ECONOMIC INTEGRITY, CORPORATIONS, AND BUSINESS ETHICS

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Like most other Western ethics, business ethics has been primarily concerned with two things: character and action. The character of business has covered various topics, from the virtues of managers to the status of workers, to the design of organizational relationships. Action has also had various dimensions, including the process of decision-making, the stakeholders who are affected by actions, and the norms or principles used to guide actions. All of this has been well and good. If we learned anything about business ethics from the financial crisis of 2008, however, it was that we have not paid enough attention to the real context in which businesses exist: the economy. In this paper, I want to reflect on the integrity of the economy, using the notion of integrity I developed in my book, *Corporate Integrity* (2005), to examine corporate performance in this economic context, to demonstrate the difference that a civic perspective would have on economic integrity, and then to develop a civic story in which business ethics might participate.

First, a word about integrity: I take the word to mean wholeness, which means that an entity or system has integrity when all its relevant parts are recognized and related properly to one another. If one were writing fiction, for example, the work would have integrity if the story was coherent, all the episodes fit together, and the ending somehow make sense. If one were writing non-fiction, on the other hand—such as history—there should be some relationship between what actually happened and what was said to happen. In this sense, the integrity of non-fiction requires that it be truthful in telling the facts, even though the "facts" may be interpreted differently in different stories. The point is that one should not leave them out of the story. A biography of Marin Heidegger today, for example, that did not mention his association with Nazism, would not have integrity. And what does this have to do with the economy? It turns out that the economic story we have more or les inherited from Adam Smith suffers from what I will call "dis-integrity," or a lack of integrity. Until we fix this, the adage that business ethics is an oxymoron will probably have a ring of truth.

Economic Dis-integrity

Mainstream Anglo-American economics violates the principle of integrity (exhibits economic dis-integrity) in at least three ways. (1) It splits off the misery of slavery in its narrative of early capitalism, and gives an overly optimistic view of the "invisible hand." I will call this an economics of dissociation. (2) It treats relationships with people and the planet as property relations when in fact they are living beings. This represents an economics of property relations. (3) It divides the economy into separate sectors, which prevents a picture of the complete process of making provisions from extraction to post-consumption. Let's call this an economics of separated sectors. Each of these: the economics of dissociation, property relations, and separated sectors, violate the basic principle of integrity: all the relevant parts of a whole must be recognized and properly related to each other.

Adam Smith's *The Wealth of Nations* is the classic illustration of the economics of dissociation. The context for Smith's thinking about wealth has usually been taken to be Europe or perhaps Scotland. In fact, Smith's actual economic context was the Atlantic Ocean. The real context for Smith's knowledge of wealth creation, in other words, was not the village of butchers, bakers, and brewers but rather the Atlantic triangle of Europe, Africa, and the Americas (Brown, 2010).

The dis-integrity of *The Wealth of Nations* resides in its silence about the misery of the slaves who grew the tobacco that produced Glasgow's wealth, and its optimism about the self-organizing market—the invisible hand. One continues to see this dissociation in conversations today about Adam Smith's *The Wealth of Nations* without any mention of slavery (Werhane). One also sees the dissociation in conversations about economic growth without any mention of whether the growth is making people's lives better or worse.

One also finds in early British philosophy the origin of the second dis-integrity of modern economics—the economics of property relations. The philosopher, John Locke, held that the ownership of property was the basis of human freedom. He wrote this, interesting enough, while investing in the African slave trade. In the *Wealth of Nations*, Adam Smith used the Scottish four states of history to justify his view that the commercial nation was the end of evolution. In this nation, labor, land, and money were properties or commodities.

This economics of property relations is enshrined in business law in the United States, which treats corporations as property and employee-employer relations as property relations. Seeing workers or other providers as properties, of course, allows businesses to focus on managing property without worrying about the impact of their decisions on the biosphere or natural persons.

