

Authentic Human Relations and the Economy

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My encounters with Business Ethics and the Business Ethics Center of Corvinus University Budapest

- The Business Ethics Center of Corvinus University Budapest (founded in 1993) – László Zsolnai, director; László Fekete, Zsolt Boda (members)
 - EBEN, ISBEE, SPES etc.
- 1998 - *Ethics of Capitalism* Summer University - Central European University, Hungary – Thomas Donaldson, Edward Freeman, Peter Koslowski
- 2001 - International workshop – *Spirituality in Management*”, University of Szeged – Peter Pruzan, S.K. Chakraborty, Luk Bouckaert
- 2004 - 16th Annual Conference of the European Business Ethics Network (EBEN)
- 2008 - *Ethical Prospects: Economy, Society, and Environment* (Springer)
- 2012 - The Fifth ISBEE World Congress, Kozminski University, Warsaw
- 2013 - Spirituality and Sustainability in Management – World Review of Entrepreneurship, Management and Sustainable Development
- 2017 - *New Economy, Old Traditions: Caring Entrepreneurship*, The Coller School of Management of Tel Aviv University

Economic and business ethics

- Ideas concerning Good and Evil in life and the economy;
- Prospects for a good life – searching for alternative ways of thinking, acting and living in the world
- The role of philosophy – to address the conditions for the possibility for authentic knowledge and a truly responsible attitude to conceiving human, social and environmental relations
- A first step - stripping away the taken-for-granted character of concepts, values, world-views and self-images
- How to differentiate between authentic, personal and inauthentic objectifying relations in human life
- Martin Buber's dialogical philosophy: community of "I" and its "Thou"

Questions

- **How do our practical background understanding, and our implicit knowledge influence our way of life?**
- **Through “social imaginaries” (Charles Taylor)**
- **Through our sense of religious and moral relations (Martin Buber, Emmanuel Lévinas)**
 - Which are the authentic human relations?
- **Through our sense of economic thinking (Tomáš Sedláček)**
 - What is the authentic sense of economic activity?
- **Through “big picture theories” (Jeremy Rifkin)**
 - Which are the possibilities and the tasks of empathetic relatedness?

Short draft of the presentation

○ Today's anomic social phenomena

- market failure, poverty, alienated work, consumerism, environmental degradation
- capitalism as a way of life and an ideal of social cooperation follows many paths in accordance with the society's inherited culture and their social imaginaries

○ Modern "social imaginaries"

- **Man:** a self interested creature – seeks to maximize his advantages;
- **Society:** economic collaboration and exchange;
- **Human relations:** marketization; instrumental subordination
- **General aim:** Continuous growth

○ New guiding ethical and spiritual imaginaries – the re-emergence on the realm of ethics and economics of some basic spirituality based attitudes

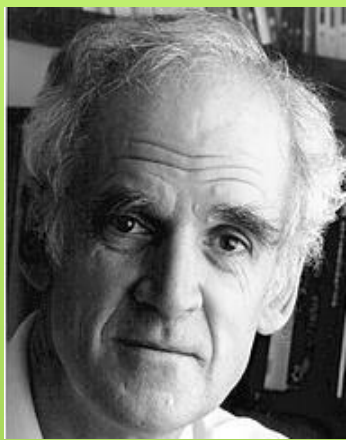
- Martin Buber: *I and Thou* – authentic (personal)/inauthentic (objectifying) human relations – specific applicability to economy and society
- Tomáš Sedláček: "*Economics of Good and Evil*" – economics as a moral science – its roots in the cultural history of mankind; redefinition of the appropriate economic goals: Sabbath Economics
- Jeremy Rifkin: *The Empathic Civilization* – man as empathic creature; the empathy-entropy paradox

