that Distributivists would have to subscribe to miraculous dualism, namely the view that everything is determined but there is an epi-phenomenal level which is teleological and is perfectly coordinated with the deterministic level.

¹⁴ John Rawls, “Distributive Justice,” page 157 of *Collected Papers (1999)*, ed. S. Freeman

¹⁵*Theory of Justice*, pages 311-312.

¹⁶What we have to avoid is claiming that we are partly determined and partly free; this can no more be true than being “partly pregnant.”

positive, consistent and coherent philosophical argument for this position. The literature of its advocates is largely a negative and critical attack on the perceived weaknesses of a free market system. There is no coherent positive program or clear intellectual agenda in this democratic socialist business ethics and there cannot be because its advocates are philosophically challenged and alienated from the commercial world they claim to study.

What Philosophy Can Contribute

There is an alternative to the classical view of philosophy. The alternative is the modern view, namely, that theory is the explication of prior practice. Explication¹⁷ is a mode of understanding social practices. It presupposes that all social practices function with implicit norms and that to explicate a practice is to make explicit the implicit norms. In explication we try to clarify that which is routinely taken for granted, namely our ordinary understanding of our practices, in the hope of extracting from our previous practice a set of norms that can be used reflectively to guide future practice. Explication attempts to specify the sense we have of ourselves when we act and to clarify that which serves to guide us. We do not change our ordinary understanding but rather come to know it in a new and better way. Explication is a way of arriving at a kind of practical knowledge that takes human agency as primary. It seeks to mediate practice from within practice itself.

Explication is a form of practical knowledge and presupposes that practical knowledge is more fundamental than theoretical knowledge. It presupposes that efficient practice precedes the theory of it. All reflection is ultimately reflection on primordial practices that existed prior to our theorizing about them. Contemporary intellectuals in general and philosophers in particular have trouble with this idea because they are part of an institution that is meant to be almost

¹⁷For an extended discussion see Capaldi (1998).

exclusively reflective. It is easy to lose sight of the fact that reflection is, ultimately, a reflection not on other reflections but on actions in which human beings engaged prior to theorizing about them.

Two points are worth making here. First, it is always open for someone to raise the question of which conception of philosophy is the correct one. But it is clear that the answer to this question either involves an explication of philosophy¹⁸ or that the advocacy of any particular view becomes a question-begging enterprise in which no one wins and everyone is an ideologue. Second, we repeat our points that (a) every exploration presupposes a prior explication, that (b) if there are competing explications then they would be resolved by appeal to a consensus explication of a higher level, and that (c) if there are tensions or conflicts in the practices themselves, this too would require resolution by appeal to a consensus explication on a higher level.

This calls for an important distinction between the explication of the norms inherent in the current practice of the market economy and the articulation of the relationship between commerce and our other practices. Explicators see themselves as performing a “Socratic” function, not an adversarial function with regard to current practice. In the realm of business ethics they begin with an understanding of market economies and try to clarify their implicit norms. Unlike so many practitioners of business ethics, they are not at war with the market economy. Moreover, explicators believe that there is no inherent conflict between the norms of the market and the larger ethical vision

¹⁸ Although classical philosophers would reject the modern conception of explication, many of their insights can be reconceptualized as such. Plato’s notion that our practice imperfectly copies the “Good,” the Judeo-Christian notion that God cannot be fully conceptualized, Heidegger’s notion of retrieval, and Wittgenstein’s assertion that we can never circumscribe a concept are all alternative ways of making this point.

that informs the modern world.¹⁹

The most remarkable thing about explication is that it allows us to retrieve both the big picture or larger ethical vision and all of the crucial insights about modern market economies embedded in the works of great philosophers like Bacon and Descartes (the Technological Project primarily but its relation to a market economy as discussed in the *Discourse on Method*), like Locke (the Technological Project as a reconceptualization of Christianity, the importance of private property, etc.), like Montesquieu (the relationship of market economies to law and politics—Montesquieu is seldom discussed by analytic business ethicists who do not take seriously any writer unless he begins with metaphysical and epistemological concerns), like Hume (his defense of market societies, against Rousseau's criticisms, in the *Essays*, seldom read by contemporary analytic philosophers and business ethicists; Hume's foreshadowing of Smith), like Adam Smith (it's all in Smith as well as a sophisticated constructive critique of business people who fail to adhere to the norms of market practice and the wonderful and timeless critique of academics as unimaginative rent seekers), like Kant (who articulated the relationship among technology, markets, and international peace and their consistency with human freedom), like Hegel—yes, the Hegel influenced by Smith who articulated the importance both of the rule of law and individual autonomy), like J. S. Mill (who rearticulated the centrality of individual autonomy in *On Liberty* and who critiqued socialism), as well as more recent philosophers like Hayek and Oakeshott (systematically ignored because of their well known opposition to government regulation).

It is high time to retrieve and extend the philosophical explication of business ethics.

¹⁹For an example, see N. Capaldi, "Ethical Foundations of Free Market Societies," *The Journal of Private Enterprise*, Vol. XX, No. 1, Fall 2004: 30-54.

My conclusion is not merely that business ethicists should adopt explication as their practice, but that explication makes sense only if one reconceives what business ethics is about. As conceived by many self-professed business ethicists, business ethics is an enterprise in applied political philosophy. Its purpose is to derive the implications of a favored politico-philosophical theory (e.g., social democracy, Rawlsian egalitarianism) for an institutional scheme that is fundamentally antithetical to the favored theory. In effect, it concedes that the favored theory has lost the battle of ideas at the institutional level for which it was conceived—that is, as a normative theory of state action and the political organization of society (at least in the dynamic, world-leading Anglo sphere)—but seeks to subvert market-driven, private-property economies while keeping their institutional shells intact. Markets operate, but regulation undoes their effects; property remains nominally in private hands, but subject to a thicket of regulation designed to usurp it (what Richard Epstein, I believe, calls ‘constructive takings’); shareholders retain their shares in private enterprise, but have their already weak control rights weakened still further; employment relations are formed via contract, but employment disputes are not adjudicated by reference to them.