Chapter 21

Heated debates and cool analysis: thinking well about financial ethics

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Introduction

Not for the first time, the banks and other financial institutions have got themselves – and the rest of us – into a mess, this time on an unprecedented financial and geographical scale. It is no surprise that opinions about causes, consequences and cures abound with ethical issues, as well as technical and economic concerns, a focus of attention. It is to be hoped that useful lessons for the future will be learned.

In this chapter, however, we step back from a direct engagement with the stated ills of the financial system itself, whether actual or perceived, chronic or acute. Our starting point is that crisis in the financial system not only makes us stop and think; but it might also, particularly under conditions of moral panic, prevent us from thinking well. Our contention is that a further impediment to thinking well about financial crises is the lack of a substantial body of academic knowledge that might be termed 'financial ethics' – a corpus of well developed conceptual insights and appropriate empirical evidence. We identify some of the reasons for this situation and proffer some suggestions regarding what might be done to remedy it – including the development of knowledge that is as relevant to everyday practices during periods of normality as it is to providing perspectives on crisis. The chapter is structured as follows: the next section provides a perspective on debate during times of crisis; the middle section seeks to explain why academic financial ethics is not a significant constituent element of debate on the financial crisis post-2007; and the final two main sections explore ways in which an academic agenda for financial ethics might be constructed. In a curious way this chapter echoes some of the themes and especially the conclusion of David Bevan's chapter in this work (chapter18) although the reasoning to the conclusion that finance ethics is an empty set follows a rather different Badiou-inspired path in chapter 18.

Debating the financial crisis

It is characteristic of a major crisis for many voices to be raised, calling attention to problems, identifying ‘scandals’, attributing blame and proposing solutions. In the recent financial crisis three distinct, albeit related, sets of debate might be heard: popular debate, which tends towards narratives of individual immoral behaviour and excess (Curtis, Harney and Jones 2013); policy debate, which focuses on the need to identify and remedy structural flaws in the regulation of markets and institutions; and academic debate. However, this last has been heard to only a limited extent. The reasons for this are explored in the next section. Our argument is not that academics have been overlooked or ignored, but that, at least when it came to ethics, they were unable to make a substantial contribution or to impact on understanding because there existed no corpus of well-established, practically relevant knowledge; or at least not to the extent necessary to inform, let alone drive, the direction of debates. Unlike various other parties, academics were not ‘standing ready’ with a substantial body of knowledge that we might call ‘financial ethics’.

As attention is directed in times of crisis from the ordinary and everyday towards the exceptional and extreme, the opportunity arises for various parties to add weight to previously held but otherwise unsubstantiated theories of perceived ills, and to prioritise particular policy agendas, drawing in large part on pre-existing resources and beliefs. These proponents of particular positions outside academe opportunistically – albeit genuinely – engage in vigorous debate about the financial crisis. Well established political and social agendas mean that they are poised, ready to make a well-articulated – if shallow or partisan – contribution at a moment’s notice.

The tendency in popular debate is towards narratives of individual immoral behaviour (Curtis, Harney & Jones, 2013) which tend to be articulated and disseminated in the media, particularly through written and broadcast journalism, and taken up more widely by other sectors of society. Policy debate focuses more on the presence of structural flaws and the reformation and regulation of markets and firms. Although the term ‘policy’ suggests that these debates are a matter for governments, this is not necessarily the case. The call to hold bankers individually and criminally accountable for ethical lapses in the system, voluble in the press, have also found an echo in certain areas of the corridors of power for example.

A crisis might therefore make us (academics and others) stop and think, yet it might also prevent us from thinking well; focusing on the extreme creates a climate in which moral panic thrives. The origin of the term 'moral panic' is unclear but is often attributed to the sociologist, Stanley Cohen. Krinsky (2013, p.1) summarises the concept thus:

> A moral panic may be defined as an episode, often triggered by alarming media stories and reinforced by reactive laws and public policy, of exaggerated or misdirected public concern, anxiety, fear, or anger over a perceived threat to social order.

In other words it refers to a social rather than individual phenomenon that requires institutional support to prosper (Furedi, 2013).

