

Reconsidering the Common Good in a Business Context

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ABSTRACT. In our contemporary post-modern context, it has become increasingly awkward to talk about a good that is shared by all. This is particularly true in the context of mammoth multi-national corporations operating in global markets. Nevertheless, it is precisely some of these same enormous, aggrandizing forces that have given rise to recent corporate scandals. These, in turn, raise questions about ethical systems that are focused too myopically on self-interest, or the interest of specific groups, locations or cultures. The obvious traditional alternative to moral bellybutton gazing is the common good, which challenges the modern business enterprise to realize non-instrumental values that can only be attained in our life together. The common good dictates that leadership should be judged, first of all, according to moral criteria rather than professional competence. It helps correct the distorted prioritization of the maximization of profit in every business decision, recognizing that businesses have a multitude of rights and responsibilities, and the common good reminds us that the first of these is not always profit-making.

KEY WORDS: common, good, self-interest, cooperation, virtue, happiness

Reconsidering the common good

It is difficult to speak of a “common good” today, especially in the context of large corporations operating within a global economy. The individu-

alistic mindset that most Westerners acquire by second nature from our social formation resists the notion of a good that is somehow shared. In addition, our postmodern sensibilities predispose us to be suspicious of the idea that a good can be anything more than a perspective on reality that reflects the best interests of a certain elite group, often hiding behind the veil of the common good. Finally, the global economy and transnational business environments confront us with a logarithmically expanding world of competing notions of what constitutes the good, which, in turn, raises questions about the degree to which we can conceive of these goods as being shared commonly.

So why would one bother unearthing this philosophical corpse? What justifies this reconsideration of the common good? I think one answer lies in recent corporate scandals like those at Enron, Worldcom, and HealthSouth. Many observers of contemporary business practice are beginning to recognize that the blind pursuit of self-interest does not always yield the best results for anyone, let alone everyone. Is it possible that our society is rediscovering that virtue is often its own reward and that the good of society requires a moral vision that can see beyond mere self-aggrandizement? Unfortunately, as new policies based more solidly in ethical values try to take hold in corporations, they often collide with the embedded practices of corporate culture that can run contrary to these embryonic moral impulses (see Dobson, 2001, pp. 403–413). While the narrow focus on self-interest and the interests of investors helps CEOs and other senior executives maximize their own returns, it can also lead to the diminishment of the good of human communities and their environment. All this has set the stage for a reconsideration of the common good.

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The common good

The principle of the *common good* is sometimes mistakenly equated with the utilitarian ideal of 'the greatest good for the greatest number.' Others have conflated the common good with the recent focus in business on *stakeholder value*, which is a broadening of the traditional capitalist focus on the *maximization of shareholder value*. The main reason these theories are inadequate renditions of the common good is that they tend to work from individualistic assumptions about the human person and society.¹ Most modern systems view persons as essentially alienable from their social context. From this perspective, individuals are essentially monads, related only by mutual self-interest to a larger body through a social contract. Maximizing the good of an entire society for utilitarians normally is a massive project of aggregating all individual goods and weighing this sum against the aggregate evils for any and all given alternative courses of action. Similarly, maximizing stakeholder value for a business or community usually includes an equivalent aggregation of individual goods for those groups included in the "stakeholder" category. Utility and achievable ends are the sole focus of these systems. Questions of how one achieves those ends and for what purpose are beyond their concern.

The tradition of the common good, as it is expressed in the theories of major religious traditions, helps fill in gaps left by theories like utilitarianism and stakeholder value. While the common good does consider the good of the individual, it does so from the vantage point of a different understanding of the human person. In the common good tradition, the person is not a lonely monad set in competition against other individuals. The human person from the perspective of the common good is understood as essentially integrated into a network of social relationships. In other words, the human person is primarily a social being. The conception of the person as an individual is secondary and derived from a belief in the primordial interdependence of human existence. From this vantage point, our individual selves are the manifestations of a historical sedimentation process encompassing our myriad social relationships. In short, humans are, first and foremost, social beings who belong, by necessity, within a larger social network. Furthermore, persons

cannot be properly understood except by some reference back to their social relationships to other human beings.

A large part of the difference between the perspectives of modern ethical systems and the common good can be explained by reference to their respective histories. In Western culture, the concept of the human person as individual came to full realization during the Enlightenment. The political and economic theories of John Locke would invest each individual with natural rights. These individuals would freely enter into a social contract with one another, thus forming the philosophical basis for the modern state (Locke, 1690).² The concept of right and wrong that arises from these systems tends to focus on the good of individuals and the rights one holds in competition with other individuals.

