whether the actual injuries sustained by the persons whose rights are violated (or to whom an injustice is done) will be minor. For example, suppose that I can ensure that my employees suffer no shame, blackmail, or restriction on their freedom as a result of my uncovering information about their private lives (I intend to destroy all such information). Fourth, I can ask whether the potential breakdown in trusting relationships that surveillance risks is more or less important than the theft of life-saving resources. Let us suppose, for example, that the potential harm that surveillance will inflict on employee relationships of trust is not large. Then it would appear that my invasion of the privacy of employees is justified.

Hence, there are rough criteria that can guide our thinking when it appears that, in a certain situation, utilitarian considerations might be sufficiently important to override conflicting rights, standards of justice, or the demands of caring. Similar criteria can be used to determine whether, in a certain situation, considerations of justice should override an individual's rights, or when the demands of caring are more or less significant than the requirements of justice. But these criteria remain rough and intuitive. They lie at the edges of the light that ethics can shed on moral reasoning.

2.6 An Alternative to Moral Principles: Virtue Ethics

Ivan F. Boesky, born into a family of modest means, moved to New York City when, as a young lawyer, he was turned down for jobs by Detroit's top law firms. By the mid-1980s, the hard-working Boesky had accumulated a personal fortune estimated at over $400 million and was CEO of a large financial services company. He was famous in financial circles for his extraordinary skills in arbitrage, the art of spotting differences in the prices at which financial securities are selling on different world markets and profiting by buying the securities where they are priced low and selling them where they are priced high. As a prominent member of New York society, Boesky enjoyed a reputation as a generous philanthropist. However, on December 18, 1987, Boesky was sentenced to 3 years in prison and paid a penalty of $100 million for illegally profiting from insider information. According to court records, Boesky paid David Levine, a friend who worked inside a firm that arranged mergers and acquisitions, to provide him with information about companies that were about to be purchased by another party (usually a corporation) for much more than the current price of their stock on the stock market. Relying on this insider's information and before it became public, Boesky would buy up the stock of the companies on the stock market—in effect buying the stock from stockholders who did not realize that their companies were about to be purchased for much more than the current stock market price. When the purchase of the company was announced, the stock price rose and Boesky would sell his stock at a handsome profit. Although buying and selling stock on the basis of insider information is legal in many countries (e.g., Italy, Switzerland, Hong Kong) and many economists argue that the economic benefits of the practice (it tends to make the price of a company's stock reflect the true value of the company) outweigh its harms (it tends to discourage noninsiders from participating in the stock market), nevertheless, the practice is illegal in the United States.

What drove a man who already had hundreds of millions of dollars and everything else most people could ever want or need, to become so obsessed with making money that he deliberately broke the law? Much of the answer, it has been claimed, lay in his character. A former friend is quoted as saying, "Maybe he's greedy beyond the wildest imaginings of mere mortals like you and me." Boesky once described his
obsession to accumulate ever more money as “a sickness I have in the face of which I am helpless.” Others said of him that:

He was driven by work, overzealous, and subject to severe mood swings. Intimates of Mr. Boesky say he vacillated between “being loud, and harsh and aggressive, to melliflously soft-spoken, charming and courtly.” He was also fiendish about his pursuit of information. “When somebody got an edge on something, he would go bananas.” When it came to money and business dealings, he was quite ruthless and pursued his goal with a single-minded purpose. . . . Although his first love was money, he hankered for the genteel respectability and status that are generally denied the nouveau riche.

The story of the fall of Ivan Boesky is the story of a man brought down by greed. What stands out in this story are the descriptions of his moral character—the character of a man driven by an obsessive “love” of money. Boesky is described as being “greedy,” “sick,” “aggressive,” “fiendish,” and “ruthless.” Because what he said of himself did not match his secret dealings, some said he “lacked integrity” and others that he was “hypocritical” and “dishonest.” All of these descriptions are judgments about the moral character of the man, not judgments about the morality of his actions. In fact, although it is clear that trading on insider information is illegal, the fact that the practice is legal in many countries and that many economists support it suggests that the practice is not inherently immoral.