Two further concepts are relevant here – those of the moral scandal and the moral crusade. In short, moral scandals generate noise and/or action and create social upheaval akin to a 'crusade'. These concepts may be applied to representations of the financial crisis. Echoes of each are detectable not only in popular discourse and policy debates, with calls for greater regulation of financial markets and the activities of those employed in financial sectors (Curtis, Harney and Jones, 2013) and for often punitive measures against them, but also in the academic literature. Indeed, Krugman (2012) argues that the field of economics is rife with moralistic undertones. Debates about bankers' bonuses, for example, are most usually couched in terms of whether these are 'deserved', rather than 'affordable' or 'appropriate', for example.

However, thinking about finance and financial systems in a time of panic or a climate of retribution is hardly likely to be conducive to thinking with deep and enduring relevance. Attending to those constant features of finance, which the recent focus on crisis and panic obscures, presents academics with the chance not only to increase their own academic and intellectual capital, but also to make an impact on debates taking place outside the academy.

Such ‘outsider’ interest is not without merit, because academics are arguably a group to whom society might look for mature, sophisticated and objective advice and opinion, particularly in troubled times. Both the conceptual insights and empirical evidence afforded by academic endeavour, including (or even especially) ethics, could be a valuable resource on which to draw and inform wider discussion. However, this is far from being the case at present. The academic contribution has failed to provide a sufficiently robust and insightful counterpoint to other kinds of popular and policy debate. Indeed, it might be said that it is almost entirely absent from it. This is not primarily for the reasons that are usually cited for a lack of impact of academic work outside the academy – namely poor communication or lack of relevance – but because academic financial ethics barely exists.

On the lack of (academic) financial ethics

One of the familiar witticisms about business ethics – and, even more so, financial ethics – is that a book about it should be very short indeed. Purveyors of such well-worn humour are making a point about the practice of business (or finance). Whether or not their characterisation is accurate or fair, they are not so wide of the mark when it comes to academic financial ethics. Notwithstanding a few books (e.g. Boatright, 2010, 2014) and some articles in the business ethics journals, the amount of sustained academic work is remarkably small. We begin by mapping financial ethics as a field and use this as a point of departure to explain why academic study seems to have so little to contribute to real world debates.

Part of the problem might be seen as traceable to a lack of clarity about what financial ethics is. According to Boatright (2010, p.3) finance is 'the generation, allocation, exchange and management of monetary resources' and the main topic areas pertain to personal finance, corporate finance and public finance. He also contends that the study of financial, or, to use his terminology, finance ethics has become concentrated into four main loci of interest; that is, finance theory, financial markets, financial services and financial management. Financial ethics as an academic field, then, is concerned with the moral issues that arise and the moral norms that apply to all the activities taking place within each of these loci. In other words, when we talk of financial ethics we are in fact talking about a potentially huge and diversified landscape. Although Boatright's isolation of these topic areas, loci of interest and the nature of ethical concerns that arise within them are a useful description of the practice of what he calls 'finance ethics' as an academic field, a conceptual unpacking rather than the descriptive exercise he has undertaken here does seem somewhat more difficult to effect. Does use of the term 'finance ethics' imply something that is qualitatively different to 'financial ethics' for example? We have used the terms interchangeably here but can we assume this is simply a matter of semantics?

Like business ethics, of which it is arguably a subset, financial ethics will perhaps always suffer from the lack of a clear academic identity because it is a field rather than a discipline (Cowton and Haase, 2008). Whilst this may be a positive thing in that 'many different disciplinary perspectives can fruitfully be brought to bear' (p.1), the field of financial ethics risks being overloaded with the conceptual, methodological and ontological baggage of a number of other disciplines and fields (ethics, economics, business, accountancy and so on), particularly as some of these may themselves be multi-disciplinary. On the one hand this may be seen as enriching and expanding the field, but on the other it may militate against the possibility of financial ethics gaining a recognisable identity of its own, particularly as this may require the acquisition of paradigmatic status to be effected. Kuhn (1996, p.175) describes a paradigm as ‘the entire constellation of beliefs, values, techniques, and so on shared by the members of a given community’. It is difficult to develop a community identity if members possess pre-existing allegiances to communities outside the field. Financial ethics cannot therefore be considered to possess paradigmatic status, but as a field of academic endeavour it imports paradigmatic practices from a range of other disciplines. If not strictly incommensurable (Kuhn, 1996), many of these are likely to be uneasy bedfellows. Boatright points out, for example, that finance scholars who have a good grounding in, and understanding of, finance theory are constrained by a research paradigm that excludes normative questions and demands the use of particular methodologies and analytical tools (p.3). Business ethicists on the other hand, who are versed in the ways of moral philosophy or empirical social scientific research, tend to lack the necessary grounding in finance theory to enable them to contribute with confidence.

