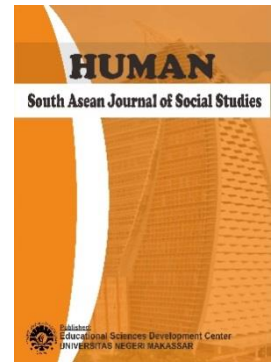


## Kant's Theory of Virtues and Doctrine of Rights Sanctioning Fair Business and Trade

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**Abstract.** Trade and business have played a pivotal role in shaping the development of world's economy and every home and individual is affected by it. The growth of every nation is largely controlled by its inherent capacity for smooth trade and business. Trade and Business contribute to the overall development of a nation by making a significant contribution in terms of tax revenues and providing lucrative employment. Thus, Trade and Business being such an important area of human concern cannot be given a free hand to govern and control the society. Business and trade are the potential forces of such a society endorsing peace and prosperity of every citizen provided they are properly steered. Therefore there is a need for a yardstick which would determine the worth and the depth of the business and trade policies. And, this yard-stick or standard by which we measure the reliability of the business and trade policies should be based on a solid philosophy. Due to the above, this research attempt to pinpoint the philosophy of Immanuel Kant, which I seek to unearth and recommend to the world of business and trade for the resolution of ethical conflicts.

**Keywords:** Immanuel Kant, Theory of Virtues, Trade and Business, Kantain code of ethics.



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## INTRODUCTION

Practical philosophy had its beginning in the ancient Greek philosophy whose virtue ethics was convention-based while the modern era is a witness to its counterpart in the rational ethics finding its culmination in Kant. The development of moral consciousness today is sphere headed by a post-conventional rational ethics that relies on human reason. It is a philosophical approach to the understanding of ethics unaffected by theology or other practices of history. For Kant it would mean that we can arrive at solid ethical principles purely from principles of pure reason which includes a practical perspective.

In affirmation of this view Kant writes in the Second *Critique*, "pure reason can be practical – that is, can of itself, independently of anything empirical, determine the will – and it does so by a fact in which pure reason in us proves itself actually practical, namely autonomy in the principle of morality by which reason determines the will to deeds" (Kant 2002, p. 37). His theory of virtues and the doctrine of right culminating in categorical imperative forms a perfect podium for a viable ethics of business and Trade. We make an attempt to understand some of these Kantian ethical doctrines in this section. Kant defines virtue in diverse ways but the underlying principle of all these definitions is the idea of self-constraint (*Selbstzwang*) which is the moral strength of will. It is "a self-constraint in accordance with a principle of inner freedom, and so through the mere representation of one's duty in accordance with its formal law" (Vaihinger 1897, p. 2). Virtue is also a principle of holiness; a moral perfection for rational agents that are immune to contra-moral actions. Kant also conceives virtue as a morally good disposition (*Gesinnung*) or a way of thinking (*Denkungsart*) which is a disposition that is acquired and not born with. Kant inclines to define virtue as an *ability* or *capacity* (*Fertigkeit*), or *courage* or *fortitude* (*Tapferkeit*), and concludes that it is a form of strength of soul, will or maxims. However in spite of these diverse definitions and descriptions, the predominant thought in Kant's theory of virtues is that it is a moral strength of one's will.

## KANT'S DESCRIPTION OF VIRTUE AS MORAL STRENGTH OF THE WILL

Kant's understanding of virtue is essential to his ethical theory and an adequate treatment of Kant's approach to business ethics is possible only through an analysis of his theory of virtues. Kant defines virtue as the "moral strength of a *human being's* will in fulfilling his duty" (Denis 2000, p. 405). He qualifies virtue as "concept of strength" (Denis 2000, p. 392) and says that it "designates courage and bravery" (Denis 2000, p. 57). Wood commenting on it writes: "Virtue is strength. Strength is measured by its capacity to overcome resistance. So a person is more virtuous the greater the inner strength of their will in resisting temptations to transgress duties."<sup>5</sup> Thus the quality of one's virtue depends on his competence to fight opposition. Kant also states that moral strength is an *aptitude* (*Fertigkeit*, *habitus*) and a personal excellence of the power of choice (*Willkür*, *arbitrium*) (Denis

2000). This description of virtue clearly explicates the Kantian interest in virtue as a moral principle evolving out of moral law because a moral individual always acts in accordance with reason. His description of virtue presupposes a moral duty rather than merely judging certain acts right and others wrong, as virtues are sometimes understood. Virtues are reasonable only in a context of responsible dutiful behaviour. Though the human beings seek moral perfection, ultimately they end up in attaining a virtue which is "a disposition confirmed with law *from respect* for Law" and he states that "freedom under laws is a doctrine of virtue" (Höffe 2002, p. 55).

