A healthy moral standard is essential for the humanity to strive for perfection. The moral standard of an institution will determine its value system and influence its priorities. Any institution with an authentic moral system will transmit a healthy culture of values promoting human welfare and transformation. Such a healthy system of morals is humanitarian and holds humanity in communion. This is the sort of moral system which needs to be maintained in every stratum of human living. In trade and business, we are unfortunate to witness a series of unethical practices which undermine the spirit of humanity. The genuine moral standards are often side lined as they do not support the business practices that injure ethical individuals.

Today, we need to have a business practice which would uphold the conventional ethical norms while deriving newer applications for the current issues in business. These applications are warmly sought in the world of business today. “Whether products are healthful or harmful, work conditions safe or dangerous, personnel procedures biased or fair, privacy respected or invaded are also matters that seriously affect human well-being.”¹ Thus the humanity is at risk from the misplaced values of the business practice today. In the theoretical ethical philosophy of Kant, we have a model for a viable alternative for a human-friendly business ethics. In this chapter, we explore a

¹ Shaw, Business Ethics, 6.
few trends of humanitarian ethics of Kant which is an exigency for the world and precisely, for a healthy trade and business.

6.1 Social responsibility of Business Corporations: A Kantian Standpoint

*Social Responsibility* as a term implies in the context of business that companies and corporations have to contribute towards the social welfare of the society. Sharan defines it as the, “behavior of the organization, which should also be ethical and balance its commitments to investors, workers, customers and the secretaries in general. This means that shareholders should be given a fair and regular dividend and consumers should be asked to pay a fair price. This is because the socially responsible behavior of a company benefits everyone related to it in the long run.”

They need to channelize the resources towards the development of society as a whole. The companies involve in acts of social responsibility in order to generate interest and support for their services and products. The companies are sustained by the profit made from consumers and they in turn need to support in building communities as responsible corporate citizen. There are multiple ways in which the corporations can be socially responsible. A large company may spend portion of its profit for enhancing life of people in its vicinity. It may cater to their ecological needs or provide solar lighting to the streets so that the employees can get back to their homes after their late-night shifts safely. The small firms also contribute to social responsibility in their own way. They would at least be considerate to the society by recycling their own waste and other similar ways.

One of the key contributions of Kant’s ethics is its presentation of social responsibility evolving from the moral law towards oneself and others. In his duties towards others, Kant designs the social responsibility of every person as a progress towards a moral world. It is in the act of each one fulfilling one’s duties in a spirit of reverence for the law we can sufficiently bring to fruition the social responsibility.

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3 Sharan makes a distinction between Ethics and Social Responsibility. According to him, “Ethics are standards for right conduct or morality” while “Social Responsibility is the ethical behaviour of an organization towards different sections of the society.” Sharan, *International Business*, 237. This distinction does not show these terms as different from each other rather integral to each other. Ethics includes responsibility and responsibility presupposes ethics.
Kant’s *universal maxim* theory is essentially meant to promote the social wellbeing of all. His duty of kindness and benevolence is a typical case where Kant emphasises the duty as not being content with one’s success rather to go out of one’s way and reach out to others (GW 4:423). Kant informs that the social responsibility is a call to seek the happiness of others as well. Kantian concept of social responsibility argues that it is a duty to promote the general happiness of all. The mere promotion of general happiness alone does not make a man moral, rather the maxim of one’s action should be viable to be universalized leading to the harmony of purposes of the entire human society. The moral person is not to be moved by emotions and inclinations, though they may be genuine. Kant writes:

> To be beneficent where one can is a duty, but besides there are many souls so sympathetically attuned that, without any other motive of vanity or self-interest they find an inner satisfaction in spreading joy around them and can take delight in the satisfaction of others so far as it is their own work. But I assert that in such a case an action of this kind, however it may confirm with duty and however amiable it may be, has nevertheless no true moral worth (GW 4:398).

The Kantian argument is that however noble an action may be it should be done out of duty and purely for the sake of duty. This Kantian hypothesis is the corner stone of any viable business policy which is objective and humanitarian. A genuine business unit holds the credibility of the society and such credibility is guaranteed by this Kantian moral theory. A mere following of the professional and ethical code does not ensure that the business functions in a socially responsible mode. Kantian ethics calls for a genuine understanding of the different ethical facets of business which in its practical sphere is dominated by passions, temptations and emotions. This grasp of the daily course of business activities will facilitate an individual to apply the rational principle and work out a plan of action for a rational integration of passions and emotions.

This means a relentless application of reason alone enhances the society in its strive for dutiful action. This application of reason in its practical sphere would inspire the human beings to act purely from duty and would remain as the underlying principle of all business policies. Therefore, when a business firm decides against overpricing a product, it is not to feel happy or to satisfy
others, rather it is the firm’s duty to do so. They cannot claim any merit for such an action, but bow in reverence to the sublime principle of duty. In Kant’s view therefore, duty alone guarantees and upholds business policies which would assure true and fair trade.

The socially responsible act either directly or indirectly contributes to business objective. It is not unfair to expect some benefit from such acts for the corporation as they involve the finance of the company. It is not against Kantian ethics to expect benefits for the company from an act which is performed in a spirit of corporate social responsibility. Business cannot be sacrificed for other ends even if they target social wellbeing. The business has a duty to itself as much a duty to the society. It is acceptable to pursue social responsibilities and yet expect certain benefits from it for the business. A dutiful behavior in business demands a responsible use of business resources and using them purely for non-business purposes may not be in a true spirit of duty.

From a business point of view, it may not be considered an offence, for instance when a business unit which spends a huge amount of money for building a bridge in a city for a smooth traffic congestion may permanently install advertisements of the business or use its brand of products for the construction, which may indirectly cut the expenses on publicity and increase demand for their products. Businesses channelizing their funds for unauthorized and purely non-business acts could be treated as stealing. The assets which belong to the owners of business cannot be given away for other purposes without a due process. The businesses have a perfect duty to have safety of their assets. Though for Kant being beneficent to the other is a duty (GW 4:398), “to preserve one’s life is (also) a duty” (GW 4:397). It is for this reason that from a Kantian position, it is not wrong for businesses to seek self-benefits even in the performance of corporate social responsibilities.

It is beyond doubt that every business runs in view of attaining certain gains and primarily considering profit as one of its key factors. Profit is therefore the end of every business for the

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4 Dean presents us with a distinct view of Kantian concept of end. He states that, “the end in itself or objective end is not some object or state of affairs that is to be brought into existence. An end is always some sort of reason for acting, but in the case of the end in itself the action is not to bring the end into existence. An end in itself provides a reason for other types of action. Specifically, one ought never to subjugate an end in itself to one’s subjective, inclination-based ends, meaning one ought never to destroy or compromise an end in itself in order to satisfy one’s desires or passions.” Dean, The Value of Humanity In Kant’s Moral Theory, 114-115. The concept of end gets a predominant position right through the Groundwork. For instance, Kant takes it for discussion in GW 4:429, 430, 437, 439 etc…
survival of every business depends on it. From a deontological viewpoint, it could be argued that profit is a worthy end because it is easily reconcilable with the human person who is also an end. Though this interpretation of Kant’s theory of ends may be disputed by some, however, the above claim is interesting from the fact that it is various intermediary ends which lead to an ultimate end. And the human person who is the ultimate end will attend to several other ends in his life and profit is one of such worthy ends which enhance the idea of human person as end.

This position may not be acceptable to everyone as some would still argue that in a business firm’s striving for profit, the persons involved in business are made victims. Though it could be argued that in ones pursuit for profit the stakeholders would easily be treated as means, what needs to be noted is, whether we are right to call the laborers within the production process and the consumers in consumption process as being used as means. I would instead assert that as long as there is no exploitation of the humanity in those involved in these processes the individual’s worth is not at stake. A person may be treated as means only when his humanity is compromised for profit. In normal situations a laborer works for certain hours, which varies depending on the specific norms, where he willingly alternates his service for profit. How would you call this as disrespecting one’s humanity? With no exploitation and discrimination in terms of caste, creed and color or in any other form at work places, the human beings retain their status as ends though their work brings profit to the business. The entire profit may not reach the workers who toil hard, yet they cannot be considered ill-treated as businesses have to think in view of contingencies. With no manipulation of workers and no foul play in trade and business, there is no threat to one’s dignified existence. Hence for Kant, profit is perfectly reconcilable with one’s status as end.

For Kant, his theory of ethics includes social responsibility and holds it in high esteem which should be carried out in a spirit of duty. In his lecture notes we read, “Ethics deals with all obligations, whether they be of charity, generosity and goodness, or of indebtedness, and considers them all together, only insofar as the motivating ground is internal” (LE 27:271). Thus every business should treat social responsibility as its priority and it is an obligation. The managers of
businesses have to promote it and for that they need to cultivate it as a personal character in their lives.

