That is the introduction. Writing one allows a writer to try to set the terms of what he will write about. Accounts, excuses, apologies designed to reframe what follows after them, designed to draw a line between deficiencies in what the author writes and deficiencies in himself, leaving him, he hopes, a little better defended than he might otherwise be. This sort of ritual work can certainly disconnect a hurried pedestrian from a minor inconvenience he might cause a passing stranger. Just as certainly, such efforts are optimistic when their purpose is to recast the way in which a long book is to be taken.

—Erving Goffman, 1974

Occasionally some big business representative does speak less sanctimoniously and more forthrightly about what capitalism is really all about. Occasionally somebody exhumes the apparently antique notion that the business of business is profits; that virtue lies in the vigorous, undiluted assertion of the corporation’s profit-making function. But these people get no embossed invitations to speak at the big, prestigeful [sic], and splashy business conferences—where social responsibility echoes as a new tyranny of fad and fancy.

—Theodore Levitt, 1958

1. Moral Causes

In January 2011, the National Commission on the Causes of the Financial and Economic Crisis in the United States made public its final report. This commission “was established as part of the Fraud Enforcement and Recovery Act” of 2009. Chaired by Democrat Phil Angelides, it “reviewed millions of pages of documents and questioned hundreds of individuals—financial executives, business leaders, policy makers, regulators, community leaders, people from all walks of life—to find out how and why it [the worst financial meltdown since the Great Depression] happened.” Surely the commission was confronted with a most
difficult question and a most important assignment. What did it find? What was the cause of the crisis?

The final report presents six “major findings and conclusions.” First, “this financial crisis was avoidable”; second, “widespread failures in financial regulation and supervision proved devastating to the stability of the nation’s financial markets”; third, “dramatic failures of corporate governance and risk management at many systemically important financial institutions were a key cause of this crisis”; fourth, “a combination of excessive borrowing, risky investments, and lack of transparency put the financial system on a collision course with crisis”; fifth, “the government was ill prepared for the crisis, and its inconsistent response added to the uncertainty and panic in the financial markets”; and sixth, “there was a systemic breakdown in accountability and ethics.” It sounds plausible that failures in regulation or excessive borrowing can be causes of a financial and economic crisis. Facts about regulation or borrowing seem to be the sorts of facts that account for financial and economic processes and outcomes. But what does ethics have to do with these issues at all? This is how the report spells out the relationship:

The integrity of our financial markets and the public’s trust in those markets are essential to the economic well-being of our nation. The soundness and the sustained prosperity of the financial system and our economy rely on the notions of fair dealing, responsibility, and transparency. In our economy, we expect businesses and individuals to pursue profits, at the same time that they produce products and services of quality and conduct themselves well.

Unfortunately—as has been the case in past speculative booms and busts—we witnessed an erosion of standards of responsibility and ethics that exacerbated the financial crisis.

For example, the report continues, “major financial institutions” “knew a significant percentage of the sampled loans did not meet their own underwriting standards or those of the originators. Nonetheless, they sold those securities to investors.” This “resulted not only in significant financial consequences but also in damage to the trust of investors, businesses, and the public in the financial system.” While the report’s causal language is at times ambiguous, there is no doubt that it does mean to make a causal claim. Ethical phenomena are one of the causal antecedents, independent variables, or explanantia, and the economic and financial crisis is the causal consequent, dependent variable, or explanandum.

That moral facts can account for economic facts is in fact a familiar claim. The previous major earthquake in the U.S. economy took place at the dawn of the twenty-first century: a series of spectacular corporate scandals. As an article in the New York Times rightly observed, “[a]lmost every year, it seems, some scandal envelops a Fortune 500 company and causes a new spasm of public distrust of the economic and financial systems.”

5 Financial Crisis Inquiry Report, p. xi.
6 Ibid., p. xxii.
big corporations. This year’s occurrence probably should not be surprising; in the competitive marketplace, the temptation to cut ethical corners can be hard to resist.” This “scourge of scandals [was leaving] its mark”: “a growing number of big companies are enacting strict ethical guidelines and backing them up with internal mechanisms to enforce them.” “Lately . . . corporate America seems to be doing more than just paying lip service to standards of management behavior.”

What is most remarkable about this otherwise unremarkable New York Times article about business ethics is its date: October 18, 2000, that is, one year before the Enron scandal erupted.

Stories of this sort, in the business-scarnd-qua-morality-tale literary genre, would soon become ubiquitous. For, as we know with the benefit of hindsight, the news about Enron, Tyco, and WorldCom was just around the corner. Since their becoming public in 2001 and 2002, these cases have been insistently represented as morality tales, where ethical failures are one key causal factor. These tales afford considerable attention to moral villains, such as Jeffrey Skilling of Enron, Dennis Kozlowski of Tyco, or Bernard Ebbers of WorldCom, who are said to be causally and morally responsible. Eventually, they were sentenced to substantial prison terms, which, so the story goes, they fully deserved. Whether authored by high-status experts or by sensationalistic journalists, moral causation features prominently in public representations of these corporate scandals. For example, in December 2003, former SEC chairpersons Arthur Levitt Jr. and Richard Breeden reflected on “Our Ethical Erosion” in the Wall Street Journal. They expressed their expert concern about business immorality—that “standards of integrity and character seem to have slipped to dangerous lows at many firms”—and its harmful economic effects. Trade books, magazines, and films have highlighted similar chains of causes and effects. We have then heard over and over about the “infec-tious greed” and “deceit” that “corrupted the financial markets,” corrupted specific CEO’s and corporations, and their disastrous results. We have heard scandals such as Enron described as an “all-American morality play.” It is itself culturally revealing that this might be due to the marketing appeal of morality tales and moral villains—say, Gordon Gekko in the 1987 movie Wall Street, or the Robber Barons of the Gilded Age, such as Jay Gould, J. P. Morgan, or Cornelius Vanderbilt.

Even more revealing for my purposes is that moral causation also features prominently in more solemn and official accounts, such as the government’s reactions. The government had to provide both an appropriate legislative and policy response and a well-founded explanation. Or perhaps the other way around: a well-founded explanation and an appropriate legislative and policy response based on it. Thus, the Sarbanes-Oxley Act of 2002 was based on an account of what happened, what went wrong, why, and hence why that was the causally appropriate response or causally effective antidote. Many things went wrong, but one of them recurrently framed explanatory accounts. Consider, for instance, the U.S. Senate’s Committee on Banking, Housing, and Urban Affairs hearings regarding the implementation and impact of the Sarbanes-Oxley Act. On September 9, 2003, Republican Richard Shelby, chair of the committee, delivered his opening statement:

When the “bubble” burst in the second quarter of 2000, it became apparent that the explosive growth in market capitalization in the late 1990’s had been accompanied by egregious examples of corporate misconduct and an all too often disregard for business ethics. All too often, auditors turned a blind eye. As these problems came to light through a series of corporate scandals, investors lost confidence in corporate management and financial reporting and withdrew their money from the markets. The Sarbanes-Oxley Act was enacted, in part, to demonstrate to investors a commitment to fairness and integrity in corporate America.11

Bad business ethics can bring about bad economic outcomes—hundreds of millions of dollars bad. The expected effect of the Sarbanes-Oxley Act had to do with the “fairness and integrity in corporate America,” upon whose improvement better economic outcomes were causally dependent. That this is a framing device that introduces Shelby’s statement does not diminish its significance. Much to the contrary. This is how the chairman of the committee wishes to represent the problem in broad strokes; this is where the origins of the problem lie. As far as my argument is concerned, it is all the more significant for that.

