An irreconcilable crisis? The paradoxes of strategic operational optimisation and the antinomies of counter-crisis ethics

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For good reasons we often think about ethics and strategy as two opposing categories. But as surfaces in which we see social practices reflected, as abstract planes in which social consciousness resides and which subjectivities reinvent, they share some deep and perhaps uncomfortable similarities. In this paper, we question whether they are irreconcilable categories and, through a discussion of the paradoxes of strategy and the antinomies of ethics, we examine their fraught relationship in current economic responses to the crisis. First, we outline the discursive topographies of strategy and ethics in respect to their abstract relations, and examine their integument in business ethics and strategy in context. Then, we show how there cannot be a simple coexistence of these two categories in organisational practice: one must in fact be subordinate to the other, although this subordination can produce the persistence of the other, even in its negation. Finally, we conclude that the asymmetrical nature of ethics and strategy entails that whereas ethics can immanently give rise to strategy, strategic questions on their own can only produce anti-systemic ethical responses.

Introduction

There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain of success, than to take the lead in the introduction of a new order of things. (Nicolo Machiavelli)

It is useful to think of ethics and strategy as two topographical surfaces of the same reality. Other theorists have suggested that they are two different narratives (Starkey & Crane 2003). Although there is substantial disagreement over the form it takes, when the two are considered in their relation to one another, there is a basic assumption that they form some sort of dualism, a separated but connected existence that is ultimately desirable to bridge (Singer 2007).

As ways of seeing reality, ethics and strategy are the outer limit of the interiority that the other expresses. It is for good reasons that we often think about ethics and strategy as two opposing categories. However, as surfaces in which we see social practices reflected, as abstract planes in which social consciousness resides and which subjectivities reinvent, they share some deep and perhaps uncomfortable similarities. In fact, because they share the character of being orders of thinking that readily extrapolate from any given social reality, although...
the necessity for each as a mode of reflection is always given by a particular concrete situation, the relations between them can be illustrated diagrammatically. It is important to perform this task before we concern ourselves with how businesses and organisations respond to pressures on them to integrate ethics with strategy (Gilbert 1992, Gupta 2006, Singer 2007, Galbreath 2009) as it has come to the fore in times of crisis.

This is an important task because, although there is no hierarchy between the abstract diagrammatic topographies, it has emerged through our research that whereas an ethical perspective can give rise to a strategic question, the opposite cannot be the case. Ethical responses cannot emerge out of strategic questions.

Ethics and strategy may be bipolar but they share the same nature as frameworks, methods, principles, and ways of thinking about action for goal attainment, and thus, as well as being ways of examining the nature of goals, they point to a philosophy of praxis that is intimately formed by them (Gramsci 1998: 419).

**The discursive topographies of strategy and ethics**

There are different abstract expressions of the relations or non-relations between strategy and ethics. They can be seen as (1) identical, (2) non-identical (as having nothing to do with one another, i.e. belonging to their own totality), (3) as negation of the other, or (4) as the other’s respective limit. These abstract diagrams are never present in such an isolated form in the real moral and strategic social world we inhabit; in fact, these relations are always embedded or ‘overdetermined’, to use the structuralist term for a ‘ruptural unity’ that is composed of manifold contradictions (Althusser 1969). Although it is possible to separate the two as distinct spheres of social action, any given social reality is necessarily a mixture of both entities and thus necessarily one in which they confront one another. For this reason, it is tempting to think that the relationships between them at any point in time are politically determined, but we must exercise caution, and begin to think this embeddedness in respect to the antimonies and paradoxical expressions that each point to as principled philosophies of praxis.

**Identity between strategy and ethics**

Only in formal terms is it really possible to think of strategy and ethics as identical (Figure 1). Here, both modes of thinking are actively reduced, through the logic of political expediency, to the same thing as in, for instance, a just war (where force is in the interests of a greater good measured in respect to proportionality and comparability) (Walzer 1978). Yet there are enduring examples in humanist ethics, social contract theory, standpoint theory, and political ideologies (notably Stalinism), where the actions of states and political movements – seen as the direct, uncomplicated, unmediated, and legitimate expression of a general will – embody, through struggle, this identity. We would add to this list any approach to business ethics that sees no major or insuperably philosophical or structural inhibition to the merging of both standpoints or narratives in a single corporate outlook. This philosophy hereafter we term the integrative approach.

**Non-identity between strategy and ethics**

Non-identity, as a ‘real opposition’, says that strategy and ethics are neither the same thing, nor directly negate one another (Figure 2). They are real, positive opposites; the existence of one does not negate the existence of the other. They are A and B. One is in no way necessary to the other and as such they are not necessarily contradictory; their opposition is not a negation, and their integration is not a subsumption.

Examples of this non-contradictory non-identity abound in business and organisation practice (Singer...
2007). Corporate social responsibility (CSR) and strategy as perspective coexist; for example, committing to a political manifesto and then deciding in changing circumstances to renege on it are pragmatic questions of expediency that allow either strategy or ethics to come to the fore as the relevant paradigm that provides an appropriate philosophy of praxis (Colletti 1975). They can also come to the fore simultaneously in the same expression.

One clear expression of this paradigm can be found in an example given in Greis et al. (1998). They write, ‘If air transportation to deliver time-sensitive products to customers is the norm in an industry, it is likely that any individual firm serving that market must use air transportation to remain competitive’ (Greis et al. 1998: 39). Here the existence of an industry norm replaces the need for strategy or limits it to a logistical consideration. If we changed the example in this statement to a more carbon-neutral example such as child labour (i.e. there is a norm to use child labour to deliver price-sensitive products), we can see how the lack of an inner relation between strategy and ethics in this substitutive formulation might never permit ethical imperatives to come to a point of meaningful articulation within a strategic paradigm.

