ABSTRACT. One can determine the nature of something by asking what it is for. For example one understands what a chair is when one understands it is for sitting on. This involves understanding its purpose. One type of corporation is the for-profit-corporation. This seems to indicate that this type of corporation, the business corporation, has as its purpose to make a profit. Is that as obvious as it first appears? The favorite way for philosophers to arrive at the “purpose” of anything is to ask the question “Why?” But there are at least two answers to the question “Why?” when addressed to a social practice such as business. One might be asking for a psychological account (explanation) of “Why” a person does business, and this is primarily answered by discovering the motives behind business activity; or one might be asking for a justificatory reason (justification) for the practice – what purpose legitimates business as a human activity. These two answers are often conflated and thus the purpose of business is often considered to be answered by giving the psychological account of the self-interested profit-making motive. This paper will attempt to highlight the importance of making the distinction between motive and purpose clearly, show what confusions arise when the distinction is ignored, and hint at some of the structural philosophical reasons why the distinction got blurred in the first place.

KEYWORDS: Adam Smith, business, ethics, motive, Milton Friedman, profit maximization, purpose

There is dispute about the purpose of a for-profit corporation. The most common belief about the purpose of business, articulated or not, seems to be that the primary purpose of business is to maximize profit. Think what is implied when one says, “The business of business is business”; “That’s just business”; or “The bottom line is . . .” Don’t these ways of speaking indicate that the point of business is to make a profit? Don’t they indicate acquiescence in the belief that that’s just the way things are? People are in business to make a profit, so whatever needs to be done, no matter what, is “just business”. Business activities are justified by the pursuit of black ink on the bottom line.

There are, of course, those who believe that the primary purpose of business is to provide goods and services. But this belief does not seem to be very commonly held, nor is it embodied in any pithy sayings or popular maxims. The first position seems obvious, and is readily defended against the second by appealing to the fact that in our corporate world, when people invest money, they don’t usually ask what goods or services the companies they invest in produce,
but rather inquire what return on their investment the company pays. Those who defend the position that the primary purpose of business is the production of goods and services cannot point to any readily observable trait of human beings that would incentivize people to invest for the sake of society. The most that we hear is: “Being socially responsible is good for business”; “Good ethics is good business”, or “Emphasizing customer service is the best way to improve the bottom line”. All of these of course return us to the increasing of profits as the ultimate end or primary purpose of business.

But why is what people take to be the purpose of business an important consideration? It is important because what we conceive as the purpose of something will determine when that something is acting appropriately. The purpose determines the way the thing should operate, and hence in a manner of speaking, the responsibilities of the thing. The purpose furnishes us with a criterion of evaluation. For example, a knife has an end or purpose. What makes a knife a good knife is how well it “fulfills its purpose”, i.e. cuts. Similarly a business is designed for some purpose and what makes it a good business is determined by how well it fulfills its purpose. If its main purpose is to maximize profits, then, a business with a good bottom line which maximizes profits is a good business. The responsibility of those running the business is to make it a good business, or in other words, do what is necessary to maximize profits. If, on the other hand, we view the main purpose as providing goods and services, then we will view the primary responsibility to be the production of quality goods and the better the quality of those goods and services, the better the business. We can see the hold the profit maximizing view has on us if we reflect on how often we justify the most harmful behavior such as layoffs or business closings, by appealing to the maximization purpose in saying, “That’s just business”. The profit of the bottom line justifies whatever behavior is necessary to improve the bottom line.

Given the logic of the language of “purpose”, if Heidegger and Wittgenstein are right, and we do not have our language so much as it has us, we should expect to be held captive by our ordinary way of conversing about business, which entails the profit maximizing view. And we are. We are held captive to such an extent that even those who critique the dominant view fall under its spell. To take some examples, note how Laura Nash, who would otherwise be a proponent of the production of goods and services as the point of business, talks about the purpose of business in an unguarded moment. “The good corporation is expected to avoid perpetrating irretrievable social injury while focusing on its purpose as a profit-making organization”. Or note how Tom Donaldson in a discussion format talks of the purpose of business: “The fundamental purpose of a business is to make a profit for its owners, but I would say that’s not its only purpose.”

This dominant view, though, is not neutral. No view of purpose is. Such a view legitimizes the institutional practices of business, and in this case does so to such an extent that even if we are opposed to the practices we do not have the language to critique them. So we are faced with an anomaly – even those who would claim that the purpose of business is to provide goods and services slip into talk about business which legitimizes some of the behavior they would not approve of in theory.

