2002

Identity in the mobilization of the wealthy in the fight to income equity

Sandra Rothenberg

Maureen Scully

Recommended Citation

Proceedings of the 12th Annual Conference of the International Association for Business and Society -- Identity Formation in the Mobilization of the Wealthy in the Fight for Income Equity, with Maureen Scully, 57-61., 2002

[illegible], Peter. 19[illegible]. *Maverick Inventor*. New York: E.P. Dutton & Co.

Helfernan, Judith K. 1998. Public funds, private funds, and medical innovation: How managed care affects public funds for research. *American Economic Review*, 88: 112-116.

Hounsell, David. 1985. *From the American System to Mass Production, 1800-1932: The Development of Manufacturing Technology in the United States*. Baltimore: Johns Hopkins Press.

Kotz, Nick. 1988. *Wild Blue Yonder: Money, Politics, and the B-1*. New York: Pantheon Books.

Lecher, Wolfgang, Nagel, Bernhard, & Platzer, Hans-Wolfgang. 1999. *The Establishment of European Works Councils: From Information Committee to Social Actor*. London: Ashgate.

Markey, Raymond & Monat, Macques (Eds.). 1997. *Innovation and Employee Participation through Works Councils: International Case Studies*. Burlington, VT: Avebury.

Marens, Richard & Wicks, Andrew. 1999. Getting real: Stakeholder theory, managerial practice, and the general irrelevance of fiduciary duties owed to shareholders. *Business Ethics Quarterly*, 9: 273-294.

Medoff, James, & Harless, Andrew. 1996. *The Indebted Society: Anatomy of an Ongoing Disaster*. Boston: Little, Brown.

Melman, Seymour. 1983. *Profits without Production*. New York: Knopf Press.

Mishel, Lawrence, Bernstein, Jared, & Schmitt, John. 2001. *State of Working America: 2000-2001*. Ithaca: Cornell University Press.

Mills, D. Quinn. 1979. Flawed victory in labor law reform. *Harvard Business Review*, (May-June) 92-99.

Noble, David F. 1984. *Forces of Production: A Social History of Automation*. New York: Knopf.

Pressman, Steven. 1997. Consumption, income distribution, and taxation: Keynes fiscal policy. *Journal of Income Distribution*, 7: 29-44.

Rogers, Eugene. 1996. *Flying High: The Story of Boeing and the Rise of the Jetliner*. New York: Atlantic Monthly Press.

Roy, William. 1997. Socializing Capital: *The Rise of the Large Industrial Corporation in America*. Princeton, N.J.: Princeton University Press.

Rumelt, Richard. 1986. *Strategy, Structure, and Economic Performance*. Boston: Harvard Business School Press.

Ryscavage, Paul. 1999. *Income Inequality in America: An Analysis of Trends*. Armonk: ME Sharpe.

Schattschneider, E. E. 1960. *The Semisovereign People: A Realist's View of Democracy in America*. New York: Holt, Rinehart and Winston.

Schumpeter, Joseph. 1949. *Capitalism, Socialism, and Democracy*. New York: Harper & Brothers.

Seavoy, Ronald. 1982. *Origins of the American Business Corporation, 1784-1855*. Westport, CT: Greenwood Press.

Sobel, Robert. 1986. *RCA*. New York: Stein and Day.

Soley, L.C. 1995. *Leasing the Ivory Tower: The Corporate Takeover of Academia*. Boston: South End Press.

Strom, Sharon. 1996. Beyond the Typewriter: Gender, Class, and the Origins of Modern American Office Work. Urbana: University of Illinois Press.

Wall, Joseph. 1970. *Andrew Carnegie*. New York: Oxford University Press.

Wolff, Edward. 2001. *Top Heavy: The Increasing Inequality of Wealth in America*. New York: The New Press.