The *conditio humana* today and the need to change our perspective

- Twofold challenge:
 - **Abundant society** – global, market based, technically extremely evolved digital civilization
 - **“Piggish capitalism”** – the impoverishment of the middle and working classes and the weaker population groups
- **Flexible economy** – short-term, unpredictable, and un-standardized work – several non full-time jobs
- **Consumerism** – for many people is beyond their reach – cannot be life’s overall end
 - It is at the root of the planet’s current environment woes: climate change, biodiversity loss, and natural resource overconsumption
- **Structural imbalances of society** – social cooperation built up around the idea of market

Flexible economy, the “end of work” and global poverty

- **Erik Brynjolfsson – Andrew McAfee:** digital technologies are one of the most important driving forces in the economy today. They’re transforming the world of work and are key drivers of productivity and growth. Yet their impact on employment is not well understood, and definitely not fully appreciated. (***Race Against the Machine, 2011***)
- **Jeremy Rifkin:** “we are entering a new phase in world history—one in which fewer and fewer workers will be needed to produce the goods and services for the global population.” (***The End of Work, 1995***)
- **Benjamin Snyder:** “Many must coordinate multiple part-time jobs that have unpredictable schedules, a situation that often results in work-family conflict and an uneven flow of income. Job instability increases the risk of cardiovascular disease, substance abuse, and mental health problems.” (***The Disruptables, 2016***)
- **Harry Van der Linden:** “At least one billion people in the developing world lack minimally adequate nutrition, health care, housing, and educational opportunities. ...Ten million children under the age of five die yearly from preventable causes, while hundreds of millions of children in the Third World grow up cognitively or physically severely underdeveloped.” (***Is Global Poverty a Moral Problem for Citizens of Affluent Societies?, 2003***)



How do (modern) social imaginaries influence our life?

- Our present realities are moulded by dominant social imaginaries – practices are held together by a **common understanding**
- **Charles Taylor** – **social imaginaries** are the trans-subjective, or a-subjective, aspect of cultural meaning
- the precondition for inter-subjective modes of being-in-the-world
- our practical background understanding, our implicit knowledge of what to do in different situations including “a wider grasp of our whole predicament: how we stand to each other, how we got to where we are, how we relate to other groups, and so on” (Taylor 2004:25)

Modern social imaginaries and their contradictions

○ **Modernity**

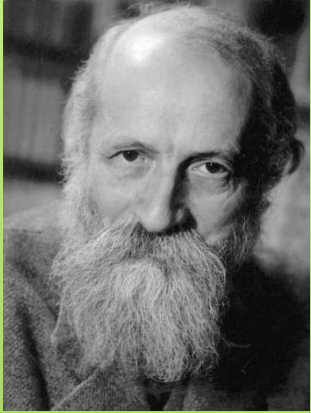
- **new practices and institutional forms** (science, technology, industrial production, urbanization); **new ways of living** (individualism, secularization, instrumental rationality); **new forms of malaise** (alienation, meaninglessness, a sense of impending social dissolution)
- New social forms: the **market** economy, the **public sphere**, and the **self-governing people** (Taylor 2004:1)

○ **a new model of God's providential rule:** the "invisible hand" – an exchange of advantages which guarantees: security and economic prosperity

○ **Society itself is seen as an economy:** "an interlocking set of activities of production, exchange, and consumption, which form a system with its own laws and its own dynamic." (Taylor 2004: 76) – **the most important purpose and agenda of society**

- in the public sphere and the self-ruling "people" are imagined **collective agents**, participating and living in democratic acts
- in the economic life there is no collective agent, only **individuals** acting on their own behalf, whilst "the global upshot happens behind their backs"

○ **Economy's own ideals are imposed to the whole society** – alienated life and objectifying attitude



Martin Buber's philosophy of authentic human relations

- *I and Thou* (1923)
 - different possible ways of addressing persons and the world in the primary words: *I-Thou* and *I-It*
 - a possible **dialogic encounter** between man and God, respectively man and his fellow-beings
 - or a non-dialogic relatedness oriented by **knowledge** and **practical use**
- It is the **Thou** through which a man becomes *I*. (Buber 1937:28) In the *I-Thou* relation the *I* ceases to concentrate on the particular aspects of the experience and simply becomes bound up in a (timeless) event of presentness to the specific existent (Buber 1937:7)
- “Spirit in its human manifestation is a response of man to his *Thou*. Man speaks with many tongues, tongues of language, of art, of action; but the spirit is one, the response to the *Thou* which appears and addresses him out of the mystery.” (Buber 1937:39)
- “Feelings are a mere accompaniment to the metaphysical and metaphysical fact of the relation, which is fulfilled not in the soul but between *I* and *Thou*. (Buber 1937:81)