Svensson and Wood write, “Socially responsible managers are needed to force us to confront new areas of thought, to challenge, to inspire, to mentor, to lead. Some companies are fortunate because these people exist in their midst. Those companies that do not possess, recruit or foster managers with well-developed ideals for social responsibility leave themselves open to potential dilemmas orchestrated on their behalf by a staff whose perspectives may be far from socially responsible. Errant actions may not come to light immediately, but when they do the downside to the corporation can be its own annihilation.”\(^5\) It is only in such context that we can think of businesses responding to the call of duty to be socially responsible. It is a responsible manager who takes the organization towards its maturity as a social unit. And Kant’s ethics calls for a collaborate network of every one in business to strive for an ideal-state of world that struggles for perfection.

### 6.2 Kantian Code of Ethics for Business and Trade

The solidity of the Kantian code of ethics lies in its inflexible\(^6\) nature. Rigidity and stiffness are often considered by many as drawbacks in any system, but its reverse is true in Kant’s ethics. Though criticised for being rigid, the strength of Kantian morality lies in its ability to be firm, offering no loopholes for lawbreakers to get away scot-free. For instance, the traffic rule states that *do stop when red falls*. The illumination of the red light prohibits any traffic from proceeding. The beauty of the traffic rule is that, it is precise with no room for twist and turn. Let us consider what if the traffic law were to state: when *red* falls you need to stop, however, if there is no vehicle speeding from the other direction, you may proceed in spite of the red signal. In such a case, it offers flexibility but the impact of such flexibility would be catastrophic. Such laws would encourage people to jump signal which would make the law itself meaningless in the long run.


\(^6\) *Inflexibility*, as a term may have different synonyms which immediately brings certain amount of negativity in most minds. Rigid, stiff, obstinate, unyielding, unalterable and fixed are the terms we often associate with anything of inflexible nature. This phrase over the years has suffered from misuse as it is always treated with a bit of suspicion. From a Kantian perspective, it is a duty-conscious term which calls for mutual care of individuals in the society. When I use the term *inflexibility*, I do not mean that it is inhuman rather it stands for discipline and order upholding the dignity of human person in the society. Kant’s code of ethics is inflexible that it permits no exceptions for nourishing one’s own egoistic aims and offers no provision for discrimination.
Thus *inflexibility* is the strength of Kantian ethics which is determined by the will unrestrained by inconsistent inclinations. In the Second *Critique* we read: “The moral disposition is necessarily connected with consciousness of the determination of the will *directly by the law*” (CPrR 5:116). Again he states; “freedom, and the consciousness of freedom as an ability to follow the moral law with an unyielding disposition, is independence from the inclinations, at least as motives determining our desire…” (CPrR 5:117). Kant is categorical on the inflexible character of ethics when he states, “… and when morality is in question, reason must not play the part of mere guardian to inclination but, disregarding it altogether, must attend solely to its own interest as pure practical reason” (CPrR 5:118). This is the distinct description of Kantian inflexibility of the moral law where reason alone is its custodian.

The Kantian code of ethics is guided by pure practical reason and since reason is consistent and permits no exceptions to favor the law maker or its adherent, the moral law is also consistent and inflexible. This nature of the law is very significant for trade as trade norms cannot be flexed to favor a particular nation or company. Today we witness intense *trade wars* in business where mutual competition is the order of the day. Thompson defines these *trade wars* as follows: “Trade war describes the series of tit for tat actions by two or more nations to adjust tariffs, quotas, subsidies, and any number of other economic levers available to governments in the attempt to secure advantages in international trade. That such actions are possible presupposes functioning bilateral or multilateral institutions and procedures for international exchange, as well as some admittedly controversial concepts of fairness for such transactions.”

These situations demand that there is a need for a code of fairness for these trade transactions which can be uniformly applicable to every nation and government. Therefore the Kantian ethics with its inflexible nature offers a genuine internal moral law based on which the trade practices could be worked out. It does not push the weaker nations in a disadvantageous position when it comes to bargain at international trade. The bilateral trade agreements can be signed on humanitarian grounds if the Kantian code of ethics serves as the medium.

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It is here that we experience the indiscriminate nature of Kantian ethics that culminates in the inflexible principle of duty. Trade wars do not rise when there is no discrimination of sorts. Kantian code of ethics fosters better worker enhancement and they would be neither forced to work nor discriminated. The employees may be even permitted to organize themselves into unions which may be a form of moral community to assert their claims. Companies like Wal-Mart have intensely resisted the efforts of workers to collectively organize themselves. The Kantian code upholds the liberty of the workers who wish to form associations to sustain their humanity without being used as means by the exploitive firms. Therefore it is morally illegitimate to forbid the employees from collective organizing. They need fair treatment based on their performance and they have a right to claim it either individually or collectively.

For Kant, any moral code even if it is only an assertoric hypothetical imperative which is a counsel of skill and the process of attaining our end though not perfect moral end, needs reason as its base (GW4:415). Thus reason plays an important role in every decision making though at times conditioned by immature human approach. The manager’s deliberation may at times impede the rationality of the ethical code proposed by the workers or other stakeholders. If the manager and the administrative body of a firm do not value sound reasoning in their deliberation it would be tough to identify and carry out a moral action. The firm while working on a code has to assure that it is rationally founded and worthily be recognized as an imperative of moral perfection. Though assertoric practical codes are not absolutely faulty, but they cannot command with full authority of reason. The Decision making body of the firms have to steadily move from the initial counsels of skill towards the absolute commanding power of reason. Such a code would offer impetus for everyone to strive for the performance of moral action.

Though this ethical code depends on maxims for its validity, Kant argues that it does not depend on the degree of ones faithfulness to the maxim rather it depends on the specific quality of the maxim one choses to adopt (MM 6:404). In Religion within the Bare Bounds of Reason, he once again reiterates this view in the form of a question: “But if the human being is corrupted at the

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basis of his maxims, how is it possible for him to achieve this revolution through his own powers and to become on his own a good human being?” (RN 6:48). It would mean that a virtuous manager may work strenuously for a genuine ethical code to be in place in his workplace but if he concentrates merely on the grade of commitment to a maxim, then it may not bring forth desired result. It is important to act on quality-maxims for quality moral code. Focusing on faithfulness to any maxim may give us an experience of assertoric imperative as the grade of knowledge is limited while a maxim of sublime quality would lead to categorical imperative which is the ideal of pure reason in its practical sphere. Therefore an ethical code is feasible for business only when it flows from a quality-maxim.

For instance, transmission of technology is fundamental to the escalation of productivity in the world. But a nation or a firm is absolutely free to share its technology with other nations or firms. They can set an ethical code that benefit them and a nation might prefer to export its produce than share technology. A firm is legally permitted to export its produce rather than technology and a maxim evolving from it is permissible but its worth is limited as it has not transcended the hypothetical nature of the maxim. A maxim which rises above its hypothetical nature would look forward to cater to the needs of the entire society in a non-consequential manner leading to categorical imperative. Thus a true Kantian code of ethics would command every firm to share technology for common good of the world rising above firm’s business itineraries.

The categorical imperative with its guidelines for action would form the basis for the ethics of any business organisation. The third formulation of the categorical imperative which brings everyone under the banner of the *Kingdom of ends* gives the glimpse of the organizational design of the business firm. Just as the moral law invites one to act on a maxim, which can function as a universal law for the entire humanity, the firm should take into account the interests of all the stakeholders in their decision. The business organization should seek the opinion of all those who are going to be affected by the decision, in the process of decision making, that they would not be merely the subjects of the law but also its legislators as the Kantian imperative envisions. Thus, Kantian imperative calls for a consultation of cordiality of all concerned before implementing the policies for the business organisation.
In short, for whatever reason, the business organisation should not bypass the various formulations of the categorical imperative, particularly the second formulation which is the categorical imperative in action. As the categorical imperative embraces everyone into its *kingdom of ends* through the process of universalization, the business unit has a *duty* to take everyone into account such as producers, shareholders, sales men and consumers. Shaw and Barry write:

> Respect for the inherent worth and dignity of human beings is much needed today in business, where encroaching technology and computerization tend to dehumanize people under the guise of efficiency. Kant’s theory puts the emphasis of organisational decision making where it belongs: on individuals. Organisations, after all, involve human beings working in concert to provide goods and services for other human beings. The primacy Kant gives in individual reflects this essential function of business.⁹

For Kant, the business organisation is a moral community, where there is no disparity of any kind among all involved. Acting on a universal maxim is the core principle of the moral community. The application of this categorical imperative fosters fraternity, unanimity and cordiality among all members of the business organisation. As business units have collective goals and mutual ends, the categorical imperative can serve as the binding force of all its members. Finally, in the association of the members of the organization, it would encourage everyone to be grateful, beneficent, benevolent and respectful, purely from an act of duty and not from sympathy or similar emotions. This ethical code in business would minimise confrontation and risk and increase profits, because the strict keeping up of the moral law provides the protocol and decorum needed for everyone involved in business, facilitating trustworthy business.