Contradictory non-identity in the opposition between strategy and ethics

This expresses a formal, logical, dialectical relationship between opposing categories that are the negation of each other within a simple totality of non-identity. Here our two philosophies of praxis are seen either as irreconcilable orders, an equilibrium of forces, or as both engendering the crisis of the other to force a higher form of conciliation between them that might involve the suspension, sublation or sheer annihilation of the other. In the simple identity of ethics and strategy (Figure 1), both appeared to concern self-realisation. However, in their A/not A form (Figure 3), they are contradictory philosophies of action. It is easy to show this dialectical contradiction historically; the points of opposition have been historically expressed in a number of ways: in class struggle, the relation between capital and labour; in imperialism and anti-imperialism; in colonisation and decolonisation; in the war of races and the clash of civilisations. In all of these cases, one can see a reversal of subject and organisational positions which, through historical change, comes to occupy the site and praxis of the opposing party. It is not as easy to formulate in philosophical concepts how ethics and strategy are the logical opposite of one another. However, we may say the following: a moral stance can be occupied in opposition to a strategic one; further, a strategic stance implies a moral detachment – but how are they interdependent? Only insofar as they are a negation of the other, and their own self-expression, while giving rise to it, is incompatible with the expression of the other. As such, the articulation of one only arises where the other advances without regard to it, when it, the opposite, is posited by its very absence.

This paradigm of philosophical reason has been represented in Asian philosophy by a design that expresses the equilibrium as much as the potential tension with this form of dialectical opposition: the yin and yang (Figure 4).

Strategy and ethics as the respective limit of the other's self expression, in non-dialectical, structuralist philosophy

Structuralism partly emerges out of the failure to derive progressive models of social complexity out of
this simple play of identity and non-identity between opposites (Empson 2005). Under this guise, strategy and ethics are in an antagonistic relation and are formed as modes of practice to contain or restrain the fact of the other. This is the most common basic form of the embedded relation between the two in the social world at large. This model presupposes a core standpoint that is limited, contained or enforced by the other.

In Figures 5a and 5b, we see how in each case, strategy and ethics can be seen as internal to one another. But this only expresses an outer limit. There are also internal limits. A strategy may have an ethical goal at its core. This means that its strategic is both inwardly and outwardly regulated. Equally, a form of ethics might be a strategy. In such a case, having an inner strategic goal forces a moderation of the modus operandi by strategic considerations.

Figure 6a expresses abstractly how an ethical framework can contain a strategy both inwardly and outwardly. However, Figure 6b expresses a relationship that, given the rules of strategic reasoning, is a practical and theoretical impossibility. At this point, the abstract parallels between strategy and ethics are exhausted and break down, yet it is this very relationship that is being proposed in integrative theories of business ethics and in the current paradigm of counter-crisis discourses, where ethical demands for the transformation of a system in crisis are addressed through strategic imperatives that by definition demand the system be preserved and ultimately retained.

If strategy is not contained by ethics, or if ethics does not occupy its core, our contention is that it is subject to the following series of paradoxes.

The paradoxes of strategy

The expert in battle seeks his victory from strategic advantage and does not demand it from his men.

(Sun Tzu)

Strategy that is not strategic

A standard definition of strategy is ‘a plan of action to achieve a goal’. We add to this definition in the following way:

Strategy is an information-dependent plan of action that takes into account the internal and external environment in order to achieve a particular goal, in the best manner possible.

The definition has been expanded in this way in order to include the essential elements of ‘strategic thinking’. We claim that it is invalid to identify various practices as strategies just because they aim at a goal if they do not really incorporate strategic thinking. For example, we often hear of ‘strategies’ that are ‘inflexible’. Should a strategy be inflexible if it has been conceived strategically, especially when it is regarded as an innocuous truism that economic flexibility leads to more rapid growth (Killick 1995)? Isn’t there something more to strategy than a mere plan of goal attainment?
The first and foremost paradox of strategy is that many so-called strategies in place in the corporate world and politics at large are not very strategic. They are actually a-strategies: mere habitual, routinised procedures that regularly fail to employ strategic thinking of the like outlined previously and are regularly defended for doing so. Many strategies do not make decisions dependent on information but on established best practice. Many do not take into account the internal and external environment, or see them as secondary to considering the internal competences and economy of strategic factors (Barney 1986). Needless to say, many so-called strategies do not formulate precise goals nor achieve them in the best way possible. There is simply no reason to call them strategic.

Examples of the aforementioned include what has been called the ‘stickiness’ of an organisation, whether the internal impediments to implementing its own best practice (Szulanski 1996), or the state of ‘being trapped in a cycle of ritualised meetings, unable to influence the strategic direction of the organisation’ (Newman 2010). Other accounts diminish the importance of strategy in relation to organisational routines, which ‘occupy the crucial nexus between structure and action’ (Pentland & Reuter 1994: 486) as the basis of competitive advantage, although they are ‘habits (both good and bad) of the organisation’ (Tranfield et al. 2000) and seen as more fundamental than strategising (Teece et al. 1997). As Grant (1991) points out, this represents a trade-off between efficiency and flexibility when faced with ‘novel situations’.

On a macro level, it is possible to see economic crises as brought about by a reliance on technological development of labour-saving machinery over and above human capital as a means of achieving higher productive capacity. Here, over-accumulation necessitates the creative destruction of capital in the form of devaluation, depression and war (Schumpeter 1976, Gamble 2009). The more competitive an environment, the more an organisation needs to adapt to it, the greater the investment in one or another strategic option, and the higher the immobility that results from it, unless the decision has itself somehow been based upon the criteria of greater flexibility and adaptability.

If the firm is anti-market, as in the strategic resourced-based view (Wernerfelt 1984), and competitive advantage lies within the firm, the distinctive competence of a firm requires an organisational control of competences for competitive advantage (Teece et al. 1997). The need for a dynamic capabilities approach can only come about because the strategic paradigm has propelled us into scenarios where an organisation is tied to particular decisions made in the past: on the one hand, an organisation has to develop a strong culture or competence; on the other hand, it is exactly this that presents a limit to change (Matthyssens et al. 2005).

There is a clear and important difference between strategy and the strategic. Doesn’t the idea of the strategic suggest that strategy should work on itself, become a better strategy, optimise itself? If all the particular strategies we formulate were optimised, worked on and perfected as strategies, the two issues we would then be concerned with are the best forms of strategic thinking and the economy of operation of strategy (Barney 1986). Yet how far does this distance ourselves from the particular environment and goal we were meant to be dealing with?

The economy of strategy is important because it reflects the necessity of the critically reflexive moment in the formulation of good strategy. The reason most operations fail to be very strategic is not because the instigators or operators are dullards. We could explain that the strategist is confined by real-world time constraints, imperfect situations that force decision making. But this is not really a good answer. It is precisely because of those factors that a strategic plan was necessary. Clearly, good strategy has to incorporate consideration of the economy of strategic thought. If this was done, if the definition of good strategy was followed, environmental and other constraints might never be used as an apology for bad strategy, nor would their relevance be downplayed in respect to the resource-based view.

