

# A Strawsonian Defense of Corporate Moral Responsibility<sup>1</sup>

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## I. Introduction

Although corporations do not act in the way that humans do there is a perfectly ordinary sense in which they do things. Indeed, as far as the law is concerned, corporations can be held both civilly and criminally responsible for their actions. This legal status, however, does not entail that corporations are *morally* responsible for what they do. The subject of this paper is whether they really are morally responsible for what they do.<sup>2</sup>

It has been argued that corporations are not morally responsible because they lack one or more of the following: free wills, bodies, conscious mental states, and intentional states such as beliefs and desires. Despite the fact that some have disputed whether corporations really are deficient in these ways it shall be assumed for the purposes of this paper that they are. Even with this assumption, the conclusion of the paper is that corporations bear a *kind* of moral responsibility for what they do.<sup>3</sup>

Interestingly, the literature on this topic has not connected with one of the more prominent contemporaneous lines of argument in the parallel literature on whether *human beings* are morally responsible. This argument is the work of P.F. Strawson as presented in his classic article “Freedom and Resentment”. This paper’s argument that corporations can be morally responsible for what they do will draw heavily from Strawson’s argument that human beings can be morally responsible.

In his article Strawson provides a defense against the incompatibilist ‘pessimist’ who charges that human beings would not be responsible for anything if it turned out that the thesis of determinism was true. Strawson responds to this charge by directing our attention to the *reactive attitudes*, a family of attitudes which includes blame, resentment, gratitude, indignation and appreciation.

According to the pessimist the justification of each of these reactive attitudes depends on the falsity of the thesis of determinism. Strawson, however, denies that the justification of all the reactive attitudes could turn on something like this thesis. Rather, he maintains that *in theory*

they could be rationally undermined only by considerations that arise from within the internal structure of the reactive attitudes, or by pragmatic considerations; and, despite these theoretical possibilities, he holds that the truth of determinism would be irrelevant according to these internally based considerations, and that pragmatic considerations do not in fact rationally undermine the reactive attitudes. He thus concludes that the reactive attitudes as a whole would not be rationally undermined even if determinism turned out to be true.

In the next section of the paper Strawson's argument will be explored in further detail. Following that, key parts of that argument will be extended to the topic of corporate moral responsibility. This part of the paper will focus on the reactive attitudes that are directed towards corporations on account of their actions. (These are attitudes on the part of individuals, not of corporations themselves.) These shall be referred to as the *corporate reactive attitudes*.<sup>4</sup>

For an example consider how you might react when dealing with a corporation that as a matter of policy over bills customers and hopes that they won't notice. You might direct a variety of reactive attitudes towards those individuals who formulated or carried out the policy. In addition, you might—you need not, but you might—come to direct attitudes of blame, resentment, indignation and the like *towards the corporation itself*.

Following Strawson's lead, the argument of this paper is based on the idea that the corporate reactive attitudes as a whole can be rationally undermined only by considerations that arise from within the internal structure *of those very attitudes*, or by pragmatic considerations. The argument continues by holding that even if it is true that corporations are lacking in the areas of free agency, consciousness, intentionality and corporeality all these facts would be irrelevant according to these internally based considerations. The final part of the argument is that no matter the pragmatic value of the corporate reactive attitudes, corporations are indeed morally responsible for their actions, albeit in a way that is different from the way that human beings are responsible.

## **II. The Strawsonian Defense of Human Moral Responsibility**

### **A. Strawson's Insights**

Strawson lays out the heart of his defense of human moral responsibility in the following passage in which he discusses the question of what it would be rational to do in regards to the reactive attitudes if it turned out that determinism was true:

To this I shall reply, first, that such a question could seem real only to one who had utterly failed to grasp. . .the fact of our natural human commitment to ordinary interpersonal attitudes. This commitment is part of the general framework of human life, not something that can come up for review as particular cases can come up for review within the general framework. And, I shall reply, second, that if we could imagine what we cannot have, viz., a choice in this matter, then we could choose rationally only in the light of an assessment of the gains and losses to human life, its enrichment or impoverishment.

(13)

Strawson maintains here that the fact that we have a “natural human commitment” to the reactive attitudes reveals something about their justification. He later states that due to this natural commitment the system of reactive attitudes “neither calls for, nor permits, an external ‘rational’ justification.” (23)

To understand Strawson’s distinction between external and internal justifications note that there is a structure to how the reactive attitudes strike us as appropriate, rational or justified. For example, other things being equal our reactive attitudes towards a person seem less appropriate when she is ignorant of what she is really doing or when she is compelled into action. Any justification of the reactive attitudes which appeals wholly to such considerations which arise from the reactive attitudes themselves will count as internal. Any other kind will count as external.

