Big Business: A Love Letter to an American Anti-Hero, by Tyler Cowen. New York: St. Martin's Press, 2019. 272 pp.

Matthew Caulfield, University of Pennsylvania

Many business ethicists see themselves more in the role of critic than of cheerleader, and rightly so. Miscarriages of justice naturally call for some kind of critical reflection. On the other hand, excessive asceticism or diffidence—the kinds of things that might call for some antidotal encouragement—are not among the central theoretical or practical problems in business. But in *Big Business*, economist Tyler Cowen thinks there is a real casualty to an overly critical stance. For him, generally critical stances against business—present among young people, ordinary citizens, the media, and operatives spanning the political spectrum—are not just often premised on factual misconceptions; they also threaten support for policy that would preserve or enhance the rewards of business, "one of the most beneficial and fundamental institutions in American life" (7).

The book's first chapter, "A New Pro-Business Manifesto," lays it on a bit thick. Whereas the rest of the book offers shrewd and fascinating reflections on the incentives, behavior, purpose, and power of business in various domains of interest to business ethics scholars, the introductory manifesto packages it all in an attempt to "persuade [us] that it deserves more of [our] love and less hate" (11). How could we not love business, he offers, when it "makes most of the stuff we enjoy and consume," like cars, phones, and clothes for our children, and "gives most of us jobs" (1)?

Of course, business does not "give" so much as it *sells* us things and *buys* our labor. When I offer money to buy clothes or a phone, why must I also offer my love? Or when my employer makes payroll and I am paid what was bargained for, why should I classify it as "nothing less than a heroic act" (2), as Cowen would? Confusion is added to the reader's skepticism as Cowen simultaneously concedes that businesses are "apparently selfish, profit-maximizing . . . entities" (11). We are supposed to think of them as both heroes and egoists?

Perhaps Cowen's point is in its best formulation when he instead uses the language of appreciation, in lamenting those who are "so unwilling to appreciate" business and its immense benefits (7). This statement of the view preserves the thrust of the book—that we don't know how good we've got it—without cloying pleas to "love" business more (6, 11). Although Cowen overindulges his contrarianism in his introductory manifesto, it comes in just the right doses in the subsequent chapters.

Chapter 2 addresses the trustworthiness of business. Cowen urges us to focus on the standard to which we are comparing business. He posits that the "propensity of business to commit fraud is essentially just an extension of the propensity of *people* to commit fraud" (23, emphasis his). The difference for Cowen is that businesses seem to have more incentive to limit fraud because of their valuable reputations. He points out that businesses commit less tax fraud and CEOs perform better in trust

Business Ethics Quarterly 30:4 (October 2020), pp. 608–612. DOI:10.1017/beq.2020.34
Published by Cambridge University Press on behalf of the Society for Business Ethics.

game simulations. What's more, many of us seem to already functionally trust big business more than other people. Which do you find more reliable, Match.com's own claims or those of one of its dating profiles (24)? We might add another example: in contrast to the number of big businesses you've provided your credit card information, how many people do you know to whom you'd feel comfortable giving the same information?

In chapter 3, Cowen argues that CEOs are not ripping off their companies, for the most part. As business opportunities for top firms grow, so do potential returns to prime talent, which drives competition for this talent. CEO total pay "for top companies rises pretty much in lockstep with the value of those companies on the stock market" (44). Some cases in which compensation has not, in hindsight, paid off turn out to have been justified because the initial gamble was reasonable. Companies are looking to sign the LeBron James of CEOs, and sometimes they will unluckily hire a dud. This argument is, of course, premised on an assertion that "really good CEOs are very, very hard to come by" (47), a scarcity-based justification of CEO pay that has been criticized in our field (e.g., Moriarty 2005). The remainder of the chapter attempts to justify this scarcity with a compelling survey of empirical literature.