Although it can be demonstrated that Enlightenment theories are clearly individualistic, Brian Stiltner argues convincingly that Locke's theories of the limited constitutional state and individual liberties were formulated within a theoretical context that also had the common good as one of its central concerns. For Locke, trust is essential to human existence because it constitutes the "bond" that makes society possible (Brian Stiltner, 1999, p. 21). Locke's defense of the right to private property begins with a recognition that in a state of nature all goods are held in common until individuals mix their labor with those goods, at which point, those goods become the property of those individuals in whole or in part. The role of the state, therefore, is not so much a guarantor of individual property rights as these compete with the property rights of other individuals, but more the guarantor of the common good through the recognition of the natural rights of individuals in the context of their obligations to society and their contractual obligations to the members of that society (Stiltner, 1999, pp. 25–26).

Regardless of how one interprets modern theories of property rights and constitutional governments, most religious traditions have their origins in contexts that were very different from those that prevailed during and after the Enlightenment. Most religions arise out of smaller, tight-knit, pre-modern communities. Generally speaking, their conception of the human person is not individualistic. The human person is known and understood in the context of the community. The meaning of life is

tied to one's relationship to the community and the role one plays in the life of that community (Barnes, 1984, p. 1987). Not surprisingly, therefore, the conception of right and wrong that emerges from this context focuses more on the well-being of the whole group and less on the welfare of any one individual.

The individual person, in this context, is social by definition and is so in a profound way (Barnes, 1984, p. 1988). This conception of the individual is radically different from the one that is prevalent in contemporary North American societies. To help illustrate the differences between these viewpoints I often use what I call the basketball star example in my business ethics classes. Through an individualistic lens one recognizes that Alan Iverson is a wonderful athlete and one marvels at all the outstanding things he has accomplished. He and his accomplishments are normally viewed in isolation from the social, historical, economic, or relational context out of which, on closer examination, they obviously emerge. Most are convinced that the ticket, promotional, and advertising revenue his talent generates should belong to him and the owners of the team to which he belongs. For the modern North American, this is a very intuitive perspective. This is how we view the picture and, in fact, most of us do not see how it could be understood any other way.

However, from the communitarian perspective of the common good, Mr. Iverson's accomplishments are recognized as also the achievement of an endless array of social support systems that made Mr. Iverson's individual triumphs possible. The support of family and friends, the instruction of teachers and coaches, the institutionalized sporting systems of the NCAA and the NBA, the money of the fans, the publicity of the media, the relative health of the economy, the relative freedom of the political system, even the abundance of the fruits of the earth, combine to form the foundation on which this superstar's career was built. Alan Iverson represents a singular athletic achievement that an incalculable number of people had some hand in making possible. This perspective takes nothing away from Alan Iverson and does not minimize his efforts by any means. It merely gives credit where credit is due, reminding us that it took more than just the effort of an individual to give us Alan Iverson the basketball superstar.

Our own lives are also rife with these same sorts of social networks that have helped determine, not only what we have done, but also who we have become. These networks extend horizontally across all of our contemporary personal, professional, familial, governmental, corporate, national, and international relationships. They also stretch back in time to include all those generations that our current social structures depend on for their origin, maintenance, and advancement. In our own lifetime, representative democracy has always been the form of government of the American republic, but Americans know their present political circumstance is the result of hard work, sacrifice, and long development by many preceding generations. We are no more individually entitled to democracy than Alan Iverson is individually entitled to professional basketball and all of those social and economic factors that go into making him a multi-millionaire. These relationships are all a part of the complex social milieu that forms the essence of who we have become, and without which, we would have become someone different.

The same relational principles hold true in association with our economic and business relationships. For instance, in corporate culture the myth of the self-made businessperson is a powerful motivational force.³ Many claim it as part of their own success story, while most others aspire to incorporate aspects of it into their business persona.⁴ Nevertheless, from the communitarian perspective of the common good, this myth of the self-made-businessperson is a fundamental distortion of reality. Individual success and failure always occurs within the context of a multitude of supportive or obstructive relationships with other people and social institutions. No one, regardless of the degree of his or her relative success, comes anywhere near the ideal of being self-made.⁵ Success in a business context is always essentially a corporate achievement.

To fully grasp the meaning of the common good, however, one needs to go beyond the simple illustrations outlined above. Although it can be helpful to point out the interconnected social network that undergirds all individual achievement, it normally does not suffice in-and-of-itself to convey what the common good might mean to twentyfirst century readers. What has been described so far is the

commons. Now we need to explore why the good of the commons, or the common good, carries so much moral weight in religious ethics.

Catholic theologian Jacques Maritain claimed that the common good could be discerned from an examination of the experience of the human person in community. In this way, Maritain's interpretation of the common good is a type of natural law theology that begins with a philosophical anthropology – a consideration of the human person properly understood (Maritain, 1948). According to Maritain, we first recognize our own dignity and rights by observing our own inclinations to preserve ourselves and defend our kin. We then recognize that other people share in this dignity because we all are essentially the same. Thus, we come to understand that the right to life and other basic rights belong to all. We then recognize the inclination to improve ourselves and maximize our own potential. Once again, by extension it is clear that to live well with others we need to help them achieve their own potential since this is a basic drive in all of us. We then recognize the need for institutions to help protect our rights, provide basic needs and support our personal and collective flourishing. We begin to develop patterns of organization and authority in order to achieve these goals. Individuals and groups have to negotiate and adjust their relationship to larger social structures. The demands that we make on each other need to be mediated and adjudicated resulting in judicial systems. “For the viability of society, and in order to protect the dignity of all, some individual claims are superseded by the claims of the community” (Stiltner, 1999, p. 91).