As the story of Boesky makes clear, we evaluate the morality of people’s character as well as their actions. The approaches to ethics that we have examined so far all focus on action as the key subject matter of ethics and ignore the character of the agent who carries out the action. Utilitarianism, for example, tells us that “actions are right in proportion as they tend to promote happiness,” and Kantian ethics tells us that “I ought never to act except in such a way that I can also will that my maxim should become a universal law.” However, the central issue that emerges in the case of Boesky, and in many similar stories of men and women in business, is not the wrongness of their actions, but the flawed nature of their character.

Many ethicists have criticized the assumption that actions are the fundamental subject matter of ethics. Ethics, they have argued, should look not only at the kinds of actions an agent ought to perform but should pay attention to the kind of person an agent ought to be. An “agent-based” focus on what one ought to be, in contrast to an “action-based” focus on how one ought to act, would look carefully at a person’s moral character, including, in particular, whether a person’s moral character exhibits virtue or vice. A more adequate approach to ethics, according to these ethicists, would take the virtues (such as honesty, courage, temperance, integrity, compassion, self-control) and the vices (such as dishonesty, ruthlessness, greed, lack of integrity, cowardliness) as the basic starting point for ethical reasoning.

Although virtue ethics looks at moral issues from a very different perspective than action-based ethics, it does not follow that the conclusions of virtue ethics will differ radically from the conclusions of an action-based ethic. As we see, there are virtues that are correlated with utilitarianism (e.g., the virtue of benevolence), virtues that are correlated with rights (e.g., the virtue of respect), and virtues that are correlated with justice and caring. The virtues, then, should not be seen as providing a fifth alternative to utility, rights, justice, and caring. Instead, the virtues can be seen as providing a perspective that surveys the same ground as the four approaches but from an entirely different perspective. What the principles of utility, rights, justice, and caring do from the perspective of action evaluations, an ethic of virtue does from the perspective of character evaluations.
moral virtue An acquired disposition that is valued as part of the character of a morally good human being and that is exhibited in the person's habitual behavior.

The Nature of Virtue

What exactly is a moral virtue? A moral virtue is an acquired disposition that is valued as part of the character of a morally good human being and that is exhibited in the person's habitual behavior. A person has a moral virtue when the person is disposed to behave habitually in the way and with the reasons, feelings, and desires that are characteristic of a morally good person. Honesty, for example, is valued as a character trait of morally good people. A person possesses the virtue of honesty when the person is disposed to habitually tell the truth and does so because he believes telling the truth is right, feels good when he tells the truth and uncomfortable when he lies, and always wants to tell the truth out of respect for the truth and its importance in human communication. If a person told the truth on occasion, or did so for the wrong reasons or with the wrong desires, we would not say that the person is honest. We would not say a person is honest, for example, if the person frequently lies, if the person tells the truth only because he or she thought it was the way to get people's liking, or if the person told the truth out of fear and reluctantly. Moreover, a moral virtue must be acquired, and not merely a natural characteristic such as intelligence, or beauty, or natural strength. A moral virtue is praiseworthy in part because it is an achievement—its development requires effort.