Although we will not pursue this point further, it does nevertheless suggest that a failure to delineate the parameters of the various aspects of the field and their overlapping and discrete features may constitute the first obstacle to the consolidation of financial ethics into a strong, recognisable and recognised field instead of the neglected and underdeveloped one it currently constitutes. However, Boatright's argument about the divide between finance and business scholars speaks not only to the bodies of knowledge and communities of practice that pertain to each, and a divide that can be crudely represented as the divide between philosophy and social science, but also to broader issues of the divide between conceptual and empirical work. However, in his analysis of business ethics Cowton (2008) points out that the difference between the conceptual and empirical should not be overdrawn. We are therefore of the view that, rather than the root of the problem being a conceptual/empirical divide, or even the fact/value divide (see Cowton, 1998) the problem is caused by the failure of financial ethics scholars, loosely described and such as they are, to adequately capture and conceptualise their field and the relationship between conceptual and empirical work (they may not be the only group guilty of this sin, but they are the ones under scrutiny here).

Although his interest was not in financial ethics per se but in business finance, Whitley's (1986) detection of a dynamic between theoretical and empirical work provides useful pointers here. In a discussion of what he saw as the transformation in the US of business finance as an intellectual field with strong descriptive content into financial economics, he argues that 'a high degree of theoretical abstraction and formality coupled with 'considerable empirical uncertainty' shaped prevailing understandings of the intellectual constitution and disciplinary parameters of the field. In short, business finance assumed the identity of financial economics with the concomitant dominance of mathematical models, the exclusion of 'lay involvement in setting intellectual goals or standards' (p. 172) and the 'scientification' of research and of 'formal research on esoteric and idealised problems' (p.172). Such a transformation has made it more difficult for finance scholars to acknowledge and treat ethical issues except in the most attenuated way (e.g. agency theory).

However, we must emphasise here the contextual specificity of Whitley's argument. The nature of the conceptual and empirical works to which he alludes, based as they were on scientific and particular mathematical models and uncertainty and inconclusiveness respectively, took place at a time when there was rapid expansion of business schools in the US, which was accompanied by a desire for academic legitimacy. Moreover, this occurred shortly after the Second World War, when the natural sciences enjoyed high prestige, when there were changes in the US in the organisation of financial markets and when close connections between the academy and financial institutions and employers were fostered and maintained. Nevertheless, the basic tenet of Whitley's argument holds good here. It is not in any perceived divide between conceptual and empirical work that problems are created but in the nature of their dynamic in particular academic and historical contexts. This brings us then to a consideration of the ways in which financial ethics scholarship is failing to engage sufficiently with its location in its current context.

Consistent with Whitley's account, according to Keasey and Hudson (2007, p. 933) a failure to connect 'the rich complexities of the context' in which it is practised is endemic to finance research and scholarship. Connecting with Frankfurter's (1994) use of the metaphor of the temple, they liken finance theory to a 'house without windows'. In short, finance scholars dwell in a space where there is internal consistency but no engagement with the outside world. Whilst scholars are supplied with external 'data feeds', these are interpreted 'from the perspective of their agreed research paradigm and any facts which are seen as anomalies give rise to a whole new spate of activity to see how they can be reconciled with the existing core theory'.