How widespread is this maximization of profits view? The fact that it shows up in our ordinary discourse is clear enough. But it also shows up in our learned discourse. Notice how in a standard financial management text, chosen at random, the goal of the firm is taken for granted.

We believe that the preferable goal of the firm should be the maximization of shareholder wealth, by which we mean maximization of the price of the existing common stock.

Here the goal or purpose of the firm is maximizing shareholder wealth as contrasted with maximizing profits, a popular distinction in business school discussions. The authors take some to task who hold that the purpose of business is profit maximization.

In microeconomics courses, profit maximization is frequently given as the goal of the firm. Profit
maximization stresses the efficient use of capital resources, but it is not specific with respect to the time frame over which profits are to be measured... In microeconomics, profit maximization functions largely as a theoretical goal, with economists using it to prove how firms behave rationally to increase profit. Unfortunately, it ignores many real-world complexities.

Here the authors stress the new in-vogue concept of maximizing shareholder value over profit maximization. Yet this difference need not deter us. Whether we call the goal “the maximization of shareholder wealth” or “maximization of profits”, it is structurally the same for our purposes. The primary goal of business is not the production of a product but the accumulation of wealth brought about by means of the production of products.

We see, then, that the view that the primary purpose of business is to maximize value is the dominant view - so much so that what “Chainsaw” Dunlap has said, “people are coming to grips with the fact that the point of business is to make a profit,” is perilously close to the truth. The only amendment we would make to Dunlap’s point is that people are not so much coming to grips with the fact that the point of business is to make a profit as they are acquiescing in the acceptance of the belief. However to the extent that this belief is unreflectively accepted, it becomes as intractable as a fact. That is disturbing, for to believe something is a fact means thinking there is nothing that can be done about it, and that kills the will to change it, because what is, is. Hence, the sigh of resignation in the statements: “That’s just business. That’s the way things are... there’s nothing that can be done about it.”

I want to argue that the maximization view, be it the maximization of profit or shareholder wealth, is wrongheaded and that it gains its credibility only by confusing and/or conflating two quite different things, motives (or subjective reasons) for actions with (objective) purposes for the action. I also want to show that if we make a distinction between motives (which explain) and purposes (which justify) we are logically impelled to reject the view that the purpose of business is the pursuit of profit. (That’s the way the tool is working, but that’s not what it was invented for.)

In offering this view of seeing the issue, I am simply retracing the steps of my own thinking process. I am convinced the view is wrongheaded and that it gains its power from the failure to distinguish between motives and objective purposes, because it was a view I once held. At the time, trying to show that employees owed no loyalty to a corporation, I claimed the following:

A business or corporation does two things in the free enterprise system. It produces a good or service and makes a profit. The making of a profit, however, is the primary function of a business as a business, for if the production of the good or service were not profitable the business would go out of business... The cold hard truth is that the goal of profit is what gives birth to a company and forms that particular group.8

Those claims about the purpose of business seemed obvious to me. What I came to realize is that while they expressed the popular belief about the purpose of business, and relied on assumptions commonly made, on reflection they are not obviously true. The mistake I made was not being clear about the differences between purposes, and motives.

The concepts of purposes and motives and their relationships and differences are well discussed in philosophy. In most of the philosophical psychology literature numerous telling distinctions among the notions of goals, purposes, ends, intentions, motives, causes or reasons are made, while in most of the business ethics and corporate responsibility literature with which I am familiar, there seems to be an uncritical use of a whole host of those related terms. However, I think it would be wise if we leave aside the concepts of goals, intentions, causes and reasons, and narrow our focus on the differences between purposes and motives, because purposes and motives, while they both provide answers to the question “Why?”, function in quite different ways.

There are two different answers to the question “Why”? when addressed to human actions: the justificatory and the explanatory. To cite a purpose for doing something is to attempt
to justify it and give a legitimating reason. To cite a motive for doing something is to give a psychological explanation. Hence, the question, “Why did you give the money to the poor?” can be answered by the justifying purpose, “To alleviate his hunger”, or by the psychological motive explanation, “Because I needed to or wanted to.”

