Introduction

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This volume is a collaborative and cross-disciplinary contribution that argues for virtue ethics epistemology in helping to overcome the current challenges of capitalism for personal and collective virtue and the common good. Since the 1990s, we have witnessed heightened economic activity due to competition between nation states within the context of a post-industrial capitalist global order. The way capitalist global political and economic organization has been taken for granted (Grossman and Stiglitz, 1980) and the way it has been implemented (Stiglitz, 2007) have resulted in many intertwined serious sociopolitical and economic challenges (Stiglitz and Chang, 2001) for the global community. For example, there has been a dramatic increase in wars and conflicts at local and regional levels, uncontrollable migration of active parts of populations (Stalker, 2000) that live in such areas, widespread incidence of poverty (Watkins, 1995) and ever-expanding economic inequality due to the concentration of wealth in only 1 per cent of the global population (Elliot and Pilkington, 2015). Also, the global community and, more recently, European and the American societies have suffered from the aftermath of a sudden global financial crisis and ensuing severe economic downturn. Such activities at the level of the economy are often associated with a way of acting and a kind of accountability that rely on individualist, self-interested agency whereby competition and the commodification of work and of human beings become normal and habitual values, at least in the sphere of business and the economy. In such a moral climate, agency seems to be directed by a lust for success measured in financial terms or in terms of fame and glory, often also translated into what can be bought with them (Sandel, 2012). These challenges are rooted in market-inspired conceptions of worth and moral character, as well as utilitarian notions of welfare and ‘the good’. All this has been critiqued by many moral philosophers who uphold the superiority of virtue ethics in responding to these various challenges from capitalism (for example, Sandel, 2010; 2012; Sison et al., 2012).

Beginning with Aristotle, virtue ethicists have argued that the formation of moral character is more important to ethical behaviour than merely following rules. In virtue ethics epistemology there is no other *telos* (end goal or overall purpose) than to orient any/every human action towards personal and shared happiness. Through the use of various forms of human excellence via reason, human activity is oriented to finding appropriate pathways towards happiness, for which the presence of personal virtue is the basis (Aristotle, 1941). However, virtue ethics understands that the appropriate pathways should be a matter of deliberation that is a moral act (Scalzo and Alford, Chapter 12 in this volume). Deliberation in the philosophy of Aristotle is not a search for victory based on competing interests of autonomous actors, but should be grounded on shared collaborative search (Sison, Chapter 6 in this volume). Within this context, virtue theory is in my view a very reliable and appropriate philosophical method that accepts and constructively transcends problems arising from 'the double-edged sword', that is, the coupling of pluralism and relativism in today's economy and society. It also answers critiques from circles in economics or other normative ethics due to unintentional or not so naïve common misunderstandings as to what virtue ethics stands for philosophically. In relation to this, virtue ethics epistemology in my view offers an unparalleled opportunity for personal action with systemic integrity including practical wisdom (prudence, in Aristotelian terms), that is, combining reasoned judgement with appropriate moral feelings (Akrivou and Orón, Chapter 11 in this volume), such as benevolence and care. In this way, a virtuous way of life and action transcends competitive individualism, the basis of modernist self-interested agency (Akrivou and Orón, Chapter 11 in this volume; Scalzo and Alford, Chapter 12 in this volume). Instead it enables human beings to collaboratively co-create a shared future of humanity, and individually and collectively develop *praxis* based on a shared co-responsibility ethic (Sandel, 2010; Akrivou et al., Chapter 7 in this volume) for acting, deciding and growing that is oriented to the proper *telos* (end goal) of life.

Virtue ethics proposes the unity of knowledge and human action, with ethics as an inherent aspect (Aristotle, 1941); the capacity for virtue relies on a capacity for being fully human and growing in virtue within a context relevant to human beings and humanity. Despite the sensitivity to the context and the particulars, however, virtue ethics offers a philosophical pathway for reaching universally good frameworks of action that have for centuries been shared in the West and in the East (Koehn, 2013). So, on the premise that virtue ethics emphasizes the overall character, moral sentiments and the virtuous conduct of each person in a given role,

and includes considerations of outcomes/consequences, acts and intentions (Koehn, 1995), virtue philosophy is not a relativistic normative ethic! Virtuous agents rely primarily on their own reasoned judgements, emotions and intuitions (Koehn, 1995; Sison et al., 2012, p. 208; Beadle et al., 2015), while also taking into account external ‘particulars’ according to the context, time and other people with whom they collaborate in the process of looking for shared pathways to the good life.