Perhaps financial ethicists (such as they are) cannot have common cause with them here. Teachers and students of finance theory may enjoy a greater element of safety from critical enquiry, because few outside the academic world understand the mathematical language or abstraction at its core. This means that they can keep the core of the subject safe. Whereas Keasey and Hudson imply that finance theorists are unaware of much that is going on, or at the very least keep it at bay so they may not be troubled by it, financial ethicists cannot fail to be aware of what is going on around them, as it is daily reported by the mass media. Indeed, they use reference to scandals and crisis to motivate much of their writing.

Not only does the finance literature pay little attention to ethics, but business ethics journals have traditionally published few papers on finance. There might be several reasons for this: perhaps researchers feel that finance is too technical or demanding for them to engage with; or perhaps they find it uninteresting and other topics more attractive; or maybe they – wrongly – think finance unimportant. Nevertheless, whatever the reasons, Curtis Harvey & Jones (2013, p.65) comment that 'before the crisis, what we might call an ethics of finance began to come into view; but in the heat of the crisis, most accounts fell back on the separation of the supposedly distinct practices of finance and ethics'.

We would venture to say that, by focusing on crisis in a climate of moral scandals, panics and crusades rather than on the underlying and enduring ethical challenges that are part of the fabric of financial systems, financial ethics (to the extent it is developing) is contributing to its own future irrelevance, and this for several reasons. First, journalists will always be more nimble than academics in terms of their contribution to the debate as they are not required to base their analysis on painstaking searches through the literature or through rigorous empirical research, nor need they subject them to theoretical tests or to connect them with bodies of extant knowledge. Quite simply, the structural location of academics militates against their preparedness for acute situations, let alone crisis. Second, in focusing on crisis academics are distracting themselves from that to which they might more productively and effectively apply themselves, namely to the long-term, to the deep seated and to the everyday. Third, considering those things against which their location and the nature of the job militates, means that academics are not thinking optimally. It may be going too far to say they are wasting their time, but it is hard to see how it is best used by focusing on crisis. Add to this mix critiques about the adherence to inadequate conceptual and empirical models and fondness for abstraction, and it seems little wonder that there is little academic financial ethics ready and available for use in debates.

The way(s) forward

So what might it mean to think well, or more generally to do good research, about financial ethics? Different areas of research involve different conventions and standards regarding how analysis of ethical issues is best conducted, which should be adhered to by financial ethicists drawing on those traditions (see Cowton 2008 for a similar argument regarding business ethics). However, given our earlier assessment of the field we need more, not just better, financial ethics research; and given our comments on the narrow and introspective development of finance, as *per* Whitley (1986) and Keasey & Hudson (2007), it would make sense for this research to be open to perspectives from multiple academic fields and disciplines and influences from the world of financial practice. Thus, for financial ethics, given its embryonic state, the question is not just how we research, in some narrow methodological sense, but how the field itself is constructed – a question, in effect, of what we research. To extend Keasey & Hudson's metaphor, if we think of financial ethics as occupying a 'room' within the academic 'house', there are several other rooms we can visit for resources and guidance, and there are windows through which to gaze upon the financial world (though the distance implied by gazing through the window should not be taken to have methodological implications!)

This notion of academic stimuli or resources, on the one hand, and external influences on the other, is consistent with the analysis of the development of academic business ethics to be found in Cowton (2008).

He (one of the current authors) makes the point that 'through our decisions about what we do or do not study and write about, we will determine the future shape of the scholarly literature – what it addresses successfully and on what it remains silent or inadequate' (p.11). This entails awareness of the influences that are brought to bear from within and outside the academy. He cites previous literature, debates in academic disciplines, extant research, resources allocated to research and the curriculum as those that emanate from inside the academy.

From the inside out

In this section we focus largely on the factors that are shaping the academic identity of the field and which in turn influence the way it connects with the world outside the academy. We take up in particular the influence of other academic disciplines on the finance ethics research agenda, specifically that of philosophy and of sociology, and develop the argument we have begun about why finance ethics scholars have found themselves on the outside of debates about the financial crisis.

