

## Capitalism and Sin

Please Exploit Me for Your Benefit

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In his article "Missing the Forest for the Trees: A Critique of the Social Responsibility Concept and Discourse," Jones (1996 [this issue]) argues that corporate social responsibility (CSR) discourse provides a Band-Aid solution to the deep scars of socially irresponsible capitalism and capitalists. As argued by Jones, capitalist consciousness (selfishness and greed) has led to a sad state of affairs wherein there is "acquisitive individualism manifested as hyperconsumption, nationalism, racism, sexism, a lack of any particular sense of historical context, and a disinterest in politics" (p. 22).

CSR discourse tells capitalists *not* to adopt this socially irresponsible mind-set or pursue these very tempting socially irresponsible behaviors that economically benefit them, because acting in a socially responsible manner (a) is the morally right thing to do and (b) is in the firm's enlightened long-term self-interest. According to Jones, these highly flawed arguments fail to restrain greedy capitalists who create all sorts of social harms in the pursuit of profits. Thus CSR discourse is a dead end for those who really want to create an ethical society within a capitalist context. Jones concludes that at its core, CSR discourse addresses "symptoms rather than causes." Most business and society (B&S) scholarly research and activism is in vain because it misses the forest for the trees. We chop down unethical trees and plant the seeds for ethical trees, only to find that the soil is contaminated with socially irresponsible fertilizer.

Unfortunately, Jones' sweeping critique of CSR discourse does not dig deep enough into the nature of the problem. This response to Jones'

analysis will explore the roots of human existence regarding sin and godliness as it relates to capitalism. What Jones correctly notes about the unethical roots of capitalism is also an appropriate critique of all other social systems practiced throughout human history. To place the blame on capitalism is missing the forest for the trees.

### Capitalism Versus Other "Isms"

The unethical core of "capitalism in practice" is human exploitation. This unethical core was also central to communism in practice, mercantilism in practice, monarchy in practice, feudalism in practice, theocracy in practice, and every other political and economic system of human organization that humans have implemented. This is the tragedy of human existence. People of good will have been unable to create a world where the ethical core is human dignity, where people are consciously aware of their familial roots as universal brothers and sisters temporarily sharing space and time and evolving together to purify their souls and create a more humane society.

Capitalism is merely the latest "ism" that has failed to create peace on earth due to the preponderance of sin. For instance, during the Middle Ages, attempts to create theocracies led to the preponderance of sin concentrated among those playing the role of "Theo." Prescriptively, power begets responsibility, but descriptively, power beget irresponsibility that trickled down to peasants exploiting one another to get ahead or simply to avoid the frustrations of life. Under capitalism, the preponderance of sin is still concentrated at the top of the hierarchy and trickles down to where poor Blacks and Whites battle over the crumbs associated with affirmative action, minimum wages, and all other employee policies. A key ethical advancement of democratic capitalism over theocracy is that rather than one Theo to whom all others in society must genuflect, each organization has its own Theo to whom all other members of the organization must genuflect.

### God and Sin

The concept of sin has long been neglected by B&S scholars. The subject has been mistakenly left to the theologians in our economics-dominated profession. It is important to note that sin has lost its meaning in modern society outside of the churches and pulpits. Sin is what the nontheologians who dominate the field of business and society often refer

to as greed or selfishness. If the term sin proves bothersome for any reader, simply substitute the words greed or selfishness and move on with the argument!

As noted by Campbell (1949) 1968), all cultures have some story about the start of human civilization, a separation of humanity from the creator or creation, and a reunion of human beings with creation via the messianic hero with a thousand faces. To simplify matters, I will limit myself to western society's Judeo-Christian heritage. In this tradition, we are all children of God who have been separated from God and, during our finite lifetime, struggle to get back to God. Sin refers to distance from God. We are all distant from God, thus we are all sinful. According to Jewish tradition, messianic leaders are those who bring us closer to God through the daily rituals of faith and selfless love and service. The more one loves and serves humanity, rather than self, the closer one is to God. The more one loves and serves only himself or herself, rather than humanity, the further one is from God. From a religious perspective, the human predicament consists of every person struggling between being good (serving others) and sinful (serving only oneself). We possess the ability and freedom to do both. Some people are habituated to do good and deny sin whereas others are habituated to be sinful and deny good. People of good intentions must struggle between the two, being pulled in a tug of war between selflessness and selfishness.

This historical and personal battle is presented below in the form of a continuum from selflessness to selfishness with "self-interested" as a proposed midpoint. Self-interest is the recognition of both one's interests and the interests of others, where exchanges take place that are mutually beneficial. Being self-interested, compared to selfish, brings one closer to God in that it recognizes the needs of others.

#### GOD/GOODNESS

Selflessness

Self-Interested

#### EVIL/SIN

Selfishness

According to almost all social philosophers, human beings are dominated by their own self-interests. This is the normal state of human affairs that communism was unable to eradicate despite the killing fields of Russia, China, and Cambodia. Societal heroes tend to be those who deny their self-interests in favor of being selfless, living in servitude to others. These heroes lose their moral standing when it is revealed that some of their supposedly selfless behaviors were driven by self-interests or, worse, selfishness. For example, the profound moral status of Mother Theresa comes from her selfless service to others. If it is revealed that she serves

the less fortunate to guarantee herself certain spiritual blessings, then she loses some of her moral clout. She loses a significant amount of moral clout if it is revealed that she is really a selfish person who simply wants others to idolize her.

