On Economic and Ethical Value
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In his article "What is 'Business Ethics'? ", George Enderle discusses the relation between economics and ethics, an issue receiving increasing scrutiny in the current business ethics debate. He writes, "I advocate a model of cooperation, which recognizes both disciplines as being interdependent and of equal value. Ethics should not dominate economics and economics should not overrule ethics; neither should the disciplines be kept completely separate from each other." (Enderle, What Is Business Ethics) No matter how broad the concept of economics maybe, how open economics is to ethics, and how many ethical problems economics broadly conceived might embrace, the key issue of the relation between economic and ethical value remains and poses a challenge: How should we treat their relationship? When we cannot, as the Chinese proverb puts it, "have fish and bear's paw both at the same time," should we reject "fish" to accept "bear's paw," or vice versa? If we must reject one to have the other, are we justified in speaking of them as having "equal value"?

The issue is not merely theoretical. The issue touches on a great practical problem, especially for those living through the economic transition in China. Since the economic reforms started in the end of 1970's, the economy has become the central concern of the people. Economic value has risen to an unprecedentedly high position in people's esteem. For a while it seemed as if money were everything--i.e., economic value is seen as trumping all other values. However, after an initial enthusiasm for money and wealth, people have begun to miss ethical value. What was once left out in the cold is now eulogized in the song of "spiritual civilization."

This oscillation between values is not limited to China. For decades, Westerners said the "Business of business is business." This view was prevalent in the business world before 1970. But since the movement of business ethics took off in the 1970's, a movement reinforced by many social and cultural trends, people have begun to challenge this traditional view. As a result, economics and ethics have come together, and ethical value has entered the money kingdom. Of course, many doubt the claims of businesspeople who vow that they consider ethical value when making their decisions. These doubters believe economic value is still the overriding value within business with ethical value functioning as little more than a means to make profits. If the issue of the relation between ethical and economic value is not resolved, all of this recent talk about the union of economics and ethics and a role for business ethics will be dismissed at so much public relations chatter.

Business ethics took the form of a marriage between economics and ethics. And like the marriage between Romeo and Juliet, neither of the parent disciplines was especially pleased with this union (DeGeorge, Will Success Spoil Business Ethics). In order for this marriage to thrive, what is or should be the basis of their union? My thesis is that these two values’ relation can be properly analyzed only if we examine the basis or ground of value. In the first part of this paper, I consider what the basis or ground of value is. In the second part, I return to the issue of their precise relation. In the third part, I suggest some basic values of business ethics that could serve as the foundation for cooperation between these two disciplines.
Part One: The Ground of Value

To speak of the ground of value is to refer to the basis of values. This problem is related to, and often confused with, a second question—namely, what is of value? For example, M. Schlich contends that value can be established only upon the feeling of pleasure, which is taken as having the greatest value (Schlich, Western Ethics). The feeling of pleasure is assumed to be the basis of value because it is valued the most. In the recent Chinese version of A New Approach To Utilitarianism, C.L.Sheng offers an argument that can serve to help us distinguish the two problems. Sheng argues that value is always defined and explained according to the meaning of utility. Utility in turn is based on an individual's interests. So, he claims that the definition of value is utility, and the basis of value is individual's interests. (Sheng, A New Approach to Utilitarianism)

I am less interested in his definition of value and his identification of its basis. I want rather to focus upon the two problems contained in his claims: 1) on what are values grounded? This problem is the problem of the basis of value; 2) according to what is value defined? This problem is the problem of definition of value. Keeping these two distinctions in mind, I will develop an argument about both. Doing so is necessary if we are to adequately grasp the relation between ethical and economic value. I begin with the problem of the definition of value.

How is value to be defined? There are a large number of theories and a huge array of literature on this question, but I think the definition of value is actually very simple: Value is what subjects affirm in objects. Value can have three dimensions: (1) it may be that which meets the needs of subjects; (2) it may be that which a subject wills or creates; (3) it may be that which a subject appreciates or enjoys. Value is not equal to an object. To say that a book is valuable is not to say that the book is value itself. Value is what a subject finds, experiences and enjoys in objects. He senses, forms or creates value in his own way, according to the modes of his own body, mind, imagination, emotions, cognition, etc. Value is also what a subject needs, chooses, and expects. In most cases, a subject identifies value with the purpose of his action. Through his willing and feeling, he attains this purpose. Having done so, he can experience and relish it—i.e., he can affirm or "value" it.