The Moral Virtues

The most basic issue, from the perspective of virtue ethics, is the question: What are the traits of character that make a person a morally good human being? Which traits of character are moral virtues? On this issue, there have been numerous views. The most influential theory of virtue was proposed by the Greek philosopher Aristotle, who argued that a moral virtue is a habit that enables a human being to live according to reason. A person lives according to reason, Aristotle argued, when the person knows and chooses the reasonable middle ground between going too far and not going far enough in his actions, emotions, and desires: "Moral virtue is...a mean between two vices, one of excess and the other of deficiency, and...it aims at hitting the mean in feelings, [desires,] and actions." With respect to the emotion of fear, for example, courage is the virtue of responding to fear with a reasonable amount of daring, whereas cowardliness is the vice of not being daring enough in response to fear, and recklessness is the vice of being too daring in response to fear. With respect to the desire for food, temperance is the virtue of being reasonable by indulging the desire neither too much nor too little, whereas gluttony is the vice of indulging to unreasonable excess, and austerity is the vice of unreasonably indulging too little. With respect to the action of giving people the external goods they deserve, justice is the virtue of giving people exactly what they deserve, whereas injustice is the vice of either giving them more or less than they deserve. Virtues, then, are habits of dealing with one's emotions, desires, and actions in a manner that seeks the reasonable middle ground and avoids unreasonable extremes, whereas vices are habits of going to the extreme of either excess or deficiency. How does one determine what is reasonable? Prudence, Aristotle held, is the virtue that enables one to know what is reasonable in a given situation.

St. Thomas Aquinas, a Christian philosopher of the Middle Ages, followed Aristotle in holding that the moral virtues enable people to follow reason in dealing with their desires, emotions, and actions and in accepting that the four pivotal or cardinal moral virtues are courage, temperance, justice, and prudence. But as a Christian, and so unlike Aristotle, Aquinas held that the purpose of a person is not merely the exercise of reason in this world, but union with God in the next. Therefore, to Aristotle's list of the moral virtues, Aquinas added the "theological" or Christian virtues of faith, hope, and
charity—the virtues that enable a person to achieve union with God. Moreover, Aquinas expanded Aristotle's list of the moral virtues to include others that make sense within the life of a Christian but would have been foreign to the life of the Greek aristocratic citizen on whom Aristotle had focused. For example, Aquinas held that humility is a Christian virtue and that pride is a vice for the Christian, whereas Aristotle had argued that for the Greek aristocrat pride is a virtue and humility is a vice.

More recently, the American philosopher Alasdair MacIntyre has claimed that a virtue is any human disposition that is praised because it enables a person to achieve the good at which human “practices” aim:

The virtues ... are to be understood as those dispositions which will not only sustain practices and enable us to achieve the goods internal to practices, but which will also sustain us in the relevant kind of quest for the good, by enabling us to overcome the harms, dangers, temptations and situations which we encounter, and which will furnish us with increasing self-knowledge and increasing knowledge of the good.

Critics have argued, however, that MacIntyre's approach does not seem to get things quite right. When Ivan Boesky, for example, was criticized as “greedy,” “dishonest,” “ruthless,” and so on, people were not faulting him for failing to have the virtues proper to the practices within which he was pursuing his vision of the good. The moral defects for which Boesky was criticized were his alleged failings as a human being, regardless of how well or poorly he did in the various human practices in which he was engaged. The moral virtues seem to be those dispositions that enable one to live a morally good human life in general and not merely those that enable one to engage successfully in some set of human practices.

Edmund L. Pincoffs, in particular, criticizes MacIntyre for claiming that virtues include only those traits required by some set of social practices. Instead, Pincoffs suggests that virtues include all those dispositions to act, feel, and think in certain ways that we use as the basis for choosing between persons or between potential future selves. When deciding, for example, whom to choose as a friend, spouse, employee, or manager, we look to people's dispositions: Are they honest or dishonest, sincere or insincere, greedy or selfish, reliable or unreliable, trustworthy or untrustworthy, dependable or dependable? Similarly, when thinking about a moral decision, we often think not so much of what we are obligated to do, but instead of the kind of person we would be by doing it: In carrying out the action, would I be honest or dishonest, sincere or insincere, selfish or unselfish?