All in all, the first decade of the twenty-first century saw more than its fair share of economic and financial unrest. Both the 2001–2002 events and the late-2000s events called for explanatory accounts—not only because “the public wants to know,” but also because reform, legislation, and policy make them necessary. Many of these accounts have given business ethics an important causal role, at the individual and firm level, at the social or systemic level, or both. Hence, they may be called “moral causation” accounts. The issue here is not whether they are true, but that they are publicly valid accounts or representations. Now, what is neat about causal theories is that they allow us to manipulate the environment to our advantage: engineers use causal knowledge to design safer auto parts;

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pharmacologists, more effective drugs; psychotherapists more effective treatments; and educators more effective teaching methods. If you wish to get Y, then you need to introduce X. Assuming a linear and positive relationship, if you wish to get more of Y, then you need to increase the amount of X. With regard to the economy, this is the day-to-day job of central banks, ministers and secretaries of economic affairs, international financial institutions, economic advisers, and policy makers. But what if it turned out that one causal antecedent or independent variable belonged to the realm of ethics?

This is just how moral causation accounts would have it. If they turned out to be true, they should have significant implications for business and political life. If morality were a cause of economic and financial crises and instability, of the kind we have witnessed lately, then the stakes would be high indeed. If, in turn, economic and financial crises and instability led to social and political crises and instability, then the stakes would be even higher. Powerful individuals, corporations, and organizations would care about business ethics. The capitalist state would care, too. Unfortunately, though, not all causal manipulations are equally straightforward. A country’s central bank may find it desirable and be able to increase the money supply or the cash reserve ratio, because of the effects it predicts these actions will have. Morality, however, does not seem so easy to increase at will. Differently put, an obvious policy recommendation follows from these accounts. We should improve the ethics of business; we should reduce the incidence of dishonesty, corruption, greed, unscrupulousness, and irresponsibility. But how in the world can we do that?

2. Business Ethicists

Fortunately, in our society there are people who are in precisely this business: business ethicists. In a nutshell, business ethicists’ job is to increase the frequency of moral behavior in business—either in a business community as a whole, or within one or more particular companies. Their services may be required by governmental and nongovernmental organizations, as well as individual companies; they may advise on internal rules and norms, public policy, or legislation. From the perspective of moral causation accounts of economic and financial crises, it is fortunate that business ethicists typically place much emphasis on combating unethical practices. Their foes are, for instance, managers of large corporations who defraud their shareholders, resort to unethical competition methods, or cheat the tax authorities; or traders who “reserve the fairest and largest fruit for the top of the barrel, or mingle mahogany saw-dust with the cayenne pepper.”12 Yet, besides combating morally forbidden practices, business ethicists also promote morally good practices, and encourage businesspeople to take seriously their social and

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environmental responsibilities. Business ethicists are the historical protagonists of this book. What do these people do, exactly? Where and for whom do they work?

Let us start with a snapshot of the present. Today business ethicists employ a variety of methods and work in a variety of settings. One of them is the business school, where business ethics professors teach courses to undergraduate and MBA students, do research, and (it is hoped) get their articles published in highly ranked business ethics journals. Other business ethicists work outside the university. For example, they “do things like compose ethics codes, run ethics workshops and retreats, do ethics audits, and set up lines of communication for whistle blowers.”13

There are organizations, such as the Center for Business Ethics at the Josephson Institute of Ethics, which “[help] companies improve their workplace culture. From ethics audits and consulting to ethics training and keynotes, the Institute’s business ethics services have never been in greater demand.”14 There are also firms that offer “ethics education and awareness,” and freelance business ethics consultants and speakers, who help you run “an ethical business . . . [which] will keep you on the right side of the law and in good stead with your clients and customers.”15 This is needed because “[i]n order to continue to survive and thrive, companies are increasingly required to demonstrate ‘good’ behavior in all that they do.”16

In addition, a large corporation may have its own ethics officer, sometimes called ethics and compliance officer, chief compliance officer, or chief ethics officer.17 Ethics officers multiplied as a result of the 1991 Federal Sentencing Guidelines, which reduced penalties if an organization had an “effective program to prevent and detect violations of law,” including “[s]pecific high-level officer(s) . . . assigned the responsibility for compliance.”18 The following year, 1992, the Ethics & Compliance Officer Association was officially incorporated.19 But ethics officers really became a “hot commodity in [the] post-Enron world.”20 Especially in the

19 Formerly called the Ethics Officer Association, this is an association of “individuals responsible for their organization’s ethics, compliance, and business conduct programs.” Cf. http://www.theecoa.org.
post–Sarbanes-Oxley world. If you wish to obtain formal training for these hot positions, you may enroll in Duquesne University’s “Master of Science in Leadership, concentration in Business Ethics (MSLBE) program,” whose business ethics core curriculum covers business ethics, information ethics, organizational ethics, global ethics, and an ethics elective, such as diversity or sustainability. Or you may enroll in the New England College of Business and Finance’s “online Master of Science in Business Ethics & Compliance (MBE) program,” which, according to its website, “was developed in timely response to disasters like the sub-prime mortgage crisis.”

According to moral causation accounts, business ethicists’ intervention should have good economic effects, just like increasing the money supply. In the wake of the recent crises, business ethicists have indeed been asked to intervene. But they have also been blamed for what already transpired, just like a failure to increase the money supply could have. In this respect, business schools were singled out and harshly taken to task in the public sphere. Paul Volcker’s statement at the 2003 Sarbanes-Oxley hearings sums up the critics’ view: “I don’t think our great schools of business can entirely escape responsibility. I was taken aback a while ago when one of the leaders of Wall Street, sharing with me his sense of distress about the perceived lapse of standards, commented ‘What do you expect when our best business schools for twenty years have preached the doctrine that the only measure of success is the price of a company’s stock, with the implication that any means of enhancing that price short of overtly criminal or unethical behavior is fair game?’ As I overcame my surprise, I had to agree there was at least a grain of truth in what he said.” It does not matter whether there was a grain of truth in what he said or not. After all, why should “a leader of Wall Street” be qualified to speak about the history of business education? What does matter is that Volcker and his friend were expressing a publicly valid narrative. And Volcker’s words—delivered both at these hearings in the senate and at Washington University’s Olin School of Business a few days before—diffused it further.