Reception aesthetics begins with the fact that a book exists somewhere before the reader opens it. When a reader reads, she uses her imagination, life experience and aesthetic sensibility to reimage and conceptualize the characters. Since her expectations and aesthetic needs are unique, this recreation is never exactly like that of the author of the book. Strictly speaking, this image/concept formed and created by the reader through the process of reading and appreciating is the true object of reception aesthetics, not the book. It is in this reception that the value of the book lies for the particular reader. Of course, the natural world is not made by us. However, although we were not the first author of it— it existed before we "read" it—we find the world to meet our needs and confirm the natural world's value as it operates upon our body and our mind. Value is never far from us—It is in our feelings, cognition, experiences, and enjoyments. It is what we affirm as we use our body and mind.

Value may be utility, meaning, or functionality. It may be found, experienced and enjoyed. But it cannot be reduced to only one of these terms. Value is a general term referring to all of them. Perhaps this insight lies behind G. E. Moore's belief that good (value) cannot be defined. He lets us define, experience, and affirm it within our own particular context but he does not permit us to reduce it to a single function, property or meaning.

Value, then, can assume many forms, depending upon a subject's needs, creations and enjoyments. However, since a subject, be it an individual or a society, is a dynamic, organic whole, these values are always relative. They are grounded in wholeness,
harmony and compatibility. My argument is as follows: We often see that which we have affirmed as valuable change if and when we perceive that pursuit of this value comes at the expense of other values. The former loses its value, even if it is a so-called "end" or "final" value. Why does this diminution of value occur? An examination of the needs, activities and enjoyments of a subject yields the answer. There are many types of human needs: material and spiritual, natural and social, basic and non-basic, etc. Each of these distinctions is clearly relative to the others. It is difficult to maintain that even a basic need for food and drink is exclusively material or natural. The need for nourishment stems in part from the fact that man is a part of the nature. In this respect, the need is "natural." And, since the need is met by food or drink, the need is "material." This natural and material need, however, is mixed with other more social and cultural needs—e.g., to have hygienic, economical and aesthetically pleasing food and drink. There is "the culture of food and drink." Therefore, even this most simple, natural basic need is bound up with other needs.

In the tree of human needs, the branches can be distinguished from the trunk but every branch is intertwined with other branches. The human need for aesthetics is mixed with her need for amusement, knowledge, morality. The human need for wealth overlaps with other needs for community, amusement, knowledge, morality and so forth. The more a subject develops, the more her needs become both various and interconnected. In other words, the demands of a subject are such as to belong to a dynamic, organic whole who seeks to harmoniously realize a variety of interconnected and interdependent needs. If a value meets a need compatible with other needs (be they spiritual, material, basic, etc.), then that value will be pursued and affirmed by more and more people.

The same reasoning applies to a subject's activities. Once again these are many and diverse—economic, political, social, scientific, educational, literary and artistic, and theoretical. When any one of these activities excludes or stifles the other ones, it becomes problematic. Of course, no subject can be engaged in all activities at the same time. Nevertheless, we do see subjects affirming the value of "killing two birds with one stone"—i.e., affirming that which is concordant with other activities instead of in opposition to them. We affirm the value of labor because it is a primary need—we must labor to live. But if labor is reduced to satisfying human bodily needs at the expense of other spiritual activities, then labor becomes accursed.

A subject's enjoyments may be divided into feelings, cognition, experiences, utilities, etc. What a subject affirms only with his body may come at the expense of what satisfies his mind. Since money will not fill up the emptiness in a person's soul, the person comes to doubt whether money is, in fact, everything. Value consists in what a subject affirms, and that affirmation, in turn, is based upon wholeness, compatibility and the harmony of diverse needs, activities, and enjoyments. If so, then the basis of a subject's value is necessarily related to the basis of society's value. For the social basis of value will influence and restrict the individual's. During times of transition, there may be short-term dissension and bigotry. Placing undue stress on one need or activity makes one value trump all others. An unbalanced stress on one social value results in a corresponding lack of harmony within the individual's value scheme. Once we admit, though, that wholeness, harmony and compatibility are the basis of value, then we have a way to re-balance that which is out of balance. In the long run, only values based on harmony endure because these values alone do not come at the expense of other human values. This ground of value is related to the "end" value because whether humans develop or not depends upon whether their values are grounded on which makes complete development possible.