For an example of an external justification consider the utilitarian ‘optimist’. In Strawson’s discussion an optimist is a compatibilist about moral responsibility and the truth of determinism; thus, a utilitarian optimist sees the system of reactive attitudes as rational because it is socially optimal for people to hold each other responsible.<sup>5</sup>

This defense of the reactive attitudes counts as an external justification because it appeals to considerations which are foreign to the internal framework of the reactive attitudes. It simply isn't a relevant consideration in whether, say, someone is blameworthy that the practice of blaming is or is not socially optimal. Another example of an external justification of the reactive attitudes holds that the system of reactive attitudes is justified because of its pragmatic value. This counts as an external justification because the pragmatic value of the reactive attitudes is also a consideration that is irrelevant within the internal framework of the reactive attitudes.

As we see at the end of the above passage, Strawson thinks that pragmatic considerations may in principle rationally undermine the reactive attitudes as a whole, but other external considerations may not. He does not explain why he thinks this is so, and no claims are made here about how Strawson understood this part of his own argument.<sup>6</sup> This paper will rely, however, on the following interpretation of the argument which is offered on its own merits.

This interpretation appeals to two distinct kinds of justification: rational warrant and practical justification. To say that a reactive attitude is rationally warranted is to say that it is an appropriate response to the way things are, quite apart from whether it is prudent, pragmatic or practical to have that attitude. Rational warrant is closely related to epistemic justification: just as the *belief* that an agent is morally responsible is subject to epistemic justification, the *attitude* of, say, blame towards an agent is subject to rational warrant.

Rational warrant, like epistemic justification, is directed towards the truth in a way that practical justification is not. This helps explain why rational warrant can pull apart from practical justification in exactly the same way that epistemic justification can. For example, it may be practically rational for a person with a serious disease to believe that despite all the evidence he is perfectly healthy. (Suppose that the stress of focusing on being sick greatly lowers the chance of recovery). In this case it would be practically rational to believe he was healthy, but not epistemically justified.

A closely related example shows how practical rationality and rational warrant can pull apart. Consider a victim of a violent crime. It is rationally warranted for her to feel anger toward her assailant, but her being angry might slow her recovery from the attack. In this case anger could be rationally warranted, but not practically rational.

With this distinction between rational warrant and practical justification in hand, the three main claims of this paper's understanding of Strawson's argument can now be presented. The first claim is that the rational warrant of a reactive attitude can be ascertained by attending exclusively to considerations that arise from the internal structure of the reactive attitudes. In a manner of speaking, then, the reactive attitudes reveal their own conditions of rational warrant.

Although this key Strawsonian insight has proved compelling to many, Strawson does not argue for its truth. For the purposes of this paper, it will simply be assumed to be true; however, consider this gesture towards a line of argument for thinking so: Strawson's insight is valid because we have acquired the concept of moral responsibility in virtue of the way that our

“folk” reactive attitudes are structured.<sup>7</sup> The folk reactive attitudes are those most people have prior to subjecting them to deep or sustained philosophical attention.

The idea is that there is an analogy between the way we came to acquire the concept of moral responsibility and the way we came to acquire a concept such as redness. Normally speaking, one acquires the concept of redness partly in virtue of the fact that one’s perceptual mechanisms are structured in a particular way. (To the extent that congenitally blind people acquire the concept, it is due only to the fact that other people have had the appropriate perceptual mechanisms.) Once one acquires the concept, though, one could go blind and still retain the concept of redness; that is, one’s continued possession of the concept does not depend on one’s perceptual mechanisms’ remaining with their original structure.

Similarly, the suggestion is that we have acquired the concept of moral responsibility largely in virtue of the way that our folk reactive attitudes are structured. Drawing further from the analogy with redness, the contention is that our continued possession of the concept of moral responsibility does not depend on our keeping that folk structure; in principle, we could retain the concept even if we lost the ability to experience all reactive attitudes.

On this view it is no accident that the conditions under which an agent is morally responsible are isomorphic with the internal structure of the folk reactive attitudes. It is only because we had (and perhaps still have) these reactive attitudes structured in a particular way that we ever came to acquire the concept of moral responsibility. It follows from this view that any consideration that does not arise from within the internal structure of the folk reactive attitudes is by that very fact irrelevant to determining the nature of moral responsibility.

This does not, of course, constitute an argument that this is the correct way to understand how we came to acquire the concept of moral responsibility. To do this properly would require its own separate treatment; however, with this roadmap for how to argue in favor of Strawson’s key insight in place, the second main claim in this paper’s understanding of Strawson’s argument can now be examined. It states that the truth or falsity of determinism is simply irrelevant according to the considerations that arise from the internal structure of the reactive attitudes. (This claim will be discussed further in the next section of the paper.)

The third main claim recognizes that even though pragmatic considerations are external and thus have no bearing on the rational warrant of the reactive attitudes they are relevant to their *practical* justification. Indeed, given Strawson’s repeated emphasis on the philosophical

importance of our actual human attitudes and commitments, he might very well hold that the *only* source of practical justification is given by pragmatic considerations. This is especially so if we construe 'pragmatic considerations' sufficiently broadly that the resulting view is that all practical justification is ultimately based on the interests, values and commitments of the agent in question.<sup>8</sup>

Alternatively, Strawson's view might be that there are multiple sources of practical justification, but that only pragmatic considerations (again, construed broadly) are actually rooted in our psychology, and thus only they could even in principle *psychologically* undermine the reactive attitudes.