Similarly, there is the mistaken notion that because information is never total, time never infinite, the future never known, and the risk ever incalculable, a perfect strategy is impossible. Once more, this reflects a faulty understanding of strategy. Rather, these elements must always be judged as part of the strategic reality and incorporated into strategic planning. If the latter also takes into account the
economy of strategy, a best decision is possible: this in essence is perfect strategy. And you cannot do strategy by halves. Strategy, the achievement of particular goals, has a tendency to become absolute and its trajectories irreversible.³

Forgetting what you do not know or retaining an absence

There are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns – the ones we don’t know we don’t know. (Donald Rumsfeld)

Arguably, individuals revel in thinking about risks, opportunities, the future and chance. In this respect, humans tend to think strategically about their lives, ambitions and projects. We are skilled information hunters and gatherers. In contrast, most of what we do is formulaic, mechanical and routine, although it is to be noted that while this is true, it does not mean that reflexive thinking is not going on during this activity; in fact, it suggests an origin for it. Hence, the tension between the routine and the strategic often gets played out in spontaneity, whether conformity or dissent. We dream of the stars but surrender ourselves to the mundane. We tend to accept that, given our environment, we must act purely in a procedural manner in order to get to a point in the future where we will be in an improved position.

What we have described is the open totality. In political discourses critical of industrial capitalism or consumer society, it is often assumed that this is a one-dimensional, closed totality only opened up at the moment of decision. Consider the Schmittian formulation: ‘sovereign is he who decides the exception’. This is the crucial difference between strategy and politics. At the point of decision, the strategist’s reality becomes a closed totality; what follows after the decision is a new tactical reality, one brought about by the weight of one’s own action and thus determinate, actualised, inevitable.

At the moment of decision, the actor blinds himself to that which is unknown, verily flying into the face of it. At this point, however, when the totality closes, the strategist must gather all the unknown elements into the ‘empire of the known’. The potential fatal flaw of strategic thinking is that that which is unknown is excluded; the unknown is denied an existence, whereas the unknown should be known in a hypothetical form as best as is possible. The point of decision, of closure, ought not to be considered as ‘taking the plunge’ so to speak, an embarkation, but as a subsumption into the framework of the empire of the known while retaining as many of its absences as is possible. What this means in practice is that strategic realities can remain open, and are prevented from becoming mechanical practices.

It cannot be objected here that decisions are always already embedded and the time of decision and its interactions with other decisions do not follow an ordered path. This ought to be included in the consideration of strategic reality and regulated by the economy of strategic thought. As we have seen, the decision forces each given strategic action into a totality that includes the unknown factors that never ought to have been considered as external to it.

One-sided objectivity and multi-sided singularity

It is necessary in strategy to be able to look to both sides without moving the eyeballs. (Miyamoto Musashi)

Many of the complications of the strategic practice we are identifying here are due to the embeddedness of the strategist in his or her internal and external environment, and the fact that the planner is also the decision maker. This inevitable imperfectness of operation comes out of the susceptibility and fallibility of humans. Yet authority, esteem and inclinations are part of the strategic reality and modify goals and methods.

The tension that this produces is that the strategist must be as disinterested in his or her situation as he or she is interested. They must be as distant as they are embedded and as near as they are far. That motivation for goal attainment is a precondition for strategy in the first place means that there is a tendency to exaggerate the power of enthusiasm itself and fail to qualify it with lessons from experience or science. That the strategists must be objective in their consideration of the real state of things goes without saying: they must have the power to penetrate through their own point of view and bear in mind
propensities that limit objective assessment. Yet the neutrality of judgement that this requires always sits at odds with the one-sidedness of intention and motivation, which drives the mind to see opportunity before limits; to effectively try to lift limits. This dynamism always works against neutral assessment and towards partisan allegiance; it is right and proper that it is so, or closure would never come, but once more, as with the known and unknown, the possibility of the victory of the other is composed by an inner rather than an outer boundary of action. The other is not external to the strategic reality, but its very inner truth (that which it must annihilate, in the sense of annihilating its autonomy, an annihilation of its independence, a cooption of its subjective force).

It is not really valid to claim that a strategy failed because the decision maker was too embroiled in his or her tasks; only that the strategist failed to distance himself/herself in the right way from his or her situation. Without distance, the critical separation from the environment, there is no strategy; unless the strategist can penetrate through their own point of view, there is no objectivity.

The suggestions we are making seem to point to how far strategy really is from ethics, and that strategy tends to undermine moral and political imperatives in action and relegate them to the position of goals. Strategy is in the business of constraints, that is, its operative environment. Nonetheless, strategy necessarily strives towards expediency and thus to the re-evaluation of limits. That the possibility of having a strategy is premised on being able to take a distance from events, being able to escape from their immediacy, is in turn premised on the immediacy of the event and the necessity of a longer term plan.

The mechanics of non-mechanical thinking

When you have attained the way of strategy, there will not be one thing you cannot understand . . .
You will see the way in everything. (Miyamoto Musashi)

Because strategists are concerned with optimising goal attainment within a set of constraints, there is an inner tendency for strategy to work upon itself. This is a clear matter of economy (Barney 1986). If principles of engagement, rules of procedure, and programmatic responses can be formulated that apply universally to all situations, or if particular strategic rules can be made to correspond to particular situations, then strategists can be more efficient in developing solutions and thus be more effective, freeing up surplus time, optimising the process. Hence there is a tendency in strategy to move away from the analysis of every strategic reality in its own terms, to follow the information-dependent analysis outlined, and rather, to find formulae and principles of operation that can be readily employed. Once again, this demonstrates how strategies tend to separate themselves from strategic thought. Off-the-shelf solutions are implemented from outside of the strategic reality. Strategic planning tends to become mechanical. Yet the essence of strategy is to go beyond mechanical thinking and retain as much of the fluidity of actual worldly relationships within the plan itself. A strategic reality is never mechanical and yet strategic practice always tends to insert itself as a mechanics within it. True strategic thought then is non-mechanical thinking in the context of mechanical thinking, and good strategic practice the imposition of a plan that is able to change in pace with, or in fact ahead of, other agents and factors in the strategic reality.