In making our distinction, let's specify a bit more clearly what we mean by a purpose and a motive. Suppose we conceive of the purpose of something as the “what for” of that thing. Such a “what for” is crucial for defining the nature of the thing or activity, because we do not fully understand what some things or activities are unless we understand what they are for. For example, a hollowed out ebony cylinder one inch long and one and a half inches in diameter is indeed a piece of hollowed out wood, but with all that empirical data we don’t understand what it is until we know what it’s for. We understand what it is, what the “nature” of this artifact is when we understand what it’s for, in this case, holding napkins. (To be sure, artifacts are conventions, and hence it may appear a little strange talking of their “natures”, but then corporations and the business system are conventions and we don’t seem to think it strange to talk about the nature of corporations.) At any rate the example shows how the purpose of something is the “what a thing is for,” and how a full understanding of something requires knowing what its purpose is.

Motives, however, are quite different from purposes. Motives are individual psychological forces which “move” (hence, “emotive”) individuals to behave in certain ways. Even though both a purpose (the what for) and a motive can be given as an answer to the question “Why?” with respect to an action being done, the purposes for acting are not the same as the motives for acting. To confuse the purpose with the motive would be like confusing the purpose of a train, to get people from place to place, with what drives the train, the engine. The engine is analogous to the motive, since it moves the train.

There are other examples that can be given of the difference. The purpose of the practice of almsgiving is to aid the poor. Yet Kant among others has shown that there can be any number of motives for helping the poor, such as getting public acclaim or getting a tax write off.

Scholastic philosophers employed the difference between purpose and motive with respect to the institution of marriage. The primary purpose of marriage as an institution according to the scholastics was held to be the procreation and education of children. When the purpose of procreation got tied to a prohibition of premarital sex, it led many to believe that the purpose of marriage was to legitimate sexual activity. But one does not need to get married to have sex, only, on some accounts, to make it morally permissible. So the desire for sexual fulfillment cannot be the primary purpose of marriage. But if one thought that sex outside of marriage was sinful and could lead to eternal damnation, the desire for legitimate sex became a powerful motive to get married, but nonetheless not the reason for getting married.

A final example is education. The purpose of education would seem to be the development of the person’s mind or some such. All too often today though we turn the purpose of education into something like getting a job. But that is not the purpose of education, rather it is a desirable side effect. Education like anything else can have multiple effects. But the effects don’t determine the purpose. Primarily education is for human fulfillment and secondarily it may help one make a living. (Plato, by the way, in dividing goods into three kinds - those good as means only, those good in themselves, and those good in themselves and as means - maintains that the last kind, those good as both means and ends, are the best.) The fact that any number of students have turned their education into a means of getting a job shows what happens when we neglect to make the distinction between purposes and motives.

A typical conversation with business students might go like this. “Why are you studying accounting?”

“So I can get a good job.”

“But why accounting?”

“It pays well.”

“But other fields pay well.”

There are all sorts of ways to make money, and wanting to make money is certainly acceptable as a motive, but the purpose of the practice of
accounting is not to make money, any more than the purpose of the practice of medicine is to make money. Medicine's purpose is to minister to the sick. These examples should help to make it clear that our motives for doing something may or may not accord with the purpose of the activity. Further, we should see that by turning motives into purposes we get involved in turning means into ends, the converse of using the end to justify the means. In that way the production of goods and services are the means used for the sake of making money. But even if that is so, and it is unacceptable, how does that show that the “what for” of business is the production of goods and services. For that we need a separate argument.

To begin that argument we need to note that social practices have their own purposes independent of the motives of the persons engaged in the practices. Turning to business as a practice, we see that it is a conventional practice, i.e. one designed by human beings not something natural. As a practice it is a “form of life”, to use Wittgenstein’s phrase, and has a set of rules and expected ways of behaving which have developed with some end or purpose in mind. (Whose mind is a problem for a different paper.) But is that purpose the making of a profit or the providing of goods and services?

If a purpose is a what for, the what for must be the what for of some conscious being or beings. Business is a societal practice, a developed conventional form of life. To begin, no society or group would create a social institution unless that institution was seen as promoting some good for the society or group. For example, our society does not sanction the creation of groups to manufacture and distribute heroin, or create pornographic films which exploit children, because they do not see these activities as having any redeeming social value. Hence, it stands to reason that the purpose of any societally constructed system or institution has to do with an end that is compatible with some social good, (good of the whole through its parts) which may or may not be compatible with any specific individual’s interest. If this is so, society instituted business and its practices and rules, by which we mean the competitive profit-motivated free-enterprise system, to help itself (society) develop and survive. Hence business is instituted to be beneficial to society. The claim is made, from Adam Smith on down that a competitive profit-motivated free-enterprise system is a very efficient means of bringing about a laudable goal – benefit to society. If business were seen as harmful, society would close it down.