Thus for Kant, there is nothing much can be chosen between virtuous living and moral living as they are identical. It is for this reason that the Kantian virtue ethics is different from the traditional criteria set to judge an act as virtuous or otherwise. It is for the same reason that his concept of virtue does not accommodate conventional practices. He does not go by one's character and draw conclusions regarding how one has to act rather it is the principles of moral conduct based on reason which gives meaning to one's action. It is a disposition of one's will and not a disposition of individual's emotions or desires that make an act virtuous. In his *Groundwork*, Kant again affirms this position by arguing that the traditional virtues such as self-control, moderation and calm reflection do not have absolute moral worth. Thus for Kant, the virtuousness of an action lies in the moral strength of one's will rather than in the value of the character trait of an individual. This Kantian view becomes amply evident from the assertion that, "for finite *holy* beings (who could never be tempted to violate duty) there would be no doctrine of virtue but only a doctrine of morals" (Denis 2000, p. 383). Kant again leaves an interesting note of warning that virtue will always bring us face to face with opposition. It involves constant struggle and therefore it includes the endurance to fight antagonism and hostility of every kind.

In the Second *Critique* dealing with the challenges of observing ones duty he writes that the "proper moral condition, in which he can always be, is virtue, that is, moral disposition in conflict" (Wood 1991, p. 84). He calls virtue as the "capacity and considered resolve to withstand a strong but unjust opponent is *fortitude* and, with respect to what opposes the moral disposition *within us*, virtue" (Denis 2000, p. 380). In the *Groundwork*, he repeatedly identifies desires and inclinations as principles which oppose morality (Wood 1991, p. 89), and therefore they are also the rivals of virtues which are closely associated with the moral laws. He asserts inclinations as adversaries of morals and though they do not cause problems but constitute them. And to know the cause of the problem we need to refer to his works on *religion*. He would attribute the cause for it to radical evil in every one of us. He writes, "That in order to become a morally good human being it is not enough merely to let the germ of the good which resides in our genus develop unhindered, but that a cause of evil located within us and acting in opposition must also be combated" (Kant 2009, p. 57). Thus Kant takes the cause for an individual's opposition to virtue far beyond the inclinations deep into oneself and attributes it to the evil within each one. Thus he brings alive his concept of *radical evil* as fundamental to human nature possessing

greater disposition to evil and treating it also as cause of all inclinations and desires. This clarity of the concept *Virtue* takes us to the interpretation of the Kantian theory of virtues to business and trade.

### **CORRUPTION AS UNETHICAL TRADE PRACTICE CONTRARY TO VIRTUOUS LIVING**

The evolution of ethics is fashioned by various unethical practices of the trade-world. These unethical practices have sprouted and accompanied trade and business ever since their inception into human socialization. From the hitches of the barter System to the most heinous crimes of financial scams of our Nigerian and international society, we have seen the ugly face of trade and business. In Kant's pattern of thought, the virtuous living is not very different from moral living. It is a moral being who fulfills the moral responsibilities alone can be virtuous because a virtuous being acts from the moral principle of duty. So Kant writes, "A human being has a duty to carry the cultivation of his will up to the purest virtuous disposition, in which the law becomes also the incentive to his actions that conform with duty and he obeys the law from duty. This disposition is inner morally practical perfection" (Svoboda, 2015, p. 77). His *Lectures on ethics* reaffirm this relation between morality and virtuous life: "the persistent maxim of making his will conform to the moral law, is virtue" (Kant et al., 1997, p. 43). Thus it is one's moral uprightness which controls the will towards cultivating virtues.

Now, Corruption in public and private life is considered immoral and at the same time, it is also a non-virtuous practice flowing from one's *will*. As it is an act of will it destroys the goodness of the will or will does not produce a good action. It is for this reason Kant argues that, "it is impossible to think of anything at all in the world, or indeed even beyond it, that could be considered good without limitation except a good will" (Kant et al., 1997, p. 43). Therefore the rationality behind the corrupt practices is the will acting in an irresponsible manner conditioned by the empirical factors. Corruption is an unauthentic practice instigated by the unauthentic external principles and not the internal principle of autonomous reason. Kant explicitly affirms it saying, "Envy, lust for power, greed, and the hostile inclinations linked with these" which are examples of evil in people misleading one another (Kant 2009, p. 94). Therefore, for Kant these are corrupt practices leading to the heteronomy of the will which essentially depends on a hedonistic kind of motivation. Thus, Kant would see corruption as failure on the part of the will to act on reason. Autonomy is a quality of the will based on which it is a law to itself and corruption both in private and public sphere is clearly the will acting inside boundaries without freedom. Therefore an autonomous person in whom the will is free would act for the sake of the moral law and Kant adds, "neither fear nor inclination but simply respect for the law is that incentive which can give actions a moral worth" (Edwards 2017, p. 118).