The latest crisis provoked comparable complaints. As the New York Times reported in 2009, “with the economy in disarray and so many financial firms in free fall, analysts, and even educators themselves, are wondering if the way business students are taught may have contributed to the most serious economic crisis in decades.” More specifically,

[c]ritics of business education have many complaints. Some say the schools have become too scientific, too detached from real-world issues. Others say students are taught to come up with hasty solutions to complicated problems. Another group contends that schools give students a limited and distorted view of their role—that they graduate with a focus on maximizing shareholder

22 http://www.duq.edu/leadership/mslbe/.
value and only a limited understanding of ethical and social considerations essential to business leadership.24

This attribution of causal responsibility to business schools is historically familiar—which is precisely my point. In fact, it appears to repeat itself over time. Just like in the late 1980s, “[w]ith each new scandal, attention had been focused on business ethics—and, in turn, on what is being taught young men and women in business schools these days.”25 Just like in the late 1980s, “[e]thics is drawing new attention” and there is a “new focus on ethics.”26 Just like in the late 1980s, “[p]rompted by the insider trading on Wall Street and by reports of corporate misconduct, growing numbers of business schools have been offering a variety of ethics courses, seminars and lectures.”27 In short, in the wake of the recent crises business schools have felt a threat to their reputation—the reputation of the whole class, not only of the schools that awarded MBA degrees to unethical managers.28 Their response was quick and conspicuously displayed: ethics courses, professorships, events, research projects, and public sphere statements. Funding was not an impediment, as corporations and philanthropic foundations lavishly supported these initiatives—just like Arthur Andersen and John S. R. Shad lavishly did in the late 1980s.

In sum, if moral causation accounts are accepted, the business ethicist becomes a key social actor and a key link in the causal chain. Her failure to act, or her failure to act effectively, can have dire economic and social consequences.29 Conversely, for social and economic things to go well, her work is indispensable. In addition, her work is needed by individual companies, if they are to conduct themselves virtuously and responsibly, and thus stay out of legal trouble. When business ethicists are represented as having such causal powers and responsibility, they gladly embrace them. Indeed, they must gladly embrace them if their work is to have value and be demanded in the marketplace. For nowadays business ethicists sell their services, as consultants, professors, speakers, authors, ethics educators and trainers, writers of corporate social responsibility (CSR) reports and codes of ethics, and corporation officers. They run “Ethics Inc.,” as one Wall

29 I try to avoid gender-biased language, so I alternate masculine and feminine pronouns when referring to abstract persons, except where a feminine pronoun would be historically implausible and hence confusing.
Street Journal article pungently put it. Hence, they must and do combat the skeptics according to whom they make no causal difference or have no effect—on the grounds that, for example, neither businesspeople nor MBA students can be made more ethical, because ethics cannot be taught, or because human nature is irreparably wicked.

There is another activity that business ethicists engage in. Not only are they assigned a moral enhancement job and expected to make a moral difference, given an accepted moral causation account. They may also provide that moral causation account in the first place. Or else, develop it, reinforce it, and help get it socially accepted. They are in the cultural business of designing, articulating, circulating, validating, and legitimating public understandings and accounts about social reality. Sociologists have long underscored the practice of validating understandings and defining situations, both in micro, face-to-face interaction, and in macro, public, and political contexts. Business ethicists participate in fights over the correct representation of events in the public sphere, especially when it is unclear what happened, how to make sense of it, and what its causes were. They enter this arena having a vested interest in furthering understandings in which the economy and morality are inextricably intertwined, and in which morality is a causal factor. Yet, it is a case-by-case question whether their case ends up being persuasive, changes anybody’s mind, or what effects their work ends up having.

This is a book about business ethicists, their practical work, and the cultural and institutional contexts in which they carry it out. More precisely, it is a book about the history of this work. Moreover, as we will see in section 4 of this chapter, this history is a means to develop a broader argument about morality and its scientific investigation. Historically, I focus on business ethicists’ work in the United States, roughly from the 1850s until the 1930s. I examine who they were, where they worked, wrote, and spoke, and whom they addressed. I also examine what they recommended, prescribed, and demanded from businesspeople, politicians, the state, and society—and how all of these things relate to one another. This book is not a history of businesspeople’s behavior. It does not explore the character and frequency of unethical practices, their changes over time, and what accounts for them. Needless to say, these are most important subjects in their own right, but they require data that I do not have. Instead, I investigate society’s normative structure. I investigate the institutional and cultural mechanisms that establish what businesspeople are supposed to do, or morally ought to do. These are sociological facts, not psychological facts about intentions and motives—which presumably exist in individuals’ minds, about which I have no data either.

Because of my historical approach, it makes most sense to cast a wide net and work with a broad definition of “business ethicist.” Thus, by this expression I do not refer only to the full-time business ethics professors or chief ethics officers, with whom we are familiar today. Rather, I refer to several kinds of people who have concerned themselves with and worked to improve the ethics of business, in different capacities and with different degrees of devotion to the cause: ministers, journalists, pundits, politicians, professors, public intellectuals, among others. Businesspeople may be included, too, insofar as they publicly speak or write about the right and the good, and try to make the morals of their fellow businesspeople better. While they cannot be referred to as “business ethicists,” I am also thinking of organizations that have business ethics projects or initiatives qua organization: trade associations, better business bureaus, civil society organizations, business schools, or business ethics associations. According to this definition, then, the colonial Puritan minister Cotton Mather, the nineteenth-century Episcopal minister Phillips Brooks, the Boston retailer Edward Filene, and the business school dean Ralph Heilman all count as occasional business ethicists.

3. History, Morals, and Markets

This book makes a contribution to the history of business ethics in the United States, or, more precisely, in the parts of the country where business ethicists were most active. This means primarily urban centers such as New York, Boston, Philadelphia, or Chicago. My narrative takes us to the various locations in which they could be found in action, say, a church in New York in the 1880s, or a business school in Chicago in the 1920s—taking into account the specific character of that location. Unlike many history books, however, a range of years does not appear in the title or subtitle: the boundaries of the period I examine are deliberately fuzzy. Roughly, it starts in the 1850s, that is, after the period Charles Sellers referred to as “the market revolution,” and after the period Daniel Howe described as “the transformation of America.” In general, it does not go beyond the 1930s. Yet, I do sometimes discuss earlier and later events and sources, from corporate social responsibility in the twenty-first century to Cotton Mather in the seventeenth and eighteenth.

In the following chapters we will encounter different kinds of business ethics work and different kinds of business ethicists at work. We will see them urging businesspeople to be good and do the right thing, working out for them what the right thing to do is, giving them reasons for action, helping them realize when they are facing a moral issue, and helping them overcome “akrasia” or weakness.

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of the will. We will see them encouraging businesspeople to pose ethical questions to themselves, such as what the point of a business life is, or what they owe to the community. In my narrative, business ethicists show up, too, trying to shape public opinion, set normative standards, and raise awareness about the urgent public problem of business ethics. They show up addressing politicians and policy makers in Washington, who can have an effect on business practice by introducing the right incentives and disincentives. We will see business ethicists speaking to the youth, who may be more receptive to both their questions and prescriptions—be it at a business school or at a church. Or speaking at business association meetings and writing for the business press, which are prone to be receptive to their questions, especially if the good name of business is at stake. Or publicly attacking real or fictional immoralists, who affirm that business ethics is an oxymoron, the buyer should beware (caveat emptor), the public should be damned, everyone’s doing it, and business is business, therefore anything goes.