Either way the connection between pragmatic considerations and practical rationality is understood it follows that pragmatic considerations are the only possible external source for the rational *and* psychological undermining of the reactive attitudes. Importantly, Strawson denies that these considerations *actually* undermine them. This is because he thinks that the reactive attitudes as a whole are pragmatically justified, and that even if they weren't, we wouldn't be able to get rid of our psychological commitment to them; this commitment is just too deeply rooted.<sup>9</sup> Finally, although Strawson denies that our reactive attitudes could be practically undermined, my interpretation of his argument suggests that if they were this would have no direct bearing on their rational warrant. There is no simple and obvious relationship between rational warrant and practical justification.

To recap, these are the key claims in this paper's development of Strawson's argument:

- (1) Whether a reactive attitude is rationally warranted can be ascertained by attending exclusively to considerations that arise from the internal structure of the reactive attitudes,
- (2) The truth of determinism would be irrelevant to those considerations, and
- (3) The reactive attitudes as a whole are pragmatically justified, and even if they were not this would have no direct bearing on whether they were rationally warranted.

In the next section of the paper, premise (2) will be discussed further since this will reveal difficulties that must be addressed by any defender of the possibility of corporate moral responsibility.

## **B. Determinism and the Internal Structure of the Reactive Attitudes**

A pressing difficulty for defenders of moral responsibility is provided by an argument that the truth of determinism would indeed be relevant according to the considerations that arise out of the internal structure of the reactive attitudes. The argument is based on the Strawson-friendly observation that the reactive attitudes have an *internal moral significance*; that is, there is a moral weight we attach to matters of moral responsibility which can be accounted for without appeal to external factors such as utilitarian or pragmatic concerns.<sup>10</sup>

The incompatibilist can claim that the best way to account for this internal moral significance is to see the reactive attitudes as being concerned with the moral quality of agents insofar as they are the ultimate originators of actions. This *ultimate originator thesis* is rooted in the idea that an agent who is capable of ultimately originating actions is, as such, ethically significant and that his moral quality is of intrinsic moral concern.<sup>11</sup>

If we concede that the truth of determinism would preclude anyone from being the ultimate originator of any action, this thesis presents a challenge to *all* forms of moral responsibility: it would entail that all the reactive attitudes would be undermined if determinism was true, and this is exactly the threat which Strawson thought he had defused in embracing an internal account of the rational warrant of the reactive attitudes. .

In order to reject the *ultimate originator thesis* the Strawsonian must provide an equally compelling compatibilist account of the internal moral significance of the reactive attitudes. Here, once again, Strawson's writings are helpful.<sup>12</sup> They provide the grounds for what shall be referred to as the *goodwill thesis*. It holds that a reactive attitude is a reaction to the degree of goodwill (or its absence or its opposite) on the part of the agent in question.<sup>13</sup> If this thesis is correct the internal moral significance of the reactive attitudes would lie in the fact that morality demands that people extend an appropriate kind and degree of goodwill toward each other, and that when this expectation is not met this is a matter of intrinsic moral concern.

This view is compatibilist insofar as an agent does not need to be the ultimate originator of an action in order to express goodwill through it. It is instead sufficient that the agent have the relevant intentional state of goodwill towards those affected by his actions.

In the course of discussing Strawson's argument R. J. Wallace provides an alternative understanding of what the reactive attitudes are a reaction to: they are reactions to the quality of choices made by agents who are suitably appreciative of, and responsive to reasons. This shall be called the *appreciation of reasons thesis*.

This thesis differs from the *goodwill thesis* in that someone can harbor goodwill towards another person without ever acting upon it. According to the *goodwill thesis* this goodwill alone would provide a sufficient basis for a rationally warranted reactive attitude; however, according to the *appreciation of reasons thesis* a reactive attitude is rationally warranted only in response to some action of the other person. In addition, it is arguable that an agent can express goodwill without being able to appreciate reasons. This might be the case for a dog or a small child. (On the other hand, it is conceivable that an agent could appreciate reasons without being able to express goodwill.)

If we accept the *appreciation of reasons thesis* the internal moral significance of the reactive attitudes would lie in the fact that morality demands that rational agents appreciate and respond to the moral reasons that they have, and that when this expectation is not met this is a matter of intrinsic moral concern. As Wallace observes, in expressing reactive attitudes we demonstrate our commitment to certain moral standards as regulative of social life. (69)

The *appreciation of reasons thesis* is compatibilist because an agent need not be the ultimate originator of actions in order to appreciate and respond to the kinds of reasons that speak for or against various actions. What is required, though, is that an agent has the mental capacity to appreciate reasons.