Finally, the separation of the economy into different sectors—extraction from the earth, or the primary sector, manufacturing or the secondary sector, and services or the third sector—has allowed us to separate financing and marketing (third sector) for example, from the extraction or manufacturing of different provisions (first and second sectors). Because most corporations operate only in one sector, an advertising company, for example, does not worry about the harm its commercials do to the environment, or a financial company does not worry about the harm its trading does to the stability of developing countries. In fact, the lack of economic integrity allows corporations to live in many separate worlds—the world of finance or farming—without knowing how these separate worlds are actually related to each other. This economics of separate sectors prevents us from seeing the life cycle of everything from our dinner to our computers.

For the most part, the impact of these three forms of economic dis-integrity on business performance has not been explored, which is the next step in our analysis. We begin with a rather standard description of corporations and then examine how the economic context in which they exist highlights some characteristics and ignores others.

The Character of Corporations (Out of Context)

Corporations as Legal Creations: Perhaps the first thing one should say about corporations is that they are creations of the state. People who want to incorporate must fill out incorporation papers and have them approved by a state agency. From the very beginning, in other words, corporations are legal creations and are possible because governments create them. And what does the state create? It creates property, which is their second characteristic: corporations are properties.

Corporation as Properties. Perhaps the clearest indication that corporations are property is that we can buy and sell them, watch their market value increase and decrease, and so on. For something to become property, it must have a property title or in this case, incorporation papers. Something becomes property, in other words, by enacting a set of property laws, and the legitimacy of these laws depends on the rule of law, and on people belonging to a law making and enforcing community: to a state.

The corporation itself, however, is recognized as belonging to its owners, not to the state. It is, in other words, treated as a piece of property. Even the relationships among those who work in corporations are formulated, for the most part, as property relations. Still, a corporation is also a community of people organized to perform some function.

Corporation as Community Property relations largely define the relationships among the members of a work community, as least in the United States. Workers sell their property (their labor) in exchange for wages, just as consumers buy products (properties) with the wages they received in exchange for selling their labor (property).

There is another view of the work community that it is not based on property relations but human relations. For some time, groups like *The Great Places to Work Institute* have shown that human relationships of trust, fairness, and respect are practiced in some corporations (Levering and Moskowitz).

So corporations are not only sets of property relations, but also human relations. The management of the communal characteristics of corporations, of course, raises many ethical dilemmas in terms of how to relate the corporation as property and as human community. These dilemmas point to a fourth characteristic of corporations: they are moral agents.

Corporations as Moral Actors. It may seem strange that a piece of property can also be an actor. Legally, of course, corporations are considered legal persons, which is, as they say, a “legal fiction.” They are not really persons, but are allowed to act (and to be treated) as persons in legal matters. So we could easily see them as legal actors. To call a corporation a moral actor is to say that corporations should not only be legally responsible for their decisions, but also morally responsible.

One can also treat the corporation as a “moral actor” in the sense that it faces questions about what it “should” do, and its choices are based on particular values or principles, which are the values and principles that are selected by the members of the corporate community to direct its actions. To qualify as a moral agent is not all that difficult: one must have serious choices to make, has the capacity to do otherwise, and provides a moral (value based) justification for one’s choice. A moral agent is not one who is always moral, but rather one that faces moral choices and can be judged by moral standards.

So what should be the guidelines for corporate decisions? Or, who should decide what the guidelines are? I am not sure we can answer that question without first answering another question: What are corporations good for? Or, What do they provide for us? This brings us to the fifth aspect of corporations—they are providers.

Corporations as Providers To look at corporations as providers is to focus on their provision of goods and services. Although we do not acquire all that we need or value from corporations, they do provide many things we could not do without—from energy to health care. Because a civic view of corporations focuses on corporations as providers, we will come back to this characteristic later.

As one would expect, corporations largely do what one would think they would do considering the world (context) in which they live. At least in the context of the dis-integrity of Smithian economics, this adage seems to hold true. To review their behavior, we can take the three key forms of economic dis-integrity—economics of disassociation, of property relations, and of separate sectors—and see how they influence corporate behavior.

Corporate performance in an Economics of Dissociation: On the one hand, one finds that many corporations engage in dissociative behavior quite similar to that of the economy in which they exist. They commonly disregard the misery of workers and the degradation of the planet (these are called externalities). Energy companies are a prime example of such dissociation.

Furthermore, most corporations continue to push for an increase of consumption, even though the planet is already stretched past its limits. This dissociative pathology does not infect all corporations, of course, but those who want to remain competitive in the global market are more or less forced to engage in similar behavior, or risk failure.

