

PHIL 225 BUSINESS ETHICS

In Defense of Capitalism, and in Refute of Greed

The Morality of a Capitalist Economy

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Textbook Socialism, while appealing to many individuals, especially enclaves of neo-liberal youth, sounds good on paper, but the reality of its implementation has caused numerous problems for individuals, families, society, and the governing body of that country. Likewise, Textbook Capitalism, while appealing to many old-guard, neo-conservative individuals, also poses problems in its implementation. Circumstantial controls have to be exerted on the market economy to keep some kind of balance. It is not the questions of whether a government should interfere with a market, but *how much* a government should interfere with a market. It is not Capitalism or Socialism for that matter that has failed us, but instead, Greed has failed a nation and its people again and again. It is Greed through Emphatic Desire that drives a man to devour all that he can in his path, in which the means to this end, he marginalizes those in his society to gain his wealth. In like manner, it is Greed through Jealousy that drives a man to seek control over another man's rights and possessions because of what he has lacked. It is not the system that is corrupt, but it is the people who can let the beast of burden ravage their outlook. This beast of burden is Greed, and he is the immoral one.

Karl Marx's Manifesto was a response to a brooding cluster of individuals who were the wealthy ruling class of the day, a group to which he actually belonged. While the pot was essentially calling the kettle black, Marx did take pity on the working class, and in his writings, attempted to outline a movement to end their struggle by instituting a complete overhaul of society which featured public ownership of real property and production of goods and rendering

of services. While the effort is noble, one is still left to question if Marx ever gave up what he had to be the example of the very movement he inspired. Adam Smith's manuscripts were in response to guilds and mercantilism, the mainstay of 18th Century European economies. Smith describes a free market that is based on private ownership of real property, private ownership of source materials, and the private ownership of the means of production, but with a tax system to provide general services to citizens and support a central government in the style of social contract theory. For this report, I define Capitalism as individualistic culture approach to economics, and Socialism (and Communism) as a collectivist culture approach to economics.

Capitalism provides for the greater good of a society. It allows individuals to work for revenue in which they choose to save or invest in goods or services available on the market. "Political economy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign." (Smith, 117) Since Smith implies a tax on income to be collected by a central government, we conclude that like in our current capitalist system in the United States, that the tax levied is to provide for general services which will be enjoyed and used by all in a society, such as roads and parks. So in effect, by private production, Smith promotes public ownership of shared spaces, and private ownership of personal space. "Smith argues that when people are left to pursue their own interests, they will, without intending it, produce the greatest good for all. Each person's individual and private pursuit of wealth results- as if guided (in Smith's famous words) by an invisible hand-in the most beneficial overall

organization and distribution of economic resources.” (Shaw, 171) It is when we continue to work for what we both need and want that we will succeed, no matter how numerous the failures. By our own success, we will influence others. The man who builds a mill and makes a profit will be able to hire those in the community. They will earn a wage that may not have been available if the man had not built the mill.

Those who subscribe to a Socialist ideology may claim that Socialism or Communism is the cure for the class warfare created by Capitalism. “The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed...” (Marx, 9) It is unfortunate that Marx tries to over-simplify the situation, paving the way for current generations of left-progressive thinkers to also think it is that simple. The issue of class struggle has, however, existed in every society, but not because of the economy, but because of the Greed of a man to seek power and wealth that is not his own. But wealth and power is just *one* aspect of the class struggle, because class cannot simply be reduced to economics. Differing religious sects have often oppressed each other, and those of different nationality and ethnicity as well have contributed to the oppression. Capitalism creates a level playing field. A person can enter the market, and leave the market. They may acquire goods and services in low or mass quantities, or not at all. The idea of excessive goods and services, in any economic platform, has yet to be established, so the idea of excess is relative.

What subscribers to Socialism may further claim is that Capitalism creates a lower, working-class of society in the form of “wage slavery.” It would be also argued that the so-called wage-slavery prevents workers from owning any personal or real property, and therefore it is not fair, and that legislation for redistribution of wealth and of real property should be made to support these individuals. “Property, in its present form, is based on the antagonism of capital and wage-labor... What, therefore, the wage laborer appropriates by means of his labor, merely suffices to prolong and reproduce a bare existence.” (Marx, 23-24) Let’s say for a moment that Capitalism *does* create a situation of bare existence for the employee, enslaved by the business owner. The Socialist indeed recognizes a problem, but how do they fix it? They say the government should take a Robin Hood role and take from rich and give it to the poor. But I say to the Socialist, do you alone not have the ability to take care of these less fortunate that you have to pawn them off on the government? Do you not have room in your house to shelter? Do you not have the ability to feed them? Of course you do. We all have the ability to help out a community member in need. What instead has been done is that you have locked the door and turned off the porch light. Should it be the government’s responsibility, or the members of the community, to look out for those in need? It should be the members of the community that should take care of the less fortunate. And let us not forget that, no matter the circumstance, the worker accepted the position, and the terms within. Let it then be on the conscious of the man who employs him if he has done wrong by his employees. And lastly, is the owner of the mill to blame for the employee of the dock who cannot feed his family? Should we make one capitalist pay for the sins of another? Absolutely not. While the Socialist might see a rich man and blame him for a problem, was it really *his* cause? If we are to cast blame, let’s cast it where it rightfully belongs: Greed.

If we take a step back for a moment and analyze Smith and Marx, these men were writing extreme responses to the issues of their day and time. Through logic, reason, success and failures, many countries have come to a modified version of what Smith or Marx proposed, or a hybrid of the two. Capitalism, even in modified forms, allows for freedom of choice to pursue any goals, at all levels of the economy, and because of this, the system is moral, and thereby fully implementable by a just government of the people. Freedom is important and the ultimate moral motivator. Freedom is found in capitalism because of the right to choose. Therefore, Capitalism is moral, and Greed, which can be found in any society with any economy, is the rake that exists to wreak havoc on the working man and the aristocrat alike.

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