This paper embraces a third compatibilist view of the internal moral significance of the reactive attitudes which does not require that a morally responsible agent have intentional states of goodwill or the mental capacity to appreciate reasons. This view is couched in terms of *moral dispositions*. The distinguishing feature of these dispositions is that they govern thinking about the appropriate way to treat persons and other things of value such as animals. The paradigm here is the *character* of an individual since it is the character of the individual which governs how he reasons about persons and other valuable things. Later, this paper will focus on the analogous example of the *culture* of a corporation.

Note that most animals do not have moral dispositions even though they have dispositions which govern behavior that can harm or benefit others. These animal dispositions do not meet the above definition of moral dispositions because they do not govern the way that the animals *think about* the appropriate way to treat persons and other things of value.

This *moral disposition thesis* accounts for the internal moral significance of the reactive attitudes by seeing them as reactions to the quality of an agent's moral disposition. Consider a

thief who steals from his neighbor. The neighbor's reactive attitude of blame towards the thief is rationally warranted insofar as it is as a reaction to the thief's morally defective character. In addition, the thief's reactive attitude of guilt is rationally warranted insofar as it is as a reaction to his own morally defective character. Through such blame and guilt we express our commitment to the idea that it is wrong to think that it is permissible to rob people of their belongings. In reacting to the quality of an agent's moral disposition we thereby affirm the morally appropriate ways to deliberate about and act towards persons and other valuable entities.

The *moral disposition thesis* is compatibilist because an agent need not be the ultimate originator of actions in order to have a moral disposition such as a character. A person has a character when she has a settled disposition to act and think in certain ways, and it does not matter how she came to have these settled dispositions. Consider, for example, Athena who sprang fully grown from the skull of Zeus. At the moment of her "birth" she had (or could have had) a character just as surely as a full set of armor.<sup>14</sup>

Like the *goodwill thesis*, the *moral disposition thesis* does not make reactive attitudes responsive only to agents' actions. This is a virtue insofar as we can appropriately resent someone simply for being ill-disposed towards us (unless he has adequate cause to be so disposed).

In the next part of the paper it will be shown why the *moral disposition thesis* is preferable to the alternatives. But first consider this objection to the thesis: the thesis denies something obvious, viz., that an agent can be responsible for at least some of his actions that are done out of character.

This objection is unsuccessful because we can fruitfully distinguish actions that are completely out of character from actions that reflect some aspect of our characters, but not anything central or important. These latter actions may be ones that are "out of character" but still ones that we are morally responsible for. In addition, it makes sense to hold agents legally liable for the results of the former kind of actions; however, it is far from obvious that agents are morally responsible for actions which have *no source whatsoever* in their prior dispositions.

### **III. A Strawsonian Defense of *Corporate* Moral Responsibility**

#### **A. The Argument**

In the last section of the paper the following was put forward as a foundation of the Strawsonian approach to moral responsibility: whether a reactive attitude is rationally warranted can be ascertained by attending exclusively to considerations that arise from the internal structure of the reactive attitudes. In this section this foundation will be built upon in order to argue that corporations can indeed bear a kind of moral responsibility for their actions even with the assumption that they are lacking in the areas of free agency, consciousness, intentionality and corporeality.

The first premise of the argument is that there are different subsets of the reactive attitudes which have their own internal structures. One subset is formed by what shall be called the *individual reactive attitudes*, i.e. the reactive attitudes which we direct towards individuals on account of their own personal actions. Another subset is formed by the corporate reactive attitudes.

The second premise is an extension of Strawson's original insight. It states that the conditions of rational warrant of a subset of the reactive attitudes can be ascertained by attending exclusively to considerations that arise from the internal structure *of those very attitudes*. On this view, it is a mistake to assume that the conditions of rational warrant of the individual reactive attitudes are the same as the conditions of rational warrant of the corporate reactive attitudes.<sup>15</sup> To assume otherwise is to commit what shall be referred to as the *fallacy of projection*.

This fallacy is easy to commit insofar as virtually all discussions of the reactive attitudes have focused exclusively on the individual reactive attitudes. In section B the internal structure of the corporate reactive attitudes will be examined in support of this third premise: a corporation's presumed deficiencies in regards to free agency, consciousness, intentionality and corporeality are as irrelevant to the rational warrant of the corporate reactive attitudes as is the truth of determinism to the rational warrant of the individual reactive attitudes. In addition, this examination will confirm the *moral disposition thesis* over its competitors.

The fourth part of the argument is simply an observation: given that there are different conditions of rational warrant under which an agent may qualify as morally responsible, it makes sense to say that there are different *kinds* of moral responsibility. This includes *individual moral responsibility* (whose conditions of rational warrant are revealed by the individual reactive attitudes) and *corporate moral responsibility* (whose conditions of rational warrant are revealed by the corporate reactive attitudes).

The final part of the argument is that the pragmatic status of the corporate reactive attitudes does not undermine the possibility of corporate moral responsibility. This point will be established in section D.

## **B. The internal structure of the corporate reactive attitudes**

### *Free Agency*

This section of the paper will examine the relevance of the various presumed deficiencies of the corporation according to the considerations which arise from within the internal structure of the corporate reactive attitudes. Consider first the charge that corporations are not morally responsible because they lack free agency, or are incapable of being the ultimate originator of an action.