On the other hand, some corporations are clearly moving beyond this dissociative context by engaging in such practices as triple line reporting—reporting on their financial, social and environmental performance. Corporations are also developing various Corporate Responsibility programs. A recent development has been the “B” or Benefit Corporation, which has a second corporate charter that states its commitment to social benefit. These developments are certainly welcome, but it is not clear if they will change the basic economic context.

Corporate Performance in the Economics of Property Relations: At least in the United States, most labor contacts are based on property relations, as are most business laws. Labor, land, and money are treated as commodities. At the same time, the recognition of corporations as human communities has brought about human resource departments and a psychological handling of the workforce. Many corporations today promote such virtues as trust, loyalty, and even respect, because they are seen as important motivators for employee high performance.

Perhaps the strangest expression of an economics of property relations today is the claim that corporations should be independent from government, as though their status as property was natural rather than legal. Some arguments about corporate citizenship seem to rest on similar assumptions, especially when corporate citizenship is advocated as an ersatz for failed governments. Since they are government creations themselves, how could corporations succeed when their creators fail? Such questions raise important questions about the legitimacy of corporations. Are they self-justifying? They would be from the perspective of an economics of property relations, since it assumes that property ownership is natural, and the role of government is to protect the owner's property. This ignores, of course, that corporations are first of all legal creations. It also ignores, for the most part, that corporations are work communities, moral agents and providers.

Corporate Performance in the Economics of Sectors. The danger of separated economic sectors became abundantly clear in the recent financial-mortgage crisis. "Wall Street was disconnected from Main Street" as they said. The crisis itself, of course, exposed that the separation was only on paper, and that the appetites of financial investors and speculators affected the whole economy. To the extent that the financial sector had a life of its own, so to speak, people were tempted to play the financial markets rather than to focus on the product markets.

Another interesting use of the terminology of economic sectors is in economic development. Those countries with more of their GNP in the service sector are seen as more developed than those with more in the primary or extraction sector. This "value chain" perspective treats the service sector (finance and communication technology) as more "developed" than the sectors that provide us our food and tools. Developing nations are supposed to aim at more economic activity in managing finance and less in managing the production of goods. This trend has left us today with a global economy that is driven more by debt and financial speculators than by the work of providing people with the basic goods they need for a good life.

When we step back and survey how corporations have operated in this economics of dissociation, property relations, and separate sectors, we can see how they have moved beyond their limitations, such as with triple line reporting or sustainability projects, but few have actually worked to change the dis-integrity of the economic contexts in which they operate. Corporate managers, for the most part, appear more or less as managers of property. True, there is some focus on the corporation as a human community, especially when managing employees. The idea that corporations are state creations, moral agents, or providers receives less attention.

And what about business ethics? It is easy to make generalizations here that are only partly true, so please take my comments as indications of trends in business ethics, rather than detailed analysis. One could say, for example, that business ethics has focused more on the community and moral agency characteristics of corporations than on their legal status or character as providers. Their character as property, for the most part, has been taken more or less as given, as has been the corporate context. So how has business ethics been confined by this economic context, and how has it moved beyond it? The best way to answer this question is to examine the relationships between business ethics and the three forms of economic dis-integrity.

Business Ethics and the Economics of Dissociation It would seem obvious that the economic dis-integrity we have described would also be the context for business ethics, but that does not appear to be the whole truth. In regard to the economics of dissociation, business ethics has offered alternative frameworks, such as a stakeholder approach or the application of an environmental ethic. One could see the stakeholder approach as a formulation of property relations—it is about groups that have a "property interest" in corporate conduct, but one could also see it as a discourse about human relationships. Still, for the most part, business ethics seems to treat corporations either as isolated entities existing without context, or as social entities existing in a social context beyond economics. The actual economic context, in other words, is easily overlooked.

Business Ethics and the Economics of Property Relations Here again, business ethics has imported other frameworks than the framework of property relations to reflect on the role of business in society and its relationships to various groups. In terms of the dis-integrity cased by treating living beings as property, business ethics has brought in a Kantian perspective that locates human freedom in the moral will rather than ownership (Bowie, etc.). It has also brought in a virtue ethic, also based on moral character rather than ownership (Solomon, etc.). Some in business ethics have argued for democracy in the workplace and for human rights, clearly in conflict with the idea of the management of property (Brenkert, etc.).