Therefore, from this perspective, the moral importance of the common good hinges on its importance for the human person (O'Neill, 1996, p. 71).⁶ Most religious ethical systems understand the person in regards to both the individual and social dimensions. The principle of human dignity highlights the ethical importance of our individual nature, while the common good emphasizes the moral essence of our communal life together. When focusing on the common good it becomes clear that our humanity is fully actualized only in community. We become individuals only through the myriad interactions in community with other persons. Society gives us a context in which to exercise our humanity and be recognized as human by others.

Isolated individuals lack a humanizing context, and therefore, cannot experience themselves as persons. Thus, preserving the context of a human community that is best suited to human actualization is a fundamental moral duty. It is a moral failure on the part of a society that does not strive to establish conditions within the community that are designed to contribute to the flourishing of all members.

The principle of the common good is based on the assumption that the flourishing of the community also enhances the well-being of the individuals in that community. “When people act together for the sake of mutual benefits in which they all share, then they are acting both in others' interests (because others gain from their actions) and in their own (because they gain also)” (Jordon, 1989, p. 16). This assumption is the precise converse of the liberal assumption made by modern interpreters of Adam Smith, like Milton Friedman. It is their belief that the individual pursuit of self-interest naturally leads to the greatest aggregate good for all in society. Since liberal capitalism and modern business philosophy are founded on these assumptions, the common good may initially be experienced as counterintuitive in capitalist contexts (Dorrien, 1990, p. 76).⁷ Nevertheless, the blind pursuit of self-interest in recent times by certain corporations and their exotically wealthy CEOs has led many to question the truth of the claim that self-interest inevitably leads to the good of all. Many are beginning to reconsider other traditions that rely more on a collective vision of goodness, rather than an individual one. The common good is one such vision (Hollenbach, 2002, pp. 181–182).⁸

The common good and private goods

So what is the relative value of individual, private goods in this broader context of the common good? Do private goods simply become absorbed as part of a collective good? Or are they devalued to the point of non-existence? From a classical Catholic point of view, the relationship between the common good and private good is analogous to the distinction between the whole and the component, or the body and its parts. When a multitude of human beings live together in a community a new specific kind of being is brought into existence that is more than

merely an accumulation of persons. Similarly, the human body is more than merely the sum of its parts – it is also essential that the parts be related in a specific way in order for the body to thrive. Although it has no substance of its own, society is more than just a collection of individuals. It is essentially constituted by the relationships that exist; therefore, it is many substances interwoven into one body by the category of relation. Fundamentally, society is a web of relations between rational creatures that is unified into a system that has a common social end (Velez-Saez, 1951, p. 21).

Although the common good includes all other goods of individuals and lesser associations, it is a mistake to assume that the common good can be reduced to a mere aggregation of all the private goods of its constitutive members. This individualistic conception of the common good misconstrues and cheapens the qualitatively richer notion found in Aristotle and Aquinas. They believed that the common good of society must be considered a qualitatively autonomous species of good that is both higher and richer in goodness than any other human good enjoyed by individuals or lesser associations. The more common a good is, the more perfect it is (Kempshall, 1999, pp. 81–84). In fact, sometimes private goods need to be sacrificed in order to preserve or promote the common good (Aquinas, *Summa Theologica*, Second Part of the Second Part, Question 31, Article 3, Reply to Objection 2).⁹

For instance, whenever a penalty is imposed on a criminal a private good is being sacrificed in order to restore public safety, which represents the common good (Kempshall, 1999, p. 70). For the sake of illustration the criminal case is clear, but possibly too facile because it is weighing the good of someone who has done something bad against the public good. A more controversial, but possibly more realistic illustration would be a case of eminent domain in which the private good of property ownership is sacrificed for the sake of a public development project. In cases such as these that pose a genuine dilemma between two competing relative goods, the preference for the public good must be justified in some manner by weighing the relative benefits of the public interest against the presumption in favor of private ownership, as well as the relative evil done to the individual who is being dispossessed.¹⁰

With this in mind, it is clear that at the heart of the common good is the principle that the whole is superior to the part (Barnes, 1984, p. 1988). It follows that the good of the universe is of greater import than the relative goodness or evil of a particular thing, and analogously, the good of a society is more important than the good of an individual.

It is a greater perfection for something to be good in itself and the cause of goodness in others, than simply to be good in itself. Imperfect things tend towards their own good, namely the good of an individual; perfect things tend toward the good of a species; more perfect things tend toward the good of a genus; the most perfect... secures the good of all being, the good of the universe (Kempshall, 1999, p. 84).

