GENERAL INTRODUCTION

As never before in history, the society has become vulnerable to a variety of degenerating events today. The values of moral living are under severe threat from factors that promise instant pleasure. The conflict between the principles of good and evil are intimidating the very fabric of the moral world. A complete decadence of moral consciousness is at hindsight and one fears if our society is heading for a total moral disintegration. Amidst these raging fears, there is a ray of hope that an adequate moral education can halt it and divert the trajectory of humanity towards an ethical order. This is an exigency necessitating instant attention to edify the society regarding what ought to be done and what ought not to be done for the enhancement of human living. Thus, ethics sets its foot into the course of vivifying the moral life of humanity.

Trade and business have played a pivotal role in shaping the development of world’s economy and every home and individual is affected by it. The growth of every nation is largely controlled by its inherent capacity for smooth trade and business. Over the period of time and with the passing of every day, business and trade have grown leaps and bounds and we are already immersed into their new offshoots namely e-business and e-trade. They contribute to the overall development of the nation by making a significant contribution in terms of tax revenues and providing lucrative employment.

As we have stated above, it is beyond contention that business and trade form a vital aspect of our life today. We could be either the beneficiaries or the victims depending on how they function. If they are situated on a sound philosophy they would enhance human living, otherwise they can devastate humanity as well. There was a time when the western countries and Europe in particular dominated the world of commerce and business. Today the business-scenario is all set for a turnaround with Asia taking the central stage.
According to Mr Zoellick,\(^1\) Asia’s share of the global economy in purchasing power parity terms has witnessed a whooping increase from 7% in 1980 to 21% in 2008. Asia’s stock markets are responsible for about 32% of global market capitalization, which is certainly ahead of the United States at 30% and Europe at 25%. Couple of years ago, China overhauled Germany to become the world’s largest exporter. This statistics shows that the developing world is becoming a driver of the global economy. After the global crisis triggered by financial meltdown and uncertainty, much of the recovery in world trade has been due to strong demand for imports among developing countries. The imports of the Developing countries are already 2% higher than their previous best in April 2008. In contrast, the imports of developed countries are still 19% lower than their earlier high.\(^2\) Thus, it is clear that the development of an individual or the society today cannot be thought about without reference to business and trade. Therefore we are propelled to introspect and investigate into this massive human activity.

### 0.1 Ethics as Central to Human Life

Ethics therefore becomes a prerequisite for authentic human life making its way into every strata of human existence. It facilitates the process of deciding the precise course of action that leads to a rational ethical standard thereby enabling us to organize our goals and actions to realize our most important values. It adds purpose and meaning to every action and serves as shield against dehumanising and egocentric values. Thus ethics is an integral part of every system enabling the selection of values, both, rational and methodological.

It has become exceedingly important to incorporate values and ethics into the decisions of every human person. Business and trade occupy an important part of the human society, where the risk of unethical practices is pretty high. We are constantly watchful against adulterated goods, excessive prizing, false advertising and environmental disasters. And this reveals the need for a greater role of ethics in our society. The unethical behaviour in business is on an alarming rise

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which invites a serious moral code to be put in place at the earliest. The public outrage is heard everywhere for a stronger stance on unethical business practices. The governments of different countries have come out with stringent laws which are imperative for businesses to focus on upholding and observing sound ethical policies. There are also efforts made to inculcate a value oriented education in business schools to ensure that students graduate with knowledge of ethical policies and critical thinking which are essential to analyse and craft sound ethical decisions.

Today, besides the government policies, every business unit and brand has taken measures to put in place an ethical code pertaining to their respective businesses. There are also a series of common laws which every firm has to abide by such as; Business Formation Laws, Zoning Law, License Laws, Tax Laws, Employee Laws, Environment Laws, Intellectual Property Laws etc. In spite of these hard and efficient laws, we do witness the business units targeting profit maximization, firm expansion and brand popularity by bypassing the laws of social concern. This tells us that these long-standing stringent laws have been unsuccessful to establish a humanitarian society. At this juncture, this exigency calls to consider different approaches to laws as means for facilitating a better world of business and trade.

