An outline of Kant’s ethics in the last chapter has paved the way to analyse the development of business economic thought from a Kantian perspective that has been the back bone for the business and trade policies of the modern era. Economic thoughts of various economists are closely connected with business and trade practices providing the theoretical base. Economic theories can shape the approach of businesses and the way they manage labour, marketing and capital called Business Economics. The term Business Economics is often used synonymously with managerial economics though some thinkers see a substantial difference between both.¹

The description given by Pareek leaves us with an acceptable definition for our consideration here. He conceives Business Economics as economics applied to identifying the problems, considering alternatives and decision making. Thus it serves as a link connecting economic theories with management of business and he prefers to call it as Managerial Economics. And his definition reads: “Managerial Economics is the integration of economic theory with business practice for the

¹ Ian Worthington, Chris Britton and Andy Rees, Economics for Business: Blending Theory and Practice (Essex: Pearson Education Ltd., 2005), 4. They also write that, “there is some dispute in academic circles as to what should be included in a course on business economics and to what extent, as an area of study, it differs from, say, managerial economics or industrial economics; we have no inclination to enter into this debate. To us, business economics is essentially about the firm or enterprise and in particular about the factors which help to influence its decisions concerning the acquisition of productive resources and the transformation of these resources into goods and services to satisfy human needs and wants: it is about the processes of production and consumption.” Ibid.
purpose for facilitating decision making and forward planning by management of an organisation.”

Thus, by Business Economics or Managerial Economics we mean an applied economics that uses economic theories for studying various business enterprises. Therefore it becomes inevitable to make a brief study about the development of business economic thought at the very outset of this research which was prevalent or developed during the time of Kant. The thinkers we would discuss have made immense contributions for the development of economics touching a wide range of topics. And we do not intend to investigate into all the aspects of their theories rather only those aspects that are related to the ethics of business economics. And Kant’s ethics would be deployed as a paradigm right through this analysis.

Besides, there are certain standard theories which are at work in business and trade such as utilitarianism and egoism which will also be explored from a Kantian perspective in this chapter. It also addresses some of the vital issues in business and trade such as advertising, profit maximisation, environmental concerns, e-business etc… and in all of these a Kantian standard is applied to assess the responsibilities of business and trade in view of these issues. Thus, this chapter will consider these preliminary points from a Kantian background before we go deeper into application and relevance of his ethics for business and trade in the forthcoming chapters.

3.1 Business Economic Thought in the Modern Period: Ethical Focus

The first section of this chapter focuses on the economic thought of the Modern Period\(^3\) to study its impact on business and trade. Since this study is based on Kant’s moral philosophy, I have chosen thinkers who are either his contemporaries or associated with him in their thought pattern. The economic philosophy of Hume had tremendous influence in shaping Kant’s own, and Hume\(^4\)

\(^2\) Saroj Pareek, A Text Book of Business Economics (Jaipur: Sunrise publishers & Distributers, 2009), 1.

\(^3\) The history of western philosophy is split into different phases based on its development and Kant belongs to the cluster of modern western philosophers. Therefore the reference to modern period here implies the time of Kant and the economists we discuss belong to the same time therefore are also referred here as economists of the same period though there is no such explicit division in the history of the development of economic thought.

\(^4\) Kant acknowledges Hume’s influence on him in these words: “I openly confess my recollection of Hume was the very thing which many years ago first interrupted my dogmatic slumber and gave my investigations in the field of speculative philosophy a quite new direction” (PAFM 4:260).
in particular is remembered with great honour by Kant. Adam Smith, the father of economics is a contemporary of Kant whom he holds in high esteem and refers to him extensively in his ethical works is also inserted in this chapter to provide a solid literary support to the research. Malthus is another contemporary of Kant whose contributions in this field are very inspiring. He is also studied briefly in a unique way both from economic and philosophical perspectives. Thus, the thinkers we discuss here have a close proximity to the world of trade and business and at the same time they are also related to Kant as we would explore in this section. Though these are great economists whose contributions have influenced the economic policy-making since the modern period, we briefly take note of their business economic ideas from an ethical viewpoint.

3.1.1 The Classical Economic Views of Hume

Hume was a philosopher who showed tremendous interest for economics. His influence on Adam Smith’s philosophy is so great that Haney observes that, “if he had written a systematic treatise in 1752, when his essays appeared, the Wealth of Nations in all probability would not have occupied the unique position it now holds.”5 This gives us a fair idea about the importance of Hume for the advancement of economic theory of the modern period. In his theory of economics, Hume advocates that everything in the world can be bought by labour. He treats money as mere representative of labour and commodities.6 This is an important contribution to business economics from an ethical perspective.

When corporations target high profit to maximise their money power, Hume emphasises the merit in labour. This furthers the need to respect the employees and recognize their service and money is a weak substitute for labour. Money may motivate people for intensive labour but it cannot be swapped for labour. Thus Hume beautifully combines his economic theory with business ethics where he upholds the value of labour and labourer and rates it ahead of money. It is a fact that corporations in their search for quick money compromise with the basic principles that should govern society and human living.

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6 Ibid., 210. Adam Smith in The wealth of nations supplements this view of Hume that money has only a partial or limited value. Explicating it he writes; “And though goods do not always draw money so readily as money draws goods, in the long run they draw it more necessarily than even it draws them. Goods can serve many other purposes besides purchasing money, but money can serve no other purpose besides purchasing goods. Money, therefore, necessarily runs after goods, but goods do not always or necessarily run after money.” Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, Vol.1, R.H. eds. Campbell and A.S. Skinner (Indianapolis: Oxford University Press, 1979), 439.
Though for Hume and Kant money is of great importance, it has a limited significance and their thoughts have a great relevance as we reflect on the ethics of business and trade. Hume in his essay on *Of Interest* reminds money as having, “chiefly a fictitious value”\(^7\). Kant even goes a step further to assert that it has *no value in itself* means not even a fictitious value. In *The Metaphysics of Morals* he asserts that, “since it (money) is conceived as a universally accepted mere means of commerce, having no value in itself, as opposed to things which are goods” (MM 6:286-287). He also further clarifies it saying that money has only indirect value because we can neither enjoy it as such or make immediate use of it (MM 6:287). His *Lectures on Ethics* also affirms this view: “The reason for it lies, and its high value resides, in this, that its whole use consists essentially in mere alienation; that taken for itself, as money, it has no specific use or utility, but can be set in relation to all things alienable, and employed in every transaction, as a means there to” (LE 27:659). Thus we see that both Hume and Kant were of the same opinion when it comes to money and its worth. By devaluing money, they clearly valued the dignity of labour and the human person.

To the extent Hume weakened the value of money he elevated the merit of labour which is a way of recognizing and respecting the humanity in every person. In his essay *Of Commerce* Hume states that, “everything in the world is purchased by labour”\(^8\) and not by money as most of us would think. And in the same essay he notes that, “trade and industry are really nothing but a stock of labour”\(^9\) and not a stock of monetary investment as it is often referred. In *Of Interest* he says; “money, however plentiful, has no other effect, if fixed, than to raise the price of labour.”\(^10\) In another essay titled *Of the Populousness of Ancient Nations* he asserts that, “Great interest of money, and great profits of trade, are an infallible indication, that industry and commerce are but in their infancy.”\(^11\) Thus, Hume not just undervalues money but also emphasizes that trade, commerce and industry would possess any recognizable worth only if labour is given its due place.

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\(^8\) Ibid., 160.

\(^9\) Ibid., 162.

\(^10\) Ibid., 178.

\(^11\) Ibid., 248.
Kant supplements Hume’s idea of labour in his own inimitable way by stressing its ethical dimension. Though Hume had in a big way set aside money favouring labour, Kant hit the right note by viewing it from an ethical perspective. Hume in a way meant that the employee is important to the industry because of his capacity to work and toil which makes him essential to the industry even ahead of money. Kant endorses Hume’s stand but complements Hume’s stress on labour by emphasising the human person in his totality. Kant writes: “If a man has done much, he is more contented after his labours than if he had done nothing whatever; for by work he has set his powers in motion, and so is that much better aware of them” (LE 27:383). Kant sees labour as a medium to bring one’s potentialities into an actual state. Thus he adds emphasis to the entire human person as a whole and his capacity to labour is just an aspect. Kant’s passion for morality takes upper hand when he writes that, “No more than honesty, if a person lacks it, can be replaced by his having money, or than an ugly person acquires beauty if he possesses ample funds, can pragmatic motives be inserted into the series of moral motives and compared with them” (LE 27:259).

For Kant every person is primarily a moral being whose labour is more significant than monetary requirements for an industry. His integrity is primordial which cannot be replaced by having money and this applies to the business as well. If a business backtracks on its commitment to honesty, whatever its success be, it loses its credibility. The argument that Kant stressed the ethical dimension of labour does not imply that Hume ever undervalued it for he writes; “Morality is a subject that interests us above all others: We fancy the peace of society to be at stake in every decision concerning it; and ’tis evident, that this concern must make our speculations appear more real and solid, than where the subject is, in a great measure, indifferent to us.”\(^{12}\)

Hume by emphasising labour and undervaluing money makes a significant contribution for the development of business economics. His theory of labour is of tremendous significance to business economics which with its ethical bend is a right approach to business and trade. His theory of labour coupled with his inspiring thoughts on ethics would be a perfect blend for a human centred business ethics. Though Hume may not have devised a strict anthropocentric ethical structure

parallel to Kant, but interpretation of his economic theories alongside his ethical insights reveals its relevance for genuine business and trade.

### 3.1.2 Adam Smith and Development of Business Economic Thought

As a significant figure of the Scottish enlightenment Adam Smith systemised his economics in his popular work *The Wealth of Nations*. It was not just his economic thoughts and theories that he is admired today but also for his explicit moral doctrines articulated in *The theory of moral sentiments*. He is to be remembered alongside Hume for the substantial contribution beyond economics envisioning a moral world where self-interests do not sustain a long way. Heilbroner commenting on this reflects that if one tries to act purely on self-interest in his trade, he will soon find that his competitors running away with his trade possibilities. If he overcharges he will run short of buyers and if he does not pay well he would be left without employees as well. And he concludes stating, “thus very much as in the *Theory of moral Sentiments*, the selfish motives of men are transmuted by interaction to yield the most unexpected of results: social harmony.”¹³ This is an important point in our discussion where economic interests intersect social benefits and economic theories yield to ethical demands in business. Thus we witness interfacing of economics and moral philosophy in Adam Smith and he always perceived that capitalism cannot thrive unless it is bundled with ethical principles.