Therefore, any good of an individual that is a real good is rooted in the good of the community. Conversely, any common good that is a real good is at the same time the good of all individuals who share in that community. “The good shared with others is constitutive of the good of persons regarded one at a time; the good of persons regarded one at a time cannot exist without some measure of sharing in the common good” (Hollenbach, 2002, p. 79). It follows that the “good” of an isolated self is not a genuine good unto itself. It is an illusion because the isolated self is not sustainable or self-sufficient.

Ancient philosophers believed the natural affinity that humans have for the common good is analogous to a part securing its own perfection in the whole and not solely for its own sake. Just as the good of the part has the good of the whole as its final cause, so every part of Creation loves its own good on account of the common good of the whole universe. A part loves the good of its whole not in order to direct the good of the whole toward itself, but in order to direct itself toward the good of the whole. Using the basketball star illustration, the basketball community did not conform its rules and performance requirements to standards set by Mr. Iverson in order that he could one day become a superstar. Alan Iverson has received the personal goods of fame, adulation and wealth because he first directed his efforts toward the basketball community and conformed his performance to a model of perfection that was set by that community. In the political community, individuals love their own good as a result of loving the good of the

community as the good on which their own good depends for its existence (Kempshall, 1999, p. 104). For instance, any virtue is an act of love for the good of another, which is, at the same time, an act of love for oneself because it is an act of love for the common good (Aquinas, *Summa Theologica*, First Part of the Second Part, Question 60, Article 3, Reply to Objection 2). The more a virtue pertains to the good of a multitude, the better it is (Barnes, 1984, p. 1986).

The total content of goods that can be realized in civil society transcends in kind, and not only in degree, the goods which private or domestic society is capable of giving the human person. "A good society is one in which people share in a good quality of life, and value this association with each other as members of the same community. The value of shared association cannot be split into individual portions, any more than can the value of a good party, a good meeting or a good religious ceremony" (Jordan, 1989, p. 16). The good of the whole society is, at the same time, a good for each individual because if this was not so, the common good would not be truly common (Velez-Saez, 1951, p. 32). The state or political community – *polis* – is the all-embracing and highest form of human association. Therefore, it is the highest goal of human achievement and embodies the greatest of the human goals. It is a good that is both quantitatively and qualitatively more excellent than other goods of lower and partial communities, or of individuals (Barnes, 1984, p. 2030). This is why the common good has primacy over the private good of an individual (Kempshall, 1999, p. 79).

The teleological dimension of the common good

So far the discussion of the common good has focused on how it is a "good" which several beings share. The common good also represents a "good" toward which a multitude is ordered. In this way, it has a *teleological* dimension. The common good is a final cause – a goal of perfection – toward which all of civil society is ordered (Barnes, 1984, pp. 1729, 1987). For Aristotle, every human community tends toward an end that is its own goal – some good. Every community as a whole has an end, and this end is the "good life." No civil society is fulfilling

its intended purpose unless it has as its aim the realization of a just and good life for all its citizens.

Therefore, the common good can mean two things: (1) The ordering of all the parts of the universe toward one another and toward the whole and (2) The universal good that all things seek and in which all things participate and communicate. Likewise, the common good of the political community can have two meanings correlating to the two general meanings noted above: (1) The result of individual virtuous activity as the common benefit that necessarily follows from individuals seeking their ultimate good of happiness and virtue and (2) The unity of good in society that is distinct from a simple aggregate of individual goods. Therefore, the common good can be described as both the formal cause (the structural arrangement of individual goods) and the final cause (the goal toward which this arrangement is directed) of human society. In even simpler terms, the common good is both an ordered structure and a shared goal (Barnes, 1984, pp. 97–100).

Another way of looking at the two characteristics of the common good is to understand the one as descriptive and the other as prescriptive. The descriptive aspect of the common good gives us a new set of lenses through which we can view our world in ways that often contrast sharply with the individualistic perspectives to which North Americans have grown accustomed. It compels the viewer to see the social world, not as an aggregation of individual wants and needs, but as a complex web of mutual relationships that enable individuals to achieve far more than they would if left to their own devices in isolation. Because the descriptive common good has an effect on the way we see and understand our world it has an epistemological function that gives us a different set of lenses with which to view our communal structures and social interactions. By grasping the common good more deeply we come to know the world in a new and more perfect way.

Once we see the web of relationships that comprise and sustain our social world, the prescriptive aspect of the common good demands that we behave in a way so as to preserve this greater good even when confronted with competing individual goods. The prescriptive aspect of the common good is an ethic that requires an attitude that fosters this web of healthy, nurturing relationships, while resisting any

temptation to pursue individual goods that might compromise or even undermine the good of our interrelated world. From this perspective, the common good is a moral standard, against which the goods of any given society can be weighed.

Cooperation, virtue, and happiness

Because the common good is the end toward which all other goods are ordered and to which they are subordinated, a good for the community cannot be obtained through illicit or immoral means. The common good is of such a nature that it can be attained only through morally licit means. If the means used are not licit, then the good of the community, which is above all else a moral good, will suffer detriment in what is most essential to it. The moral goods of the community such as justice, peace, and unity can never be attained through immoral means, and are always jeopardized by the use of such means (Velez-Saez, 1951, p. 85).