For this reason, strategic planning must always involve questions of the ‘what if?’ variety, questions that probe actual reality with hypotheses. Far from only dealing with concrete facts about situations, the strategist is occupied with the unknown possibilities of things. Given this, it is absolutely fatal to formulate strategic plans by producing a mechanical operation based upon what is known. For this reason, in those places where sophisticated strategic conflict is at its zenith, hedging is most active. Hedging, as the management of risk, is not about value creation, but about the construal of a strategic reality that allows for winners and losers, distilling real-world fortunes into a manageable game of calculation and chance. But hedging also suffers from the paradox at the heart of strategic reason: as soon as principles of operation become generalised, we are once more faced with a mechanical reality, insofar as the economy of strategic operation determines that the balance between risk and uncertainty be decided by a calculation of probable outcomes.
Strategy against organisation

Everyday is a journey and the journey itself is home. (Matsuo Basho)

The ultimate paradox of strategy within organisations then is that the organisation is a relatively inflexible structure forced to perform a flexible role. The organisation is a barrier to its own success, and its supersession or revision its goal. The quicker the exchange of information, increase or decrease in demand, the change in the operative environment, the more the structure needs to hire and fire to keep up with it; the more an organisation must meet the needs of environments, the more likely it is to have to adapt to the environment.

One way of describing this and the previous paradox is to compare them to Marxian theories of crisis based upon the organic composition of capital and the law of diminishing rates of returns as mentioned in the first paradox. The strategic organisation must always try and escape the connection between its constant capital – its intellectual and moral resources – and the variable element that produces those resources. It must increase what it holds but only by increasingly dissociating itself from those that produce what it holds. In the same way that Marx saw the industrialist’s capital tied up with machines ultimately becoming unprofitable, the strategist is tied down to an organisation of resources – moral, human, informational or otherwise – which becomes an impediment to his or her desired action. This is the tension between free market and institutional economics, and its strategic significance is once more that it forces either to become closed spaces of operation as opposed to free fields of mobility, thus subverting the very core of strategic reason which is to think and act non-mechanically in a world of possibility rather than mechanically in a fixed trajectory.

The strategist makes himself redundant by perfection and non-automatic automation

In the void is virtue, and no evil. (Miyamoto Musashi)

Truth is its own self-movement within itself. (G.W. Hegel)

This is the high point of the economy of strategy. Every experience is an enhancement, is valorised, and turned into more, but the labour of working on something soon aspires to find a non-labour mechanics of automatic resolution. Automation either lifts the strategic mind to non-automatic thinking about higher levels of automation (if the economy of strategy rule applies) or to the non-perfective, non-productive squander of surplus, or denigrates it by implementing strategy merely as a plan, and accommodating to other economies. The paradox lies in the strategist’s inevitable mishandling of the architecture of the self, which becomes a void, and strategy purely a surface with a vacant interior. Gain and success are the high points of good strategy. The low point is that the economy of strategy is irreducible; it is the crisis of measurement. The apex of strategy, essentially gain, is equally its nadir: the excessive senselessness of gain when the self, dissolved in its ownership, is unable to abandon itself for itself. The paradox of gain concerns growth and the critique of growth. It questions how growth and wealth have become synonymous (Stiglitz 2011). Arguably, the current economic crisis is the expression of strategy coming up against itself in the form of ethics (of carrying the teleological fiction of its identitary character to a destructive conclusion).

We have seen that the crisis of gain, or the final paradox of strategy, is the one that most points towards the necessity of viewing ethics as the inner and outer limit of strategy, regulating both its goals and the means of their achievement. It is where strategy most powerfully engenders ethics as its opposite, but we cannot be certain if this is necessary, or quite how the absence of ethics from strategy can at the same time produce ethics – and what kind of ethics it would look like if engendered in this way.

To summarise: by exploring the non-identical, singular notion of strategy outside its relation with ethics, we have described how in practice strategy can become the opposite of itself, and we have provided reasons – some firm, others more tentative – of why this appears as a necessary inner potential. To examine if this opposite is in fact ethics, or it is meaningful to think of it in these terms, we revisit the simple relations of identity and non-identity expressed in the discursive topographies in the light of what we have identified as strategic paradoxes. In
the next section, we define ethics and its scope. We then look at the ethics of counter-crisis measures as articulated in respect to the laws of political economy in the current crisis. Here, ethics is a cushion between strategic imperatives emerging from the internal and external environment, as represented abstractly in Figure 6b.

**Ethics and its scope**

We can immediately discount the simple identity thesis (Figure 1) by asking if ethics produces the same paradoxes as strategy. It clearly does not. Non-ethical ethics is inconceivable. Ethics cannot ask itself to suspend its own rules over conduct. It cannot be disinterested or detached, for it is to be defined as self-realisation in an environment. Ethics has no inner economy, nor does it relate hypothetically to the unknown. It addresses practical questions. As a reflection of reflexive social being, and thus having no inherent measure or economy, ethics cannot become redundant in the face of a technical substitute such as the law, because it is present in the spirit of the law. The law would continue to be the expression of ethics albeit in a different form. Ethics is not identical to strategy for it does not generate the same paradoxes.

With the exception of the last one, the paradoxes of strategy did not point to ethics as a determinant other, whether contradictory or not. Is it possible then that we can see these surfaces as really having nothing to do with one another, and hence coexisting peaceably within an organisation? Or alternatively, might we see ethics in a subordinate relation to strategy, its conceptions of the good and self-realisation just one of a number of goals that a strategy can be used to obtain?

Though instrumental, ethics is not governed by expediency: it is not primarily situational (changed by situations), and it does not have an economy. Ethics is a relationship with the self that essentially concerns human character and is practical. As practitioner and goal giver, the ethical subject’s self-realisation – although it is not necessary that this be in the orbit of transcendental universals – is not just given by material historical factors but also by conscience; freedom to exercise choice of goals. We will now turn to the possible relations between ethics and strategy to work towards a definition of ethics that can help us define it in this context.

