

# Ethics from the ground up: Lecture 3

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Social, business and professional ethics: How to begin thinking about the ethical organisation of government, business and economic and international arrangements - a just order?

“Society”... As Mrs Thatcher said, “There is no such thing as society..”. What she actually said was

You know, there’s no such thing as society. There are individual men and women and there are families. And no government can do anything except through people, and people must look after themselves first. It is our duty to look after ourselves and then, also, to look after our neighbours.

Whether we agree with her or not that the state should have a small role, what she said reminds us that in talking about ethics and “society” we need to keep away from abstractions and remember that we’re dealing with people: the point of organization is to do something for individuals; we evaluate whether arrangements are working by reference to the effects on real people (all counting equally); and if we demand “something should be done”, we should be able to say whose duty it is to do it and whether there are realistic prospects of them acting and of their action doing good.

Aesop’s fable of “belling the cat” illustrates this well. The mice held a meeting to decide what to do about the cat problem. A young mouse had an excellent suggestion: a bell should be put around the cat’s neck. The meeting agreed that was an excellent suggestion. An old mouse got up and asked, “Who is to bell the cat?” (Moral: It is easy to propose impossible remedies.)

And anything to do with the organization of society is complex. You’ve got to keep your wits about you and not let simplistic indignation get out of hand. And one should avoid extremes of optimism and pessimism (i.e. exercise the virtue of prudence, one theme in “cognitive ethics”, the ethics of what to believe and how strongly).

## 1. Political organization

Do we live in a just society? Well, compared to what? North Korea and Zimbabwe show how bad it can get, while some remote communities in Australia are run by mini-Maos. And as the Iraqis are showing, it is not easy to create a peaceful civil society. (But compared to a possible much better society, there is a high level of injustice in our society; we should think later about what Utopia would be like and how possible it is.)

Given that our society has achieved a considerable level of justice, we should be grateful to those who made it that way (and preserve it that way), and we should try to understand how they did it (in order both to work out how to improve it further and to ensure our actions don’t make it go backwards).

Hobbes in the 17<sup>th</sup> century pointed to the crucial role of **law and order** imposed by a powerful state, without which life is “nasty, brutish and short”. But then, there needs to be a way to restrain the state that is delivering law and order from itself become criminally oppressive (as in North Korea or Saddam Hussein’s Iraq).

The basic idea in Western political practice – stemming from medieval developments such as Magna Carta – has been “**constitutional government**” or the “**balance of powers**”. The state cannot do what it likes; it is constrained by a constitution which is interpreted by a high court that can disallow government actions. The court acts on principles that have a strong ethical content, such as the equal rights of persons. (Though there have been complaints that the Australian High Court failed to find a way to forbid indefinite mandatory detention of child refugees; however the controversy led to the release of the children into community detention in 2005). (Note that when we say “democracy” we often really mean constitutional government: Iran is a democracy, in the sense of having a government

elected by majority vote, but it does not recognize a number of human rights. But democracy does create restraints on government by enforcing some accountability to the people's will.)

The class debated the ethics of compulsory voting (Australia is unusual in having it). Most thought it was the duty of citizens to vote and that voting's being compulsory encouraged the responsible fulfillment of that duty. There were a few doubts about the possibility of forcing people to vote responsibly or in an informed way (as opposed to just voting).

The class also debated briefly the ethics of paying all jobs at the same rate. There were a number of problems with this, but more monetary justice for home workers such as carers of young babies was felt to be needed.

An important aspect of the "division of powers" is that, according to the principle of "**subsidiarity**", decisions should be reached at as a low level as possible – by groups "closer to the ground" than the state and acting generally independently of it. The Australian philosopher David Stove explained how the lack of that principle contributed to the oppression in Mao's China:

For the essence of totalitarianism is contained in the great helmsman's injunction to 'put politics in command'. This is not just Communist-Chinese baby-talk. What it means is this: that you are to take over every institution, whatever it may be, and empty out everything which distinguishes it from other institutions, and turn it into yet another loudspeaker for repeating 'the general line'. Destroy the specific institutional fabric of — a University, a trade-union, a sporting body, a church — and give them all the same institutional content, viz. a political one. Contrapositively, the essence of resistance to this process by liberal-democrats must consist in trying to maintain the specific institutional integrity of different institutions. (Quoted in J. Franklin, *Corrupting the Youth*, pp. 291-2)

But institutions or "systems" are not enough in themselves to create just government – as the British PM Attlee said, you can have as many systems in place as you like but you still have to trust people. There is a feedback process between solid institutions that recruit ethical people to run them, and the ethical people who keep the institution going (and where necessary reform it and/or mitigate the effects of its rules).

**International** political organization is substantially different to national political organization, because there is no world government, or court recognized by everyone (and the United Nations has not been a success). Yet some of the crucial problems to be solved are global, e.g. wars, refugees, global climate change. Considering the difficulties, it is remarkable how many international problems have been solved by resolute global action – e.g. the refugee crises of the late 1940s (Eastern European Displaced Persons) and the late 1970s (Vietnamese boat people), the ozone hole and CFCs. In particular areas, such as banking and accountancy, there are very powerful global compliance regimes that enforce standards – mostly ones that are ethically positive – on the whole industry.