Identity Formation in the Mobilization of the Wealthy in the Fight for Income Equity

Sandra Rothenberg, Assistant Professor
College of Business, Department of Management
Rochester Institute of Technology
108 Lomb Memorial Drive
Rochester, NY 14623 716-475-6032 slrbbu@rit.edu

Maureen Scully, Professor of Management
Simmons School of Management
409 Commonwealth Avenue
Boston, Massachusetts 02215 617-521-3877

In this paper, we look at the prospects for mobilization of the wealthy to contest widening income inequality. We begin by looking at members of an organization that supports the mobilization of grassroots groups on behalf of economic justice. We found among its members an "unexpected voice" – the voice of wealthy people grappling with their fairly invisible wealth and their own surprise that it evoked such a series of emotions and a gradual process they termed "coming out" as wealthy. We discuss the implications of this identity formation and interpretation for the organization's ability to shape a collective agenda for social change. This study locates a novel space at the intersection of business and society – where the spoils of business are used to redress societal inequalities, and even to reshape how business is conducted.

The study of civil rights activism has focused on social identities such as race, gender, and sexual orientation and the mobilization of historically oppressed groups: African Americans (e.g., McAdam, 1988), women (e.g., Mansbridge, 1986), and gay / lesbian / bisexual / transgendered people (e.g., Vaid, 1996). There has been a shift in some work on identity politics to include the concomitantly privileged groups whose social identity had been left invisible or just backgrounded as "normal:" white people (e.g., Thompson, 2001), men (e.g., Collinson & Hearn, 1996), and straight people (e.g., Creed & Scully, 2000). This shift has had two themes. First, the privileged have social identities too (e.g., white people have a race), and these bear the same amount of scrutiny and insight as historically oppressed identities, particularly if the twin dynamics of privilege and oppression are to be fully understood. Second, the privileged, if enlightened, form a cadre of potential allies for social change to bring about social justice and equality, particularly by bringing their relative power to bear and by making the surprising move of advocating against their apparent self-interest.

In this body of work, the study of class has been relatively silent. Potential class mobilization, and the antecedent problem of the formation of class consciousness at all, has been engaged in other domains of study (such as Marxist and critical studies, e.g., Mann, 1973), but has not generally been connected to the current ways that social identity and social movement issues are being brought into studies of diversity and organizational change. In this paper, we tackle not only the surfacing of class as an invisible identity, but the surfacing of the even more invisible privileged component of class identity. Specifically, we look at wealthy people, their notions of class identity, and the prospects for mobilization of behalf of class equality.

In the United States, privileged class identity is paradoxically denied even at the same time that it is celebrated and legitimated. It is denied in the rhetoric of a class-less society. Class privilege is legitimated by an appeal to the belief that the United States is a meritocracy (Scully, 1995). If privilege is believed to be meritocratically attained, it can be explained away as unproblematic; success can even be celebrated without apology. In this framework, class privilege is made distinct from race, gender, and sexual orientation identities, which are argued (however problematically) to be immutable rather than changeable or achievable.

Class conflict centers on a challenge to this belief, by arguing that class is systematically structured in the United States in two main ways. First, family class background is a strong predictor of what class a person will occupy (e.g., Jencks, 1979). Second, the class structure of work makes it such that advancement among classes is quite difficult. The robustly pyramidal shape of organizations assures that there are only a few at the top and many at the bottom, and thus it is argued that the attainability of class privilege by anyone is a myth. The fact of limited mobility into the elite by a few individuals, celebrated in "rags to riches" stories, is offered not as proof of the malleability of class identity, but as evidence of a societal pressure gauge that makes the myth just believable enough and assures social stability.

Against a backdrop of class as both an invisible dimension and a hotly contested domain of politics, we wanted to understand how the wealthy make sense of class. More is being written on, for example, how white people make sense of race, racism, race privilege, and the obligation to engage in anti-racism work. What sense-making do the wealthy have about class privilege? What would it look like for wealthy people to have a voice in this issue? We begin by looking at those who are beginning to find this voice through an organization called MP an initiative of MU (identity of both organizations have been hidden), which supports the mobilization of grassroots groups on behalf of economic justice. Social movement studies often start with a focus on the already conscious and mobilized, to hear what that voice sounds like, before moving to an explanation of variation from those who are not mobilized. Moreover, the privileged who are not speaking out about privilege are well-explained by theories of the legitimation of inequality by meritocracy. When the privileged reject this explanation of their position, they are bucking strong cultural and political forces. What is their story and how do they tell it?