This book scrutinizes the content of business ethicists’ understandings and prescriptions—taking into account their context, the audiences they were addressed to, and the cultural repertoires they drew from. Because understandings are not Platonic ideas, I analyze the ways in which and the media through which business ethicists carried out their work. Much like sociologists and anthropologists of science, I am interested in the tools, devices, technologies, methods, and tactics business ethicists came up with and availed themselves of. Manuals of proper behavior, success manuals, pamphlets, biographies, obituaries, typologies, illustrations, and codes of ethics are not neutral, interchangeable containers of information. They are social things, with particular causal histories and social functions, and whose particular modes of operation, modes of existence, and materiality must be analyzed as well. They are not propositions but instruments.

The first payoff of this book lies in the novelty of the history it tells, much of which is surprisingly unknown. Surprisingly, I say, because of the great attention the ethics of business receive these days. In light of recent events, this preoccupation is understandable. Yet, it is sharply at odds with our ignorance about the historical genealogy of the field of business ethics and business ethicists’ work. I am not just talking about journalists and bloggers, whose job is to be timely and


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attention-grabbing, not historically accurate. Even professional business ethicists seem to have forgotten their mothers and fathers. One common mistake is to date the origins of their field to the 1960s. Another common mistake is to announce that business ethics is a new or unprecedented phenomenon. For instance, in 1981 renowned management scholar Peter Drucker wrote:

“BUSINESS ETHICS” is rapidly becoming the “in” subject, replacing yesterday’s “social responsibilities.” “Business ethics” is now being taught in departments of philosophy, business schools, and theological seminars. There are countless seminars on it, speeches, articles, conferences and books, not to mention the many earnest attempts to write “business ethics” into the law. But what precisely is “business ethics”? And what could, or should, it be? Is it just another fad, and only the latest round in the hoary American blood sport of business baiting?

Drucker went on to say that his “only qualification for making this attempt [to sort out what ‘business ethics’ might be] is that I once, many years before anybody even thought of ‘business ethics,’ taught philosophy and religion, and then worked arduously on the tangled questions of ‘political ethics.’” Yet, in 1932, many years before Drucker worked arduously on the tangled questions of “political ethics,” Carl Taeusch wrote:

Several years ago there began to develop an interesting social-economic phenomenon, “business ethics,” the like of which had not been seen since the days of the medieval guild. The symptoms of this more recent phenomenon consisted in the formulation of “codes of ethics,” the establishment of “practice committees,” and the publication of a number of books and articles on the subject. This situation has now perhaps settled down sufficiently to warrant an appraisal of the phenomenon and of the literature to which it gave rise.

Taeusch was then an “Associate Professor of Business Ethics” at Harvard’s Graduate School of Business Administration, where he was a faculty member since 1928. He had also written two learned books on the subject: Professional and Business Ethics (1926) and Policy and Ethics in Business (1931). While his judgment about this “interesting social-economic phenomenon” is an improvement on Drucker’s, it still falls short of its target. This interesting social-economic phenomenon began to develop many years before Taeusch worked arduously on the tangled questions of business ethics.

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The bottom line is that our historical knowledge about business ethics has long been woefully inadequate. It has not been infrequent to hear or see downright false statements in both the public sphere and scholarly forums. This book begins to remedy this neglect. Indeed, my narrative shows that many of today’s business ethics debates and many of today’s solutions were already debated and already proposed one hundred years ago or so. The same or very similar obstacles were encountered then, the same or very similar objections and rejoinders were put forward, and the same or very similar cultural and institutional tools were appealed to. In this sense, I partake of an old historical trope: I show that things are older than is thought; what is thought to be new has already happened before; we have been there already. However, besides this (perhaps pedantic) pleasure, a history of business ethics may have practical implications. This is because societies’ deliberations and decisions about what to do and how to live together should be oriented by adequate self-knowledge or self-understanding. In other words, what we should do should depend on who we are.

It is a typically modern view that social, political, and institutional arrangements can be based on abstract and rational plans or blueprints. It is a typically modern view that human reason is a priori or outside of history. Then, any society can be reorganized from top to bottom in accordance with it, even if that requires substituting ten-day décad es for weeks and instituting ten-hour days, or designing rational cities that “could be anywhere at all.” However, experience has taught us that these modern views are illusory: social and political projects must rely on “local knowledge”; they must make sense in relation to local practices, institutions, narratives, and traditions. It is therefore crucial for a society to understand its particular character and the genealogy of its cultural and institutional configurations: how it has become what it is, how it used to be, and what happened to it in the meantime. Social and political action should take into account the particular people we happen to have become, and the idiosyncratic traditions that are built into our ways of being. This book’s historical narrative hopes to contribute to this kind of societal self-understanding, which may help future practical and political projects.

Besides its historical value and potential practical value, business ethics embodies a key intersection and tension in modern Western societies: that between morals and markets, ethics and capitalism. This old tension, tackled by Mandeville and Smith in the eighteenth century, has recently garnered renewed scholarly attention. Both empirical and normative questions about it have been raised. If markets constitute an autonomous sphere and a morality-free zone, why would anyone opt for socially responsible mutual funds or companies, or only “buy American”? Why would consumption and spending choices be subject to moral scrutiny? Why ought anything not to be bought and sold, if free
individuals freely wish to do so? What accounts for bread riots, and whence the idea of prices’ fairness or justice to begin with? How come market actors have normative motivations and engage in costly punishment of unethical behavior? If money is a “neutral, impersonal, and interchangeable” medium, why do we actually find value built into it, earmarking, and “multiple currencies”? What are the moral effects of the market and capitalism? Do they rest on a moral order or foundations? These questions have also been central to economic and cultural sociologists who, since Zelizer’s *Morals and Markets* (1979) and *Pricing the Priceless Child* (1985), have explored the moral dimensions of economic life. This literature is topically diverse: from morally problematic markets to morally problematic workplaces, from the effects of moral distinctions on economic policy and politics to the moral features of market society and capitalism. Yet, taken together,


these sociological works foreground and problematize the uneasy interactions between the economic and the moral—which is precisely where the business ethicist is located. My study about this unique character hopes to contribute to this literature, and shed new light on the tension between markets and morals.

Thus far I have sketched out the major themes of this book. However, I have not stated its arguments yet—and there is a reason for that. This book has two main arguments: a conceptual or theoretical one, and an empirical or historical one. The latter has to do with the history of business ethicists’ work, whereas the former has to do with the empirical investigation of morality in general. The catch is that the conceptual argument is logically prior to the empirical argument. In order to state the latter, it is necessary to grasp the former. It is only through this conceptual framework or lens that my historical claims can be made out at all. Subsequently, some significant and hitherto unknown facts about business ethics will come to light. So I turn now to what my conceptual framework is, and then to how I bring it to bear on the history of business ethics.