In politics, is it sometimes true that "the ends justify the means" – for example, might governments sometimes have to lie or torture to avoid bad outcomes? This is a more difficult issue than it looks. Jean de Silhon, a propagandist for Cardinal Richelieu (17<sup>th</sup> century) argued for a concept of "**reason of state**" ("a mean between that which conscience permits and affairs require"). He argued that it is all very well for the Prince to keep to high-minded moral principles like keeping his word, but ought he do so when the safety of his subjects is at stake? An individual only risks his own when he voluntarily suffers loss in order to do noble deeds, but for princes or their ministers to do the same is not noble but imprudent. "They are unjust if they sacrifice that which is not theirs and has been placed in their hands as a sacred trust." (from J. Franklin, *The Science of Conjecture*, p. 80) Perhaps we should not allow our state to use torture even in extreme circumstances, but if we do insist on that, we need to be aware that we may have created victims of our moral scrupulousness, for example innocent people who may have been saved by information gained from captured terrorists under torture.

Is the classic "**left versus right**" debate about ethics? Many organizations are split into left and right wings (for example, the Australian Labor Party, the Catholic Church) and a lot of energy is put by both sides into condemning the opposite side. What is the debate really about? Many participants, at least,

believe the debate is largely about ethical principles. The left tends to think the right is morally bankrupt, does not care about the poor and other disadvantaged, and are stooges of greedy capitalists and the powerful. The right thinks the left is soft-minded, prepared to mindlessly impose regulation to stifle people's liberty and initiative when many problems would be fixed if people were left alone to fix them. (Hayek: "Nothing has done more to destroy the juridical safeguards of individual freedom as the striving after the mirage of social justice.")

A more ethical approach to the debate than the present infighting could involve:

- Genuinely listening to the arguments of the other side before reaching for replies (according to a basic principle of "cognitive ethics": "hear the other side")
- The Left taking seriously factual arguments from "economic rationalists" of the benefits of less regulation for, e.g. job growth
- The Right taking seriously cases where "social engineering" regulation has been a success, e.g. in industrial safety, "safety net" social security such as widows' pensions
- Some consideration of the extent to which the left/right disagreement is not about ethics but about risk (especially the risk that making a significant change to how society is run will probably have adverse unexpected side-effects)

## 2. Economic organization

Is the business world and the economic system in our country ethical?

Again, compared to what?

Handout: Peter Costello, 'Restoring confidence in corporate morality', *Quadrant*, Sept 1990).

There are important connections between ethics and doing business – not just "business ethics" that ought to be in place but is really optional. To do business, one needs a "good reputation" – evidence known to customers and suppliers that one has acted honestly and fairly and provided a quality product or service. If not, no-one will do business.

There are a number of general moral/legal concepts that are taken very seriously in the workplace and enforced by law, such as "**duty of care**" and "**conflict of interest**". Duty of care means especially the duty of a manufacturer or supplier of a service to take all reasonable care to ensure that the product does not harm the customer or others who may be affected by it (as in the classic ['Snail in the bottle' case](#)). Conflict of interest refers to the possibility of misusing the power of one's position (e.g. the confidential information gained through it) for the personal gain of oneself or one's friends. Another area where ethical concepts underpin business is in the law of contract: normally, one must do what one has agreed to do in a contract, but courts will declare a contract void if there has been fraud or duress.

There are, however, sometimes **crimes** committed by business. One of the worst in Australia happened a few blocks from the site of the lecture. In Asbestos House (corner of York and Barrack St), James Hardie took decisions in the 1960s that ignored the medical evidence that asbestos was lethal, and thousands have died as a result. Similar crimes have been committed by the tobacco industry. Compensation law, which acts on the ethical principle that people harmed by decisions should be compensated for them, is proving very strong in preventing such events.

Is **economic growth** good? Bad? Good but overvalued? What about "consumerism" and huge CEO salaries? We had no time to look at these issues.

(a comment from *Desperate Housewives*:

Sister Mary: Money can't buy happiness.

Gabrielle: Sure it can! That's just a lie we tell poor people to keep them from rioting.)

**Media and advertising:** there are laws on truth in advertising and serious efforts by journalists to get the facts right (under time pressure), but there is still misinformation by the powerful.

Privacy and paparazzi – we sometimes lack sympathy for celebrities, whose job involves publicizing themselves. But Nicole Kidman and Prince Charles are just people, with a right not to be harassed in their own homes the same as the rest of us.

**Utopia?** We need a vision of where we'd like society to go. Much more thought is needed on this.

If we do decide on what should be done about the organization of society, is there **anything an individual can do**? We need not be afraid of reaching the conclusion: I can't do anything much and would be better occupied going home to "cultivate my garden"/act in private life. On the other hand, the present organization of society is due to many people having put in the effort in the past. Several class members pointed to the amazing things they have done, and others mentioned the remarkable obituaries of the Australians killed in the Yogyakarta plane crash. Some people do manage to get great things done.