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The Virtues of Honorable Business Executives

Abstract: Although most cultures have held honorableness to be a virtue of the first importance, contemporary analytic ethicists have just begun to consider honor's nature and ethical worth. In this essay, I provide an analysis of the honor ethos and apply it to business ethics. Applying honor to business may appear to be a particularly challenging task, since (for reasons I discuss) honor has traditionally been seen as incompatible with commerce. Nonetheless, I argue here that two of the central virtues of the honor ethos—competiveness and magnificence—are perfectly apt ones for rich business executives, who plausibly can be expected to work more for prestige and the thrill of competition than for wealth itself. In addition to making top executives more honorable people, the virtues of competitiveness and magnificence would have positive social effects: honorable competitiveness would intrinsically dispose executives to shun anti-competitive practices, and magnificence would encourage tycoons to redistribute their fortunes voluntarily through philanthropy.

Introduction

Two economic trends are particularly notable today. The first is the growing inequality of wealth. In the U.S., for example, both wealth and income disparities are about as wide today as they ever have been: the real income gains of the bottom 99% are far outpaced by the top 1%, whose gains are in turn dwarfed by those of the top 0.01%.[1] The second notable trend concerns the unwillingness or inability of political forces to halt market concentration, the domination of whole industries by just a few firms. Market concentration can be the result of various forces, many of which are legal and morally unobjectionable when viewed in isolation. Nonetheless, the anti-competitive practices that result in market concentration weaken consumer choice, stifle innovation, and (most recently) expose taxpayers to the risk of expensive bailouts.[2]

Much of the debate between the political left and right is over how best to address these trends. Nonetheless, both sides should agree that it would be beneficial if the wealthy elite felt intrinsically motivated to foster competitive markets and to donate large portions of their wealth to good causes. The problem is of course that intrinsic motivations do not sprout out of thin air—people do not feel intrinsically motivated to act without seeing some value in doing so. So *is* there any value that, if embraced by captains of industry, would intrinsically motivate them both to foster competition in their markets and give away large portions of their personal wealth?

Yes: honor. Now for many contemporary readers, "honor" connotes a selfless regard for duty and integrity, calling to mind the ideals of boy scouts and modern military officers. Although these characteristics are correctly associated with one type of honor—we can call it "military honor"—this is not the type of honor discussed here. Rather, the honor ethos I will apply to business has been historically associated with moral outlook of warriors (who are not to be confused with soldiers),[3] their aristocratic descendants, and athletes: it is better termed "competitive honor."[4] Although we cannot explore it in detail here, in summary form we can say that what makes competitive honor distinctive is that it *moralizes prestige competitions*.

I argue that it would be a good thing if top executives would be more honorable in this sense, and that we all should encourage the virtues of honor in their ranks. I do not claim that this ethos is suitable for most businesspeople. It is apt, however, for wealthy top executives, since top executives are of all businesspeople the ones who are most in control of their firms, deal most with the competitive dimensions of their business, and most plausibly can be expected to work for reasons that extend beyond money. Prestige is important to executives, and becomes more important as they become richer—a point not to be obfuscated by the fact that they often value compensation itself in significant measure for its prestige value.[5] Furthermore, business dynamos are extraordinarily competitive, and often describe their personal ambitions in terms of sport or war—

the domains for which competitive honor is most natural. My suggestion is that we should promote an executive culture that harnesses these two drives of status-seeking and competitiveness and directs them toward beneficial social outcomes.

Since today's audiences are often unfamiliar with the norms of competitive honor I invoke here, some setup is necessary. I begin by discussing the warrior-aristocratic approach to wealth and explain why business was seen as dishonorable according to it. In the second section, I discuss competitive honor in the abstract by focusing on two of its relevant virtues: competitiveness and magnificence. In the final two sections I explain how these virtues, if promulgated among superrich executives, would be socially beneficial despite their self-oriented nature.