4. The Arguments

This book develops a framework for the scientific study of morality. The science of morality is a very old project. However, in the past few years it has expanded in an unprecedented manner, and in several disciplines: psychology, neuroscience, anthropology, sociology, economics, and the burgeoning field of experimental philosophy. Scholars have been turning out a large number of findings and theories about morality. Besides, there seems to be much excitement about the promise of the science of morality, which universities, publishers, and funding agencies seem to share, and which the media has been quick to pick up (and overstate). Perhaps as a consequence of this very excitement, though, little thought is being given to the nature of the object of inquiry of the science of morality. What exactly are these numerous new studies about? What exactly are these numerous


new theories of? No doubt, you may say that the object of inquiry of the science of morality is morality, in some sense. But this is not very helpful. The question is, precisely, in what sense.52

I argue that, taking the science of morality as a whole, three objects of inquiry should be individuated. Differently put, the science of morality comprises three distinct levels, each of which should be studied in its own right, and whose interrelations should be studied as well. Two of them are already familiar to scientists of morality in sociology, psychology, and elsewhere. First, there is the level of behavior or practices. For example, to what extent people cheat, steal, and lie; under what conditions they are more likely to cheat, steal, and lie; or what social factors account for the likelihood of someone's cheating, stealing, or lying. Second, there is the level of people's moral judgments and beliefs, and societies' and social groups' moral norms and institutions. For example, given an individual, what practices he finds to be morally permissible, forbidden, or supererogatory; given a society, what practices are generally accepted to be morally permissible, forbidden, or supererogatory, and what institutional mechanisms reflect and enforce these collective tendencies.

In this book I introduce a third level, which up to now has not been recognized as a distinct object of scientific inquiry: the moral background. To offer a preliminary characterization of what this is, I discuss first one real case, and then one thought experiment. Madécasse is a company that produces chocolate in Madagascar, “from bean to bar.” As the wrapper informs the interested chocolate lover, its American owners were “Peace Corps volunteers in Madagascar” who “fell in love with the country & people but we wanted to do more.” Their company not only “[pays] farmers a fair price for their cocoa,” but also makes the bars in the country (as opposed to shipping the cocoa elsewhere). The wrappers are themselves printed locally, too. The take-home message, printed in a larger and bolder type, is that “this creates 4 times the impact of fair trade cocoa.” But what does “impact” mean in this context? Of course, a chocolate bar wrapper is not the place to look for ethical theory. Still, it does look like Madécasse is talking about moral stuff here. We might then assume, not unreasonably, that “impact” refers to something like good in a moral sense—having an impact means roughly doing good to Madagascar. Madécasse's wrapper is operating at the level of moral norms, judgments, and claims: it makes claims about the good. But we may further ask what this level of moral norms, judgments, and claims is underlain or enabled by. For a company to create four times more moral good than ordinary fair trade companies, it must be the case that moral goodness can be measured and quantified. What is more, the scale cannot be ordinal, as this would allow only for more and less good; it must be continuous if quadruples are to be possible. These are moral background properties. This Madécasse wrapper does not affirm but presupposes such understanding of moral goodness. Its claims are about the good they are


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A thought experiment can further explicate the point. Imagine a heated but civil debate about the moral status of contentious practice $P$. Suppose a person named Alice disapprovingly depicts $P$ as cruel and brutal. Of course, for Alice to be able to offer this depiction, the concepts of cruelty and brutality must be available to her. Suppose Lewis responds that $P$ is not morally wrong, because it maximizes the well-being of the disadvantaged members of society. Of course, for Lewis to be able to respond in this way, he must have an understanding of well-being as a quantifiable property, an understanding of society as a distinct entity, and an understanding of society such that it contains disadvantaged and non-disadvantaged members. Further, he must think that maximization of well-being makes a practice morally right. Suppose Carol interjects that the issue of whether $P$ is immoral would be best resolved either by a show of hands or by flipping a coin. Predictably, everyone else first looks mystified and then dismisses her as insane. Clearly, this reaction is based on an underlying understanding about adequate and inadequate methods to deal with moral questions. Last, Dodgson argues that the practice $P$ necessarily taints the soul and, therefore, creatures or beings that have a soul ought not to engage in it. Obviously, this is because Dodgson conceives of the world as containing immaterial entities called “souls,” which causally interact with the material world and can be tainted by it. And he believes that these entities are possessed only by some beings—witches and dogs do not have souls, for example.

What lesson can be drawn from this thought experiment? The debate about the moral status of $P$ depends on some elements that are not directly about the moral issue under discussion, and which do not necessarily come to the surface in the debate itself. More formally, the moral background is best explained vis-à-vis the two other levels of morality, the normative and the behavioral—which taken together constitute first-order morality. The moral background is the set of second-order elements that facilitate, support, or enable first-order morality. By “second-order” I mean that they do not belong to the realm of first-order morality; they do not belong to the realm of moral claims, norms, actions, practices, and institutions. Rather, they are “para-moral” elements: they are ancillary or auxiliary to morality. For example, the existence of particular concepts is a fact about the culture in which the debate about $P$ takes place, not about $P$, nor about the debate about $P$. Yet, Alice’s judgments about $P$’s cruelty and brutality are dependent on that fact, just like her ability to order gazpacho at the restaurant is dependent on whether gazpacho is on the menu. To use another helpful analogy, a premise of liberal political theory is the individual who makes free choices. But individuals’ purported freedom is in fact constrained by the conditions under which they are choosing, which are surely not up to them. Similarly, certain conditions need to be in place for you to be able to exercise your individual rights, and even for these rights to be intelligible in the first place. The study of the moral background is analogous to the study of these conditions, not to the study of first-order rights, freedoms, and choices.
This is just a brief introduction to the moral background; chapter 1 is wholly devoted to its nature and features. There, I distinguish six background dimensions: (1) the kinds of reasons or grounds that support first-order morality; (2) conceptual repertoires; (3) what can be morally evaluated; (4) what counts as proper moral methods and arguments; (5) whether first-order morality is assumed to be objective; and (6) metaphysical conceptions about what there is and what these things are like. My argument is that these six second-order, background dimensions underlie first-order morality. Societies and social groups may differ both in their first-order morality and in their second-order moral backgrounds. It is well known to sociologists, historians, psychologists, and anthropologists how radically first-order morality varies. There are pro-life and pro-choice people; there are societies where you can own a slave and societies where slavery is the most repugnant institution. Some people burn the corpses of their parents and some people eat them; some people are more likely to behave altruistically and generously than others; some situations encourage more altruistic and generous behavior than others. One of the core tasks of scientists of morality is to discover and explain these differences. For example, they may hypothesize and empirically test whether a person’s religiosity or age has an effect on their moral convictions, or whether a society’s religious composition or age distribution has an effect on its prevalent moral norms and institutions.