Financial ethics and philosophy

Until relatively recently, moral philosophers and ethical theorists have shown little or no interest in finance. Indeed, for much of the twentieth century, Anglo-Saxon philosophers were occupied with the nature of language and even though moral philosophy took a more applied turn towards the end of the twentieth century, particularly in the US, it was a turn to matters of life and death (Cowton, 2012; Cowton & Crisp, 1998). Euthanasia, abortion, animals and the natural environment have all claimed philosophical attention in ways that finance has not, perhaps because finance was not regarded as a concern of such huge import. Medical ethics could more easily be associated with these big ideas. Perhaps finance was not seen as important enough, too technical, or perhaps even boring (Cowton, 2012). However, in view of recent reports of sharp increases in the number of people attending general medical practitioners' surgeries with symptoms of depression, in the prescription of antidepressants and in the number of suicides all linked, if only anecdotally, to the austerity measures being employed to tackle the crisis, it may also be said that life, death and finance have now been brought into greater proximity. Moreover, the generally disruptive effects of the financial crisis and the issues it has raised make it clear that some deep thinking is required about the nature and societal effects of finance and of financial institutions such as banks (Cowton, 2012). Philosophy is arguably the strongest tool for the job of thinking. Indeed, Crisp (1998, pp. 9-10) goes so far as to suggest that philosophy provides 'the best way we know to approach the truth about how our economic and business life should be'.

However, certain risks have been identified in affording greater space to philosophy within the field of financial ethics. Not least, the reliance on philosophy could mean that the field of finance ethics becomes (even further) 'disconnected from its object of study' (Cowton, 2008, p.16), as financial ethics is drawn into, or even exaggerates, the practices or developments in philosophy. Sorrell (1998, p. 83) for example noted a tendency by business ethicists who were drawing on philosophical traditions 'to pursue the subject with as much theoretical apparatus as they can bring to bear' in order to prove the academic credentials of their subject. As Whitley (1986) highlighted and Cowton (2008) emphasises, contributions to knowledge never take place in a vacuum but are susceptible both to internal and external pressures. The pressure to establish and legitimise a distinct academic identity cannot but influence the way in which philosophy becomes incorporated into the field. In this regard Cowton suggests it may not be the inherent failings of philosophy itself, but the way it is sometimes done that is at fault here. Perhaps there is over-reliance on the perceived orthodoxies of the discipline and not enough critical scrutiny and reflection on how philosophy (or indeed any other subject) might be best taken up; or there might even be erroneous misconceptions about what ‘doing applied ethics’ means. Moreover, the field is likely to suffer less from such risks if the sources on which it draws are not confined to one academic discipline – assuming that the field itself does not become rigidly fragmented.

This basic understanding of the contextualised adoption of different disciplinary knowledge and practices into a burgeoning field will also provide the backdrop to the next part of the discussion which looks at the risks and opportunities afforded by sociology.

Financial ethics and sociology

It has been argued that the temptation to super-abstraction and hyper-theorisation that (we are implying) a finance ethics drawing on philosophical traditions must resist, might be mitigated by the introduction of social scientific perspectives, particularly as 'they bring with them an orientation towards empirical research, which might suggest a stronger connection with the "real world" and thus reduce the risk of irrelevance' (Cowton, 2008, p. 16). It is certainly true that social scientists have much experience in researching the 'sensitive issues' which seem to so trouble finance ethicists. However, just as philosophy can be done well or badly, and lead to bad or good practice, much depends on the conception of social science that is adopted and the practice of social science that is applied. If empirical research is to play a key role in knowledge generation in the field, it can only do so if adequate thought is given to the nature of its influence. Debates rage within social science, and even within the disciplines it encompasses, amongst other things, over the relative merits of quantitative versus qualitative research paradigms, over methods, over the criteria to be used in assessments of research quality, and importantly over ethics. These will need to be dealt with in the field of finance ethics, particularly one seeking to delineate its own academic identity, but there is little evidence that such matters are currently being engaged with, let alone addressed.