However, the Kantian moral code is often criticized for merely providing a theoretical structure of morality rather than offering specifications to act in a given situation. The Kantian ethics keenly presents a universally applicable procedure and is insensitive to specific times of need. There may be conflicting duties where the human mind would lack clarity to discern. Kant disregards feelings of sympathy and warmth making people cold and legalistic and therefore provides a

counterbalance to dignity and freedom which the Kantian morality overwhelmingly subscribes to.\textsuperscript{10}

This is a common criticism that is leveled against Kant’s ethical code which we have already addressed to some extent. Though the reasoning here is fair, the argument does not appear too sound. Reductionism does not allow us to understand facts in a comprehensive manner. It is in a broad framework of liberal structure that we adequately grasp the truth in fullness. It would have been possible for Kant to reduce the moral law to certain specific set of dos and don’ts but that would not have offered the human reason the freedom to choose and act responsibly.

Again, in business, the issues are complicated and every generation witnesses new and demanding issues which Kant’s generation did not have to address. By having offered specific modes of behavior, Kant would have been conditioned to his times and issues and his ethical system in turn would have suffered the same fate of other theories of specific nature with limited scope. Therefore, it appears to be a prudent move to offer a broad framework and address the issues with a lot of freedom and yet within the parameters set by his principle of duty. This is where the Kantian system of ethics brings forth a humanitarian appeal in a collaborative way where the normative ethical principle gets a personal touch as it evolves from one’s maxim.

\textbf{6.3 Purity of Motive of Business Corporations for a Humanitarian World: Good Will}

Business belongs to the public sphere and therefore should abide by the etiquette required for such affairs. It is not acceptance of the norms of business or contract and money that shapes business, rather mutual trust and fairness. Regarding the fairness in business Shaw and Barry write that, “the notion of fairness in exchanges is more central to business than to any other practice – whether in terms of work and salary, price and product, or public services and subsidies. Without fairness as the central expectation, there are few people who would enter into the market at all. Without the recognition of fair play, the phrase free enterprise would be something of a joke.”\textsuperscript{11}

\textsuperscript{10} Harrison, \textit{An introduction to business and management ethics}, 103.
\textsuperscript{11} Shaw and Barry, \textit{Moral Issues in Business}, 41.
The fairness in business is important, as it involves various individuals who are associated with it at different stages, as proprietors, shareholders, managers, sales executives and customers. Being fair to all these people is not a matter of civic sense or protocol rather they are the prerequisites which make business genuine. Quality control, safety of the products, trademark monopoly and up-keeping of business contract are inevitable for the smooth functioning of business. The business men can create an artificial scarcity of goods by holding excessive stock which would increase the price of commodities and it would invariably increase the profit. This and other similar acts are clearly against the purity of motive in business. This calls for a solid ethical foundation which evolves from the interior self of an individual to curb these fraudulent practices. And in this search for a viable process the Kantian ethics edges out most other theories.

Kant with his concept of Good will brings an exciting ethical principle into action. In the Groundwork, Kant asserts; “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 a good will... unless a good will is present which corrects the influence of these on the mind and, in so doing, also corrects the whole principle of action and brings it into conformity with universal ends” (GW 4:393). Again in the same work, Kant proceeds to assert that good will is good not for what it accomplishes or that it is capable of attaining a specific end rather even if it lacks the capacity to perform an action for whatever reasons, “like a jewel, it would still shine by itself, as something that has its full worth in itself” (GW 4:394).

Thus for Kant, good will is a moral vocation which everyone in his lifespan is called to realize and live irrespective of what one’s life choices are. It also applies if one opts to build a career as a business executive or a manager. It also has a deep meaning to a trader whether retailer or wholesaler or anyone associated with it. He articulates in a soothing manner: “Repeated arousing of this feeling of the sublimity of one's moral vocation is to be extolled preeminently; for it acts in direct opposition to the innate propensity to pervert the incentives in the maxims of our power of choice, in order to restore, in the unconditional respect for the law as the highest condition of all maxims to be adopted, the original moral order among the incentives, and thereby to restore, in its purity, the predisposition in the human heart to the good” ( RN 6:50).
Thus goodwill being the most fundamental to Kant’s moral theory, a corporation must necessarily consider it as an obligation to heed and respond. It must encourage its workers for engaging in actions in response to this vocation and develop a respect for themselves as persons who act out of their good will and articulate and formulate their conceptions of good in accordance to it. Goodwill is thus essential in public domain and the corporations need to act out of it as they deal with human beings possessing goodwill. It also is a way of corporation respecting the humanity of the rational agents whose support is essential for them.

However, history is a witness to multiplicity of cases where the goodwill principle has been subdued by unethical forces of the corporations thereby ignoring the goodwill present in those associated with it. The corporate world was taken by surprise when BBC news in 2003 reported the cases involving Enron and WorldCom. In the Enron case the IRS (Internal Revenue Service) was kept in dark about what was happening and the transactions were too complicated to be understood easily. Enron had countless successful efforts to manipulate its taxes and accounting. The WorldCom scandal on the other hand involved 11 billion dollars and the jury found the WorldCom co-founder guilty of seven counts of making false claims besides a count of security fraud.\textsuperscript{12}

The CEOs as highest ranking managers of the organization often present a rosy image about the corporations but often its reverse is true. They even drive us to think that it is naive to trust any of their business claims. The above referred cases are the clear examples where the goodwill has been subdued by the forces of evil. These corporations may have adopted these unethical methods for certain reasons or forced into these actions by certain unforeseen circumstances but they have done it at the expense of the presence of goodwill in them. They have lost the trust of a large number of people who look up to them for responsible behaviour. The purity of motive principle which flows from the rational agent’s goodwill has been conveniently bypassed by these above mentioned companies.

These managers and others who are responsible for business may possess numerous desirable qualities which are essential for a human person which are also qualities associated with goodwill. Even if one is gifted with all natural qualities such as kindness, moderation, courage etc…, which are significant to achieve noble goals but if they do not possess goodwill, one cannot be considered morally worthy person. Johnson writes; “Since those are the very qualities of character and temperament that allow one to achieve these noble goals, it is even conceivable that someone might have all of these desirable qualities and achieve all of the noble goals a good will would have, yet still lack a good will and hence still fail to be a morally good person.” And goodwill works through the channel of duty since duty is the sole motivating factor. Goodwill is inherently present in duty and only in a spirit of duty that goodwill is manifested. Kant writes, “we shall set before ourselves the concept of duty, which contains that of a good will though under certain subjective limitations and hindrances” (GW 4:397).

The goodwill in us may not always choose good and duty can be the motivating principle of moral action. The stakeholders of business may have good intentions and wonderful human qualities and a goodwill to perform in a spirit of humanness but if they don’t perform the actions in reverence to duty, inclinations would dominate the good desires. A manager is called to act in goodwill but the motivating factor is duty and not feelings of sympathy. Sympathetic sentiments may induce a top business manager whether a CEO or a division president to define strategies and set organizational goals which are ethically acceptable. But they are not as meritorious as when done out of duty because it is primarily a manager’s duty to perform in his capacity as manager. And sympathies and sentiments tamper with the spirit of duty.

Kant writes: “…suppose that now, when no longer incited to it by any inclination, he nevertheless tears himself out of this deadly insensibility and does the action without any inclination, simply from duty; then the action first has its genuine moral worth” (GW 4:398). For the business firm’s motives to be pure, the goodwill should operate from duty. Sympathetic concern leading to goodwill is not to be accepted as a path for dutiful behaviour. Only in acting from duty, a firm becomes anthropocentric guiding humanity towards its moral perfection.

The Kantian goodwill principle is a sound ethical principle and at times said to be difficult to apply to business context. The Kantian theories give the impression that they are merely intellectual exercises. The moral maxim may be seen as having been derived from the process of rational faculties. It is not that Kant was unaware of such views for he always associated certain amount of uncertainty with his theories. A theory however vague may be can still be more than handy in crucial decision making situations. The Kant’s theory of goodwill inviting to act from duty is perhaps vague but still the best for discipline and order in trade practices. Bowie summarises the relevance of Kant’s concept of goodwill to the administration of any business or firm and I quote him here:

Kant argued that the highest good was the good will. To act from a good will is to act from duty. Thus, it is the intention behind an action rather than its consequences that make that action good. For example, for Kant if a merchant is honest so as to earn a good reputation, these acts of being honest are not genuinely moral. The merchant is only truly moral if he or she is honest because being honest is right (one's duty). Persons of good will do their duty because it is their duty and for no other reason. It is this emphasis on duty, and the lack of concern with consequences that makes Kant the quintessential deontologist.  

By asserting that the good will alone is good, Kant forms a solid pedestal to the purity motive of business. In Kant’s view one would act with an untainted motive when he acts from good will which is a duty. Good will is the absolute good and therefore it does not offer an option for those who would like to search ways of evading from doing one’s duty. Finally, business can be truly legitimate, genuine and ethical, only if it promises purity in its motivation and in this regard, we look up to the Kantian principle of good will to instil it in everyone involved in business.

### 6.4 Social Responsibility and Kantian Path to profit

Corporations cannot incur loss and should aim at profit for its survival and fulfill its accountability to the investors. But the corporate citizens are not merely accountable to shareholders but also to

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a variety of stakeholders from the employees to the ultimate consumers and their responsibility extend to the entire society at large. Therefore the business has to adopt a delicate approach for its sustained existence in this time of competitive businesses and competing firms. The corporations should have a social conscience and exhibit it by providing employment, fair wages, eliminating discrimination and through consumer-friendly programs.