Part Two: The Relation of Economic and Ethical Value
Let us now return to the issue of economic and ethical value. What is economic value? It is what affirmed economically in objects by subjects. Like general value, economic value has three dimensions: 1) it can meet a subject's material needs; 2) it is willed or created by a subject; and 3) it is appreciated or enjoyed by a subject. Economic values such as efficiency, benefit, profits, richness, prosperity, wealth, and well-being are equally
categories of economics. Unlike other kinds of value, economic value usually takes material products as its "carriers," and it can be measured or characterized in terms of money. Classical political economics defines value as the social labor of a commodity producer that is condensed in commodities (i.e., concrete labor creates useful value and abstract labor exchange value). This definition defines value in terms of its origin. My definition need not conflict with it. Economic value can meet subjects' material needs. That is to say, economic value has useful value. It can be measured or characterized by money. Moreover, it has exchange value as well. But, in the final analysis, useful and exchange value is affirmed by subjects. For a consumer, the useful or exchange value of a commodity remains merely a possible value until through his will and his behavior-- choosing, buying and using the object—he affirms the value through his personal experience and cognition. I am not therefore inventing an entirely new notion of economic value. I am simply arguing that economic value is one form of general value.

Ethical value is that which subjects affirms as moral in human behavior or in products of spirit. It, too, has three traits: 1) it can meet subjects' needs for moral life, 2) it is willed or practiced by a subject; and 3) it is appreciated or enjoyed with moral satisfaction and with a lofty sense by subjects. Ethical values, such as honesty, loyalty, benevolence, justice, and good are categories of ethics. Like all other spiritual values, but unlike economic value, ethical value usually is "carried by" human behavior or spiritual products. But, unlike other spiritual values, ethical value has an unique normative function.

Although economists and ethicists would have us believe economic value and ethical value belong to two different disciplines, the two have always maintained a connection that cannot be severed. Since ancient times in China, there has been a debate about "Yi and Li." "Yi" is ethical value, while "Li" is economic value. Their precise relation has been a recurrent topic in traditional Chinese ethics. It has become a hot topic since economic reforms began. As R. E. Freeman has noted, "Since ancient times, philosophers and others have questioned the connection between business or commerce and moral life." (Freeman, Business Ethics) However, due to a misreading of Adam Smith, many economists came to believe that there is no need for ethics (Sen, Does Business Ethics Make Economic Sense). Ethical value tended to drop out of economic discussions until the 1970's. We can get clearer on what is at stake if we examine the three dominant models of the relation between these two values:

(1) The model of only one value. This model lays undue stress only on one value, e.g., economic value in the US before the rise of rise of business ethics or ethical value in China before the reforms.

(2) The model of means-to-an-end. There are two variants of this model. One posits ethical value as the end-value. Economic value is then taken to be the means-value. In China today, many take the economy to be the basis of the society while ethics is seen as the superstructure. These people claim that the criterion for assessing whether something has ethical value is whether it furthers the realization of economic value. In this case, we see what Enderle has referred to as the process of "instrumentalization": "Ethics is misused as a mere means to achieve economic ends" (Enderle, What is Business Ethics). The other variant takes economic value as the means to ethical value, the end value. Enderle refers to "the role of economic incentives as aids to the implementation of ethical goals."

(3) The model of identity. Again there are two variants. The first identifies economic with ethical value. The proponents of this version maintain that efficient economic behavior itself has ethical value. Therefore, efficiency is identical with ethical value. The second contends that ethical value is identical with economical value because Yi is a kind
of Li, public Li. The only difference between Li and Yi is whether the value is public or private.

Which model is right? What should we take to treat as the relation between the two values? I think we must analyze the relation in terms of the ground of value examined in the prior section. Viewed in terms of the three dimensions of value, no value, be it economic value or ethical value, is completely separate or isolated. A value can meet a subject's needs. Yet, as we have seen, subjects' needs are never isolated or separate. When a key economic need is met, that need inevitably turns out to be intertwined with ethical needs. If this central need can be met in such a ways as to satisfy connected ethical needs, then the connections between these two needs will support and confirm the central need.

