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The Dilemma between Ethics, Contemporary Political-Economy and Society's Common Good: Reengaging the Stewards of the Common Good

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The Dilemma between Ethics, Contemporary Political-Economy and Society's Common Good: Reengaging the Stewards of the Common Good



by
Kwamie Dunbar, Ph.D.

Introduction

The paper focuses on the rising gap between ethics and modern day business practices and employs recent ***Catholic Social Teaching***¹ and moral anthropology in order to assess the types of (value) ascriptions that can (normatively) best define business ethics in a era of positive economics, rising levels of individualism and a shrinking “*common good*”.

¹ Part of the Catholic Intellectual Tradition (CIT)

Why should we care:

Socio-economic Disparities

The current global socio-economic crisis which has significantly reduced individuals' welfare presents a defining moment for society to reshape and renew a number of social institutions:

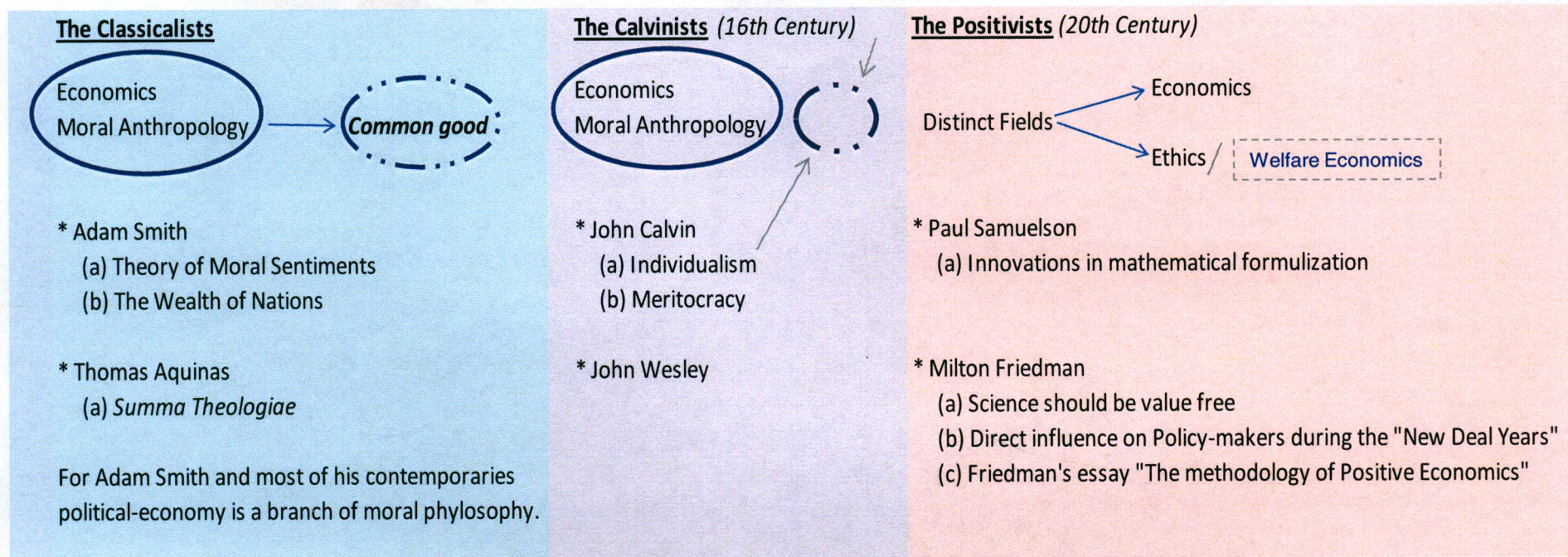
- Increased income inequalities;
- Increases in the poverty level;
- Rise in individualism and decline in community spirit;
- In fact a number of social commentators are claiming that our most fundamental socio-economic problems stem from a widespread lack of commitment to the common good.

Paper's Objectives

By examining the society's "***common good***" (*Community Spirit*) through the lens of ethics I show that the failure of the Catholic Intellectual Tradition (CIT) to engage the ongoing discussion on the "*law of the market*" during some of the most critical periods of our socio-economic transformation have led both the "*Calvinists*" and "*Positivists*" to narrowly shape the discussion of the common good.

Leading to today's disconnection between ethics, the modern economic system and the absolute primacy of the law of the marketplace over the common good.

The transformation of the political-economy



- ❖ The common good has roots in Aristotle, Plato and Cicero
- ❖ R. H. Tawney (1926) argues that religion played an essential role in the rise of commerce as it developed in the early modern period. However, the modern period later sought to separate the secular from the religious.
- ❖ In the Second Vatican Council's "*Gaudium Spes*" it reaffirmed that the "*dignity and vocation of the human person as well as the welfare of society as a whole (Common good) must be respected and fostered*".

The Catholic University: CIT

- Stewards of the common good;
 - **Part of university's mission;**
 - Hence MacIntyre (2010) points out that the goals and structure of the Catholic University should be very different from those of the great secular universities;
 - ❖ However our goals and structure often mimic those of the large secular institutions with little thought of how such action is inimical to catholic social teaching.