In this paper, we look at patterns that run across the stories of the various members. In these patterns, the issue of identity formation emerged as a critical factor in the recruitment and mobilization of organization members. This issue comes to play in three general areas: the process of member identification as wealthy, the interpretation of this identity, and the fit of the organization with the identities.

Method

We conducted eighteen semi-structured, in-depth interviews with founders and members of MP. These interviews ranged from 1 to 2 hours in length, and were taped and then transcribed. Transcripts were then coded using InVivo content analysis software. Through this coding we were able to observe recurring themes and issues. In addition to the interviews, minutes from all board meetings over the course of the life of the organization were copied and reviewed. From these minutes, we were able to track themes and issues as they evolved over time. Information was also gathered from a review of secondary source material, primarily newspaper and journal articles on the activity of the organization. These were collected from the organization itself, as well as through an independent search.

From Identity Formation to Mobilization

We found that the process by which members have identified as wealthy, and the ways in which these members interpret this identity, has been crucial in the formation of MP. Little work has been done to explore the experience of identity formation for the privileged.

Identifying with A Place of Privilege

MP members struggled with their own identification as a person of wealth, and worked to develop an activist strategy based on this identity. As discussed by Ely (1996) there are several reasons why people resist identification with a place of privilege. First, privilege is often not salient when people are experiencing it. In our interviews, when MP members discussed their identification with wealth, it was often tied to or followed critical events in their life where their place of privilege became a more salient factor in their life, demanding greater attention and definition. The following is a sample of these critical movements, as described by MP members:

> *When I was in college I did a lot with various campus ministry groups. A particular campus ministry group that I was a part of used to go on weeklong service trips during break times....I would get up at 3:30 every morning and go out dumpster diving, jump in this rusted up panel truck and have about 20, 25 minutes of on-the-job training and then I was on my own. So the first dumpster that I approached was taller than I was and I was kind of scared because I had been in a couple of other dumpsters and seen jagged pallets, broken glass, rats and other things. Since I couldn't really see into it, I kind of threw myself over in faith. As I was tumbling in, something really big started moving. As I fell into the trash this voice said 'don't be afraid, there is plenty here for both of us.' And there was a man in there eating breakfast. I told him what I was doing. He was the most amazing man. He taught me how to pick the best stuff out, he thanked me for helping other people who were homeless.... That was a real conversion kind of experience in coming to grips. Also, the powerful thing that he said was there is plenty here for both of us, which I think is true. I think to me that's the bedrock of this inequality problem. It's not a problem of scarcity; it's a problem of selfishness and now distribution.*

> *Well, in the army you get to meet people from all over the country....Immigrants from Appalachia, friends from the south, black, and white. This one young black man from South Carolina - he hated the army – he was a very quiet guy. He went back home before me and I got a letter from him saying that he was back in the army in Texas. I realized at that time that there were no jobs in the South for him... And so [there] were a lot of experiences [like this] and I just felt fortunate that I could have all this education and chance to become [wealthy] later in life without really working too hard.*

Second, Ely (1996) argues privilege is often associated with a feeling of guilt, implicating the privileged in some of the responsibility for inequality. Ely (1996:9) states that, "Moreover, it forces people to the difficult realization that if things are going to change, they are going to have to exercise their power more responsibly, under conditions where resources are fixed and scarce, relinquish some of that power.

