

The background of the slide features a large, semi-transparent watermark of the Rutgers University seal. The seal is circular and contains the text 'RUTGERS UNIVERSITY' around the perimeter and '1773' at the bottom. The seal is centered behind the text.

RUTGERS

Rutgers Business School
Newark and New Brunswick

Tim Cook's 115th Dream

Wayne Eastman
Rutgers Business School



Tim: O beloved Krishna: May I fight for ethics instead of my shareholders? May I pay Foxconn enough so their workers will not be corporally punished and otherwise mistreated, even though doing so will certainly cause Apple to make less money? As CEO I have the power to drive Apple's actions—but do I have ethical permission to act thusly, my Lord Krishna?

The Affliction of Tim

Tim: I fear you will tell me I must fight for my shareholders, O Dear Krishna.

You told Arjuna the great warrior: It is far better to discharge one's prescribed duties, even though faultily, than another's duties perfectly. Destruction in the course of performing one's own duty is better than engaging in another's duties, for to follow another's path is dangerous.

So what do you say to me now, O Wisest of the Wise? I am sore afflicted!

[Tim, having thus spoken, cast aside his bow and arrows and sat down on his chariot, his mind overwhelmed with grief.]



A modern version of Krishna and Arjuna,
courtesy of Zoom Entertainment



BRAHMANA



KSHATRIYA



VAISHYA



SHUDRA

The four great varnas—the basis of Krishna's role ethics
answer to Tim

Krishna's Answer to Tim Part I-- Role Ethics

1. Krishna: While speaking learned words, O Tim, you are mourning for what is not worthy of grief.

You are a Vaishya, not a Kshatriya. Yes, it is Arjuna's duty as a warrior to obey the king's decision to fight, or not to fight. But his duty is not yours. It is your freedom and your kind's freedom as merchants to figure out how best to work with the laborers, the Shudras, to provide sustenance for them, for the warriors like Arjuna, for the Brahmins, and for yourselves.

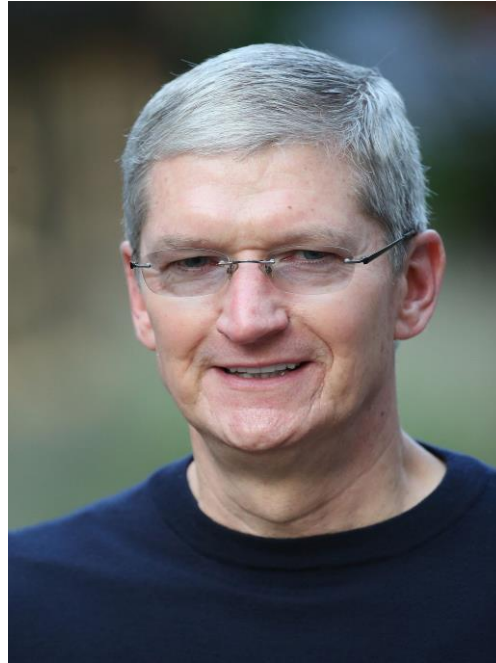
You rank below Arjuna—but you have a choice in how to follow your duty to generate wealth that he does not have as a warrior. He is a wild beast who must be tamed. You are a tamed creature who, hence, has a choice. His duty to obey the collective is not yours.

Remember: Destruction in the course of performing one's own duty is better than engaging in another's duties. Follow your own open-ended duty to create wealth, O Tim, not Arjuna's rigorously circumscribed duty to obey!