The corporations have a responsibility to the nation to refrain from increasing the cost of goods when there is inflation though price increase would be of interest to the corporation. Though from an investors point, it is profit that runs business, the other stakeholders have their rights too. Every stakeholder’s right is the collective purpose of business and every one of these agents’ needs are legitimate and they ought to be addressed. It is here comes about the need to stretch social responsibility beyond the corporate citizens.

It is often argued that contributing to social responsibility is stealing from investor’s kitty and it seems right to state that the assets of business are of the investors. And therefore don’t the managers have a duty to manage responsibly keeping abreast with the interest of the investors? I don’t think that the argument is too faulty rather a bit too narrow. The investors are not the only people who count in a business. Corporations can exist for purposes beyond simply maximizing profits. And this is the point we intend to address as we proceed from a Kantian deontological ethical approach.

Kant’s ethics convincingly argues that maximization of social responsibility is the only legitimate path to profit and it does not imply that one would automatically lead to the other or one follows the other. Kant may not have stated it using terms apt for business management and administration in an explicit manner but the issues he touched upon in his long philosophical career amply divulge it. This comes as a surprise to a world-order where social responsibility and profit are viewed as opposing poles with the possibility of only one of them to endure. This position of Kant should be seen in a view of extension of his deontological trait. Kant does not argue that profit is foreseen or viewed as the effect of social responsibility and the worth of the action depends on its consequences, in which case, it is a consequential approach.
Kant’s ethics perceives profit as natural outcome from actions performed out of duty. When a corporation functions on principle of duty in respect for humanity everyone’s needs are taken care. When everyone acts on the moral maxim which categorically commands there is no exploitation rather everyone is mutually cared for. Thus there is no dependency of profit on common welfare or common good invariably leads to profit rather when customers and corporate citizens act on the moral maxim which may become a universal norm for everyone then there is both common good and profit resulting from the dutiful behavior of all.

Kant out rightly denounces corporate philanthropy where a corporation involves in societal acts by way of charity in order to enhance business fortunes. Here the welfare of the society is a mere consequence of the manipulative tactics of a business firm. Again the corporate philanthropy has only a discounted value as it is used as medium for profit or business expansion. Businesses at times contribute for peace in the nation or volunteer to negotiate with other firms for cheaper supply of goods for a nation which may not be done with best interest for the nation. For Example, a company producing a popular brand of cars may negotiate with a foreign fuel agency on behalf of a nation for its own investment and business success. Huge charitable funds are often given by established business firms to reap benefits for the business. This brings to our frame a discussion on one of business’ most popular concepts i.e CSR.

CSR is an important aspect of every business concern as much as profit is and from a Kantian perspective it is immoral to use CSR for the attainment of corporate objectives. And for Kant what counts is whether our actions correspond with the universal moral law which is morally binding and it should be predicated on reason. The Second Critique acknowledges it in the following words: “A practical rule is always a product of reason because it prescribes action as a means to an effect, which is its purpose” (CPrR 5:20). Therefore CSR should be carried out of practical reason for the sake of duty and not for profit though it is possible that CSR transmits a healthy opinion to the public and they extend overwhelming support leading to profit. In such case profit is not intended and CSR is not used as means for profit. And profit is maximized as people act on principles of reason for the sake of duty as they acknowledge and reciprocate the service of these dutiful firms.
Though this Kantian view is not completely absorbed by MNCs and trade establishments, there is a growing awareness about it in certain companies. For instance, In July 2007, the *Global Compact Leaders’ Summit* in Geneva which had the representation of over 1,000 business leaders, politicians and civil society representatives, deliberated for a renewed focus on corporate citizenship around the world. However a serious breakthrough in tune with this is possible only if everyone considers it a duty and act on principles of reason rather than inclinations of personal gains.

Kant’s CSR doctrine states: “For if none might appropriate more of this world's goods than his neighbor, there would be no rich folk, but also no poor. Thus even acts of kindness are acts of duty and indebtedness, arising from the rights of others” (LE 27:416). This is a simple theory pertaining to how CSR needs to work though Kant may not have said it in this sense. The simple reasoning of Kant is, don’t get into an amassing-race with your neighbor rather live by the maxim whereby you keep your wealth at least equivalent to your neighbor. This brings in the idea of personal responsibility where everyone takes a personal affirmative stance on CSR. As corporations are run by persons, owning personal responsibilities can alter the way CSR functions and profit may not be viewed as outcome of CSR.

*Charity begins at home* goes an old adage and I would rephrase it as *CSR begins at workplace*. I mean to state that CSR may have several common agendas for the betterment of the world such as pro-life issues, environmental projects and enhancing growth rate. But, CSR should address the issues of people who matter immediately to the business i: e its stakeholders. Every employer should be treated in a healthy way and not as means to ends. Every business firm should begin its social responsibilities right at its work place. The factory workers are the means to produce profit for the employer but using them only to get what they want is disrespecting their human worth and it is against the moral law. Providing inhumane working conditions and minimum wages do not lead to profit as the employers would be discontented with the business. It is a duty to promote CSR at workplace. Speaking about the duty of love to other men Kant writes that, “it is therefore an indirect duty to cultivate the compassionate natural feelings in us” (MM 6:457).

CSR is a duty of the corporation towards also its workforce as much a duty to the world. CSR is a duty we owe to those in distress. It is different from almsgiving\textsuperscript{16} which Kant does not approve. Kant argues that alms giving invites for a constant help over a good stretch of time whereas aid in times of distress is a temporary support for a particular situation to rescue someone from this distressing plight (LE 27:455). It is in adequately attending to the needs of the workforce that a business thrives and makes profit. The traditional description of CSR is of a philanthropic nature where they make donations to charity and social wellbeing. The modern description of CSR gives a significant importance to the stakeholders and their wellbeing. Holme and Watts write that, “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”\textsuperscript{17} This definition places the concerns of the employees at the helm of every business’ priorities.

Social responsibility from a Kantian perspective is a duty and a company should not take pride in doing it or seek profit-maximization though these acts, done out of duty also can bring forth benefits to the business. Adhering to right ethical norms does bring about increase in returns making profit and ethics as part of the same equation. Corporations have to balance their business aspirations with ethics. At this juncture it is worth giving a thought to what Arora writes in \textit{The Financial Express}:

\begin{quote}
This is a complex journey especially during tremendous economic pressures. The drive for success in the marketplace and to maximise return of capital can lead a company astray with disastrous results. Successful businesses fail, profitably running businesses suffer from a downfall and some seemingly effective corporations have a great fall in their profits and popularity all due to
\end{quote}

\textsuperscript{16} Kant describes almsgiving as follows: “Alms-giving is a form of kindliness associated with pride and costing no trouble, and a beneficence calling for no reflection. Men are demeaned by it. It would be better to think out some other way of assisting such poverty, so that men are not brought so low as to accept alms. Many moralists try to soften our hearts, and to commend kind acts done from tenderness; but true good actions come from sturdy souls, and to be virtuous a man must be staunch. Beneficence to others must rather be commended as a debt we owe, than as a piece of kindness and generosity” (LE 27:455-456).

the lack of business ethics. There are companies that have crossed ethical lines in the pursuit of profit, and momentarily gained fame and fortune but what was the end result? 18

Thus ethics can coexist with the theory of profit maximization and when the organization and the individuals act for the sake of duty it results in mutual benefits though one is not the cause for the other. From a Kantian viewpoint, even actions performed from an ethical motive do not challenge the interests of corporations as they count in the long term interest of the firm. The underlying principle is that if a corporation respects its stakeholders in a spirit of duty profit is its automatic outcome as the stakeholders are also in a similar duty to act on a moral maxim. Bowie complements it when he says, “Profits will be enhanced if the manager focuses on respecting the humanity in the person of all the corporate stakeholders. Perhaps we should view profits as a consequence of good business practices rather than as the goal of business.”19 This is a perfect summary of the argument that I have been trying to articulate from a Kantian model of ethics. And once again, I fall back on the article of Arora in The Financial Times to add a concluding remark for our discussion:

Nowadays, money and ethics are seen to be diametrically opposed to each other but it turns out money and ethics do have much in common. Any corporation large or small ultimately lives by its reputation. Ethics must sit at the top of the mountain for any successful company that wants the trust of the consumers and investors. There are very few second acts once the public perceives the organization is flawed by dishonesty or inferior quality. As is very rightly said by Henry Ford: A business that makes nothing but money is a poor kind of business.20

Thus, social responsibility and profit can coexist in a business set-up without being anticipated. Corporations do not have to target profit from their socially beneficial acts. It is the principle of

18 Karan Arora, “There are very few second acts, once the public perceives the organization is flawed by dishonesty or inferior quality,” The Financial Express @ campus, Monday Oct.12, 2009.
20 Karan Arora, “There are very few second acts, once the public perceives the organization is flawed by dishonesty or inferior quality,” The Financial Express @ campus, Monday Oct.12, 2009.
duty that looks into it and duty is the legitimate Kantian path to profit. Corporation, stakeholders and the society at large have an obligation to act on duty with no inclinations in a Kantian spirit where the social accountabilities are accomplished and the investors get their return.