The common good- originated over 2000 years ago in the writings of Plato, Aristotle and Cicero. The contemporary ethicist John Rawls defines common good as *"certain general conditions that are equally to everyone's advantage."*

The Catholic University: CIT

– For the last 50 years Catholic institutions of higher learning has played an increasingly significant role in business education;

➤ Business education has grown to become a significant proportion of these institutions professional programs;

These two facts put Catholic Universities at the forefront of this debate and make them key stakeholders in any effort to revitalize business education around the common good.

The Catholic Intellectual Tradition (CIT)

- Most traditions are defined retrospectively;
 - The unity and relevance of any philosophy's viewpoint is only apparent when tested and examined over considerable stretches of time through its varied contributions from within and outside;
 - The absence of the CIT during some of the most important periods (discussed later) of modernity has created challenges for both the catholic philosophy and the Catholic University today (MacIntyre (2010)).

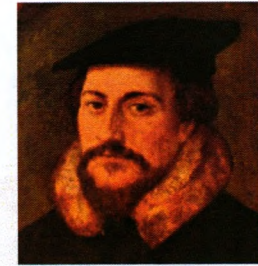
The CIT is best understood as a continuing conversation through centuries, in which we turn and return to dialogue with the most important voices from our past, in order to carry forward the conversation in our own time.

Absence of the CIT

- Two critical Periods in the history of our socio-economic transformation in which the CIT was silent;
 - The sixteenth century reformation period when the Calvinists' meritocratic "**work ethic**" helped shape modern day Capitalism;
 - The CIT was also self excluded in the early twentieth century when the Positivists were shaping the current Political-Economy which has come to have a significant influence on the "**common good**"

For more on these two periods see the writings of John Calvin (1585) and Paul Samuelson (1947), Milton Friedman (1953), Alasdair MacIntyre (2010).

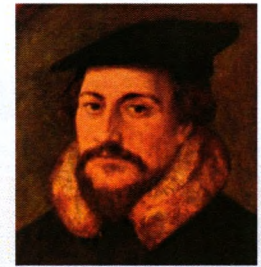
Calvinism's Effect



With the Reformation in the 16th Century came a period of religious and political upheaval, resulting in a new perspective on work:

- Two Key figures were John Calvin and John Wesley;
- Calvin taught that all men should work and using profits to help others to rise from a lesser level of subsistence violated God's will;
- The protestant "*work ethic*" changed attitudes toward work and the economic value system which it nurtured leading to changes that departed from the teachings of earlier luminaries such as Adam Smith and Thomas Aquinas;

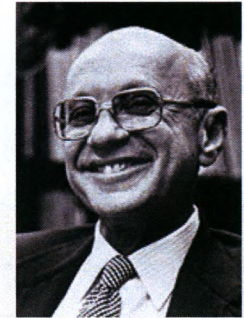
Calvinism's Effects Cont'd



A number of distinct perspectives have emerged in the literature with regard to the development of the “*Protestant Work Ethic*”. One that has been remised is:

- The Calvinists’ influence on individualism and meritocracy seen in today’s societies – which may be an unintended consequence of the Calvinist doctrine;
- This is particularly important because individualism violates the community spirit premise.

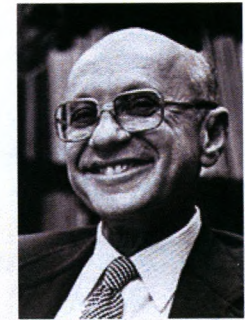
The Positivists Effects



Milton Friedman's 1953 essay "The Methodology of Positive Economics" remains one of the most widely cited and influential piece of methodological writings in 20th century economics:

- The essay has shaped the image of economics into a scientific discipline;
- This has created a dilemma for the normative ascriptions of moral anthropology – ethics.

The Positivists Effects



Milton Friedman's 1953 essay "The methodology of positive economics" remains one of the most widely cited and influential piece of methodological writings in 20th century economics;

➤ Welfare economics which through the years have had the embodiments of human social enquiry (Amartya Sen) has slowly declined in importance;

➤ A survey of Welfare economics by Edward Mishan (1960) for the period 1939 – 1959 referenced more than 60 articles on the Welfare Criteria, today in contrast there was none throughout the entire 2009 volume of the *American Economic Review*.