The aristocratic approach to wealth

> "[H]onor sinks where commerce long prevails."
> —Oliver Goldsmith, "The Traveller"

It is odd enough to invoke honor in the intellectual climate of Western academic ethics. But it is doubly odd to claim that honor is relevant to the realm of money-making. Why this is so can be appreciated by understanding that honor has always been the central moral value of warriors and aristocrats who, literally and ideologically, were descendants of the warrior classes.[6] And what is significant about this fact is that warriors and their aristocratic descendants shunned commerce and even banned themselves from engaging in business.

Why did warriors and aristocrats shun business? Because they hated wealth? No: one need only contemplate the deep aching for wealth exhibited by Homeric heroes, the frequent references to gold in the Norse sagas, or the detailed descriptions by medieval poets of resplendent equipage to realize that these groups were hardly ascetics. Rather, warriors and aristocrats spurned business because of the way "commercial men"—a pejorative term in their lexicon—*make* their money. Businesspeople paradigmatically make money by engaging in mutually-beneficial agreements with other parties. Whether in the simplest case of selling one's own labor or the most elevated instance of negotiating complicated mergers worth billions of dollars, business is based on cooperation. Of course, defenders of business typically take this to be its great virtue: "Business ethics is not ethics applied to business," wrote Robert Solomon in one of his many virtue-ethical texts on business ethics. "It is the foundation of business. *Business life thrives on competition, but it survives on the basis of it ethics*."[7] As unobjectionable as Solomon's perspective may appear, the notion that competition and conflict is somehow intrinsically ethically problematic, while cooperation is somehow intrinsically ethical, it is diametrically opposed to the one we are now considering. For warriors and aristocrats, the cooperative nature of business was its fatal flaw. For them, cooperation was legitimized by competition, not the other way around.

According to competitive honor, the morally correct way to get wealth is to win it. I do not mean "win" in the sense of winning a lottery. Rather, wealth could be won in two ways: either winning it as a prize in some competition, or wresting it from another in some sort of competitive arena. Indirect versions of "winning" one's money through competition include being granted wealth by a sovereign or institution for the performance of some endeavor that was competitive or combative, or inheriting "familial" wealth that itself was won or wrested. Warrior-aristocrats also had characteristic ways of spending wealth. In contrast to the prudent businessperson who reinvests her profits, in this tradition one was expected to spend one's wealth in ways that cemented one's prestige. Various forms of conspicuous consumption—ostentatious homes, ruinously expensive hospitality, extravagant jewelry or art—were the acceptable purposes of money of the warrior-aristocrat.[8] But once again, such expenditures suggest that this class of people understood wealth as a thing that must be spent, as well as made, in some *competitive* way. Your house (wedding, horses, car, etc.) had to be up to "par" given your status: as good as your peers', and better than your lessers'.

For a sterling example of the aristocratic attitude toward wealth, consider the Churchill family's spectacular Blenheim Palace, funded by the munificence of Queen Anne as a reward for John Churchill's victories against Louis XIV in the early years of the 18^{th} century. The palace itself is essentially a monument to Churchill, the first Duke Marlborough: Blenheim was named after Churchill's victory at Blindheim, in Bavaria, and it is filled with paintings, tapestries, statuary, and victory columns celebrating his exploits (in some artwork, Churchill is even presented as a god of war, leading troops in heavenly battles). In size and grandeur it rivals any royal palace in Europe. Splendid though Blenheim be, it has nonetheless proven to be a mixed blessing. Charles, the ninth Duke of Marlborough, impoverished in part by the demands of Blenheim's upkeep but barred by social convention from making money, was forced to save Blenheim for his family via a loveless but profitable marriage to Consuelo Vanderbilt. So in Blenheim all the markers of the aristocratic approach toward wealth are manifest: the palace is named not after the family or its lovely setting, but a battle; it was funded in appreciation for Churchill's victories in war; it is a lavish testimonial to Churchill's entitlement to his rank and his desert of royal favor; the palace's costs are out of keeping with the family's meager resources, but not their social station; and finally, its owners were barred by social convention from earning money to pay for its upkeep.