The world of *It*

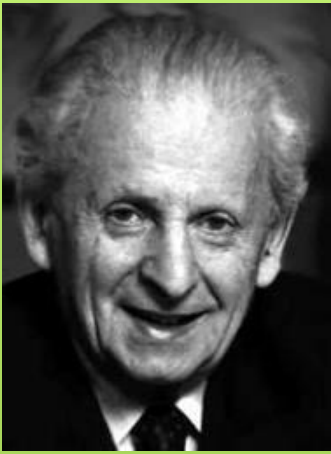
- The world of *It* is comprised in
 - *experiencing* – which continually reconstitutes the world,
 - *using* – which leads the world of its manifold aim, the sustaining, relieving, and equipping of human life (Buber 1937: 38)
- “But is the communal life of modern man not then of necessity sunk in the world of *It*? Can the two compartments of this life, **economics** and **State**, with their present extent and completeness of structure, be conceived to rest on any other basis but that of a deliberate renunciation of all "directness", and a resolute rejection of every court of appeal which is "alien", that is, which does not arise from this sphere itself ?” (Buber 1937: 47)
- “Is not, indeed, the productive greatness of the **leading statesman** and the **leading economist** bound up with the fact that he looks on the men with whom he has to deal not as bearers of the *Thou* that cannot be experienced but as centres of work and effort, whose particular capabilities it is his concern to estimate and utilise.” (Buber 1937: 47)

Economics and the Spirit

- “Economics, the abode of the will to profit, and State, the abode of the will to be powerful, share in life as long as they share in the spirit. If they abjure spirit they abjure life.” (Buber 1937: 48-49)
- “..., only with spirit, not themselves, as starting-point, are work and possession to be released; only from the presence of spirit can meaning and joy stream into all work”; “...It does matter if the organisation of the State becomes more freer and that of economics more equitable – but not for the question asker here about the real life; they certainly cannot become free and equitable with themselves as starting-point. It matters most of all if the spirit which says *Thou*, which responds, remains by life and reality, ...” (Buber 1937: 50)
- a “statesman or an economist who obeys the spirit” and risks doing it in the limits set for him by the spirit itself, serves the truth (Buber 1937: 49)
 - **“the dogma of gradual process”** – “the abdication of man before the exuberant world of *It*” (Buber 1937:57),
 - **“reversal”** – rejects the established rules and “overthrows the pieces”. The man of reversal is the true testifier of freedom, of the reality of spirit.” (Buber 1937:57)

The importance of Buber's view

- his criticism directed towards the objectifying attitudes (instrumental rationality), his commitment to dialogic authenticity delineates guidelines for an essential turn in the thinking about man's status and his legitimate purposes in the realm of economy, politics and culture, including his life with the natural environment
- a source of inspiration for an ethical revival in contemporary philosophy
- a source for decreasing influence of misguided modern social imaginaries



Buber's influence on contemporary thought

Émmanuel Lévinas: *Totality and Infinity* (1961)

- the appropriate ground for ethics is the experience of the face-to-face encounter with the *Other*
- the *Other* is totally alien and transcendent to the *I*; exceeding its idea in the *I*, a phenomenon which Levinas names *face*
- the face resists possession; his manifestation is the epiphany in which he speaks to *I* and thereby invites him to an ethical relation
- To approach the Other morally, i.e. in conversation is to welcome his expression, but also to recognize his hunger, his condition as a stranger, destitute, proletarian, widow or orphan “to whom I am obligated” (Lévinas 1969: 215)



Contemporary theories sympathetic with Buber's insight (1.)