In a society that celebrates wealth and uses the idea of meritocracy to give the wealthy bragging rights, shame about class privilege is very surprising. Wealth in the United States has historically been marked by conspicuous consumption (Veblen, 1902).Praise and esteem -- the very opposite of stigma and shame -- fall to those whose hard work, ability, gumption, and resourcefulness have made them wealthy. Nonetheless, class and wealth seem to hold a special stigma in the United States that facilitates feelings of guilt (DeMott, 1990). In fact, guilt and shame, was a prevalent theme in the interviews, particularly for recipients of inherited wealth. Identifying as a wealthy person, therefore, meant also dealing with the shame associated with it. This is similar to what Silver (1998) found in his study of philanthropic organizations. One organization, for example, created supportive environments through "wealth conferences," in which donors could explore their conflicted feelings about being both "rich and radical," a condition he explains some call "living the contradiction." These struggles were expressed by most of the people

interviewed. As expressed by one member, "I just wanted the money off my hands. It felt dirty and gross and icky and sticky and gooey."

Joining MP was one mechanism to deal with this shame. In fact, many activities at

experience

Well, I'm bisexual so I have spent some time coming out or looking at the interviewed. As expressed by one member, "I just wanted [the money] off my hands. It felt dirty and gross and icky and sticky and gooey."

Joining MP was one mechanism to deal with this shame. In fact, many activities at MP conferences, particularly in the earlier years, focused on the meaning of wealth and how to "overcome" the shame people felt about it. As explained by one member:

> *There is a prevalent feeling among people who are wealthy that they should not advertise their wealth. You see what I mean? To not appear wealthy - and maybe that's in this society in general, but it was [the view] in this group. And they actually had some study sessions or a session where you discussed people's feelings about that to help people overcome that and say: 'OK - I happen to have money it doesn't make me better or worse' And not to hesitate to [state] that, if there is a political or social reason to do so.*

Third, Ely argues that in recognizing privilege, an individual can seemingly delegitimize his/her claims and concerns among members of oppressed groups. This phenomenon is observed by Silver (1998) in his work on cross class philanthropic organizations that bridge donors and community organizers. He found that although in the wider society community organizers hold less prestige, within the context of the social movement organization, the identity of "activist" was more valued than that of a wealthy donor. Wealthy donors, therefore, exchanged their financial support for legitimacy as an activist, as conferred upon them by the community organizers.

MP members were often also part of the activist community, through MP, as well as numerous other social organizations. Almost all interviewees struggled with the concept of "coming-out" regarding their place of privilege. Our interviewees talked about coming out at several levels: to themselves, in their families, to friends, at work, and as activists. In their own words:

> *For the most part I was totally closeted, uhh, you know, and I took pride in the fact that no one had a clue of my class upbringing. I mean some people I'm sure had a major clue... Sort of my unaware class attitudes were probably out there... I did eventually say, 'well you know, I'm actually from this background,' and [they] said, 'oh I had no idea.' I took that as great validation. I had successfully hidden my class background.*

> *I was embarrassed about [family money] and uncomfortable with it in relationship to my friends.... A lot of my friends had to work [in college].*

> *Joining MP was actually a big decision, because it was making me public to somebody besides my mother and my husband.... I have a lot of friends who I don't have any idea how they would take it if they knew that I wasn't this other image that they thought.*

The metaphors of "coming out" and the "closet" come from gay experience and queer theory (Sedgwick, 1992). The use of this language with its deep cultural links to the gay community was surprising, particularly the shame and stigma endured in the gay community seems miles away from the experience of the wealthy. In fact, when we have mentioned the use of the "coming out" metaphor as part of our findings, a typical response is a cynical disbelief that "the poor little rich kid" can feel any pain. Nonetheless, our interviews are brimming with strong feelings about hiding, pain, and struggle with "going public." Precisely because being wealthy hardly appears like a problem to the society at large, there are almost no support mechanisms for people trying to come to terms with their wealth, and indeed, an added layer of shame as they realize that this concern should hardly be a problem. Part of the intensity of the feelings comes from our interviewees' work in social justice arenas, where the issue of wealth is particularly loaded. One interviewee compared her two "coming out" experiences and acknowledged that context gave her an unusual experience.