Versions of this charge arise in a number of prominent attacks on the possibility of corporate moral responsibility. The clearest case involves Manuel Velasquez who argues that "moral responsibility for an act attaches to the entity that originates the act" and that corporations are not morally responsible because they are incapable of relevantly originating any action. (121) Patricia Werhane makes a similar argument:

Because corporate 'actions' are what I have called secondary actions, a corporation is not an independent moral agent. Unlike individual actions, which are presumed to be free choices of autonomous agents, corporate 'action' is an outcome of groups of choices of constituents and agents acting on behalf of the corporate. (57)

Werhane's point is that corporations cannot be morally responsible because they can not act in a free, autonomous manner and they can 'act' only to the extent that someone acts on their behalf. Larry May's argument is functionally identical; instead of claiming that corporations can act only in a 'secondary' fashion, he argues that they cannot be full moral agents because they can act only 'vicariously' through the real actions of their personnel.

These various charges would worry the Strawsonian defender of corporate moral responsibility if the *ultimate originator thesis* were the best way to account for the internal moral significance of the reactive attitudes; however, we have already seen that there are at least three compatibilist alternatives to the thesis with accompanying accounts of the internal moral significance of the reactive attitudes, and the Strawsonian can reasonably adopt one of them.

If corporations are deficient in the ways we have presumed, though, two of the alternatives entail that the corporate reactive attitudes are not rationally warranted. In one case this is because corporations cannot harbor intentional states of goodwill and in the other because they lack the mental capacity to appreciate reasons. A given Strawsonian might thus reject the possibility of corporate moral responsibility; however, he won't reject it on the grounds that corporations lack free wills, or are incapable of being the ultimate originators of actions. As far as he is concerned, *these* facts are completely irrelevant within the structure of the reactive attitudes. Thus, even if we grant that corporations lack free wills, *this* would not show that they were not morally responsible.

### *Consciousness and Corporeality*

Turn now to the charge that the corporate reactive attitudes cannot be rationally warranted because (as this paper has presumed) corporations lack conscious states. For example, Velasquez also claims that corporations cannot be morally responsible because they cannot "feel the shame that is the appropriate response to being blamed" and cannot "experience the suffering or loss that accompanies punishment". (124)

That corporations lack conscious states such as guilt and suffering is almost certainly a decisive internally based objection to their being the appropriate objects of the *individual* reactive attitudes. However, an inspection of the internal structure of the *corporate* reactive attitudes reveals something quite different. This claim is based on observations of the author's own corporate reactive attitudes. In particular, my own corporate reactive attitudes do not seem inappropriate even as I focus on my belief that corporations lack conscious states; nor do they seem inappropriate as I focus on my belief that corporations are unable to consciously appreciate any reasons at all. (It is because of this that the *reasons appreciation thesis* is rejected.)

Importantly, these corporate reactive attitudes are not idiosyncratic.<sup>16</sup> Indeed, they are in agreement with the folk corporate reactive attitudes which are the ones that most people start with and keep unless they are led by philosophical considerations to disavow them. This point has two parts: first, it is through the folk reactive attitudes that human beings first came to acquire the concept of moral responsibility; and second, a proper understanding of the folk corporate reactive attitudes reveals that one is *not* philosophically forced to give them up on the grounds that corporations lack conscious states.

The charge that the corporate reactive attitudes cannot be rationally warranted because corporations lack bodies can be dealt with similarly. Even as I focus on my presumption that corporations lack bodies, I find that this has no bearing on the appropriateness of my corporate reactive attitudes. As before, these attitudes are in agreement with the folk corporate reactive attitudes.

*Intentionality and the Moral Disposition Thesis*

Similar remarks serve to rebut the charge that the corporate reactive attitudes cannot be appropriate because corporations lack intentional states (such as beliefs and desires) which are relevantly “about” something. This charge has been especially relevant in response to Peter French’s seminal argument that corporations are morally responsible precisely because they are intentional agents. For example, Thomas Donaldson agrees with French that an agent must have a capacity for intentionality in order to qualify as a moral agent. He denies, however, that corporations can have intentions due to the insuperable “difficulty in establishing the locus of [corporate] intentions.” (22) <sup>17</sup>

The Strawsonian would agree that intentional states are required in order to be morally responsible if the best way to account for the internal moral significance of the reactive attitudes were to accept the *goodwill thesis*. If this thesis were valid then a morally responsible agent would need to harbor intentional attitudes of goodwill.

This objection can be met first by conceding that a capacity for goodwill is indeed a requirement for individual moral responsibility. However, as I focus on my presumption that corporations are not capable of expressing goodwill I find that this has no bearing on the appropriateness of my corporate reactive attitudes. This too is in agreement with the folk corporate reactive attitudes. It is on this basis that the *goodwill thesis* is rejected as a general way to account for the internal moral significance of *all* the reactive attitudes. <sup>18</sup>

Indeed, only the *moral disposition thesis* can account for the internal moral significance of both the individual and the corporate reactive attitudes. It takes it that a reactive attitude is a reaction to the quality of an agent’s moral disposition. The relevant disposition in regards to the individual reactive attitudes is the *character* of the individual in question. The relevant disposition in regards to the corporate reactive attitudes is the *culture* of the corporation.