**Ethics as non-identical to strategy**

The history of discussions of ethics has oscillated between theology (wherein the goal of ethics is a universal finality and transcendence), politics (where ethics is concerned with human welfare), and psychology (which focuses on individual well-being). In the latter, there has been a tension over where ethics stems from, that is, how we know what is good; whether it is intuition or reason, empathy and sensation, or utility maximisation. This discussion will later be of importance given its relevance to political economy.5

If ethics were irrevocably entangled with law, religion and science, human conduct would have to be explicable as the mere situational application of these codes. Law (as the deontological application of universal rules), religion (as the regulation of conduct by means of codes of practices revealed to man or laid down by scripture or clergy), and social science (as the psychological explanation of conduct and what drives it) take precedence in discourses on ethics, each prescribing how right conduct is to be determined. This perception of ethics allows it to distance itself from and oppose strategy, for as we have seen, strategy is dependent on information about environments, and is thus a dialogue between goals and determining factors, rather than abstract principles of conduct that transcend situations, no matter the extent to which (as we saw in the fourth paradox) strategic thought has an inner tendency to posit such principles.

**Ethics as identical with strategy**

An alternative understanding of ethics would claim that although the frameworks of law, religion and science embody ethics, they do not exhaust it, and that to limit ethics to the enactment of a rule would ultimately define it as a form of submission to authority.6 In such perspective, as a discrete aspect of social relations, ethics has its own momentum and modality of self-identification.7 It can defy rules and determine their exception.8 Insofar as ethics is about
human conduct and what people make of themselves in their circumstances, there are no unethical actions, but simply actions that are disposed towards one ethics rather than another.\textsuperscript{9} Whether conscious of itself or not, ethics is always willed and needs to be defined as the freedom to determine conduct.\textsuperscript{10} This reading of ethics takes it out of moral philosophy and back into politics because ethics as social agency does not require deliberation over the action as much as the freedom to make a choice over the action.\textsuperscript{11}

From this standpoint, the identity between strategy and ethics would need to be reconsidered. What makes ethics different from any other strategic form of goal attainment? Moreover, if the most reprehensible or selfish concern can be considered ethical, where does that leave business ethics? Both appear to share a perception of the ontological status of rules and freedom. The latter is a precondition for strategy; without it, without choice, strategy would be pointless. Equally, freedom is the ground of ethics in this understanding of it as auto-poiesis and self-realisation. In this, it shares the formal preconditions of strategy as a non-mechanical, non-automated, fluid response and intervention in an environment. Therefore, both, it seems, can be configured to be rule subversion as much as obedience.

**Ethics and strategy as reciprocal limits**

Ethics is bound, in a way that strategy is not, to a perception of the good. Arguably, the good may or may not coincide with self-realisation; if it did, as stated previously, it would turn freedom into a potential goal for strategic action that must also intervene to inform each of its modulations.

In this respect, ethics and strategy are neither opposite nor identical, but mutually limiting forces of social action in given structures (as illustrated in Figures 6a and 6b). Discussions of business ethics and CSR tend to see this limit as a potential fetter to corporate success. Why is this the case? Do ethics and strategy become incompatible in their application to business practices, and if so, why?

The current crisis is a useful backdrop for this discussion of limits. Crises are often a name given to the inevitability of change, and as we have seen, change is an essential aspect of any strategy that is strategic, and of any ethics that entails wilful intervention in a given circumstance and the assertion of a goal with the potential to rewrite the rules of social engagement. In the following section, we aim to show how certain discourses that have arisen around the 2008 financial crisis systematically confound ethics and strategy and short-circuit the possibility for the significant change that an appreciation of both could instead help carry out.

**Ethics in crisis**

The ongoing financial crisis might be more aptly described as a malaise because the ‘natural’ response to crisis is not apathy but mobilisation, getting on your bike, effort and ingenuity. It is often here that ethical tensions apparently arise. We must change norms of behaviour, combat accepted standards of pay or quality of life: crisis upsets ethical standards and allows for their reformulation (Friedman 1962).

It should not surprise us now to see that ethics as a distinct form of enquiry within moral philosophy is ontologically entangled with the ongoing crisis that capitalism engenders between individualism and utilitarianism, the rational self-interest of economic agents, and the public codes and rules of social integration. In truth, for every economic liberal idea of the self-regulating market, there is a corresponding elephant in the room of rules governing action (whether legislative, cultural, behaviourist) that is alien to it, yet required for its realisation. For this reason, knowing this to be an ever-present but never acknowledged fact of the system, whenever there is a crisis, parties with a stake in maintaining the existing system can conjure up the alien form and allocate blame (Ho 2009).

Despite this, the current crisis is not met by a reconstitution of ethical standards, quite the contrary. Most importantly perhaps, the current crisis’ roots in financial speculation, credit and debt is a subsidiary effect of a broader protracted political crisis that was destined to fail to regulate this rampant sector from disturbing the fragile equilibrium between state, market and society, at the expense of all of these elements (IMF 2011).\textsuperscript{12} That ethics is called for as a solution to the crisis points to the antinomies that emerge at the encounter between ethics and political economy.
The antinomies of ethics

In philosophy, an antinomy is a contradiction between two statements, both apparently obtained through logical reasoning. In common parlance, antinomy means an opposition between one law or rule and another. According to Marx, ‘the opposition between political economy and ethics is only an apparent opposition and just as much no opposition as it is an opposition’ (Marx 1975 [1844]: 311). By this, Marx points to the fact that political economy is itself an application of moral laws, but in its presentation as a strategic process of wealth management, it does not appear as such and is thus posited into a dialogue with this other domain which is ethics.

There is some ground here, then, to think of the strategy and ethics of political economy as a simple identity in the manner described in Figure 1, yet when we try to apply this simple identity, we are immediately faced with a series of contradictions and oppositions.

The expression of the moral laws of capitalist economies gives rise to the following antinomies, in the injunctions to act that have emerged from the present crisis.

You are the economy: combat the crisis through spending; the economy works against you: save to face the crisis

Ownership for all has been incentivised by successive governments both as a way to deal with the inequality of wealth distribution (Paxton 2002), and as the most effective mode of saving (Feldstein 2007). As a consequence,

real house prices rose rapidly so that by 2006 they were 70 percent higher than equivalent rents, driven in part by a widespread popular belief that houses were an irresistible investment opportunity. How else could an average American family buy an asset appreciating at 9 percent a year, with 80 percent of that investment financed by a mortgage with a tax deductible interest rate of 6 percent, implying an annual rate of return on the initial equity of more than 25 percent? (Feldstein 2007).

