This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

Does Business Ethics Need Religion?

Edward J. Alam[*]

Abstract

Although 'Secular Ethics' maintains that it is possible to be ethical and moral without religion, history and nature testify to the contrary. Even the trend in business ethics is to recognize the need for stable standards when measuring the good; and more and more business professionals argue for benchmarks of ethics per se rooted ultimately in values that stem from genuine religion.

Keywords: ethics, religion.

For decades now, cross sections of people from all around the globe have been speaking about the need for ethics in the business world. In academia, courses in business ethics have become a standard part of the curriculum. Business leaders and politicians have had their respective successes by emphasizing the need for ethics in the business of politics, and likewise in the politics of business. Virtually no university in the world these days will grant a degree in business to students who have not undergone a fair amount of training in business ethics. And yet, the stark reality in the business world is the dismal one now upon us. What has gone wrong? Why has this frenzy to teach business ethics in the academies and to practice business ethics in the workplace apparently failed, or has it? Would things be even worse if the new awareness of the need for ethics had not arisen and caught on? Or, are things really worse today in the business world than they were a half a century ago, or two centuries ago, or in the Middle Ages or in the Ancient world for that matter? And, finally, "does business ethics, or any other kind of ethics, for that matter, need religion?" I hope that my attempt to partially answer some of these questions in what follows will contribute, in a very modest way, to making the business world, and thus the 'whole' world, just a little more 'ethical'.

Of course with this latter statement I reveal from the outset what my answers to at least some of these questions are. But I cannot provide much by way of argument when we take the long view, all I can do here is to assert that only in Western modernity do things really begin to fall apart – ethically speaking. Surely this is an extremely tricky, bold, and complex claim, as it cries out for crucial definitions of both modernity and ethics itself, not to mention that it raises the all important question regarding the foundations of ethics, and whether there is anything universal about ethical claims. I will not attempt to address all these complex questions now; I will only suggest, in order to gain a meaningful perspective, that we might be able to measure this ethical breakdown in the West by

* Edward J. Alam is Associate Professor at Notre Dame University, Louaize, Lebanon.

This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

pointing to two monumental events in the last century, namely, World Wars One and Two. For what were these world wars if not simply Western European civil wars that burned out of control, and thus enflamed the whole world? To be sure, there have always been ethical failures, but the world wars of the 20th century seem to be the epitome of moral failure since recorded history began with the invention of phonograms some 5,000 years ago.[1] But things are never simple; for the same century that witnessed humanity's unprecedented breakdown, paradoxically produced the first truly universal statement of what it is that constitutes fundamental human values. Or maybe it was not paradoxical at all, as we could reasonably argue that the only reason the world generated a universal declaration of human rights in the 20th century, was because the unprecedented brutality of the century called out for it in a unique way. In other words, perhaps it is only necessary to talk about human rights precisely when they are being so badly abused. Though this is a logical position, I am apt rather to remain with the paradox, and simply state that the 1948 Universal Declaration of Human Rights represents an ethical high point in world history, even if it comes in the midst of what apparently was an ethical low point in this same history. So much for preliminaries, as relevant and interesting as these may be for my main question "does business ethics need religion?" which is subsequent to the larger question, "do ethics need religion?".

First, and again taking the long view, ethics and religion have always been intertwined. It is only in the last few centuries that what is called 'secular ethics' has gained prominence – primarily in the West, where the first attempts to think through the foundations of ethics without reference to religion began. The 18th century German Enlightenment, in particular, was a powerful movement in this regard, and today there are entire movements, again primarily in the West, based on the conviction that value systems can be totally autonomous from religion and that ethical structures do not have to be rooted in religious beliefs in order to function effectively and coherently. Perhaps the strongest evidence in support of this claim is not to be found in complex philosophical argumentation, but simply in the significant number of people who are not religious, but are certainly ethical and live by moral *standards*. Moreover, the immorality of many religious people makes such evidence even more attractive. To be sure, there have always been, still are, and probably always will be, grave offenses against the dignity of human beings by other human beings who claim to be religious. Gandhi's famous saying concerning the Christian religion comes to mind here: "I think I may very well become a Christian someday, that is, if I ever meet one." Nietzsche, on a much more somber note, put it this way: "the last true Christian died upon the Cross." Similar sayings can be found about other religions; about Islam, for instance, from among the Sufis, or about Judaism, from the Jewish mystics. There are plenty examples of corruption disguised in the garments of religion, and horrific