Any coherent account of the virtues includes their orientation towards benevolence, moral and practical wisdom (Aristotelian *phronesis*), genuine moral enquiry and contemplation. But Aristotle’s virtue is a state of being: therefore *arête* (forms of human rational excellence) require a moral character as a basis (Aristotle, 1941). A person who can wisely make the right choices in virtue theory is acting according to the golden mean (the mean between excess and deficiency), and this person knows why and when to rely on moral rules and why and when to break them, however breaking the rules is not done for the sake of not obeying them, but emanates from a person’s virtue. These characteristics are often seen as hampering the efficient running of capitalist institutions based on neoliberal economics and the utility-based calculation of welfare. The economy has traditionally been based on a set of tangible practices involving specific social actors and their communities, and a notion of involvement with physical space. The idea of a virtual ‘marketplace’ with an increasingly technological basis of exchange, as well as the idea of doing business as something separate and antagonistic to societal and personal well-being, characterizes the modern capitalist organization, especially since the second half of the twentieth century. Due to this, there has been a gradual loss of the ethical and relational dimensions of ‘doing business’.

There is an undeniable tension between economic and ethical valuing, and any form of business entails a personal space for action that is between enterprise and ethics (Hendry, 2004). While this implies a living tension between self-interest and moral concerns and orientations (ibid.), at odds with a utilitarian or libertarian way of personal action that resolves this tension technically, virtue ethics proposes a higher and more demanding pathway of action. However, action in line with virtue epistemology clearly poses heavier demands on the virtue and personal maturity (Akrivou and Orón, Chapter 11 in this volume) of persons in the role of decision-makers, while it demands personal accountability that transcends accountability in hierarchical forms (Roberts, 1991).

Also at odds with the current premises of human action and exchange in today’s capitalism are benevolence and moral contemplation as aspects of individual and collaborative ethics premised not only on virtuous

individuals, but also on genuine forms of human community, as Moore (2005) reminds us. Via pathways that are inspired by socialized forms of accountability (Roberts, 1991; Moore, 2005), while rooted in the character maturity of persons (Akrivou et al., Chapter 7 in this volume), virtue ethics is an excellent way of valuing that can assist business, government, civil society, policy and education stakeholders to effect trans-national collaboration oriented to re-humanizing business. These are increasingly being thought of (outside of virtue ethics proponents) as obsolete, anachronistic, romantic, non-pragmatic or cynically ‘costly’ ways of valuing. Therefore an ethic of virtue has not to date been examined as a serious alternative to the economic rationality of markets. The thesis of this volume is oriented in exactly the opposite direction: the main connecting theme across the different contributions is that the taken-for-granted ‘economistic’ approach ignores that the economy is really ‘human action’, and instead sees it as an abstracted ‘market’ or ‘game’ played by rational ‘agents’ relying on the organization and projection of mental models and formulas seen as an *a priori* truth in the present and the future. The present volume considers the economy as human action, understood as collaborative activity shared among actual persons, and based on strong anthropological and cultural foundations. It also considers human beings and their own personal relationship to their integrity as essential to maintaining ethical commitment and purpose as the core of each person’s action. These foundations are rooted in our shared social and broader (cultural, economic, political) history, and in a humanistically driven understanding of each actual person, as the ground of any action.

Regarding the rootedness of the economy as human action in history, the past may often help us to make sense of current challenges. Often what we think of as unique or novel current challenges (of capitalism) actually resemble challenges faced in times past. This knowledge, and the contemplation it can generate, may then help to inform a more practically wise way of action in the face of our common future. Then we can form a reinterpretation of history in the context of the current challenges, and can begin to look at them in a much deeper and wiser way. All this offers a good reason for examining the history of the ethical challenges that capitalism has been associated with since its emergence and throughout its evolution in Western Europe – which is what we do in the chapters in Part I of this volume.

The chapters in Part I should be read as a few selected cases (among the many broader excellent works of historians). These chapters, placed in chronological order, tell us some important things. Neither capitalism nor the capitalist economy (and its notion of ‘normal’) arrived as a