The roots of the current financial crisis in the sub-prime housing market and the way it has been blamed on ‘bad debt’ imply a presumed ‘ignorance’ of those who handled financial products they did not understand (Chen & Huang 2011). This discourse identifies the causes of the crisis in high and reckless risk taking that was ‘disproportionately rewarded as against prudence’ (Dalanu 2008: 22). For McCreevy ‘it is not clear whether this turmoil has been the result of stupidity, ignorance, or misplaced opportunism’ (McCreevy 2008: 14). Although home ownership as a means of saving follows on from a prudent strategic consideration of the possibilities of a given economic situation, the indebtedness it demands is tarnished with lack of responsibility, recklessness and ignorance.

Despite this, consumption is now presented as the solution to the crisis, and the level of recovery of the economy measured against spending patterns; the latter as an index of consumer confidence. That people shop is taken to indicate a thriving and healthy economy and by extension politics, thus in an acrobatic inversion from being the source of the problem, the debt-fuelled consumption drive becomes its solution: the social and its responsibility in the crisis are measured through levels of expenditure, while the individual remains responsible for the debt and urged not to fall into it again.

The morality of this injunction to act through consumption is deeply entangled with the universal law of money and exchange, and hinged on the way human conduct is universalised through money. Here, the strategy to implement the moral law of political economy, in this case consumption, is presented as a call for a more ethical behaviour and social responsibility.

The laws of political economy embodied in money are universal, non-contingent and thus absolute. Theology, politics and science would struggle to claim an equal power over human conduct. Immanuel Kant famously abstracted from the social in order to produce the maxim of the universal. But the abstract universality of man, reflected first in the eyes of God, and only subsequently understood as the inner eye of reason, has become bound to the concrete universal of money. Karl Marx claimed that man carried his social bond in his pocket; the Frankfurt school showed how all thought must have been subsumed by instrumental reason; Theodor Adorno explicated the conditions under which ethical life was impossible as a result (Adorno & Horkheimer 1969,
Adorno 2001). Today, however, as consumers we carry the potential for the development of our self in our pocket. Our true attachment to ourselves is mediated first and foremost by economic interaction in a global system of exchange. In our current strategic reality in order to care for the self and relate to the self does not merely require that the inner-self "produces a tool of exchange" that mediates through a universal, but rather that the universal is the manifestation of the self as the truth of the universal. Money changes from being a strategic utility to an ethical substance. The self is a tool of money, the tool of the universal. We are properly in the money so to speak, and like ethics then, money seemingly constitutes the in-itself of the social and the goal towards which strategy is oriented.

While formally money allows for autonomous conduct of behaviour, the pursuit of money does not. But if money is a technology, it is also open to reverse engineering, and the presence of non-monetary forms of exchange, informal economies, and their recent growth largely facilitated by the Internet attests to an ethics of disengagement from the dominant economy. Against this abandonment of the self as the truth of the universal and in every form of manoeuvre away from mandates to use the other as means, in every ethical dislocation, power intervenes to shift the discursive frame to the realm of the strategic implementation of the laws of the economy of capitalism. In the face of this ethical dislocation, strategy is expressed through its paradox of self-automation and estrangement. Informal economies are denied, outlawed, taxed, marginalised. This leads us to the next antinomy.

The big givers: financialisation of generosity; the big keepers: sharpening of social divisions

Ricardian economics identified and theorised a twofold nature of the commodity, which in the hands of Marx became the backbone of a theory of surplus value that had a similar twofold character of labour (abstract and concrete) at its core. The drive of capitalist economics has been ultimately to subvert this division, to absorb use-value into exchange value, and to force all activity to become productive labour. Money – in essence, the oil for the valorisation of capital and the liquidation of the common into private hands – necessarily has a formal neutrality. Its universality, beyond recognition, lies in the desires that it generally commands, yet the connection between this neutrality and universality means that releasing or giving money to someone else can be unbound from ethical bonds, from obligation or command over how the money is disposed of. The British Prime Minister, David Cameron, encourages us to put our hands in our pockets and help one another at times of crisis. As the Green Paper on Giving states, 'by acknowledging its own limits, the government aims to encourage social action, people giving what they have, be that their time, their money, or their assets, knowledge and skills, to support good causes and help make life better for all' (HM Government 2011); and yet, if you are on a life support machine, you cannot really do much to reach that empty pocket. Moreover, the Green Paper laments the fact that 'Giving is sustained by a generous minority; eight per cent of the population contribute 47 per cent of total donations'. When compared with wealth distribution in the UK, this is not so surprising, given that 'the top 10% of individuals in the UK now receive 40% of all personal income, while the bottom 90% receive 60%. [ . . ] The average income of the top tenth, of £49,950, was double the average income of all taxpayers (£24,769) and triple that of all households (£15,000), one-third of whom pay no tax' (Schifferes 2008).

It is clear to see then how money, while constituting ethics and strategy in an identity, also allows the strategic reality and ethical reality (considered as different topographies of the same structures of social action) to separate and oppose one another. Money transcends the binding of the common to a community, and dissociates potentia from potestas.

That money develops principally to augment private wealth does not mean that it must forever be tied to this purpose. In fact, money allows for diverse social activities to become equitable; it means that we are not bound to consume what we ourselves produce. However, one of the problems of money in its capitalist integument is that it tends to reinforce social inequalities. Certain types of social activity such as housework, childcare, care for the infirm, and so on, are not paid; are not deemed as being worth monetary wealth in recompense. Given that this work lends itself to consideration as ethical
because it involves selflessness, in the sense that one loses oneself in it, it is always subject to strategic judgement as unproductive expenditure. Far from freeing people from inequality, money can reinforce it: those that have existing social obligations that they would perform because of their ethics, whether paid or not, are in a weak position to demand monetary returns for their labours, and those who can afford to be generous with money, effectively buy influence for their own strategic purposes. Corporate charity never alters the dependency of those who have no money on those that do, but appeases the inequality it reproduces.