As already mentioned, our world is a witness to corruption of every kind at every stage. Financial misappropriation in public administration is a replica and symbol representing its diverse forms. However, Kant does not treat the cases of corruption or corrupt practices as such rather he would see corruption as an inherent nature in human person which needs to be transcended. Therefore in trade and business, corruption appears as a projection of the presence of evil maxims. Kant thus argues that a human person is evil or non-virtuous not because the actions performed by him are evil rather the maxims present within him as causes for the actions are evil. Thus he would argue that human being is corrupt or evil because he consciously opts for evil maxims. "The human being is evil, can signify nothing other than this: He is conscious of the moral law and yet has admitted the (occasional) deviation from it into his maxim" (Kant 2009, p. 32). In *Religion within the Bare Bounds of Reason*, Kant making a shift goes beyond the wrong maxims to argue that human beings are radically evil. "This evil is radical, because it corrupts the basis of all maxims. At the same time, as a natural propensity, it also cannot be extirpated through human powers, because this could be done only through good maxims; yet if the supreme subjective basis of all maxims is presupposed as corrupted, this cannot occur. But it must nonetheless be possible to outweigh this propensity, because it is found in the human being as a freely acting being" (Kant 2009, p. 37).

Ronald Green in his *Religious Reason* explores the Kantian concept of corruption. According to green, corruption is viewed as a disruption in the logical accuracy of reason. For Kant, the human person in whom we ground dignity and worth is evil. It is an issue of religion and religion should bridge this logical disruption. The transcendental doctrine of corruption is a salient feature of religion and we see it in Kant's book one of *Religion within the Bare Bounds of Reason Alone*. Kant asserts in this work that the human persons are *evil by nature* meaning that the human persons are prone to evil. This proneness or propensity threatens the very possibility of realizing a good disposition or a virtuous state. Firestone and Jacobs argue that it does not mean that the individuals have no responsibility because the underlying maxim may be corrupt but the specific ways and degrees in which the evil manifests itself still depends on the spontaneous exercise of each individual. The supreme maxim if corrupt cannot be rectified through human effort because the individual maxim is not an individual affair rather the maxim is adopted by the entire species. Therefore in RN 6:31, Kant calls the radical evil of the supreme maxim as *Peccatum Originarium* (original sin) (Firestone & Jacobs 2008, p. 150).

Thus, Kant clearly states that the individual acts of corrupt practices are the results of the supreme corrupt maxim which the individuals cannot completely undo though the ways and means of expressing this maxim is still within one's free exercise of reason. If we consider that autonomy is the power to do anything we want then we run into trouble but Kant's way is that freedom exists only when there are moral and legal constraints. The restrictions of our choice make us to be more rational in our

decisions without being led by our inclinations. Our choices can be coerced even when not forced if we don't act on rational principles.

In the world of trade and business, the company's involvement in some forms of corruption may shoot from competitive necessity. When there is a stiff competition between companies producing similar products, a business unit may offer bribe either to sell its products or to procure cheap raw materials. There could be another case of corruption when a company competes for a bid and makes some payments to the employee who does not show it in the company's accounts. Again, when the payments are relatively small to managers or others involved, it is at times considered as an acceptable practice. Sometimes, it gives the impression that the salary levels are set low keeping in mind this practice of bribery. An important point to be noted here is that both parties have to be held responsible: though the one taking bribe is often treated culpable, the one offering it is also equally culpable. The Kantian code of ethics affirms it as it invites everyone to act on a maxim capable of becoming universal law first of all in one's own personal life. Duska and Ragatz write;

*The goals and purposes of the corporation are the soul of the corporation, the animating and ordering principle of organization; they give life and structure to the activities of the organization. But, there can be worthwhile missions and misguided missions. Entities can be corrupted. Corporations can lose their souls. (It is serendipitous that the root of the word 'corporation' means 'body', the word corpus in Latin). When a business strays from a worthwhile goal or purpose, it becomes corrupt. That means that, when companies forget that they are in business to provide goods and services for consumers and their animating purpose becomes pushing products and services to make a profit, they lose their vision and corrupt their souls (Duska & Ragatz 2008, p. 154).*

These words explain corruption in businesses as straying away from its worthwhile goal. The purpose of business is animating human society providing sound welfare and when they fail to do it they deviate from their business duties. According to Lynch and Dexter, "Immoral behavior in government institutions is due to vices that the exercise of virtue can curb. Unfortunately, institutions too often foster and even encourage the erosion of virtues within public administrators. Thus, reformers must reinforce the development of virtues within public administration by addressing both the individuals and the institutions" (Cox 2015, p. 22). Corruption cannot be eradicated unless people begin to realize the moral law and act on it since heeding to it is virtuous living. An autonomous person is capable of being committed to societal values and institutions. Having strong character is autonomy and the inability to act on one's values is its antithesis and it constrains one's action. Today the corrupt practices reveal the incapacity of individuals to challenge the evil nature by acting on coherent and rational principles advancing towards an integrated life. Honoring the commitment to one's duty is a strong character; a virtue which the Kantian ethical code envisions.

