

*The JBIB is pleased to reprint this article, written by Richard Chewning and published in Business Horizons in 1984. There are several reasons why the article is important. First, it is an example of what has been called "faith informed" integration,<sup>2</sup> work informed by Scripture but written in such a way that it is accessible to secular academics. Many of the JBIB authors also publish in secular journals and will appreciate this example of excellent integration. The second reason this article is important is because it is predictive. God understands the climate of a time and knows the consequences of trends (e.g. Hebrews 4:13). Christians saturated in the Scripture can also foresee consequences, as this article demonstrates. It could have been written with today's headlines in mind.*  
*-Yvonne S. Smith, editor*

## CAN FREE ENTERPRISE SURVIVE ETHICAL SCHIZOPHRENIA?<sup>1</sup>

*Richard C. Chewning*

This century is seeing changes in our underlying philosophy-in how we view existence itself and our part in it, in how we know and accept facts, in what we consider right and wrong. Given these very basic changes in our culture, where will business as we know it go in the future?

The news is bad. The stock market remained on a virtual plateau from 1968 until 1983 - hardly a sign of vigorous national health. Our long-term decline in productivity indicates economic anemia. The national debt continues to soar even when a President espouses fiscal conservatism and Congress passes the largest single tax increase in its history. There are also many social and political problems: decay in our inner cities, rising crime, environmental concerns, and many international crises. Under these pressures the culture is beginning to manifest some neurotic characteristics. There is a growing sense of nonspecific guilt. We seem uneasy. Both the prophets of doom and those who point to the indomitable human character and preach technological salvation seem unable to diagnose the source of our growing national depression. What is its cause? What is its ultimate consequence? What is its cure?

### THE BASIC PROBLEM

The great currents of history are rarely depict-

ed in the media headlines. The headlines record the behavioral eruptions that reflect the deeper forces at work in the core of the national psyche. Examining the hidden forces is not as exciting as watching the visible explosions but is essential to understanding the problem and seeking its solution.

Culturally we are suffering from the ravages of a *metaphysical cancer* - a psychological rejection mechanism that questions the possibility of anyone's being able to know right and wrong in absolute terms. This in turn destroys a culture's ability to develop a consensus on matters of right and wrong, which results in ethical schizophrenia - many ethical faces. This is the sickness that gives rise to the sharp differences which often arise between people-corporate executives and government regulators, agency heads and environmentalists, and so forth.

Metaphysical matters, however, are not our everyday topic of conversation, for they are the consideration of what rests beyond or behind the physical reality of our day-to-day life. Who sits across the table from his or her spouse and asks, "My dear, what great ontological questions have you been wrestling with today?" But our ontological assumptions (ontology is the study of existence itself, such as, is there a spiritual reality, be it soul, God, or whatever) profoundly shape our self-identity, our sense of purpose, and

<sup>1</sup>Chewning, R. C. 1984. Can Free Enterprise Survive Ethical Schizophrenia? *Business Horizons*, Vol 27, # 2, pp. 5-11. Used with permission.

subsequently our behavior.

And our epistemological assumptions, which are concerned with how we “know” anything (empirically, rationally, existentially, or revelationally), determine what we will even accept into our thinking as admissible evidence, as facts, and as truth. This obviously shapes how we order and deal with all the information we encounter.

Then while our ontological and epistemological assumptions are operating subconsciously to filter and arrange all that enters our mind, we are simultaneously integrating and evaluating all information in keeping with our concepts of right and wrong, good and bad. This process is the aspect of metaphysics we call ethics, the normative consideration of what is right and wrong. The use of ontological, epistemological, and ethical presuppositions are all involuntary mental activities.