While our system of business as it has developed is not the only way to produce goods and services, it is argued that it is the most efficient. The somewhat regulated capitalist economic system which our society permits, is permitted because it is seen as a very productive if not the most productive economic system. However, this capitalist system ingeniously centers around rules governing the distribution of profits. Profits are distributed in such a way as to incentivize or motivate the entrepreneur. But profits are merely the means for achieving the purpose of business, and as the means should not usurp the ultimate goal of business any more than sexual fulfillment should override the procreation of children as the goal of marriage. Thus, if we keep our distinction in mind, it is clear that profit is not the purpose of business, but is only the motive for doing business.

But how did such an obvious fact get forgotten? A full answer to such a question is beyond the scope of this paper. Still one can speculate that whatever caused the rise of the theory, it was aided by the ambiguous use of the word “intention” in Adam Smith’s famous passage about the invisible hand. Let’s examine the passage.

As every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value, every individual necessarily labors to render the annual revenue of the society as great as he can. He generally indeed, neither intends to promote the public interest, nor knows how much he is promoting it... and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. (Italics Mine)) Nor is it always the worse
for society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it.13

This passage of Smith contains two elements. First it gives a psychological account of why an individual would be motivated to work. Second, he justifies such motivation by predicting that it will lead to “an end (read “purpose”) that is no part of his intention (read “motive”).” “He generally indeed, neither intends to promote the public interest, nor knows how much he is promoting it . . . he intends only his own gain, and he is in this lead by an invisible hand to promote an end which was no part of his intention.” If for “intention” we read “motivated by”, then what Smith says is that even though the business person is not motivated to promote the public interest, in being motivated by his own interest he succeeds in bringing it about anyway. But the purpose of all this is clearly to advantage the public interest, and as Smith says consumer oriented and limited by justice.14 The fact that the public interest is served by self-interested motivation is serendipitous, a boon such as Plato thought was the best good, a means that is also good in itself, self-satisfaction bringing about a good end, the public good.

But the word “intention” as Smith uses it has a subjective sense, which can also refer to a “what-for” as in what is your intention or reason for doing this? Hence while Smith uses “intention” in a subjective sense and as a motive, later readings of “intention” turn it into an objective societal purpose.15 It is not Smith so much as his economic followers such as Friedman who deny that the purpose of the baker is to bake bread, insisting that the what for of his action is his own interest. But if we keep in mind our earlier distinction between subjective and objective the baker’s action has an objective intention, to produce bread (the purpose), and a subjective intention to make money spurred by the desire for money (the motivation).16

The problem of course is that turning the means, self-interested motivation, into a purpose, opens a pandoras box. Legitimizing such a means unleashes what the theologians call “greed”. The “rational maximizer” can become the greedy, grasping, acquisitive, profit motivated, bottom line oriented entrepreneur, who feels no responsibility to the public welfare, because whatever he does leads to the public welfare. The benefits of utilizing the profit motive are obvious, but so are the undesirable externalities.

Contemporary defenders of the classical theory of corporate social responsibility such as Milton Friedman and other current defenders of the “invisible hand” utilize the conflation to make their point that the primary responsibility or function of business is to make a profit. But to make the theory tenable, we depend on an individualistic, reductivist view of human nature and purposes and a naive belief in the “invisible hand”.

The rest of the story is fairly obvious. Aside from appeals to liberty and autonomy, this type of appeal to an “invisible hand” is the most popular defense of the institution of business as we know it. It provides a formula which in essence states that the business person should keep in mind as a goal, the single minded, self-interested pursuit of profit. From that formula, theoreticians such as Milton Friedman, argue functionally that since business is a system set up to make a profit, a good business person will be one who performs the profit making function well. Further, according to the principle of the division of labor, since business has as its function to perform in society as a whole, and government and labor have their different functions, if each part fulfills its respective functions, society as a whole will be better off. Hence, as Smith and his supporters like Friedman maintain the “end” of “public interest” need not be a part of the business person’ intention.