Two virtues of honor: competitiveness and magnificence

Obviously, we mustn't identify honor with any particular cultural manifestation of it. To rehabilitate and apply honor to business, we must bridge the historic chasm between aristocrats and executives by considering the honor ethos abstractly. I claimed above that the ethos of (competitive) honor "moralizes" prestige competitions. In this section I expand upon that analysis by focusing on the virtues of *competitiveness* and *magnificence*.

The competitiveness that honor sanctions is of a very particular type. This is not the ruthless sort of competitiveness one sometimes hears celebrated by businesspeople wishing to appear toughminded or realistic. Honor is not about "crushing" the competition or "fighting for survival" in a "dog-eat-dog" world. That is not to say that competitive honor doesn't countenance rough play: honor is perfectly compatible with all sorts of competitions, from piano recitals to Olympic Games to actual pitched battle. Rather, what distinguishes honorable competition from cutthroat competition is that honorable ones are about prestige, not material benefit.

Often we speak of competition in terms of a competition for resources—usually, some material good such as food or wealth. In a pure "resource competition," the rational player will want as much of the resource being competed-for as possible. The competitor's focus is on the resource, and she sees her competitors as obstacles. A "prestige competition" is entirely different, since the item ostensibly competed-for—a trophy, a medal, an award, an appointment at a certain university, a corner office, or even a paycheck of a certain size—isn't valued for its material benefits, but rather as a status-symbol. The aim isn't to acquire these items for their own sake, but rather to best our competitors for them, without whom the struggle and victory would have no meaning. Instead of being obstacles, opponents in prestige competitions are our partners. Indeed, honor requires us to *seek* competitors if none are immediately available. That means that, far from doing whatever it takes to "survive," competitors for prestige must accommodate their competitors' needs and interests, and must conform to the rules of the games they construct.

Competitors in resource competitions usually don't (and certainly needn't) respect each other. In contrast, players in prestige competitions must see their opponents as respectable equals. After all, the prestige the player covets is the status afforded her by the very people she competes with—her "honor group." On honor, your rivals are your peers and thus your own self-image is reflected in them, and depends upon them. That is why it is not atypical for honorable people to praise their opponents and "show them great honor."[9]

Prestige competitions differ from resource competitions in a third way: since the competition here isn't for stuff but for status, all sorts of "inefficient" and "irrational" practices suddenly make sense. For resource competitions, so-called "realists" might reasonably urge strong competitors to take out the weakest opponents first in order to consolidate power before going after (or making peace with) the stiffest competition. This strategy isn't suitable for prestige competitions, however. If besting your opponent is to raise your status, she must be thought to be your equal or better. And if your opponent is supposed to be your equal or better, in challenging or "bullying" a weaker party you signal that you see yourself as lower-ranked than the group does, which amounts to demoting yourself in their eyes.

On the other hand, according to honor you may, and indeed should, challenge anyone occupying a slightly *higher* rank if you think you can beat her. There is no room for false modesty or apathy about one's rank here: from the perspective of honor, it's just as bad to accept a lower rank than you merit as to pretend to a higher rank than you deserve, since either way you are distorting the ranking. Thus, since honor demands that one seek out the highest rank one deserves, and since this can discovered (even by you) only by challenging your way up to the top, you must challenge those slightly above you when occasion serves. The corollary principle here is that one must also be receptive to appropriate challenges, even to the point of nurturing and supporting potential rivals. Obviously, such principles are nonsensical when applied to resource competitions.

Another distinguishing element of honorable competition is that it is scrupulous fair. Since competitive honor uses competition to rank people according to their excellence at something, and excellence can be revealed only if these competitions are fair, it follows that competitive honor must require fair play.[10] Honor regularly spurs people to "play fair" or "fight fair" in the gravest circumstances with the highest possible stakes. For examples, one need look no further than the innumerable cases of battlefield "courtesy" found in the warrior-aristocratic tradition. Some real-life instances of honorable combat in the historical record include: refusing to attack an enemy army as they cross a river;[11] insisting to enemy officers that *their* side take the first shot (and being refused!);[12] rejecting distance or ballistic weapons as impersonal or cowardly;[13] sending away reinforcements in order to make the upcoming battle more equal;[14] even admonishing one's forces to defend outnumbered *enemy* fighters.[15]