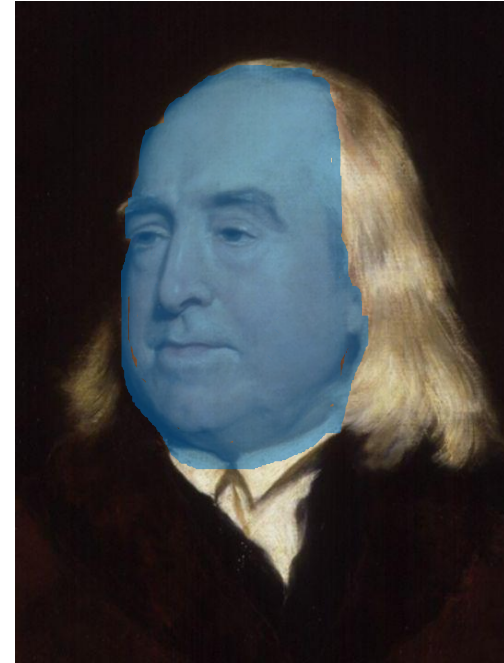
Krishna Channels Consequentialism



Joseph Heath,
U. of Toronto



Tim



Jeremy Bentham,
UCL, Rigor Mortis

Krishna's Answer Part II-- Consequentialism

2. Krishna: Neither he who thinks the living entity the slayer nor he who thinks the firm is slain is in knowledge. There is neither a slayer nor a slain. The firm is a tool for you and others, not your master or theirs. You can no more slay it than you can slay a hammer.

You and the final judge of your conduct may follow Jeremy's doctrine, which is closely related to your role as a Vaishya. You may conclude that the diminishing marginal utility of income means that the greatest happiness for the greatest number is promoted by paying Foxconn more.

Or you and the supreme judge may follow the doctrine of Professor Heath that managers should compete hard and correct for market failure. You may conclude that your ability to pay Foxconn so little is dependent upon the unjust political economy of China, and that the coercive, physically punishing conditions under which the Foxconn workers toil represent a failure of the free exit and voice conditions that underlie well-functioning markets. You may correct for those market failures by paying Foxconn more.

Krishna Channels Deontology



David Rose,
U. of Mo.-St. Louis



Tim



Immanuel Kant,
U. of Konigsberg, Emer.

Krishna's Answer Part III--Deontology

3. Krishna: Perform your duty equipoised, O Tim, abandoning all attachment to success or failure. Such equanimity is called yoga.

You and the judge of your actions may follow the doctrine of Immanuel, which teaches you that you must choose to obey the moral law. Under that doctrine, you may reasonably conclude that you have a duty to act on behalf of your firm. But you may also reasonably conclude that you have an overriding duty not to do so in a way that violates the categorical imperative by physically abusing workers whose situation you are responsible for. As a follower of Immanuel, you may pay Foxconn more.

Or you and the supreme judge may follow the doctrine of Professor Rose that the market economy you are responsible for depends on a large number of people having a visceral, non-calculative rejection of cheating and other forms of opportunism. You may reasonably understand Apple's underpayment of Foxconn—and of taxing authorities—as cheating. Feeling thus, you may pay Foxconn—and the taxman, too—more.

Krishna Channels Virtue Ethics



Alasdair MacIntyre,
U. of Manchester, Emer.



Tim



Aristotle,
The Academy, Emer.

Krishna's Answer Part IV--Virtue Ethics

4. Krishna: One who is able to withdraw his senses from sense objects, as the tortoise draws its limbs within the shell, is firmly fixed in perfect consciousness. As a great-souled man, O Tim, you are above pettiness and fear. You act calmly, knowing that others will persecute you, but secure in the refuge of your soul, for that is the only true refuge that there ever is.

You and your judge may follow the doctrine of Aristotle, which teaches you that human flourishing—*eudaemonia*—is the great end. Thus guided, you may cultivate your own flourishing and that of others by paying Foxconn more.

Or you may follow the doctrine of Professor MacIntyre, which teaches you that the modern war of principles and ideologies needs to be risen above. Thus guided by him as well as by Aristotle, you may rise above the mundane spirits of calculation and anxiety. In calm equipoise, you may use your power to pay Foxconn more, untroubled by what your foes may then do.

Krishna's Final Answer



Krishna: Yes, O Tim, ethics may permissibly drive you and the firm you lead to pay more, and your final judge to uphold you.

So say I—and so say Jeremy, Prof. Heath, Immanuel, Prof. Rose, Aristotle, and Prof. MacIntyre! Be of good cheer!