0.2 Ethics as Integral to Business and Trade

Business and Trade being such an important area of human concern cannot be given a free hand to govern and control the society. They should not be the Masters of the human society dictating terms, rather tools in the hands of the society promoting authentic and genuine human living. Any human activity is meant to facilitate a process whereby a better society and a better world is consolidated. Business and trade are the potential forces of such a society endorsing peace and prosperity of every citizen provided they are properly steered. Therefore there is a need for a yardstick which would determine the worth and the depth of the business and trade policies. And, this yardstick or standard by which we measure the reliability of the business and trade policies should be based on a solid philosophy. Therefore, this research is my humble attempt to pinpoint such a philosophy and present how business and trade can evolve from a source of human generosity and goodness.
Though maximization of profit is the target of business, it cannot be done at any cost. The human values and certain ethical principles have to be upheld. Every individual should have a social responsibility and awareness. Ethical conduct is the lubricant that keeps the business progressing. Without basic trust in the integrity of trade or business the economy would operate inefficiently. To quote James Surowiecki: “Flourishing economies require a healthy level of trust in the reliability and fairness of everyday transactions... For an economy to prosper, what’s needed is not a Pollyannaish faith that everyone else has your best interests at heart... but a basic confidence in the promises and commitments that people make about their products and services.”

This research is therefore an attempt in this direction presenting a viable philosophy for a bona fide business policy. And, in my assessment such a philosophy is available in the contributions of Immanuel Kant, which I seek to unearth and recommend to the world of business and trade for the resolution of ethical conflicts.

0.3 A Study in Applied Ethics

Ethics, as we know is a normative science which aims at certain normative conclusions on an objective basis. As a normative science, it makes a comprehensive study of principles or theories that lead to morally right or wrong judgments. However, it also has a descriptive side which deals with the scientific analysis of moral beliefs and practices illustrating the modalities of people’s behavioral and thinking pattern while treating moral issues and arguments. Thus ethics can be described as applied when it interacts with other disciplines.

Beauchamp notes that applied ethics is difficult to be defined and he attempts to offer a frailer definition: “A weaker and more defensible view is that ‘applied ethics’ refers to any use of philosophical methods to treat moral problems, practices and policies in the professions,

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4 Applied ethics is also widely known as practical ethics, was popularised in the 1970s when scholars and philosophers started to take up significant issues of the society which lead to professional reflections on various subjects called as medical ethics, business ethics etc... Since then its scope has been expanding and today it is used in relation to a wide range of subjects: Abortion, racism, euthanasia and war have always been discussed in their relation to ethics. Though applied ethics is of recent origin, its subject matter has a long history. The moral philosophers from the ancient antiquity have constantly shown interest in this practical field. However, applied ethics as a well-organised discipline did not evolve until the recent times. Applied ethics may be treated as an offshoot of the general moral philosophy of the ancient times addressing similar issues but certainly in a more organised way. See Tom L. Beauchamp, “The Nature of Applied Ethics,” in A Companion to Applied Ethics, eds. R. G. Frey and Christopher Heath Wellman (Berlin: Blackwell publishing Ltd., 2003), 1.
technology, government, and the like. This broader usage makes no commitment to the place of general theories or principles and does not insist on problem-solving as the goal. It may be the most common understanding of the term within the profession of philosophy, but it would be viewed outside philosophy as reflecting a significant disciplinary bias.”

Thus applied ethics may be understood as a new way of doing ethics transcending its normative nature. It uses the normative ethical principles in tackling the issues that pertain to our everyday living. It may be vaguely described as theory in practice which synchronizes with its synonym practical ethics. In business ethics, these dual functions of ethics are perfectly interwoven, where an analysis is undertaken based on certain set norms and its appliance is also duly envisaged. Business ethics is applied ethics with an inter-disciplinary nature. As a normative science it makes use of the rational and objective norms, while using the descriptive method to apply the norms in all business deals and transactions.

Thus, it is a study of paramount importance to the society since business is one of the major affairs of all human activities. It is said that “business ethics is not an attack on business but rather its first line of defence.” Therefore, business ethics aims to regularise the business practises so that they promote the quality of human living.

### 0.4 An Inter-Disciplinary Approach: Blending of Philosophy and Business

According to the Beckman Initiative for Macular Research, “Interdisciplinary research (IDR) is a mode of research by teams or individuals that integrates information, data, techniques, tools, perspectives, concepts, and/or theories from two or more disciplines or bodies of specialized knowledge to advance fundamental understanding or to solve problems whose solutions are beyond the scope of a single discipline or area of research practice.”