The economy thrives on the pursuit of individual gain; the pursuit of individual gain is detrimental to society as a whole

This antinomy is based on the question of whether self-serving behaviour results in the unintended outcome of ‘social good’, which has been a naturalisation of individualist human behaviour in defence of capitalist markets, from Adam Smith to Friedrich Hayek. However, the present crisis has been framed and locked in a debate on greed: the culprits for the crisis were identified and declared guilty by popular consensus. These were the greedy bankers, the mortgaged poor, the ‘self-serving’ workers of the financial sector, the corporate psychopaths (Boddy 2011). A clear and unequivocal correlation was made between self-interested money-seeking behaviour and the financial crisis. Notable challenges withstanding, the capitalist market is now used to confront the crisis in the form of further privatisations and outsourcing of public services through private financing initiatives to pay off the sovereign debts, deepened by the bailout of the financial sector. Similarly to the first antinomy, the causes of the crisis are turned into its solution. This discourse presents an ethical fallacy, the greed of the individual, and addresses it through a strategic imperative, the selling of the social, while neither ethics nor strategy is in fact playing a role in the process. Why is this so?

So long as money is the measure of wealth, the unintended consequence of the pursuit of individual gain is not social wealth. There is no reason why wealth should take the form of money. The fact that it does, creates the separation between self-interest and social interest, while the very possibility of society is based on their identity. Ethics becomes the very opposite of the self-realisation of the in-itself of the social; something imported from an outside to control rather than the expressivity of an inner social being, therefore introducing a deficit between form and essence. Much is already being done in the direction of addressing this false premise, more visibly in the emergence of debates that deconstruct the tertium non datur of the private–public nexus through the common (Barnes 2006, Hardt & Negri 2009). But importantly in relation to the previous antinomy, the common must be configured as the other of the community. The common is the nemesis of the exclusivity communities are founded on, as it subverts the property form in which exclusivity is typically crystallised. Through the common, we come to the subversion of the false premise on which this antinomy is based, but first a distinction between collectivity and collectivism needs to be made.

Configuring the common as a technology of social being adequate to its present is often related to practices of organisation based on an ethics of collectivism, but collectivism is in fact the drive to subsume multitudinal expressions under a higher order regulated by the rule of the majority and instrumental procedures of decision making. Utilitarian ethics based on the greatest utility for the greatest number is typically informed by this notion of collectivism that cumulates bodies of sacrificial lambs to the higher good. But while collectivism is an inadequate organisation for expressive multitudes and their operating along lines of flight, there is no doubt that collectivity is a multitudinal form of organisation in that it has no centre, is horizontal, and the connections between its constitutive elements are complex and irreducible to a single, simple origin. Collectivities need not adopt collectivism as their ethos. Just because collective enterprise is effective, desirable and expressive of social being and its needs, collectivism need not be its form of institutionalisation. Like utilitarianism, collectivism reduces the worth of social action to quantitative measures. This antinomy is premised on the false opposition between individualism and collectivism, when in fact both are based on the premise of quantitative subsumption. Although they are informed by different ontologies, their overall stance is equally reductive of collective
ethical practices. As the common is irreducible to the community, the collective continuously endangers collectivism from within and exposes it as the mere cocoon of the chrysalis of each and every social metamorphosis. Collectivity works in spite of difference while fully recognising it, whereas collectivism is economism and obscures difference, fights incessantly against it, lest it be disabled by it.

The economy works against society; the economy is society

Where capital is money that reproduces itself, the ‘visible God’ of money becomes the ‘truly creative power’ of society – the moving engine behind social intercourse – and ethics a superfluous force of relations. But the holy grail of capitalism, to distance itself from the trials and tribulations of production and to have money, make more money, is only a fetish that disguises a process of the reallocation of a finite measure of value. The global financial crash of 2008 was caused by living off the future, speculation driven by the complexities and inefficiencies of actual production. Allegedly, this was the drug of the rich and the drug of the poor was debt, and the frenzied nonsense of living out of one’s means which often works as a substitute for a struggle over their appropriation. Campaigns that seek to restore money to value now abound. Whether the administrations that demand the deficit is addressed, the left-wingers that berate the bankers and bonuses, or the right-wingers that demand social wealth be restored to those to whom it most belongs, these campaigns all aim to restore to money (as wealth) the dignity of being a real measure of value rather than a tool of its expropriation. The restoration can be done in the name of ethics, of work ethics. But as Marx wrote:

> The ethics of political economy is acquisition, work, thrift, sobriety; but political economy promises to satisfy my needs. The political economy of ethics is the opulence of a good conscience, of virtue, etc.; but how can I live virtuously if I do not live? And how can I have a good conscience if I do not know anything? It stems from the very nature of estrangement that each sphere applies to me a different and opposite yardstick: ethics one and political economy another; for each is a specific estrangement of man and focuses attention on a particular field of estranged essential activity, and each stands in an estranged relation to the other. (Marx 1975 [1844]: 311)

The antinomy between the economy and society rests on the premise that money is a measure of opulence. Unless this premise is reconsidered, this antinomy will keep presenting itself in the form of an opposition between strategy and ethics.

Conclusion

We have examined the relationship between strategy and ethics both on an abstract level, and on the level of their embeddedness in a given strategic reality: that of the current economic crisis. Herein, ethics rarely plays a primary role as an organising principle of counter-crisis measures: if anything, it is ignored or subordinated. We contest that ethics can coexist with a core strategic goal only insofar as they are reduced to an identity, and in these circumstances where their distinctiveness is lost, ethics will only be present insofar as it is strategically expedient. Two non-identical types of authority governing action cannot be coexistent and coextensive. Is it perhaps preferable then to see one as the limit of another, as being boundaries of excess? In abstract terms, this is impossible to perceive clearly unless a definite conception of an ethical good is articulated, and there are clear reasons to think that that good must be universal. Arguably, business ethics are made possible only through a relative conception of the good, factored in as a strategic response to one set of pressures in the environment. The problem with this approach is that it appears to demonstrate that ethical considerations can never really be generated by strategic questions: firstly because they must take the form of what is right or wrong to do in this situation rather than simply what is right or wrong; and secondly because strategic questions cannot entertain answers that question strategic optimisation and economy itself – ethics as an answer to strategic questions could only ever be anti-systemic, that is, the negation of strategy. The reverse does not hold: from a core ethical standpoint, strategic questions might be raised, but strategy here is contained, constrained, and moderated by systemic factors that form boundaries of possibility. Limited in this way,
strategy cannot escape into its paradox-ridden language game, but is a tool in the service of reaching ethical outcomes.