Smith blends with some amount of assurance both ethics and economics. His *The Wealth of Nations* had integrated the moral structure which was outlined in *The Theory of Moral Sentiments*. He looked beyond economic logistics in a spirit of commitment to justice which is essential to a harmonious society. He viewed in line with Hume that value is a product of labour and continued to operate under the labour theory of value. Adam Smith begins the Book I of *The Wealth of Nations* emphasising the role of labour though in a systematic way than Hume. He writes; “The greatest ‘improvement’ in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is anywhere directed, or applied, seem to have been the effects of the division of labour.”¹⁴

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He realized that the capacity to labour has to be properly carried out in order to bring the best out of every person. He found that a better approach towards labour would make human labour effective. This is not merely for the sake of efficiency but also to ensure that human potentialities are put to best use. Therefore he writes, “The division of labour, however, so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of labour.”

Smith, though seen as the founder of free market economics who encouraged industrialisation had also a soft corner for the poor. In fact the very reward of one’s labour is the increase in industry of common people that betters the living condition of the labourers animating them to exert their strength to its best. Thus it is not mindless industrialization that he was advocating rather a step that he thought would enhance human living. He writes; “No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged.”

Barzilai comments on the commercial culture and the economic totality that Smith is blamed of having invented:

He did believe that a free market economy, supplemented by appropriate political and social institutions and policies, was modernity’s best hope for general well-being. He was committed to reducing human poverty and misery and promoting human equality, and had great faith in the trajectory of history in this sense, leaving him justly susceptible to charges of woeful short-sightedness, well intentioned as it may have been. But he also elaborated the dangers of commercial culture in detail and intensity matched only by Karl Marx himself.

He did not intend a modernity that would lead to capitalism rather in which labour is recognized where the poor get a fair share of the outcome of the industrial growth. Smith thus presents an

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15 Ibid., 15.
16 Ibid., 99.
17 Ibid., 96.
economics where the free markets and the division of labour that he discusses goes beyond wealth and affluence instituting justice and freedom specially for the poor as we have seen above.

Thus, Smith explores the wellsprings of human happiness where there is economic prosperity and also a dignified human existence in freedom and equality. Smith considered the wealth of a nation as the capacity of its ordinary citizens to command goods in order to satisfy their wants meaning not only the total wealth of a nation but also its subsequent distribution. He laments: “On account of the more unequal distribution of riches, there is much more poverty and beggary in the one country, than in the other.” He therefore envisages not just economic growth rather distribution of it as well so that no one is denied of a respectful existence. Justice was thus central to Smith’s critique of modernity which is best expressed in his The Theory of Moral Sentiments. He writes; “Justice, on the contrary, is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society, that fabric which to raise and support seems in this world, if I may say so, to have been the peculiar and darling care of Nature, must in a moment crumble into atoms.”

Liberty of human person and nations was yet another preoccupation of Adam Smith whose economics comprises freedom from constrains and domination. In The Wealth of Nations he wrote that, “Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men.” Even amidst his deep desires for justice and care for the poor he upheld the freedom of every human being to pursue his ends which also exhibits one’s freedom of moral autonomy.

He also carefully analysed individuals and institutions which act merely out of self-interest with no care for the society at large. Thus, smith’s economic analysis offered freedom for every person

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to persevere his own personal ends with a deep humanistic ethical standpoint. On the one hand he responsibly outlined an economic system of industrialization and development behaving as a true friend of commerce while critiquing the drawbacks of a mercantile system. His economic theory strikes a perfect balance as it acknowledges the tremendous capacity of commerce for modernization while caring for the powerless of the society.

Thus, Adam Smith’s approach to society can be seen as a perfect model for devising an ethical code for business and trade today. In a scenario where the corporations are involved in reckless competition, Smith’s theory offers a perfect model to be adopted. Smith has proved that economic development does not mean denial of justice and freedom to the common man rather their coexistence is possible. For him the thought of poor and powerless was always at forefront which definitely should be the guiding principle of modern day CSR. In *The Theory of Moral Sentiments* he wrote; “This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments.” Thus his economic theory is also immensely ethical which is relevant to the MNCs and other corporations to remain committed in their duty to promote social welfare transcending self-interest and profit motive.

Having lived at a time when Kant was making great strides in his philosophical pursuit, Adam Smith is likely to have been familiar with Kant’s moral philosophy though explicit references to each other may be limited. Kant uses the definition of Adam Smith in his attempt to define money in *The Metaphysics of Morals* (MM 6:289). Though no such direct references are traceable in the

23 Smith, *The Theory of Moral Sentiments*, 72
writings of Adam Smith, there are several allusions which reveal the closeness of their thought mainly on the importance of *duty*\(^{24}\) and discussions on *benevolence*\(^{25}\).

The analysis of their similarities and differences may not be of any definite benefit to our discussion rather linking their ideas together would be of utmost importance for promoting genuine trade and business. Though Kant may not have embraced self-interest in any form, Smith thought that it is on this very principle that our economy functions for he writes: “The habits of economy, industry, discretion, attention, and application of thought, are generally supposed to be cultivated from self-interested motives, and at the same time are apprehended to be very praise-worthy qualities, which deserve the esteem and approbation of everybody.”\(^{26}\)

However these differences are not strict contradictories but intersect each other in a unique way. For Kant the principle of duty mandates that we have certain indirect duties as well towards others for a harmonious existence of society. Similarly Smith also calls for a sympathetic approach towards ones fellow beings in a spirit of duty and benevolence so that the society prospers. Thus, Smith’s economic theory applied to business in a spirit of faithfulness to Kantian ethics steered by the autonomous moral law is the perfect podium for a philanthropic society of justice, freedom and equity where humanity may thrive in its pursuit for harmony.

**3.1.3 Business Economic Trends in Malthus’ Theory**

Malthus, a contemporary of Smith and Kant is widely known for his controversial theories on population and its increase or decrease on account of certain other factors. He proposed the theory

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\(^{24}\) *Duty* is central to Kant’s deontological theory which is predominantly present in Smith’s works particularly in *The Theory of Moral Sentiments* with almost the same kind of force which Kant gives to it. Let me cite a couple of examples: Smith writes; “He will never, indeed, avoid blame by doing anything which he judges blame-worthy; by omitting any part of his duty, or by neglecting any opportunity of doing anything which he judges to be really and greatly praise-worthy.” Smith, *The Theory of Moral Sentiments*, 148-149. “The motive of his actions may be no other than a reverence for the established rule of duty, a serious and earnest desire of acting, in every respect, according to the law of gratitude.” Ibid., 188.

\(^{25}\) *Benevolence* is treated as a duty by Kant and it appears in several of his works on ethics. He writes; “benevolence from basic principles (not from instinct) have an inner worth” (GW 4:435) and “For benevolence always remains a duty” (MM 6:402). In the works of Smith too we have a number of examples where benevolence is repeatedly presented as a significant ethical principle such as: “No benevolent man ever lost altogether the fruits of his benevolence.” Smith, *The Theory of Moral Sentiments*, 265. And “When they are directed by justice and benevolence, they are not only great virtues, but increase the splendour of those other virtues.” Ibid., 284.

\(^{26}\) Ibid., 359.
that population growth would impede the progress of the world. He famously wrote in the *An Essay on the Principle of Population* that, “the power of population is indefinitely greater than the power in the earth to produce subsistence for man.”²⁷ He viewed sceptically at population growth perceiving it as a potential threat for development and human sustenance. He visualised a scenario of the world where throughout history a segment of every human population is headed towards poverty. He wrote that, “Population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio. A slight acquaintance with numbers will show the immensity of the first power in comparison of the second.”²⁸

By this he meant to put pressure on the living standard of people because human beings were produced at a faster pace than subsistence. He viewed population as limited by the means of subsistence. This would lead to decline of average per capita income below the minimum-of-subsistence level.²⁹ He further substantiated this by arguing that under every kind of social system the human population will outgrow the availability of land.³⁰ This means that when added labour is applied to a fixed amount of land which though leads to increased output, but is not proportionate to the labour force used. The increase of output is at a decreasing rate because of law of diminishing returns.

With this theory as basis, he argued that there would be a perpetual war between human reproduction and the production of food. This war will ultimately cause intense distress to the lower class of the society. He writes, “The constant effort towards population, which is found to act even in the most vicious societies, increases the number of people before the means of subsistence are increased. The food therefore which before supported seven millions must now be divided among seven millions and a half or eight millions. The poor consequently must live much worse, and many of them be reduced to severe distress.”³¹

²⁸ Ibid.
Malthus having been a witness to inhuman and most testing situations in every system and society over a period of time thought that cataclysms such as plagues and war alone may provide some respite in overcoming the resource limitations. He writes:

The power of population is so superior to the power in the earth to produce subsistence for man, that premature death must in some shape or other visit the human race. The vices of mankind are active and able ministers of depopulation. They are the precursors in the great army of destruction; and often finish the dreadful work themselves. But should they fail in this war of extermination, sickly seasons, epidemics, pestilence, and plague, advance in terrific array, and sweep off their thousands and ten thousands. Should success be still incomplete, gigantic inevitable famine stalks in the rear, and with one mighty blow levels the population with the food of the world.\(^{32}\)

But, some may see it as uncharacteristic of a serious thinker to depend on natural disasters for solutions to pressing issues as this. He certainly underestimated the capacity of human mind to arrive at alternatives for agricultural growth. He perhaps did not think that technology would progress the way it has since his time. He also had not anticipated the global trade opportunities whereby the international community would be supported by each other. Countries which are not thickly populated would supply to the needs of highly populated countries aided by the technological advancements in the methods of production.