Taking this all together, it would seem that, when we speak of people being "competitive" in a virtuous way, we are saying that they are disposed and habituated to act and feel in the ways described above. Competitive people look for reasons to compete. They invent competitions if necessary. They bend over backwards to entice others to compete with them, even if this means disadvantaging themselves in order to make the competition "sporting." Virtuously competitive people compete to learn about themselves—to see what they're "made of"—which requires not only an appreciation of their qualities in isolation, but also a sense of their excellence relative to others. Although competitive people are constantly comparing themselves to others, they don't begrudge those higher in the rankings, even if they envy their status. Likewise, they don't resent the ambitious up-and-comers below for aiming for their spots. And the last thing they would want is to "eliminate the competition."

The second honor-ethical virtue I will discuss, magnificence, is particularly relevant to the wealthy. In Aristotle, magnificence (*megaloprepeia*—literally "large-scale gift-giving")[16] is closely associated with magnanimity (*megalopsuchia*, or "greatness of soul"). Magnanimity is the larger category: it is nearly equivalent to nobility (although "nobility" is more suggestive of martial qualities), expansiveness, high-mindedness, or loftiness of spirit. Magnificence can be fairly thought of as the generosity of the magnanimous person.

Magnificence isn't merely generosity on a large scale. The difference between mere generosity and magnificence is qualitative; magnificence is a particular type of generosity.[17] First, magnificent people engage in a type of competitive gift-giving we see in honor cultures.[18] According to Aristotle,

> [magnificence] is found in the sorts of expenses called honorable, such as expenses for the gods—dedications, temples, sacrifices, and so on, for everything divine—and in expenses that provoke a good competition for honor, for the common good, if, for instance, some city thinks a splendid chorus or warship or a feast for the city must be provided.[19]

Aristotle says of magnanimous people that they prefer to give more than they receive because by doing so one places others in a debt of honor: "doing good is proper to the superior person, but receiving it is proper to the inferior" and the "magnanimous person wishes to be superior."[20] In contrast, simple generosity, both in Aristotle's mind and our contemporary concept of it, does not involve this competitive aspect. Someone is generous—even a rich person is *merely* generous—when she gives anonymously to a good cause, for example. Magnificent giving is necessarily fraught with implications for prestige.

The objects of magnificent giving also differ from those of generosity. Magnificent gifts are highly symbolic: if private, they are usually for one-off occasions, such as a wedding;[21] if public, usually spent of gifts for the gods or the city.[22] In all cases magnificent gifts must be grand gestures that are well-spent (i.e., the mere spending isn't magnificent if the result is tacky or unnecessarily expensive).[23]

A third feature of magnificence is quite subtle. Aristotle says that magnanimous people spurn small things, including the dangers and rewards that the masses fear and cherish, petty insults or injuries, and the *praise of people of lower standing*.[24] If magnificence is a sort of competitive generosity, this principle suggests that magnificent people are not simply "buying" prestige from those they give to as much as earning the esteem of their peers through their benefaction. Admittedly, distaining even the praise of "little people" might offend our democratic sensibilities. Nonetheless, it seems morally plausible for the magnificent rich to favor the esteem their philanthropy wins them from among their peers over the high opinion it earns them from the masses. For as we shall see, a variety of considerations must be weighed in allotting honor to benefactors, many of which regular people are poorly placed to evaluate and apt to ignore in their gratitude. So the principle here is only superficially elitist. After all, a philosopher may reasonably value the praise of other accomplished philosophers (her honor group) more than she does the praise of her students or her non-academic spouse. Does she therefore consider her honor group to have greater moral worth than her own spouse and students? Of course not: it is perfectly reasonable to value most the praise of those who play and understand our honor game.