I argue that, much like first-order morality, the moral background varies as well. These variations scientists of morality should account for, too. For instance, societies and groups may differ in what is taken to be a good moral argument, what is taken to be a moral argument at all, and what objects can and cannot be morally evaluated. People may differ in the assumptions they make about moral objectivity and in the kinds of reasons with which they defend views, actions, and norms. Not possessing the apposite conceptual tools, the science of morality has been hitherto blind to these differences. Empirically, I argue that this kind of background variation lies at the heart of the history of business ethics—and, in particular, the history of business ethicists’ work. If you look at the history of slavery or abortion, what is most salient is variation at the first-order level. By contrast, if you look at the history of business ethics, much of the action occurs at the background level. First-order morality is a monotonous and predictable affair, and this is so in three ways.

First, the story goes round in circles, periodically, as Chrysippus or Polybius might have predicted.53 Every once in a while, one or more instances of terribly immoral behavior are discovered. The public is startled: “[t]he present season is as notable for moral as for physical earthquakes. A succession of defalcations among men of exceptional reputation has startled the country.”54 The degeneration of business morals is decried. Business ethicists and educators are urged to


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do something about it. Business schools reaffirm their commitment to “[inculca-
ing] a more acute sense of social responsibility on the part of the next generation of business leaders.”

Maybe a few corporations go bankrupt and a few businesspeople go to prison. Employees lose their jobs and shareholders lose their investments. Maybe new regulatory legislation is passed and public relations efforts are intensified. Eventually, the waters get calm. Some time later, one or more new instances of terribly immoral behavior are discovered.

Second, equally monotonous and predictable are the jeremiads about business ethics today—no matter what day the indexical word “today” refers to. We wish we did not have to complain about this issue, but sadly we are forced to, just like Cotton Mather was in eighteenth-century New England: “How Glad should I be, if the Sermon that I am going to make, might be one, of which the Hearer might Reasonably say, There was no Reason for Preaching such an one! But Either there is Reason for a Sermon to Detect and Decry the ways of Dishonest Gain among us, or else there is no manner of Reason, for the loud Complaints about us, that are heard a Thousand Leagues off, and reach to the very Heavens.”

Similarly, Herbert Spencer’s complaints in “The Morals of Trade” (1859) would not be out of place in a present-day magazine or blog:

It is not true, as many suppose, that only the lower classes of the commercial world are guilty of fraudulent dealings: those above them are to a great extent blameworthy. On the average, men who deal in bales and tons differ but little in morality from men who deal in yards and pounds. Illicit practices, of every form and shade, from venial deception up to all but direct theft, may be brought home to the higher grades of our commercial world. Tricks innumerable, lies acted or uttered, elaborately-devised frauds, are prevalent—many of them established as “customs of trade;” nay, not only established but defended.

Like Spencer and his contemporaries, we worry about the morals of “the higher grades of our commercial world.” We also worry about executive compensation. Likewise, in 1905 the Boston magazine The Arena censured executives’ “handsome private-car[s],” “the lavish waste of the policy-holders’ money,” and “the reign of extravagance, loot and waste that is one conspicuous feature of the management of the big New York companies.” What is more, the “corruptionists of Wall street” were “gambling with trust-funds,” “speculating or gambling.
with watered stocks,” and “defrauding the millions and placing their earnings in jeopardy.”59 Curiously, though, The Arena did not summon its readers to occupy Wall Street.

Third, even more monotonous and predictable is the history of business ethicists’ prescriptions and principles in the manuals and pamphlets they write, and the lectures and speeches they deliver. The business ethicist urges the businessperson not to cheat, steal, or lie. He ought to be honest and truthful, act with integrity, care about his community, not shortchange his customer, not misrepresent his products, not mistreat his employee, and not falsify his books. This is true today, as much as in the business ethics manuals and pamphlets of the early twentieth century, and as much as in Richard Steele’s seventeenth-century business ethics manual.60 Whether the business ethicist is the president of a trade association, a public servant, policy maker, university professor, or church pastor, their prescriptions have seldom been discordant. True, there are differences regarding terminology, sophistication, the types of firms considered, what practices are actually deemed permissible and impermissible, how to implement and enforce principles, and so on. Still, the normative bottom line has been remarkably stable. The overall picture is one of normative continuities and consensus, and only sporadic, minor differences and outliers.

In this book I show that, underlying these first-order, normative continuities, there lie major second-order background differences. To use an evocative but not perfectly accurate metaphor, different business ethicists have reached similar normative endpoints through different background paths. At present, we know much more about the endpoints than about the paths. This book begins to fill this gap by bringing out a set of historical variations at the background level. Specifically, on the basis of my historical analysis of business ethicists’ work, I identify two types of moral background, which I label Standards of Practice and Christian Merchant. How these types differ and what their main traits are I discuss briefly in the next section, and at length in chapters 6 and 7.

5. The Plan

To sum up, in this book I undertake two tasks. First, I put forward a conceptual framework for the scientific investigation of morality. Second, I use this framework to look at the history of business ethicists’ work in the United States from the 1850s until the 1930s. The moral background is an empirical tool, so I do some empirical work with it. In this regard, I distinguish and characterize two types of moral background: Standards of Practice and Christian Merchant. These


types differ in many ways: from their understandings of the good to their preferred concepts and methods; from their metaphysical pictures to the social loci where they are more likely to be empirically found. More formally, this book advances two arguments: “there is X” and “A differs from B with respect to X.” At such level of generality, my arguments have a pretty simple form. Furthermore, I do not intend to offer an explanation of the differences between A and B. As usual, however, the devil shall be in the details.

I contend, too, that one important part of the history of business ethics is invisible to studies about first-order morality. What is most remarkable about this history is that so much normative continuity and consensus is underlain by divergent moral background elements. Therefore, the eye must be conceptually prepared to perceive these differences, which historical research is one good way to bring out. To paraphrase Kuhn, history, if viewed as a repository for more than anecdote or chronology, could produce a decisive transformation in the image of business ethics by which we are now possessed. But this book makes a broader point, too. The history of business ethics can produce a decisive transformation in the image of morality by which we are now possessed. It can suggest to the up-and-coming science of morality that there is more to morality than its ordinary objects of inquiry: behaviors, beliefs, judgments, and institutions. Empirical research about these objects has produced valuable results. But it is also key to realize that they are facilitated, supported, and enabled by second-order or para-moral background elements—even though these are more difficult to see. Then, this book looks at business ethicists’ work from a particular perspective. For example, it attends to which questions they raise, which questions they do not find worth raising, the form of their moral arguments, and the presuppositions of their moral prescriptions. It is more interested in asking what kind of thing moral evaluations are about than in their substance.

