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# Today's Agenda

- 1. Team Presentations**
- 2. Bob on Adam Smith's Virtue Ethics**
- 3. Walk & Talk and Course Debrief**
- 4. Student Course Evaluations**

## **Team Presentations**

- 1. Elad & Phil: an MBA oath?**
- 2. Prisca & Anthony: a guide for African NGOs**
- 3. Vimalan, Carolyn, & Maya: Fair Trade**
- 4. Matthias & Grant: Kidder's dilemmas and cultural differences**
- 5. Ronit & Penny: Fair Trade**
- 6. KO: Corruption and Ethics in a Pakistan context**

**Final reports due by the end of next week (4pm on December 4).**

## **Does the Global Financial Crisis Demand a Different Ethics?**

**Adam Smith *didn't* say “Greed is good.”**

**Smith *didn't* argue that selfishness was sufficient for a social good to emerge from competition, despite the claims of Pigou, Robbins, Samuelson in his text *Economics*, and Friedman (in the Reading).**

**Smith did *not* argue that one does uncontroversial good *only* by doing well (for oneself).**

**Well, what *did* Smith say?**

**It depends on which book you read: the earlier *The Theory of Moral Sentiments* 1759, or the 1776 *Wealth of Nations*.**

## **Adam Smith's Ethics**

**A recent paper (McCloskey 2008) argues that Smith was a “virtue ethicist”: following in the steps of Plato, Aristotle, the Stoics, Cicero, Aquinas.**

**Smith believed in the five virtues:**

**Justice**

**Prudence**

**Temperance**

**Courage**

**Love/Benevolence (Greek *agape*, or *αγαπη*)**

**The first four are “pagan”; Plato argued them necessary for a good person or a good polis.**

**The fifth (Love) is a Christian/theological virtue. Love, Faith, and Hope constitute the *transcendental* virtues, although Smith didn't include Faith and Hope.**

## Meaning of the Seven Virtues

**Justice: social balance**

**Prudence: executive function (alone is self-interest or rationality in attaining ends)**

**Temperance: personal balance: orderly arrangement of faculties within a soul/person.**

**Courage: male interest**

**Love: feminine (Greek *agape*, not *eros*, or  $\epsilon\rho\omega\varsigma$ )**

**Hope: forward-looking virtue of imagination (i.e. the human project)**

**Faith: backwards-looking virtue of imagination (i.e. human identity)**

**And: Vice is the absence of one or more of the virtues.**

## **Three Different Ethics within Thirty Years**

**1759 Smith: *The Theory of Moral Sentiments***

– focusses on Temperance, but underlines all five

**1776 Smith: *The Wealth of Nations***

– focusses on Prudence, but not exclusively; founded Economics

**1785 Kant: *Grundlegung zur Metaphysik der Sitten***

**(*Grounding for the Metaphysics of Morals*)**

– introduced his rule-based deontological categorical imperative

**1789 Bentham: *An Introduction to the Principles of Morals and Legislation***

– introduced consequentialist utilitarianism (Bentham was J. S. Mill's god-father)

## **Smith was onto something ...**

- 1. Imagine one's life missing one of the seven: no hope, no justice, no prudence, etc.**
- 2. People/students contribute a list of “virtues”**
- 3. The seven virtues feature in stories of our culture. Stories of justice, of courage, etc.**
- 4. Compare the seven virtues with other traditions, such as the Confucian. (Week 7)**
- 5. Psychologists' studies, such as Peterson & Seligman's *Character Strengths and Virtues* (2004), search for the (Western) “ethical genome,” develop a “manual of the sanities” (psychology of healthy people), derive six core characteristics (“virtues”).  
(Transcendence instead of Hope and Faith.)**

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## **Other Virtues Derive from the Seven**

**Thomas Aquinas argued that other subsidiary virtues could be derived from the primary seven:**

**Honesty: Justice + Temperance & Courage & Faithfulness**

**Enterprise: Courage + Prudence**

**Humility: Temperance + Justice**

**Thrift: Temperance + Prudence**

**etc**

## **Not just extreme Prudence**

**As well as arguing *against* the sole virtue of extreme Prudence (which results in “Greed is good” and buccaneer marketers) ...**

**Smith argued that Love-only or Justice-only or Prudence-only (etc) would result in dysfunctional societies.**

**Rather than the rules of Kant or J. S. Mill’s consequences, search for exemplars: people who epitomise the conjunction of the virtues.**

**Our stories embody such people (bad as well as good) in books, plays, and movies.**

**Note: Smith included self-respect, not only altruism: as Confucius said.**

## **WALK & TALK:**

**Q: What are the most important things that have come out of the course for you?**

**To help: list 4 to 6 things, and take it with you.**

- **Choose someone in the class to pair with. (Perhaps someone you haven't worked with already in BE.)**
- **Each pair should now spend 30 minutes walking outside the AGSM (not in the Courtyard): one talks through his/her list for 15 minutes, and then the other talks through his/her list. Agreements? Disagreements? Insights?**
- **Return here for the debrief after the coffee break, at \_\_\_\_\_**

## **DEBRIEF:**

- 1. What has come out of the course for you?  
(around the room)**
- 2. How do you feel/perceive differently now?**
- 3. What are the key points/frameworks/models to  
emerge for the class?**

## **Student Course Evaluations**

## Reference

**Deirdre McCloskey, “Adam Smith, the Last of the Former Virtue Ethicists” *History of Political Economy* 2008 40(1):43–71.**

**Abstract:** Smith was mainly an ethical philosopher, though he practiced what was considered for a long time after Smith an obsolete sort of ethical philosophy, known nowadays as “virtue ethics.” Since 1790 most ethical theory as practiced in departments of philosophy has derived instead from Kant or Bentham, but virtue ethics has recently come back. From the Seven Primary Virtues, Smith chose five to admire especially. He chose all four of the pagan and stoic virtues of courage, temperance, justice, and prudence. To these he added, as virtue number five, a part of the Christian virtue of love, the part admired by his teacher Francis Hutcheson. Smith was not, as has often been claimed, a Stoic, because he was always a pluralist, and would not reduce the good life to, say, Stoic temperance alone. Smith’s choice of the virtues makes sense of his writings and career. And it reveals a flaw, shared with Hume: the banishment of the monkish virtues of hope and faith, necessary for human flourishing.