Honor and competitive markets

Having discussed some principles and virtues of honor in the abstract, we can see that expecting today's executives to be "honorable" isn't as unrealistic as it may have first sounded. I suppose it would be a good thing if executives were saints, concerned chiefly with respecting stakeholders, justice, the overall good, future generations, and the environment. But honor is suited to a more pessimistic estimation of the business executive. For all honor requires is competitive executives who want recognition for being good at what they do. That is not asking too much. And yet it is the alchemy of honor that out of such leaden motives the most golden qualities are born, among them the noble virtues of honorable competitiveness and magnificence.

To better appreciate how honorable competitiveness could inform business ethics, consider the following cases:

> *Donuts:* The executives of New York-based Dippin Donuts and L.A.-based Starboost realize they can improve their profit margins if they divide the U.S. down the middle: Dippin Donuts will open no coffee shops west, and Starboost none east, of the Mississippi.
>
> *Steel:* The CEO of AmeriSteel has important connections in politics. She knows she can successfully lobby for government subsidies to produce a new environmentally-friendly product called Ecosteel. It occurs to her that she could use the tax breaks for Ecosteel to subsidize other products. If AmeriSteel sold its traditional steel at an artificially low cost, it

could put some smaller competitors out of business, which would lead to greater profits later on.

Mad Men: Advertizing executives Roger Sterling, Bert Cooper, and Don Draper learn that their recently-sold business is about to be sold again, this time to a much larger firm that will probably make no use of their talents. The former partners have generous contracts and are already wealthy, so the prudent course of action is to stay put and while away their days with martini lunches and office naps. They instead escape their contracts by conspiring to get fired. They pour their savings into a new firm they must build from scratch, requiring them to work from hotel rooms and beat the bushes for new clients. In justifying this course of action to themselves, they appeal to the indignity of being treated like chattel or prostitutes, and equate easy earnings with death.

Even without additional detail, it should be obvious that the proposed dumping in *Steel* and the territory division in *Donuts* would be unattractive to someone with the virtue of competitiveness, whereas the risky move made by Sterling, Cooper, and Draper would be applauded. (That is not to say that honorably competitive executives mightn't make non-competitive choices in many circumstances. The claim is that competitive executives are generally disinclined to pursue anti-competitive strategies.) This pro-competitive attitude is unique among business ethics. Even libertarians, who see competitive markets as a cure for most ills, don't expect executives *themselves* to promote competition in their markets. But honor does.

Consider a sports analogy. Suppose that you were a white high school basketball player in the segregated South. Your team won the state championship this year—congratulations! Nevertheless, that trophy doesn't seem to mean as much as it would have if, say, the other half of the schools in your state got to compete with you. The honorable player in this situation wonders, not "How sad it is for the black kids that they don't get to compete for this trophy"; rather, he thinks, "How sad it is for us, *the white champions*, that we didn't get to test our abilities against those of all the kids in the state." The honorable player is much happier at the prospect of being runner-up or worse in a fairer and more open competition than being the champion in less fair or more limited one. *Mutatis mutandis* for honorable businesspeople. Honorable executives relish competition rather than go out of their way to discourage or squelch it. They will pass up a more lucrative job at a monopoly for a less lucrative one in a fiercely-competitive industry. They won't use industrial espionage to get an unfair advantage over their rivals. They won't dump a product at artificially low costs in order to put a competitor out of business. They won't lobby governments (domestic or foreign) in the hopes of using political power to protect their firm from potential rivals. They won't engage in corrupt or illegal practices in order to squelch competition. And in all these cases, their motives are completely self-regarding, although hardly selfish.

I think the most obvious objections to asking executives to be honorably competitive come from shareholder theory. The first is practical: "Executives are hired by shareholders, whose aim is to maximize their profits. That means shareholders will simply fire honorable executives in favor of ones who pursue non-competitive, 'dishonorable,' but more profitable policies. So honorable executives would be weeded out of the system." The second shareholder-based objection is moral: "Executives have a fiduciary duty to their shareholders to maximize profit. Honorable executives will sometimes cost shareholder profits, even *legal* profits, when they act pro-competitively. So they will be cheating shareholders out of some profits they have a moral right to."