WE's Answer—Tim May Use His Power, as May His Foes

- Tim has a moral permission, or license, under all major approaches to ethics to use his power over Apple to act on behalf of ethics even where there is no business case to do so, with a correlative moral permission to shareholders and others to attempt to reverse or sanction his action.
- Final decision-makers in a just polity similarly have a moral permission under all major ethical approaches to dismiss a suit against Tim.
- [Note 1: It is **not** the case that Tim has a moral right to act on behalf of the firm to uphold ethics, with a correlative duty upon shareholders and others not to interfere with that right.]
- [Note 2: The claim about the permissibility of dismissing a shareholder suit is an ethical, not a legal, one, much as I would be happy to argue that an actual NJ shareholder suit would be dismissed, based on *Smith v. Barlow*, 13 NJ 145 (1953)]

Our Stipulated Facts: A ‘No Business Case for Ethics’ Scenario

Foxconn manufactures many of Apple’s products (e.g., iPhones, iPads) in China. Apple negotiated a highly favorable deal with Foxconn: thin margins for Foxconn and high profits for Apple.

In part as a result of its thin margins, Foxconn imposed “inhumane” working conditions: 12-hour shifts, six days a week; monitoring and controlling workers’ every movement; corporal punishment; crowded dorm conditions; separating workers in their dorms from others hailing from the same geographic area; and prohibiting socialization among workers ([Xu & Li, 2013](#): 375). Such conditions are unethical ([Arnold & Bowie, 2003](#)).

Because of its power and size, Apple had no business case to negotiate a deal that would allow Foxconn to treat workers ethically ([Clarke & Boersma, 2017](#)).]

Thank you, Tobey, for the scenario!

Sources and Research Questions

I. Role Ethics

The Bhagavad Gita. [Chapter 1: The Distress of Arjuna] <https://bizethetc.blogspot.com/2021/02/krishna-and-arjuna.html>

Eastman, W. (2015). *Why Business Ethics Matters: A New Game Theory Model*. New York: Palgrave. <https://bizethetc.blogspot.com/2021/02/wbem-chapter-six.html> [Chapter 6: Business ethics is a phlegmatic role ethics that has rightly ascended in our time to parity with choleric warrior ethics and melancholic priestly ethics]

Piketty, T. (2020). *Capital and Ideology*. Cambridge: Harvard University Press. <http://piketty.pse.ens.fr/files/Piketty2020SlidesLongVersion.pdf> [The link is to a powerpoint that presents data pertinent to Piketty's historical discussion of priest-warrior ternary society, capitalist proprietorism, capitalist-worker social democracy, and Brahmin-Merchant neoliberalism or "hypercapitalism"]

II. Utilitarianism

Heath, J. (2014). *Morality, Competition, and the Firm: A Market Failures Approach to Business Ethics*. New York: Oxford University Press. <https://www.jstor.org/stable/25075388> [the link is to a 2007 JBE article by Heath that is included in a somewhat revised form in his book]

Sandberg, J. (2008). Understanding the Separation Thesis. *Business Ethics Quarterly*, 18(2), 213-232. <https://www.jstor.org/stable/pdf/27673229.pdf> [not discussed in the ppt; the argument is that if the business case and the ethical case are synonymous, as some argue, such that there is no disparity between the two (contrary to common understanding and the framing of our debate), ethics necessarily drives the firm's decision.

III. Deontology

Frank, R. H. (1987). If Homo Economicus Could Choose His Own Utility Function, Would He Want One with a Conscience? *American Economic Review*, 77(4), 593-604.

<https://www.jstor.org/stable/1814533>

Rose, D. (2011). *The Moral Foundation of Economic Behavior*. New York: Oxford University Press. <https://www.amazon.com/Moral-Foundation-Economic-Behavior/dp/0199360596> [Introduction]

Greene, J. D. (2008). *The Secret Joke of Kant's Soul*. In W. Sinnott-Armstrong (Ed.), *Moral psychology, Vol. 3. The neuroscience of morality: Emotion, brain disorders, and development*, 35–80. Cambridge: MIT Press. <https://www.joshua-greene.net/articles/book-chapters/the-secret-joke-of-kants-soul-pdf>

IV. Virtue Ethics

Dobson, J. (2009). Alasdair MacIntyre's Aristotelian Business Ethics: A Critique. *Journal of Business Ethics*, 86(1), 43-50. <https://www.jstor.org/stable/40294871>

Melé, D. (2016). Re-thinking Capitalism: What Can We Learn from Scholasticism? *Journal of Business Ethics*, 133(2), 293-304. <https://www.jstor.org/stable/pdf/24703693.pdf>.

A research question worth more attention: What is the role of role ethics?

A research question worth less attention: Does ethics pay?