Though history may have proved Malthus incorrect, his theory sends several warning signs to trade and business and society at large. The theory of population has posed a great challenge to the study ethics of business and trade. Though we may have substantially countered the threat of insufficient production for the growing population, we are still not free from the factors that Malthus warned about. There are countries which produce more than they need but trade laws and sanctions make it impossible to avail for the poor nations. If we do not pay attention to it even before plagues and wars, as Malthus suggested, we would be consumed by the animosity between nations. For instance, Association for South Asian Regional Co-operation (SARRC) in the annual meeting held

\[^{32}\text{Ibid.}, 44.\]
at Colombo in 1998 decided that better tariff concessions to be provided for products which are actively traded or likely to be traded between the member-nations.\textsuperscript{33}

This clearly spells out the ethical approach that we need to adopt if we need to benefit fully from the technological advancements towards a common subsistence of the entire world. As Kant would assert it is the spirit of goodwill which is essential and which alone is the good without limitation (GW 4:393) is what instils the spirit of mutual care in business and trade.

Malthusian theory is a clear warning against the materialistic tendencies of the business firms. In their production process the firms need to place the interest of the community along with their business interests and whenever necessary the poor need to be considered. Thus there is a need to transcend self-interest which alone can pool the sources together and provide for a better world. Malthus warned us about insufficient production of goods but today supply is often held back to create artificial shortage of goods on account of which people are pressed to distress.

The situation of today is no different from what has been stated by Malthus but for a different reason. Though there are surplus products, artificial scarcity is often introduced where producers either destroy products or withdraw them from the market resulting in waste of goods while people go hungry. Malthus’ theory makes a strong ethical note by informing about the dangers of such actions because low supply is a threat to the humanity since population grows in a geometrical ratio. Inducing scarcity by manufactures is unethical as producers have a responsibility to look beyond profit to support the poor and needy or at least restrain from furtherance of harm through unethical practices like stockpiling in view of making artificial scarcity.

Though Malthus did not anticipate the development of technology that can feed a fast growing population, his caution also invites us to deploy our technology in a constructive manner for reduction of poverty and distress of common man. Industries should work with a sense of purpose for the alleviation of poverty. This is the ethical demand that Malthusian theory places on every business today. Malthus had his kind words for the poor when he wrote that, “The labouring poor,

\textsuperscript{33} Sharan, \textit{International Business}, 180.
to use a vulgar expression, seem always to live from hand to mouth. Their present wants employ their whole attention, and they seldom think of the future.”

By the phrase *labouring poor*, he also appeals to the employers of the workers in the industries and business to have a responsibility for their economic empowerment. Kant too acknowledges it as he states that our disinterested feelings are meant for our own perfection (LE 27:3) and so “he who performs no kindly actions, but has also never offended against the rights of others, can always be a righteous man, and if everyone were like him, there would be no poverty” (LE 27:433). Therefore it is our duty not to amass for in doing so we encroach into other’s right. It is through our faithfulness to our duty we respect other’s right to decent living. Business and trade therefore need to make it their priority not to involve in practices which are unethical and unhealthy not merely for the alleviation of poverty but also for the coexistence of humanity.

### 3.2 Business Theories in Practice

Every business enterprise works on the basis of an inherent theory which may be healthy to the human society at large or works purely for its own benefits. Though no business can sidestep profit motive, a sense of social responsibility should be the underlying aim of every business. Based on the interests of the business concern, we have a variety of theories at work in different business units. This leads to multiplicity of theories as there are conflicting interests and approaches. Business ethics as a field of study concerns the business practitioner and his theoretical preference of one over the other. Professor Bernard Williams states that, “we are heirs to a rich and complex ethical tradition, in which a variety of different moral principles and ethical considerations intertwine and sometimes compete.”

In this session, we attempt to study the conflicting theories which form the basis for different business practices today. There are diverse ethical perspectives and rival ethical policies which are adopted by different business enterprises. We contrast them from each other and apply the ethical code of Immanuel Kant as a paradigm to assess the social benevolence of these theories and issues.

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3.2.1 Utilitarianism as the customary Ethical Approach in Business

Utilitarianism\(^{36}\) is one of the prominent ethical theories which provide the theoretical base for the business and trade practices today. It is defined as, “the view that an action or practice is right if it leads to greatest possible balance of good consequences and that the concepts of duty and right are subordinated to or determined by that which is good.”\(^{37}\) It is also taken as a moral theory which states that our actions should provide maximum good\(^{38}\) to all those affected by the action.

And, a business is undertaken so as to get the maximum benefit for all those involved in it, and no one involves in business, if they do not foresee a favourable result. They aim at maximisation of production from minimum resources, which may lead to the maximisation of profit. Thus, the Utilitarian aims at work efficiency which is only an instrumental good for the purpose of the increase of profit. Today, a vast majority of the business enterprises aim at a profitable business. Profit being the consequence of the business, this approach leads to consequentialism where the results determine the moral worth of an action. Morland observes that the, “notion of ‘utility’ or usefulness is central in the utilitarian approach to morality. The willingness of utilitarians to embrace ‘whatever works best’ generally serves them well in the business environment. Most

\(^{36}\) Though Utilitarianism has a long history, it found its best proponents in David Hume (1711-1776), Jeremy Bentham(1748-1832) and John Stuart Mill(1806-1873), who had great concern for legal and social reforms. There is no one opinion among the utilitarians which defines their theory consistently. Bentham understands good to be that which gives pleasure and increasing happiness. However, Mill and others have argued that there are other values besides pleasure such as friendship, knowledge, courage etc... which also possesses intrinsic worth and therefore need to be considered good. See Tom L. Beauchamp and Norman E. Bowie, eds., Ethical Theory and Business (New Jersey: Prentice-Hall, Inc., 1979) 4. With this kind of qualification, Mill is clearly pushing the boundaries of the idea of pleasure to accommodate superior qualities such as knowledge, freedom, friendship, and love. He clearly is sliding away from utilitarian principles for defining happiness. It is no exaggeration to say that his litmus test for happiness has not much to do with actual pleasure and appears to be values of a higher level.

\(^{37}\) Ibid., 3. It is important to note here that utilitarianism is a loose doctrine which does not subscribe to any one holistic definition. Even the description made by JS Mill and Bentham differ and the way pleasure and happiness are described by different thinkers also differ both in content and approach. However, over the years moral philosophers have attempted to zero down the utilitarian theories to two major groupings as act and rule utilitarians. “An act utilitarian argues that in all situations one ought to perform the act which leads to the greatest good to the greatest number... [he] would not hesitate to violate such rules if he or she thought that in the circumstances such a violation would actually lead to the greatest good for the greatest number.” And the, “rule utilitarianism, on the other hand, is the theory that ethical actions and judgements should confirm to firm and publically advocated moral rules.” Ibid., 6-7. Thus, it is too vague a concept with varying versions and a range of differences between them.

\(^{38}\) In Utilitarianism, the term good is taken to be happiness or Pleasure. Ibid., 59. This is certainly not in tune with the Kantian understanding of good. Kant in the Second Critique defines the term good as, “a necessary object of the faculty of desire... in accordance with a principle of reason” (CP/R 5:58). Thus, this distinction between the definitions of the term good would give us a fair idea about the contrasts between the deontological theory of Kant and Utilitarianism.
business practitioners are already familiar and comfortable with the kind of cost–benefit analysis that utilitarians employ in their moral reasoning."\(^{39}\)

Therefore, in Utilitarianism, the *ends justify the means*, where the moral strength of the actions is judged by results without taking into account of other factors. This goes against the very foundation of the deontological theory proposed by Kant. For him, the end results were not important in determining if an act was just. The motive of the action takes the upper hand in judging the morality of an action. A morally good action cannot depend on the result of an action or the result it aims to produce. Kant is categorical to assert that, “thus the moral worth of an action does not lie in the effect expected from it and so too does not lie in any principle of action that needs to borrow its motive from this expected effect” (GW 4:401). Kant would go purely on the merit of one’s will rather than the result of the actions. In the *Groundwork* Kant writes, “It is impossible to think of anything at all in the world, or indeed even beyond it, that could be considered good without limitation except goodwill” (GW 4:393). Morland articulates the disastrous outcome of this utilitarian principle when applied to business or trade:

> The belief that ends can justify means often serves to rationalize unethical behaviour. Misrepresentation in financial reporting is a good example. Executives convince themselves and their colleagues that they are protecting the broader interest of employees and shareholders when they manipulate financial statements to create a false impression about an organization’s financial prospects. They argue that, as long as they later reconcile the reality of their organization’s assets with the promises in their public representations, no one needs to get hurt. With such nimble argumentative footwork, lying becomes acceptable, even good, but certainly not ‘wrong.’\(^{40}\)

Thus, the results do not confirm that the actions were right and utilitarianism is an example of such a theory, which does not take into account the motives behind one’s actions. Looking from Kant’s perspective, this theory does not necessarily produce happiness as it claims. It is interesting to note here, that this theory fails to function as a universal principle of happiness. In favoring the

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\(^{39}\) Morland, *Business Ethics as Practice*, 52.

\(^{40}\) Ibid., 53-54.
happiness of the ‘maximum’, it conveniently leaves out others whose happiness is also of significant importance for the ethical co-existence of people. This theory provides no safeguards for minorities and if enough people are made happy, can we seek the suffering and death of minorities? The chronicles of history reveals that persecution, genocide and slavery were justified on such principles.

Though Bentham attempted to give us a calculus in order to measure a pleasure if it was worth cultivating, we are not assured that it works the way he intends and lead to drastic social change. Again, this sort of calculus morality may not confirm to personal value based morality that we associate with goodness in people.\textsuperscript{41} It may also be said that pleasure is not mathematical and even its rational base is contentious. The criteria implied in Bentham’s calculus cannot be applied to arrive at anything near to mathematical precision because pleasure is too subjective and contingent. And the rational status of pleasure is yet another reason that makes one to question the workability of Bentham’s calculus.

