

## ETHICS AND ECONOMICS

### Virtue and Economy: Essays on Morality and Markets **Andrius Bielskis and Kelvin Knight (Editors)** London, United Kingdom: Routledge, 2015 (264 pages)

Virtue ethics is currently a widespread ethical theory. Deontological ethics focuses on duties, consequentialism on consequences, and virtue ethics on virtues and personal character. Virtue ethics is a rational ethics, while the prevailing approach among modern philosophers, starting with Hume, turned human ends into an irrational matter, addressing ethical problems according to consequentialist, sensist, emotivist, or voluntarist criteria. In her renowned article, “Modern Moral Philosophy” (1958), Elizabeth Anscombe criticized this approach and paved the way for the rehabilitation of virtue ethics. A plethora of authors have ventured into this field since then, with the work by Peter Geach, Philippa Foot, and Alasdair MacIntyre marking significant milestones in virtue ethics. It is a reason for celebrating that two books on the economy and virtues have recently been published. One is reviewed here; the other, *Economics and the Virtues*, has been edited by Jennifer A. Baker and Mark D. White (Oxford University Press, 2016).

Some of the chapters of the book edited by Bielskis and Knight were previously presented at a conference in Vilnius of the International Society for MacIntyrean Enquiry, titled “Virtue and Economic Crises.” The book aims to apply Aristotelian practical philosophy to economics. In the introductory chapter, Bielskis and Knight maintain that ethical reasoning about ends is essential to the economy. More specifically, the question is whether Aristotle’s teleological ethics is compatible with capitalism. The first chapter, by Alasdair MacIntyre, presents his clear position: the impossibility of conciliation between ethics and capitalism. For him, the academic teaching of ethics does not shape moral characters and constitutes a distraction from the real ethical problems of economic

institutions. There are some basic dispositions necessary to behave morally: a tempered realism about oneself, courage, care for others (for the common good), and a stable ethical course of life. Not only do ethical courses have no impact on people who do not have these conditions, in MacIntyre's view; he also believes that the habits of a moral character will prevent a successful career in the financial sector. Ethics is not only irrelevant but also damaging for them. The world of money, the measure of all things, is completely separated from an ethical ideal of life. A superficial bath of virtue ethics will not change things. The change needed is deep and will require a lot of time.

MacIntyre's chapter opens not only the book but also its first part, containing criticisms of the capitalist economy. Bob Brecher maintains that the latter shapes egoist human beings—"non-people"—incapable of exercising moral agency. He bluntly states that capitalism is "anti-moral." William Dixon and David Wilson show how the universally self-interested rational agent of economics impacts the financial sector: the failure to recognize the ethical roots of financial crises.

There are some Aristotelian capitalists who argue that virtue ethics and even MacIntyre's ideas are compatible and may explain the success of capitalism, and consequently criticize MacIntyre's condemnation of capitalism. Rajeev Sehgal's chapter defends MacIntyre from these criticisms. MacIntyre argues that capitalism converts into money all realities involved in economic activities: the all-encompassing money-seeking goal displaces any possibility of a virtuous life centered on internal goods. He thinks that profit is a modern form of Aristotle's concept of unlimited chrematistics and that as such, it is incompatible with the Aristotelian orientation of the economy to the good life of virtues.

The second part of the book, "Polemicalising the Critique" develops and applies MacIntyre's concept and puts it in relation with other positions. In a very interesting chapter, John O'Neill puts in play authors of different times and traditions such as Adam Smith, Jean-Jacques Rousseau, MacIntyre, and Richard Titmuss. He starts from MacIntyre's criticism of Smith's minimizing the fact of dependence in the commercial society. Smith, O'Neill maintains, is confronting Rousseau's rejection of commercial society on the grounds that it eliminates people's independence. Smith recognized dependency but he privileged social order. What Smith did not take into account is that by equality dependency becomes compatible with self-respect: when there is a mutual recognition of a symmetrical dependence the humiliating character of dependency disappears. Here is where Titmuss and his proposal of rejecting the inefficacious market solutions to dependency by a gift relationship based in equality enter into the scene.

Peter McMylor develops a praiseworthy comparison between the criticism of the capitalist society of MacIntyre and that of the Polish sociologist Zygmunt Bauman. There are many parallels between them. Specifically, McMylor concentrates on their appraisal of the negative consequences of modern bureaucracy. MacIntyre notes the legitimizing character of the positivist methodology of the social sciences for the action of bureaucracy. Bauman shows the dehumanizing consequences of infusing the idea of division of work in bureaucracy: Each action becomes free from moral considerations because it actually comes to be a partial section of a process, which is blind with respect to the whole process

and with respect to the other who is its object. McMylor points out a difference between MacIntyre's and Bauman's ethical theories: While for Bauman morality has presocial and probably prerational sources, for MacIntyre the spontaneity of morally good actions comes after having rationally learned it or from the legacy of a virtuous moral culture.