In reply to the practical objection, we must concede that in some cases individual firms will suffer financially for hiring honorable executives, since in some cases such executives will refuse to deal in dishonorable but profitable ways. And yet it bears keeping in mind that the demands of honor I am arguing for here are by no means more costly for shareholders than those norms regularly forwarded in business ethics textbooks—norms requiring executives to regard their obligations to social justice, stakeholders, the environment, the common good, and so forth. So the honor-theoretic approach isn't *uniquely* demanding of shareholders, as business-ethical approaches go. In addition to this *tu quoque* reply, I hasten to add that firms would often benefit from the efforts of executives fighting for status (as they already do). This would be so for exactly the same reasons teams, and sports in general, benefit from the prestige-motivated exploits of players and coaches:

there may be no "I" in "team," but it is rare that personal ambition doesn't serve one's team—or firm.

Turning to the moral version of the objection from shareholder theory, it must be remembered that, even *if* firms are seen as money-making machines, the executives running them certainly are not. No shareholder theorist could deny that executives have every right to take pride in their profession, to value the discipline and excellence that their profession requires, and to find meaning in discovering their places in the ranking of their honor group. If so, then as shareholders we must expect that on occasion our investments will be less profitable than they could have been simply because the executives managing our firms found them dishonorable. If it helps, the shareholder theorist is invited to think of those costs as part of the pay the executive demands, since those lost profits are required for the dignity honorable executives find necessary. Viewed that way, executives have the moral right in a free market to demand such prerogatives as honorable people, and simply force shareholders to deal with it.

But should there be any market whatsoever for honorable executives, given their costs? Proposing that others bear the cost of an executive's honor is not as quixotic as it first appears. As academics, we expect certain social perks, dignities, and prerogatives that do not directly serve our students, their parents, or taxpayers, but rather reflect our identity as professors and intellectuals who engage in our sort of prestige competition. Although our demands sometime seem unreasonable to outsiders, the status markers, perks, and prerogatives we academics demand plausibly result in considerable *indirect* benefit for our students and cultures, since all that status and status-seeking attracts academic talent despite poor pay, prompts us to work hard, spurs us to seek out and criticize highly-touted research, and to publicize our ideas. It may also be that academics—people who are good at doing academic work—simply conclude that we cannot take pride in what we do unless we conduct our research and teaching in this way. That is, our costly receptions and conferences, prerogatives to cancel classes, or academic research sabbaticals may simply be conceived of as part of the wage we demand. If the people who pay our bills cannot tolerate the "waste" our honor culture demands, then they may replace us with professors who do it for the salary, or altruistically for the students, or perhaps even for the fun of teaching. I humbly suggest that it is well worth it, long-term, to pay the higher price for the academic motivated at least in part by prestige. *Mutatis mutandis* for honorable executives and the morality of their supposed expense to shareholders.

Magnificence and charity

The man who dies rich dies disgraced.
—Andrew Carnegie, *Gospel of Wealth*

As touched on above, one of the most remarkable facts about wealth in the early 21st-century is how it hasn't been this concentrated since the Gilded Age. But in 2009, an extraordinary event occurred, bringing together fortunes from the past gilded age and the present one. At the request of Bill Gates and Warren Buffett, David Rockefeller hosted a dinner for a dozen or so billionaires, including Michael Bloomberg, George Soros, Ted Turner, and Oprah Winfrey. The purpose of the dinner was to discuss how to give most of their money away to philanthropy, and how to start a wider movement of major philanthropic giving by the superrich.[25] At this point, about seventy American billionaires have pledged to give at least half their wealth away. Buffett and Gates are now taking their cause worldwide.

It is safe to say that Buffett and Gates aren't displaying magnificence as much as large-scale generosity, since their motives seem less competitive than altruistic.[26] Yet honor has become increasingly salient as their movement gains momentum. For surely much of the moral force of Gates' and Buffett's "challenge" to billionaires at this point rests upon a shaming mechanism: *We've given so much away—are you so greedy that you won't?* As Buffett and Gates take their cause overseas, national pride also figures in here. If American billionaires are willing to give half of their wealth, what does it say about Chinese or Indian billionaires that they are not? Or Chinese or Indian culture?[27] Even those wise in the ways of honor find it remarkable how quickly super-philanthropy's significance to the needy has been eclipsed by its relevance to the status of the superrich donors themselves.