## VIRTUOUS BUSINESS AND TRADE PRACTICES AS CONFORMITY TO ONE'S CONSCIENCE

We have discussed the dominant forces of egoism in the corporate sector and how they take diverse forms and types, hindering the promotion of virtues in business places. We do witness the conflict of interests, where a business unit might apply unethical means to persuade people to commit for their brand of products with the aim of expansion of business organisation. However, the business policies which perform the promotional roles of the corporation cannot opt for a vicious path to improve its performance. There is always a conflict of interest between one's conscience that calls for virtuous living and the demands of the business world. The trade professionals must make a tough call in this increasingly challenging competitive market. The most exciting example of such conflict is witnessed in the tobacco industry. Tobacco has been a lucrative business for years and the business is widespread with thousands of people and a lot of money as part of it. The ethical conflict is that it is an established fact that cigarette smoking is dangerous to health but it constitutes in a substantial manner for world economy.

The nature of conscience is to witness conflicts in moral choice making and to resolve them in a morally acceptable manner. And when conscience can do that then the individual moves towards a virtuous living. In the above cited example, if the decision makers of the business take sincere efforts for instance; use quality raw materials for their produce or take adequate steps for reducing the threat factor of those who buy their products then it could be said that they move towards resolving this conflict. In such a case, the concerned individual moves from a business man/woman to a virtuous individual. Quality enhancement reduces the profit margin as cost of production shoots up. The individual willingly sets apart with his margin and looks to treat the other in dignity and respect by placing the human person above money and for Kant this means acting virtuously in conformity with conscience. Kant hails such individuals and appeals to perceive these virtuous acts as acts of duty and not meritorious acts of one's generosity. He writes:

*The moral level on which a human being stands is respect for the moral law. The disposition incumbent upon him to have in observing it is to do so from duty, not from voluntary liking nor even from an endeavour he undertakes unbidden, gladly and of his own accord; and his proper moral condition, in which he can always be, is virtue, that is, moral disposition in conflict, and not holiness in the supposed possession of a complete purity of disposition of the will. By exhortations to actions as noble, sublime, and magnanimous, minds are attuned to nothing but moral enthusiasm and exaggerated self-conceit; by such exhortations they are led into the delusion that is not duty (Laibelman 2004, p. 45).*

These are acts which sprout from one's conscience which is virtuously done in sheer spirit of duty. When a producer takes interest to assure that his products do not harm the users, he just performs his duty and does not deserve any special merit for such actions. It is not an *extra mile* from the part of the producers rather conscience guides this moral action to be done. It is for this reason that Kant brings conscience under his list of one of the four acceptable "moral endowments". The business policies have to be in conformity with one's internal moral law. Kant writes that, "ethical lawgiving cannot be external" (Appelbaum 1995, p. 147), for only an internal law can have conformity with one's conscience. External laws can thwart evil actions but they cannot be virtuous. It is the inner freedom evolving from the internal law which makes an individual to act virtuously. Therefore a business corporation in Kant's mind must function in conformity with the internal law of conscience. It is the inner freedom, which sets off from duty which makes the business unit an ethical endeavour. Kant writes that it is the, "doctrine of duties that brings inner, rather than outer, freedom under laws is a doctrine of virtue" (Appelbaum 1995, p. 149). This statement from Kant upholds emphatically the role of internal moral law in Kantian scheme of things and blends one's (business) duties with virtuous living. Thus, virtue becomes the moral strength of will in fulfilling one's duty from internal moral law which is one's conscience. Affirming this Kant writes, "A human being has a duty to carry the cultivation of his will up to the purest virtuous disposition, in which the law becomes also the incentive to his actions that conform with duty and he obeys the law from duty. This disposition is inner morally practical perfection" (Svoboda 2015, p. 77). The inner purity is an essential part of the fulfilment of duty in one's life which means acting in conformity with one's conscience.