For Aristotle, the existence of a substance is independent of any operation on it, that is, it is not held together, so to say, by the efforts of someone or something (Barnes, 1984, pp. 4–8). A society, on the other hand, is held together in a common life by a consensus and this consensus is a kind of cooperation toward a common end. Cooperation, therefore, is the unifying force of a society, which is analogous, in many ways, to the unifying forces of quantum mechanics that hold the atomic structure together. An intensification of cooperation within a society constitutes an increase in the actuality of the society's very existence, and at the same time, it is also a perfection of its ethical nature. Cooperation, therefore, is the key to both a society's goodness and strength. Aquinas referred to the ethical perfection arising from intense cooperation as peace. In this scenario, unity and peace are identical. It is characterized by a harmony of all wills and appetites in the love of common ends (Aquinas, *Summa Theologica*, First Part, Question 103, Article 3).¹¹

However, living well means more than merely realizing the full potential of one's talents for one's own sake; ultimately, living well means living according to virtue. The common good is primarily the moral health of a society – the environment in which the individual begins to develop one's own

moral life and in which one person helps another to live well. The common good is a vital depository to which all virtuous members contribute and from which all receive good in return. It surrounds us with an interchange of aids, examples, and incentives to do what is good (Velez-Saez, 1951, p. 38). That this good is common means that all the component parts of the community enjoy and share in it. Being the good of the whole, it is thereby in an effective way “common” – or at least communicable – to its parts. It follows that the one who pursues the common good, simultaneously seeks one's own good. An ancient Roman proverb illustrates this point claiming that it is better to live poor in a rich empire, than rich in a poor one (Velez-Saez, 1951, pp. 63–64).

The common good is both a condition for, and the result of the happiness that those persons who participate in the common good attain by living virtuously. Just as a person needs the unity of all his parts in order to act, so it is only when united by the link of peace that the multitude can be conducted to the virtuous operation that is happiness. Unity and peace do not formally constitute the happy life of the multitude, but is rather a condition necessary for reaching it (Velez-Saez, 1951, pp. 50–58). At the highest level of attainment in the happy life, the common good and the private good of the individual coincide, at least in a relative and imperfect way. On lower levels an incompatibility might truly exist between the two, but the primacy belongs always, and must be accorded always, to the common good (Aquinas, *Summa Theologica*, First Part of the Second Part, Question 90, Article 2, Reply to Objection 2).¹²

The goal of civil society from the perspective of the common good is for humanity to reach its highest good, which is simply living well. The individual avails oneself to society to compensate for one's incapacity, either to achieve subsistence by oneself, or to achieve an adequate level of flourishing to call one's life authentically human and transcend mere animal survival. Society is necessary for physical, moral, and intellectual development. It is where a person's humanity is fully actualized (Velez-Saez, 1951, pp. 34–35). Harkening back to the basketball star illustration, it is clear how the web of interrelationships that is society has served Alan Iverson well in his self-actualization as an athlete.

Some problems and reservations

So far, this article has been logically focused on the real and potentially positive contributions to society that are the result of a commitment to the common good. However, it is also important to discuss a number of serious risks associated with inadequate, inappropriate, distorted, or exaggerated applications of this communitarian focus. After all, both Aristotle and Aquinas assumed the institution of slavery was thoroughly legitimate, fitting comfortably into their conceptions of the common good and a properly ordered social structure (Aquinas, *Summa Theologica*, Second Part of the Second Part, Question 57, Article 2, Objection 2).¹³ Therefore, a firm commitment to “the common good” raises questions about who is included, or more importantly, excluded, in the definition of “common.” It also begs the question of whose definition of “good” holds privileged status in the conversation. A reconsideration of the common good demands that we attend to these and other fundamental problems.

There are three main problems that plague attempts to realize the common good at local, national, and global levels. The first is the sheer complexity and scale of many business issues at a time in history when economic relations are becoming increasingly global, and individual decisions within this system entail outcomes that are more and more difficult to predict. For instance, will a free trade agreement actually achieve the common good for all in a developing economy – including the poor – by increasing the flow of goods and creating more jobs? Or, will trade restrictions achieve the common good by preventing enormous foreign companies from overwhelming their relatively tiny competitors and monopolizing these markets? How will these policies affect wages, social programs, the environment, and political relations? And how will this affect the global common good? How can someone even grasp what the global common good is, let alone, have some notion about how to foster this value? As a business leader, then, should I support regional and global free trade, or should I be more concerned with assisting local development efforts, even if these result in reduced profits for my own company? Pursuing the common good in any given circumstance is oftentimes a task fraught with uncertainty because the common good

– unlike utilitarianism – does not offer the illusion of certainty and precision associated with a calculable ethical formula. Business decisions in a global economy are increasingly complex, and the common good, like most ethical values, can be a vague and imprecise guide.