Another approach of business ethics has been one that highlights "best practices" as examples of what all corporations could do. Years ago, a common example was the pharmaceutical company, Johnson and Johnson. Their famous "Credo" represented a company that took seriously its relationship to all its stakeholders. Hewitt Packard, the computer company, was given a lot of attention as well. Today, J&J is seen as just another pharmaceutical company, avoiding taxes by using offshore operations, and paying fines for fraudulent marketing. HP has not faired much better. Still, some companies are certainly better than others, and highlighting the better ones is still possible. The problem, however, is that the best practices model more or less ignores the economic context in which businesses must exist.

In light of the variety of ways in which business ethics has moved beyond the dis-integrity of the economics of property relations, one could imagine that business ethics would have also analyzed the negative impact of treating living beings as commodities, but that does not seem to be the case.

Business Ethics and the Economics of Sectors Finally, what has been the response of business ethics to the economic dis-integrity of economic sectors? On the one hand, we find the acceptance of such sectors, as in the development of an independent ethics of finance, for example (Boatright). On the other hand, some in business ethics have created frameworks of the whole process of provisioning, especially those who have brought into business ethics some of the work on environmental sustainability (DesJardins, Newton etc.). Still, here again we do not find a sharp critique of the idea of economic sectors, which is similar to our conclusions of the other two aspect of economic dis-integrity. Or to put it another way: If we take the Smithian economics as the box in which corporations exist, then we could say that business ethics has done much to think outside this box, but not that much to change the box itself. This quite naturally leads us to ask: Why this lack of a critical analysis of economic dis-integrity in business ethics?

Business Ethics operating in an Economics of Dis-integrity

From reviewing the literature in business ethics, we find that business ethics has brought in various models of character and action that do not belong to the dis-integrity of modern economics. We also find little critique of the economic context. How can we explain this? One explanation is the use of what has been called the business case for ethics. Another explanation is what I will call the privatization of ethics.

The Business Case. The adoption of the business case for ethics seems to be more popular today than the best practices model. The slogan here is: "Doing well by going good." Again this approach does not really criticize the dis-integrity of the economics of property, but rather tries to show that a true understanding of good property management includes social responsibility. This limit, it seems to me, has become more and more questionable, especially in the United States, where corporations are spending millions in political campaigns and on corporate lobbyists to counter any changes that would protect the environment or human health. Today, it seems like the business case is limiting the reach of business ethics much more than it limits the reach of business.

The Privatization of Ethics Western ethics began as a civic ethic. Socrates, Plato, and Aristotle developed ethics for a public life. For Aristotle, ethics belongs to political science—the master science for defining and realizing the good. In modern business ethics, Aristotle's ethics has been a major source for business ethics, but it has been taken out of its civic context and inserted into the world of commerce (Solomon, etc.). Instead of working in the context of the polis or city-state, as Aristotle did, many in business ethics work in the context of the commercial nation as described by Adam Smith, with all the economic dis-integrity we have described.

The latest form of the privatization of ethics is the idea of a corporate citizen, where the very meaning of citizen has become a characteristic of a privately owned firm, and in some cases, an ersatz for a political government (Crane, etc.). In a sense, the privatization of politics has become a reality for much of the world, as we move toward a new feudalistic order, with the few controlling the world's resources, engaging in philanthropy when they want, and doing good to the extent that it promotes their brand.

Will business ethics join the struggle to reverse these trends? If it does, it will need to find a place from which it can become more critical of the lack of integrity of our economy, and join with others who are working for a sustainable and just future. To move to a more critical stance, I believe we need to correct the contemporary privatization of business ethics and establish a civic platform from which one could engage in ethical reflection of the economy, corporations, and even business ethics. Before we make this move, we need to have a better understanding of the civic.