Obviously, turning super-philanthropy into a competition that ranks the generosity of the world's billionaires isn't a bad thing from the honor perspective: the Athenian aristocrats Aristotle had in mind would see nothing wrong with people competing for status through giving. But matters aren't as simple as whipping out one's checkbooks and measuring contributions. An honor game of philanthropy presumably would consider how big a percentage of one's wealth one has donated. How one got one's wealth might also matter to one's status in this competition.[28] For instance, it certainly seems to me that philanthropists deserve less or even no status if they came by their wealth through corruption—a principle that the London School of Economics has learned with some chagrin, given their praise of Muammar Gadaffi for his benefaction to their programs.[29]

One might think super-philanthropy is, like polo, just another game the rich may choose to play. But thinking about philanthropy in terms of magnificence reveals that it is not optional. Honor *requires* magnates to be magnificent, and to see their status among their peers as importantly contingent upon their demonstration of this virtue.

Here is one reason why we should expect tycoons to be philanthropic. Truly professional businesspeople, as opposed to those who merely "work for money" (note the aristocratic echoes in this distinction) usually value the virtues of their profession. They value the hard work being an effective executive requires, the intelligence and nerve it takes to balance risk and reward when thousands of jobs are at stake, the leadership needed to manage and inspire teams of people, the perceptiveness involved in identifying undervalued assets and avoiding over-hyped ones, the patience necessary to building a profitable venture, and so on. People who truly value business virtues quite legitimately go further and take pride in their *possession* of these virtues, and rank themselves among other businesspeople with respect to these qualities. But the pride they feel will be mitigated by the plain fact that only a small percentage of people have the opportunity to exercise or even develop these virtues. Thus, the honorable tycoon is in much the same position as the white basketball players in the segregated South beholding their trophy: certainly their success means something, but the honor of the success would be greater, and the system generally would be more honorable, if the playing fields were more level. Such thoughts lead necessarily to the conviction that more people should have the chance to develop and exercise these virtues, too. And unlike teenage athletes, rich executives and tycoons can do a great deal to level those playing fields by committing money to institutions that promote social mobility.

A second reason magnificence is required of wildly successful businesspeople is that magnificent expenditures prove to all (and oneself) that one's motives were honor-based and not acquisitive. Suppose you had a bunch of business moguls who took pride in their business intelligence, and who saw their status as based on their successes, where "success" was measured by some implicit but complex formula that multiplied wealth earned by other factors, among them the competitiveness of their respective markets, the originality of their contributions, institutional obstacles overcome, etc. Even so, these honorable moguls would have to prove to themselves and others that they really were motivated by honor, and not by the benefits that come with high status in business. In other words, they must demonstrate that they weren't pursuing the material awards the business game bestows on good players, but rather the virtues this competition inculcates and the *sport of the game itself*.

This is not to single out tycoons. All honorable people who materially benefit from honor games feel the pressure to prove their motives are noble. Consider, for example, Henry V's rallying St. Crispan's day speech, when he assures his men that he isn't invading France for material gain:

> By Jove, I am not covetous for gold,
> Nor care I who doth feed upon my cost;
> It yearns me not if men my garments wear;
> Such outward things dwell not in my desires:
> But if it be a sin to covet honour,
> I am the most offending soul alive.[30]

Precisely because France is such a rich prize, Henry must avow that he "covets" only honor. Granted, such language is frequently lip-service—but so are most value-appeals in rhetorical speech. That it is *effective* rhetoric is proof that we tacitly understand that those who would see themselves as honorable must prove that honor is their true motivation, especially in realms (such as war or business) where competitive success yields enormous material benefit. So if warlike kings must make some effort to distance themselves from those "in it for the money," then even more directly honor requires tycoons—who, of all people in the world can most easily be accused of avarice, greed, and acquisitiveness—to show their concern is for honor and not wealth itself. What better way for honorable moguls to distinguish themselves from the money-grubbers than to give their money away, and away to institutions that promote open and vigorously competitive markets, to boot?

