Book Review


This encyclopaedia draws together expertise from different academic disciplines - the editors are professors of business ethics, social ethics and business administration - and in doing so has achieved a scope which can only be described as surprisingly wide. Such width will necessarily lead to some losses in depth; yet this is compensated for by an extended bibliography added to each entry, which in most cases contains not only the relevant German but also international publications. Entries are cross-referenced, and the encyclopaedia has both an author and a subject index. The discussion is kept as jargon-free as possible and thus the ideas discussed should present little problem of understanding, even for the non-expert.

Entries are typically 1600 to 2000 words long and are arranged in traditional alphabetical order. They commonly contain a definition of the discussed term, its context, positive and negative features, its importance for business and society and its ethical implications. Over 200 individual entries are included in the work, which may be grouped into the following areas:

- Traditional business administration, where some entries only have limited ethical implications, e.g. division of labour, scarcity of resources, productivity, price formation, other headings are of higher ethical importance, such as personnel management, motivation, rationalisation and profit.
- Relevant entries of economics are discussed, again with varying ethical implications. Examples range from industrialisation, public goods, economic growth, monetary policy, to transnationals, co-operation, market failure, external costs. The economic order receives particular attention, together with its prominent examples of capitalism and socialism. Traditional economics provides a link to the discussion of alternative economic thinking, industrial self-government and related concepts, and also to economic policy, with entries like public debt, consumer protection, social policy or the welfare state.
- Entries from the political sphere, such as human rights, democracy, power, state, freedom, equality, liberalism, are discussed, as are sociological concepts like conflict of interest, solidarity, the public and systems theory.
- The discussion of ethics includes entries on, inter alia, egoism, rationality, justice, responsibility, together with the natural law concept, which is extended here to cover animals. The link between religion and economy is given prominence, both at a world-wide level, here including main world religions extending to Latin American Liberation Theology, and also at the level of the German speaking area by discussion of principles held and documents released by its two main churches, Catholic and Lutheran. Of specific ethical theories utilitarianism receives particular attention.
- Ethical theory is supplemented by discussion of specific problems which have emerged from business ethics literature, such as whistleblowing, ethical investment funds, ethical ranking of companies, self-regulation by individual companies or via industry associations, including ombudsman schemes. Consumer behaviour includes ethical purchasing behaviour, with the entry underlining the fact that in Germany particularly ecological concerns have translated into consumer behaviour on a large scale, whereas social concerns lag behind. Consumer boycotts receive a cursory mention in relation to imports of Third World products which may have been produced by exploiting children.
- As a further area, concrete problems of the
poverty both in Europe and in the Third World, migration, overpopulation, the international debt crisis, war and peace.

This wide scope reveals business ethics to be a young field of study with as yet no firm boundaries drawn. However, one must not underestimate this volume's value as a first stock-taking measure, which will be of tremendous help in clarifying the future research agenda. It is in this interim status that one strength of the encyclopaedia lies. Contributors have been encouraged to present personal rather than consensus views to further academic discussion. To illustrate such differing opinions, the entry trade unions (cols. 367f.) praises them as solidarity in action, which mitigates the power inequality between employees and employers; whereas the heading interest groups (cols. 462ff.) portrays unions as another form of cartel and argues that price rises resulting from higher wages are as unpleasant to the consumer as price hikes pushed through by any other cartel.

The list of the ca. 170 contributors includes a number of internationally known names: Thomas Donaldson writes on multinational corporations, Richard T. DeGeorge on whistleblowing, Henk van Luijk discusses corporate social responsibility consultancy, Jack Mahoney the Common Market. The encyclopaedia furthermore succeeds in drawing together the main German business ethics scholars; to name but few Peter Koslowski, professor of philosophy, with entries on ethical economics, Horst Steinmann, professor of business administration, on narrow business ethics, Karl Homann, professor of business ethics, on wide business ethics, Peter Ulrich, also professor of business ethics, on managerial ethics, and the leading German ecologist Ernst von Weizäcker on ecology.

The work follows the German scholarly tradition of distinguishing between wide business ethics, i.e. the ethics of the economic order, Wirtschaftsethik, and narrow business ethics, i.e. ethics at the level of the individual company, Unternehmensethik. A further specifically German characteristic arises from the influence of the concept of a social market economy both in economic thinking and in practical business management. Such characteristic keywords as co-determination, collective bargaining, employee participation models, flexible working time, are discussed. While much of the value of the work lies in underlining national (or better regional, as the work contains contributions particularly also from Swiss Scholars) research traditions, it should also be mentioned that research lines pursued in other academic communities, notably the US, are somewhat underrepresented; the concept of corporate social responsibility, for instance, receives no mention. Admittedly, this was refuted by some German scholars at an early stage and the editors of the encyclopaedia state their intention to present fundamental questions and concrete problems rather than to work out differences between academic theories, yet corporate social responsibility remains an influential concept, which at least has its unquestionable place in the evolution of business ethics theory. Similarly, social responsiveness, social auditing and social control of business might have been included in the volume.

Reflecting the preponderance over other approaches that discourse ethics has gained within the German academic community, the editors stress the fact that in their view business ethics cannot develop moral norms for compulsory application in the economy; rather it could help to initiate and to structure rational dialogue on ethical questions regarding outcomes of the economic process; hence other approaches, such as those aiming to develop material norms for application in business, have not been included. This book underlines a recognition that something like a German path to business ethics may well be emerging.

To summarise, this encyclopaedia well fulfils the stated aims of its editors, i.e. to carry forward the discussion of business ethics and offers much needed interdisciplinary knowledge to executives, politicians, academics, and other interested citizens.