The Civic

The notion of the civic has various meanings. Sometimes we speak of civic activities or responsibilities to refer to programs that help people in our communities. Many who participate in such activities see it as a civic duty to make some contribution to the good of their community. The civic can also refer to a place, such as San Francisco's Civic Center, which is in front of City Hall. These spaces are open to all. They may contain memorials to those who have served the city. They are also spaces for public events such as festivals or protests. When we join these activities or visit these spaces, we find ourselves participating in something that belongs to all of us and is owned by none of us.

What do we participate in? I would like to describe it as the space between our separate social identities and our common humanity. The civic is actually this in-between—between what unites us and what separates us. On the one hand, we belong to some class, gender, nation, ethnicity, religion, and so on. This is the world of differences. On the other hand, we all exist together in our separate and conflicting social identities. This is what we have in common.

Say I am walking down a street in a large city and come across a homeless person on the sidewalk, and I ask myself if that could have been my fate. If I think that I could have been that person—except for different circumstances—then we share a common humanity. Our differences are basically social. If I say that I would never become such a person, then I take our social differences—class, race, religion, and so on—as essential. I refuse to recognize anything in common with the other.

To participate in the civic means some acknowledgement of the common humanity we share. Our common humanity serves as the foundation for the civic. At the same time, the civic exists not so much in the acknowledgement that we are all alive, as in conversations about how we should live together. These conversations rely not only on our common humanity, but also on what we share in common—our living space. We share this place, this time, this fate, and this planet. What holds us together is who we are and what we share.

The civic does not erase any of those social frameworks and expectations that separate us, but it allows us to see how others interpret them. It serves as a platform, in other words, from which we can critically examine and even redesign the social systems in which we live, including our economic systems.

So who belongs to the civic? The very nature of the civic is its public or open nature. This openness applies, however, only to those who share a common humanity. This is not a place for gods, because that would make them all too human. This does not mean that religious beliefs cannot be a source of what it means to be human or what we should share. It simply means that a civic view of the human is not bound to some religious ideology although it may be informed by several of them. Because the civic is not created or maintained by the gods, their representatives do not rule the civic, but they may bring enlightenment to the civic. The Rev. Martin Luther King Jr., for example, believed as a Christian that we are all God's children, but he did not lead a new Christian movement; he led a civil rights movement.

Fundamentalist forms of religion seem to have little tolerance for the civic, because they live in a black and white universe. In the history of Christianity, one finds this in the idea of the two kingdoms—the kingdom of light and of darkness, or the heavenly city and the worldly city, or even in the separation of the soft idealistic from the hard-nosed realistic. If there are only two rulers: god or man, then the civic, which has a human foundation, must be godless. There is another interpretation. All human communities have been involved in a quest for meaning. Different communities have found different answers. Still, questions, not answers, have a better track record for energizing us. The civic is a conversation inspired by the question of how we should live together—how we should share this time and place. This is a human question, not a religious question, but answering it may benefit from religious answers if they can be made accessible to all of us.

The civic is also not a place for businesses or corporations. They are not human enough. They are our creations; they are not like us. Membership in the civic requires a sharing in what we have in common, beginning with our common humanity, and extending to our understanding of what should be common—available to all and owned by none.

One might think that as moral agents, corporations should be participants in civic conversations, but this is not quite so simple. Many organizations—from churches to hospitals—have the characteristics of moral agents—they have specific structures for making collective decisions—but they do not share our common humanity. Only the people who work in them do. Organizations, as organizations, do not have the capacity to move beyond their particular social identities. In civic conversations, we may redesign organizations, but they remain contained by their particular social identity. The civic is reserved for people: "We the People."

The point is not to make corporations or even the economy members of the civic, but rather to repair their dis-integrity, so they may perform their proper functions in the social systems in which they operate. The economy will have integrity; in other words, all the relevant parts of the whole are included and properly related to one another. So how could we use the civic to improve the integrity of our economy? We could use it to transform each of the three forms of economic dis-integrity into economic integrity.

The economics of dissociation: A civic platform would improve the economics of dissociation by serving as a bridge between our social differences that separate us and our common humanity that unites us. Instead of splitting off the misery of those who provide us our wealth, whether slaves as in Adam Smith's case, or migrant workers in the United States, it would include them as members of the civic, which would decrease the chances of ignoring their social conditions. Furthermore, through civic conversations in which all people were represented, the social structures of privilege would become transparent for all to see. Transparency by itself may not bring about the transformation we need, but such a transformation is unlikely without it.