Conclusion

Applying the virtues of honor to business hardly requires much wishful thinking: if anything, it is so realistic as to be pessimistic. It assumes that executives are competitive and crave status. It assumes they are willing to sacrifice no more for honor than did the average warrior-aristocrat (indeed, far less, since sacrifices of wealth for honor are less costly than sacrifices of life and limb). Is there an emerging plutocracy, a permanently moneyed class untouchable by democratic institutions? Then all the more reason to rehabilitate honor's virtues and encourage them in the executive class: for a little reflection reveals that we put our "faith in the honor of" those we cannot coerce, and we adopt "honor systems" in circumstances where oversight is impossible. Indeed, appealing to the honor of the strong is the last resort of weak.

But setting aside such gloomy considerations, we should see honor as just another aspect of a functioning and ethically sound economy. As Adam Smith famously noted, the butcher, baker, and brewer furnish our dinners, not because of their benevolence, but rather because of "their regard to their own interest." We are comfortable with the notion that contract-based norms (usually associated with justice) harness selfish acquisitiveness for the good of the community. I hope to have shown that our legitimate "interests" shouldn't be conceived of purely in terms of resources, but also prestige. Thus, honor, the regulatory system for prestige, has a valuable role to play, too, especially in an economy threatened by market concentration and divided by enormous gaps in wealth.

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[8] Cf. T. Veblen (1899/1912) *The Theory of the Leisure Class* (Norwood, MA: Norwood Press), ch. 1.

[9] E.g., the British respect for the body of the Red Baron.

[10] S. Loland (1998) "Fair Play: Historical Anachronism or Topical Ideal?", in M.J. McNamee and S. J. Parry (eds.) *Ethics and Sport* (New York: Routledge).

[11] This courtesy was shown by Byrhtnoth at the battle of Maldon in 991; see D. Killings (trans) (1991) "The Battle of Maldon." Or consider the similar courtesy shown by the so-called "Duke of Sung" to his Ch'u enemies at the Hong in 638 B.C.; see M. Walzer (1977) *Just and Unjust Wars* (New York: Basic Books), 225-226.

[12] As at the Battle of Fontenoy in 1745; see A. Starkey (2003) *War in the Age of Enlightenment: 1700-1789* (Westport, CT: Praeger), 116.
[13] J. Hatto (1940) "Archery and Chivalry: A Noble Prejudice," *Modern Language Review* 35, 40-54.
[14] For example, the famous challenge by Captain Philip Broke of the *Shannon* to Captain James Lawrence of the *Chesapeake* in the War of 1812; see K. McCrain (2011)*Utmost Gallantry: The U.S. and Royal Navies at Sea in the War of 1812* (Annapolis: Naval Institute Press), 148ff.
[15] One passage in the Indian *Rigveda* devoted to knightly honor calls for this (Singh 1965, pp. 161-162).
[16] Aristotle (1999) *Nicomachean Ethics,* T. Irwin (trans.), (Indianapolis: Hackett), 1122a.
[17] Aristotle, *Nicomachean Ethics* 1122a25-30.
[18] R. Benedict (1934/2006) *Patterns of Culture* (New York: Mariner); M. Mauss (1967) *The Gift: Forms and Functions of Exchange in Archaic Societies*, I. Cunnison (trans.) (New York: Norton).
[19] Aristotle, *Nicomachean Ethics* 1122b2-25.
[20] Aristotle, *Nicomachean Ethics* 1124b10-15.
[21] Aristotle, *Nicomachean Ethics* 1123a2.
[22] Aristotle, *Nicomachean Ethics* 1122b20.
[23] Aristotle, *Nicomachean Ethics* 1123a12-25.
[24] Aristotle, *Nicomachean Ethics* 1123b-1125a.
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[28] Aristotle, *Nicomachean Ethics* 1122b30-33.
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[30] Shakespeare, *Henry V*, IV.iii.