The culture of a corporation counts as a moral disposition because it influences how agents of the corporation see how it is appropriate to think about persons (and other things of value) when acting on behalf of the corporation. Consider, for example, a corporation where the reigning corporate culture is to achieve maximum profit without recognizing any moral constraints on the pursuit of this goal. (It might even lead corporate personnel to think that it is their fiduciary responsibility towards shareholders to act in this manner.) Refer to this as the pursuit of *unconstrained profit maximization*.

Now suppose that the CEO of the company is sufficiently acculturated that he or she makes decisions regarding how to interact with customers guided by *unconstrained profit maximization*. The problem with this is that it fails to regard customers in a way consistent with their inherent value as persons since it recognizes no moral constraints on the pursuit of profit.<sup>19</sup> If any customers were to be harmed as a result of this kind of thinking, the CEO would be individually responsible for wronging them.

In directing individual reactive attitudes towards the CEO as an individual one expresses one's commitment to the idea that he or she should not adopt and act upon this immoral view of the nature of corporate reasons. One can further demonstrate one's commitment to the moral standards that are regulative of social life by directing reactive attitudes directly towards the corporation. This is because corporate personnel both influence, and are influenced by the reigning culture of the corporation. To the extent that a corporate culture manifests immoral views of corporate reasons (such as the *unconstrained profit maximization* view) it is thus appropriate to direct corporate reactive attitudes towards the corporation itself. In so doing one condemns the corporate culture which fosters unacceptable ways of taking into account the value of persons and other valuable entities.

Note that some corporations have stronger cultures than others in terms of the influence they wield over the reasoning of their personnel. So long as a corporation has a culture with *some* influence, though, it is morally intelligible to direct reactive attitudes towards it. In a related observation, two subsidiaries of a corporation might have quite different cultures; this is often the case when two companies combine through a merger or acquisition. In such a case it may make sense to direct reactive attitudes towards one of the subsidiaries but not the other.<sup>20</sup>

### **C. Two objections**

One objection to this account is that it is too permissive in recognizing multiple kinds of moral responsibility. Consider, for example, someone who directs reactive attitudes towards rocks. He does not believe them to be possessed by spirits, yet if he stubs his toe on a rock he comes to resent the rock and to be indignant towards it. If you point out that the rock is not an agent, and thus the inappropriate target of resentment and indignation he responds that it is in fact *you* who have made the mistake by fallaciously projecting conditions of rational warrant onto his idiosyncratic form of rock moral responsibility.

It would be absurd, of course, to hold that rocks bear any kind of moral responsibility for their “actions”. Fortunately, though, this paper’s account has the resources to explain why this is so. This is because in order for the “rock reactive attitudes” to serve as the basis of a kind of *moral* responsibility they must have some kind of internal moral significance. However, rocks lack free wills, the capacity for goodwill, the ability to appreciate reasons, and moral dispositional states analogous to the character of an individual or the culture of a corporation. This leaves it completely mysterious what internal moral significance there could be to rock reactive attitudes, and this explains the bafflement one experiences towards anyone who regards them as morally significant.

A second objection comes from the opposite direction. It objects on the grounds that the account finds corporations to be morally responsible for *too few* actions. In particular, one might object to it on the grounds that it denies that corporations are morally responsible for the actions of corporate personnel who act in ways that are not consonant with the reigning corporate culture.

This objection can be met by first conceding that it does make sense to hold corporations legally liable for the actions of rogue corporate personnel. In addition, corporations are morally responsible for adequately responding to the actions of its rogue employees. This can even involve making an apology in the name of the corporation. Note, however, that this kind of apology for the actions of a rogue agent does not imply that the corporation is morally responsible for those actions any more than when an individual apologizes on behalf of a rogue employee or a parent on behalf of a young child. What we learn here is that there is a vicarious form of apology that does not imply that the one making the apology is morally responsible for the action in question.<sup>21</sup>

#### **D. The Pragmatic Justification of the Corporate Reactive Attitudes**

It has been argued in the preceding sections that careful attention to the corporate reactive attitudes reveals that they are rationally warranted even granting that corporations are deficient in the various ways that the critics charge. This means that corporations really do bear corporate moral responsibility regardless of the practical justification of the corporate reactive attitudes. Nevertheless, in the spirit of Strawson's original argument it is worth inquiring whether the corporate reactive attitudes can be undermined as a matter of practical rationality.

Recall Strawson's view that the individual reactive attitudes are pragmatically justified and that even if they weren't we would still not abandon them. The situation with the corporate reactive attitudes is somewhat different. First, the corporate reactive attitudes can be pragmatically justified if we understand them in the right way. On the other hand, they might turn out not to be pragmatically justified for some people. Moreover, people can abandon a psychological commitment to the corporate reactive attitudes; or, in any event, it is easier to abandon them than to abandon a commitment to the individual reactive attitudes.