The economics of property relations: A civic platform could improve the dis-integrity of an economics of property relations by recognizing that all people are living beings. So is the planet. In fact, we belong together in living systems that are now seriously threatened largely because we have related to them as commodities. At the same time, these living systems are useful for us; not as properties, but as provisions. We need human providers who transform nature's provisions into provisions for our families and communities.

Recognizing human and non-human communities as living systems does not eliminate property or property rights. Rather it acknowledges that property rights are not natural, but legal. The ownership of property, in other words, is actually a government grant to persons. We need to remember that it was legislative acts in the 17th century that permitted the enclosure of the commons and that gave landowners the absolute right to control their property. New legislative acts could restore the commons and limit the granting of property ownership to occasions when it benefits everyone. Such a transformation would change the basis for the economy from property rights to human rights, from property relations to civic relations. Furthermore, it would enable an economics of integrity in that it would treat people and land as they clearly are—as parts of larger living systems.

The Economics of Separate Economic Sectors: The civic provides a platform from which to ask a simple question: "Why do we have corporations in our communities? To give a simple answer: "They provide us with things we need and/or have reason to value" (Sen). This civic perspective, in other words, highlights the first and fifth characteristic of corporations (civic creations and providers) rather than the second (properties).

The basic provisions for all human communities would include such things as food, housing, water, security, clothing, health care, and entertainment. Today, for most of us, these goods are provided through systems that include for-profit and non-profit corporations, government agencies, and voluntary organizations. The framework of economic sectors prevents us from seeing how these different parts of the system are related to each other and how the system as a whole is functioning: whether it is moving toward a sustainable future for all of us or not.

If we see the provision of these different goods systemically, then we can examine the life of any product—from the extraction of the earth's resources to its transformation into useable goods, to its return to the earth, as waste or as renewable materials. Framing the economy as various systems of provision, in other words, allows us to overcome the dis-integrity of the separate economic sectors and see how different aspects of production and use fit together as an integrated whole.

If we were to switch to viewing the economy as different systems of provision, what would happen to the current financial market? I think it would largely disappear. Money, in other words, would not have a separate system, but rather belong to all systems, because these systems need the services of money to make exchanges, obtain credit, and to pay taxes.

Furthermore, these systems of provision would focus on provisions, not products. We need access, for example, to everything from education to health care, but we do not necessarily need automobiles. We could design urban areas with public transportation instead. The point is that wealth in these systems would not be measured by the aggregate of commodity exchange (GDP), but rather by whether or not people have access to what they had reason to value.

Overall, these are three different ways we could use a civic platform for repairing the dis-integrity of our current economy by overcoming its dissociation by civic inclusion and openness, its property relations with human relations, and it separated sectors with systems of provision. If we were to do so, we could transform the economic context in which corporations exist, and thereby promote new forms of corporate integrity.

The civic could actually serve as the foundation for both private and public institutions—for both business and political communities. These communities, however, are not equal. Political communities continue to honor the equality implicit in our common humanity through representative governments, and through laws and regulations that shape our life together. Business communities, on the other hand, are places for private enterprises where individuals, families, and groups engage in projects that provide them with the means necessary to make a living. Individuals, families, and investors will own these private enterprises. Some may be employee owned or cooperatives. What kind of ownership is most appropriate depends on both the stewardship of resources and efficiency. In any case, these enterprises are part and parcel of the social fabric in which we live, as are government agencies that regulate them. Together the political and business communities, as well as voluntary associations, constitute the systems of provision that provide us what we value.

How these systems of provision should be designed, of course, will always cause disagreements. There are many choices to be made. Organizations involved in these systems will need to participate in deliberations on how the systems should move forward. Corporations, as moral actors, have a role to play here as they focus on what they should contribute to make such systems conform to the provisions needed for this and future generations. A civic platform can help guide such conversations by clarifying its own normative character. To participate in the civic involves more than adapting an idea. It also involves participating in its story or narrative.