### **VIRTUE AS FULFILLMENT OF TRADE AND BUSINESS DUTIES**

In the *Groundwork*, Kant's principle of morality gives rise to a fourfold set of duties which we have discussed in the first chapter. Here, we study the application of Kant's duties in trade transactions and its fulfilment as virtue. Kant's virtue theory is not foreign to morality and duty in particular. For Kant a virtuous individual is primarily dutiful and responsible towards his moral life. We have the words of confirmatory on this in *The Metaphysics of Morals*: "To every ethical obligation there corresponds the concept of virtue, but not all ethical duties are thereby duties of virtue... Only *an end that is also a duty* can be called a duty of virtue" (Paton 1971, p.383). Again Kant clubs ethics and virtues together when he writes that, "as a philosopher, has to go to the first grounds of this concept of duty, since otherwise neither certitude nor purity can be expected anywhere in the doctrine of virtue" (Kant & Gregor 2016, p. 376). Thus, Kant always takes virtue and duty in the same footing though every act of duty cannot be a virtue. However, it is acceptable for Kant to argue that virtue is the fulfilment of one's ethical duties in trade and business, since ethics in business is also an end which is the criterion for an act of duty to be a virtue. Therefore, in the trade-world, when an individual or organization performs their



ethical duties considering them as ends, meaning doing them for the sake of duty, they are treated as virtues. And only in this sense that commerce or business transactions may be treated as virtues.

Today, we hear in the business-world about social responsibility which is getting momentum at least in the academic circles. A business unit has to look beyond the interests of its stockholders for fulfilling its social responsibility. The corporate social responsibility may be understood as the voluntary contribution of the companies towards a better society. The companies should set broader societal goals in a spirit of social responsibility. Corporate social responsibility is vital, because businesses are based on trust and maintaining trust with customers and employers can be easily jeopardized if not attended to, in a spirit of social responsibility. In the chronicles of history we do have examples, where governments were forced to roll back and companies without social motives were simply discarded by the people. For instance, in April 1962, the increase of Steel price by U.S. Steel was revoked by President Kennedy due to the public display of anger (Bostdorff & O'Rourke 1997). This is a clear instance where when the governments or companies fail to uphold the social responsibility, people would demand and enforce it. The doctrine of social responsibility upholds that single-handed decisions by the corporations are unjust and decisions which involve society must be public decisions.

The corporate units have to monitor inflation and price rise which is a social responsibility and avoid passing the buck on the government, though the taxation policy of the government may have a say on the cost of production. This view may not be agreed upon by some who feel that the social responsibility is ultimately on the government and not on the business unit. Friedman observes regarding the use of corporate funds for charitable purposes that, "such giving by corporation is an inappropriate use of corporate funds in a free-enterprise society. The corporation is an instrument of the stockholders who own it. If the corporation makes a contribution, it prevents the individual stockholder from himself deciding how he should dispose of his funds" (Manne 1956, p. 67). This view goes in tune with the economic thought of Adam Smith, who is acclaimed as the father of modern economics for his contribution to free trade. He wrote in *The Wealth of Nations* in support of the individual interests, "By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good"(). It is unfortunate that the corporate social responsibility is not treated as a virtue in business. There are many liberal economists who are up in arms to abolish social responsibility of any type. Theodore Levitt writes, "Welfare and society are not the corporation's business. Its business is making money, not sweet music. The same goes for unions. Their business is 'bread and butter' and right jobs. In a free enterprise system, welfare is supposed to be automatic; and where it is not, it becomes government's job... Government's job is not business, and business's job is not government" (Post & Preston 2020, p. 96). Such compartmentalised distinction is

unhealthy to the very fabric of human society which is communion in nature where everything is linked to each other. Though lowering of the corporate tax by the government would help the companies in promoting social welfare, it should not be left entirely to the government rather the corporations have to take the lead in promoting social responsibility.

When Kant defines virtue as the fulfilment of duty, it means that he refers to the common good and not merely performing one's personal duties. Therefore, when applied to the business world, Kant would vouch fervently for a corporate social responsibility as he sees virtue as duty. It is in carrying out one's business duties as perfect as possible in a spirit of humanity that it becomes a virtue. Kant would not subscribe to the view that corporations have no social responsibility, for his concept of duty is *duties of wide obligation*, which he elaborates when he distinguishes between the subjective pleasure and the objective one, going beyond subjective satisfaction. He writes that the subjective pleasure, "could be called *sweet merit*; for consciousness of it produces a moral enjoyment in which human beings are inclined by sympathy to *revel*. But, *bitter merit*, which comes from promoting the true wellbeing of others even when they fail to recognize it as such, usually yields no such return. All that it produces is *contentment* with oneself, although in this case the merit would be greater still" (Gowans 1987, p. 391). It is here we witness Kant pushing for a greater corporate social responsibility, where one experiences greater contentment while promoting the happiness of others. Thus, social welfare is a duty and the fulfilment of duty is virtue.