> *Well, I'm bisexual so I have spent some time coming out or looking at the question of coming out.... I feel it is harder to come as a person of wealth than it is to come out as a lesbian....It's interesting because in [Small Town], which is considered lesbianville, there is a little support group that I helped sort of get going called "lesbians of wealth."*

As suggested by these quotes, reluctance to reveal their wealth stemmed not only from a fear of decreased legitimacy in the activist community, but also from a whole host of fears regarding the reaction of both intimate others and society as a whole. One member, for example, was concerned about the reaction of the less wealthy of her divorced parents to learning that she had inherited significant wealth from the other side of her family. Others were concerned that friends would see them differently, perhaps through the eyes of jealousy, and not see them as hard-working regular folks. Another common concern was that people would approach them for money, perhaps changing friendships and other social relationships.

Interpreting Identity

Once our interviewees came to grips with their privilege, what was their interpretation of this formerly fairly invisible identity? How did this interpretation affect the efforts of MP? The context in which this identity is developed seemed critical. Some researchers, for example, argue that identities do not come from fixed categories, such as black or white, but from contextual factors such as relationships, political conditions, and culture (Polletta, 2001). Context, for example, surely shapes which identities are proud and which are shameful. Our interviewees expressed shame in the very specific context of beginning to do activist work about the unfairness of class inequality and the unearned basis of wealth. Some used their cushion of wealth to take jobs in the non-profit sector, where they felt sheepish about their wealth next to colleagues who struggled in low paying work. An activist context might invert what is found in the dominant culture. Thus, the poor are proud and the wealthy are embarrassed in work on economic justice.

Family and social context throughout an individual's life was also important. As discussed by Deutsch and Steil (1988), there are numerous contextual factors that play a role in how wealthy people connect their own experience with a sense of injustice, such as the amount of exposure to conflicting ideologies. In fact, one of the major splits within MP is defined by the context in which members obtained their wealth, through inheritance or through first generation business development. The context for each of these groups' wealth makes a significant difference in how they interpret their identity as a wealthy person. Our interviewees created a story about the structural (rather than personal, meritocratic) basis of privilege and the harm that inequality does in a democracy. Inheritors of money more readily challenged the idea of wealth as based on merit, although research shows that the popular distinction of inheritors from "self made men" is overblown in that many who make money start from a privileged family background (e.g., Jencks, 1979). Indeed, within the organization, the short hand of "inheritors" and "self made men" was often used, with the latter term spoken, then quickly qualified as problematic in light of their beliefs that class background, structural advantages, and luck matter for who "makes it" in business (and in light of the gendering of the term).

Linking Identity to an Activist Organization

While all members eventually identify themselves as wealthy, the organization has struggled with creating a shared identity across all the members of the organization, particularly with respect to the inheritor and "self made" schism. As discussed by Stoecker (1995), creating convergence within a social movement

...ation is more challenging as the collective becomes more diverse. Initially, the organization drew its members from a network of inheritors. In fact, an initial suggested name for the organization focused on inheritors specifically. As the organization developed, however, significant efforts have been made to recruit self made wealthy as well. As this new group of organizational members has developed, MP leaders have seen that these two groups identify with the concept of wealth in somewhat different manners, and as a result have different interests and concerns. Some of the inheritors are more readily able to get on board with agendas such as shareholder activism to make businesses accountable on issues such as skyrocketing CEO pay and the campaign to pay all workers a living wage. These issues are more troubling to people who are currently in business, in contrast to those whose ancestors' business efforts generated the family's wealth. One "self-made" member expressed several of the important conflicts that surfaced in the organization, such as time-commitment, reputation concerns, degree of activism, and perceptions of 'work':

> *I think that there is a school of thought that says MP members are supposed to be very active advocates who are really out there doing things and not just sort of passive members who send in some money and hopefully allow their names to be used. But I'm not sure that you can expect much more than that from someone who is a very active high level business executive, and not to mention the whole other factor of to what extent will your reputation be tarnished if you're out there. It depends on how radical your message is.... I think that for a lot of inheritors there is not much understanding - and to some degree not much respect - for the people who struggle every day very hard to keep their businesses from tanking because somebody else does it better.*

