

Everyone's Business – Continuing the Conversation

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Abstract: We want to thank Chiara Destri and Lorenzo Sacconi for their thoughtful engagement with *Everyone's Business: What Companies Owe Society* and to the editors of *Politeia* for providing space for this exchange. Since the book was published in December 2024, episodes such as the backtracking of major corporations from prior commitments to DEI and the Anthropocene controversy reaffirmed our sense of urgency regarding the need to think through what we should expect from businesses as powerful players within a complex and differentiated democratic system. In our response, we discuss our view on the importance of reflexivity for business ethics understood as role ethics of market actors in a differentiated democratic system. We also discuss our view on ethical issues related to the internal governance of firms.

Keywords: Business ethics, Democracy, Corporate governance, Markets.

We want to begin by thanking Chiara Destri and Lorenzo Sacconi for their thoughtful engagement with our book and to the editors of *Politeia* for providing space for this exchange. We intended the book to be an invitation for conversation, and not as the definitive account of democratic business ethics. Given this, it is incredibly rewarding to get such insightful critical responses.

Our goal in *Everyone's Business* (Ron & Singer, 2024) was to propose a theoretical framework that would allow us to think through the complex relationship that businesses have with a democratic society: on the one hand, businesses operate in a market environment that encourages and sanctions particular self-regarding behavior; on the other hand, such behavior presupposes a legitimate government to underwrite, license, and regulate that market (what we describe as the idea of the social subcontract), but which businesses are in a position to undermine. Both Destri and Sacconi buy into this primary theoretical move that we make: we must consider the obligations of businesses to the democratic order that licenses their activities, and the ways such obligations should constrain their strategies and endeavors. The challenges they pose center on how we conceptualize these obligations.

Reflexivity, Role Ethics, and Markets

Democracy's capacity for "reflexivity" is a crucial part of our theoretical focus. Why? It is important to note that democracy is, famously, an "essentially contested

concept” (Gallie, 1956) – it is impossible to discuss democracy without recognizing rival conceptions and definitions. While some conceptions of democracy are clearly implausible, there are multiple plausible ways to articulate the meaning of the different ideas, ideals, and practices that are associated with the concept of democracy. Of course, this essential contestation does not mean that philosophers cannot strongly believe in and theorize on behalf of a particular view of democracy. It only means that, at least for some purposes, it is important to recognize that other reasonable people can see things differently. The dilemma we faced in writing a book about businesses’ democratic obligations is navigating this pluralism: do we pick one particular conception of democracy that potentially makes our analysis uninteresting to those who do not share it, or do we remain agnostic and risk saying nothing interesting at all? Destri worries that we waffle between these two, though ultimately that we may land too close to the milquetoast horn of the dilemma. However, our focus on “reflexivity” as an important normative feature of democracy is an attempt to resolve this; It is both compatible with various conceptions of democracy yet specifically important (and controversial) for thinking about market actors’ relationship to democracy. To understand why, we need to explain how we think of markets.

Like Joseph Heath, we understand business ethics as, in part, a species of role ethics for those who engage in market activities, and treat markets as a functionally differentiated sphere of society. We say “in part” because we think business ethics understood in this way also serves as the standpoint for social critique and deliberation amongst citizens more generally. Markets have the potential, when designed properly, to serve important social functions. When businesses engage in certain forms of asocial behavior characteristic of markets, they may be excused or defended because this is part of their social role. This is just like when professional boxers punch each other in the ring; they do it as part of an organized and regulated activity, and are excused for doing so within the rules.

But what social good do markets serve? Here, we think Sacconi mischaracterizes our position when he describes it as grounded in a methodological commitment to perfect competition, a view he attributes to Heath. Even if this is a correct interpretation of Heath (we think it’s more complicated), our view is decidedly not this (indeed, we don’t think we use “perfect competition” or “Pareto efficiency” in the book, and so we were a bit puzzled by Sacconi’s detailed focus on these ideas). We argue that markets can and should be designed to efficiently achieve *multiple* social goals and not just the efficient allocation of goods. Furthermore, given our focus on the dynamic complexity of society, we do not think that there can be any stable equilibrium, as the goals society is trying to achieve are constantly changing. All of this leads us to argue that for markets to achieve a complex and dynamic set of desirable social goals within a complex and dynamic society, they must be embedded in a political system that enables their first-order constitution, monitoring, and regulation (for elaboration, see pages 56-59). Following pragmatists like Knight and Johnson (2011), we see such monitoring and regulation as best accomplished through a second-order commitment to democratic processes, which enable social experiments with different sorts of institutional solutions.

It is from this second order commitment to democracy that businesses' obligations derive; the legitimacy of their idiosyncratic behavior requires that they not undermine democracy's ability to monitor and regulate the scheme in which they part. The boxer must not punch the referee. All of which is to say that our decision to focus on reflexivity as the central feature of democracy is not taken lightly. It is a crucial part of our focus on the role ethics of market actors. A democratic society can experiment with permitting more or less social equality, citizen participation, different tax regimes, regulations, voting systems, and so forth. What it cannot allow itself is to have powerful entities – especially those that it enables and licenses – undermine its capacity to engage in reflection.