### **VIRTUE AS DUTY TOWARDS ONESELF IN BUSINESS**

For Kant the ethical lawgiving cannot be external and therefore ethics is primarily a duty towards oneself. This realization is of utmost importance in business. A failure to realize that the moral law evolves from within oneself will lead to corruption in public life as external laws are empirical and devoid of purity. Being motivated in a virtuous manner is a constant striving and one cannot entirely know whether one has realized what one has strived for, even with respect to individual behaviour. The first command of all duties to oneself is to know oneself which means scrutinizing oneself (Mahon 2006).

In the face of ever growing business misdeeds, it is important to inculcate the Kantian model of ethics into business structure and business schools. It is the personal realization of one's moral responsibility as residing deep within one's nature and unearth it in a spirit of duty is the base for virtuous business and trade practices. It cannot be guaranteed by even the stringent of external laws as we have seen over centuries the growing trade malpractices. But the realization of the moral law as envisaged by Kant has an advantage because it evolves from one's nature and choice and not enforced externally. It encourages from within the application of ethics by business managers and leaders by promoting moral development and moral reasoning. It makes the business managers to be conscious of virtues and vices of

human character in tune with the deontological principle of obligation to act from within. This view is supported by John Hasnas (1998), according to whom all the normative theories relating to business rely tremendously on the moral force of individual consent because every business functions on principles of agreement between members. Every business is essentially a voluntary association with a network of contracts and therefore they have certain ethical obligations to each other. These agreements have to arise from the consent of everyone involved including the managers. This would mean that an adequate normative theory of business ethics is inevitable which will capture the obligations of individuals who enter willingly into these agreements that constitute business (Hasnas 1998).

Given the complex nature of relationships and agreements involved in business, it is a daunting task to devise a single normative theory which can adequately combine various aspects of business contracts. But it should not detract us from making an effort in that direction since the human reason is the authority in every agreement and it can articulate sound principles. However, it could be said that Kant's theory comes close to providing a viable normative theory for basing all business agreements because of the fact that these agreements depend hugely on consent of the will and the Kantian moral code also relies on reason acting on one's will which is internal to the individuals. Thus, both of these have a common origin within the individual and therefore depend on the consent of the will and the authority of reason. The utilitarian theory for example depends hugely on the aftermath of actions and therefore conditioned by external factors which the deontological model of Kant brilliantly escapes. The Kantian code of ethics affirms the individual obligation in a business agreement which is a moral duty towards oneself. Therefore the Kantian ethical theory presents the base for business and trade practices by providing an appropriate normative theory which is duty-bound, virtuous and internal respecting business agreements which is the foundation of commerce.

### **DUTIES OF VIRTUE TOWARDS OTHERS IN TRADE**

We have seen that virtuous life is a duty towards oneself as it evolves from the internal maxim which is primarily a law to oneself. This internal experience of the maxim guides one towards ethical practices in trade and business leading to virtuous living. However, morality and virtue are not solely an individual affair as it always involves others and society. Therefore every individual has a duty to the other and ethics and virtue are relevant only in the context of other human beings. Kant was conscious of it which leads him to present his duties towards others and evidently manifested in trade and commerce as it is a massive human affair. For Kant everyone has a duty to the other and we are under obligation to help others and for these actions to be meritorious, we need to make the other person feel that our help is indeed owed by the other because the favour we do for the other implies that his wellbeing depends on our generosity (Mahonn 2006). Therefore Kant states that the act of kindness towards other is not charity but duty. We should not make the other

feel that his existence in some measure is at our mercy rather "spare him humiliation and maintain his respect for himself" (Denis 2013, p. 133). This applies to commerce and trade transactions and forms the core of ethics for these organizations involved in it. This Kantian concept of duty towards others is the basis for civic and community affairs, a normal rubric for genuine trade and business. Though it is not widely followed by most business units, it is at least recognized by certain companies as their goal.

We have the duty and obligation to support the needy, yet while this obligation may be such that our action will be meritorious, we should make the poor person feel that our meritorious help is indeed owed by the concerned party. And according to Kant it is done for the sake of duty in respect for the other and in doing so we "spare him humiliation and maintain his respect for himself" (Guyer 2016, p. 154). This expansion of his theory of duty is all the more clear when he writes that the virtue of duty calls for promoting the wellbeing of others in need, "without hoping for something in return" (Guyer 2016, p. 162). Thus Kant's principle of duty towards others emphasizes the selfless nature of human beings and recognizes charity as duty. And this is a unique contribution to normative theories of ethics and a new addition of perspective to virtue ethics. However, Kant's theory of virtue does not sanction element of evaluation in deontological categorizing, since, for him, no action can be good except when done from duty, and so every good action must be done as part of one's adherence to duty. Though Kant brings virtue within the confinement of duty, he upholds the essential nature of virtue as well and it is not completely outrun by the priority of duty which may be considered an overdose by some. Virtues, as we know are enduring characteristics which are not practice-specific meaning that they are not reference points to any particular actions rather general traits of human persons. They are inevitable for the thriving of any practice. Virtues empower the individual to attain the goods pertaining to practices, and the attainment of those goods across a range of practices and over a period of time is helpful in one's search for and effort toward his or her own *telos*. Kant writes: "Virtue is always in progress and yet always starts from the beginning. – it is always in progress because, considered objectively, it is an ideal and unattainable, while yet constant approximation to it is a duty" (Guyer 2016, p. 161).