Chapter 4 focuses on the generic benefits of work, in making us "happier, better adjusted, and better connected to the social world" (63), also reviewing some interesting arguments in favor of empowering employers. Chapter 5 addresses monopolies in American business, contending there is more competition than we tend to think. When someone tries to price gouge, we often have the option of buying from Amazon or Walmart or somewhere else online. We also have at our fingertips a "near-universal consumption substitute," one with which "virtually all suppliers" compete: social media (89). If the market for ski boots were monopolized, we could ski less and scroll more on Facebook. Whereas the business ethics literature tends to focus on the marginal cases of price gouging for life-saving or nonsubstitutable goods, Cowen puts the problem—or, speaking outside of the margin, the nonproblem—of price gouging into perspective.

Big companies, all in all, are very often actually "superstar firms" according to Cowen (90). They are innovative and adept at learning, making a lot of money without charging too much for their products. Many of these superstar firms are found among the largest technology companies, as described in chapter 6. Though highly sympathetic to critics of this Big Tech sector when it comes to privacy, Cowen insists that we give these companies their due. Big Tech products cost less than worse, pre-internet substitutes and are constantly innovated upon. Competitors, contra the prevailing narrative, exist for the titans of Big Tech; though everyone you know may use Google, there is still Bing, Yahoo!, and Ask.com. Facebook is big and owns a number of social media platforms, but when it comes down to it, we have a choice from among "a lot of high-quality services—usually free—doing some pretty nifty things" (107).

Chapter 7 addresses the social place of Wall Street. Cowen acknowledges the "problematic" (137) abundance of incentives and opportunities for malfeasance in

https://doi.org/10.1017/beq.2020.34 Published online by Cambridge University Press

the industry. Nonetheless, history shows banking has been core to the development of societies and economies; venture capital drives innovation; American stocks have had superb returns over time; and overseas investment probably helps the United States' net foreign position. Chapter 8 addresses crony capitalism; Cowen seeks to disabuse us of the idea that we live in a plutocracy. Many businesses do not, compared to their ad budgets, invest very much in lobbying, which is a signal it is not effective. And much political spending, he thinks, can be explained by responsiveness to voters, not business.

The concluding chapter is the most speculative discussion and adds color to Cowen's larger intentions. It attempts a diagnosis for our ill attitudes toward business. The problem, for Cowen, is that we tend to think of businesses as people. But corporations, as entities without feelings and in what Cowen describes as a kind of amoral quest for profit, are poor candidates for friendship. According to him, there is a fundamental disconnect between how we affectively regard businesses and what they *are.* This follows a line of critical argument on the propriety of our blaming practices against affectless corporations that only recently appeared in our own field's debate around corporate moral agency (Sepinwall 2017). For Cowen, when we suffer at the hands of a corporation, "we feel a personalized emotional sting" instead of "pondering the larger benefits of the impersonal corporate order" (203). In our yearn for control, we are typically tempted to imagine a man behind the curtain of the corporation, when it is really the other way around. We invent a personage that conceals a "cynical truth" we dare not ponder: that corporations are "abstract, shark-like legal entities devoted to commercial profit" (200) and that a good chunk of our freedom in consumer society is illusory (202).

For Cowen, this delusory behavior is understandable in that it seems impossible to avoid. Besides, we shouldn't seek to avoid it entirely: "Although it is wrong to think of corporations as people, it is probably also necessary for social cohesion" (200). Thinking of corporations in these terms allows us to operate in markets without constantly looking over our shoulders; stimulates public support for business; and encourages us to form bonds of trust and loyalty with businesses, which provide them with incentives for good behavior.

This line of argument resembles that of a long legacy of business ethicists who use the practical need for trust in markets as a convenient argument for ethics in markets. But Cowen's deployment also lays bare a question many proprietors of this reasoning have failed to reckon with: When should we entertain our collective delusion of trust for the good of markets, and when should we face the grim reality of the ultimately self-interested intentions at play?