The second problem faced by those trying to implement the precepts of the common good is the existence of scarcity in the global market, and the routinely ruthless competition for finite resources that exists on all levels of the economy. Convincing all parties to foster the common good can be made difficult, if not impossible, in a cut-throat business environment that is populated by executives that have been nurtured and schooled in the art of maximizing the bottom-line interests of the company. To get executives to merely recognize and take account of the interests of other parties is often a labor that bears little fruit. Yet, to get these same individuals to take account of a much broader horizon of economic interests represented by the common good usually requires a kind of conversion on the part of those business people (Hood, 1996).¹⁴ However, it is not just business executives who encounter difficulties accepting the precepts of the common good. Even the poorest people in the underdeveloped economies can experience the common good as counterintuitive and impractical in the context of scarce subsistence peasantry, and the often dog-eat-dog atmosphere of informal markets. Competition and scarcity function at all levels of the economy to counteract and undermine the cooperative vision of the common good.

The final problem is the difficulty associated with identifying a single definition of the “common good” in the pluralistic context of the modern marketplace. “A danger exists within the common good tradition of seeking unity at the expense of diversity, solidarity at the expense of opposition, and community at the expense of individuality, all of which eventually undermine the common good” (Naughton et al., 1995, p. 233). Postmodernism has raised legitimate questions about the assumptions that have been made in the past concerning what all human beings share in common. An awareness or suspicion has developed concerning those things that have been presented as good for society from a value-neutral vantage point, which are, in fact, transparently biased perspectives that normally represent the interests of a certain

privileged group. This has resulted in a loss of confidence in our ability to articulate what a human being is and how we ought to relate to one another in community. “So not only do we not know what the human good is; there is no good of all human beings as such” (Hollenbach, 1996, p. 5).

In his book *The Common Good and Christian Ethics*, David Hollenbach addresses, at length, the issues raised by postmodernism and the existence of diverse and competing claims to the “good.” He identifies three reasons people fear strong notions of the common good. The first is the fear that the existence of strong competing ideas of the common good will result in intractable conflict and even violence, as one can witness today in the conflict between Indian Muslims and Hindus. Others fear that powerful minorities holding a strong conception of the common good will oppress the majority of people who have different viewpoints, as happened on countless occasions in oppressive right-wing regimes in Latin America during the Cold War. Finally, there are those who simply fear outright tyranny on the part of a powerful group that has a vision of the perfect society, as happened in Nazi Germany or fascist Italy (Hollenbach, 2002, p. 14). In a society where one group enjoys significant economic, political, or social privileges over other groups, it is most often the case that the “common good” is defined in a biased fashion by the dominant faction (see Marty, 1997, p. 62).

In addition to the reticent attitude many have regarding the value of the common good, North American culture itself is not always the best context for ideas about the common good. First of all, one cannot simply presume there is a good shared in common by all people, or even by people who share similar economic, cultural, and social backgrounds. In a pluralistic context, where multiple, well-defined, and occasionally antagonistic communities constitute the larger society, whose version of the “common good” should prevail? Also, in a society that places so much value on individual liberty, a stress on the “common good” can be interpreted as an attempt to suppress or dilute the strong conception of the value of the individual by always subordinating the concern of the individual to those of the collective (Marty, 1997, p. 79).

North American culture is marked by its astounding variety and openness to diversity; therefore,

even those goods we do share are difficult to identify (Hollenbach, 2002, p. 21). The pursuit of diversity and tolerance has displaced the pursuit of the common good as the reigning moral guideline for many in this society (Hollenbach, 2002, p. 24). This has resulted in what Hollenbach terms “morality writ small,” by which he means a non-judgmental stance that pursues only modest virtues and ordinary duties. He is convinced that this myopic tolerant perspective is dominating the American moral landscape, obscuring the loftier ethical goals of the common good that include social justice and equality (Hollenbach, 2002, p. 30).

The reservations and problems discussed in this section identify some of the potential disturbances lurking beneath the otherwise placid waters of the common good. Nevertheless, the common good can still be an essential component in a holistic business ethic, but a careless and uncritical pursuit of the common good has the potential to produce results that are anything but good. In the end, pursuing a common good strategy in contemporary North America demands massive and exhaustive consensus building among all constituents in society. Without such an all-inclusive consultative process, the “common good” is likely to devolve into the tyranny of the majority – or merely oppressive rule by the powerful.

Before discussing the potential benefits of the common good perspective, it is important to determine whether such a thoroughgoing ethical worldview can, or even should, be integrated into the practical and eclectic task of business ethics. Many common good theorists of the past would not embrace the buffet-style selection and application of ethical theories that is the common practice in most business ethics settings today. Many of the originators of the common good theory were natural lawyers who assumed that these notions were an insight into the eternal workings of the universe. It is important to recognize that the theory was conceived and developed in such a different environment, which can make subsequent application in a thoroughly relativist context problematic. If contemporary ethicists want to engage the common good, they must do so cognizant of this worldview mismatch between their own practices and the inherent fundamental biases of the common good. Nevertheless, I believe that, with care and some

adaptation, the common good can be used as one among many possible ethical outlooks, which may or may not be helpful in any particular circumstance.