Velasquez presents two reasons for thinking that the corporate reactive attitudes are not pragmatically justified. First, consider his claim that if we hold a corporation responsible for a wrongful action then "we will tend to be satisfied with blaming or punishing only the corporate entity. . . [and not] the people who carried out the action" on its behalf. (128) Second, Velasquez worries that viewing the

corporation as an entity that can "act" and "intend" like a large-scale personality will result in our being tempted to look upon the corporation as a larger-than-human person whose ends and well-being are more important than those of its members. (129)

Velasquez has indeed identified two very real dangers. Note, though, that these dangers can be avoided by realizing that (a) recognizing corporations as morally responsible does nothing to diminish the individual responsibility of the individuals who act on behalf of the corporations, and (b) the fact that a corporation bears corporate moral responsibility in no way entails that its ends and well-being matter, let alone matter more than the ends and well-being of the humans who are affected by it.

Turn your attention now to the pragmatic considerations in favor of a disposition to have the corporate reactive attitudes.<sup>22</sup> One significant benefit of such a disposition is that it is an

important vehicle through which people can affirm the morally appropriate ways for agents of corporations to deliberate about and act towards persons (and other valuable entities).

Given the influence that corporate cultures often have over corporate personnel, as well as the great power that these individuals wield in virtue of their authority as corporate agents, one might reasonably conclude that it would involve a very great loss to human life were human beings to give up the corporate reactive attitudes with their distinctive capacity to condemn immoral corporate cultures; therefore, one might reasonably conclude that the system of corporate reactive attitudes is pragmatically justified, especially if one takes care to avoid the dangers that Velasquez points out.

Again, though, even if it turns out that the corporate reactive attitudes are not pragmatically justified, this does not erase the fact that they are *rationally warranted*. The corporate reactive attitudes reveal their own conditions of rational warrant. Because of this, corporations would still bear corporate moral responsibility for their actions even if it were not practically rational to believe that this was the case.

#### **IV. Conclusion**

##### **A. Corporate Moral Responsibility as a Distinct Kind**

A chief way that this paper's treatment of corporate moral responsibility differs from the standard treatments is that they recognize only a single kind of moral responsibility. For example, Peter French sees "corporations as members of the moral community, of equal standing with the traditionally acknowledged residents: biological human beings." (133) Velasquez, on the other hand, holds that corporations are not morally responsible for what they do. He argues that:

applying the term *moral responsibility* indiscriminately to human beings and corporate groups tends to confuse and hide. . .morally important (and actually quite gross) differences between them and their modes of acting. Nothing is gained by attempting to lump both human moral responsibility and corporate responsibility under the same term. (128)

Despite their obvious differences French and Velasquez agree that *if* corporations are morally responsible, they must meet the same criterion of moral responsibility as do human beings.

The account in this paper differs from that of both French and Velasquez in that it holds that there are (at least) two kinds of *moral* responsibility: the *individual* responsibility that human beings bear, and the *corporate* responsibility that corporations bear.

Recognizing that there are two kinds of moral responsibility allows the account to hold *pace* Velasquez that corporations are morally responsible for what they do, despite the fact that there are important differences between corporations and human beings. On the other hand, *pace* French the account maintains that corporations and human beings qualify as morally responsible because there are two different kinds of moral dispositions at issue.

An implication of this is that one can consistently hold that the interests of agents capable of individual moral responsibility have a greater moral importance than the interests of agents capable of corporate moral responsibility. Indeed, part of the resistance to the idea of corporate moral responsibility may lie in the belief that the interests of any morally responsible agent are morally significant. There is nothing in this paper's account of moral responsibility, however, that dictates this outcome.

## **B. Concluding Remarks**

Prior to considering objections such as the ones brought up in this paper, many people have a psychological commitment to the corporate reactive attitudes. The Strawsonian takes these folk corporate reactive attitudes as they are, and does not automatically lump them together with the phenomenologically related, but normatively distinct individual reactive attitudes. In so doing the Strawsonian preserves the rich diversity of ways we have of interacting with the world and all that it contains. He is to be contrasted with those who commit the fallacy of projection. They rashly destroy this diversity by holding a vulnerable aspect of our normative psychology up to inappropriate standards.

Corporations can indeed bear a kind of moral responsibility for their actions even while we suppose that they lack free agency, consciousness, bodies and the capacity for intentionality. This is because the conditions of rational warrant of the corporate reactive attitudes are revealed by their own internal structure, and these various deficiencies have no relevance according to these conditions. Instead, it suffices that the corporation has a culture which influences how its personnel reason about persons and other things of moral value.