Social movement theory would also suggest that these variations in identity would be linked to differences in how the members frame the social issue itself. As suggested by Hunt et al (1994), identity and framing processes are tightly linked. They suggest that the protagonist identity (i.e. the identity of the movement advocates) is linked to framing processes such as diagnostic framing, motivational framing, and prognostic framing. In terms of diagnostic framing, self made members were less likely to see "big business" as the root case of the problem. As discussed earlier, inheritors are motivated more out of shame and guilt. With regard to prognosis, inheritors were much more supportive of the "living wage" initiative than the "self-made" wealthy, who were still engaged in business activities.

Conclusion

MP has a mission of introducing the "unexpected voice" into public debates. For example, they mobilized well-known wealthy spokespersons to speak out against the abolition of the estate tax on the grounds that inherited wealth impedes democratic values. This voice was unexpected in how it apparently went against class interests and appealed to a higher interest. In contrast to the expected objections of lower class members to estate tax abolition, this unexpected voice garnered much press and was regarded as a strategic triumph for MP. We found among its members another, more subtle and surprising "unexpected voice" – the voice of wealthy people grappling with their own wealth and their own surprise that it evoked such a series of emotions and a gradual process of "coming out" as wealthy. MP held workshops for people to encounter other wealthy individuals and make this identity a more social identity.

The ambivalence of the wealthy about their wealth may reveal a deeper ambivalence about meritocratic promises in the United States. The idea that those who succeed deserve their success and those who fail have themselves to blame is deeply rooted in the United States. Even as this notion is strongly championed in politics and popular culture, a cross-cutting current carries the idea that maybe luck or family background or other factors are really at play in the distribution of wealth. As these two ideas collide, many people are left ambivalent. Many studies have shown how the poor evince both shame and feisty self-defensiveness, self-doubt and anger at the system. Less attention has been paid to how the wealthy might evince both pride and shame, power and humble eagerness to change the system. Indeed, this group of wealthy people is not a representative group – but they are a small exceptional group that holds out a larger possibility. Their reflections on their own wealth, as well as their development of a political narrative about inequality, may form a powerful basis for an alliance with lower class individuals around contesting inequality. The possibility that those whose wealth derives from business might be a driving force in making businesses more responsible for both curtailing excess wealth at the high end of the spectrum and raising the floor at the low end is a novel way to think about how to work from within the system to achieve greater corporate social responsibility.

References

Collinson, David L., & Hearn, Jeff. (1996). Breaking the silence: On men, masculinities, and managements. In Collison, David and Hearn, Jeff (Eds.) *Men As Managers, Managers As Men: Critical Perspectives on Men, Masculinities and Managements*. Newbury Park: Sage Publications. 1-24.

Creed, D. and M. Scully. (2000) Songs of ourselves: Employees' deployment of social identity in workplace encounters. *Journal of Management Inquiry* 9: 391-412.

DeMott, B. (1990). *The Imperial Middle: Why American's Can't Think Straight About Class*. New York, William Morrow and Company, Inc.

Deutsch, M. and J. M. Steil (1988). Awakening the Sense of Injustice. *Social Justice Research* 2(1): 3-23.

Ely, R. (1996). The role of dominant identity and experience in organizational work on diversity. In S. E. Jackson and M. N. Ruderman (Eds.) *Diversity in Work Teams: Research Paradigms for a Changing Workplace*. Washington, DC, American Psychological Association.

Hunt, S. A., R. D. Benford, et al. (1994). Identity fields: Framing processes and the social construction of movement identities. In E. Larana, H. Johnston and J. R. Gusfield (Eds.) *New Social Movements: From Ideology to Identity*. Philadelphia, Temple University.