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5 Ibid., 3.
As this definition rightly observes, this research is interdisciplinary in nature as its scope runs beyond a single subject. *Kant’s Ethics for Business and Trade* blends diverse subjects since the issues considered do not fit into a single discipline. Business as a human activity in the pursuit of its specific goals may choke other values of our society. Therefore a framework is to be set within which businesses can operate and since business does not have provision for such parameters it needs to intersect another adequate discipline. Ethics, a branch of philosophy has the parameters necessary to lay check on businesses when they override the prominent values of our culture. Thus, this research is interdisciplinary that it brings together two academic disciplines and combines disciplinary knowledge in interdisciplinary ways. Philosophy and Business interface in a Kantian Paradigm.

Besides, this research is an effort to combine two vital areas of human life. On the one hand, the human nature is deeply rooted in ethics and at the same time the earthly life needs to be sustained with human activities of business and trade. The sustenance of life means having access to the basic necessities of living which implies production, distribution and consumption. Therefore, it is an attempt to bring together the metaphysical reality of the morals and the physical needs of the human person.

Thus, from a philosophical perspective this study involves two different facets of life. And from the division of subjects too, we find this dualism, where the former is linked to philosophy (of Morals) and the latter to business and trade (food and other necessities) which could be brought under socio-economic scheme. Thus it could be considered as an interdisciplinary approach and an attempt to blend commerce with philosophy providing a philosophical basis for a people-oriented business and trade developing community consciousness and a sense of belonging to one world order.

Moreover, as never before, we are getting increasingly aware to see knowledge as an organized whole and compartmentalization is not a viable approach to study. Karl Popper writes in *Conjectures and Refutations: The Growth of Scientific Knowledge* that, “We are not students of some subject matter, but students of problems. And problems may cut right across the borders of
any subject matter or discipline.” Popper is correct to observe that problems cut across subjects and problems of business and trade certainly cut across disciplines. It is for this reason that this interdisciplinary approach is undertaken for the advancement of knowledge and the progress of human community.

0.5 Choice of the Theme: Business and Trade

Business and Trade is concerned with the production and exchange of goods and services. Today we are in a position to buy anything produced anywhere in the world. This has in turn facilitated human person to satisfy his countless wants and thereby promoting social welfare. Trade helps us to get what we want, as and when needed and thus helps in improving our standard of living. The growth of business and trade bring about also growth in agencies of trade such as banking, transport and advertising. Increase in production and demand lead to increase of employment opportunities. Underdeveloped countries can import skilled labour and technical know-how from developed countries, while the advance countries can import raw materials from underdeveloped countries. Thus the international trade has tremendous advantages which make a particular country to specialize in the production of certain goods and services depending on the availability of natural resources in that country.

Thus, the theme of my research is central to the world order and indispensible from our life. Without choice we become part of it and we are severely affected by it. As we experience, when the price of onions shoot up, cook in kitchen looks for substitute and when petrol prices go up we look to buy diesel cars. Therefore the choice of the theme is incredibly relevant and so justified.

0.6 Choice of the Philosopher: Immanuel Kant

Immanuel Kant was born in the town of Konigsberg, which was later renamed as Kaliningrad, East Prussia, on April 22, 1724. Kant's parents were devout pietists. His exceptional intellectual caliber offered him an opportunity to study at the famous Collegium Fredericianum which was not generally possible for a family of his social status. After the initial training in Latin he joined the

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university at 16 but found the religious atmosphere particularly the intellectual domination of the catechism bothered both his mind and spirit. He spent his entire life in that small town and yet established himself as a philosopher par excellence. After he entered the university in 1740 spent the next four years there and left the University in 1744, to earn his livelihood as a private tutor. And this went on for next ten years during which he turned down marriage on financial grounds and remained unmarried all his life. Kant came back to university in 1755 and graduated obtaining the degrees of Master and Doctor of Philosophy and began to teach in the same university. He lectured on a variety of subjects such as logic, metaphysics, ethics, natural theology, and the natural sciences such as physics, chemistry and physical geography. He published his first work in 1755 which was titled, Universal Natural History and Theory of the Heavens where Kant became the first to advocate the nebular hypothesis of the origin of the solar system.9