1 I take the more or less standard view that 'history began with phonographic writing' to be the correct one. See S. N. Kramer's well known work, *History Begins at Sumer: Thirty-Nine Firsts in Recorded History*, Philadelphia: University of Pennsylvania Press, 1981.

This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

destruction of human life in the name of religion. As the great North American contemporary philosopher, Charles Taylor writes, "think of the long line that runs from Aztec sacrifice, through Torquemada, to Bin Laden...."[2] But having said this, he also points out how conspicuous it is that when unspeakable crimes are committed in the name of militant atheism, or a radical rejection of the Abrahamic religions, such as what happened with Stalin, Hitler, and Pol Pat, there is very little discussion of how the atrocities they committed were linked to their overt irreligious convictions. At any rate, to return to the question of whether failures in the practice of religion by religious people counts as evidence for the coherence of 'secular ethics', I suggest that they do not. For such examples remain at the level of praxis and do not really constitute solid theoretical evidence for the incoherence of traditional religion nor for the validity or durability of 'secular ethics'. My point is that living by moral *standards*, whether one is religious or not, requires some sort of fixed point by which to measure behavior, some immovable benchmark against which actions can be judged. Without access to some sort of immutable touchstone in which the very concept of morality and ethics is rooted, it is impossible to gauge whether human beings, again, regardless if they are religious or not, are living moral or immoral lives. It would be impossible to say, for instance, even whether the whole world engulfed in war for half a century is a good thing or not without stable standards for measuring the *good*? This, of course, is the perennial question in ethical theory. In this regard, even professed atheists and unbelievers during the Western Enlightenment recognized the need for standards and benchmarks in ethics. Voltaire's often repeated saying captures this perfectly when he said "If God did not exist, it would be necessary to invent him."[3]

At any rate, it must be stated that 'secular ethics', as a branch of moral philosophy, is not monolithic; there are significant differences among those who defend this ethical stance;[4] my intention is not to investigate the differences, but to highlight that which is essential to all, so as to call it into question. And what I take to be central is the assumption that because human beings have the ability to derive adequate moral principles from themselves, either through their own reason, or from their aptitude to sympathize, there is no need to ground ethical norms or principles in anything transcendent. In other words, the one standard, the immutable benchmark turns out to be the human being itself. This assumption does not always translate into a rejection of the transcendent per se, but it certainly lends itself to this. At one level, I can agree with this assumption, but the more interesting and foundational question here concerns where these rational and/or empathizing abilities come from. To simply say they come from

2 See Taylor's *A Secular Age*, London: The Belknap Press of Harvard University Press, 2007, p. 548.

3 The footnote in the article on Immanuel Kant at <http://en.wikipedia.org/wiki/Immanuel_Kant#cite_note-49>, which I accessed on 27 December 2009, provided the following reference in footnote number 50: "Originally, 'Si Dieu n'existait pas, il faudrait l'inventer.', [[q:Voltaire]], Épître à l'Auteur du Livre des Trois Imposteurs (1770-11-10)." I recall that this is the correct reference from Voltaire, but did not double check it.

4 *Utilitarianism*, for instance, is significantly different than *ethical intuitionism*, but both systems could be described as falling under the category of 'secular ethics'.