Jencks, Christopher, Susan Bartlett, Mary Corcoran, James Crouse, David Eaglesfield, Gregory Jackson, Kent McClelland, Peter Mueser, Michael Olneck, Joseph Schwartz, Sherry Ward, and Jill Williams. 1979. *Who Gets Ahead? The Determinants of Economic Success in America*. New York: Basic Books.

Mann, M. (1973). *Consciousness and action among the Western Working Class*. London: Macmillan.

Mansbridge, Jane. (1986). *Why we lost the ERA*. Chicago: University of Chicago Press.

McAdam, D. (1988). *Freedom Summer*. New York, Oxford University Press.

Polletta, F. and J. Jasper (2001). "Collective identity and social movements." Annual Review of Sociology 27: 283-305.

Scully, M. 1995. The irony of meritocracy: How a legitimating ideology generates and redirects disbelief. Working paper. Cambridge, Massachusetts Institute of Technology.

Sedgwick, E. 1990 *The Epistemology of the Closet*. Berkeley, CA USA University of California Press.

Silver, I. (1998) ...

Sedgwick, E. 1990. *The Epistemology of the Closet*. Berkeley, CA, USA: University of California Press.

Silver, I. (1998). "Buying an activist identity: Reproducing class through social movement philanthropy." *Sociological Perspectives* 41(2): 303-321.

Stoecker, R. (1995). "Community, movement, organization: The problem of identity convergence in collective action." *Sociological Quarterly* 36(1): 111-131.

Vaid, U. (1995). *Virtual Equality: The Mainstreaming of Gay & Lesbian Liberation*. New York, NY: Anchor.

Veblen, Thorstein. 1902. *The Theory of the Leisure Class: An Economic Study of Institutions*. New York: Macmillan.

Standard Argumentative Strategies in Conceptualizing Business Ethics

BEN WEMPE
&
JOHANNES (HANS) VAN OOSTERHOUT

Department of Business & Society
Erasmus University Rotterdam
F4-47
P.O. box 1738
3000 DR Rotterdam
The Netherlands
E-mail: bwempe@eur.nl
Phone: +31 10 4082435/1923
Fax: +31 10 4089019

Abstract: A review of some major theoretical contributions to the field of business ethics over the past fifteen years shows that the present state of the art suffers from some typical childhood diseases. In this paper we look into the *manner* of problem setting of these theories and identify a number of standard patterns in the conceptualization of business ethics.

There is considerable statistical evidence concerning the rapid increase in the number of books, journals and academic positions in business ethics (e.g. Bowie, 1991, 2000; De George, 1987, 1991). These statistics can easily be interpreted as an indication of the overwhelming success of this new field (cf. Soule, 2002). In contrast to this image of business ethics as a success story, this paper will argue that the present state of the art of business ethics theory is far more problematic than might be concluded from the statistics. A review of major theoretical contributions to the field of business ethics over the past fifteen years may serve to show that the present state of the art suffers from some typical childhood diseases: there is a high degree of fragmentation, coupled to an almost complete failure to take into account even the work done by major contributors to the field. For that reason business ethics still lacks a dominant theoretical framework which all practitioners of the discipline could use for the analysis of problems characteristic for the discipline.

This state of affairs is all the more problematic in view of three assumptions regarding the proper functioning and capabilities of theories, from which most current theories can be shown to proceed. First, business ethics theorists characteristically claim *practical applicability*. By far the majority of authors address, among other target groups, an audience of managers seeking guidance for their policies. This claim to practical applicability in turn presumes that theories are *exhaustive*, i.e. the theories which are proposed must be able to address all characteristic problems defining the realm of business ethics. And third, as an inventory of major current shows, some of these theories are *mutually exclusive*, i.e. they each propose their own conceptualization of business ethics and these various perspectives cannot easily be combined into a coherent, comprehensive vision. If managers would want to make use of any of these theories, as was the stated aim of most business ethics theorists, managers would need to choose a favorite theory which best fits their purposes.

If the above analysis is correct, it would be entirely counter-productive to go on producing more of the same type of theory. Rather, it would be opportune to first