Review of Ralf Lüfter, The Ethics of Economic Responsibility

Toni Gibea

Review of Ralf Lüfter, *The Ethics of Economic Responsibility*, Routledge, 62 p., e-book, ISBN 9781003109167

Toni Gibea

Routledge recently launched a series named `Economics and Humanities` where several contributions enrich our understanding of economics by reasoning merely with words at the expense of numbers, as the series editor advertised it (Lüfter 2021, p. ii). Several fundamental questions regarding key economic concepts like wealth, gain, loss, truth so on and so forth are tackled in eight different books. Ralf Lüfter's small book (61 pages) fits perfectly into this context by addressing fundamental questions about responsibility in economics without relying on any sort of numbers. Although mathematical modelling is avoided, the book is accessible only for initiated readers, or at least for those who are slightly familiar with the phenomenological approach. The book has 5 chapters, which resemble very much with conference papers, pinpointing one idea at a time, but they have a clear general theme, responsibility.

I should confess that I am sympathetic to the main claim of the book, if I understood it correctly. Ethical concepts are fundamentally misunderstood and misinterpreted in today's social, economic and political contexts. Relating to economics, we can easily identify an abundance of cases in the business ethics literature (Shaw 2011). In this literature, we learn how companies operationalize into practice the concept of responsibility to try and washout some of their unethical decisions and actions. Although costly corporate social responsibility actions cannot justify or exempt corporate wrongdoing, these practices are increasingly common. Other ongoing debates are more conceptual, for example it is highly important to determine whether we can ascribe responsibility to corporate agents the same way we ascribe it to individual agents (Pettit 2007). When an employee disregards certain moral norms, it is important to establish whether he is the sole responsible or the company also bears some sort of responsibility. The case becomes even more interesting if a company treats moral liabilities as unimportant.

The book chooses to put aside all these, and many others, ongoing debates because, as the author says at the beginning, he wants to draw on a `sufficiently distinctive characterization` of the implied ethical dimensions, ignoring therefore any sort of historical or systematic description of the current positions (Lüfter 2021, p. vii). Of course, it is important to look at the way

responsibility is constructed conceptually and to validate these constructs, but it would have been even more helpful if the author would have insisted more on how we arrived at this point and how the concept of responsibility is misunderstood into practice. It is true that ethical dimensions, especially those from the field of applied ethics, are not always explicitly stated or defended, and most of the time they are merely implied.

The author criticizes the conceptualization based on the operability of economic responsibility done by John Maurice Clark, Milton Friedman, and Archie Carroll in their works. Even more, the author claims that from the point of view of a tradition in metaphysical ethics, the imperatives which are not based on reason are irrelevant (Lüfter 2021, p. 35). Imperatives for which reason alone provides in and of itself and end in itself. But it is not clear to which imperatives the author refers to, from an ethical point of view. By offering examples and exploring systematically a certain normative claim, even a simple action, like telling the truth, for example, and saying that we have a responsibility to tell the truth all the time, it is highly problematic from an ethical point of view because sometimes you can harm other people by telling them the truth. The biggest challenge, for imperatives valuable in themselves, is to find an answer to these sorts of moral dilemmas. Instead, the author focuses on Friedman's famous dictum that business should have only one social responsibility, if any, and that is to make a profit (1970).

Several passages from Friedman are thoroughly analysed and many concepts are scrutinized from a clear unidirectional point of view. Friedman's reaction can be interpreted as an attempt to criticize the hypocrisy of the companies or corporations who try to be something more than just profit seekers. Friedman believes that profit alone could check all the boxes from a corporate responsibility point of view. Of course, dilemmas continue to exist even at this level since cases could be encountered. For example, when making a profit is possible only by infringing other moral requirements (lie, cheat, or, closer to our days, use the personal data of your customers without their consent). In this case having a classification of duties and putting at the top the duties valuable in themselves might help us to start and offer an answer to these dilemmas.

Undeniably, the author's main contribution is the distinction between `operability-based-responsibility` and `end-in-itself-based responsibility` with a glimpse, at the end, of what a `being-related responsibility` could be. For the field of economics, it is paramount to introduce the second kind of responsibility into practice. Sadly, it is not clear how this could be achieved. Let's take Kant's example with the shopkeeper, salesman (2011, p. 23). A salesman does not want to

overcharge his inexperienced customer because: (i) he does not want to tarnish his reputation, or (ii) he believes that he has a duty to respect his customers. In the first case we can identify the self-interested purpose of the action while in the second case the salesman does not overcharge his customers because it is wrong to use his customers only as means. The second motivation has behind it a duty valuable in itself, while the motivation from the first case is valuable only if it is profitable to act morally. The biggest problem with this example, in practice, is that in both cases the action is similar, the salesman behaves fairly with his inexperienced customer. Similar cases in-kind pose serious practical challenges, and ethicists struggle to find solutions. They need all the help they could get, including from metaphysical ethics, maybe even from an end-in-itself-based responsibility approach. The only requirement is to bridge the gap between practical and theoretical knowledge so that an answer could be provided to these normative issues.

Both the topic of responsibility and the theoretical construction within the book are valuable, but several examples would have been helpful to clarifying even more how useful the justificatory endeavor of the author is and how it helps us to avoid fundamental misconceptions about the concept of responsibility in economics.

References

Friedman, M. (1970). 'The Social Responsibility Of Business Is to Increase Its Profits', 13 September. Online at https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html (retrieved on 24.08.2022)

Kant, I. (2011). *Groundwork of the Metaphysics of Morals: A German–English edition*. Cambridge University Press.

Lüfter, R. (2021). *The Ethics of Economic Responsibility*. Routledge.

Pettit, P. (2007). Responsibility Incorporated. *Ethics, 117* (2), 171–201.

Shaw, W. H. (2011). *Business Ethics: A Textbook with Cases* (7th ed.). Wadsworth.

Toni Gibea is an Assistant Professor in philosophy and ethics at the Bucharest University of Economics Studies, Bucharest (Romania) (toni.gibea@man.ase.ro).

WP7. Dissemination, Communication and Exploitation

I identified local NGO's and other organizations, including educational ones, to deploy the e-learning materials when they are finished. I considered to deploy the materials in schools where we applied the teaching materials as scenarios by getting in contact with the professors who participated as trainers in the first part of the project. I also estimated a general impact. In the following weeks I will continue to extend my survey and pursue other opportunities for deploying the materials in EU countries. All these strategies and opportunities would be materialized once the e-teaching materials are finished.