Therefore, the deontological theory of Kant scores well over the Utilitarianism in this regard that, it gives due value for every human being without introducing the distinction of maximum or minimum rather safeguarding the interests of \textit{all}. The similitude of Kantian moral theory and Utilitarianism lie only to the point that they both try to explain that we can act ethically in a given situation within a structure of an ethical moral code. The major difference lies in the yardstick they apply for measuring morality and the application of rules. Kant’s theory is all-pervasive while the Utilitarian theories can be said to be discriminatory, as it pertains to the selected group of ‘maximum’. The theories of Mill, Bentham and others give a certain edge to the corporate society. In the pretext of ‘maximum’ they would support those who have the purchasing power leading to exploitation of the weaker section of the society. Here, the term ‘maximum’ implies qualified maximum which does not refer to the maximum number of people in the society rather the maximum people who would fit into their scheme of things.

These theories do not encourage the corporations to consider the interests of everyone in the society, and goods are produced not according to the needs of the society, rather needs are created

\textsuperscript{41} Harrison, \textit{An introduction to business and management ethics}, 81.
to suit their production. In this case, the worth of an action is measured from the external benefit of profit alone. There is nothing within the person which guides towards genuine performance of one’s action. When theories are wrong, then even the wrong actions automatically get justified, and this is true in the case of utilitarianism. On the contrary, in the case of Kant’s deontological theory, the universal nature of the maxim impels one to act responsibly aiming for a common good with no distinction.

Another advantage Kant scores over the utilitarianism is that his theory is well defined and easily applicable to all situations, whereas, the utilitarian theory has too many variants and can be tampered with, so as to suit one’s plan. Though, Kant’s theory appears to be the stringent, providing no exceptions and often criticised for being so, I would consider it to be its greatest merit and for that reason, a relevant theory even today. Let us consider a case where someone is suffering from an incurable sickness. The prolongation of his life is possible with the spending of a considerable amount of money, but one thinks that the same money could be used for the education of a thousand poor children. A utilitarian would think it appropriate to do so, as it provides maximum happiness for a greater number of people. But, it does not value the life of an ailing human being and his right for medical assistance.

Thus, it can be morally blind and act immorally targeting just maximum happiness. Richard Brandt substantiates my view with an example. He writes, “Act-utilitarianism… implies that if you have employed a boy to mow your lawn and he has finished the job and asks for his pay, you should pay him what you promised only if you cannot find a better use for your money.”\footnote{Richard Brandt, “Toward a credible form of utilitarianism”, in Morality and the language of Conduct, 109.} This reveals the serious flaw in the utilitarian theories and is certainly a threat for the world order promoting an egoistic world. Kant’s theory on the other hand is human centred and invites everyone to act in a value based manner, where one would act for the sake of duty, directed by the universal maxim.

\subsection*{3.2.2 Egoistic Pleasure as the Ethos at Work in Business}

As utilitarianism, so also egoism is complicated with different titles and a multiplicity of descriptions. However, they do subscribe to a common ideology of being concerned about oneself.
It correlates morality with self-interest\textsuperscript{43} and asserts that an act can be considered morally right if it promotes the interests of the individual.\textsuperscript{44} For Harrison egoism implies, “the decision maker acting entirely out of self-interest in optimising the personal consequences of actions.”\textsuperscript{45}

There are two types of egoism are generally referred in discussions on business ethics namely; Psychological egoism and Moral egoism, though some would argue that these are merely two aspects and not two types. The psychological egoism states that, “everyone is always motivated to act in his or her own perceived self-interest.”\textsuperscript{46} In its crudest sense psychological egoism will argue that we do not act at all on altruistic tendencies. Even someone like Mother Teresa of Calcutta, whom we consider as embodiment of selflessness, acts not for the sake of the other rather these generous actions make her to feel better.\textsuperscript{47} It means to assert that we generally act based on our self-interest, and if ever we happen to help others, it is a response to gain some advantage from such a gesture.

Thus, it does not rule out the possibility of human beings reaching out to others, but generosity springs from one’s need for gaining some personal benefit. The psychological egoism means that a teacher educates a child, because it gives the satisfaction of being a teacher, or someone loves the other only because of the desire of being loved. Thus, even in the most generous of gestures, there is an element of self-interest.

The ethical egoism states that, “one ought always to act on the basis of one’s own best interest.”\textsuperscript{48}

The ethical egoists try to give meaning to the common man’s thinking that the human beings are

\textsuperscript{43} What do we mean my self-interest? Can we probe into it to measure or quantify so as to arrive at some clarity over it? What are the criteria of self-interest and its theoretical base? The problem with self-interest is similar to the one faced by the utilitarians who also have no clear explanation for their theory of hedonistic calculus. See Harrison, An introduction to business and management ethics, 68-69.

\textsuperscript{44} Shaw and Barry, Moral Issues in Business, 56. In this context, individual can mean also the entire business unit, and not just the worker or consumer; the entire firm in its totality.

\textsuperscript{45} Harrison, An introduction to business and management ethics, 64.

\textsuperscript{46} Beauchamp and Bowie, eds., Ethical Theory and Business, 8. In the Metaphysics of Morals, Kant calls selfishness as the basis of greed, which expresses his displeasure for any tendencies of egoism in one’s life. Therefore, Kant would not endorse egoism in any form either in business transactions or in the pattern of one’s living (MM 6:434).

\textsuperscript{47} Lawrence M. Hinman, Ethics A Pluralistic Approach to Moral Theory (Belmont: Thomson Wadsworth 2008), 101.

\textsuperscript{48} Beauchamp, and Bowie, eds. Ethical Theory and Business, 10.
naturally oriented towards the promotion of their personal interests. Psychological egoism states that all our actions arise from one’s personal motivations and so there cannot be truly genuine actions. An ethical egoist on the other hand would consider the interests of other people, only if it promotes one’s self-interest. The difference is that in the case of psychological egoism an individual acts from the emotions and egoistic motivations, while in the second case, one pursues one’s own moral satisfaction.

Egoism does not say that we should not help others rather it states that we have no moral duty to be generous or charitable. For instance, companies like Ford, Coca-Cola and others would collaborate with the social and economic reforms of South Africa only if it benefits them, because, they believe that they have no obligations towards the country or its people. It is a common trend today to witness such self-seeking approaches to business, which is a threat to the social nature of the human living. They might even call a mother who feeds her child to be egoistic because it gives her satisfaction of nurturing her child, and this is certainly an unacceptable position.

However, the position that we have no moral duty towards others is certainly against all ethos of any humanitarian society which, also goes against the core principles of Kant’s moral philosophy. For Kant, a morally good action must be willed for the sake of duty because the teachings of morality command everyone. In the *Metaphysics of Morals* Kant writes, “they command for everyone without taking account of his inclinations, merely because and in so far as he is free and has practical reason” (MM 6:216). Business, which is an integral part of the human society, cannot run on principles of self-interest, and a strict sense of duty alone can keep it moving towards an egalitarian society as envisaged by Kant. In his *Groundwork*, Kant reaffirms it again by stating that it is not pleasure but reason that gives meaning to one’s duty. It is the common human reason in its practical sphere which impels one to action and an individual cannot be motivated by anything other than it (GW 4:405).

Therefore, Kant’s approach to the corporate world would be one which promotes a sense of duty in people and those in business should devise a norm for themselves out of sheer obligation based on a common maxim. And, acting out of inclination or self-interest of any form is absolutely

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49 Ibid., 57.
unacceptable. Self-interest, if permitted would give birth to conflicting value systems in the society where fundamental objective principles such as Kantian deontological theory would be brutally overthrown. A genuine human society cannot be built on frail and scattered individual ideologies rather on rock-solid universal principles. Psychological egoism is a negative approach, where one attributes tendencies of self-interest to human actions, while Kant’s theory is affirmative as it calls for a positive action free of self-interest.

If egoism were to be the acceptable norm, its consequences in business would be devastating. In a business scenario, every decision made would affect not just the individual but a range of other people. And if the decision is purely an egoistic one then it would leave a telling impact not just on the person who makes the decision but on the entire business as a whole. And if everyone follows this and act on self-interests there would be too many conflicts of interests where everyone will promote only his or her personal interests crossing into one another’s boundaries.

Harrison anticipates it when he writes, “Therefore we must assume that everyone else follows their own self-interest, but this must be potentially damaging for our own individual interests. To assume otherwise would be hopelessly idealistic in general, and specifically illogical in a business world where we are competing in the use of resources. Therefore we are following a rule which if consistently applied encourages others to act against our interests, which is inconsistent with our wish to maximise our self-interest. Hence this simple form of egoism is self-defeating and therefore inconsistent.”

Thus, we have seen how the consequentialist theories can be fatal for promoting a world centred on shared-ideals. Though these theories are ineffective for a fair treatment of everyone in the society nevertheless they cannot be side-lined since they are next-door theories witnessed in business. They may not have a sound philosophical base or even considered illogical but they are inevitable for most businesses because profit is the concern for them. Utilitarianism in the pretext of objectivity grounded in quantification attempts to substantiate its theory of consequences. It tries to translate everything into units of utility including human life. They fail to see that human

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50 Harrison, An introduction to business and management ethics, 66.
life cannot be decided on numbers as Kant commendably argued: “every human being has a legitimate claim to respect from his fellow human beings and is in turn bound to respect every other” (MM 6:462). Human life is not an amalgamation of utility-units rather a moral entity with capacities to act on maxims. Thus human persons cannot be placed on utilitarian scales with price tags rather stand out priceless. Kantian ethics with the emphasis on acting purely for the sake of duty gives moral worth to every person.

3.2.3 Two Diverse Ethical Approaches: Relativism and Absolutism

Historically two diverse methods have been tested in ethical reflections by ethicists namely; relativism and absolutism. It is possible that most of us act on any one of these standard approaches when it comes taking an ethical stand. Ethical relativism might appear attractive because of its promises of tolerance and understanding though it is debatable if it remains faithful to the promises. Relativism offers a lot of flexibility which makes it to be alluring to adopt as individual or collective policy of life. It does not confine people to strict set of norms which permits experiments and try-outs in taking moral decisions.

In its extreme form relativism may also mean that even human knowledge and our understanding have a relative significance. This position would even argue that the truth in natural sciences is also subjected to the cultural framework of the place of its practice. If we take science and magic as examples to explain ethical relativism, they would argue that we cannot claim that science is right and magic is wrong rather each one’s rightness or wrongness is conditioned by the culture where one lives.