A review of the journal literature in the allied, and slightly better developed, field of accounting ethics scholarship, for example, revealed that 'there is much work still to be done' (Bampton and Cowton, 2013, p. 561), not least in respect of research quality. The requirement to take a step back, as it were, to consider the relationship between the how and the what may not have immediate appeal, particularly when the climate of moral panic imparts a sense of urgency in the demand for the provision of substantive contributions. But, in the first place, we have argued that finance ethics is currently ill-prepared to make such a contribution anyway and we have also suggested that quick-fire responses per se are not necessarily the business of academics anyway – unless already well worked out from a sound basis. We would venture to say that it is through painstaking research – which is aware of its own limitations as well as its strengths, and which understands that the knowledge generated will at least in some part reflect the methods of its generation – that a strong body of knowledge may be built, enabling financial ethics to stand ready when the next crisis requires a rapid response.

Bampton and Cowton (p. 561) also recommend, amongst other things, that there should be more qualitative work undertaken. However, this too will require some critical forethought. On the one hand, if empirical finance ethics adopts a quantitative model of social science it is likely that this will reinforce the mathematical and statistical orientation of the field of finance, which in turn will continue to shape it in a particular way; in other words, precisely the way which will be unlikely to establish its connections to the everyday concerns of constituencies outside the academy. But if it were to embrace a qualitative approach this would also require changing mind sets as well as methods. In other words it will necessitate something seismic along the lines of a paradigm shift, if indeed financial ethics is more readily understood as a paradigm than clearly delineated field of knowledge or practice. The view that research might be reduced to a set of technical operations is inadequate here. At the same time it would be hard to argue for a field of finance ethics that adopted qualitative research as the dominant paradigm. This would also be reductive in its own way. We emphasise again the fruitfulness of paying heed to the relationship between the what and the how (Cowton, 1998, 2008).

Having mapped one possible route for the future direction of the field we will now look outside the academic 'house' and consider how financial ethics might be supported in its necessary evolution by conditions and developments in the wider world.

From the outside in

Our starting point here is that internal solutions can only go part of the way in increasing the potential for finance ethics to become established as a key contributor to understandings in the real world. We also suggest that there is a requirement to look beyond the academy and consider how external influences are brought to bear on the meaning and constitution of the field. Cowton (2008) has outlined some of the ways in which business ethics might close the gap between itself and the business world. Here it is more difficult to simply extrapolate to the world of finance ethics but his consideration of societal issues does offer some way forward. With regard to those, Carroll (2000) suggests that it is not in the analysis of current issues that ethics can be most useful, but in the anticipation of challenges that lie ahead. But Cowton (2008, p. 28) sounds a note of caution here because, to re-iterate, 'scandals are as much about social perception as they are about what happened, and they can lead to moral panic and hence over-reaction, diverting attention from other, perhaps less spectacular but equally important issues'. However, it would be wrong to think the world of the academy, or of any field or discipline within it, could shut itself off from the world outside, even were it to make no effort to be an explicit part of it. Even in the eye of the storm we are part of it.

The Ethics Resource Center has produced a timeline of developments in business ethics, linked to the ethical climate and the major ethical dilemmas of particular decades in the US (http://www.ethics.org/resource/business-ethics-timeline). Thus, broadly speaking, in the 1960s the ethical climate changed such that old values were being cast aside and loyalty to an employer gave way to loyalty to ideals. There was social unrest and anti- war sentiment and employees had an adversarial relationship with management. The major ethical dilemmas at the time pertained to environmental issues, increased employee-employer tension, civil rights issues, honesty, changes in the work ethic and the escalation of drug use. These external changes were reflected in the establishment of codes of conduct and values statements, the birth of the social responsibility movement and addressing ethical issues through legal or personnel departments. Whether one agrees with the detail of the analysis, or the value judgements that underpin them, is another matter, but the point is that imbibing the Zeitgeist may be something that cannot be avoided. In this case the project before us is not to understand how we may influence outside events (an increasing demand upon universities and especially business schools) but how we are always and already influenced by them. The implication is that, whether we are aware of it or not, contextual location and the dynamics this creates impacts on our research agendas, theoretical perspectives and methodological orientations and it would enable us to think better if we were to engage with these. In the next section therefore we shall consider some of the elements required as a precondition to this.