#### *Capitalist Theory and Practice*

Capitalist apologists create the false impression that capitalism is ethical because it is grounded in the values of freedom and liberty. Adam Smith, an optimistic yet practical Protestant, believed that under a capitalist economic system, sinful human beings would not travel the slippery slope from pursuing self-interests to being selfish because all human beings possess the ability to sympathize or empathize with others. Sympathizing with others strengthens our common humanity. According to Smith, people are prone to behave morally toward others because they are responsive to particular "impartial spectators" such as their conscience, imaginary moral agents, or God. If all else fails, then it is essential for a system of justice to ensure justice within a capitalist context (Collins, 1988; Collins and Barkdull, 1995).

As I have argued elsewhere, the practice of capitalism falls far short of Smith's theory (Collins, 1994). Capitalism in practice may work in a community of saints because they would sincerely enter into exchanges that were truly based on loving and serving stakeholders. However, as described in the New Testament Book of Acts (2:44-5), the early disciples of Christ, who were trying to create a Christian society, opted for a form of socialism—sharing all things in common and distributing goods according to needs.

Capitalism in practice is a very different matter because of the existence of sin. As argued by Machiavelli, many organizations are governed by selfish people wanting to be loved and served, rather than selfless people wanted to love and serve others (Collins, 1992). Think of the most sinful capitalists; there are many to choose from (Collins, 1994). The money and possessions these people so professionally accumulate and flaunt distances them from God and goodness, from a sense of brotherhood and sisterhood, so that they search desperately for love and come up far shorter than everyone else. Their efforts result in being surrounded by like-minded people—groups who want to do to others that which the sinful capitalist has done to them: exploitation.

What is the nature or, to use Jones' jargon, "consciousness" of this sinful capitalist? I, the sinful capitalist, enter into all exchanges for the

purposes of exploitation, including exchanges with my family, customers, suppliers, employees, government, the natural environment, and the public good. I marry not out of love but because I need a spouse to cook for me, raise my children, and to love me to the degree that I am not willing to love her. My children are there for me to use. If I am underfunded, then I put them to work for me. I care about their education only to the extent that they can learn something that will benefit me. I know they love me because they get to experience the possessions and wealth I have accumulated for myself.

I, the sinful capitalist, have a product that others want. It could be something as useful as food or something as trivial as a pet rock or the 30th brand of toothpaste to enter the market. I create the most shoddy product and charge the highest price I can get away with. If nobody buys my shoddy product, then I create better quality goods, cutting corners wherever possible. I know my customers love me because they benefit from my products.

I, the sinful capitalist, demand the highest quality goods at the lowest possible prices from all of my suppliers. I establish unreasonable deadlines and, if the supplier is unable to meet my instant needs, then I obtain another supplier. I know that my suppliers love me because they benefit from my payments.

It is important to note that I need people to produce my product. I, the sinful capitalist, search for qualified people at the lowest possible wages. If possible, I pay minimum wages to adults who must feed their families. I bribe politicians, expert analysts, and lobbyists to push for legislation that eliminates the minimum wage based on macroeconomic reasoning. It is for the good of the country and laborers that minimum wages be eliminated to destroy entry barriers to my company. The higher the minimum wage, the fewer laborers I can afford to employ. I know that my underpaid employees love me because they benefit from my wage payments.

Of course, I may need high-quality talent, so I recruit graduates from the best MBA programs who seek a high salary in exchange for being my slaves. I work them 60, 80, even 100 hours a week, if they are foolish enough to let me, for a straight salary supplemented by a commission or bonus for exceptionally slavish performance. If they do not let me, then I will fire them and hire more desperate MBAs. There appears to be an endless number of people willing to voluntarily enter into such an exchange. Furthermore, they often defend my right to enslave them. I know they love me because they benefit from wage payments that enable them to accumulate the wealth and power that I flaunt before them. They dream of becoming a despot like me some day.

In addition to the exploitation of my family, customers, suppliers, and employees, there is also the exploitation of government, natural resources, and the public good. The government must represent my interests. When I, the sinful capitalist, want to enter some closed market, then I have government officials pry open the market. On the other hand, I want government officials to protect my own market from competitors as much as possible. I employ the best accountants to limit my tax payments. Most important, I want government to provide me with the freedom and liberty to exploit workers, customers, suppliers, local communities, and the natural environment. I want to be free to restrict everyone else's freedom. My firm is my private property and I do not want anyone telling me what I should or should not do with my private property.

