

Activity summary of CIAS research fellow in Budapest

Grant category: junior senior non-resident senior

Name: Eric Brown

Home institute (name, position, country): International Business School, Associate Professor, Hungary

Academic Year / Semester: 2022-23

Duration: 10 months

Project title: Rethinking business ethics and governance in an age of globalized networks: beyond neoclassically-based frameworks

Project description*: The neoclassical model of the market is not a suitable basis for understanding and critiquing business activity and governance practice. The idea of the "market" is not as useful in relation to these as many seem to think. We should consider however that instead of a distinction between perfect and imperfect markets, business ethics and governance should focus on actual, real economic activity in its historical and material reality. On the view I propose to explore and elaborate there is no "central organizing institution" (for Heath, the market [2014, 200]) in "the economy." Rather it is worth taking very seriously that there is no "economy," only interconnected constellations of economic relations that take a variety of forms. Real, material economic relations are not imperfect deviations from perfect markets any more than mountain ranges (massifs) are imperfectly flat deserts. They are their own independent geological formations.

Achieved result(s)*:

My work was to study the implications of the claims made in my description of my project for business ethics and governance.

First, I worked on a critique of Joseph Heath's market-failures approach to business ethics. In short, I argued that his reliance on the idealized understanding of the market and his idealized form of justification for Pareto principles as the source of a strong core of business ethics is flawed. I argued for skepticism about "the market," which, if accepted,

leaves no unified practice for Heath's Rawlsian-style interpretative constructivist argument for the normativity of Pareto principles for business practice.

Second, in "Vulnerability as an asset class: the World Bank's Maximizing Finance for Development program" I argued that a systems-approach grounded in historical relations between lesser developed and develop countries is more adequate to normatively evaluate international economics and trade than Rawlsian practice-based approaches, exemplified by the work of Aaron James. I show that current economic relations do not meet the criteria James lays out for an activity to count as a practice. I sketch a realist alternative which looks at aspects of the current global financial system and the history of colonialism and neocolonialism with the guiding normative concept of vulnerability. Throughout the World Bank's Maximizing Finance for Development program is my running example.

Third, I worked with a new conception of exploitation to develop a critique of the current ways in institutions in and supported by developed countries and regions (USA, EU in particular) approach assistance to developing countries. The paper examines the current financing regime for development finance in the light of a conception of exploitation as domination. I argue that the colonial and neocolonial legacies of exploitation have led to the very vulnerabilities in lesser developed countries that current practices would instrumentalize for the sake of those who most benefit from the current "market-based" financial system—persons and organizations in developed countries, often former colonial powers—while creating, maintaining, and/or exacerbating the vulnerabilities of those same lesser developed countries.

Connected publications*

1.

Title: The market failures approach as a constructivist interpretivism: beyond the idealizations of neoclassical economics

Date of submission/acceptance/publication: Jan 20 2023

Journal: Journal of Business Ethics

Journal category (if applicable): Q1 Q2 Q3

Status: accepted/published in progress planned

2.

Title: Vulnerability as an asset class: the World Bank's Maximizing Finance for Development program

Date of submission/acceptance/publication: Jan 20 2023

Journal: Critical Review of International Social and Political Philosophy

Journal category (if applicable): Q1 Q2 Q3

Status: accepted/published in progress planned

3. Title: Exploitation and development finance

Date of submission/acceptance/publication: July 9 2023

Journal: Ethics and global politics

Journal category (if applicable): Q1 Q2 Q3

Status: accepted/published in progress planned

Professional collaborations, partnerships*

1.

Name: COST program on AI in Government

Institution: Various: cross-disciplinary project involving a number of universities (including Bath, Leeds, Karlstadt, Tartu, Tel Aviv, Bergen, Cyprus, and Warsaw (may expand))

Fields of research: Ethics, sociology, political science, political economy, law, administration, data science, artificial intelligence

Future plans for joined research: On-going. We on the core team are putting together the project proposal together. The project will include original academic research, workshops for academics, the public, and practitioners, and the development on online resources.

2.

Name: Critical and normative research on governance of climate finance for lesser developed and debt burden nations.

Institution: Collaboration is with Endre Molnar of the Institute for Entrepreneurship and Innovation at Corvinus University

Field of research: Normative governance theory, development economics, finance, climate change, infrastructure investment

Future plans for joined research: We are currently working on a paper, but I believe this could result in a co-written book or a co-edited volume of research papers relating to the general theme.

Additional activities* (public lectures, presentations, professional meetings, media connections etc.):

1. Taught one day seminar on Business Ethics and Critical Political Economy for Corvinus University's module Contemporary issues relating to business and management, September 9, 2022.

2. "Vulnerability and risk: conceptual issues with illustrations from financialization." Vulnerability Theories and Concepts in Philosophy and the Social Sciences, at the University of Graz, October 20-22, 2022.

Future plans, planned return (if any):

- I plan to return to Hungary later
- I plan to maintain my professional contacts via e-mail
- Any other comment: I live in Hungary.

I am extremely grateful for the productive time I spent and CIAS. I'd like to thank Zoltan Szanto, Veronika Hamar, and Lili Weisz for all of their incredible help and support.

*Please give us a properly detailed summary.