Thus virtuous living is a constant striving towards progress and one can never be assured of being attained what one has strived for. It is further ascertained when Kant says that, "A human being cannot see into the depths of his own heart so as to be quite certain, in every single action, of the purity of his moral intention and the sincerity of his disposition, even when he has no doubt about the legality of the action" (Kant & Gregor 2016, p. 115). These references tell us that in the mind of Kant, the virtuous life is a struggle where virtue is an ideal which is persevered by one's dutiful striving. Thus Kant brings virtue within the realm of duty yet valuing its independent existence and at the same time asserting that it is the duty towards others that gives meaning and purpose to virtues. In trade and business, duty

towards others implies not just duty to individuals but also institutions. And, in this context it could be ascertained that virtue is not merely a character of the individuals such as managers, shareholders or consumers rather it also pertains to institutions. An institution can also reveal the level of its virtuous character through the manner it performs its duty towards others. Though an institution comprises individuals, the entire unit may be considered virtuous if it functions on a common manifesto. According to Geoff Moore, "A virtuous institutional character, then, might be defined as the seat of the virtues necessary for an institution to engage in practices with excellence, focusing on those internal goods thereby obtainable, while warding off threats from its own inordinate pursuit of external goods and from the corrupting power of other institutions in its environment with which it engages" (Moore , p. 48) Thus there is not merely the virtuous personal character but also the virtuous institutional character and therefore there is the duty towards others from the point of an institution.

### **KANT'S DOCTRINE OF RIGHT AS THE PEDESTAL FOR FAIR TRADE AND BUSINESS**

The term *right* can be understood as a person's entitlement to a particular thing. We can assume that one has a right when that person is able to act on the other. *Right* involves entitlement which empowers a person to perform an action. *Rights* are generally divided as moral rights and legal rights. Moral rights are based on certain moral norms which the human beings are entitled to have or empowered to perform irrespective of where they live, while, the legal rights are applicable only to certain places under specific judicial territory. Moral rights have no territorial limits as they are related to the individual, for instance; the right to one's life is a moral right, regardless of the legal system of the place.

However, Kant's concept of *right* differs from the traditional presentation of the term *right*. Kant adds a twist to the concept of *right* by clubbing it with freedom. He defines right as, "the sum of the conditions under which the choice of one can be united with the choice of another in accordance with a universal law of freedom" (Kant & Gregor 2016, p. 24). Thus, the Kantian understanding of right offers no possibility of *clash of rights* between individuals. In life situations more often than not, we witness violation of rights leading to clashes when one person's right oversteps into that of the other. But, Kant's ethical system is so comprehensive that it embraces common interest whereby the rights of different individuals leading to clash are aborted. Since, everyone is called to abide by the universal law of freedom; the Kantian system of *rights* bypasses the inherent tendency to conflict. In Kantian morality, individual rights are not based on individual freedom rather relies on its universal understanding. Kant is emphatic when he states that, "Freedom, insofar as it can coexist with the freedom of every other in accordance with the universal law, is the only original right belonging to every man by virtue of his humanity" (Höffe 2002,

p. 94). Thus, Kant narrows down the various rights to one, the right of freedom, which is fundamental in the light of which all other rights derive their meaning.

Today, in trade practices *rights* has become a significant point of deliberation. Everyone from the General Manager (GM) to the last user of the product of a firm wants their rights upheld. The GM as an executive in a business operation expects that his rights are not infringed upon while the consumers feel that it is their right to get quality-products. And Kantian theory of *rights* with its emphasis on freedom seems to offer a suitable normative theory for genuine trade and business. We live in an age which is witnessing an increase in economic globalization. Business and exchange within country was the trademark of commerce for centuries. But the situation is different today as the recent years have seen rapid expansion and growth of international trade. The MNCs (Multinational Corporations) work in various political jurisdictions which have different legal structures regarding product manufacture, consumer protection, safety measures of workers and environment safety. The laws regarding these are different in the host nations of these MNCs and therefore we have a greater responsibility to respect the rights of those involved and the laws of these countries where MNCs operate. Kantian doctrine of rights plays a significant role in this process.