God-given, superior and metaphysical structure. Both are man's creation, with the hope that they could enable a higher, and broader, shared happiness for all. Also, the economic system did not begin in the nineteenth century, during or after the Industrial Revolution. It was prefigured much earlier: it emerged gradually as part of human social action. In the medieval period (roughly the late fifteenth century to the late eighteenth century) there was no interconnected economic space between the feudal communities; nor was there one later between the nations. Instead there were protected and rather enclosed societies, which were very rigidly structured. Then social bodies and the professions established ideas of social function, on behalf of the community, of personal responsibility and service to others. In this sense, the social action and self-understanding of the common good in reference to the good of the social bodies was still understood from a superior perspective, based on the Christian faith. Values such as goodness and benevolence, professionalism and self-restraint were taken to be objective references to what ought to be valued in order for agents to act in a virtuous way. Even then the notion of virtue was heavily and clearly drawing on Aristotle's (1941) understanding of virtue and its relationship to personal human action. Debates about issues such as the privileges and limits of private property, fair prices, just wages and the duties of the rich and powerful towards the poor and weak continued throughout the medieval period. A proper understanding of rationality (in its Aristotelian notion, that is, as a balanced reasoning that only virtuous human beings can understand and display when they act well) is embedded in medieval economics, as shown by the respective chapters by Dobie and by Hanssen (Chapters 2 and 3). Reason could not be understood as a self-legitimizing driver of agency, but was instead understood as a 'tool' to enable the action of virtuous human beings, premised on their using it for the right ends and with practical wisdom. Theoreticians as well as theologians explain that Christian doctrine helped in shaping a civilized ethic of the merchant, also bringing accountancy to a degree of perfection – a practice understood in light of the virtue of justice. All of this also produced continuous economic growth and progress.

In the early modern era (roughly between the late fourteenth and the late fifteenth century), greater royal power started to take over, rejecting Christian doctrine as the leading social institution. Royal power (with princes and kings as the main royal agents) and its dependent classes and institutions based moral justification more on royal desires and interests than on religious laws, as narrated in the first history chapter (González Enciso, Chapter 1 in this volume). Meanwhile, religious clashes also

started to emerge. These, as a separate evolution, weakened the respectability of the religious institutions, and this also weakened society's shared sense of the objectivity of the common good. This all led to fragmentation and relativism, whereby, from medieval times, the notion of 'the common good' began to be understood as synonymous with 'the good of the prince' (and, in later periods, with the evolution of social organization, as 'the good of the state'). Hence a particular way of understanding what is common and 'the common good' is rooted in a specific point of view. Despite this change, it still benefited the maintenance of a moral outlook, and the various actors, social classes and institutions chose this 'new' notion of the common good as something objective and unquestionable. This change nevertheless opened the door to later and current approaches that see morality as something emanating from the state and externally defined by the state at large (including political elites and people in government or parliamentary majorities, and their dependants) via the issuing of laws and legislation.

Nevertheless, medieval moral inheritance lasted. Besides the early challenges it created for the notion of the common good and the origins for ethical human action, it informed ideas about which personal virtues were to be considered attractive and useful for the community. In that respect we can see that nineteenth-century attitudes to virtuous banking clearly maintained an ethic of social accountability to local communities, as revealed by Barnes and Newton (Chapter 4 in this volume).

Later, during the twentieth century, a personal virtue that was expected by the community was the complementary practice of self-restraint. Indeed, as shown for the British economy in the years between the two great wars in the twentieth century, self-restraint was a core and expected moral virtue in the action of all appointed clearing-bank managers (guided by a self-restrained way of acting, whereby consistency between firms and the banking system is retained) as a dominant social entity in the English twentieth-century capitalist economy (Arch, Chapter 5 in this volume). These chapters demonstrate that profitable economic activity may be virtuous.

Indeed, it might be argued that, until at least the Second World War, a shared tradition in European society and its economy has relied on an understanding of the common good tied to a collaborative economy. Then there was a more naturally universal and less subjective notion of what is 'common' and what is 'good', and a shared tradition in European society and its economy has relied on a shared understanding that the common good was tied to a collaborative economy; however, at that time, a common purpose and values were more evident than in today's pluralist multi-cultural societies. Since the post-war years, and up to the present

day, there has been a rather sudden (and somewhat unexpected) change regarding how ethics and the notions of good and the common good are to be understood. This is recognizable in social institutions such as academic and educational institutions, in society more broadly, in the mind-set of the economic elites as well as in the mind of the individual, and in capitalism itself. The unexpected new challenge is that there is a gradual forgetting of shared (philosophical and cultural–societal) traditional sources that risks elimination of the idea of the common good. Another emerging risk is that increasing subjectivism and amorality render the notion of the good and ethical, and the common good, as much too subjective. This easily leads to an enthroning of a light version of the common good premised on a real private good and a limitless pursuit of various private goods or goods of the economy and political elites, with society, communities, social institutions and persons being unable to voice an alternative paradigm for virtue and the common good at this point in history. In fact, many of the chapters in Part II of this volume deal with these issues, albeit in different ways: they try to resolve the problems by referring back to common philosophical and cultural sources shared across the West and the East.