After focusing on natural sciences and publishing a series of works on the subject, he wrote extensively on diverse topics and published monumental works, of which the three Critiques have been considered as one of the best triplets in the history of philosophy. Peter Kreeft acknowledges Kant’s contribution to philosophy in his book, Socrates meets Kant: The Father of Philosophy Meets His Most Influential Modern Child: “If he (Kant) had written only half of what he wrote—either half, the epistemology or the ethics—he would still be the most important and influential of all modern philosophers. As it is, his epistemology is truly the ‘Copernican revolution in Philosophy’, as he termed it: the most fundamental revolution in the whole history of epistemology; and his ethics is the most important one since Aristotle’s.”10

Thus his influence stands as a milestone in the history of western philosophy and his ethical insights have rocked the world. His ethical trends run through his Groundwork of the Metaphysics of Morals, Critique of Practical Reason and The Metaphysics of Morals. His ethical concepts of goodwill, obligation, moral worth and duty leading to categorical imperative have been intently discussed beyond philosophical circles. His teachings on virtues and the distinction of good and evil are equally relevant themes for further research. It is not his ethics alone but also his

10 Peter Kreeft, Socrates meets Kant: The Father of Philosophy Meets His Most Influential Modern Child (San Francisco: Ignatius Press, 2009), 11.
epistemology that gives him a lot of credibility. His morality is not set on sentiments and feelings but on the bedrock of reason. Though, a lot of philosophers passed through my mind as I was contemplating on an appropriate philosopher to deal with this theme, Kant conquered it because of his rational morality which if explicated well, would foster a genuine business and trade based on goodwill and solidarity towards each other making world a better place to live. Therefore it would be my relentless and ardent effort in this research to analyze the nuances Kantian ethics for justifiable business and trade policies.

In my assessment, the Kantian code of ethics\textsuperscript{11} is a perfect alternative. The edification of the process of internalization of the categorical imperative would provide an enhanced option. In the face of dehumanizing and distorted values and priorities, it is worth considering a system of learning from the Kantian model of ethical code for a fair trade and business. As we witness the incapacity of the external laws to uphold societal values and their constant violation, it merits considering the Kantian way.

Immanuel Kant confidently stated that the moral requirements are based on a standard of rationality which he named to be the categorical imperative. Therefore any violation of this would be considered immoral and so irrational. Though Locke and Hobbes had also argued that moral requirements are based on standards of rationality, the standards that they set were still subjected to sentiments and feelings. He argued that the rational agents must conform to nothing beyond the rational principles. It was based on the conviction that a rational will must be considered as autonomous.

Moreover, it is the presence of this self-governing reason in each person which Kant thought gave decisive grounds for viewing each individual as possessing equal worth and deserving of equal

\textsuperscript{11} Though Kantian system of ethics may not be free of applicative difficulties nevertheless it has been considered as an effective theory discussed and studied to evaluate the moral relevance of other disciplines to this day. Altman observes: “It is ironic that Immanuel Kant’s ethical theory is so often accused of formalism, of being too abstract to be relevant for real-life decisions, and yet we appeal to Kantian concepts in almost every important debate in applied ethics. G. W. F. Hegel was the first to claim that the categorical imperative yields only empty tautologies and gives us no guidance without assuming specific facts about the agent’s material and historical circumstances. Similar criticisms have been advanced by Max Scheler, Bernard Williams, Annette Baier, and others. Still, Kant’s ethics remains a touchstone. His ethical concepts are ingrained in our moral discourse, such that moral reasoning seems only to be possible against the background of Kant’s practical philosophy.” Matthew C. Altman, \textit{Kant and Applied Ethics: The Uses and Limits of Kant’s Practical Philosophy} (West Sussex: Blackwell Publishing Ltd., 2011), 1.
respect. Therefore one cannot dominate, cheat or trick the other. This is therefore an excellent idea which would bring a social consciousness in everyone. We are equals because we share the common essence; rationality. This rational nature is the base of our social responsibility and so our existence should be one of caring for all rational beings contributing positively for the wellbeing of the entire society. This realization is a must for a human centred growth of commerce and trade industry. Therefore, it is my attempt in this research to make an effort to apply Kant’s code of ethics to business and draw attention to its relevance and application.