Thus *Right* involves the existence of laws and Kant approves the existence of laws in society. He argues from an ethical perspective that laws are mandatory "however well-disposed and law abiding men might be" (Kant & Gregor 2016, p. 54). In *Groundwork* he states that it is the quality of only the rational beings to act on laws; "Only a rational being has the capacity to act in accordance with the representation of laws" (Kant & Gregor 2016, p. 53). Thus laws are essential to protect the rights of each other and every rational being has the disposition to act upon laws. Therefore with these sound principles the Kantian doctrine of Right has great significance for local, national and international trade and business which is further explored in the following sections.

### **RATIONALITY OF CONTRACT RIGHTS IN BUSINESS AND TRADE**

Every business deal is a relationship in contract. Even the customer who purchases a pen worth only a penny still enters into a contract. There is a contract between the employer and employee and producer and consumer. Besides, there are other contracts as well in business which may be among the shareholders and owners, between the sales agents to the retailer etc. Every firm has a duty to customers which is inherently a contractual relationship. When a consumer buys something, he enters into a contract with the firm which assures goods of certain specific characteristics and the consumers in return agree to pay for the same. It implies the basic duty complying with the agreement made by both the parties (Sasa 2019). Looking from the Kantian perspective, it may appear that in a contract the individual is used as a means because, when I employ someone to sell my products, there is a contract between me and the employee, where the other serves as a means

to perform the job. But, in order to have a right perspective we need to look into Kant's definition of *contract rights* which reads, "my possession of another's choice, in the sense of my capacity to determine it by my own choice to a certain deed in accordance with laws of freedom is a right; but there is only a single sum of laws, *contract right*, in accordance with which I can be in this sort of possession" (Payne & Thorpe 2011, p. 8). Thus for Kant, contract is the united choice of two persons and he would consider both the parties as ends in a contract. Therefore, any infringement of the contract would be considered disrespecting the humanity in the other. For Kant, "By a contract I acquire something external... what I acquire directly by a contract is not an external thing but rather his deed, by which that thing is brought under my control so that I make it mine. By a contract I therefore acquire another's promise and yet something is added to my external belongings" (Kant & Gregor, 1996, p. 65).

Thus Kant states that by a contract, it is not that I gain something external but there is a deeper bond which it generates. It is by this that I involve with the other in a spirit of commitment, for every deed calls for a common action. There is a mutuality which is shared by both parties which has to be sustained till the end of the execution of the contract. This is the key to the success of any business today. Every business deal brings along with it both external and internal aspects. The external could be the transportation of goods or services agreed upon in the contract, while the internal is the deed or the promise which comes directly to me. Kant gives a deeper meaning to the contract rights in business. Any attempt to dismantle an established contract for Kant would mean disrespecting not just the external person but also the internal i.e. the dignity of the human being which the second formulation of the categorical imperative upholds. Ripstein observes that, "In a contract, I have given you that thing, as a matter of right, and so if I fail to deliver, I wrong you in the way I would if I took it back. In cases of contract, one person has the use of the other's powers, as specified by their agreement, without having possession of the other person" (Hill 2009, p. 166). When a contract is signed there is a mutual use of each other's powers but at no instance possession of another person may be tolerated. This view is at par with Kant's moral scheme which does not permit the possession of other to obtain one's objectives. Contract is not a right against another person for Kant says, "I cannot acquire a right against another through a deed of his that is *contrary to right (facto iniustoalterius)*" (De Vattel 1835, p. 271).

Thus in the view of Kant, contract does not entitle one to possess the other rather it is bringing together by agreement the individual wills of both parties. It is not the performance of two separate acts performed by the parties or not even pairing of interlocking acts but performance of a single act by both wills of individuals concerned. This rare type of relation can only be understood if their individual acts are considered to be expressions of what Kant calls a "united will of all" (Denis 2000, p. 314).

## CONCLUSION

A contract does not confer an entitlement to have something happening as automatic event rather it confers an entitlement specifically on individuals involved to make that thing happen. It is where we need to view business contracts as acts of united will as envisaged by Kant. Contract rights play a pivotal role in the field of business and trade without which business would have no rational theory as its base. Contracts specify the rubrics of a trade agreement which forms the normative theory for that particular transaction. It assures that a legal discipline could be invoked in the absence of maintaining the agreement and Kant's insights in this regard have been very stimulating. Thus, Kant's theory of rights gives immense possibilities for realizing one's rights and be on guard against exploitation. It has tremendous implication towards maintaining fair trade whereby a strict following of Kantian theory of rights would foster trade understanding and avoid disputes. Therefore, a careful reading of Kant and integration of his principle of right is of an enormous value to business and trade.

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