

Between commitment and freedom.

Economy-ethical orientation in an open society

Ladies and gentlemen, dear guests,

When asked about the study of economy ethics, the satirist Karl Kraus allegedly replied, that one has to decide for the one or the other: economy or ethics.

The necessity of ethics in economy is - fortunately - being acknowledged nowadays not only by scientists, but also by responsible persons in companies and by large sections of the population. It is interesting to note that it was not due to criticism from the outside against the economy, but due to - mostly large - companies, who had already discovered their relationship towards ethics as a meaningful question some three decades ago: They established ethical company guidelines - "codes of ethics" or "codes of conduct", where values like honesty, trust, fairness and self-commitment towards capital investors, employees, customers and society were recorded. These codes are something like a catalogue of virtues within the economy. They are guidelines of values, that are regarded to be of central importance for responsible actions.

During the past years, especially after the economic and financial market crisis, this ethical dimension of economic activity has become a matter of course. An ethical foundation and a return to basic principles is demanded over and over again. Numerous networks, institutes and study courses have been developed for this purpose. This brings back images, which had in the meantime disappeared completely: for instance, that of the honest businessman. It had not only gone out of fashion, this value of individual responsibility, the crystallising honesty, integrity, liability, but the honest businessman appeared to be an obstacle for dynamic business relationships, which were interested in quick returns. However, companies - and most people are convinced of this - are not only performance units, but they are a central part of a social unit within society. And thereby they are also important indicators for the value system of a community.

Therefore companies, and particularly management staff, are not only judged by their economic success, but increasingly also by the moral standards of shaping the economy.

There is broad consensus that ethics and economy are two fields that have a lot in common. However, economists and economy ethicists remained divided about how this allocation should actually be. Following the basic idea of Adam Smith, one group believes that market economy by itself will create ethics and moral. Irrespective of the moral aspect, market and competition eventually lead to ethically justifiable results, as if controlled by an invisible hand. The market becomes compensating and fair, because the self-interest of market players is automatically subjected to serve the community. For the other group the self-healing powers of the market have become a myth. Therefore they see ethics as something that must be brought to the economy and the markets from the outside in order to materialise. They would not be surprised, if I do not think much of the self-healing powers of a business, that 'always-produces-fairness'. In addition, national regulatory systems have opened up to global economic trade and must now be analysed in value categories in a worldwide context. This by itself can hardly be regarded to be ethical dynamics of the market. But the economy is subject to multiple ties. And many associations, networks, institutes and states are hard at work to achieve consensus regarding mutually agreed standards, that would allow functional trade to be controlled in a fair, equitable and social way.¹ The fields of economy, science, religion, politics and others appear to exist next to each other. Normally they stroll past each other with a polite salute. And when a bishop utters objections against the economy, this is regarded by some to be encroachment. But since the church, particularly in its diaconal services, is an important economic role player, these statements are always also a self-critical contemplation.

He who sees the clever production in the economy and only the interest- and purchasing power-based exchange of goods in the market, and does not observe the background noise of the values reigning there beyond the price, has excluded himself. Such an economy is not sustainable.

This can be illustrated with a current example: The discussion about exhaust gas manipulation of passenger vehicles. The exchange of goods for money does not only touch on the question of exchange equivalents in Euro and dollars in line with the market. Every exchange always has a value dimension. Trust, as the basic binding force of society, has been affected by the exhaust gas scandal. This does influence sensitive social balances. He who destroys trust, also destroys an important reservoir of being together. And he who abuses trust, attacks the identity of the exchange partner. The question is: To what extent must those who do business, make the expectations of freedom and commitment visible also in the economic context, in order to gain

¹ Andreas Jordan, Die Große Transformation und ihre Feinde. Zur Geltung von Nachhaltigkeitsbildern am Beispiel Biogas. Marburg 2012, S. 157 [The Great Transformation and its Enemies. The validation of images of sustainability, based on the biogas example.]

that trust on which society is based. Economy is more than a network of "moral incentive structures", that should be organised rationally. I detect a determining view of man and world in economic activity, with reference to organisations and to persons. And I think that the keywords **freedom** and **commitment** open up the question about orientation, which is of importance at all levels.

Economy is a form of our world relationships. Expense, income and efficiency are necessary codes, which one should be able to read, if one wants to trade responsibly. But these codes should not lead to the economy taking on a superior gesture against other social basic values or norms.

When the questions about commitment and freedom are posed within the economy, then the issue is, whether and how commitment and freedom have materialised in modern economy. The keyword "neo-liberal economy" has been used for a number of years to show that excessive freedom can also lead to the detriment of social commitment and fairness. Social inequality is regarded worldwide as a central problem for the sustainability of living together peacefully. The idea that the primary purpose of economic activity lies in satisfying the expectations of shareholders has been a prerequisite in order to accelerate the effects of the neo-liberal market. But which cultural prerequisites shall we use to organise our "desire for utilisation"? Which values shall we contribute? And which commitments are essential in the free market?