Hence an aim of the second part of the book is to offer new and rich directions for applying the theory of virtue and the common good in today's economic and political contexts and pathways, so that institutions that prioritize economic value creation can support the common good beyond this narrow conception of the economy–society relation. These new arenas may affect the economic and political orders of social organization; they concern the persons within communities recognizing their freedom to choose how they act and how they might collaborate in the economy and in society. This aim towards a shared notion of good corresponds with a specific (but rich and complicated) way of understanding that is found within the virtue epistemologies of cultural–philosophical traditions in both the West and the East. We do not expand systematically on the history of virtue ethics in this volume; other works deal more comprehensively with these traditions. However, we can note that this objective source of knowledge that exists in virtue theory is, in the West, rooted in Aristotle, while it is in Confucianism that we find a corresponding and prominent virtue ethics for the East. Virtue ethics as a normative theory tradition is important: it differs radically from any alternative normative sources (basically 'rule'-oriented normative philosophies) or models and theory frameworks rooted exclusively in economics. This volume provides arguments for reframing our understanding of economic activity in terms of the social orders in which it has featured rather than in terms of conventional economic theory.

The chapters in Part II of this volume have been ordered in a given way, but they should also be read in terms of their various cross-references. In this sense, the whole of Part II forms a body of interconnected and collaborative work in a community of practice with diverse disciplinary specializations. To appreciate the chapters of the second part, a comprehension of the whole may be also required, including clarifications in this introductory chapter of the coherence and progression of this volume. However, each chapter also makes its own distinct contribution and line of argument regarding important pathways for restoring a virtue ethic for the common good. In my view, each and every chapter of the second part is an enquiry regarding the theoretical bases for the application of virtue theory while respecting and acknowledging the diversity and pluralist basis of human social and economic life in the current historical phase of intensive global capitalism.

The chapter by Sison (Chapter 6) revisits his earlier work (cited in the chapter). The common good of the firm, Sison explains, began as a critique, from the perspective of philosophical anthropology, of the dominant, neoclassical economic account of the firm and its pillars: transaction-cost theory, agency theory and the financial or shareholder theory of the firm (Fontrodona and Sison, 2006). This clearly situates the contribution in line with virtue theory and defines a boundary in terms of uncritical scholars who extract part of this theory in an effort to support status quo conceptions of the firm, work, organizations and human beings inspired by an economic account of the firm. This chapter considers the common-good theory of the firm, on the basis that it is a genuinely generated capacity for collaborative work that enables firms to qualify as subsidiary institutions of a political and social community (as opposed to firms being seen as autonomous independent actors). But collaborative work is understood as essentially tied to Aristotle's *praxis* (Aristotle, 1941) and MacIntyre (2007). Therefore, it is important in my view that this contribution to the volume maintains and even restores the original Aristotelian understanding of happiness. Indeed the Greek philosopher's (classical) conception of *eudaimonia* is linked here with the real action and effort of all human beings as they are really, and is characterized by practical wisdom as much as it also requires theoretical wisdom (Aristotle, 1941). This classical thinking is somewhat opposed to a later, historically, modernist understanding of happiness that became more reductionist, seeing happiness as emanating solely from theoretical knowledge (see Scalzo and Alford, Chapter 12 in this volume). This view has characterized modernist conceptions of knowledge and goodness, including Kant and all the freedom normative ethics authors. Sison (Chapter 6 in this volume) offers a detailed argument for *how* firms,

albeit through an anthropological theory prism, can restore their role as subsidiary institutions that can be relied on for the broader common good. Indeed, this becomes a common theme in the second part of this volume.