Tomáš Sedláček: *Economics of Good and Evil* (2011)

- the necessity of reestablishing economics in its originary (moral) context (i.e. in *the idea of good life*)
- between *the driving forces of the economy*: the psychological phenomena, the non-rational archetypal patterns, and the spiritual factors
- “the dogma of continuous growing” – an idol – deceptively exploits people’s desire for a better life
- *Sabbath Economics* – religious and commonsensical wisdom to take time for reflecting upon the meaning of our work
- *synchronization of short term and long term interests*, including a pre-established reasonable rate between today’s achievements and tomorrow’s losses, i.e. between growth and debt
- *a global vision of solidarity* - compassionate attitude towards human suffering and poverty: “extending our sympathy not just to friends, to our family, not even to the nation, but to the whole of mankind” – concerns rooted in the Biblical morality, but also in today’s grown interconnectedness by trade and information (Sedláček 2016)

Is continuous growth really possible?





Contemporary theories sympathetic with Buber's insight (2.)

Jeremy Rifkin: *The Empathic Civilization* (2010)

- (brain science, child development, anthropology) - human beings aren't by nature aggressive, materialistic, utilitarian, and self-interested, but rather *fundamentally empathic*
- “changes in energy regimes are accompanied by changes in the way people communicate with one another to manage energy flows. Those changes in communication reshape the way the human brain understands and organizes reality.” (Rifkin 2010 a:181)
- “great economic revolutions in history occur when new energy regimes converge with new communication revolutions. The convergence of energy and communications revolutions is what changes the human condition for long periods of time”
- New communications revolutions become the command-and-control mechanisms, the means of structuring, organizing, and maintaining the energy flow-through of civilization.” Each successive communications revolution in history – oral language, script, print and electronic – provides us with increasingly sophisticated ways of sharing our personal and collective stories and extending our emotional reach to diverse others over space and time (Rifkin 2010 a:187)

Jeremy Rifkin: The Empathic Civilization (2010)

- Our current condition on the Earth:
 - the **first industrial revolution** (an industry based on coal, steam, and rail)
 - **second industrial revolution** (the civilization of oil, the automobile, and the mass-production of manufactured goods),
 - **the third industrial revolution** the increasing possibilities of communication, cooperation and change based on distributed information and communications technology (ICT).
 - (other theorists speak about robotization as the **fourth industrial revolution**)
- **The 3rd industrial revolution's** impact on various aspects of the economy, the social ties and people's communication
 - more transparent and responsible relations with the consumers
 - reshaping market transactions from adversarial attitudes to win-win strategies
 - openness to sharing risks and to open-source collaboration (see Linux)
 - "Learning how to work together in a thoughtful and compassionate manner is becoming standard operating procedure in a complex, interdependent world." (Rifkin 2010:18)
- "Empathy is the invisible social glue that allows a complex individuated society to remain integrated." (Rifkin 2010b)
- People' extensive online collaboration will help solving the energy problem: as people begin to harvest renewable energies they can share electricity peer-to-peer across an internet-like smart energy grid that extends across nations and even continents.

Will people's extensive online collaboration help to solve the energy problem?



Conclusions

- None of the proposed solutions is meant to have the effect of transforming definitively the relationship between people from mostly *I-It* type of relations onto pure *I-Thou* type of relations in the Buberian sense, which will continue to remain the characteristic of rare encounters between morally (and perhaps religiously) committed people, but if we consciously accept the paradigm shift proposed both from Sedláček and Rifkin we can contribute to an improvement even in this direction.
- The theories of Buber, Sedláček and Rifkin outline different perspectives, but they are sympathetic in making difference between proper and alienated human relations in life and economics, introducing through this a possible sense of *the good life* without reference to a perfect society.
- They have made important steps to groove our sense of relatedness and our willingness to grow empathic collaboration.
- When revising their theories and trying to apply their ideas there arises the imperative of re-thinking the sense and role of contemporary economics in the frame of social collaboration.

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