Business Ethics: A Kantian Perspective (second edition), by Norman E. Bowie. New York: Cambridge University Press, 2017. 234 pp. ISBN: 978-1316343210

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I am honored and delighted to review the second edition of Norman Bowie's fine book, *Business Ethics: A Kantian Perspective.* Occasionally the second edition of a book is better than the first, and this is the case with the second edition of this book. This edition is clearer, more perceptive, and argues more persuasively that a Kantian point of view is essential to democratic capitalism; it can work, and work well, in commerce. Kantian scholars will be delighted with these analyses. At the same time, the book is clearly written, and the arguments carefully spelled out, so that the book is accessible not only to non-Kantian scholars but also to intelligent nonacademics as well.

As he does in the first edition, Bowie engages the three formulations of the categorical imperative (CI) in each of the first three chapters. However, unlike some of these chapters in the first edition, these formulations are placed at or near the beginning of each chapter so that the reader can follow the implications of each formulation clearly, strengthening Bowie's position that in principle "good (Kantian) ethics is good business" (3).

In chapter 1, Bowie responds to those critics who claim that bounded rationality limits the scope of a Kantian exercise of the CI. Bowie argues that we need not be content to be satisficers, even if our knowledge is limited. A Kantian can still make a judgment based on free will and the CI even without grasping all there is to know, an impossible goal.

Bowie argues persuasively that the Kantian notion of trust is absolutely essential for commerce both locally and globally. It is also interesting how Bowie develops Kant's use of a duty to beneficence. This duty is often slighted in post-Kantian scholarship in applied ethics, probably because it is an imperfect duty. But for Kant, it is an important duty to humanity and cannot be sidetracked merely because one does not have a perfect duty, always, to be beneficent nor to do so fairly. (In other words, I must always be fair to all others and treat every individual with respect—second formulation of the CI—but my duties to beneficence are not and cannot be to everyone or everyone equally, although being unkind, mean, or greedy is always wrong.) Bowie makes much of this duty, particularly in chapter 4, as an important supplement to the perfect duty of managers to seek profits.

According to Kant, or my reading of Kant, a moral act is one done from the free will where one's intentions are to follow the CI. This is a noble ideal, but there is at least one dimension of management decision making that may be troublesome for Kantians and for Bowie, and that is the challenge of moral risk. For example, should an American company that tries to embody the CI in its decision making do business with or within a country where there is political corruption or where citizens' human rights are not equally respected, for example, in China? This is the

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problem Google faced when it discovered that the Chinese government was tracking down dissidents through Google and prosecuting them. Google withdrew from that market on principle, a Kantian principle derived from the CI (see Brenkert 2009). But today Google is back in China and has accepted government censorship and restrictions on content in order to have access to millions of Chinese internet users. This is morally risky. Will Google be contributing to and enhancing the knowledge base of Chinese citizens or simply abetting a nondemocratic government? But a Kantian might disagree with Google's rationale, since a positive end cannot justify questionable means. What is a Kantian manager to do in these circumstances? Can one do business successfully without somehow dealing with questionable people or engaging in untoward behaviors?

In chapter 2 Bowie uses the second formulation of the CI, the "respect-for-persons" principle, in several ways, and in particular, to defend rights of employees and the idea of meaningful work. Treating all employees and managers with equal respect, fairly, and with transparency are obviously Kantian goals. But I worry about layoffs. This phenomenon is endemic to free enterprise but is it fair? How can one lay off those workers, perhaps older or disabled, who will not find new jobs? Is that Kantian to do so even though it seems necessary for the well-being of a company and its remaining employees?

Chapter 3 turns to the third formulation of the CI, the "kingdom of ends" principle, the most difficult to operationalize. Nevertheless, Bowie sets up seven principles for a Kantian (moral) firm on the basis of stakeholder equal respect and fairness, and they are viable and practical. Bowie modifies a hard-line Kantian perspective by arguing that "Kant's moral philosophy should not be a system of absolute rules to address all moral problems. All that is required is that whatever policy or principle is adopted, it cannot violate the categorical imperative in any of its formulations" (85). This weaker version allows a great deal of leeway in decision making, a moral free space that makes viable a neo-Kantian form of capitalism that Kant himself may or may not have approved of.

If an organization is to be an iteration of the "kingdom of ends" does this decree participatory democratic management? If this is Bowie's conclusion, and I suspect it is, this means that 99% of all commercial organizations in the United States are not Kantian, since participatory democratic management is not the norm in the United States. However, under a weaker Bowiean version of the CI this is not a necessary requirement so long as the organization does not violate any formulations of the CI.