A different account of agency at the corporate level (as distinct from any other agency definitions) is, however, introduced by Moore. In Chapter 8, Moore seeks to justify a notion of corporate character and to support the argument that firms can metaphorically qualify as moral agents. There is a lack of a broader consensus within the virtue ethics community of scholars regarding this matter, and the enquiry on this is still largely open. But, in so far as the notion of corporations as moral agents is accepted, then a systematic notion of agency and character at the level of a firm is offered. The proposed revised understanding of firms as moral actors in Moore aims to attribute equal weight to the goods (or the services) produced, on the one hand, and the intrinsic value of the collaborative work by the human beings who make up any given business ('firm'), on the other. In my view, some of the theory disagreement between Sison and Moore (Chapters 6 and 8 in this volume) regarding how to interpret and understand MacIntyre (2007) and his accurate understanding of the notion of *praxis* in Aristotle (1941) may allow that both Moore and Sison are accurate and complementary. The problem is twofold in my view: first, Aristotle's understanding of *praxis* in his works (1941) cannot be understood separately from his conception that all three kinds of human activity (that is, contemplation, *praxis* and *poiesis*) were thought of as an inseparable unity (Scalzo and Alford, Chapter 12 in this volume). Also, as noted, Aristotle's understanding of happiness also requires a unity between theoretical reason and practical/moral reason and wisdom (Aristotle's *phronesis*), an understanding that has gradually been lost in modern European philosophy, which came to trust only theoretical reason, as Scalzo and Alford show (Chapter 12). Second, MacIntyre's work may have genuinely intended to restore – and to correct – modern Europe's separation between knowledge in thought (*sophia*) and moral/intellectual action, aiming to bring back the original Aristotelian philosophy. However noble its intentions, having itself emerged through the filter of modernist thought, it has been exposed to some degree to the question of how his philosophy can 'fix' the fragmentation and reductionism of modern thinking (Scalzo and Alford, Chapter 12). This led to greater emphasis on the narrative order as a pathway of reorientation for the confused understanding of knowledge and virtuous action for the common good, and outside practical reason (the latter being the appropriate form of excellence appropriate for practice). This may mean that *praxis* based on Sison's understanding

does not exclude but entails Moore's emphasis on the interpersonal/social aspects of *praxis*.

Elsewhere in Part II of the volume, Chapter 7 (Akrivou et al.) argues that, for businesses and economic institutions to be able to restore essentially collaborative work that is purposeful and genuinely serves the common good and happiness, as understood in Aristotle, an ethically demanding conception of ethical organizational culture is required. This argument builds on the earlier history chapters on the intimate relationships between institutions of the economic system and the system's historical, cultural and ethical foundations (Hanssen, Chapter 3 in this volume). The argument here is that an ethical organizational culture should be elevated closer to the political conception of the Aristotelian (1941) *polis* (away from an instrumental and rational-legal conception of culture inspired by a notion of hierarchical management roles as 'brokers' between shareholders' interests and various personal and group interests). An ethical culture may require and develop personal virtue as its basis. Drawing from Aristotle's carefully argued theory of virtue (1941), which is an epistemology based on persons rather than rules, a dual foundation of culture is suggested that is radically humanistic. First, the organizational culture must be rooted in people's unique identity as non-substitutable beings who can be trusted to act with thoughtful choice. This denies the very notion of human beings understood as resources in economic theory. Regarding this first foundation, Akrivou et al.'s chapter (Chapter 7) relies on people's inter-processual self to enable an inner foundation for individual virtuous *praxis*. This then becomes the basis for a shared-responsibility ethic. The second foundation of an ethical organizational culture is suggested to be a systemic dialoguing capacity and elevates the Aristotelian importance of deliberation and action as a means by which the common good of the firm can come closer to the common good of the *polis*. Although this is a complicated matter, it requires practical action premised on structures, practices and norms that facilitate and nurture dialogue premised on benevolence, collaboration and genuine personal acts of contemplation. This is because in virtue theory action is the personal act of knowing, although such knowing is not possible unless it is grounded on a virtuous self-system that Aristotle understands as integrating contemplation (abstract theoretical knowing), acting relevant to the inner self and the self as social being (*praxis*) and technical or material production (*poiesis*) (Aristotle, 1941). This is congruent with the notion that virtue essentially emanates from the self-system of individuals: it is indeed persons who can ontologically be moral agents (Koehn, 1995). Justification for the arguments of these first three chapters of Part II reflects how Aristotle's work differentiates

the notion of acting–producing (Aristotle’s ‘act-ing’ and ‘act’) from the notion of the product (the output and the result of acting).