However, what makes one disposition a moral virtue and another a moral vice? There is no simple answer to this question. Pincoffs claims. Some dispositions, he points out, provide specific grounds for preferring a person because they make a person good or bad at specific tasks such as painting houses. Such specific dispositions are not virtues. But other dispositions are generally desirable because they make a person good at dealing with the kinds of situations that frequently and typically arise in human life. The virtues consist of such “generally desirable dispositions” that it is desirable for people to have in view of the “human situation, of conditions, that is, under which human beings must (given the nature of the physical world and of human nature and human association) live.” Because the human situation often requires concerted effort, for example, it is desirable that we have persistence and courage. Because tempers often flare, we need tolerance and tact. Because goods must often be distributed by consistent criteria, we need fairness and nondiscrimination. However, selfishness, deceptiveness, cruelty, and unfairness are vices: They are generally undesirable because they are destructive to human relationships. The moral virtues, then, are...
Quick Review 2.13
Theories of Moral Virtue
- Aristotle: habits that enable a person to live according to reason
- Aquinas: habits that enable a person to live reasonably in this world and be united with God in the next
- MacIntyre: disposition that enables a person to achieve the good at which human "practices" aim
- Pincoff: dispositions we use when choosing between persons or potential future selves

Virtues, Actions, and Institutions
So far we have ignored a key aspect of virtue theory: How does it help us decide what we are to do? Can an ethic of virtue do more than tell us the kind of people we should be? Is an ethic of virtue able to provide us with little guidance about how we should live our lives, how we should behave? One of the major criticisms made against virtue theory, in fact, is that it fails to provide us with guidance on how we are to act. When a woman is trying to decide whether to have an abortion, for example, she may ask a friend, "What should I do?" In such situations, it does not help to be told what kind of character one should have. In such situations, one needs advice about what kinds of actions are appropriate in one's situation, and virtue theory seems incapable of providing such advice. This criticism—that virtue theory provides no guidance for action—is natural because virtue theory deliberately turns away from action and focuses on moral character as the fundamental moral category. Nevertheless, although virtue is the foundation of virtue theory, this does not mean that virtue theory can provide no guidance for action.

Virtue theory argues that the aim of the moral life is to develop those general dispositions we call the moral virtues, and to exercise and exhibit them in the many situations that human life sets before us.
morally wrong. The key action-guiding implication of virtue theory, then, can be summed up in the claim that

An action is morally right if in carrying out the action the agent exercises, exhibits, or develops a morally virtuous character, and it is morally wrong to the extent that by carrying out the action the agent exercises, exhibits, or develops a morally vicious character.

From this perspective, then, the wrongfulness of an action can be determined by examining the kind of character the action tends to produce or the kind of character that tends to produce the action. In either case, the ethics of the action depends on its relationship to the character of the agent. For example, it has been argued that the morality of abortion, adultery, or any other action should be evaluated by attending to the kind of character evidenced by people who engage in such actions. If the decision to engage in such actions tends to develop a person’s character by making them more responsible, caring, principled, honest, open, and self-sacrificing, then such actions are morally right. However, if the decision to engage in such actions tends to make people more self-centered, irresponsible, dishonest, careless, and selfish, then such actions are morally wrong. Actions are not only evaluated by the kind of character they develop; we also condemn certain actions precisely because they are the outcome of a morally vicious character. For example, we condemn cruel actions because they exhibit a vicious character, and we condemn lies because they are products of a dishonest character.

Virtue theory not only provides a criterion for evaluating actions, it also provides a useful criterion for evaluating our social institutions and practices. For example, it has been argued that some economic institutions make people greedy, large bureaucratic organizations make people less responsible, and the practice of providing government “handouts” to people makes them lazy and dependent. All such arguments, at bottom, evaluate institutions and practices on the basis of a theory of virtue. Although such arguments may be false, they all appeal to the idea that institutions are morally defective when they tend to form morally defective characters.