It goes without saying that there are many facets of the history of business ethics that this book does not deal with. As Goffman felicitously said once, “[t]his book will have weaknesses enough in the areas it claims to deal with; there is no need to find limitations in regard to what it does not set about to cover.” I would like to underscore, then, what this book does not set about to cover. As I said earlier, my subject is not what businesspeople did or did not do, but what they were advised, urged, and expected to do and not to do. What morally good businesspeople were expected or supposed to do, be, and believe. My data and arguments are about society’s normative structure, or what I want to call “public moral normativity.” These are public facts. They can be best observed in socially prominent and prestigious loci, which is where normative standards are set. Thus, this book is largely about what business ethicists publicly did, said, and wrote, especially when they spoke from high-status stages and pulpits. It is not about what they really believed, or what their true intentions were. As I show,
there is nothing new to the frequent present-day criticism that business ethics and corporate social responsibility are but public relations or marketing ploys. Yet, whether they really are public relations or marketing ploys, or, rather, their motivations and intentions are genuinely selfless, this book does not help find out at all. In Goffman’s terms, my account is about the public front-stage, not the private backstage.63

Let me turn to the organization of the book. I take it that a book is not just a longer article, or collection of thematically connected chapters. A book is a qualitatively different kind of writing, in which much turns on how the narrative and arguments unfold, and how its parts hang together and relate to one another—a common theme is not enough. Much turns on how claims are given support—the evidence is not a separable appendage, which might as well be given as supplementary online material. Therefore, a book’s architecture and construction are important not merely for aesthetic and rhetorical reasons, but also for substantive reasons. This is in any case true of the present volume. Chapter 1 is the “theory” chapter, which unpacks my conceptual framework. I discuss what the moral background is, how empirical researchers can benefit from it, and what socio-logical and philosophical ideas it builds on. Readers who like history more than theory may choose to skip this chapter and go straight to chapter 2 (but I reserve the right not to like their choice). In the rest of the book, three narrative and argumentative threads coexist, which approach business ethicists’ moral background from complementary empirical angles.

The first thread is the historical genealogy of the doctrine that honesty is the best policy, or, in contemporary terms, the doctrine that business ethics and corporate social responsibility are good business. Chapter 2 and chapter 3 are specifically organized around this theme. The basic question is what reason a businessperson has to be moral—especially if the odds of getting caught happen to be low. I begin by distinguishing two claims: (1) the empirical claim that acting ethically pays, and (2) the normative claim that because acting ethically pays, you should act ethically. Next, I examine how they show up in the popular literature on business ethics in the early twenty-first century. It turns out that (1) and (2) similarly show up in the popular literature on business ethics in the early twentieth century. Chapter 2 presents several illustrations of this, from a trade association leader’s discussion about “business ethics and balance sheets” in the 1920s, to Rotary’s motto, “he profits most who serves best,” in the 1910s.64

The conjunction of (1) and (2) seemed to offer a win-win solution to the business ethics problem—as it still seems to many commentators nowadays. Yet, there is a tradition of business ethicists who reject this purported solution. Chapter 3 turns to Christian ministers for whom the key business ethics issue was businessmen’s motives or “springs of action.” To begin with, “honesty is the best policy” is no guarantee that they will act honestly in a reliable fashion. Whenever

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dishonesty happens to be the best policy, they would have reason to be dishonest. Most important, policy is not an acceptable motive. If it were, then appearing to act morally would be no different from actually acting morally. Then, chapter 3 analyzes Christian business ethics in more detail, and in particular the tension between two kinds of motives: act always from love of God and love of rightness, or because it is right; and act because it pays in the hereafter, your soul will be saved, or you will not end up chez Lucifer. In the end, a good Christian businessman should not even ask whether business ethics pays or not; some questions are better left unasked.

In this first argumentative thread I am exploring the dimension of the moral background that chapter 1 names “grounding”: the grounds or reasons given to support moral claims and the ethical theories on which they are based. Alongside this background issue, I am delving into the social science issue of reason-giving: individuals and organizations are often urged, well advised, or even required to produce reasons.65 In my historical case, part of business ethicists’ job is to give reasons as to why business activities should be conducted in an ethical manner. But giving good reasons to this effect is no easy job. The book’s second argumentative thread speaks precisely to this difficulty. The business ethicists featured in chapter 2 emphasize that business ethics benefits the individual businessman. In chapter 2 and chapter 3 the individual is in the foreground. The business ethicists featured in chapter 4 and chapter 5, respectively, emphasize how American business and American society can benefit from business ethics (for whom and why this is a reason to act morally is a further question). Thus, chapters 2 through 5 can be grouped together as successively presenting a broader beneficiary from business ethics: an individual, business, and society as a whole.

The story of chapter 4, “The Good of American Business,” revolves around the Chamber of Commerce of the United States, the influential business association founded in 1912. In 1924, Secretary of Commerce Herbert Hoover came to its annual conference in Cleveland with a simple message: “business must end its wrongs or law will.”66 The syllogism was straightforward. Fewer wrongs will prevent government regulation. Less government regulation is good for business. Therefore, business ethics is good for business. Because the business of a national business association is to advance the interests of business, this gave it a good reason to promote business ethics. Chapter 4, then, deals with a familiar subject in business history: the battles of business against regulation, whether through lobbying strategies or through public opinion strategies. In that 1920s context, one of the tools used by the Chamber was an officially sanctioned code of ethics, the Principles of Business Conduct. Like other ethical codes that proliferated at the time, the Principles should help business be recognized as a profession.

At the same time, chapter 4 makes an argument specifically about the moral background. It argues that all of this business ethics work was enabled by an underlying ontological process: the conceptual and organizational constitution of business or American business as a distinct entity. Business became capable of being both a moral agent and a moral object: it could do things and have things done to it. Then, this entity was used in a popular causal story, in which it was accused of bad business ethics, bad business ethics had bad consequences for it, and it was called to act to minimize these bad consequences. This argument explores the sixth dimension of the background, metaphysics. It has to do not with first-order business ethics, but with the constitution and existence of American business as a fact about social ontology.

The story of chapter 5, “The Good of American Society,” revolves around the university-based business schools that emerged in the late nineteenth and early twentieth centuries. I begin by characterizing the establishment of business schools as an archetypal public reason-giving situation. Universities, especially high-status universities, had to play the game of public moral normativity. New policies and changes had to be publicly justified as the kind of thing that a distinguished higher-education institution does. What is more, universities are typically conceived of and perceived as contributors to the common good (although not always in the same way and to the same degree). Then, the question was why universities should have a business school at all, which a priori seemed to fit neither with their scholarly objectives and spirit, nor with their social or moral objectives and spirit. Not only were reasons needed if a business school was to gather enough local support at a university to be founded. Reasons were also needed afterward to legitimize the young business schools and assuage critics and skeptics in the public sphere. In this chapter I show how business ethics and social responsibility were brought into play for this purpose, focusing on the history of the Wharton School of Finance and Commerce, the Harvard Graduate School of Business Administration, and the Northwestern University School of Commerce. The business school had, should have, or would have social and moral aims. That was their point or raison d’être. They would turn out more ethical and responsible businessmen than those whose training was merely experience. They would turn out professionals, like doctors and lawyers, who care about society and the community, not only about making fat profits.67 Per this book’s methodological orientation, my arguments are neither about the weight given to social and moral reasons in closed-doors decision-making processes, nor about the weight given to business ethics in actual business school policy. Instead, they are about the role of moral considerations and proposals in public accounts, and the representation of business ethics as one of the main aims of these schools.