But even here, the ambiguity should be unpacked, for, as is well known, Smith and Friedman legitimate the self-interested motives by a consequentialist justification.17 Smith’s contention provides Friedman and others with a reason to say that the “primary and only responsibility of business is to use its resources and engage in activities designed to increase its profits
so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud."  

The Utilitarian structure of the argument is simple enough to see. The activity or practice of self-interested pursuits is justified because of the good that will accrue to society if such a profit-oriented system is adopted. In short, the greatest good for the greatest number will be served if the market, driven by self-interest, is allowed to operate. Hence, we get a utilitarian justification of an egoistic stance. Look out for your own concerns and society as a whole will be better off. 

That may be true, most of the time. In fact that seems to be what such thinkers such as Gauthier are trying to show. But the sticking point is those times when the pursuit of self-interest does not lead to the good of the whole, but is at the expense of others. At that time what is the proper thing to do? Pursue profits or concern oneself with lessening the cost to others? If one would argue that because societal benefit is the purpose of business, one is obliged to concern oneself with others, how would one motivate such behavior? After all looking out for others is hard to do. Why, in the sense of what motivation exists to look out for others? But that is the same as the problem of “What self-interested motives are there for being moral?” Depending on the definitions of moral and self-interested here, the answer may be “no motives”. But that, too, is the topic of another paper which would address the difficulties of psychological and ethical egoism.  

Counter to those who adopt a Friedmanian stance, if we say that the purpose of business is to provide goods and services, while the motive is making a profit, then the responsibility of the manager or agent of the business is not simply to pursue profits, but to pursue them regulated by the demands of the public interest. Of course to determine what those demands are is another area beyond the scope of this paper. 

We have tried to indicate that if we confuse purpose with motives for doing, and reduce the former to the latter, we make it impossible to give a theoretical ground for legitimate restraints on business, other than those required by a Kantian formalism. However, business, construed as an artifact created for the sake of society, specifically for the production of goods and services, is construed in such a way that the values are implied. A good business will be one which fulfills its purposes, which aim at the betterment of society, in this case through production of goods and services. 

There is of course, an obvious objection to all of this. What if the “good” or “service” a business produces is not so good. Here I think we have some difficult issues, but also some solvable ones. Why do we prohibit in the United States the manufacture and distribution of cocaine? There is certainly a market for it and the producers make a good profit. In one sense, if the only constraint on business were profit maximization, and if business were to be judged on the basis of its efficiency, what better case study of an efficient operation than cocaine production and distribution could be found, since it continues to be profitable in spite of the fact that entire governments attempt to impede its production and distribution. U.S. society has determined that though cocaine appears as a good to some, a subjective good, it is not good for society and has banned its production. Defenders of the maximization view have a hard time dealing with those interferences, which may be why Friedman is a proponent, at least of legalizing marijuana. Still the question who's to say what is a good or not will be raised. But that is another issue. Suffice it to say, the direction one must go in addressing it is the direction a number of people concerned with the social responsibility of business go, and that is to evaluate businesses not simply on their efficiency and market value, but on how well they fulfill their purpose, i.e. provide good goods and services. 

In conclusion, to the extent that “maximizing profits” becomes a legitimation of greedy practices we have an erosion of the ethical climate of the business environment. To the extent that we allow phrases such as “that's business” to legitimate cut-throat competition we have an unethical climate. One of the most insidious mistakes made in discussing business ethics is that made in viewing the only responsibility of business to be maximizing profits.
That is a mistake, because business is a social institution, i.e. an invention of society. The first humans did not have an institution called business. In order for such an institution to come into existence, human beings had to invent a whole set of categories for identifying the goods and burdens of the world such as property, cost, profits etc., as well as an entire set of rules governing the “fair” distribution of them. But the only way society would legitimate those business operations would be if those operations were seen as benefiting society by providing goods and services. A society which put up with practices that did not help but harmed it would be irrational. No sane society would permit a system that did more harm than good. The appeal to profit was a means to motivate more production, but it was not the purpose of the production. As we said, to confuse the motive, literally the moving force, with the purpose of something is like confusing the engine of a train with the purpose of a train. The purpose of business is to provide goods and services, the motivating force is the reward of profit for individuals. But the means of motivation in some way became confused with the purpose of business. But to make maximizing profits of paramount concern rather than putting the horse before the cart, turns the horse into the cart.