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51 Besides these two popular approaches to ethical theorising, some thinkers also bring in another alternative which they call us ethical pluralism. However, it does not appear to be completely a new theory rather an approach that combines absolutism and relativism. Hinman defines it: “Ethical pluralism is simply the conviction that the truth, at least in the moral life, is not singular or unitary. There are many truths that are sometimes partial and sometimes conflicting. This does not mean that there is no truth, as the subjectivist claims. Nor does it mean that all truth is relative, as the relativist maintains. But it does mean that, at least in some situations, there is not just a single truth. Hinman, Ethics A Pluralistic Approach to Moral Theory, 49.

52 Ibid., 31.

53 Ibid., 33.
Ethical relativism becomes an important issue in businesses where both companies and individuals are involved. Companies and individuals have to work within certain parameters as demanded by the regulations of the company which are not statutory but everyone associated with it is expected to follow. The companies are also under pressure from the Board and Shareholders who make themselves heard through the General meeting, peer standards and the personal conviction of the individuals. There are always clashes between different types of expectations from these different groups of people resulting in diverse frameworks and norms. The same applies to different countries and places that have different norms and practices and reflecting at a corporate level, MNCs have to accept a new set of codes when they move into a new country. We have to abide by certain rules and rules differ when at a new place. Though the regulations may be clear, the way of arriving at accepted standards of conduct remains vague.\textsuperscript{54}

This issue is repeatedly confronted by those associated with a company and there have been disputes as to how a corporate citizen approaches it. Again when different cultures overlap with different set of norms, it is a problem to identify a viable approach to be adopted in a conflicting situation. From a business perspective ethical relativism is a foremost issue when companies of a particular country enter into trade with other country or enter into business agreements.

Murphy states that relativism as an ethical theory is not a serious type of ethics and should not be adopted. He further argues that it does not resist or challenge when norms are bypassed or taken lightly and it provides a comfort blanket to sympathise with the weak people who have no will to perform genuine actions. It gives such people a \textit{feel good} experience even when they are morally incorrect. He further writes that, “a serious ethic is one that proposes tough challenges. I do not mean that in the sense of being high-mindedly idealistic, where the goals may not merely be unreachable but are irrelevant to the business or imprudent in the view of the person experienced in that zone of activity. I mean rather that the ethic is in some way a response to the operational conditions in that zone of activity in a way that is both robust and realistic.”\textsuperscript{55} Relativism with its flexible nature does not offer the kind of stability required for a solid ethical system that can be


culturally accommodative. It may not work as an effective ethical paradigm for MNCs who would find it impractical to establish in a drastically different ethical framework and it would be a lot easier to work in a world which has some common stand on ethics.

This discussion on ethical relativism with its pros and cons takes us to another ethical position commonly described as ethical absolutism. It argues that the moral rules are always true and applicable to everyone in the same measure. It implies that certain actions are always right or wrong without taking into consideration the consequences and intentions. Hinman perceives it as a, “morally intolerant and insensitive position, which is all too willing to condemn what it does not understand.”

Most ethicists and their ideologies fall into anyone of these two contrasting ethical approaches we have discussed and we think that most people fit into or necessarily fit into any one of these ethical positions. Kant has often been identified as an ethical absolutist because of his strong ethical views. However, though his ethical position has been founded on solid uncompromising principles, we need to realize that they are of a unique type and for a noble cause. Kant’s principle is that of a demanding teacher who in all his authority demands unconditional intellectual discipline of a student. An absolutist clings on to a law because he considers flexibility as its weakness and a law is to be kept up because it is a law.

But in Kant, the categorical imperative is to be kept up not because imperative is important rather the human being who devices it is important. The entire human flock as a whole needs to live in a spirit of solidarity in a kingdom of ends as ends in themselves. This requires an unambiguous and universal code of conduct and in Kant, it does not evolve from outside the individual rather the individual devices it. This offers plenty of freedom to the individual as the person is also the maxim-maker and in the case of traditional ethical absolutism there is no room for individual freedom where the rules have to be meticulously kept up.

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In Kant’s theory a rational agent does not act for himself rather he acts in the most responsible manner possible for the maxim is willed to be one of universal application. And what is significant in Kant is the balance he aims to strike between the internal volition of the moral agent and the need for the formulation of universal maxims which he effectively performs with the aid of the universal nature of reason. And “the true vocation of reason must be to produce a will that is good, not perhaps as a means to other purposes, but good in itself, for which reason was absolutely necessary. This will need not, because of this, be the sole and complete good” (GW 4:396). Again reason is not absolute but an instrument in the promotion of goodwill as complete good in every rational agent. In all of these, transcending reason and law is of paramount importance to Kant though in the process he had to emphasise the moral law for the sake of the human being. He writes in the Second Critique:

Now, if these concepts are to become subjectively practical they must stop short with objective laws or morality, to be admired and esteemed with reference to humanity: the representation of them must be considered in relation to human beings and to the individual human being; for then this law appears in a form that, though indeed highly deserving of respect, is not so pleasing as if it belonged to the element to which he is naturally accustomed but instead as it constrains him to leave this element, often not without self-denial, and to go to a higher element in which he can maintain himself only with effort and with unceasing apprehension of relapsing (CPrR 5:157-158, emphasis added).

For Kant, a principle is an objective ethical norm and such ethical norms which are rooted in practical reason need to evolve as maxims to command respect of everyone in order to direct their behaviour. Thus maxim is a tool yet essential for acting responsibly. Though we are ought to act for the sake of duty Kant intends that his idea of duty is respect for the humanity and not merely respecting duty as a law. This discredits further the argument that Kant advocates law-based ethical absolutism. Though the principles he employs may have absolutistic bend, they are at the service of humanity for the comfort of humanity in totality. He considers the concept of a moral world as “a corpus mysticum of the rational beings in it, insofar as the free will of each being is, under moral laws, is in complete systematic unity with itself and with the freedom of every other” (CPR A808 / B836). Therefore, it is not fair to call Kant a law-oriented ethical absolutist for he does not intend
an absolutism rather absolute upholding of human worth. His priority is not to propose absolute ethical positions or theories rather an uncompromising attitude towards human beings and their respectful existence in the world.

3.3 The Predominant Business Issues
The problems in business would always be on the rise as long as businesses function on egoistic and utilitarian norms. There are a series of issues relating to business which endanger human society. Adulteration of commodities, sale of expired goods, overpricing, harassment of customers, advertising, environmental havoc and a range of similar issues make business ethics an important subject today. This section attempts to present a Kantian response to some of the major issues in business.

3.3.1 Profit Maximisation: Legal or Ethical
The key question that needs discussion here is whether ethics and profit coexist. Every business firm runs on a single point agenda of profit making. No entrepreneur will invest his time and energy, if it does not produce handsome returns. Profit making taken per se is not evil, but the margin of error is very thin as well. Therefore, ethics has a significant role in maintaining the limits within which profit making should be carried out. It is the duty of the business ethics to check that profit is generated within the parameters of the ethical framework. Therefore, the position upholding profit by whichever means is definitely unacceptable. The most people of the world still value basic business ethics more than profit, despite consumerism making a decisive entry.

Profit maximisation is the chief concept in modern corporate governance. The shareholders

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57 Though profit is a broad term encompassing a variety of issues, in the capitalist system, it is generally reduced to money-profit. A sense of satisfaction derived from performing an action may be considered profit by an individual, but the companies and capitalists hold money-profit as their lifeblood. Our discussion on profit maximisation would mean money-profit only.

58 Although the term profit maximisation is self-explanatory, the calculation of profit can be a complicated affair. The statisticians have suggested at least two forms of the calculation. They would argue that profit maximisation is more than an accounting notion with an economic dimension. This leads to an economic definition and an accounting definition of profit maximisation. They are identical in the sense that profit is shown as total revenues minus total costs (TR-TC). The economist would define it with an inclusion of the opportune cost (TC=FC+VC=OC). Patrick Primeaux, S.M, “Maximising Ethics and Profits”, in Perspectives in Business Ethics, Laura P. Hartman and Abha Chatterjee, eds. (New Delhi: McGraw-Hill, 2010), 261.
invest in large corporations to whom corporate managers and directors owe a duty. The managers and directors are duty-bound to make profit. Though, it is not legally binding on them to make profit, it is essential to do so, because payments have to be made to the workers and suppliers, refund to be made to the consumers in case of any return of products and tax payments to be made. These needs to be looked after, even before the shareholders take their share of profit. Therefore the directors have to target profit but can it be done at any cost or by any means?

It is believed at times that for a firm to be profitable it must necessarily subscribe to unethical means. But, it is a fact that there are companies which make profit while taking the ethically acceptable path. When the general public trust a product, they make a brand commitment which is long lasting and such business firms flourish. However there could be exceptions to it where a business unit can mislead people through false information about their goods through illegal advertising or other means. Over the years, we have witnessed companies which were genuine and exhibited ethically acceptable behaviours, discharged their social tasks, withstood stiff competition and tumultuous market changes and touched new milestones.

Thus, profit making appears to be legal but can it also be ethical? If it is ethical, then to what extent can it be ethical and is it right to say that all that is legal is also ethical? Jeffrey Seglin writes that, “It’s very possible for an owner or manager of a company to make perfectly legal decisions without ever exploring the ethical aspects of the decision. That’s not to suggest that making a decision that is legal is inherently unethical. It’s just that sometimes the law gives us an excuse to ignore whether the action we are taking is right or wrong.” This statement synchronises the two apparently conflicting perspectives in ethics. Therefore, all that is legal is though not necessarily ethical, profit making may be considered ethical as well, given the assurance that it is done fair and square.