Can corporations and other organizations (like individuals) be moral agents? Appealing to the fine analyses of Kendy Hess (2014) and Denis Arnold (2006), Bowie argues that they can. There is also work that distinguishes organizations from individuals as collectives, and that set of arguments concludes that the moral status is that of secondary or vicarious agency.[1] In any case, it is critical for business ethics to develop a defense of some version of corporate moral agency, and Bowie argues that Kant would agree. As he points out, we talk as if companies are moral agents, we hold them as well as their managers accountable for their behavior, just as we hold individuals accountable, and we attribute to corporations a form of agency to account for their decisions, choices, and actions. Where I would question is whether

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organizations have free will, as Hess contends. I interpret free will as an autonomous ability by what Kant calls elsewhere the "transcendental unity of apperception"—the subject self—to make rational decisions. But organizational decisions are made by its constituents or teams of constituents. An organization cannot exist or act without its human agents; it has no autonomous "subject self." Companies cannot vote, cannot literally shake hands or come to dinner. Bowie can make the same Kantian arguments for corporate agency and responsibility without appealing to the idea of an organizational free will, and I find him to be unclear on that issue.

Chapter 4 is the most challenging one. There Bowie makes a strong argument defending managerial perfect duties to "seek profit" (143). This conclusion seems to belie earlier arguments in Chapter 3 defending a version of stakeholder theory, and it should provide some consternation among Kantian business ethicists. But Bowie defends this hypothesis on the basis of the CI. In addition to perfect duties, managers and corporations have imperfect duties to beneficence to their stakeholders. According to Bowie's interpretation of Kant's moral philosophy, and backed up by other Kantian philosophers, Kant saw no clash between perfect and imperfect duties, and indeed, that the imperfect duty to beneficence was an important one. I would argue that this focus on a perfect duty to profitability could be buttressed by other perfect duties, for example, to treat all stakeholders fairly and respect each as moral persons (the second formulation of the CI and supported by Bowie's arguments in chapters 2 and 3 and later in chapter 5). This is a dimension of Kant's arguments that I do not see within the domain of the imperfect duty to beneficence.

In the last and perhaps the finest chapter, Bowie appeals to Kant's theory of cosmopolitanism, a theory defending the idea of a "universal human community" (164), a theory that is not always cited in the business ethics literature. Bowie expands succinctly on Kant's later writings on cosmopolitism to defend the idea that Kantian morality and a "kingdom of ends" applies well in international commerce, and indeed, is critical if global commerce is to survive and thrive over a long period of time. He begins the chapter by contending that "Capitalism is … cosmopolitan in its outlook…. at least in theory" (164 and 165). Globalization of commerce is the obvious source of this claim, although, as he acknowledges, it is currently challenged by various untoward events beginning with the 9/11 attacks in the United States.

To defend the thesis that there are universal ethical standards for commerce, Bowie develops the hypothesis that "certain ethical values provide a competitive advantage for MNCs and contribute to their economic success" (171). These include prohibitions against bribery, antidiscrimination principles, and a commitment to honesty and trust. These are arguably values that one can extract from the CIs and they also contribute extensively to an efficient market as a number of ethicists, including Bowie, have argued successfully, as well as strong defenses of these values by international bodies such as the UN Global Compact, the OECD, and Transparency International. As Bowie carefully argues, these values contribute to global capitalism as a functioning, efficient, and effective form of applied economics. My question is a technical one: Is this hypothesis that these ethical values "provide the MNC with a competitive advantage" (168) partly a utilitarian defense of universal values rather

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than on the basis of the first formulation of the CI? Bowie takes a more utilitarian route which is well defended, but is it Kantian? Perhaps this hypothesis falls under the imperfect duty to beneficence.

Bowie concludes the book with a strong defense, on Kantian grounds, of universal human rights and the obligations of corporations to respect and defend human rights and remedy human rights abuses—the Ruggie Principles. Here Kant and Bowie are at their finest. This is a humanist, not a Western, set of arguments that should be acceptable everywhere.

Bowie concludes the book with the following:

> It does seem, after all, that, if the adoption of Kantian capitalism could provide a universal morality for the market and meaningful work for employees, institute firms as moral communities, and help establish a more cosmopolitan and peaceful world, Kantian capitalism will have done most everything a theory of business ethics could do (206).

Norman Bowie has shown how that is possible.

NOTE

1. See for example, the very old work of Larry May (1983) and myself (Werhane, 1985, Part I).

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