6.5 Moral Decisions vs Beneficial Decisions: Kantian Preference

Decisions of self-interest\(^{21}\) are the backbone of many of the businesses today. The everyday functioning of business involves several types of decisions among which the financial decisions\(^{22}\) are the most significant as finance is the prominent concern of business. The decision makers of the company make sure that their decisions protect the interests of the company. This leads to making beneficial decisions, but the question whether they are also moral decisions need further deliberation. This is a conflict\(^{23}\) often witnessed in board meetings when the corporate citizens debate over moral and beneficial decisions. A case in discussion would be, some years ago, Nestle launched its bottled water project *Pure Life* in India and Pakistan. It entered into market in 1998 in Pakistan and three years later in India. It was considered to be safe and pure but completely unaffordable to the lower income group of these countries making water a luxury commodity.\(^{24}\)

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21 Kant makes a distinction between self-interested and disinterested feelings. He writes: “A self-interested feeling presupposes our own imperfections, which can be acquired (so are not God-given), and imply neediness. A disinterested feeling presupposes our own perfections: the grounds for it may lie in the acquisition of other perfections, and it presupposes perfection. The disinterested feeling is like a force of attraction, and the self-interested feeling like a force of repulsion. The two of them, in conflictu, constitute the world” (LE 27:3).

22 It is worth a discussion here on the implications of financial decisions because every business makes crucial finance-related decisions. Most of the decisions of a manager have a bearing on the financial position of the respective company. These decisions are often taken with strict arithmetic and utmost loyalty to laws of company and state. But these decisions cannot be taken purely on the basis of arithmetic and ethics often makes an automatic entry into business affecting these decisions. Cadbury presents a situation which explains the way ethics affecting financial decisions. He writes that, “where there seem to be competing values, not cases where one course is clearly right, the other wrong. You may decide to do the wrong thing. That is entirely another matter, but in that case there need be no query in your own mind as to which course is right and which course is wrong. The difficulties come when in fact both courses seem right and we have to decide which of them is going to prevail. Another difficulty for decision-making arises from uncertainty as to what the rules mean. We may have some rules, but we don’t actually know how to interpret them in the particular case which confronts us. Another problem may stem from conflicting orders. We are actually being asked to do two conflicting things at the same time and we have to choose between them”. Adrian Cadbury, “Business dilemmas: Ethical decision-making in business,” in *Case Histories in Business Ethics*, 11.

23 This conflict of making a choice between moral decisions and beneficial decisions is well articulated by Michaelson. He describes: “The defining terms of contemporary business ethics set up a conflict between two forms of value, economic and ethical. “Business ethics,” “business and society,” “social issues in management,” “corporate financial performance vs. corporate social performance,” “stakeholders vs. stockholders,” “corporate responsibility,” and “corporate citizenship,” among other terms, each, fundamentally, pair an ethical interest with an economic modifier. Christopher Michaelson, “Values and Capitalism,” in *Normative Theory and Business Ethics*, 195.

The decision to launch bottled water by Nestle is beyond doubt a beneficial decision both for Nestle and for the people as they both benefit out of it. It was benefiting Nestle more as it was reaping handsome profit out of it. Safe drinking water is a humanitarian need, and at this point a moral decision, which would not hurt the interests of both the parties, should have been worked out; instead, Nestle opted for a beneficial decision ahead of a moral one.

An important aspect of a moral decision is that the moral decision carries with it a moral accountability, while the beneficial decisions are concerned about benefits and would not have a social accountability. The beneficial decisions would only aim at the expansion of business and maximisation of profit by any means, while the moral decisions target the welfare and satisfaction of all. The moral decisions cannot be unfair as they are made after rational reflection in a responsible manner with the desire to enhance and create a better environment for all. The moral decisions bind corporations as much as they bind individuals.

Moral decisions by business units imply accepting the moral responsibility that goes with it. Moral responsibility includes both negative injunctions and also certain positive directives. The moral responsibility arising from the moral decisions includes the following: don’t pollute, don’t misrepresent products and don’t bribe while; the positive ones include: give preference to the socially backward people, save environment, work in rural areas etc. Therefore the moral decisions are to be given precedence over the beneficial ones. This moral responsibility could be carried out with better efficiency by corporations than by small business firms.25

Application of Kant’s ethics would impel us to opt for moral decisions over beneficial decisions. The universality of the categorical imperative means that the firm should act on a maxim which is morally acceptable to all. This would lead to enhancing the moral credibility of a firm. Mere beneficial decisions simply evolve from certain selfish emotions to safeguard the interests of business which is against the principle of duty. In Kantian understanding, even the acts of beneficence towards all rising from emotions are still unethical; only those arising out of duty are

25Shaw and Barry, Moral Issues in Business, 216.
genuine. Therefore, a decision evolving out of duty alone is acceptable for Kant, and such a decision alone is moral.

Thus in making a moral decision, the business firm is not going *an extra mile* to its workers or customers rather it is performing its duty. In the Second Critique Kant writes; “it is very beautiful to do good to human beings from love for them and from sympathetic benevolence or to be just from love of order; but this is not yet the genuine moral maxim of our conduct, the maxim befitting our position among rational beings as human beings” (CPrR 5:82). The First Critique spells out the theory of such an application in its practical sphere which states, “Morality by itself, constitutes a system” (CPR B 839 / A 811). Since morality is a system by itself, it does not offer any space for influence of any ulterior external motives. Thus, the Kantian ethics upholds the decisions which evolve from morality in a spirit of responsibility. From a Kantian perspective, the beneficial decisions cannot be taken, if they do not qualify to be universal and moral.

Every business is at some stage confounded by this question of beneficial or moral decisions. It could be even stated that every decision includes at least in some measure this scuffle. There is one important case which has appeared several times in different books on business ethics which makes sense to refer to yet another time. This is a case of conflicting ethical ideologies involving a GM of a company and other corporate citizens. The GM works for a US based banking company in Italy which is its first venture there and also the first appointment for the GM abroad. During its operations, when the GM is asked to file tax returns where the practice is to devalue the corporate profits at least by a third if not by two-thirds. He is told that the Italian Revenue System assumes that businesses undervalue their profits but his personal code of ethics does not permit him to do so and he files a return which reflects the actual gross profit. He makes an honest ethical decision but the company pays much higher tax on returns which eventually leads to his recall to US and is replaced by another.²⁶

This is a typical situation where a beneficial decision comes into confrontation with its ethical counterpart. The GM is morally right but it was certainly not in tune with what the company wanted him to do. For Kant, the decisions of personal interest have no significance and one need to act

purely from the moral law and the GM has upheld the Kantian approach to ethics. It is a challenge to everyone to act morally at all situations and internalize a moral culture. Kant calls for a moral education which is essential and he states that, “the moral education of the human being must start not from the improvement of mores but from the transformation of the way of thinking and the founding of a character, although it is customary to proceed differently and to fight against vices individually but to leave their universal root untouched” (RN 6:48).

Thus moral decisions can come from individuals and groups who have right thinking and upright character. We should not attempt to regulate our moral nature as such rather it is the process of correct thinking assisted by human reason that gives the moral principles of action. This is affirmed by the Second Critique which states, “… pure reason can contain within itself a practical ground, that is, one sufficient to determine the will, then there are practical laws; otherwise all practical principles will be mere maxims” (CPrR 5:19). Therefore pure reason in its practical sphere give rise to moral maxims and moral decisions in everyday life of business are made based on these maxims. And when one does not comply with these moral maxims he is tend to make beneficial decisions which arise out of self-interest and inclinations setting aside the moral principles of pure practical reason.

Therefore business decisions are crucial and businesses over the years have sustained or suffered on account of their decisions. There is always an imbalance of economic and ethical values often also conditioned by market imperfections. The business ethics debate today hangs on this single principle of balancing one’s values both ethical and beneficial. The pure reason in its practical sphere offers the balance calling us to make decisions for the sake of duty. When a corporation fails to strike a balance while making decisions they end up in unethical decisions.

At times when a corporation suffers from unethical decisions, it becomes difficult to rectify them or even to find culprits. For example, the Shell oil is accused of their unethical operations in the Nigerian Ogoniland oilfields. They could not act on the culprits who are responsible for the unethical decisions since the oilfield drilling of Nigeria included a long chain of corporate
decisions. This is another problem with the corporations when an unethical decision is sustained consistently for several years it would affect corporation in its entirety as no personal culpability could be attributed to individuals as there could be different individuals and decisions involved in the process. And so Arora concludes; “when ethics remain important in business, strong ethical values takes the business a long way. Ethics are important not only in business but also in all aspects of life because it is an essential part of the foundation on which civilised society is built. A business that lacks ethical principles is bound to fail sooner or later.”

Thus the moral decisions are integral to any business success and from a Kantian view acting from duty would imply favouring ethical decisions ahead of beneficial decisions for Kant says, “However, that someone should become a human being who is not merely legally but morally good” (RN 6:47). Morally good decisions make not just the business trustworthy but also reveal the integrity of the decision makers. And consistent moral decisions are possible only when people act for the sake of duty and being dutiful in the eyes of public will intensify the profit of the corporation.