Corporations, then, are not morally responsible because they have moral worth, but rather because of how their cultures affect how human beings reason about things which do. It is arguably in our power to stop directing reactive attitudes towards corporations, and it is certainly in our power to regard any such attitude as inappropriate. It would be a mistake to do either, both on the grounds that corporations really are morally responsible for what they do, and that this would needlessly impoverish our modes of interacting with the world, and all that it contains.

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<sup>1</sup> I would like to thank David Haslett, Rahul Kumar, Michael McKenna and members of the Philamore Reading Group and the Wharton Legal Studies Reading Group for valuable comments on this paper.

<sup>2</sup> One can insist that corporations merely “do” things, but are not actually capable of action. The question of this paper then becomes: are corporations morally responsible for their “actions”? Using this terminology, the answer is that there is a *kind* of moral responsibility in which they are morally responsible for their “actions”.

<sup>3</sup> Although this paper focuses on corporations as such, the account developed here can also serve as the basis for finding that other groups which are similarly deficient are morally responsible. This includes clubs, families, peoples, churches and states.

<sup>4</sup> In the (2002) paper, the author discusses the *collective reactive attitudes* which are directed towards individuals in virtue of what the groups of which they are members have done.

<sup>5</sup> Utilitarians, of course, need not be optimists; they might see it as socially optimal to not have the reactive attitudes.

<sup>6</sup> For discussions of Strawson's argument see Ayer, Bennett, and Wallace. For example, Wallace discusses an interpretation which attributes to Strawson the view that the only genuine sort of justification is pragmatic. (89ff.) According to this form of radical pragmatism, even if no one in fact was ever morally responsible for anything, this would have no immediate bearing on whether the reactive attitudes were justified; rather, we

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could judge them only by assessing the gains and losses our commitment to them brings to human life. Wallace rightly rejects this radical form of pragmatism.

<sup>7</sup> An alternate line of argument could take it that the concept of moral responsibility is somehow metaphysically *dependent* on the reactive attitudes and their structure.

<sup>8</sup> Bernard Williams (1981) later comes to call this *an internal theory of reasons*.

<sup>9</sup> Strawson maintains that human life would be very much impoverished were it to lack a practical commitment to the reactive attitudes. One dramatic cost of dropping this commitment would be the resulting "human isolation". (11) This human isolation would occur since we connect to other human beings *as human beings* only via the reactive attitudes. (For discussions of this point, see Pereboom and Wolf) Since we cannot imagine any other set of goods that could offset the losses that such human isolation brings Strawson concludes that the reactive attitudes as a whole are pragmatically justified.

<sup>10</sup> Another such incompatibilist argument generalizes from cases where agents are excused from responsibility, such as those involving ignorance or compulsion, and argues that these cases are best accounted for by a principle which supports incompatibilism. The Strawsonian must hold that this generalization is in error and that a correct generalization would instead lead to a compatibilist account of moral responsibility. See Wallace for an example of such an argument. (115 ff.)

<sup>11</sup> Compare the *ultimate originator thesis* with the "Ultimacy Condition" as identified by Martha Klein. See also Galen Strawson and Robert Kane.

<sup>12</sup> See, for example, his discussion of goodwill on page 6.

<sup>13</sup> For clarity's sake, references to the absence or opposite of goodwill will be omitted.

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<sup>14</sup> This is not to say that Athena would be at the moment of her “birth” individually morally responsible for her actions. Indeed, she would not be responsible for her actions until some time had passed. Explaining why this is so would take things far from the matters at hand. Let it suffice to note that the individual reactive attitudes have features besides those that relate to their internal moral significance.

<sup>15</sup> Indeed, Strawson himself recognizes that emotions like fear, pity and some forms of love have quite different conditions of justification than do the reactive attitudes of gratitude, forgiveness or the sort of reciprocal love that can exist between adults. (9)

<sup>16</sup> Cf. Scruton, p. 249.

<sup>17</sup> Zimmerman provides another example of someone who thinks that corporations lack the capacity for intentionality. He holds that in order to act intentionally an agent must grasp the significance of his actions. But, Zimmerman argues that "corporations, not being conscious, cannot grasp *anything*." (253)

<sup>18</sup> The presumption of this paper that corporations are incapable of goodwill and other intentional attitudes may very well turn out false. If this were so, the corporate reactive attitudes would be consistent with both *the goodwill thesis* and *the moral disposition thesis*. However, if the bar for possessing intentionality is low enough that corporations pass it, there probably will not be an appreciable difference between the two theses.

<sup>19</sup> That there are moral constraints on the pursuit of profit is the dominant view in the literature. There is considerable disagreement, though, on the nature of these constraints. Milton Friedman, for example, argues that the pursuit of profit should be constrained only by adherence to the law and refraining from things such as deception.

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<sup>20</sup> For these observations about corporate cultures I am indebted to an anonymous referee of this journal.

<sup>21</sup> I thank Kai Draper for helping me to see this point.

<sup>22</sup> Note that it is not germane to offer pragmatic considerations in favor of holding corporations *legally liable* for their misdeeds. It is possible, after all, to hold corporations legally liable for their misdeeds without holding them to be the proper targets of any reactive attitudes.