This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

the human being is not enough; one must also be engaged in a rigorous investigation into human nature. A good model for such an investigation is Aristotle's *Nicomachean Ethics*, which should be read in the light of his *De Anima*. Such works probe the depths of human nature, and lead us to ask fundamental questions about ultimate standards – questions concerning whether these benchmarks and touchstones are essentially discovered or invented; this, in turn, entails questions concerning whether they are one or many and whether they are immutable and fixed or forever changing. But with these questions, we find ourselves moving away from the field of ethics *per se* into the fields of metaphysics and ontology, which is exactly where the ancient and medieval thinkers from both East and West spent most of their time and energy. From ancient India to ancient Greece, the foundations of ethics were sought in *transcendent* realms. Even in the philosophy of the great Confucius, who admitted to not having direct knowledge of the divine, there was an assumption of an immovable paradigm transcending human action that served to judge the value of that action; for him, the sacred honor of one's parents and ancestors was such a paradigm, and somehow reflected the sphere of the divine and the transcendent. For Plato and Aristotle, determining good actions could only be achieved by identifying the 'good' itself, that did not stand alone, but itself had to be discovered in the light of the 'true' and the 'beautiful', which together with 'unity' constituted what were called the "transcendentals of being itself". Neither beauty, nor the good, nor the true, could be separated from one another, if they were, the fullness of being would not reveal itself and necessary distortions would follow: Aesthetics divorced from Ethics and Logic, for instance, would become mere sentimentalism – a destructive form of romanticism. Logic divorced from Ethics and Aesthetics would become dogmatism, reducing reason to a sterile and cruel instrumentality that would destroy everything in its myopic and unrelenting path; this, incidentally, is precisely what seems to have happened in the wake of modern rationalism, wherein "instrumental reason" became a primary ingredient of liberal capitalism and radical individualism. And finally, Ethics divorced from Logic and Aesthetics could degenerate into mere legalism and oppressive moralism. Traditionally, in all human civilizations, religion provided both the necessary logic and aesthetics that prevented such degeneration. Again, this is not to claim that at the level of praxis there were not failures on the part of religious human beings, but such failures are not to be blamed on the fact that these human beings were religious, but on the fact that they were human beings. Can the same be said here, then, of the great achievements of human beings? I think not. Because 'achievement' implies a striving to overcome limits, to transcend 'self' and 'selfishness' – and with this we are back to some notion of transcendence. "Secular ethics" is already showing signs of decline in what I think we can now begin calling a post-secular Western world.[5] But this is not to simply ignore the very rich and complex social and intellectual history of the West in the last four or five centuries that led to the Secular age in the West

5 One could very well challenge this claim by pointing to Western Europe, wherein surveys show that the practice of traditional religion is in serious decline. But one must also take note of the fact that interest in, and the practice of, "new-age religion" is rapidly increasing.

This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

in the first place, nor is it to reject the realm of the secular altogether. It is necessary to distinguish, as Charles Taylor and other important contemporary intellectuals do, between different kinds of secularity. Taylor, in fact, speaks of three secularities. Secularity 1, which is the retreat of religion from the public into the private sphere, secularity 2, which is the actual decline of religious belief and practice, which may be either a cause or an effect of secularity 1, or not related at all, depending on the time and place of such a development. And finally secularity 3, which refers to the new conditions of belief after the damage of both *secularism* (that is, secularity 1 and 2) and religious extremism, which in significant ways is the cause of secularism, have run their course.[6] The growing interest in spirituality in secular societies, both new age and traditional spirituality, is a sign of these new conditions of belief and evidence of the emerging post-secular age. The new interest in traditional religion, in particular, is also presently being fueled by the breakdown of liberal capitalism, which goes hand in hand with secularity 1, confining both morality and religion to the private realm in radical individualistic conceptions of philosophical anthropology. And not only philosophers these days are able to identify the ill effects of such confinement, due to the fact that if we are social beings by nature and if we have a natural moral sense, then we must have some sort of public morality – which again, has traditionally been supplied by religion – but even Leading economists now speak more and more about the importance of public morality and institutional trust. And Presidents of secular states in public speeches now quote Popes on the dangers of unbridled capitalism, because it turns out that the warnings of the traditional religions were warranted. There is, moreover, a growing interest worldwide in the principles of Islamic banking. Judaism, Christianity, and Islam have all consistently taught against 'usury'; the *Catechism of the Catholic Church* teaches, in fact, that it is a serious sin[7] and now the whole world, in the light of the present financial collapse, is seeing that the collapse was ultimately a moral breakdown, that is somehow related to grave mistakes in the very conception of the nature of the human being, that is to

6 See the *Introduction* to Charles Taylor's *A Secular Age*, London: The Belknap Press of Harvard University Press, 2007.