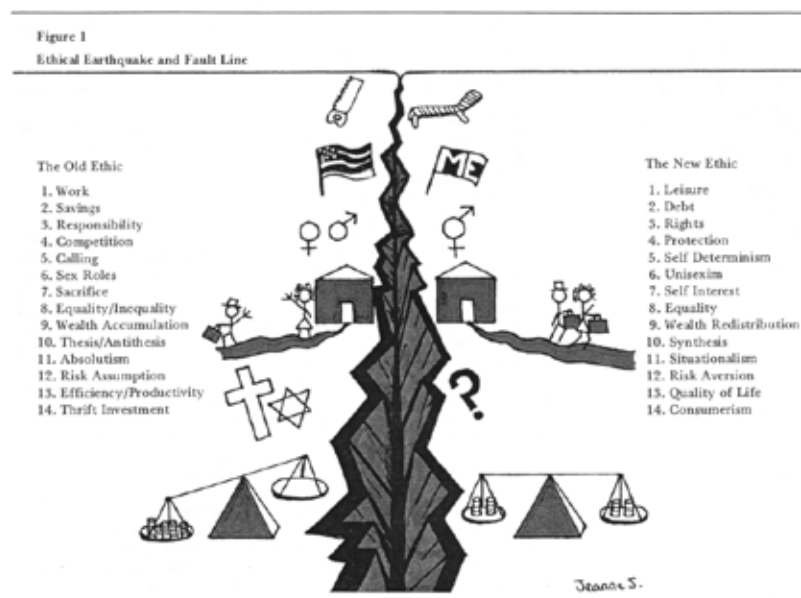
We humans are steeped in metaphysical activities, albeit unconsciously, and both the importance and impact of this truth can be easily demonstrated. Before our culture contracted metaphysical cancer we operated with an ethical system that enjoyed a deep and wide base of acceptance. This old ethic has been called by many names: the Work Ethic, the Protestant Ethic, the American Ethic, the Capitalistic Ethic, the Yankee Ethic, and others. The elements of this ethic

are shown on the left side of the accompanying Figure 1.

This old, long-standing ethic was dislodged from its central and consensus-molding position following World War II. A new ethic – new for the masses – emerged, but it did not become the basis for a new consensus because the new ethic is at its very heart an *anti-ethic* that fosters individuality in ethics. What it did do was destroy the existing consensus while proving incapable of creating a new one. This new ethic has been called the Modern Ethic, the Humanistic Ethic, or the Ethic of the Enlightenment. Its elements are depicted as the new ethic on the right side of the diagram.

These two ethics send shock waves through our culture on a daily basis as they grind against each other. (Our televisions, radios, newspapers, magazines, family, and friends are constantly tugging at us to support one or the other of these two ethical systems.) They are locked in a death struggle and each is vying for our allegiance. In fact, most people will discover, upon examination, that they have an ethical foot on each side of the fault line.

Look at item 1 on both lists – work versus leisure. The question is, which of these is the primary ethic and which the subordinate one? Is



leisure a time of refreshment in preparation for returning to work (work is primary), or is work done to provide the wherewithal for enjoying leisure (leisure is the primary value)? Or, look at item 6. Does anyone doubt that the role of women has been going through a cultural shake-up during the past two decades? The numerous conflicts flowing from these divergent values are constantly sending tremors through our culture. Every item on these lists reflects deep philosophical or religious convictions which are metaphysical in nature. They reflect our values. Our culture no longer has a consensus about which one is correct and is, as a result, ethically schizophrenic.

Is the culture going to remain ethically schizophrenic, or is it in transition and on the way to a still newer ethic around which we

by men” which was rooted presuppositionally in our Judaic/Christian heritage that formed the foundation of our old consensus. It is this foundation that the metaphysical cancer is destroying. These things being so, our ethical differences will probably become even greater in the foreseeable future.