The common good in a business setting

So what practical guidance can be taken away from this discussion of the common good? There are a number of important insights from the common good tradition that can inform a business ethic for the 21st century. The first insight has to do with the very nature of the common good insofar as it “is a realization of the human capacity for intrinsically valuable relationships, not only a fulfillment of the needs and deficiencies of individuals” (Hollenbach, 2002, p. 81). The common good fulfills needs that individuals cannot fulfill on their own and businesses are public institutions that, when ordered toward the common good, have the potential to represent much more to their employees and the community than simply a place where some go to collect a paycheck. In other words, the common good challenges the modern business enterprise to realize non-instrumental values that can only be attained in our life together – goods that only come into existence in the presence of reciprocal solidarity – goods that cannot be enjoyed privately.

A second insight involves the recent empirical confirmation of the practicality of the precepts of the common good that have been tested by game theorists. Contrary to our capitalist intuitions, games devised to examine whether self-interest or cooperation actually produce the greatest good have consistently generated results that contradict the dictum that self-interested choices are beneficial – even for the individual him or herself (Lewin, 1991). Experiments that give points to participants based on their relative cooperation, or competitive advantage consistently come out in favor of cooperative behavior.¹⁵ One such game is the Prisoners' Dilemma. Two criminals accused of a crime in which they both participated are arrested and brought to jail. Each prisoner is held in isolation from the other so that there is no opportunity for mutual consultation. The prisoners have two choices: (1) They can act on pure self-interest in which case each prisoner will attempt to maximize his own advantage by implicating the other and exonerating himself; or (2)

They can cooperate and act in accord with their mutual common good and both could deny the charges levied against them. Game theorists, and the sheriff, are betting that the prisoners will choose the self-interested alternative, the results of which will not be for the greater good of the prisoners. In the Prisoners' Dilemma it appears that, contrary to what a purely egoistic theory would claim, decisions based solely on self-interest do not lead to the greater good of the participants, but, in fact, tend to undermine their good and lead to a suboptimum outcome for both prisoners. However, if they choose to cooperate, the outcome for both is a higher utility value. These kinds of results should inspire all participants in the business world to more seriously consider, for practical reasons, the cooperative moral vision of the common good.

Another insight has to do with how individuals relate in community to the corporation. If it is true that our individuality is determined in part by our place in the community, then belonging to a certain type of community gives us both an individual and collective identity. It follows then that the moral character of the community or corporation – the principles it instills, the values it enforces and the behavior it upholds – carries enormous ethical weight. This holds true for both internal relationships between corporate owners, managers, and employees, as well as for external relationships with government bodies, the community and the environment. Laws and policies should fulfill the requirements of the common good in order to establish a working environment where there is a strong sense of collective identity. From the perspective of the common good, corporations need to pay more attention to the moral aspects of their corporate culture. In fact, it should be the moral aspects that take precedence over all other considerations when a corporation is seeking to reform that culture.

Additionally, the primacy of moral considerations in forming a corporation that serves the common good needs to be applied by key individuals who work for the company. Leadership roles within the corporation should be defined first by their moral attributes with the understanding that professional competence flows from the moral commitment to technical excellence. Presently, business roles are defined according to professional attributes that focus attention on things like corporate survival,

profitability, efficiency, productivity, marketing, finance, production, and human resources. Moral attributes that focus attention on things like community, distribution, participation, contribution, justice, solidarity, courage, and moderation, generally play a secondary role, if they play any role at all (Naughton et al., 1995, pp. 209–214).¹⁶ Perhaps one of the lessons learned from the most recent outbreak of corporate scandals will be an ancient one. The common good dictates that leadership should be, first of all, moral. Professional competence should flow naturally from a moral commitment to technical excellence.

Finally, the common good tradition stresses that individuals within society have both rights and responsibilities in relation to the larger body. Our liberal political and economic traditions, founded on the philosophies of Locke and Smith, place greater stress on the rights that individuals can claim from society. While individual rights are crucial for a well-ordered society, it is also important to realize that society has responsibilities that it can demand from the individuals who reside within that body politic. The common good tradition has a broader understanding of responsibilities than the liberal traditions found in modern capitalist democracies. For every right an individual holds there is a corresponding responsibility that needs to be exercised in order to maintain balance within the social milieu. In the business world, this aspect of the common good helps correct the distorted prioritization of the maximization of profit in every business decision. Although businesses have the right (and responsibility) to profit from their enterprise, these profits cannot be achieved at the expense of the common good. Businesses have a multitude of rights and responsibilities and the first of these is not always profit-making. The goods achieved for individuals always must be weighed against the good of the commons, or the common good.