At the same time, chapter 5 makes an argument specifically about the moral background. Business schools claimed that they could make a contribution to

society through business ethics and social responsibility. They underscored that advances in business ethics would benefit American society as a whole. This necessitated a concept of the good and a conception of what is good for American society. I show how the common good was associated with safeguarding the American way of life and institutions, and ultimately the capitalist system, which the profusion of unethical and irresponsible business practices seemed to undermine. Attacks on business corruption, greed, and selfishness pulled on the same cultural rope as local strikes and international revolutions. They created doubts and anxieties about the health of capitalism. Except for the international revolutions part, anyone who keeps up with current events should be familiar with the feeling. In addition, business schools highlighted the moralizing and civilizing effects of business—much like one lineage of political economists had long been doing.68 This was an added reason why business ethics was good for American society.

The third argumentative thread of this book is deployed in chapter 6 and chapter 7. In these chapters I approach my evidence about business ethicists’ work from a different perspective and in a different way. On the basis of an analysis of the data in terms of my background dimensions or categories, I distinguish two conjunctions of elements: the Standards of Practice and the Christian Merchant types of moral background. The latter I find mostly in the sermons and writings of Christian business ethicists and in Christian periodicals. The former I find in a more diverse set of places, which cannot be located in one organizational setting or cultural milieu only. It includes much of the business press, popular business books and manuals, and the speeches and writings of some leaders of business associations, business schools, and state agencies. While they do admit of exceptions, I argue that these are recognizable patterns into which business ethicists’ work can be classified. Yet, I make no arguments about their relative incidence in society or the culture at large. My focus throughout remains on the character and significance of these differences. Then, while chapters 2 through 5 read as narrative history, chapters 6 and 7 may read more as an analytical discussion and comparison of the distinctive features of each type. Table 6.1 summarizes these features, providing an easy visualization of how the two types differ. However, my account in chapters 6 and 7 is not comprehensive of all the dimensions of the moral background, as itemized in chapter 1. It only covers the most instructive ones for a history of business ethics.

The first task of chapter 6 is to inspect one of the pillars of the Standards of Practice type: its faith in science and the applicability of scientific methods to human affairs. Even more, business ethics should become a branch of science: “For the present scientific age we cannot deduce the laws of conduct from abstract principles, or from the words of an authoritative teacher. To do so would be as futile as to take our astronomy on authority, or to learn anatomy from some

68 Hirschman, The Passions and the Interests; Fourcade and Healy, “Moral Views of Market Society.”
arbitrary notion of the human body." Given these commitments, it makes sense that this 1926 book, titled *The Ethics of Business*, was advertised in the press as follows: “NOT a sermon but an exposition of FACTS.” The emphasis on “facts” was not accidental; the contrast with a sermon was not accidental either. Next, I show that in the early twentieth century business schools were on board with these metaphysical leanings. After all, they were themselves made possible by the idea that business could and should be scientifically investigated.

Business schools are partly responsible for another key feature of the Standards of Practice type: business ethics should concern itself with ethical “cases.” From a moral background point of view, placing cases at the heart of ethics is not an innocuous move. It does have major implications for what ethics can and cannot do, and what it can and cannot reach. Business ethics cases call for a judgment or decision, so the main problem of business ethics becomes what the morally right decision or judgment is. More technically, business ethics associates itself with the “ethics of doing,” the approaches that ask what you should do. It disassociates itself from the “ethics of being,” the approaches that ask what you should be or become. The most noteworthy developments occur again at the second-order background level, which fixes what morality comprises and how to go about tackling it. In the next section of chapter 6 I examine the fifth background dimension, metaethical objectivity. While the Christian Merchant type affirms or assumes some version of moral objectivism, the Standards of Practice type affirms or assumes some version of moral relativism. According to the latter, as Edward Filene’s 1934 lecture on the morals of trade at the University of California illustrates, “[m]orals are temporal and local. They are local because people live in different times and times change.” Finally, I continue this explicit comparison by presenting two tools that both types helped themselves from, and which were indeed ubiquitous in business ethics work of all stripes: the concept of service and the Golden Rule.

The first task of chapter 7 is to introduce “the Christian Merchant,” a moral exemplar that Christian business ethicists often appealed to. The Christian Merchant is not simply a merchant who was baptized and goes to church, even if he does so regularly. Rather, the Christian Merchant always conducts his business piously; he “installs” “the Bible in the counting-house.” Protestant ministers thus managed their anxieties and “lasting ambivalence” vis-à-vis Mammon. While business is a morally acceptable activity, not any business activity is morally acceptable. Hence, these ministers—many of whose parishioners were in business or would soon go into business—were well advised to get more involved in the business world. They had to technically understand these activities in order to

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70 [Ethics of Business Ad.] 1926. *The Rotarian*, vol. 28, no. 6, p. 54.


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moral regulation. They had to judge what was pious and what was impious for a Christian to do.

I go on to analyze the strong metaphysical commitments of the Christian Merchant type. We are divine creatures living in a divine universe. We have a heart into which God can see. Consequently, the motives of the businessman wind up at the center of moral arguments, prescriptions, and reasons for action. Policy considerations are unbefitting (as chapter 3 shows). Since God owns his creation, we are only temporary stewards of what may seem to be our property—but in fact is not ours at all. Time is God’s, too. Hence, it is not up to us to decide what to do with it. Further, there is a metaphysically laden hierarchy of ends and pursuits, the highest of which are spiritual. Lower pursuits, such as business, should be subordinated to higher ones. So business is not a separate, morally autonomous sphere. That business is business is baloney. Chapter 7 also shows that, unlike the Standards of Practice type, the Christian Merchant type pays much attention to the ethics of being. Businesspeople should be or become a particular kind of person. They should be a Christian, or, more precisely, a Christian merchant, such as the moral exemplars with which that chapter begins. Finally, these background elements generally underlay the work of clergymen who belonged to a longue durée Christian tradition. This is a tradition of thought about abstract questions of metaphysics and ethics, as well as concrete questions of social and economic life. It is a tradition of moral action, organization, and persuasion, too. Typically, Christian business ethicists had been socialized into this tradition, so its understandings about the universe, human beings, and morality were natural sources for them.

These three argumentative threads jointly bring out the value of the moral background for a historical and sociological account about business ethics. But the moral background is a concept of more general ambitions. In the conclusion I consider its potential contributions to the scientific investigation of morality, whatever the thematic focus or substantive area might be. Specifically, I analyze a widespread approach in present-day moral psychology and neuroscience, which conceives of morality as a hardwired and evolved capacity, and whose object of inquiry is an individual’s moral judgment. I then raise two sets of questions about this approach. First, how far can it take us in understanding morality? Can it help us understand not only morality’s building blocks, but morality proper as well? Second, how might the moral background affect psychologists’ and neuroscientists’ prevalent conception of morality? I cannot hope to answer these hard questions in a brief concluding chapter, though. I simply hope to encourage scientists of morality to think harder about their conception of morality, its effects on their theories, and, more generally, to think harder about what understanding morality should entail.