7 See Part Three, Section Two, Chapter Two, Article Seven in the *Catechism of the Catholic Church* at <www.vatican.va/archive/ccc_css/archive/catechism/ccc_toc.htm>.

This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

say, in philosophical anthropology – complex misconceptions that I cannot adequately address here.[8]

In closing, and since we have so many fine economists here this morning, and because we are in Italy after all, please allow me to quote a section of Pope Benedict's latest encyclical letter *Caritas in Veritatae* that pertains to ethics and economy, and which is directly related to my topic. The Holy Father states:

> "Striving to meet the deepest moral needs of the person... has important and beneficial repercussions at the level of economics. *The economy needs ethics in order to function correctly* – not any ethics whatsoever, but an ethics which is people-centred. Today we hear much talk of ethics in the world of economy, finance and business. Research centres and seminars in business ethics are on the rise; the system of ethical certification is spreading throughout the developed world as part of the movement of ideas associated with the responsibilities of business towards society. Banks are proposing 'ethical' accounts and investment funds. 'Ethical financing' is being developed, especially through micro-credit and, more generally, micro-finance. These processes are praiseworthy and deserve much support. Their positive effects are also being felt in the less developed areas of the world. It would be advisable, however, to develop a sound criterion of discernment, since the adjective 'ethical' can be abused. When the word is used generically, it can lend itself to any number of interpretations, even to the point where it includes decisions and choices contrary to justice and authentic human welfare."

8 It is crucial to see the inadequacy of what I suggest is the modern *fiction* of a "state of nature", and the corresponding illusory doctrine that human nature is that which is innate as *opposed* to that which is acquired. I say 'modern' fiction because it was the incredibly influential modern philosopher, Thomas Hobbes, who made these notions popular, though the "idea of nature as the raw state of a thing" seems to have originated long ago with Epicurus. Traditionally, ancient and medieval philosophers strongly resisted this Epicurean view of nature, evidenced perhaps by the fact that it was not until the 17th century that the idea reemerged with Hobbes. Against Hobbes, Leibniz insightfully pointed out the seriousness of this error when he wrote, "[A]ccording to Aristotle, that is termed *natural* which conforms most closely to the perfection of the nature of the thing; but Mr. Hobbes applies the term *natural state* to that which has least art. . . not taking into account that human nature in its perfection carries art with it". The detrimental repercussions of rejecting this Aristotelian position are many, but with respect to our topic I wish only to point out a few. First, when nature *as innate* is set in strict opposition to nature *as acquired*, a corresponding polarization between nature and *culture* emerges wherein it becomes impossible to provide any wide-ranging framework for what constitutes culture, since a plethora of *acquired* possibilities, some of which may in fact be contradictory, are feasible. On this view, it would make no sense to speak about *great* cultures or religions or about the way they are intimately intertwined with, and qualify, one another; even the adjective 'great' becomes problematic here. Nor, needless to say, would the idea of deriving moral norms from these great religious, cultural traditions make any sense either. It is fitting to point out the connection between this Hobbesian view of human nature and the emergence of the idea of a *social contract*. Most of the secular moral concepts buy into the idea of such a contract, even someone like Rousseau, who partially rejects Hobbesian anthropology, makes the idea of a social contract central to his ethics.

This article from European Journal of Law Reform is published by Eleven international publishing and made available to anonieme bezoeker

It is clear, of course, where the Pope will go from here. He will ground the adjective 'ethical' in the age-old Abrahamic religious doctrine that human beings are created in the image and likeness of God, and claim that this is what ultimately guarantees their innate and infinitely valuable dignity – the same concept of human dignity upon which the great Universal Declaration of Human Rights was based.