Conversely, if the central need is met at the expense of or in opposition to related moral norms, then it is questionable as to whether we are justified in speaking as if the central need has in fact been met. As Wang Keqian has noted, ethical value has two dimensions, one is of utility, the other non-utility. The former means that ethical norms are in need of certain material resources and of political support (Wang Kequian, What Is Value). The latter means that ethical norms must lead to a satisfying human life of feeling, self-consciousness, willing, spiritual creativity, and so forth. Ethical value is thus related to other needs, including economic needs. The compatibility of economic needs and those satisfied by ethical values supports and upholds ethical value. Since ethical value is related to utility through moral norms, Yi connects with Li in the form of public Li. If people do not realize this connection, then, precisely because Li undergirds moral values (Yi), moral or ethical values must suffer. Once again we find that the relatedness and harmony of a diversity of a subject's needs, activities and enjoyments supports value. If, then, we treat harmony as the ground of both ethical and economic value, the weaknesses in the current three models of this relation become apparent. The one-value model overlooks that fact that this one value will be stable only if it is compatible with the other related values. The authors of Business Ethics-- Reading and Cases in Corporate Morality write, "Traditionally, we have encouraged business to pursue profits because we believed, rightly or wrongly, that profit-seeking violates no rights and is best for society as a whole. This connection has been the source of business legitimacy, our belief in its right to exist. In the past two decades, however, the belief has been challenged." In such a climate, "an investigation of business values, or the moral dimension of business, and of the role of business in society becomes urgent" (Hoffman & Frederick: Business Ethics).

Business ethics in the United States can thus be viewed as embodying the idea that we should not seek after economic value without simultaneously examining and acknowledging its relation to other values, especially ethical value. Before the reforms, we Chinese disregarded the rationality of economic value, denied the connection of political and ethical value with economic value, and took only political and ethical values (divorced from economic value) as the objects of human economic activity. As a result of this one-sidedness, people could not realize and enjoy the economic value of their activity and lost their belief is so-called political and ethical value. A similar difficulty plagues the end-means model. This model arbitrarily divides the two values into "means-value" and "end-value." But the relation between economic and ethical value is not like that. Both are pursued and affirmed by subjects who do not draw an "ends-means" distinction. If one makes the acceptance of ethical value contingent upon whether it promotes economic value, then even cheating will be beyond reproach if it generates material profit. Nor are those theorists correct who think that making ethical value into the end-value will solve all problems. Economic activities connect to and overlap with many other activities. Economic value is the central one for meeting subjects' central needs. In the case of economic activities, economic value is supreme, but, in the case of non-economic activities, it is not central. The real issue is not whether ethical or economic value is the "end-value" but whether the various values
are harmonious and all capable of realization. Without the support of related ethical value, economic value cannot stand its ground. Nor is ethical value the basis of economic value. Both values are based on the human need for harmony. The two values cooperate with each other with neither being the ground of the other.

Finally, the model that identifies ethical with economic value is flawed because it confuses value with the basis of value. We can affirm that efficient economic behavior itself has ethical value if we mean that efficient behavior has the support of ethical value and therefore has ethical meaning. But that is not equivalent to saying that efficiency is the one and only ethical value. Ethical value can be similarly affirmed as having public utility. Public utility supports ethical value but it does not supplant it. An ethical value meets a subject's moral need and is affirmed because it does so, not simply because it has public utility value. In fact, our cultural heritage provides many cases of economic values supported and reinforced by ethical values. These examples point to a way of resolving the problem of the cooperation of ethical and economic value without having to establish some hierarchy of values. These values can serve as core values of business ethics. I now turn to some of these traditional values.

Part Three: Core Ethical Values in Business

In English, the word "economy has three meanings: avoidance of waste of money; control and management of money, and other resources of a community, society, or household; system of political economy (The Advanced Learner's Dictionary). So understood, economy has nothing to do with ethics. However, the Chinese word for economy—"Jing Ji"(or "Ching Chi," in the old alphabetic system of writing)—is related to ethical value. It means: "to govern the world in harmony and to bring about the well-being of the people." The noted Japanese scholar Dr. Iwao Taka comments on this connection in his paper "Business ethics in Japan": "In Japanese, the word economy is read as Kei Zai. Kei Zai is a compound word consisting of Kei and Zai, originally stemming from the Chinese word, Ching-Chi. While Kei means governing the world in harmony, Zai means bring about the well-being of the people. Therefore, in this sense, the word economy does essentially include morality or ethics in its wide and fundamental meaning and scope" (Taka, The Business Ethics of Japan). It is a pity that the connection of economy with ethics has been so overlooked. Not only is Jing Ji itself a business ethics value, but Yi (justice), Lian (honesty in business), Qing (diligence), Jian (being thrifty in managing), and more modernly, Gong Ping (fairness) and Gong Fu (common wealth) are all economic values connected with and supported by ethical values. According to Cheng Qizhi (Cheng, New Annotation of the Confucian Concepts of Yi and Li), Yi originally was not pure ethical value but meant "Li in conformity with morality." Only later, when Yi was abstracted from Li, did Yi become ethical value in opposition to Li. In a business context, Yi should be understood as "Li in conformity with morality." Economic value can be either with or without ethical value. Therefore, to speak of economic value with ethical value does not deny economic value.