IP: BUSINESS ETHICS

Utilitarianism

Includes two doctrines:

1. The *right* action: actions are right if they maximise the good for the majority.
   (The greatest good for the greatest number.)

2. The *good*: happiness/satisfaction is good.

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Criticisms of utilitarianism:

1. **What does "for the majority" mean?**

   Who is referred to? everyone? a nation? a town? an ethnic group? the unborn? animals?

2. **But "the end doesn't justify the means" (Kant)**

   — **It's possible to justify greater inequality of good, against fairness or equality or *redistributive justice***

   — **or to punish the innocent for maximum gain, against *retributive justice***

   — **or against duties of *truth-telling* or *promise-keeping***

Rights?

3. **What of *rights?***
    If A injures B, for the good of the majority, but may violate B's rights.

4. **A is on a bus party which is captured by bandits.**

    The (honourable) bandit chief promises to release A + the rest if A agrees to shoot any member of the party.

    If A refuses, then the bandit chief will shoot all.

    Should A shoot 1 $\rightarrow$ the rest set free?

    Utilitarianism missing a link to *morality of the person.*

P.S. See Peter Singer on next Monday's *Enough Rope* with Andrew Denton (Channel 2 at 9:30 pm 4/10/04, the 47th anniversary of Sputnik 1's launch).

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Efficiency v. Equity

more equal

Less efficiency,
greater equality.

Greater efficiency,
greater equality.

• *A*

Smaller cake,
more even slices.

Larger cake,
more even slices.

• *B*

Status Quo Ante   **efficiency**

Less efficiency,
less equality.

Greater efficiency,
less equality.

Smaller cake,
less even slices.

Larger cake,
less even slices.

less equal

Efficiency **v.** *Equity* **or** *Fairness*

(lexicographic ordering)

Vilfredo Pareto (1848–1923) —

Proposed a limitation on utilitarianism:

The Pareto Improvement Criterion:

An action should be undertaken if it improves the welfare of at least one person, while making no-one worse off.

Consequences?