Notes

1 I need to thank Norman Bowie and Nicholas Rongione, who read various versions of this paper for their helpful comments.
4 Aristotle says “Every art or inquiry aims at some good”. Nichomachean Ethics. Whether a business is good then, is determined by what good business activity aims at. If what business aims at is increasing profit, then the good business will be the one which increases profit. But Aristotle distinguishes between what has the aspect of good, or appears good (profit certainly can be viewed as a good or having good aspects) and what true good is, that which brings real happiness. This is the good we should aim at. The trick is to use our practical reason to sort out which apparent goods are really good.
6 Tom Donaldson, “Transcript of a Discussion by the Panel of Judges, American Business Ethics Awards”, November 16, 1993. Published in Chapter Handbook for Ethical Guidance & Professional Standards Committee. American Society of CLU and ChFC, 1996. One might object that we should not be held as strictly accountable for what we say in the context of a discussion as for what we put in print. To begin, I am not holding either Nash or Donaldson accountable. I think however, that what we say in informal settings indicates our general unreflective viewpoint, and that is precisely the point I am trying to make. This way of thinking is part of our culture and language. It is the way we talk, and hence it reflects our underlying outlooks.
9 Those familiar with Aristotle of course will see this as an account of the four causes: the material, formal, efficient and final. For Aristotle, the final cause was the purpose, or the “what for”, and one’s knowledge of anything was incomplete unless it was knowledge of all of the causes. Hence the question “What is business?” from Aristotle’s point of view cannot be answered without an account of its purpose, and a correct account cannot be given if we have the purpose wrong. Note also that this introduction of purposes or teleology, makes knowledge of things more than a purely empirical enterprise, and necessarily an enterprise with a value dimension.
10 Note that when we start investigating individual motives and confuse them with the purposes, we almost always end up with some sort of egoistic self-interested account of the purpose. That may be because we keep looking for a psychological answer to the question “Why be moral?” when there is no answer.
11 One should note here, that the scholastics ingeniously, for their purposes, turned motives into secondary purposes. There would be no procreation without desire. But the child needs protection. Hence the purpose of the drive was a species purpose. A
secondary purpose of marriage then was to give an outlet for sexual desire.

12 I would venture, if pressed, to explain it by two factors: 1) an attempt to rationalize the acceptability of aquisitiveness; and 2) an attempt to make being virtuous less difficult. C.P. the contemporary counterpart, Gauthier’s Morals By Agreement.


15 Intentions are often associated with subjective purposes, as in: “my intention (or purpose) in doing that”; “my reason for doing that”; “my motive for doing that”. But subjective intentions are closer to what I have called motives than objective intentions of acts. It is not only possible but necessary to distinguish between the objective intention of an act and the subjective intention. Similarly we could talk about a subjective purpose and an objective purpose. But we don’t seem to. We talk of whys: The subjective why, which is a motive and the objective why which is a purpose. If we simply think of a subjective intention as the individual’s subjective motive for doing something, the personal psychological cause, then we can distinguish it from a possible objective intention, an intention which looks very much like what we will call a purpose, a non-subjective reason for doing something. At any rate, individualism and subjectivism, to an extent, cause us to conflate motives and purposes. So an individual can talk of “my purpose in doing this”, or “my intention in doing this” or “what motivated me to do this”. But this conflation is a mistake which leads to all sorts of intellectual and ethical mischief.

16 The conflation of these two meanings of intention, coupled with the rise of individualism, a social contract view of society, and an egoistic reductivism, i.e. a social science requirement to explain all human actions in terms of measurable individual units of self-interest, allowed the ambiguity not only to remain undetected but to seemingly disappear. The confusion is rampant, and my hunch is that this conflation of purposes and motives is the result of an egoistic reductivist tendency found especially in the literature of economics and in the concept of the rational self-interested maximizer. After all, the reductivist society cannot be anything other than a collection of individuals with their own individual intentions or motives, and what are individual intentions and motives except self-interested concerns? But that is a topic for another paper. Whatever the cause of the confusion, that there is confusion seems obvious enough.

17 While the Smith quote contains the core of a consequentialist defense of the self-interested pursuit of profit found in the competitive free market, it would probably be anachronistic to refer to it as a “Utilitarian” defense of capitalism.


20 For the time being James Rachels’s marvelous essay on egoism will have to suffice. Cf. James Rachels’s “Egoism and Moral Skepticism” from *A New Introduction to Philosophy*, edited by Steven M. Cahn. Harper & Row, 1971.