For the most part, it seems fair to say that although business ethics has added significant elements to what I will call the Smithian narrative of economics, it continues to operative within it. The story is somewhat persuasive in its simplicity. We evolved from hunters to traders. We became masters of our fate and created great wealth as never seen before. If we follow the dictates of the market—the invisible hand—we will find answers to our problems. Without interference, we can climb every mountain; overcome any limits; and right all wrongs. Corporations are the masters in the future, and the next incarnation of the principles of free enterprise that has enabled the flourishing of the human spirit as never seen before.

This is the story of empire, and in this case, an empire that was built on slavery. Today it suffers from the three forms of economic dis-integrity we have reviewed: the economics of dissociation, of property relations, and of separated economic sectors. In spite of this lack of integrity, one finds this commercial story still told in academic economic departments, schools of business, and in many boardrooms and even homes. It would certainly be easier if business ethics could live in this story; but as lone as we do, I think we will choose not to participate in another story, a civic story that could actually move us away from the coming planetary disaster and toward a sustainable and just economy. This is a story that needs multiple versions and revisions. Here is one possible telling.

A Civic Story

In the beginning, we began as members, not as owners. We belonged to each other before some belonged to others. We provided for one another rather than owned one another. We protected each other, especially those who provided for all of us, instead of only protecting our property. And finally, we searched for the meaning of things. From early on, we wanted to talk about ourselves, how we fit in the larger picture, how we could best live together. This triad of providing, protecting, and finding meaning, is the story of human communities. Today, of course, we do not do this in the African savannah. We do it in our cities and metropolises.

Perhaps the best-known story of the civic is Aristotle's. He sees the civic as the *telos* of human communities. In his *Nicomachean Ethics*, he places ethics under political science, and essentially writes about the character and actions of a good citizen. His notion of the civic, as many have pointed out, also included the acceptance of slavery and all the perils of patriarchy. So while Aristotle's ethics may serve as a source for civic practices among citizens, the context he accepted should not be repeated. There are another sources for the civic. I assume that different peoples have their own story about the emergence of the civic. These stories tell us much more about the civic then we can learn from a definition. At least this is true of the rise of the civic in the history of the United States, which I would like to present not as a paradigm of the civic, but rather as a particular struggle for a civic identity that continues to this day.

The US Story of the Civic

There are different ways to describe this history, but I have found it helpful to focus on a tension that has existed since our country was founded: a tension between the civic and the commercial. Although one finds a civic terminology in the US Declaration of Independence, only property owners enjoyed that independence. Our early government was essentially a commercial government; designed to protect property and not much else. This property included not just land, one's business, and a worker's labor, but also a man's family and his slaves. Still, these property owners articulated a civic framework that later emerged as a reality even though at the time it was not a fact.

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.

To understand the context of this statement, one needs to remember an owner of over 200 slaves wrote it. Even more significantly, it accompanied a Constitution that counted a slave as 3/5ths of a person in terms of proportioning membership in the House of Representatives. This meant that the slave states would have a majority in the House, and therefore be protected from the abolition of slavery. I find it hard to overestimate the significance of this compromise between the southern and northern states. Clearly property rights (the slave owners right to their property) overrode civic rights, even among the non-slave population. In a way, this compromise has defined the conflict between a civic and the commercial.

US history can be understood as a dialectical movement toward universal civic membership and massive resistance to it. The decisive event, of course, was the Civil War. Even though this was really a war over property rights—the right of slave owners to keep their property (slaves) it was called a Civil War. The war resulted in the recognition of former slaves as citizens (citizenship based on membership, rather than ownership). Soon afterwards, however, a Jim Crow régime followed enforcing a race-based apartheid in our southern states that remained in place until after Second World War.

The civic story includes more than the story of blacks and whites in America. In 1920, the Nineteenth Amendment granted women the right to citizenship not because they owned property, but because of their basic rights for moral equality and civic participation. This civic development, however, did not result in equal representation in politics or even in business. Instead, commercial advertising created a family mythology based on consumption rather than on equality. This consumer society was interrupted by the depression and war, and then took off again in the 1950s. Only with the feminist movement of the 1970s, did we witness a further development of basic civic rights. The resistance to the civic also reacted: a massive effort to persuade us through advertising that human happiness depends on consumption. Again, commercial interests curtailed the development of civic values.