Notes

¹ The individualistic nature of utilitarianism is partially explained by the centrality of “happiness” as the locus of value for this system. While it is natural to speak about the “happiness” of individuals, it is plainly more difficult to conceive of the “happiness” of

non-personal entities like communities or society. There are versions of utilitarianism that are more focused on utility, usefulness, uselessness and harm, rather than happiness and unhappiness, and these certainly can be applied in a way that resembles deliberations on the common good.

² “To understand political power right, and derive it from its original, we must consider, what state all men are naturally in, and that is, a state of perfect freedom to order their actions, and dispose of their possessions and persons, as they think fit, within the bounds of the law of nature, without asking leave, or depending upon the will of any other man.” John Locke, *The Second Treatise of Civil Government* 1690, Article II, Section 4. <http://www.constitution.org/jl/2ndtr02.htm>.

³ Belief in the self-made businessperson has strong roots in American mythology. For instance, the most successful fiction writer of the 19th century was Horatio Alger who told simple rags-to-riches tales in order to inspire inner-city youth to take advantage of America’s social mobility. Works like *Strive and Succeed: The Progress of Walter Conrad*, typify Alger’s work.

⁴ Real life legends like Andrew Carnegie, who climbed out of the slums of Pittsburgh to become the wealthiest businessperson of his day, lend credence to the belief that all Americans can succeed in business. Anomalies in Carnegie’s life that explain his unprecedented success were often overlooked in order to portray his story as somehow archetypal.

⁵ Contemporary books like *Giants of Enterprise: Seven Business Innovators and the Empires They Built* by Harvard Business School historian Richard S. Tedlow continue the mythmaking, regaling the reader with glowing success stories of the likes of Sam Walton, Thomas Watson and Charles Revson.

⁶ William O’Neill, S. J. claims that the common good is the context within which a proper understanding of individual rights can emerge and be made effective. “The common good thus appears as the *telos* of our reasoned speech (the ideal of ‘an inclusive and non-coercive discourse among free and equal partners’) redeemed in the rhetoric of basic rights.”

⁷ “The Catholic doctrine of the common good is incompatible with unlimited free-market, or *laissez-faire* capitalism, which insists that the distribution of wealth must occur entirely according to the dictates of market forces. This theory presupposes that the common good will take care of itself, being identified with the summation of vast numbers of individual consumer decisions in a fully competitive, and entirely free, market economy. Its central dogma (as expressed by Adam Smith, the founding father of capitalist theory, in his *The Wealth of Nations*, 1776) is the belief that the entire

economy, each citizen, through seeking his own gain, would be 'led by an invisible hand to promote an end which was not part of his intention,' namely the prosperity of society. This does sometimes happen; but to say that it inevitably must happen, as if by a God-given natural law, is a view which can amount to idolatry, or a form of economic superstition."

⁸ "The interdependence of persons on each other is a fact of human life. The prevailing ethos of Western culture, however, often leads us to forget how human well-being thoroughly depends on reciprocal cooperation with other people. The initiatives that engender both economic and cultural flourishing are social activities; they are embedded in networks of human interaction and interdependence."

⁹ "The common good of many is more Godlike than the good of an individual. Wherefore it is a virtuous action for a man to endanger even his own life, either for the spiritual or for the temporal common good of his country."

¹⁰ In cases such as this one, the Catholic moral tradition of the Double-Effect would come into play and some sort of informal hedonic calculus would need to be applied.

¹¹ "But unity belongs to the idea of goodness, as Boethius proves (De Consol. iii, 11) from this, that, as all things desire good, so do they desire unity; without which they would cease to exist. For a thing so far exists as it is one. Whence we observe that things resist division, as far as they can; and the dissolution of a thing arises from defect therein. Therefore the intention of a ruler over a multitude is unity, or peace."

¹² "Actions are indeed concerned with particular matters: but those particular matters are referable to the common good, not as to a common genus or species, but as to a common final cause, according as the common good is said to be the common end."

¹³ "Further, slavery among men is natural, for some are naturally slaves according to the Philosopher (Polit. i, 2). Now "slavery belongs to the right of nations," as Isidore states (Etym. v, 4)."

¹⁴ A good resource that explores some success stories demonstrating this kind of conversion among top executives is John M. Hood, *The Heroic Enterprise: Business and the Common Good* (New York, NY: The Free Press, 1996).

¹⁵ One such experiment placed two participants in a situation where they could choose to either cooperate or be self-interested. If they both chose to cooperate, each would get one point. If they both chose to be self-interested, they would get 0 points each. If one chose to be self-interested and the other chose to cooperate, then the self-interested one would receive 2 points and

the cooperative one would receive 0. The game would be played for 100 rounds and final scores were tallied for each participant. Participants who chose earlier and more often to be cooperative had the most points by a large margin. Those who chose to be self-interested early and more often were all grouped at the bottom of the final results.

¹⁶ Naughton, Alford, and Brady categorize these attributes into what they call fundamental desires (what I have termed "professional attributes") and excellent desires (what I have termed "moral attributes"), pp. 209–214.

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