Thinking well about financial ethics

Bauman (1988) has argued that academic expertise and knowledge has become less central to capitalist reproduction which has in turn allowed greater detachment of academic concerns from political debate and less need to anchor it in lay concerns. On this reading academic endeavour has little purpose other than as a self-referential exercise, as good a way of spending one's time on earth as any. We take a different, more optimistic, view and the points that follow are intended to initiate discussion about how Bauman might have been persuaded to think again before taking up this position. Our intention is that, in the course of engagement with the areas we highlight for attention, financial ethics might develop its academic identity and increase its real world relevance without falling into the trap of sacrificing either on the altar of perceived academic legitimacy or of replacing one paradigm with another.

The first aspect of finance ethics research to which we would draw attention is the need to avoid polarisation and to focus on the relationship and dynamics of particular phenomena, events and situations. Therefore we pointed to the need to get to grips with the dynamic between conceptual and empirical work, between theory and practice and between substantive and methodological issues (the 'what' and the 'how'), between the individual and the structural (Gonin, Palzzo & Hoffrage, 2012) and between different disciplines – we focused here on philosophy and sociology.

Second, we need to be reflective and reflexive about the conceptual baggage and the nature of the practices that are imported from the various disciplines that become part of the finance ethics landscape. Inclusion of the term reflexive indicates that the outcome of reflection on the issues associated with each discipline is not the rejection of some aspect of it and the incorporation of others. It urges us instead to consider the implications of those inclusions and exclusions for the future shape and nature of the field. Without reflexivity the risk of reductionism (research as a set of technical procedures) and the replacement of one set of orthodoxies with another is increased. If the paucity of qualitative empirical work in the field of financial ethics is simply taken to be indicative of the failure to be sufficiently catholic in the approach to research, which can be remedied simply by the inclusion of such work, we would suggest this creates rather than solves a problem. To raise but one issue for consideration, if the research instrument in qualitative research is the researcher, is it desirable, or even possible, to aim for objective, value-neutral research? What are the consequences for objectivity here? And what kind of people want to be research instruments?

The third point relates to awareness of the contextual location of academic endeavour which includes awareness of the influences of the temporal. This requires in turn a greater awareness of our historical location and the incorporation of an historical perspective as part of our reflexive deliberations on the emergence and development of the field of finance ethics. Talk of the financial crisis is symptomatic of the absence, or at least the sidelining, of such a perspective. An outstanding example of how to employ a historical perspective can be found in Whitley's (1986) paper on the transformation of business finance into financial economics on which we drew earlier. We also sketched out an example of how events on the broader stage were influential, wittingly or unwittingly, on the business ethics research agenda over time. A more reflexive stance not only on the influences that external forces bring to bear on research agendas but also on the historical location of those events themselves already suggests an engagement with real world issues.

Conclusion

Financial ethics as an academic field has, we have argued, the potential to engage with debates about financial crises. It also has the potential to provide answers to why they happen and why they are perceived as crises and (dare we say?) to offer ideas about their prevention. And yet finance ethics is a neglected field that has failed to establish a body of knowledge to serve these purposes and, more importantly, to contribute to understanding of what finance and ethics mean in times of stability. There are lacunae that cannot be adequately filled by popular and political debate, but which are happening nevertheless. In this chapter we aimed, firstly, to offer some reasons for the absence of a sustained and substantial academic contribution to debates about, and responses to, the financial crisis. We also argued that it is not enough to think more finance ethics without suitable reflection on how such knowledge is generated. The aim should be to think more critically, penetratingly and strategically with the intention of creating a body of knowledge that enhances and furthers good everyday practice whilst mitigating, if not preventing, both the occurrence and effects of more extreme conditions. We set out some of the ways in which thinking well might be accomplished or even flourish, attending both to the academic aspects of the field and to its wider societal, political and historical location, although these are by no means separate projects. Due regard to the real world renders the justification of abstracted academic modelling problematic, just as rigorous, empirically supported and defensible ideas can influence thinking about real world events. Engaging with these issues is not only intrinsically valuable. Thinking well about, if not of, the financial system, moreover, should offer excellent returns not only in terms of individual and disciplinary reputation and the opportunity to increase academic and intellectual capital but, given the human cost associated with failures in financial systems, to society as a whole.

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