

CHEATING

**THE ORIGIN, NATURE, IMPORTANCE
AND IMPROVEMENT
OF BUSINESS AND OTHER ETHICS**

WALLACE R. BAKER

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ANNEX I / ANDRÉ COMTE-SPONVILLE – A FRENCH PHILOSOPHER'S THEORY

(A) André Comte-Sponville, a philosopher who has focused on business ethics, believes that to facilitate understanding it is important to separate the following four subject matters or domains (*ordres*):

1. Technical and scientific knowledge including economics and business.
2. The legal and political systems which serve to control activities in the first domain, which he claims are not subject to self control through science, technology, economics or business or by operations of the market, i.e. activities in one domain cannot exercise social control on themselves. Control must come from another domain.
3. Morality which is necessary to limit government which in a democracy has no political limits because the people are sovereign and have the power to decide to do anything they wish. This can be dangerous. But being strictly moral is not enough. The puritans and the Pharisees looked down on other different human beings for whom they had no esteem.
4. Ethics, which he notes for some has the same meaning as morality, is used and defined by Comte-Sponville to include love of one's fellow human beings –a necessary complement to morality. Some who make a distinction between morality and ethics have considered morality in a personal individual sense. Ethics is used by others to describe norms accepted in a community.

Thus, in a properly constituted society as outlined by Comte-Sponville the first domain is kept within proper boundaries by the second which, in turn, is limited by morality and love, his definition of ethics. In such an ideal society there should and can be a maximum of innovation, stimulation and the creation of new ideas to improve human life.

(B) Comte-Sponville ably summarizes the businessman's dilemma. He needs to deal with problems and take the business responsibility for finding the best solution, taking into account issues and the knowledge from the four different domains outlined above. This requires a leader willing to take the responsibility for decisions drawing on these ingredients which is not always in the short-term interest of his company or the clients of the firm but has technical, economic, political, legal, moral and ethical implications as well. Thus, an ethical business decision is not like solving a scientific or

mathematical problem. It is usually difficult and often no solution is fully satisfactory. It is, according to Comte-Sponville, a case-by-case decision made after considering these four domains. This implies that technical or other competence is a necessary part of ethics if one is to be ethical. The author of this paper would also add considerations of other transdisciplinary relevant knowledge not mentioned above.

(C) In this article the author has attempted to identify the moral and ethical values generally respected by the business community, and to analyze what ethics business intrinsically has, if any. This approach tends to mix up business and ethics which Comte-Sponville does not think is helpful, because it does not separate different domains from others and does not lead to clear thinking.

Although a corporation is a fictional being from one point of view, in popular imagination and in reality, a large corporation like Exxon certainly exists as a legal personality, is capable of earning large profits to accumulate enormous wealth, can initiate legal actions, be sued and has enormous power. Consider Exxon or Total with its tens of thousands of employees, colossal assets and profit. It is difficult to think of these entities as mere legal fictions when one takes into account their impact upon reality. A company is a person under the law subject to punishment for wrong-doing as are its executives. It pays enormous fines as punishment and, in some cases, can be killed off by State governments if it fails to pay franchise taxes; but this sanction in practice only applies to the sin of not paying franchise taxes, not for other more grievous sins –no capital punishment for corporations. In contrast to most of its executives and employees, it has immense resources. Companies also claim to have the same rights that citizens have and enforce these rights in court. So, under the law, they are treated like citizens. If a corporation were only considered a fictional artificial entity, it would appear logical not to hold it responsible for illegal actions it takes.

It is also true that in the real world, there are good corporations and bad ones. For example, a corporation habitually using criminal methods is not a good one. It is probably true that in the beginning the badness of these corporations was generated by bad individuals managing them. However, these and other characteristics are institutionalized in the corporate structure and policies so they become part of the fabric of the corporations and not just individual conduct of its executives. By the same token corporations built by highly ethical executives have often built in these characteristics into corporate conduct and procedures.

Unfortunately, with the power accumulated of multinational companies and their executives in the world today and the power of the globalized market place, social and ethical values are often crowded out and ignored.