### 6.6 Kantian Ethics as Obligatory

The spirit of Kantian morality is one of obligation as it binds all individuals offering no flexibility to go purely by one’s preferences. The universal nature of the law tenders no room for a morality of personal preferences. In *Groundwork*, Kant calls for forfeiting of the subjective interests for the sake of the principle of universality. He writes, “Maxims must always be so adopted that they can also hold as objective, that is, hold universally as principles, and so serve for our own giving of universal laws” (GW 4:449). This is a clear Kantian argument for a morality of obligation which leaves no provision for exceptions. So acting on a morality of preference is clearly ruled out in Kantian scheme of morals.

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28 Karan Arora, “There are very few second acts, once the public perceives the organisation is flawed by dishonesty or inferior quality,” *The Financial Express @ campus*, Monday Oct.12, 2009.
But, this is not the base to argue that Kantian morality gives no space for human freedom, on the contrary, the Kantian morality is founded on freedom. In the Second Critique Kant writes, “Now, the concept of freedom, insofar as its reality is proved by an apodictic law of practical reason, constitutes the keystone of the whole structure of a system of pure reason, even of speculative reason” (CPrR 5:3). Again, in the Third Critique he affirms it in these words: “of the three pure rational ideas, God, freedom, and immortality, that of freedom is the only concept of the supersensible” (CJ § 91). Thus, Kant’s philosophy has a special place for human freedom which is given as a postulate of practical reason.

Freedom implies choice and choosing from multiple options both good and evil. In his Religion, Kant spots three levels of the human being’s inclination to do evil. Firstly, he refers to the weakness in the human nature to faithfully maintain the adopted maxim; secondly, the propensity to mix the moral motives with the immoral ones and finally, the tendency to adopt evil maxims (RN 6:24). Therefore, Kant is cautious in devising a definition of freedom and presents an ethical system of moral freedom. Therefore, I would sum up my view of Kant’s ethics as one of obligation and not of preference in this manner: to let people to prefer implies to prefer the ethically preferable, based on a universal maxim. It is in this sense that his ethics becomes an ethics of obligation and not of preference.

This obligatory nature of Kantian ethics has great relevance to the corporations which calls for a serious consideration of morality by every business unit in their scheme of priorities. There are times when we have a dutiful obligation to perform an action even if there is no enforceable contract. When there are war victims, the food products company has a moral duty to act on a maxim of universal law and supply food for the victims. It should be done as if they themselves were in such a situation, and from the conviction that any one in such a situation, would act in the same manner. There may be times when a business unit might think, due to their obligation to the shareholders or for other reasons that they need to terminate a contract midway through the term, because it is unprofitable. But Kantian morality would argue that the option to keep the promise is not to be made on a cost-benefit analysis, rather purely in respect for the moral obligation of the terms of the contract. This is the obligatory nature of Kantian morality which rises above the choices of preference.
6.7 Authentic Happiness of Humanity: Ultimate Vision of Kantian Morality

Though often criticized that Kantian ethics does not value happiness and branded by some critics as legalistic, a genuine introspection into Kantian theories would reveal that an authentic happiness of the entire world was the culminating point of his anthropocentric ethics. Kant did reject a kind of happiness that the epicurean philosophy advocates. Referring to Epicurus he said, “So on Epicurus' theory, happiness was the sole end, and worthiness merely a means, and thus morality would be a consequence of happiness” (LE 27:249). Self-centered and egoistic idea of happiness as this which disregards morality does not get the approval of any sensible moralist and not merely Kant. It is because often morality is treated as consequence of happiness that Kant admonishes it in his lectures: “our inclination to our happiness is often fanciful, and morality should not be sacrificed on that account” (LE 27:62).

Therefore a true understanding of Kantian morality is that it incorporates authentic happiness in its system of mores. His happiness-project is too broad which comprises a happiness of all human agents. He states it in the most unambiguous manner that, “the most perfect world involves the happiness of rational creatures and the worthiness of these creatures for such happiness” (LE 27:247). This amply divulges the ethical project that his philosophy was trying to establish. His lectures reflect this vision as the most earnest effort for a humanitarian world. He held that the, “final destiny of the human race is moral perfection, so far as it is accomplished through human freedom, whereby man, in that case, is capable of the greatest happiness”( LE 27:470, emphasis added).

Thus Kant’s vision of happiness evolves from the rational agent’s responsible moral commitment for the ultimate happiness of the entire world. This Kantian theme is immensely relevant from the fact of discrimination in the world which does not promote over all happiness. According to the World Bank report, in the last 20 years there has been a rise of poverty in Africa to 100 million people who have an income of less than a dollar a day. 300 million which is about half of Africa’s population live well below poverty line without basic necessities such as food, drinking water,
medical care and sanitation.\textsuperscript{29} This situation is not too different in Asia and in certain other part of the world. With this stranded situation of our world do we still persist with such egoistic theories which have not liberated us? Don’t we have a responsibility to see the world transcending its egoistic happiness to achieve a communion of happiness in a responsible dutiful behavior towards each other?

Trade and business being dominant human activities that we are involved, our vision as authentic happiness for the world would be established only through fairness in these activities. Every human activity, whether individual or common, needs to orient towards perfecting humanity as a whole. Kant was convinced that given the fragile nature of human beings (referred here is his extensive discussion on \textit{Radical Evil} in his work on \textit{Religion}), egoistic and tendencies seeking individual happiness would govern all human activities. It is the actions done from duty alone can adeptly guide the world towards its perfection.

Kant was aware that businesses are not free from inclinations and actions that do not promote common good. In one of his examples, Kant presents a situation where a merchant does not overcharge an inexperienced customer so that even a child can buy at a rate that he sets it for experienced and regular customers. But it does not tell us that the merchant acted from duty rather he may have acted for reasons of business prudence and for a good deal of trade. “People are thus served honestly; but this is not nearly enough for us to believe that the merchant acted in this way from duty and basic principles of honesty; his advantage required it” (GW 4:397).

Kant calls a trader to act from duty; else his actions fail to contribute to the overall perfection of humanity even though they are honest. For some, Kant may seem to be a scrupulous moralist but he should be viewed as someone who experienced revolutionary phase of human history and a product of enlightenment. As a philosopher of the enlightenment\textsuperscript{30} (\textit{die Aufklärung}) he envisaged

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\textsuperscript{29} Oliver F. Williams: “The UN Global Compact: The Challenge and the Promise,” in \textit{Leadership and Business Ethics}, 231.

\textsuperscript{30} Kant defines enlightenment as, “Enlightenment is the human being’s emergence from his self-incurred minority. Minority is inability to make use of one’s own understanding without direction from another. This minority is self-incurred when its cause lies not in lack of understanding but in lack of resolution and courage to use it without direction from another. \textit{Sapere aude!} Have courage to make use of your \textit{own} understanding! is thus the motto of enlightenment (EN 8:35).
\end{flushright}
reformation of society and advancement of knowledge. Among the diverse philosophical standpoints, he found a dutiful behavior alone can salvage pride for humanity in this time of dramatic revolutions in science, politics and society in the western world.

Thomas Hill, a prominent Kant Scholar from the United States in an interview with Hinman recaps the fervent yearning of Kant for a world where the moral rational agents exist in a respectful communion under the banner of the moral law. He asserts:

Kant rejects the view that values are off in a platonic heaven or that they are something to be discovered through natural science. And he rejects the view that morality is a matter of determining how people feel. Instead, the fundamental idea is that moral constraints are just those rules reasonable, free people would agree upon if they would each set aside prejudices and special interests. On this view, there’s nothing terribly mysterious about morality; it’s simply a matter of what reasonable, thinking people would agree upon as the conditions for living together in some mutually beneficial and harmonious way— and I should add a mutually respectful way. It’s not just a matter of promoting happiness, but also of respecting each other.31

This is a perfect simplification of the Kantian ethics that instills confidence that his theory of moral living is not as abstract as it appears. Its core message is harmonious living respecting the humanity in everyone. Authentic happiness is the result of respectful co-existence and Kant’s theory advocates it for the enhancement of the world. Today 400 million people lack the calories, protein, vitamin and minerals to keep their bodies and minds in a healthy condition. Millions suffer of deficiency and children are underfed and suffer from malnutrition. The world loses about 14 million children before they reach the age of five due to the combined effects of malnourishment and various infections.32 This is not the record that a civilized society can boast about. With businesses having a free go at profit maximization, our harmonious and respectful co-existence of all people is at stake as never before in history.

Globalization and its increased human connectivity have widened our access to a variety of commodities due to diverse marketing strategies by different business establishments. But, it also has widened the gulf between the rich and poor where the majority are deprived while the affluent possess surplus. This is not an ideal situation of the world and trade and business definitely have a serious responsibility in hand for promoting equality, justice and fraternity in the society. This is what the Kantian ethics invites us to do by asking everyone to act on a moral maxim and treat others in a way that we want others to treat us.