It is significant in this regard to consider the position of Kant on this matter. It is an established fact that Kant would not subscribe to any unethical means of profit making, since moral law is of primordial importance for him. In Groundwork Kant writes, “duty is the necessity of an action from respect for law” (GW 4:400; See also CPrR 5:81). With such emphasis on the moral law,

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59 Jeffrey Seglin, “Just because it’s legal, is it ethical?,” in Perspectives in Business Ethics, eds. Hartman and Chatterjee, 132.
Kant upholds the sanctity of business and asserts that profits should be made ethically and not merely as a legally permitted action. Moreover, Kant is not a legalist rather a committed moralist. And if ever we get the impression that he promotes legalism, it is from his passion for the moral law and endurance to persuade everyone to foster it. Paton captures this view when he writes, “the main ground for charging Kant with legalism is the belief that he bids us perform our moral actions for the sake of a vague abstraction called the law, and thereby forbids us to perform moral actions for their own sake.”

Again, the difference between a legalist and a moralist is clear from what Kant asserts in the Second Critique:

The concept of duty, therefore, requires of the action objective accord with the law but requires of the maxim of the action subjective respect for the law, as the sole way of determining the will by the law. And on this rests the distinction between consciousness of having acted in conformity with duty and from duty, that is, respect for the law, the first of which (legality) is possible even if the inclinations alone have been the determining grounds of the will whereas the second (morality), moral worth, must be placed solely in this: that the action takes place from duty, that is, for the sake of the law alone (CPrR 5:81).

This defends Kant against being labelled a legalist, for a legalist does not act from duty. For Kant, law is not an end rather only a means for the attainment of the highest moral good. Therefore, from Kant’s perspective profit making is not justified when it is legally permissible, rather when it is morally permissible. The corporations have a duty to make profit based on their charter of incorporation and on account of their legal obligations to shareholders. However, a business manager who accepts Kantian morality would ask if any such decision (as profit maximisation) evolves from one’s duty. If it does, then the decision would be morally permissible, if not, though it may be legal, it is not acceptable because it is not ethical.

3.3.2 Immorality of Illegitimate Advertising

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60 Paton, The Categorical Imperative, 75.
The next important issue of the business world today is advertising. It is definitely one of the huge business industries all over the world. There has never been a debate over if advertising influences people. It is an accepted fact that most people are influenced by advertisements and some even baffled by it. They do adopt deceptive standards to gain edge over competitors. They influence our habits and often force us to make brand commitments. The authors of *Moral Issues in Business* complement my view when they write, “Ads dominate our environment. Famous ones become part of our culture; their jingles dance in our heads, and their images haunt our dreams and shape our tastes.” Advertising has always existed in one form or other ever since there were buyers and sellers. Our vehicles of advertising have undergone a huge transformation over the years. We have gone past print, Radio and Television and have entered into a phase of e-advertising.

With astounding advancements in the ad-industry, in the recent years, ads can be harmful to the society if they do not hold on to core human values. Every deceptive ad misleads the consumers making them to subscribe to false beliefs about the products and motivate them to take decisions regarding the purchase of products which they would not have taken if correctly informed.

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61 A statistical representation would substantiate my observation that advertising is a massive industry today. In the US, over $150 billion was spent in 1994 on advertising and above $30 billion on Television advertising while about $32 billion was spent for the same in print media. There are about 6000 advertising agencies involved in it in the US employing several thousand personnel. See Manuel G. Velasquez, *Business Ethics* (New Delhi: Prentice-Hall of India Pvt. Ltd., 2002), 355. There is another set of interesting statistics is available as well, which explains how different companies invest annually on advertising. According to it, Sears spent $887 million, McDonald $649 million, PepsiCo $704 million, Philip Morris $1558 million and Procter & Gamble $1387 million. The advertisers in US spent annually about 120 billion which works out to almost $500 for everyone in the country. See Shaw and Barry, *Moral Issues in Business*, 483.

62 Carson in his essay *Ethical Issues in Selling and Advertising* makes a distinction between deception and lying where he argues that not all cases of deception may be considered lying. He states: “The word "deception" implies success, but lying is often unsuccessful in causing deception. A further difference between lying and deception is that, while a lie must be a false statement, deception needn't involve false statements; true statements can be deceptive and many forms of deception do not involve making statements of any sort. Thus, many instances of deception do not constitute lying. Withholding information does not constitute deception. It is not a case of causing someone to have false beliefs; it is merely a case of failing to correct false beliefs or incomplete information. On the other hand, actively concealing information usually constitutes deception. Thomas L. Carson, “Ethical Issues in Selling and Advertising,” The *Blackwell Guide to Business Ethics*, ed. Norman E. Bowie (Blackwell Publishing, 2002), 187. Though he is making a valid distinction here, the distinction is only gradational and therefore still contains elements of mistruth in every case of deception. Active and passive deception makes sense for academic distinction and moral responsibility is present at both levels. A misrepresented truth in any degree is still lying and so I would contest his claim “many instances of deception do not constitute lying”. Kant made this view clear in his lectures when he said; “But if it be that the other is ever meant to believe it, then, even though no harm is done, it is a lie, since at least there is always deception” (LE 27:62; Emphasis added).

Deceptive advertising is a breach of trust and the economy and the human community at large would suffer on account of it. Though there are severe laws and stringent punishments, they do not always ensure that truthfulness is kept up in all business transactions. The increase of business crimes and financial malpractices tell us the sad tale of business and the ever growing need for people to subscribe to truth-values on moral grounds. If the advertisers think that the consumers have to give credence to their propaganda about the products, then they need to act from a moral conviction. Judiciary and the legal systems cannot provide full proof security to the customers if deception is practiced as acceptable to the society.

Nations all over the world having aware of the threat of deceptive advertising, have taken sincere measures to place restrictions on deceptive ads. For instance the Federal Trade Commission (FTC) established as an independent agency of the US government in 1914 has a set of norms for defining and regulating deceptive advertising. FTC finding deceptive ads in any form of media would call for immediate discontinuation and in case they persist with the ads then they are fined and at times FTC also fines the advertisers when there is explicit deliberate falsity.64 The Advertising Standards Council of India (ASCI) in chapter 1(4) states that, “Advertisements shall neither distort facts nor mislead the consumer by means of implications or omissions. Advertisements shall not contain statements or visual presentation which directly or by implication or by omission or by ambiguity or by exaggeration are likely to mislead the consumer about the product advertised or the advertiser or about any other product or advertiser.”65

Ideally speaking, advertising enables a business unit or company to inform the public about their products. Thus, it has an informative value and is a viable business strategy. True and correct information would facilitate the customers in their process of decision making. It would provide the details of the product and one can compare and contrast different brands before making a rational brand-choice. From this perspective, advertising cannot be considered unethical or illegitimate, since, it is basically sales promotion where the products are brought to the notice of

the public. This view is shared by Manuel when he writes, “commercial advertising is sometimes defined as a form of ‘information’ and an advertiser as ‘one who gives information’.”

However, in reality, advertising does a lot more than merely informing about the product to the customers. They employ innovative means to show competitive advantage over other similar products. They have a persuasive power to play on the psyche of the people and lead them to choose one thing over another. The information that they give are often distorted and largely one-sided, and it is in such a scenario, that our question concerning advertising as immoral and illegitimate becomes significant. Besides, the directors of ads make it a point to present them in an ambiguous manner, so that they do not directly distort truth rather leave to the interpretation of the audience. In the absence of strict codes of conduct for advertising in many countries, those involved in this industry extract immense benefits out of the weak system.

A Kantian response to this would be interesting, as Kant would not hold advertising as intrinsically evil. But, distorted and misrepresented advertising would definitely be unacceptable to Kant. Kantian ethical system is pretty straightforward in dealing with the advertiser’s obligation to the truth. Any advertisement which does not depict the product truly is false and the Kant’s way is that anything which is not true leads to a moral wrong doing which is a lie. In *The Lectures on Ethics* he says, “It is the basis of all virtue; the first law of nature, Be truthful!” (LE 29:60). In *Metaphysics of Morals*, Kant is ruthless in condemning a lie when he writes, “By a lie a human being throws away and, as it were, annihilates his dignity as a human being”(MM 6:429). Thus, for Kant

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67 A quote from *Moral Issues in Business* would expound this point. “The fact that ads are open to interpretation doesn’t exonerate advertisers from the obligation to provide clear information. Indeed, this fact intensifies their responsibility, because the danger of misleading through ambiguity increases as the ad is subject to interpretation. At stake are not only people’s money but also their health, loyalties, and expectations. The potential harm a misleading ad can cause is great, not to mention its cavalier treatment of the truth. For these reasons ambiguity in ads is of serious moral concern.” Shaw and Barry, *Moral Issues in Business*, 485.

68 Carson mentions that, “Since advertising does not require a license or membership in any professional organization such as the bar association, industry or professional codes of ethics have very limited power to discourage deceptive advertising. Professional codes of ethics for advertisers lack the force of codes of ethics for the law and medicine; there is nothing comparable to disbarment proceedings in advertising.” Carson, “Ethical Issues in Selling and Advertising,” *The Blackwell Guide to Business Ethics*, 187-88.
anything less than truth certainly goes against the principles of an ethical system. If advertising makes false claims regarding the product’s utility then it is illegal and immoral.

The issue for Kant here is not advertising as such, rather regarding truth-saying or lying. If advertising of a product speaks the fact of the product, Kant would have no problem with it, but if it provides exaggerated information of the product, then, it is a crime as it violates the principle of duty. On a Supposed Right to Lie Kant writes, “Truthfulness in statements that one cannot avoid is a human being’s duty to everyone” (SRL 8:426). Thus for Kant, truthfulness is a duty which one cannot forego because it is a duty both to oneself and to society. So, a duty cannot be bypassed and if false advertising attempts to do so, then it is a certain offence and such advertising in Kant’s understanding is intolerable. Again in the same essay he adds; “To be truthful (honest) in all declarations is therefore a sacred command of reason prescribing unconditionally, one not to be restricted by any conveniences” (SRL 8:427).

Consistency requirement is a key factor for morality without which events of human life would have no purpose or meaning. If everyone acts in a way suitable to him or her, it would lead to moral degeneration. Kantian imperative guarantees this consistency and it does not offer exceptions for any individual. His definition of truth is clear and has no ambiguity which is an important principle for all advertising. “If untruth presupposes cleverness and skill, we get artful lying and repute; courtiers and politicians, for example, have to achieve their aims by lying, and everyone should flee any position in which untruth is indispensable to him” (LE 27:62). “To be truthful is good in itself, and for every purpose, and untruth is in itself vile” (LE 27:257). Being truthful is both a duty and also the command of reason and therefore any attempt to tamper with it, would be seen by Kant as a breach of the moral law and treated as immoral and illegal. And, if advertising fails to present truth and creates a distorted image of the product, then it is illegal and immoral.