### **THE EFFECT OF ETHICS ON BUSINESS**

How do these differences manifest themselves in our culture’s treatment of business? Dozens of illustrations could be offered to answer this question, but only two basic conflicting values will be related and used to make the point. Look at items 8 and 9 of the two ethics. Number 8

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will form a fresh consensus? Such a consensus can only be formed around a philosophical or religious “centerpiece,” and no new candidates of such proportions are readily apparent on the intellectual horizon. If this possibility is not probable, then might it be realistic to hope for a dialectical society rooted in our capacity and ability to synthesize elements from our diverse value perceptions? Historically, dialectical synthesis has been a demonstrably positive influence in the development of knowledge in the physical sphere of reality while at the same time being a major contributor to the growth of individualized ethics which is at the very heart of ethical schizophrenia. What then are the possibilities of a newer, more mature form of pluralism? Pluralism – the ability to absorb or let stand alone diverse ethnic, racial, religious, and social groups – has rested, historically, on our commitment to “rule by law and not

deals with equality/inequality versus equality and wealth accumulation versus wealth redistribution. Both outwardly accept the value of the concept of equality, even though their grounds and definition of it differ. But they openly disagree about how one should view inequality with regards to our intellectual, physical, and experiential differences. Such differences are soon reflected in our individual advantages and disadvantages as measured by the standard of living we enjoy (distributive justice).

The old ethic holds inequality to be a positive reality. From the perspective of the “old values,” one person’s advantage, gained from being superior in ability or position, was not to be equated or associated with the lesser condition of another person. The advantage of one person, according to this view, does not create the disadvantage or come at the expense of someone else, *per se*. In

addition, the old value system was grounded in the belief that every human has an inner struggle with both good and bad traits. It was concerned with accentuating the good (recognizing, encouraging, and rewarding individual creativity) and with limiting the bad (capacity for inappropriate self-centeredness, self-will, and greed which are problems of both the advantaged and disadvantaged) through a market mechanism in which competition penalizes inappropriate behavior. These same “inequalities,” which exist between all persons, were also viewed under the old ethic as establishing a base for one’s level of responsibility and accountability – the competent climb the economic ladder.

The new ethic, however, sees humanity as only good and inequality as dehumanizing. Here, advantages realized through inequality are viewed as undeserved. Inequality is a negative aspect of reality. Such differences give rise to many disagreements over economic and social policies and goals. Our culture has become confused over matters of equality and inequality. Inequality is viewed negatively by one and positively by the other. The opportunities, the incentives, and the work differentiations associated with our inequalities which were viewed positively under the old ethic are interpreted as sources of injustice, oppression, alienation, and dehumanization by many who subscribe to the new system of values.

Item 9 on the two lists (wealth accumulation versus wealth redistribution) serves as the battleground for accepting or rejecting the consequences emanating from human inequality. Wealth redistribution through public action was effectively unheard of three generations ago. Human charity was viewed as a personal responsibility, not as a function of the state. Federal taxes were unconstitutional until 1913. No one paid more than 5 percent in taxes (effectively) before World War II. Those were the days of supply side economics. But all of that has changed. Our values began to undergo a metamorphosis. Business was no longer simply meant to provide jobs for our people and rewards to owners for risk-bearing but was also meant to generate the monetary sources whereby we could seek a whole new set of social goals that were to be directed by

those who govern and not by those who produce.

## THE DEVELOPMENT OF METAPHYSICAL CANCER

Our growing ethical conflicts sap our energy, diminish our incentives, confuse our sense of mission, and introduce a note of pessimism into our projections about the future. As noted earlier, there are those who argue, or hope, that we are merely in a period of ethical transition as we move from the old Judaic/Christian ethic to a new, yet-to-be-defined standard of value. This is not the case. We are laboring under the debilitating consequences of living in a culture with a *disintegrating view* of ethics – a metaphysical cancer.

How did we contract this metaphysical cancer? How does it affect our view of the world and life itself? The “germ” of our ethical sickness can be traced back to the beginning of the sixteenth century. It was contracted and spread until, by the early nineteenth century, it was rampant in Western intellectual circles. The “man on the street” came down with it in Europe in the 1920s to 1930s, and in America, in the 1940s to 1950s.