To be concrete, those who start petty businesses to fulfill their most basic human needs continue to amass wealth once the initial needs are met. The struggle for survival becomes a battle for accumulation with unlimited needs, extended plans and prospective business ventures. This is an unfair attitude towards a society which is still striving for perfection and the coldhearted approach of the human persons. Avowing the human person’s self-actualization process, Kant defines its trajectory. He writes, “A human being, through gradual reformation of conduct and consolidation of his maxims, passes from a propensity to vice to its opposite. But not the slightest change of heart is necessary for this; only a change of mores” (RN 6:47).

Kant describes that the trajectory of human progress is a movement from a propensity to vice to its opposite but the corporations and the multinational companies and their citizens do no always heed to this call of Kant. This is a certain reason for discrimination in the society and suffering of innocent children and women and the poor in the world. The consolidation of our maxims does not always take place in purely ethical frameworks leading to a society that is struggling with human right violations and segregation on account of a range of issues. Even trade policies reflect this segregation as the powerful trading countries determine what should be traded where. As a result, hazardous products and substandard commodities are traded in third world countries. It is business at its worst and humanity suffers on account of this unethical practice.

The ultimate aim of a viable ethical system, whether in business of otherwise, is to promote authentic happiness of all in the world. Every individual should strive and contribute towards this ideal and it is in this moral endeavor lies ones commitment to authentic happiness. Kant writes,
“All men are equal, and only he that is morally good has an inner worth superior to the rest” (LE 27:462).

Again Kant in his description of the stages in human life designates the responsibilities of each stage. He writes: “At sixteen he is now on the verge of manhood, and then education by discipline comes to an end. At this stage he learns increasingly to recognize his vocation, and hence must get to know the world. At this entry into manhood he must be apprised of his real duties, of the worth of humanity in his own person, and of respect for it in others. Here doctrine must shape his character” (LE 27:469). Kant thus specifies the need for moral education as early as sixteen when one begins to recognize his moral vocation and take a positive role to promote happiness in his future undertakings whether as entrepreneur, trader or what other walk of life pleases him.

6.8 Kantian Ethics: Operational Philosophy for Human Enhancement

As discussions in this research reveals Kant’s ethics is an operational philosophy and not a mere academic theory. It runs through the entire stratum of human existence facilitating diverse human activities. Its impact on business and trade has been intensely discussed even several years after his death. His ethics emits tremendous amount of energy as an operational philosophy for the humanity which looks forward to normative theories for guiding human activities. Kant’s ethics does not just set theories on board that everyone applies rather it calls them to act on principles of reason.

Introspecting into one’s heart to read the role of human reason is an unending struggle and a careful study would reveal that Kant’s approach of acting on moral maxims should not be narrowed down to rule-driven morality. Kant was pretty certain that if his theory was to be interpreted as rule-based then it would have been simply a technocratic form of morality which is justified by reason. Kant also knew the risk involved in this sort of theories which entrench rules whereby morality becomes a habitual act. For him, morality lies not in habitual inclinations or uncritical acceptance of rules. It is not a mere imposition of codes which seeks an automated compliance by everyone.
With so much of emphasis on autonomy and humanity, Kant would not have confined the rational beings to a system of laws.\footnote{Morland, \textit{Business Ethics as Practice}, 62.}

Thus, it is an operational philosophy which does not recommend norms of living rather exhibits keen interest for the enhancement of life. It is not a speculative theory but a set of practical guidelines for human behaviour and character formation. His lectures as a professor at Konigsberg University deciphered his ethical theories into concrete principles for human action. For instance, he taught to his students that “If we have taken something away from a person, and then do him a kindness when in need, that is not generosity, but a poor recompense for what has been taken from him” (LE 27:432). Is it not a practical instruction that lies central to any human activity? When the business activities and trade practices abide by such teachings, we have a reason to look forward with hope towards meaningful human existence.

Again often Kant is deeply misread to have constructed a duty bound ethics which subdues being sentimental towards others. A fervent introspection into Kantian ethics would immediately reveal the immaturity of the conclusion. Kant argues for duty for the same reason that his critics use to cite against him. The example of \textit{charitable giving} clears the ambiguity of our discussion. Kant writes that “So we shall acknowledge that we are under obligation to help someone poor; but since the favor we do implies that his well-being depends on our generosity, and this humbles him, it is our duty to behave as if our help is either merely what is due him or but a slight service of love, and to spare him humiliation and maintain his respect for himself” (MM 6:449).

This clearly reveals that Kant’s entire philosophical quest was to grace humanity in every one of us and all our efforts should be to enhance human living and not to humble it. It is a lesson for businesses that they need to perform acts of generosity in a spirit to enhance the charm of human life and for the same reason CSR is a duty and not charity. Kant has a sympathetic heart for the poor and needy but he advocated helping the other in a spirit of duty than mercy. Sympathetic feeling towards others lowers them and do not reveal the humanity in the other in good light. Thus
duty takes precedence because it shows the other in better light making every other a responsible human agent and not a victim of someone’s sentiments.

Again Kant’s operational philosophy guarantees a value based approach to business. Businesses have to function on a value-led approach finding a match between the values of the individual and company. There is a collaborative process where the individual and the corporation take a common value based stand. Robin Aram who is the vice president, external relations and policy development at Shell International states that, “We don’t believe in requiring everyone to comply with detailed rulebooks. We believe in a value-based approach that basically says you are being paid in order to make the right decisions based on a certain set of values and principles. I think value-based approaches are going to be more sustainable in the long term. That is the real driver – it will be more sustainable because people will intuitively, ultimately, instinctively do the right thing based on a set of values and principles.”

For Kant, at the helm of this value-led approach is the principle of duty. It is of no surprise that he hails it as; “Duty! Sublime and mighty name that embraces nothing charming or insinuating but requires submission” (CPrR 5:86). The submission to duty is not a demand of law on human folk but an exigency for the fortification of bond among the members of the world. In businesses, duty to each other stands as the shielding factor against every form of exploitation. With financial irregularities rocking most trades today and with ample possibilities to bypass laws by business firms, it is the realization of this spirit of duty in each one of us which leads towards responsible human activities.

*Texas Instruments* is a company based in Texas, US, which develops and commercializes semiconductor and computer technology. Its ethical standing has been phenomenal and it is being acclaimed world-over, winning several national awards for the same. In 1997, it went out of its way to have a policy that eliminates all rules yet maintaining the vital values of the company. After intense deliberation and focus groups they limited their rule book to just three words namely; integrity, innovation and commitment.

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These are core values that give human activities and particularly the human activities in business a social outlook. These values however genuine may be, would not be the automatic choice of human beings at all times and only a responsible dutiful behavior can provide constancy and purity. Intense human feelings of sympathy may occasionally lead an individual or the firm to commit for a noble cause but consistent and a permanent noble actions are possible from duty alone. For, Human feelings fluctuate, temperaments shuttle between extremes blowing hot and cold but duty as a moral principle of reason provides the kind of solidity that responsible human life rightly demands. And in business and trade, responsible corporate image, healthy employee relations and customer preference proliferate only when a person adequately realizes the moral maxim and acts on it. Therefore Kantian ethics though appears to critics as academic theory, it is an operational philosophy that has changed the approach of certain corporations such as *Texas Instruments* and sustained efforts to apply Kantian ethics within the structure of an organization would enhance its efficiency.

6.9 Kingdom of Ends as Kantian Cosmopolitanism: Credo of Business and trade

The richness of Kant’s categorical imperative is that it does not merely aim individual moral existence rather it proceeds to bring a communion of all moral rational beings. Therefore he offers a variant of the third formulation that reads; “Act in accordance with the maxims of a member giving universal laws for a merely possible kingdom of ends.” (GW 4:439). This formulation has a close affinity with Kant’s closest approximation to a formulation of the law in the First Critique, where he presents the concept of a moral world: “a corpus mysticum of the rational beings in it, insofar as the free will of each, under moral laws, is in complete systematic unity with itself and with the freedom of every other” (CPR A808 / B836). Thus for Kant the individual who is the author of maxim moves on to establish a collective kingdom of ends.

*Kingdom of ends* is derived from the categorical imperative with rational beings as constituents performing moral responsibilities in a spirit of universality. The rational agents are the members of the kingdom when they give universal laws and are also subjected to the same. They are sovereign beings as law makers and subjects when they obey these laws. This is the nature of the
Kantian kingdom of ends where everyone accepts morality as acting in respect for universal laws. Hence, every member of the kingdom has to be treated as an end in itself. The intuitive idea that gives rise to this formulation is that everyone has a moral obligation to act on principles which are acceptable to a community of rational agents who also have a role in legislation for themselves and others.

For Kant, it is the principle of autonomy that gives a place to rational agents in the ideal commonwealth or kingdom of ends which is a community of rational autonomous agents who are the authors of the moral laws (GW 4:433). He holds that humanity or rational nature is the only suitable aspirant to be rightly termed an end in itself (GW 4: 428). And such persons possess the capacity to set ends, follow those ends, be autonomous and be a member of the kingdom. Holtman observes that, “Respect is the name Kant gives to the esteem we properly feel for whatever possesses or expresses dignity. Thus we can say that, for Kant, dignity resides in the autonomous will and its dictates and is properly met with respect by every rational agent who encounters it.”