I write about these sinful tendencies from experience. As a clerk and management trainee for a New Jersey supermarket chain during the 1970s, work was a never-ending stream of continuous battles between good and evil within oneself and in relation to every stakeholder. Promotions and demotions were based on quarterly inventories, so the game was to falsify debits and credits in such a way as to guarantee a successful inventory calculation. Unfortunately, many stakeholders had the same incentive system. Customers were stealing our product, suppliers were greatly overestimating the value of the product they stored on our shelves, laborers were creatively avoiding work, and corporate headquarters wanted higher profits and lower costs. In turn, we inflated our expenditures on official documents sent to corporate headquarters, lied to customers about sale items, abused laborers, and threatened suppliers for the fun of it. I, the idealist, was far removed from human dignity, peace on earth, and God. Sin came naturally. I tried to be a saintly capitalist, as do many others, but the pressures were all pointing in the direction of stakeholder exploitation, not love and service to humanity. I wanted to behave in a socially responsible manner but could only justify such actions if they were linked to store profitability. Unfortunately, I cannot say the same about my managerial colleagues in the supermarket business. Many simply adapted to the rules of the game and psychologically squashed any concerns about right or wrong because business was business.

Thus capitalism does allow a foundational place for the essential social values of freedom and liberty. But in this world of sin, capitalism provides the freedom for me to exploit everyone and everything that I come in contact with. In competition for scarce promotional rewards, customers, and profits, one is a fool for not being sinful because everyone else is. It is important to note that there are sinful laborers, customers, suppliers, environmentalists, and government officials.

That is why I, the sinful capitalist, must do to them that which they want to do to me—exploitation.

### *Inadequate Public Policy*

As noted earlier, blaming capitalism for the preponderance of human exploitation misses the forest for the trees. Communist political and economic leaders exploited the proletariat. Feudal kings exploited the nobles, who in turn exploited the peasants. The building of Egyptian pyramids, Greek coliseums, and Roman aqueducts were based on the exploitation of laborers. Poverty existed, and exists, in all cultures.

Currently, harm-based laws are created and sometimes enforced to punish those who cross the fuzzy boundary between acceptable exploitation and unacceptable exploitation. Typically, democratic capitalist societies do not allow sinful capitalists to physically harm people during the exploitation process. But there are many circumstances where sinful capitalists, distant from God, lead others further down the path of selfishness without necessarily causing physical harms. In these circumstances, the happiness of sinful capitalists often counts for more than those whom the capitalist exploits. For instance, sinful capitalists are permitted to overwork me to such an extent that I have no time to care for and love my family. If I quit my job, my family suffers because we lose our income and health benefits until some other exploitative capitalist gives me another chance. With the decline in the value of real wages, both parents work, send their kids to day care, and pick them up late in the day to enjoy dinner with their exhausted parents. Parents wanting to teach their children values that may bring them closer to God and goodness must somehow squeeze it into their hectic schedules. Most often, they abdicate that parental responsibility to underpaid and overworked day care and school teachers.

A second option, other than law, is the CSR alternative—make capitalists feel guilty by publicly condemning their sinfulness. Accuse sinful capitalists of racist behavior, destroying the local community, sexism, misleading advertising, and all of the many forms of stakeholder exploitation they undertake in the name of effectiveness, efficiency, and profitability. However, only the least sinful capitalists are likely to respond to the CSR agenda, because they consciously want to be closer to God. The most sinful capitalists simply do not care how close or far they are to God. The cries of CSR fall on deaf ears, unless CSR theorists somehow prove that CSR behaviors increase the sinful capitalist's economic welfare. Thus

appeals to CSR principles may inspire some capitalists but probably not many, particularly if their competitors are behaving so ungodly. With sin so predominant, evil will continue to prevail.

### *So What Is to Be Done?*

The ethical transformations being demanded by business and society scholars must be accompanied by transformations of the heart. Freedom and liberty to behave sinfully is not good for society. A new way of social planning is essential, where firms fulfill the purpose of creating a society that assumes human dignity and a universal brotherhood and sisterhood. This requires changing the purpose of mission statements, rules of incorporation, and corporate governance; implementing and enforcing ethics codes and employee participation in company decisions; integrating ethics throughout companies and business school curricula; and enacting all of the other reforms that B&S scholars so often recommend. Ignoring sin simply allows sin to grow like a cancerous cell throughout an organization.

Not all forms of human organization are equally good or bad; otherwise the ranks of unemployed philosophers would swell. Democratic capitalism is a major ethical advancement over monarchies and theocracies on both utilitarian (better standard of living) and deontological (greater respect for human rights) grounds. Yet democratic capitalism has many ethical shortcomings on both utilitarian (over 15% of the U.S. population lives in poverty) and deontological (sin is encouraged) grounds. People need greater moral and religious reflection, particularly as adults. Taxpayer-funded mandatory adult education emphasizing moral reflection, democratic problem solving, and social reform every 7 years would be a good start. Although this solution seems utopic in today's political environment, the historical problem of sin demands such nonmainstream considerations as we stumble our way toward a more humane society.

Lastly, is there yet some other "ism" that can be created where the values of freedom and liberty are reinforced by people being economically encouraged to do good rather than evil? Or are all attempts at creating godly organizations and societies doomed to failure due to the presence of sin? Will B&S scholars recognize the messianic mission that awaits them, or is attacking sin beyond the domain of our field? To these matters, business and society scholars must someday turn.

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