3.3.3 E-Business and Ethical Implications

Until not long ago, we thought that the only way to purchase was to buy from local shop keepers or utmost go to a city mall. We found at ease going to local shop keepers for our purchases as they know us and we know them. There is an amount of trust which assures that the goods are reliable
and there is immediate accountability for any inconvenience. But with the rise of on-line buyers, where purchases are made from unknown quarters, personal accountability becomes a key ethical issue. Today on-line commerce suffers from several ethical indictments and often we are left with no one to own responsibility for the irregularities. We are invariably witnessing major legal and ethical issues in e-commerce privacy, computer crimes, intellectual property besides credit card and other frauds. Ethics becomes an issue of paramount significance.

Though net crimes are at an alarming rise, e-commerce as a new business paradigm is fast relieving the traditional purchasing methods. E-commerce is described in business terms as, “one of the most important developments to arise from the current swathe of technological advances is electronic commerce. Simply speaking, e-commerce refers to trading electronically: transactions involved with buying and selling products, services and information over a network.”  

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It is making a decisive entry in to our society today that needs special attention from an ethical perspective.

E-business offers immense possibilities for humanity and therefore its potentialities need to be used. “If you don’t see the Internet as an opportunity, it will be a threat”, reminds former UK Prime Minister Mr Tony Blair. The e-technologies provide great scope for business all over the world. Recognizing the vast potential of e-business, Kofi A. Annan, Secretary-General of the United Nations wrote, “Information and communications technologies have considerable potential to promote development and economic growth. They can foster innovation and improve productivity. They can reduce transaction costs and make available, in mere seconds, the rich store of global knowledge. In the hands of developing countries, and especially small- and medium-sized enterprises, the use of ICTs can bring impressive gains in employment, gender equality and standards of living.”

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70 Quoted in Ibid.

Thus e-business brings companies to compete at global level taking business transactions to a new level. With e-business all set to take over as the prominent business practice of at least the middle and upper class of the world, it also brings in several ethical concerns. For instance the need and availability of internet at work places for purposes of business has made the employees to misuse it leading to loss of productivity. A survey reveals that 50% of employees say they often surf the web for their personal purposes during the work hours, 85% of employees acknowledge that they send personal e-mails at work when they are supposed to be doing work. The most embarrassing is that 62% of companies found their employees browsing through porn sites during their office hours. 72 This statistical report tells us about the bleak side of the e-world. This certainly brings ethics to the fore of e-business where a work-culture takes a beating owing to the introduction of electronic means in business.

However in spite of these disadvantages, e-business continues to thrive on account of its numerous merits to customers. Customer Relationship management (CRM) as a business strategy meant to increase profitability by consolidating the customer fidelity is enhanced today though the e-business tactics. CRM has become e-CRM taking business into a new level to follow the customer-behaviour and understand their tastes and preferences. Customer support is carried out on-line to enhance business. CRM works as a customer-centric business operational philosophy with an improved version of working through a new channel where cross-selling and upselling are also carried out using internet. A customer who buys a laptop computer immediately receives a mail with suggestions of accessories whereby needs are created on-line.

An internet impact study reveals that 71% of the companies provide customer support through providing e-solutions while 68% adopt e-marketing and another 52% adopt e-commerce for sales and transactions. The same survey also shows that e-business also reduces marketing expenses. 73 Thus it has become inevitable to use internet for business and every business that uses it is in an advantageous position than the one which does not use or uses rarely. Even commodities of

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nominal value are also sold on-line on different paying modes. Credit and debit card payments though often sought by many, cash-on-delivery mode is also made available to many customers which reduces the doubt-factor of the customers and increases trust making customers to order the product on-line. Cash-on-delivery mode gives customers an additional edge over the sellers with an assurance that they would not be cheated.

With these stunning advantages to both producers and buyers, e-business has its share of blemish and at times causing damage to ethical equilibrium. Privacy is an issue that impairs gravely the merit of e-marketing. We have a right to our individual privacy and we don’t expect someone peeping into our personal lives. We are not tracked when we make our purchases at a local shop or even at a city mall and we can object if someone attempts it. In e-business and marketing our privacy is at stake. When we surf through the net for a particular product to buy, it is possible that our every click of the mouse is followed by foreign elements. More often than not, the on-line shops keep track of our searches and it is likely that we end up getting e-mails regarding the products by the evening. Thus our privacy and freedom are constantly under threat from these on-line trackers.

From a Kantian perspective, violation of privacy would be seen as intrusion into the freedom of the other. It also is against the principle of respect and dignity which Kant upheld throughout his writings. He does not welcome any unwarranted interference into anyone’s private zone as it goes against the value we are obliged to give for the other. It is amply clear when Kant writes that, “nobody has any further right to interfere in my affairs; he thus has no authority to compel me” (LE 27:433). The First Critique calls to base our rights on the conditions of everyone’s external freedom in accordance with the universal laws (CPR A 316/ B 373). Thus threat to privacy is a crime and violation of one’s duty to the other which Kant does not approve at any level. It is therefore against the spirit of duty to peep into someone’s private life and on-line tracking by the e-business agents is an ethical offence. It challenges one’s autonomy and intimidates him with needless intrusion.

It is not just privacy alone at stake but e-business brings several other ethical issues into discussion. They also try to depict the competitive products in bad taste in an effort to defame them. For
instance, while writing reviews about their products on internet, they are often compared with the competing brands with the intention of expressing their superiority over the competitors. In the pretext of customers’ response, often the personnel of the respective businesses publish positive feedbacks regarding their products and defame competitors. Defamation in any form is obnoxious to Kant as he writes: “By defamation (obtrectatio) or backbiting I do not mean slander (contumelia), a false defamation to be taken before a court; I mean only the immediate inclination, with no particular aim in view, to bring into the open something prejudicial to respect for others. This is contrary to the respect owed to humanity as such; for every scandal given weakens that respect, on which the impulse to the morally good rests” (MM 6:466).

Thus there are many ethical concerns to e-business though it is fast catching up all over the world as a viable business method. They also induce us to buy their products by way of their effective advertising on internet which we would not have bought on normal circumstances. The possibility of fraud is also high on e-business and transactions because anyone can post anything without being censured. This paves the way for deliberate misinformation, half-truths and untrue claims make e-business the most vulnerable today. Genuineness and authenticity which are the trademarks of ethics are often bypassed in e-business. Kant’s emphasis on genuineness is reflected when he writes; “genuineness (and in the practical this is what matters most) is to be sought nowhere else than in a pure philosophy; hence this (metaphysics) must come first, and without it there can be no moral philosophy at all” (GW 4:390).

E-business often fails to guarantee these essential elements required of a respectable business transaction making it unethical. There is also the issue of the legitimacy of the sites due to the danger posed by cybersquatting which is purchasing of domain names that are expected to be preferred by corporations also makes e-business ethically delicate. Thus e-business is a tight-rope-walk and as an ethical norm one needs to be alert and extract its benefits while discarding its threats.

### 3.3.4 Environmental Responsibility of Trade and Business: From a Kantian Paradigm
Businesses do not function on principles of environment-care and they don’t invest to make environment better rather their investments are meant solely for the benefit of business. Trade involves transportation of goods and commodities over multiple routes as sea, air and road. Their objective is primarily the transfer of the merchandises given for shipping. Businesses and Trade will be paid for their service and it is the duty of the manager or whoever is involved to make sure that they don’t incur loss as they have a duty to make profit. But, do their responsibilities end just there? Are they not also responsible to the same degree for the effects of their actions on the environment? At this juncture, business strategies and environmental concerns interface in an ever on-going conflict.

There are diverse ways in which the business firms are hazardous to the environment. They let out odour, fumes and vapours that affect the life of living beings and pollute the atmosphere. Corporations and other businesses are associates of the society and have a duty to align decisions in a way that they are mutually advantageous to themselves and the environment. There are innumerable ways by which the business firms have to compensate the damage done on account of their business procedures and practices. Every company should have a way of recycling waste, spill containment and smoke control. The companies which let out excessive dust should necessarily install filtration system.

These steps should not be seen as acts of charity but duties which automatically follow from their actions. For, Kant argues that even charity by the wealthy is not to be considered meritorious because it is nothing more than discharging a duty which the society falsely considers as beneficence (MM 6:454). Even if genuine charity is not to be treated as such, then what about the payback by these companies on the adverse effect of their actions on the people and the environment. They are duties and their evasion is an offence and deserves punishment. According to Kant, it is a failure of a moral duty that calls for an equivalent physical evil on the perpetrator

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74 This debate regarding business strategy and environmental concerns is dealt about in bio-economics at eco-economics schools. And in business studies these issues are treated under the field of industrial metabolism. These are relatively fledgling themes came to be discussed in the 1980’s and still evolving. Industrial Metabolism focuses on the industrial processes leading to wastes and emissions which cause irreparable damage to biodiversity and ecosystem. Metabolism symbolically refers to the life of different organisms in nature which takes in food and release waste as output of the intake. See Jouni Korhonen, “On the Ethics of Corporate Social Responsibility –Considering the Paradigm of Industrial Metabolism,” Journal of Business Ethics, no.48 (2003): 302.
by way of punishment (LE 27:286). Therefore if the corporations do not follow up the consequences of their actions with due measures then they deserve to be acted up on as there is a moral failure on their part. For instance, if there is no filtration system in place which brings respiratory issues to the employees then they are eligible for a due compensation. And if it is not met with, then they can be penalized as there is a moral lapse.

It is the moral lapses which pose physical threat to the environment and the society. There are about 6500 offshore installation of oil and gas in the world which take care of the distribution with the help of tankers. Oil spill in these installations during transportation is not an uncommon event and the responsible firms have to necessarily attend to the environmental havoc it causes. In such situations there come about conflicting economic and environmental fears. There are companies which have taken genuine measures to safeguard the environment while a majority of them do not appear to give due regard to it. For instance, a report of the British Petroleum states that they have reduced their greenhouse gas emissions through increased operational efficiency which has brought about a dual benefit of protecting environment and increased financial savings.