There were other movements toward the civic ideal. The rights of workers to organize in the 1930s, for example, gave them civic rights in the workplace. Here again, however, they became mostly interested in commercial interests—wages and benefits—rather than civic values of representation and participation. Still, they continue to represent a community based on civic membership rather than property ownership.

And the civil rights movement. In the 1960s, overt segregation was overturned. We did become a more perfect union. The resistance, however, has been as massive as ever. As the author, Michelle Alexander, has documented in her book, *The New Jim Crow*, the law-and-order movement has been largely successful in resisting the empowerment of black men and communities through a combination of strict laws and urban neglect (2010),

At the same time, the civic has been expanded to include the protection of people in their homes and their religious communities. Laws against domestic violence and child abuse have included women and children as members of the civic even in the privacy of their homes. Even religious leaders do not have the right to violate the civic rights of children. Everyone's basic humanity deserves equal protection even in the privacy of the family and religious communities.

More recently, the struggle of the LGBT community for equal civic rights has joined this narrative of the emergence of the civic in the United States. The emergence of the civic advances several values: especially moral equality and an equal right to participate in civic life. It reminds us again that the foundation for the civic is membership, not ownership. Membership, in other words, is a commons, something we share, not a property, something we have.

Similar struggles have occurred in many different places and I don't mean to privilege the US story of the emergence of the civic over others. It is just the story in which I have participated, and it can be used, I think, to understand the Anglo-American contest between the commercial and the civic that we recently witnessed in the Occupy Wall Street Movement.

We all live in different stories or narratives, and the integrity challenge for business ethics as a discipline is to first acknowledge that we do have a choice about the narrative in which we participate. Actually, we will make a choice, even if we do not choose at all. So what is the choice?

If we would be willing to take a critical stance toward the dis-integrity of Smithian economics, to actually say "no" to an economics of dis-integrity, then we would be able to join others who are already moving toward a new civic economy that aims at providing for all. If we did, I think a civic business ethics would have the following characteristics.

Characteristics of a Civic Business Ethics

What would be the benefit of a civic platform for business ethics? First of all, the civic frees us from the dis-integrity of the ontology of property by including everyone as a civic member, not only of the same community, but also of a hierarchy of communities from the local to the global. A civic perspective also makes visible the civic foundation of property and property rights. These rights are legal rights, which means that before one has the right to ownership, one must be a member of a civic community that has laws and the capacity to enforce them. This will help us understand the role of corporations in our communities. Their characteristics as legal creations and providers would have priority over their characteristic as a piece of property. They would have civic obligations to perform their proper functions in the systems of provision in which they operate. Finally, moving to a civic platform will allow us to join with others who are working toward a good life for all. We could engage in conversations with very different backgrounds about such questions as what kind of business ownership makes sense today, what should be the role of banks and of money in making provisions for all, and what needs to happen to turn our economy toward sustainability and justice. In fact, a civic perspective, if correctly understood, will give us remedies for the current dis-integrity of our economy, corporations, and even business ethics.

So what would a civic business ethics entail? For of all, it would turn its attention to how well businesses are performing their functions in the systems of provision in which they operate. General Motors, for example, belongs to the transportation system, which provides people access to things they have reason to value. What should General Motors provide? How should it relate to other stakeholders in the system? How does it fulfill its obligations to its owners, its community, and its consumers? Who should be involved in answering these questions? Lot's of questions. But are they the right questions? And what ethical standards should one use in answering them. These fields of inquiry would seem to fall in the field of business ethics.

Secondly, business ethics could join with others in civic conversations at work and in academia where participants are recognized as civic members—as citizens. In such conversations, the civic case replaces the business case. The limits of ethics, in other words, are not set by business but rather the limits of business are set by civic norms such as moral equality and system integrity. This move, in effect, would overcome the privatization of ethics that I described earlier.

Although more could be said, one final point here is that business ethics would serve as a mid-wife in giving birth to a new civic economy from the old economy of property that engulfs us now. We need a business ethics that is both critical and visionary. Like Socrates, we need a business ethics that questions the gods and opens a way for conversations about how we want to design an economy that works for all.

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