Perhaps there is no simple way to classify all the virtues. We have suggested that moral virtues are dispositions that are generally desirable because they are required by the human situation with which all people everywhere must cope. Some dispositions are moral virtues, for example, because people everywhere are tempted by their emotions and desires to not do what they know they should do. Courage, temperance, and, in general, the virtues of self-control are of this sort. Some virtues are dispositions to willingly engage in specific kinds of moral action that are valued in all societies, such as honesty. Pincoffs suggests that some dispositions can be classified as “instrumental virtues” because they enable people everywhere to pursue their goals effectively as individuals (persistence, carefulness, determination) or as part of a group (cooperativeness), whereas some are “noninstrumental virtues” because they are desirable everywhere for their own sake (serenity, nobility, Wittiness, gracefulness, tolerance, reasonableness, gentleness, warmth, modesty, civility). Some virtues are cognitive and consist of understanding the requirements of morality toward ourselves and others, such as wisdom and prudence. Other virtues are dispositions that incline one to act according to general moral principles. The virtue of benevolence, for example, inclines one to maximize people’s happiness, the virtue of respect for others inclines one to exercise consideration for the rights of individuals, the virtue of fairness inclines one to behave according to the principles of justice, and the virtue of caring inclines one to live up to the tenets of care.
**Virtues and Principles**

What is the relationship between a theory of virtue and the theories of ethics that we have considered (utilitarian theories, rights theories, justice theories, and care theories)? As a glance at the many kinds of dispositions that count as virtues suggests, there is no single, simple relationship between the virtues and a morality based on principles. Some virtues enable people to do what moral principles require. Courage, for example, enables us to stick to our moral principles even when fear of the consequences tempts us to do otherwise. Some virtues consist of a readiness to act on moral principles. Justice, for example, is the virtue of being disposed to follow principles of justice. Some virtues are dispositions that our moral principles require us to develop. Utilitarianism, for example, requires us to develop dispositions such as kindness and generosity that will lead us to enhance the happiness of people.

Hence, there is no conflict between theories of ethics that are based on principles and theories of ethics based on virtues. However, a theory of virtue differs from an ethic of principles in the perspective from which it approaches moral evaluations. A theory of virtue judges actions, for example, in terms of the dispositions that are associated with those actions, whereas an ethic of principles judges dispositions in terms of the actions associated with those dispositions. For an ethic of principles actions are primary, whereas for an ethic of virtue dispositions are primary. We may say, then, that both an ethic of principles and an ethic of virtue identify what the moral life is about. However, principles look at the moral life in terms of the actions people are required to perform, whereas the virtues look at the moral life in terms of the kind of person morality obligates us to be. An ethic of virtue, then, covers much of the same ground as an ethic of principles, but from a very different standpoint.

An ethic of virtue, then, is not a fifth kind of moral principle that should take its place alongside the principles of utilitarianism, rights, justice, and caring. Instead, an ethic of virtue fills out and adds to utilitarianism, rights, justice, and caring by looking at the virtues associated with those actions people are required to perform, but at the character they are required to have. An adequate ethics of virtue, then, will look at the virtues that are associated with utilitarianism, the virtues associated with rights, those associated with justice, and those associated with caring. In addition, it will (and in this respect an ethic of virtue goes beyond an ethic of principles) look at the virtues people need to stick to their moral principles when their feelings, desires, and passions tempt them to do otherwise. It will look at the many other virtues that the principles of utilitarianism, rights, justice, and caring require a person to cultivate. An ethic of virtue, then, addresses the same landscape of issues that an ethic of principles does, but in addition it also addresses issues related to motivation and feeling that are largely ignored by an ethic of principles.

**Quick Review 2.14**

**Virtue Theory Claims**
- We should exercise, exhibit, and develop the virtues
- We should avoid exercising, exhibiting, and developing vices
- Institutions should instill virtues not vices

**2.7 Morality in International Contexts**

We noted in Chapter 1 that multinational corporations operate in foreign host countries whose laws or government decrees, common practices, levels of development, and cultural understandings are sometimes much different from those of their home country. These differences, we argued, do not provide adequate justification for the theory of ethical relativism. How should the moral principles of utilitarianism, rights, justice, and caring be applied in foreign countries that differ in so many ways from our own?

For example, the laws and decrees of government that the managers of Dow Chemical Company find prevalent in the company's home country, the United States, are very different from those they confront in Mexico and other host countries. Legal