The sickness is a side effect of the rise of science. Science certainly *does not* cause the sickness. It provides a system for examining physical reality. But when its methodology is mistakenly applied to nonphysical (metaphysical, moral) categories of reality, it quickly brings one to the conclusion that there are no nonphysical categories of reality that can be conclusively handled on the rational level of the mind. Its inherent methods pre-determine this conclusion and strike a debilitating blow to all concepts of moral truth when physical proofs come to dominate our concept of how we are to validate all reality.

Men like Leonardo da Vinci (1473-1543), and Galileo Galilei (1564-1642) are important early “carriers” of the *quantitative* perception that has led to our modern ethical sickness. Each of them embodied and incubated the idea that the world could be better understood from a mathematical, quantitative viewpoint than it could from the religious, qualitative perspective of their day. They were, of course, talking about the physical world, but as time passed, their perceptions were

also applied by their followers to all of life – the world of personality, “being,” purpose, meaning, and values, as well as the physical realm.

In the years that followed, others propelled the quantitative approach to validating reality (truth) into such a dominant position that words like knowledge and facts became synonymous with physical knowledge and facts. What resulted was the creation of a giant chasm between facts and values. The inability to relate facts and values became so great in philosophical circles that Immanuel Kant (1724-1804) was compelled to write, “I have therefore found it necessary to deny *knowledge*...in order to make room for faith.” This was a devastating philosophical or religious conclusion.

A rational view of ethical values had been struck a debilitating blow. The rise of science and its success in unlocking physical knowledge enthroned the scientific method as the only legitimate way of knowing anything. When the scientific methodology is applied to love, values, spirit, personality, and all other nonphysical entities, it automatically generates agnostic conclusions. The methodology becomes the determinant of what is true, of what can be known as reality. Values, under the scientific methodology, are not knowable.

This inability to “know” led many nineteenth century intellectuals to feel the tugs of despair. Existentialism emerged (Soren Kierkegaard,

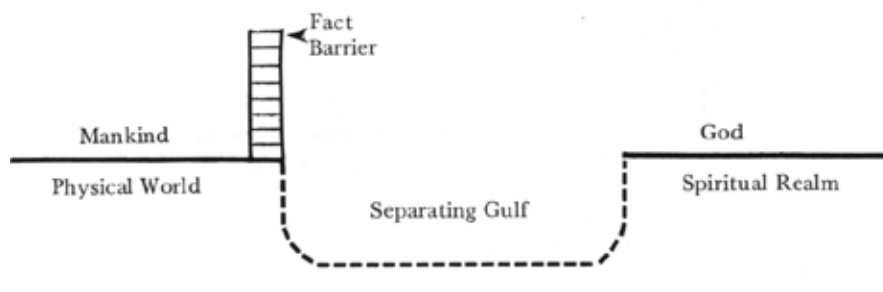
(1813-1855) to fill the chasm between facts and values, but it too failed to reestablish values as a knowable subject on the empirical/rational plane of the mind. It relegated values to the plane of intuition and feelings. So many questioned whether they could “know” if life had meaning and purpose.

It should be noted that in the last thirty years a new cleavage has appeared. Not only is there a gulf between facts and values; now a gap has developed between the normative and descriptive aspects of scientific facts. Even the knowability of facts in the physical realm is being forcefully questioned by Sir Karl Popper, Hilary Putnam, Thomas Kuhn, and many others. These new challenges, however, only add to the plausibility of individualized knowledge which, in turn, adds to the acuteness of our metaphysical cancer and subsequent development of ethical schizophrenia.

### THREE VIEWS

These complicated struggles have slowly developed the ethical schizophrenia our culture labors under today. This schizophrenia is manifested in the fact that there are now three general systems by which the American people operationally relate facts and values. While these systems co-exist in our culture, they produce great friction and cause untold conflict and confusion.

