

**A Historical Look at Ethics in the Economy**

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Teaching business ethics is often framed in terms of inculcating ethical behavior within the confines of today's business climate. However, if we dramatically widen our gaze to include the entire history of complex societies, we find that many societies and intellectual traditions have regarded entire aspects of economic activity itself as inherently ethically suspect.

It is true that many such societies grew powerful partially through developing their economies. Confucian scholars and government officials throughout East Asia, one of the world's most economically developed regions in the 16<sup>th</sup> and 17<sup>th</sup> centuries, traditionally regarded merchants as a group distinctly lacking in virtue. They argued that in contrast to farmers and artisans, merchants did not actually create wealth, but merely enriched themselves by moving around goods that others made. Other societies, such as those of the medieval Islamic world, while more business-friendly, regarded unrestricted economic activity as leading to social inequality and human suffering, and sought to regulate it. Economic systems were usually not regarded as natural, but as human creations, and economic activity itself was never ethically neutral.

In contrast, mainstream economic thought in modern industrial societies, both capitalist and socialist, has tended to stress the centrality of objective economic "laws," while holding out the promise of creating ever more perfect economic systems through various degrees of human intervention. This is not to say that premodern societies were inherently equitable, or that the officials who oversaw them were always obeyed. However, premodern societies displayed a great variety of beliefs regarding economic activity, which is conspicuously reduced in the modern world.

This presentation argues that since economies are human creations, we should continuously question the ethical basis of all economic activity. The current global preeminence of Western-style economies reflects the discrepancy in global power created by the modern political, military and economic dominance of the West, not the validation of objective economic laws. This presentation does not argue that modern economies are inherently unethical. Rather, it suggests that effective business ethics instruction could take a wider approach, stressing the implications of the fundamentally contingent and artificial nature of economies.

Keywords: History, perspective, economy