The idea that organizations shape and influence the development of character as well as employees’ moral agency (a theory shared between virtue theory and current streams of behavioural and organizational ethics) brings readers to Beadle’s chapter (Chapter 9). It summarizes broader research regarding individual and organizational virtues. The key point here is that, while we know what impact organizations have on the morality and moral agency of the persons that populate them, the questions of how the influence is being exercised and in what direction remain open for research. The state of theory and research in broader behavioural and organizational studies varies. For example, descriptive ethics presumes that a dual, albeit complex, interaction process occurs whereby the degree to which a context is ethical influences the degree to which persons act and grow as moral actors, and vice versa. In Chapter 9 other rival answers to these questions (how and in what directions organizations influence the morality of persons) are critically presented within a broader, interdisciplinary methodology of meta-analysing relevant research. It is suggested that answers from those who extol the bourgeois virtues related to the liberalism required by market orders differ from answers given by those who may be more sceptical and critical that organizations are corrosive of virtue and the virtues – especially within the capitalist economy driven by neoliberalism. This chapter cites important research from authors not represented in this volume whose work relates more or less closely to the philosophy of virtue ethics. This topic has been systematically analysed elsewhere (for example in Beadle et al., 2015). We see, however, that empirical research in organizations has done little to resolve this divergence of views regarding the problem of how organizations influence the development of persons as ethical beings and as moral agents. So Beadle’s chapter in this volume helps research to progress further by trying to identify the causes and by illustrating the dimensions of these disputes. It concludes by sketching two rival accounts of organizational impact on the morality of persons. Within this frame of critical analysis it is argued that these accounts serve contrasting accounts of goods (individual goods, public goods and moral goods) to whose achievement the virtues are directed. A moral psychology consistent with virtue theory assumptions is introduced in a later chapter of the volume (Akrivou and Orón, Chapter 11).

The volume next examines the macro and more applied sphere of economic and social life: the politics of corporate governance and the common good are critically analysed. The recognition that the way we think determines the way we will act informs the analysis. Based on the

premise that action is guided by understanding, it is suggested that how we define a corporation will have profound implications for the kind of governance chosen and the kind of governance ‘imposed’ on the persons who make up the corporation and the corporation itself (McCall, Chapter 10). The dominance of private-law conceptions of the corporation rooted in contract or property law make up the body of current corporation theory. However, it is shown by McCall that this way of theorizing how to conceptualize a corporation orients corporate governance towards private rather than common goods. Yet the argument is that the publicly traded corporations in particular are public entities. It is suggested that, in ontological terms, such publicly rooted institutions have more salient similarities with political institutions than with private concerns. So it is suggested that public constitutional law is a more appropriate hermeneutic vehicle for understanding the corporation and should be relied on. This suggestion of course extends to the view that the current theory of the corporation and its relations with persons and groups understood under contract or property law should be discarded. Then, on the basis of Aristotelian political philosophy applied to the corporate enterprise, McCall supports the view that the corporation is one of many imperfect societies. Hence, in agreement with Sison (Chapter 6 in this volume), it is accepted here that the (imperfect) corporation then comprises the *polis*, that is, the Aristotelian (1941) ‘perfect society’, or it may be taken to correspond to the idea of a *polis* once business is thought to be included in the superordinate political community. This is of course neither a simple nor straightforward relation of embeddedness, especially in a global and international capitalist economy. As such a society (being an imperfect one), the ends of business can be seen as tied to a common good, albeit an imperfect one. This chapter’s exploration of the nature of this corporate common good has a clear concluding thesis. It suggests that, rather than being singularly and predominantly governed for the private good of shareholder wealth maximization, corporations should be governed in a manner oriented to the complete common good of the perfect society of which the corporation is a part. Of course it is easier to apply this thesis within the protected and shared cultural boundary of a nation, a distinct political, cultural community with a shared tradition and moral and economic values. We also need to exercise some caution not to extend the idea of the closely knit cultural ties and the shared meanings across the centuries that bind nations together to their automatic adoption by corporations and economic institutions. So this theory should consider carefully the implications and potential unintended consequences. Despite this, the chapter supports a clearer, revised and more objective definition of the common good of firms, positing at least that in the

normative sphere the common good of firms should be tied to the larger political spheres that govern public life.

Chapter 11, by Akrivou and Orón, explores moral psychology as the basis of virtue ethics. It examines the notion of the good premised on an inherent systemic capacity of being fully human, and an organismic and sensitive valuing premised on the unity of knowing and acting in Aristotle (1941), shared across many Eastern and Western moral philosophers, mainly virtue theorists. To understand the critique of what is seen as a commonality in the premises of much Western modern philosophy and psychology on the self, this chapter provides two paradigms (and two respective narratives) of how the self, human action and human growth are understood in Western modern thought, which has gradually deviated from an Aristotelian virtue epistemology. These two corresponding notions of self and human action are: first, the modern Western understanding of the autonomous self as a primarily rationalist subject-agent versus a more relational-systemic and processual understanding of the self, premised on the unity of knowing and acting under the Aristotelian ‘act’. Second, it is suggested that this moral psychology, introduced as the basis of virtue epistemology, is a conception of the self and integrity that gradually enables systemic growth premised on a genuine ethic of benevolent collaboration that respects the person’s self as an open and free system.