Figure 2  
The Exclusively Human View of the World and Life





### The Human View

Those who perceive the world and values in this way include agnostics, atheists, deists, philosophical existentialists, reformed Jews and liberal Christians (see Figure 2).

In the exclusively human view of the world and life, facts, proof, and knowledge are limited to man's sensory experiences, testable and rational logic, and intuition. Therefore, man's knowledge is confined to physical reality, to the left side of the fact barrier. In addition, all claims that a divine being has ever entered the physical universe so that man could know right and wrong by special revelation are denied. So, from this perspective, mankind is understood to be confined to his own physical explorations. All values are therefore necessarily humanly derived. There is no help from beyond the fact barrier. Men must determine all standards of right and wrong.

### THE INTUITIVE, MYSTICAL VIEW OF THE WORLD AND LIFE

Those who perceive the world and values in this way include theological existentialists, neoorthodox Christians, neoorthodox and conservative Jews, and mystics.

In the intuitive, mystical view of the world and life, as in the exclusively human one, the fact barrier remains intact. Therefore, if one is to believe in values as a knowable reality, it is up to him or her to make a "leap of faith" (motivated by a deep need for meaning that transcends self)

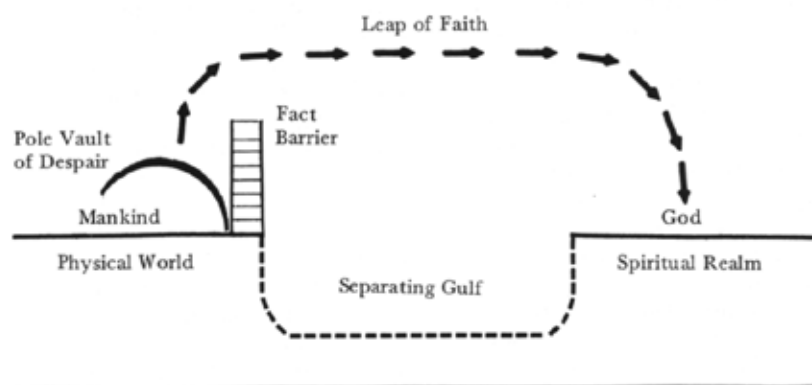
across the barrier, and then declare, based upon feelings, intuition, or a mystical experience, that the divine has been encountered (validated) in a moment of time and thus life has meaning. But a specific perception of a resulting value is not purported to be verifiable or testable by someone else. It is personal knowledge. Others must seek their own individual experience. This kind of knowledge is not transferable. It must be individually learned (experienced). It is situational and does not lend itself to rules or standards. It is changeable. It, too, does not lend itself to the formation of an ethical consensus because it is so personal and individual in character.

### THE GOD-HAS-REVEALED-HIMSELF VIEW

Those who perceive the world and values in this way include orthodox Christians and orthodox Jews.

The God-has-revealed-Himself world and life view is our culture's original, historic perception. It holds that God has personally revealed the standards of right and wrong. For the orthodox Jew this declaration is contained in the Old Testament of God's acts in human history along with his special communications to Abraham, Moses, Samuel, David, Isaiah, and many others. The orthodox Christians accept the same historic data as absolute truth and believe God added to it in His self-revelation in Christ along with the other accounts of the New Testament. Both orthodox