The new Episteme

- The subject matter of economics and ethics have a common denominator in “*human actions*”;
 - *Hence is it possible that they are both from the same inseparable domain?*
- Lazear (2001) examined the profit maximization motive in economics;
 - *Is it possible that individuals that choose to follow moral norms are acting in their self interests (Tungodden (2004)).*

Post Crisis Political-Economy

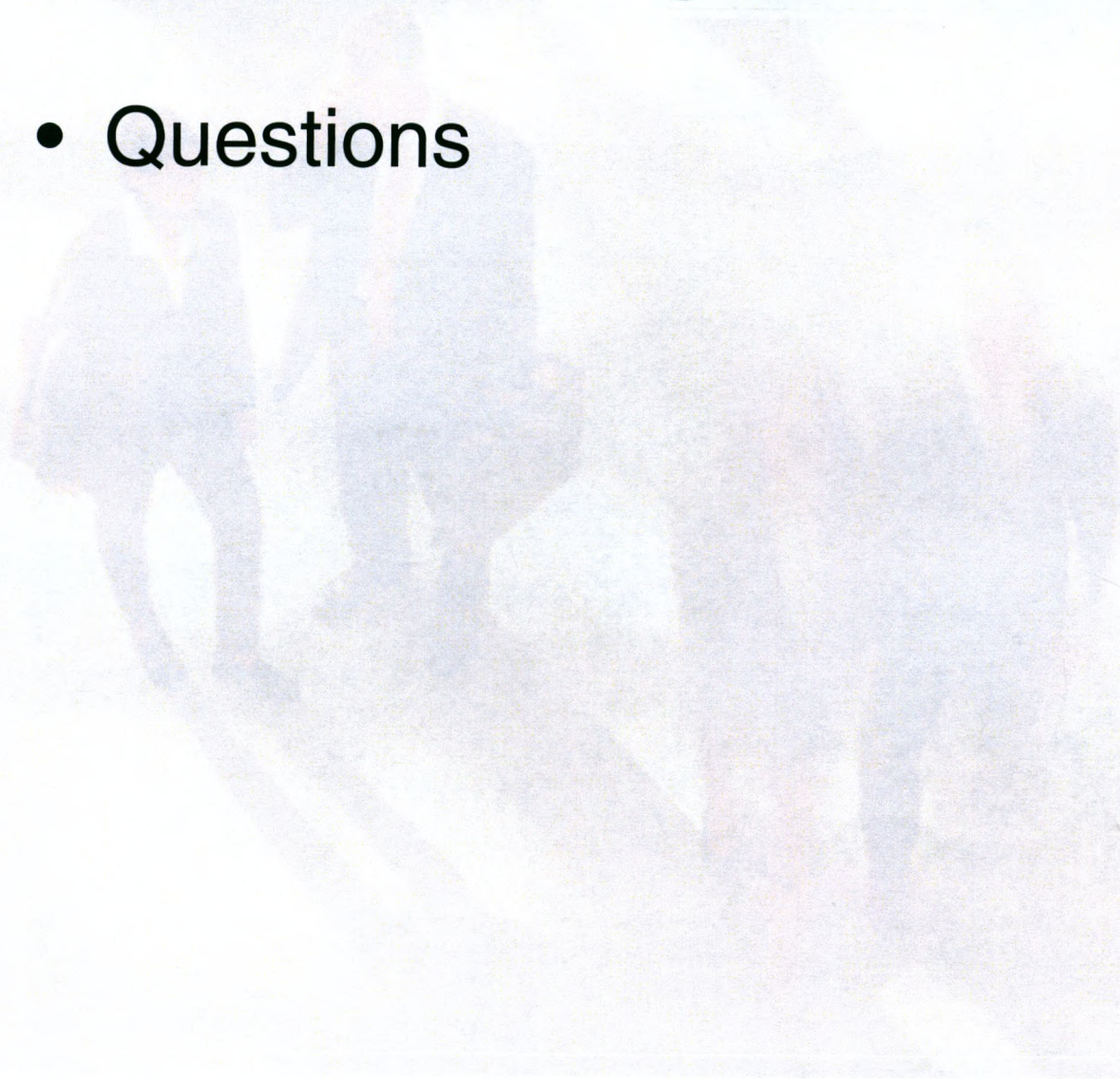
- MacIntyre (2010) suggests that for decades the Catholic University did not know how to react to the intellectual challenges in higher education that was so alien to Catholic social teachings.
 - Use Catholic social teaching and revisit moral anthropology to assess the types of value-free ascriptions that can be used to define business ethics.

Post Crisis Political-Economy

- MacIntyre (2010) argues that there is need for work within the CIT; in particular, how do Catholic Universities provide the institutional settings for a refocus on the common good.
 - He suggests that John Henry Newman's thesis that suggests that as "we partition the disciplines and seek to study them in isolation we drift astray both in our understanding of the whole – "***society's common***" provides a start place for the discussion.

Thanks for your Attendance

- Questions



Abstract



The Common denominator Argument¹

- Given a function $f: X \rightarrow Y$, the set X is the **domain** of f ; the set Y is the co-domain of f . In the expression $f(x)$, x is the **argument** and $f(x)$ is the **value**. One can think of an argument as an input to the function, and the value as the output.

¹ Based on Abstract Algebra

The Common Denominator Argument

- The subject matter of both economics and ethics is predicated on human actions.
 - Economic enquiry seeks to understand the cause and consequences of human actions;
 - Whereas ethics purports to show which of these human actions are either right or wrong;
 - Human actions is the common denominator suggesting a possible link between *ethical* and *economic principles*.