Mustafa Ongun, basing his arguments on Foucault and MacIntyre, shows that neoliberalism proposes more than normative indications about the relations between the state and markets. It is a particular mode of understanding our social life. The logic of markets is applied to fields that do not act according to this logic: arts, medicine, sciences, and education. This logic inhibits those fields from flourishing and subjects them to economic efficiency. Ongun finally states that he finds shortcomings in Foucault's moral analysis that are overcome by MacIntyre.

Niko Noponen, in his chapter "The Great Perverting Transformation," shows the connections between MacIntyre's criticisms of modern society and Karl Polanyi's diagnoses of it. Both thinkers coincide in their censure of the current market logic, which is like the perverted form of chrematistics described by Aristotle in his *Politics* I.

Part 3 of the book, "Alternatives to Capitalist Economy" finally presents positive proposals. These are not necessary specific instrumental plans. For Piotr Machura, a sound concept of the good should be a prime basis of any proposal. In contemporary times, very different from the Aristotelian, he thinks that this proposal should be oriented at the development of the human being. He puts MacIntyre's program based on human nature and the metaphysically uncommitted Amartya Sen's capability approach together with Martha Nussbaum's list of ten human fundamental capabilities as examples of this kind of proposal. Chapter 10, by one of the editors of the book, Kelvin Knight, reviews the European guilds movement, putting it in relation with capitalism and socialism. The contributions of Arthur Penty, S. G. Hobson, G. D. H. Cole, Ramiro de Maeztu, Odon Por, and R. H. Tawney, authors conceiving "function" as a principle of social organization, are presented. In the last paragraph, Knight brings MacIntyre's Aristotelian practices and institutions into the scene, as a different foundation for the idea of the guilds.

Russell Keat, emeritus professor of the University of Edinburgh, puts in relation the "young Marx" with MacIntyre's concept of practices to propose a "critical ethical economy," "concerned with the critical evaluation of economic institutions in ethical terms, in terms, that is, of the kinds of life they make possible (or impossible) for people to live, of the kind of goods and ills they make (or fail to make) available" (193). This critique should not only criticize but also propose an alternative. It should comprise rigorous theory, empirical enquiry, and philosophical reflection on the human good and flourishing. He ends by stressing the relevance of institutions: any adequate economic theory must be institutional.

In chapter 12, Buket Korkut Raptis asks how ethical revolution is possible. She thinks that it is necessary, and in order to find out how to do it, she puts in play the concepts of *habitus* of Bourdieu, *event* of Badiou, and *tradition* of MacIntyre. A dialectic relation between *habitus* (stable) and event (disruptive) is necessary to achieve social identity. Honesty and trust are conditions for this interplay, as are practices and institutions. The

last chapter is written by the other editor of the book, Andrius Bielskis, a professor and a leading public intellectual in Lithuania. He first reviews leftist thinking prior to the fall of the Berlin wall, from Marx to Dahrendorf and Wahl. Then he relates how the left shifts from a theory of emancipation of the working class to today's left-liberal discourse. He thinks that the left today needs new theoretical resources to oppose capitalism, mentioning MacIntyre's notion of practices as one of them.

Summing up, it is remarkable how many reflections, thought-provoking and useful for economic ideas, stem from MacIntyre's thinking. This prompts me to suggest not only reading this book but also, even before, MacIntyre's *After Virtue*, which is the root of these reflections.

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## The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism

**Arun Sundararajan**

Cambridge, Massachusetts: The MIT Press, 2016 (240 pages)

The central thesis of *The Sharing Economy* is that, over the past four decades, three characteristics of digital technology have created a new production and employment sector, here referred to as the sharing economy. First, there is a growing perception that most goods and services represent information; hence, given the possibility of rendering this information digitally, all that is needed are design and a template. Second is the sustained growth in hardware power, bandwidth, storage, and miniaturization of digital devices. The final characteristic is modular programmability that aggregates, codifies, and integrates complexity into standardized software platforms. Users and suppliers engaging in transactions through platforms such as Uber and Airbnb constitute the sharing economy. Downloading a new app to a smartphone enables capabilities and transactional possibilities that otherwise would not exist. The sharing economy is not presented here merely as technological determinism but as a response to contemporary social issues. In addition, the book details how these innovative transactions supplement, substitute for, or challenge traditional firms, workers, and regulatory agencies (53).

The goal of the author—an economist and a professor at New York University's Stern School of Business—is not necessarily to advocate the sharing economy but rather to exhaustively describe this new phenomenon and assess its potential political, economic, and social effects. Chapters 1–4 deal with historical and technological factors that have allowed this economy to evolve. Chapters 5–8 address economic and regulatory issues. Of particular interest though are chapters 7–8, confronting workforce issues.

What does the term *sharing economy* mean? It represents emerging markets in new services that could result in higher levels of economic activity, new opportunities for capital to be used at levels closer to capacity, and initiatives based on decentralized crowds