Chapter 12, by Scalzo and Alford, is a rich but concise history of the evolution of the understanding of Aristotle’s cardinal virtue (*arête*) of prudence. The real meaning of ‘prudence’ in Greek is moral and practical wisdom, but a less effective current translation in modern English renders it as prudence. The authors show how, albeit gradually, a big shift in our understanding took place: the ontology of virtue theory in classical thought and philosophy understands theoretical knowledge and action as an inseparable unity in Aristotle and in Aquinas, and this is important as it neither asks nor requires any separation between human action and human cognition – nor an a-relational conception of subject and object or person-to-person relationship, as subsequently shown (Akrivou and Orón, Chapter 11 in this volume). But unfortunately there is a gradual shift from Aristotle’s premise that Being precedes Truth and the Good. Accordingly Scalzo and Alford’s chapter (Chapter 12) is important to show that the modernist shift of understanding human knowing (in cognition) as separate and distrustful of *praxis* (human action) prevents modern life in economy and society from appreciating and adopting the connection between practical knowing, reality and truth. This chapter shows that this shift has not been a necessity of an evolutionary process – as may often be argued in a quasi-scientific and quasi-emotive fashion

– but simply a sudden change of will in how a particular era (European modernism) understood human being(s), reality and reason itself. It thus expresses a drastic introduction of an-other paradigm, happiness, Being, the Good and Reason itself, and in my view there is broader-level agreement by important philosophers on this matter (for example Sandel, 2010). Beyond other problems (such as confusing our sense if Reason is the master of Human Beings, as in Kant, or if it is Human Beings that have Reason, as in Aristotle), this shift legitimized a more autonomous individualist turn that has got out of proportion during the height of the capitalist and post-capitalist economy. This is also related to the fact that the modern translation of Aristotelian *phronesis* is ‘prudence’, which has more gravitational pull on the notion of self-interest in the original classical Aristotelian concept of practical wisdom/reason, as suggested by Scalzo and Alford (Chapter 12). This chapter is, in my view, key in enabling readers to reflect on and review various earlier chapters, cross-references and arguments regarding the key concepts (prudence, the common good, virtue and its relation with intellectual and excellence of moral character). This chapter also enables a deeper-level reading of the final chapter of the volume (Chapter 14) to help understand how modern economy is itself situated within modernist thought and the conceptual issues this brings to modern life and being.

Chapter 13, by Koehn, allows readers to appreciate the richness and yet the commonality across various Western and Eastern thinkers on virtue ethics. In my view this chapter’s higher-level thesis demonstrates substantial common ground across diverse virtue theory traditions. This common ground creates a realistic hope that we can indeed create a universal basis for virtue theory as a superior normative platform to guide human action in society and in the economy that bridges the gap between divergent cultural sources in the East and the West, while respecting their specificity and particularity. But how can we build that East–West bridge in terms of what is common to all virtue ethicists? Indeed, Koehn argues here that, once a virtue ethics perspective is adopted, we discover that historically the cultures of both the West and the East have common origins of ethics and virtue, even if more detailed philosophies have then later been built on them. It is shown that, when referring to common key notions such as benevolence, courage, shame and friendship, it becomes apparent how similarly the Western philosopher Aristotle and Eastern thinkers such as Confucius evaluate goodness and the potential goodness of business people’s commercial activity. Besides offering hope about the relevance of virtue ethics in personal, social–public and economic life for today and for future generations, this analysis helps restore a spirit of

community and society among virtue ethicists today, despite their differentiated works. And it helps deal with negative or cynical assertions by politicians, economists and others that it is impossible to imagine and agree on a universal notion of virtue (in opposition to what is suggested by Koehn, 2013). These are assertions that, as far as an ethical economy is concerned, the virtue ethics of East and West are irreconcilably different and that their members participate in essentially and deterministically incommensurable ethical practices.