However, there are several other instances where the respective corporations have failed to carry out their environmental duties. Examples of this are mounting and few memorable ones may make our discussion relevant. Union carbide and Bhopal, Shell in Nigeria and Exxon and Alaska are specimens that are ever fresh in our memories for their hostility to the environment and to the human folk in particular. Pollution by thousands of similar companies causes havoc to biosphere making it difficult to sustain life. The CO2 pollution is at an alarming rise and its impact is severely felt in the atmosphere. However it may be considered unreasonable to blame only the corporate citizens for the environmental hazards. The customers also demand environmentally unfriendly products, but the greater chunk of duty lies with the managers and other corporate representatives who have the final say regarding what they produce.

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These repeated harms to nature by businesses make us to argue from a Kantian perspective that our environment needs a fraternal care. Though in Kantian thought, the preservation of environment\textsuperscript{78} may be seen as an imperfect duty for the fact that it may not be obeyed at all situations but it should be seen by corporate citizens as an end which is important. Though, a direct effort to fulfil this duty may not be recommended at all times with a lot of freedom to the corporate managers as to how and when to fulfil this duty, it should not be overlooked. Corporations exist because of the society and the agents of the society have a right to decent living which should be also seen as extension of duty of the managers to the environment. It is in the Third Critique that we have Kant’s intimate appreciation for the nature and environment. He writes:

\begin{quote}
I maintain that to take an immediate interest in the beauty of nature (not merely to have taste in judging it) is always a mark of a good soul; and that, when this interest is habitual, it at least indicates a frame of mind favourable to the moral feeling if it is voluntarily bound up with the contemplation of nature. It is to be remembered, however, that I here speak strictly of the beautiful forms of nature, and I set aside the charms that she is wont to combine so abundantly with them, because, though the interest in the latter is indeed immediate, it is only empirical. He who by himself (and without any design of communicating his observations to others) regards the beautiful figure of a Wildflower, a bird, an insect, etc., with admiration and love; who would not willingly miss it in nature although it may bring him some damage; who still less wants any advantage from it—he takes an immediate and also an intellectual interest in the beauty of nature. That is, it is not merely the form of the product of nature which pleases him, but its very nature.
\end{quote}

\textsuperscript{78} The term environment is of a recent origin and environmentalism was coined in 1923 to mean that human behaviour is a result of social and physical conditions where a person lives and develops. It developed as opposed to the idea that our behaviour is the outcome of one’s biological endowment. Its origin can be traced to the French term environner which means to encircle and the word nature comes from the Latin phrase natura. Though the ideas of nature and environment are often considered identical they differ in their origin and history. Environmental debates have come about in the 20th century while the concept nature is traced back to the early days of philosophy itself. However, it is a fact that most of the meanings derived out of one of the terms may also be derived out of another. Dale Jamieson, \textit{Ethics and the Environment: An Introduction} (Cambridge: Cambridge University Press, 2008), 1-2. Since environment being a term of recent origin is not discussed by Kant rather he uses nature perhaps denoting also to mean environment. Since certain meanings implied in nature are also revealed by environment and given the fact that the term environment is of a recent origin, it is reasonable that Kantian reference to nature is considered as referring also to environment.
presence pleases him, the charms of sense having no share in this pleasure and no purpose whatever being combined with it (CJ §42).

This passage from *The Critique of Judgement* interfaces Kant with environmental concerns. Though the Kantian tone is of an aesthetic nature in sheer admiration of the sublime and beautiful in nature, it reflects his environmental apprehensions. There is an absolute altruistic approach to the environment in this passage where Kant acknowledges that a genuine interest in the beauty of nature is a mark of a good soul. There is no utilitarian tendency in this aesthetic approach as the goodness of the environment is inherently applauded. This is a memorandum for the corporations to act decisively from a sense of duty to protect the inherent beauty of the environment. It is not merely the intellectual inquiry that pleases him rather its very existence as well. Kant calls it a *moral feeling* to experience consistently the beauty of nature which for him reveals the disposition of one’s mind.

This view of Kant brings to light an interesting quality of a manager or corporate citizen as one who admires and appreciates nature with a right disposition of mind. This intellectual conviction rising from the rational experience of the beauty of nature at a deeper personal level would impel him to take decisions that do not hurt environment. Mark Wilkinson is the chairman of privately owned wood furniture company outlines the approach of his firm towards the enhancement of the environment. His firm had outlined a practical programme according to which every customer order will be supplemented with a planting of a tree. Besides, they also had implemented a clear policy that they would use only sustainable raw materials in their firm even if it diminishes profit. Such caring gestures to the environment are possible only when we have developed a sense of intellectual veneration for the beauty of nature. In today’s anti-environmental context, a good manager should necessarily possess this quality for the harmonious existence of all beings in the world.

Kant perceives the duty to the environment as a duty to the humankind at large though not a duty in itself. It is immoral to destroy things which are not useful to me for they may be useful to someone else. Kant argues that no one can damage the beauty of nature though he cannot use it. And duties to nature, animals and environment are reflections of duties towards mankind (LE 27:460). This furthers the responsibility on the businesses to act for the sake of humanity and not to impair the environment. The discussion point here is whether business has direct ethical responsibility to the nature or only indirect environmental responsibilities. In Kantian pattern of thinking the direct duties are to human beings alone, however fulfilling them implies also fulfilling the duties to the nature. Therefore the concept of indirect duty to nature does not de prioritise our responsibility to it.

In the context of our world where reckless mining is causing severe damage to the environment, we need to realize the responsible use of natural resources. Mining should be done in a way that it contributes to the overall perfection of humanity. Mindless mining is a violation of our duty to humankind and the generations to come would be left with no pile of natural resources. Our duty to the humankind means also duty to the future generations and Kantian ethics impels that we do not exploit environment rather preserve for the future of humanity while extracting only our share from nature.

When Kant states that our duty is primarily to human beings and our relationship to nature is only within the framework of humanity. This brings the idea of instrumental value of nature but it does not imply that it can be exploited beyond limits. Kant being a non-consequentialist respects also other life-forms and recognizes our duty to them. He perceives moral value that resides in the moral maxim which calls for a collaborative task in our search for moral excellence of the entire world. Though Kantian anthropocentrism provides intrinsic moral worth to human beings alone (for human beings alone are ends in themselves GW 4:427) and all other life-forms are of instrumental goods to lead humanity towards its perfection, he does not permit any demeaning or disgracing approach towards them. Kant is right in favouring a human centred world because we are the moral agents who are able to recognize our duties and fulfil them in view of the purposiveness and order in the world.
This idea gets further clarified when Kant talks about our duties to animals. He considers animals as an analogue of humankind and in considering them as analogues we carry out our duties to humankind. If a dog has been faithful to his master for several years, that is an analogue of merit and it deserves to be treated till the end even if it is weak and useless to me for it is in this way that I promote the cause of humanity. This duty to his dog is an indirect duty to humanity which helps him to nourish fine human qualities and if one is not kind to animals, it is likely that he is unkind to human beings as well (LE 27:459). Kant affirms it again in The Metaphysics of Morals where he writes; “Even gratitude for the long service of an old horse or dog (just as if they were members of the household) belongs indirectly to a human being’s duty with regard to these animals; considered as a direct duty, however, it is always only a duty of the human being to himself” (MM 6:443).

Another issue that needs immediate attention in the context of our discussion is the damage to marine life. Industrial wastewaters send huge amount of toxins into ocean. Oil from runoffs, accidental spills from the trading ships, thermal pollution from power and industrial plants have devastated sea-life. These are incidents that reveal where, as humanity we have failed in our duties to each other. These cases and events cannot be treated as merely acts against nature or environment rather they are failures to fulfil our duties to each other. Kant sees duty as an encompassing fact of all humanity towards its purposive end. He writes;

> The origin, growth, perishing and reproduction of plants, for example, the nourishment they give to animals, and that animals give to men, in short, the way things in nature combine towards an end, presupposes the conception of a supremely wise being, whose purposive arrangements we perceive herein. It teaches us that in nature everything leads to an end, whether it be its own end, or the means to a higher one; yet this purposive action and coordination of all parts

80 Oil is considered to be the greatest recognized toxic pollutant. Massive tanker accidents like the Exxon Valdez get to be discussed quickly at international levels. The Exxon Valdez grounded on Bligh Reef spilled nearly 11 million gallons of oil into the Prince William Sound in March of 1989. The adverse effect of this was felt for several years which shattered the ecosystem. Another similar event that strikes us immediately is the most publicised tanker accidents of the 1991 Persian Gulf War where 240 million gallons of oil was spilled into the coast of Saudi Arabia. “The Threat of Pollution and what you can do about it,” Accessed from http://see-the-sea.org/topics/pollution/toxic/ToxPol.htm on Sept25th 2012.
toward a total world-structure indicates no more than the utmost natural art, a wisdom in the arrangement that is beyond our comprehension (LE 27:716).

Though our primary duty is to humanity, it is extended to the entire nature, environment and every other reality as our final purpose is a unity of the entire world. Thus, we have analysed the environmental concerns resulting from irresponsible business practices whether merciless felling of trees, mining or dumping toxic waste in the deep waters employing the Kantian paradigm. We have evaluated the ugly impacts of industries and shipping companies on environment and argued that Kant’s duty to human beings is also a duty to the environment.

Having born and lived in a century which did not have serious environmental issues as we have today and with no idea of what the term environment meant, Kant still did not fail to put his sympathetic thoughts for the nature. His principle of duty with its all-compassing approach gives ethically relevant value for the purpose of conservation of resources for the sake of the perfection of world-structure. His ethics also defends the intrinsic value in nature and therefore the need to defining justice for the ecosystems. Kant’s anthropocentricism defines clear guidelines for arriving at a dutiful environmental policy. His ethics by successfully interfacing humanity and nature (environment) upholds the integrity of every reality whether human beings or otherwise.