This theoretical framework of Kant’s ethics is the root of human society which should determine every human activity. Business and trade are activities which are vital to the society and every nation’s wellbeing. They should bring people under a single umbrella in a way the Kingdom of ends envisions. The international businesses should subscribe to the ideals of Kantian kingdom and work for the growth and benefits of the entire world transcending their limited interests. They should rise above mere business benefits to enhance the chance for peace. Bowie sees it as a possibility when he writes that, “Given the exponential growth of international business, it is not surprising that this view has many adherents today. During the 1970s and 1980s, trade agreements between the USA and the former Soviet Union were defended on the grounds that they would enhance the chances of peace.”

Kant was a firm believer in this theory that he reminds us in Toward Perpetual Peace that, “It was trade that first brought them into peaceful relations with one another and thereby into relationships based on mutual consent, community, and peaceful interactions even with remote peoples” (PP

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8:364). Though sustainable economic development for the trading agents has to be retained but the communion of all rational beings in an ideal kingdom of ends should be the ultimate goal of business.

Trade and business activities have to eventually lead people to their ultimate earthly purpose which Kant terms as cosmopolitanism. Kingdom of ends is where the cosmopolitan culture is brought to light. When people take responsibility upon themselves acting on universal maxims they transcend their differences to perceive a unity of purpose in the world. Trade and businesses would be carried out in a way that one does not become means for the other. Fair pricing and quality of products should be assured in a spirit of cosmopolitanism.

This brings in the principle of cosmopolitan justice in trade and business since justice is integral to trade and business. Kant believed that global justice results from global commerce and fair international trade is possible only in a global set-up where justice is already established. Global fair trade thus presumes global justice. It is not justice in the sale and purchase of commodities within state or between states rather cosmopolitan justice is a justice at a global scale. Kant’s cosmopolitan justice envisages constructing an economic order which can meet the demands of justice globally. Boyle argues that this cosmopolitanism would also benefit the trade-world for he states that, “Liberal economic theory holds that these cosmopolitans ties derive from a cooperative international division of labor and free trade according to comparative advantage.”

Thus cosmopolitanism does not only bring people together rather it also benefits trade itself so that different nations can market commodities on which they have advantage over others. This supports nations and individuals to produce goods at relatively low cost and exchange for goods of other nations. This helps tremendously the potential trading partners who can adopt to a policy of mutual exchange. Besides, people and nations are brought together and trade becomes a way and a tool for the humanity to come together as members of the kingdom of ends or the ethical commonwealth.

Kant affirms trade as a way for world-communion when he asserts, “Uninhabitable parts of the earth’s surface, seas and deserts, divide this community, but in such a way that ships and camels (ships of the desert) make it possible to approach one another over these regions belonging to no one and to make use of the right to the earth’s surface, which belongs to the human race in common, for possible commerce” (PP 8:358). Kant sees here a practical difficulty where the people of the world are disjointed by seas and deserts but there are possibilities for trade and commerce to bring the human race together. Kant places tremendous trust in the powers of trade and business for cosmopolitan existence of human race. The barriers of the likes of seas and deserts will be overpowered by the force of trade and commerce.

Again, it is not just natural barriers like seas and deserts will be overpowered by trade and commerce rather even man-made disasters like war will be trounced as well. Kant argues that the spirit of commerce will triumph over the forces of war because war and trade cannot coexist. In *Towards Perpetual Peace* we read:

It is the spirit of commerce, which cannot coexist with war and which sooner or later takes hold of every nation. In other words, since the power of money may well be the most reliable of all the powers (means) subordinate to that of a state, states find themselves compelled (admittedly not through incentives of morality) to promote honorable peace and, whenever war threatens to break out anywhere in the world, to prevent it by mediation, just as if they were in a permanent league for this purpose; for, by the nature of things, great alliances for war can only rarely be formed and even more rarely succeed. In this way nature guarantees perpetual peace through the mechanism of human inclinations itself, with an assurance that is admittedly not adequate for predicting its future (theoretically) but that is still enough for practical purposes and makes it a duty to work toward this (not merely chimerical) end (PP 8:368).

Thus, Kant strikes the right chord with this assertion that commerce will force nations towards a peaceable co-existence. Nations cannot live in enmity for long, as history has shown and of late
we have the episode of India sanctioning FDI from Pakistan\(^3^9\), who have fought hideous wars not very long ago and between whom bitter animosity has ruled since partition to this day. Thus we see that Kant is being vindicated today and it needs to go on to establish Kantian cosmopolitanism where the rational agents treat each other as ends in the kingdom.

This union of all *ends in themselves* in the nature of social contract is also an end that is unconditional and the primary duty of all people. These people mutually affect one another as ends of a civil society constituting the ethical commonwealth. This relation of all ends in the structure of a society is the supreme formal condition of all human beings who are secured public coercive laws (CSCT 8:289). In this coexistence of persons, the principle for the constitution of commonwealth is that no one drives the other to happiness rather each seek his or her happiness without infringing the freedom of the other (CSCT 8:290).

For Kant, it is the experience of history that the human race as a whole cannot but exist peacefully yet cannot avoid occasional conflicts with each other. And they are destined to organize themselves into a cosmopolitan society with laws of their own making. Though there are forces which time to time threaten the very fabric of this cosmopolitan vision but they do make advances toward a federation. Kant calls it as the “vocation of the human race” to march towards such a coalition (AN 7:331). This common vocation, “by which all are united through their common interest in being in a rightful condition, a state is called a commonwealth (res publica latius sic dicta)” (MM 6:311). This cosmopolitan commonwealth may not immediately evolve under single head “but is still a rightful condition of federation in accordance with a commonly agreed upon right of nations” (CSCT 8:311).

\(^3^9\) The *Times of India*, Aug 1, 2012 reports: “The Indian government on Wednesday formally allowed foreign direct investment (FDI) from Pakistan, the latest in a series of confidence building measures to build trust between the two nuclear-armed neighbors. Pakistani citizens and companies will be allowed to invest in all sectors apart from defense, space and atomic energy, a government statement said. The move to allow FDI from Pakistan had been announced by India's trade minister earlier this year. Both sides have implemented measures to improve trade and business ties, as they slowly rebuild relations that were shattered by the 2008 Mumbai attacks.” The Times of India, “India formally allows foreign direct investment from Pakistan”, Accessed from http://timesofindia.indiatimes.com/business/india-business/india-business/India-formally-allows-foreign-direct-investment-from-Pakistan/articleshow/15312558.cms / on Sept.17th 2012.
This also offers sovereignty to every independent nation for “No state shall forcibly interfere in the constitution and government of another state” (PP 8:346). Thus Kant envisages a unified world that takes pride in a league of all nations. In this quest for unity and oneness, Kant rightly acknowledges the role played by trade and commerce as the promoters of such a league. He expresses that, “It is the spirit of trade, which cannot coexist with war, which will, sooner or later, take hold of every people” (PP 8:368).

Thus the Kantian conclusion is a commitment to a world government in which commerce will have a definite role to play. Though critics might call moral cosmopolitanism as unworkable and seek institutional instantiation instead for the safety of human rights, Kant trusts the force of moral law. His emphasis on voluntary goodness reveals his matured thought pattern whereby he respects the humanity in every person. Though stringent laws and stiff penalties may be an alternative, they may not provide human race the moral freedom to evolve into a peace-loving community.

It should also be noted that Kant did hint at punishments and laws but his passion for humanity in every person has always favored a kingdom of ends where no one is treated as means. His categorical imperative often referred as the golden rule is what should guide every human action, trade and commerce included. Maxwell writes: “One of the wonderful things about the golden rule is that it makes the intangible tangible. You don’t need to know the law. You don’t need to explore the nuances of philosophy. You simply imagine yourself in the place of another person. Even a small child can get a handle on that. There are no complicated rules and no loopholes.”

Thus Kantian cosmopolitanism should be the credo of business and trade. The ultimate goal of humanity is prosperous living of all people in a spirit of unity. Humanity is at its best when rising above the barriers of race, caste and creed. And Kant’s ethics has always recommended a path for

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40 Kant in his Lectures on Ethics tells us that we can be peace-lovers in two ways and though in both cases we value peace, one is certainly superior to the other. He writes: “There are two ways of being a peace-lover: if we wish for our own peace, and if we institute peace among others; the latter is the more magnanimous. This peace-loving disposition differs from that of indolence, whereby we try to avoid all trouble and strife because of the inconvenience it causes, though not because of any gentleness of character: the peace-lover, on the contrary, acts from kindness and good-nature. To be peace-loving on principle, however, is still to love peace as a matter of principle, without regard for any gentleness of temperament” (LE 27:431).

41 Maxwell, There is no such thing as business ethics, 27.
humanity that leads to this cohesion. Ethical commonwealth, cosmopolitanism, League of Nations and Kingdom of ends have in themselves this one point agenda to envisage a humanitarian society that takes pride in peaceable solidarity of human existence. Trade and business being a significant human activity should lead people towards this coexistence. Our attempt to apply Kant’s ethics to business and trade clearly reveals that they have the potency to bring a unity of humanity though often egoistic tendencies overrun this noble cause.