The volume closes by incorporating a critically oriented contribution from a well-respected scholar outside virtue ethics: Mark Casson, a renowned economist. By adopting an ‘economic imperialist’ stance, Chapter 14 sets out to define the common good, adopting a modern economic perspective. Accordingly it enquires how far the analysis of the common good in virtue theory conflicts with conventional economics. The approach of this chapter is practical, as it argues that in practice virtue ethics must be implemented in a pluralist society and economy where conflict and negotiation of interests is quite common. This last chapter is helpful, as Casson adds an interesting economic perspective and his practically focused argument creates some points of convergence with virtue ethics epistemology, although in my view the chapter’s theoretical foundation is rooted in modernist thought. In looking at what is argued to be common ground between economic theory and virtue ethics, it is seen that Aristotle (1941) argues that the seeking of profit is not in conflict with virtue as long as it does not hamper or distort the common good and its linkage to *eudaimonia* (Scalzo and Alford, Chapter 12 in this volume). Also, keeping one’s ‘house in order’ prescribes a balanced economics that is a virtue in Aristotle, opposite to the vice of lust for and pursuit of chrematistics as an end (Dierksmeier and Pirson, 2009; Dobie, Chapter 2 in this volume). Chapter 14’s main concepts and modern theory premise are, however, in divergence with classical virtue theory itself. The key terminology favours a utilitarian and libertarian way of valuing human beings, and human activity (as *human* agency). Such ways of valuing have been shown to have serious tensions with valuing these based on virtue epistemology (Sandel, 2010; 2012). While a merit of this chapter is, undeniably, that it explains the importance of goods and welfare beyond material and lower-level pleasures, and links this to personal conduct and justice/fair distribution concerns, it still basically sees society and economy as a complex web of feelings/passions and egoistic interests. This modernist conception is rooted in modern(ist) economic theory; the chapter makes a neutral–scientific presupposition about the phenomena it observes (economy, behaviour, relations between persons and groups, etc.), while it understands human

beings, human activity and society on the basis of individualism. All this recalls Hobbesian thinking along the lines of seeing selfish agent behaviour with the rational goal of social success mediated by passions (that enslave reason). The problem here is that this conception is distanced from a classical Aristotelian view that passions and emotions are *organismically* part of human nature, and guided by reason; and that persons (Akrivou and Orón, Chapter 11 in this volume) can be trusted to act well (Scalzo and Alford, Chapter 12 in this volume). So the issue I have with adopting Hume's view of human beings and action as a premise of economics is twofold: first, it adopts these as a new normal of human behaviour, as a natural way of thinking and acting. Second, it serves a utilitarian conception of economic theory that justifies narrowly rational self-interest and egoism as a way to overcome the first issue; hence self-interest now becomes the new normal. Hence, embarking from this critique, it appears logical to accept Mark Casson's argument, assuming that people will most probably 'never' agree on a definition of the common good, which sounds closer to Hume's view that often what is good and virtuous is premised on a majority of opinions, based only on the 'winners' in a particular sociotechnical/economic arrangement. This view necessarily will need the Hobbesian Leviathan to ensure a lasting organizational political ordering between these various groups. This view understands practical wisdom as an instrumental value on the basis of individualist self-interest (Scalzo and Alford, Chapter 12 in this volume). The focus of classical virtue theory is quite different, as shown earlier (Scalzo and Alford) as its basis is virtue as part of being human, which includes the act of deliberation as a moral act. It could be argued that the economics perspective depends very much on people's will for goodness, but there is no definition of the nature of willing goodness and its satisfaction. This problem is, in my view, solved by virtue ethics, since it promotes a different 'value' (*eudaimonia*) in answering questions of ends. This last chapter of the volume by no means presents a *negative* individualism. It looks for coordination and cooperation, so there is a concern for justice here, but this is not enough: so far the foundation of economic theory has not been conceived as a way of valuing consistent with virtue theory.

So, while the unexpected conclusion of Chapter 14 is that there *may* be more complementarity between economics as a discipline and Aristotelian virtue ethics as a normative philosophy, the problem in my view is that bringing this theoretical idea of convergence into real being may require renewing the foundation of economic theory closer to the classical thought of knowledge, being and the good. While Chapter 14 encourages virtue theorists to engage more with economics, on the basis

that the practical implementation of virtue ethics involves interpenetration of the *polis* and the economy as well as the notion of individual difference that potentially involves disagreement and deliberation, earlier chapters suggest that indeed the modern foundation on the basis of economics requires re-orientation. At a fundamental level, conflicts between the rival values of modernist economic and classical virtue ethics theories may indeed not be solvable on a rational basis, but are moral questions regarding ends and ways of valuing. However, this is all a challenge and an opportunity, and there is an increasing momentum towards the rethinking of the theory and practice of economy and the human act of doing business with a clearer foundation that really restores the possibility for broader sustained human happiness. Indeed, the present volume seeks to dispute some of the taken-for-granted, habitual modern ways of understanding the economy–society relation, human beings and the potentialities linked with human action.

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