

## *The Moral Life of Corporations*

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This issue of *The Hedgehog Review* on the moral life of corporations begins with the premise that they have one. This is not obviously true. It is probably more common to think of business as an amoral activity, governed purely by the pursuit of wealth and calculations toward that purpose. This picture flows from old sources, sources that turn out to be animated by moral concerns.

Decades ago now, A. O. Hirschman argued that the economics of interests was not originally a description of reality, but a prescription for peace in a society torn by religious and political conflicts. Likewise, bureaucratic organization, of which the corporation is a chief exemplar, was characterized by Max Weber a century ago as an attempt to purify the rule of biased judgment and personal favors. Rules and calculation were not only more efficient; they were also supposed to be more just. It can be argued that it is, in part, the success of the intensely moral projects described by Hirschman and Weber that have made corporations appear without moral significance.

Nonetheless, the corporation has never entirely escaped entanglement in matters of good and bad, right and wrong. The great sociologist Reinhard Bendix wrote in 1956, "Wherever enterprises are set up, a few command and many obey. The few, however, have seldom been satisfied to command without a higher justification even when they abjured all interest in ideas, and the many have seldom been docile enough not to provoke such justifications."<sup>1</sup>

Executives have recently seen an increase in calls for such justifications. Bonus-laden executives of fallen companies and of a couple of high profile frauds have been publicly condemned and forced to answer for themselves before congressional committees and juries. Some are destined to join the stock of managerial villains and cautionary tales that surround the boundaries of what is acceptable in corporate leaders.

We might also add that in addition to justifying their own hierarchies, corporations now find themselves forced to justify their relationship to the earth, the developing world, local communities, consumer health, and on and on. Even as corporations have become more entwined in our lives, it has become incumbent upon them to develop reasons why their prominence is good. As both David Franz and Alan Trachtenberg argue in different ways, such justifications are often implicit, lodged in images and assumptions of what corporations are. Nor is justification, for all of the efforts of public relations experts, entirely manageable. Indeed, Joshua Margolis suggests that our expectations of corporations and corporate leaders might systematically overrun what is possible, making scandalous failure inevitable, if no less troubling.

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<sup>1</sup> Reinhard Bendix, *Work and Authority in Industry: Ideologies of Management in the Course of Industrialization* (1956; Berkeley: University of California Press, 1974) 1.

The central concern of most corporations, of course, is not justification, but actually making and selling goods and services. Yet this too is more than mere exchange and accumulation. Along with goods and services come ideas—ideas, for example, about the meaning of and means to success; our relationship to nature, place, and tradition; and the obligations of leadership. Ted Steinberg’s essay highlights how the business of the Scotts Miracle-Gro company is integrally connected to a particular vision of the suburban landscape. A moment’s reflection brings to mind the ways that such product-centered visions of the world are, by their nature, competitive.

While we can see patterns of corporate influence and can speak in some general sense of “the corporation,” on closer examination, there is nothing permanent or singular about corporations and their interests. Markets do not tend toward capitalist unity.

It is perhaps counter-intuitive, but ultimately not surprising that corporations, as one of the dominant institutions of contemporary culture, engage with the aspirations and evaluations that rest at the heart of any culture. The importance of this engagement is only heightened by the current financial crisis and the ongoing reconsideration of economic life it has inspired. In all of this, more is at stake than the hope that executives would not lie, cheat, or steal, important as that is. What is at stake is the very meaning of the corporation.

We hope that this issue of *The Hedgehog Review* helps illuminate the moral context and consequences of the corporation and sheds new light on its recent significant changes.

—T.H.R.