Figure 3  
The Intuitive, Mystical View of the World and Life

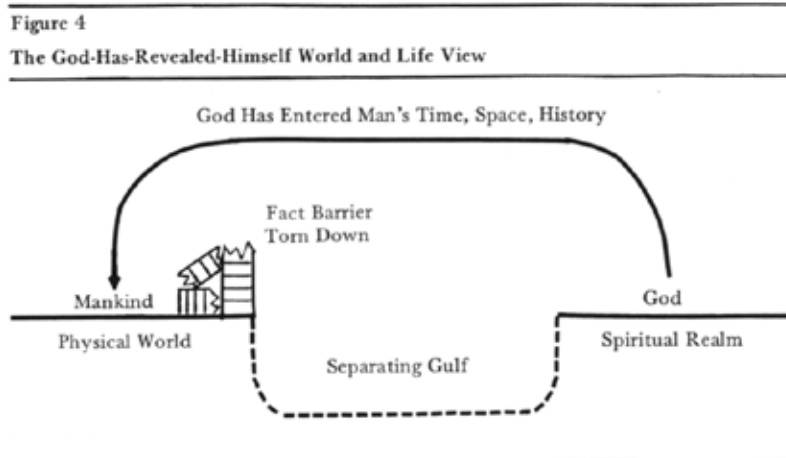


Jews and Christians agree that mankind cannot cross the fact barrier and prove God. They claim that the reverse occurred: God tore down the fact barrier by coming to man's side of the barrier and by revealing Himself through many kinds of statements, events, and acts that were empirically observed by rational men within the context of mankind's time, space, and historic reality.

These three different perceptions of how we know what is right and wrong profoundly affect our view of life and the world. These differences shape our concepts of right and wrong. They determine our ethics.

ponderables that the human mind is constantly raising.

Another alternative is that the existing chronic condition could become acute because of unresolved historic frustrations or the creation of new ones. This possibility holds the greatest danger because we no longer have a commonly accepted metaphysical foundation upon which to form a cultural consensus. This means that if divisions in the culture did become sharp and intense, the solutions would have to be sought within a power structure because we no longer have a widely accepted moral base that can be appealed to. This



## POSSIBLE CONSEQUENCES AND CURES

The consequences of having such divergent perceptions will obviously vary depending upon any changes that might occur in the existing schizophrenic condition. Should the pain or force of the ethical differences remain relatively unchanged, then the present condition could continue for some time – cultural divisions, confusion, frustrations, and controllable anger.

A second scenario might project the hope that a new ethic will emerge that will provide a common ground upon which to develop a cultural consensus. I would advise, however, that no one hold his or her breath while waiting for this to occur. No new metaphysical breakthroughs are on the horizon to handle the metaphysical im-

would eventually justify a government's finding it necessary to assume a totalitarian role (centralized control by either an autocrat or hierarchy) in order to control or bring about desired ends. Such a condition is antithetical to human freedom and dignity and so is a poor long-run solution.

A form of revival, similar to the English revivals of the late eighteenth and early nineteenth centuries is sometimes suggested as a possible solution. While this is conceivable, it does not seem likely because the base upon which those revivals took place is the base that has disintegrated under the ravages

I am no prophet, and I have had no vision. But the signs are clear. The intensity of the differences in our values is relentlessly escalating. It is evident that continuing the development of

individualized ethics will not generate harmony and a cultural consensus or foster a concept of human dignity that can speak definitively to the issues of human meaning and purpose. We are even deeply divided over the justice associated with the type of freedom that was characterized by a positive view of human inequality (as well as equality). We are rapidly being reduced to the mediocrity of equality, where inequality is deemed to be undeserved and negative.

So it is time to ask, “Can the free enterprise system survive in a culture with metaphysical cancer that causes ethical schizophrenia?” The answer is “NO!” The free enterprise system was nurtured in an environment with a strong ethical consensus—a necessity for its existence. That consensus has been shattered. The ability to appeal successfully to a moral standard for purposes of resolving value differences will diminish as long as the ethical schizophrenia remains.

This being true, we will of necessity learn to rely more and more on a power structure for our solutions. Then, in time, the power structure will control the economic structure. When this is so, the cancer will have done its work.

## END NOTES

<sup>1</sup>Martinez, Richard J. 2004. “Defining and Developing a Space for Business in the Christian Academy,” *Christian Scholar’s Review*, SSSSIV:1, 55.74.

<sup>2</sup>Kant, I. *Critique of Pure Reason*, Norman Kemp Smith, trans. (New York: Macmillan, 1973): 29.



Richard C. Chewning