Cowen provides us with an answer: "The public needs to some extent to think of corporations as people just to keep the system running. . . . Yet when it comes to politics and public policy, we need to distance ourselves from such emotional and anthropomorphized attitudes" (200). The former is a useful fiction that greases markets, encourages good corporate behavior, and helps us cope with everyday life, but that fiction spells bad consequences when it seeps into the realm of policy making. In that domain, business's singular role in delivering goods, services, and

https://doi.org/10.1017/beq.2020.34 Published online by Cambridge University Press

other benefits within the market system must be the primary outlook, and preserving this outlook requires that we abandon the notion that we should be satisfied only when corporations act in any way other than as a trusted friend or demonstrate that they are anything but emotionless, “shark-like legal entities devoted to commercial profit” (200).

Cowen’s book seems to be a useful resource for institutional approaches to business ethics, ones that take their central task to be the molding of the larger market order at the policy level for the greater good, accepting underlying egoistic behaviors as given (e.g., Boatright 1999). The bulk of Cowen’s book is fashioned to make this kind of approach seem a bit less bleak in making a case that the extant incentives against various forms of corporate malfeasance—price gouging, inhibition of innovation, flagrant executive enrichment, and other untrustworthy behavior—are much stronger than typically supposed.

This contribution, which calls on us all to “view companies more dispassionately” (200) at the policy level, can be appreciated only in spite of Cowen’s initial framing of the book, wherein he gushes with love for the corporation. How one translates an insistence on a better appreciation of the facts—facts which, for Cowen, include a rather ugly picture of the corporation—into an imperative to summon more affection for the corporation escapes me. Any love for business, on Cowen’s account, would seem necessarily to be premised on the very same anthropomorphizing delusions that ground others’ antipathy. Perhaps Cowen’s manifesto is fashioned only to preach to those of us whom he may figure would never willingly choose dispassion over hatred. As a second-best solution, he may hope that we could be convinced to choose love instead. But if the love-talk is just an attempt to balance the scales of prevailing opinion in favor of business, then Cowen himself doesn’t love business, and neither should you.

It is at least difficult, though, to maintain dispassion in the face of what seems to be, in many ways, an awful state of affairs. One of the premises of Cowen’s approach—that we must adopt a comparative approach, appreciating business as compared to its alternatives—would likely be the central point of disagreement for his opponents. Many of us may not be as content to accept simply as given the depravity of business, nor as consoled by market incentives that circumscribe its destruction, or by evidence that other forms of social organization are even worse.

The most compelling advice that can be offered to business ethicists on behalf of Cowen, though, is that an accurate cynicism about the intentions of business need not be accompanied by a corresponding contempt for it in the policy realm. Instead, he suggests, we must do the best we can to view business with a pragmatic eye, recognizing, alongside its many faults, the strong forces that regulate its conduct and the many opportunities and treasures it may offer us. This pragmatic outlook calls for us to engage in research on potential, albeit imperfect, solutions that can be implemented in the real-world economy; such a task requires a deep appreciation of not just the vices of big business but also its virtues.

REFERENCES

Boatright, John R. 1999. "Does Business Ethics Rest on a Mistake?" *Business Ethics Quarterly* 9 (4): 583–91.

Moriarty, Jeffrey. 2005. "Do CEOs Get Paid Too Much?" *Business Ethics Quarterly* 15 (2): 257–81.

Sepinwall, Amy J. 2017. "Blame, Emotion, and the Corporation." In *The Moral Responsibility of Firms*, edited by Eric W. Orts and N. Craig Smith, 143–66. Oxford: Oxford University Press.

. . .

MATTHEW CAULFIELD is a PhD candidate and Platt Fellow in business ethics at the Wharton School of the University of Pennsylvania. His research centers on corporate social responsibility, organizational secrecy, compensation ethics, and market ethics. His work has appeared in the *Journal of Business Ethics* and *Business Ethics Journal Review*. Caulfield was awarded a 2020–21 Adam Smith Fellowship by the Mercatus Center at George Mason University, with which the reviewed book's author is affiliated.