Our examination of the simple identities and non-identities of strategy and ethics has shown that their complex asymmetric, antonymous character cannot be arrived at in the abstract, but examining these philosophical relations in conjunction with their material instantiation as injunctions within economic crisis, we could show that a constructive articulation of their coextension can only arise when one is subordinated to the other. Where ethics is subordinated to strategy, crisis is engendered either by ethical demands emerging in the internal and external environments or by the self-defeating laws of strategic optimisation itself wherein flexibility becomes stasis: the journey becomes the goal, motives blur objectivity, universality is particularised. Where strategy is put in the service of a core ethical standpoint, it is possible to continue to think the reciprocal relation between means and ends within an organisational or individual framework. Strategy here can be put in service, not only of reaching goals but protecting the very conditions of possibility for ethics: the freedom to choose one’s conduct. This perhaps produces the most telling asymmetry in the relationship: although it is infinitely possible to think of strategy without ethics, capitalist social relations make it very hard to imagine ethics as yet being able to dispense with strategy.

Notes

1. Singer talks of a ‘rather basic and pervasive binary divide . . . There is no middle ground . . . : strategy is war . . . ethics is broadly associated with peace’ (Singer 2007: 13).
2. Marxist theory has only recently had to deal with ethics as a distinct level of inquiry because of the de-massification of its political base and consequent denigration of its claim to, through the correct organisational form (party, state, constitution), express or share identical interests with the working class. Marxist ethics were the very same thing as its strategic moves to gain power, the heart and the brain driving one another forward. One significant period in the history of the world, and Marxism, where this synthetic combination was expressed most clearly was during the Leninist era in Russia. Debates about the ‘party form’ continued until its demise, but the important central organisational principle was that the composition of political organisation corresponds to the concrete situation. Stalinism represented this in form, not in content. When society failed to conform to the rigidified techno-structure of the organisation, it was forcibly made to comply with it.

3. Throughout the scope and period of strategic thinking, the situation, environment and goals must be considered to be an open totality. At the point of decision, however, the totality is closed.

4. The economy of strategy dictates that that which grows becomes that which grows. The self is lost in selfhood, in a totalising interiority that is ethically immutable.

5. See, for instance, Joseph Butler’s notion of conscience, and Francis Hutcheson’s view of the ‘moral sense’, both important influences on Adam Smith’s Theory of Moral Sentiments.

6. ‘The Moral Code was more commonly regarded, in still closer analogy to human legislation, as supported by penal sanctions; since in all ages of Christianity the fear of the pains of hell has probably been a more powerful motive to draw men from vice than the hope of the pleasures of heaven’ (Sidgwick 1939: 8).

7. In this, this view takes up the challenge raised by Michel Foucault, ‘to build a new ethics and give a place to what has been called the ethical imagination without any reference to religion, law and science’ (Foucault 1984).

8. This is the crisis form of ethics that is not a matter of decision, but a counter-practice to prevailing forms, and the realm in which its history can be traced is the reproduction of social life (Bove & Empson 2001).

9. This is to emphasise the element of freedom inherent in power relations and ethics as its exercise.

10. For Judith Butler, ‘the return to ethics has constituted an escape from politics’. For an informative discussion, see Loizidou (2007: 45).

11. In this respect, it is useful to distinguish between morality and ethics; the former characterises humans as more or less efficient rule bearers and executioners, the latter focuses on the force of deliberation over conduct that, while taking place in the presence of morality, is not necessarily subjugated to it.
12. Against this background, for over a decade, a global movement has been working away at configuring an ethico-political alternative to capitalism. When indifference to its practices and demands was inevitable at times of protest, it was repressed and vilified with the old adage of the political rhetoric of there is no alternative. Here, politics is presented as the realm of non-deliberation.

13. In his outline on how to engage in speculative thought without falling into metaphysics or dogmatism, Immanuel Kant (1991) famously discussed the antinomies of reason as statements about the world that were irreconcilable opposites and deconstructed them on the grounds of their being premised on the conflation of phenomena (the knowable) and their underlying causes (the unknowable). For the difference between opposition and contradiction, see Colletti (1975).

14. ‘The relationship of political economy to ethics, if it is other than an arbitrary, contingent and therefore unfounded and unscientific relationship, if it is not being posited for the sake of appearance but is meant to be essential, can only be the relationship of the laws of political economy to ethics […] Moreover, the opposition between political economy and ethics is only an apparent opposition and just as much no opposition as it is an opposition. All that happens is that political economy expresses moral laws in its own way’ (Marx 1975 [1844]: 311).

15. ‘To understand where the future might take us, consumer confidence indices have been identified as one of the key tools in predicting what our economic situation will look like’. ‘Consumer Confidence: positive attitude can lift gloom’, Marketing Week, 31 July 2008.


17. ‘So you think that money is the root of all evil?’ said Francisco d’Anconia. ‘Have you ever asked what is the root of money? Money is a tool of exchange, which can’t exist unless there are goods produced and men able to produce them. Money is the material shape of the principle that men who wish to deal with one another must deal by trade and give value for value. Money is not the tool of the moochers, who claim your product by tears, or of the looters, who take it from you by force. Money is made possible only by the men who produce. Is this what you consider evil?’ (Rand 1957: 410–413).

18. For a collection of online resources on the wages for housework movement, see http://www.generation-online.org/h/wages-for-housework.htm.

19. While topping the US wealth list for 15 years in a row, Bill Gates became a known philanthropic giant, following in the footsteps of the Rockefeller Foundation; in 2007 he was the second most generous giver in the United States, giving $28 million dollars to global poverty alleviation causes. And yet, in order to communicate with one another, the laws of political economy dictate that we pay Microsoft Corporation $500 per computer in licence. To maintain the monopoly of Microsoft, through the foundation Gates also funds astroturf organisations to lobby for his business. Moreover, tax relief is an attractive incentive to give at these levels: money stored in foundations can be used at a later date, thus allowing to capitalise on the capture of tax relief at the most advantageous moments. But the influence that money can buy, especially when it comes to charity organisations with links to communities that are out of the reach of business, is an even stronger incentive. The business of charity is one way forward to expand markets and reach new segments, but also to avoid direct clashes between governments and people and bypass conflict. For instance, for an account of the Gates Foundation’s role in foisting GM monoculture in Africa in collusion with pharmaceutical companies, see Barker (2009). For a management guru’s advocacy of big giving practices, see Bishop and Green, Philanthrocapitalism.

References


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