Economic role players are powerful. They create and combine new coordinates within society. Quite often they also breach a logic that orientates itself towards the status quo. Economic activity is a demanding and assertive institution in search of advantageous and use-orientated constellations. It is clear to everyone, that when business is performed exclusively as a game to utilise short-term opportunities, it is to its own detriment. Because in its core orientation economy remains the collective endeavour to meet shortcomings. It gains meaning and acceptance from this basic orientation. Meeting shortcomings also comprises the coordinates: freedom and commitment. Because man remains an inadequate being, who needs to organise himself through work and economy, he is free to choose the means to meet the shortcomings. This always entails the question, whose shortcomings are to be met at whose cost. In view of the global-ecologic situation we are far beyond limiting the effects of the economy only to invested capital, when looking at overall costs. These means are the basis of our existence. While in the original model only man was at the centre of economic exchange, and utilisation and profit were balanced in him and in the community, a central new global dimension now exists: All economic activity is involved in the future of our planet. All economic activity is subject to a creation-

theological reservation. If we were to continue the economic development unchanged, would the sustainability of our planet come to an end within a few centuries or even decades? This entails a central ethical commitment. If we concede that the economy with its strong role players always promotes the technological and civilisational status quo of society, then the economy is obliged to integrate the regeneration ability of the basis of our existence into its coordinate system. Economy must be willing to be committed. In my view the concept that natural resources can always and in every instance be replaced by technology and progress, belongs in the realm of arrogance. The adaptation performance to be provided by the economy must today be regarded to be adaptation performance for the natural basic conditions. The economy must show itself to be honest in the contemplation of what we live on. **Economy with the objective of meeting shortcomings, contradicts itself when it creates or amplifies shortcomings of the basis of existence.**

Economic activity is part of the civilisational striving for freedom and future. It must therefore be willing to be bound to the desire for future freedom. When it does not do that and objects, it does not do justice to its self-description as a social productive force against shortcomings. Production, the 'producer' is

1. not only the "bringing forth" at the market-oriented needs and requirements level.
2. Productivity is also not just innovation (change of function and design) or a code for the efficiency of resource deployment.
3. Ethically production must always be committed to a useful "advancement" and an ingenious "pursuance" of the entire community.
4. Ethically this means: Production is always co-production. This includes questions about fairness and fair trade, questions about attentive resource management and questions about the social balance. Else the economy is at risk of becoming a civilisational failure.

I am of the opinion that economy must always be bound to the design of "freedom for the future". A meeting of shortcomings, which creates shortcomings and thereby endangers the future, is paradoxical. The thought of "future freedom" is combined with a specific freedom concept with high ethical appeal.

1. It is not a matter of fragile freedom that is acquired on short call as a relief of responsibility and commitment.
2. It is also not a matter of freedom, which is acquired at the cost of others.
3. A qualified discussion about freedom means that freedom itself is a form of commitment to the future. He who wants freedom will only find it if he allows himself to be lured into the future and then integrates his actions into the collective endeavour to hand over this planet, that is our creation, to future generations as a place worth living in.

This concept of freedom is embedded in a far-reaching new orientation of our times. The future of the world society or world community is at stake. This is the reformation we are facing, which we must align ourselves to as a world society. All concepts that are currently based on people being able to assert one freedom project against others territorially, individually or culturally will fail. Globalisation is not just a term describing new conditions for the markets. Globalisation describes the dynamics of a civilisation, and at the end of it there must be a worldwide common term of freedom. Any populist-nationalist refusal of this task of a mutual freedom and world-community core orientation weakens the sustainability. He who thinks that complexity can be mastered by delimitation and exclusion is off the track. I master complexity by mutual trust constellations². It is currently imperative for the world community to create trust models. And the economy is an important intermediary in this process.

It was Martin Luther who initiated the reformation through a central experience of freedom. And the key message is: Man lives through the grace freely given by God! Luther has contemplated this theological core orientation of freedom for many spheres of life. Also with regard to the economy. He was a contemporary witness of an enormous radical change. Early European domestic economy and the simple exchange of goods were being replaced by the money economy in his day. It was a categoric restructuring of the economy.

God's economy is free of exchange and conditions. Applied to human economy this means: It is not the exchange or the monetary advantage that lends fullness to our lives, but the fullness of existence lends the exchange its specific commitment and freedom ability.

² Niklas Luhmann, loc. cit., p. 9; „Wer Vertrauen erweist, nimmt Zukunft vorweg“ [He who trusts, anticipates the future].

It is not a vague idea of the good, that Luther brings to the economy from the outside as a standard. Luther's approach is different: He creates the image of a given, precious, liberated life, based on an existential turning point in his life in the light of God's economy. This life engages in an economy where the freedom turning point becomes part of the community. Man and community achieve freedom through the gift and acceptance of this liberation.

Economic activity is not within itself where people enrich their existence with utilities and goods. Economic activity is there where it matters to shape the God-given freedom socially. Faith is only profitable when it sacrifices every claim to profitability. The largest added value takes place when man becomes receptive for this quality beyond worldly exchange.

Thank you for your attention.