Resisting Entrenched Power

Destri worries about this focus on reflexivity, asking us to consider the view of someone “who sees democracy to entail a resistance to entrenched power”. In our chapter on lobbying, we argue that it is not possible to derive from democratic theory how much lobbying should be permitted and in what form. There can be justifications for inviting businesses to lobby, but there are also risks in doing so. The balance between them depends on contextual factors and should be the subject of democratic experimentation and deliberation. For the reasons we present in the book and are discussed by Destri, we do not think businesses should be a central part of this democratic conversation about the regulation of lobbying. Because businesses are part of the democratic conversation not only through their words but also through their actions, they are always part of it in some way. For this reason, their obligations entail more than just following the law, but also include duties to avoid corruption, which we define as “duplicitous exclusion”.

But what about cases where businesses are not being duplicitous in their lobbying efforts? Amid democratic backsliding, Destri is very right to argue that “corporate actors can bend the political process in their favour in a very legal and overt way”. Particularly in the United States, and even more so under the Trump administration, businesses are openly and brazenly influencing government in ways that are deeply exclusive. If so, and if democracy entails “a resistance to entrenched power”, why not demand businesses to refuse to participate in such undemocratic practices, as opposed to just avoiding doing so opaquely? Destri's concern here is that our emphasis on reflexivity undercuts our ability to say much about businesses' obligations in light of a concern for the democratic equalization of powers. We think she has a strong point here, and that our emphasis on “duplicitous exclusion” is perhaps too demanding in some instances and too weak in others, particularly in cases of naked and explicit democratic backsliding.

Yet, as we note above and in the book, business ethics is not just about action guidance but also about grounding civic critique; our goal is not to present the immutable iron laws of business conduct, but rather to articulate the sorts of standards and concerns that democracy suggests we – as business actors, as citizens, as theorists

– use to assess these strange institutional creatures. And on this score, context matters and judgment is important and unavoidable. There are situations, like the one we face now, when *the* primary problem to be solved by democracy is the problem of creeping authoritarianism; given these circumstances, resistance to such authoritarianism is arguably the best way to shore up democratic reflexivity. However, the book recommends extreme caution when businesses claim to take the moral high ground. Asking businesses not to conduct themselves in ways that are duplicitous is not merely a concession because we don't think that we can expect too much of them. Rather, transparency is important because it allows other players to engage in reflection and monitoring. We hold a similar position in regard to campaign finance. It would be unreasonable to expect businesses not to participate in arrangements that are legal and permitted. Rather, when businesses do so, they have to make sure that they provide relevant stakeholders with scrutable public reasons for why they decide to contribute to the campaign (Singer & Ron, 2023, pp. 661-662).

Internal Governance of the Firm

Sacconi challenges our account for its focus on the role morality of market actors. For him, a central task of business ethics “should be to suggest stable solutions, compatible with the motivations of the agents, to the problems of cooperation and distributive justice in the firm, or other organizations”. He argues that our book “is silent in this regard”, thus neglecting what should be a core part of business ethics. Let's start with this claim that the internal governance of firms ought to be a central focus of business ethics. As we elaborate in some detail elsewhere (Singer & Ron, 2025), while firm governance brings up important normative considerations for businesses, there are many ethical considerations that are not resolved by specifying a just internal structuring of firms. Co-ops can unreflectively reproduce problematic stereotypes in their ad campaigns, take advantage of information asymmetries, or brazenly claim to speak on behalf of an overly inflated constituency when they lobby city hall. Proper democratic and fair business governance may be the answer to some ethical issues, but it is far from being the answer to all ethical issues facing businesses. Were we silent on issues of internal firm governance, our focus on outward firm activity would still be worthwhile.

But importantly, the book is definitely not silent on firm governance! This is what we discuss in Chapter 7. In fact, we reach conclusions that are very similar to the ones Sacconi reaches, albeit through a different route. Sacconi proposes to extend the device of a Rawlsian original position to the constitution of corporate governance. Imagine yourself entering a cooperative endeavor and devising the terms of cooperation among the different stakeholders who are essential to the success of the project. But, now also imagine yourself being behind a veil of ignorance not knowing which stakeholder you are representing – whether you will end up a major investor, a minor investor, a rank-and-file employee, a manager, a supplier, a consumer, and so forth. A constitution arrived at behind such an original position would therefore have to include certain

measures that protect and ensure some voice to all stakeholders. The conclusion Sacconi derives from this thought experiment is that while “many governance forms are compatible with the social contract”, “the doctrine of shareholder value maximization [...] cannot be justified”. We concur with Sacconi about the dismerits of shareholder value maximization, as well as his claim that multiple forms of firm governance can be considered fair. Philosophers, alas, cannot prescribe *ex ante* how to organize businesses.

But in Chapter 7 we defend the need to guarantee rights and certain measures of voice to employees not based on a social contract argument but based on the importance of maintaining a democratic culture. As we discuss in Chapters 1 and 2, the book moves away from understanding firms as stand-alone mini-governments and from understanding business ethics as dealing with the proper relations between the different stakeholders. Thus, in our view, employees should expect certain voice and protection, but not primarily because depriving them of these rights would violate Rawlsian fairness. Rather, they deserve protection because, in addition to being employees, they are citizens of a democratic society, and having a democratic culture means that people are never merely cogs in a machine but always equal citizens. As such, while they may agree to certain arrangements in which authority is exercised over them in some contexts, this authority must be bounded by principles of democratic respect.

We want to reiterate what we suggested in the opening paragraph. We are grateful for the opportunity to extend the conversation that *Everyone's Business* has started. Since the book was published in December 2024, episodes such as the backtracking of major corporations from prior commitments to DEI and the Anthropic controversy reaffirmed our sense of urgency regarding the need to think through what we should expect from businesses as powerful players within a complex and differentiated democratic system.

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