A Selfish Case for Moral Economic Decision Making: How Ethics Can Help You Get Ahead

A lot of my fascination with ethics has to do with moral psychology and how we can apply our knowledge of the human mind to form more ethical institutions. I am especially in Jonathan Haidt's research on moral development and its applications to politics and economics. This paper was written in my Morality and Political Economy class taught in 17W by professor Henry Clark.

"Commerce is against morality. Morality is going to lose every time" (Robin Day).

Sir Robin Day, a British political commentator and television journalist, expresses a view on morality that many people likely share. He argues that economic exchange and ethics are separate, opposing, domains. Combining the two would supposedly sully them both. Such an idea ultimately predicts that pragmatic pursuit of self-interest will reliably overcome our better natures. If this is true, we need only consider the ethical implications of immoral actions if they provoke negative consequences because morality would not be something to pursue for its own sake. While some people see morality as an inherent good, others would delight in shaking off restrictive ethical norms in order to more easily pursue their personal goals. However, what if this pessimistic understanding of morality and economic exchange is backwards? What if we have it all wrong? In fact, there is a compelling case to be made that a purely rational economic actor will fare much better in his exchanges and be more content if he follows ethical guidelines than if he discards them when convenient. There are three main lenses through which this question can be examined. The first is political and moral philosophy, which we will use to discover how moral decisions are part of our human nature and can help people achieve a more just and pleasant society. The second is moral psychology, which is a branch of the larger field of social psychology. This field studies how moral frameworks affect people psychologically on both an individual level and in their interactions with others. The third lens is economic game theory, with which we will analyze how morality can help people achieve more desirable economic and social results. Consequently, pursuing morality in economic decision making is more conducive to achieving positive personal, economic and social outcomes and human flourishing on both an individual and group level than most assume.

While ancient philosophers did not understand the complexities of modern economics, there is still much to learn from their musings about the relationship between virtue and economic behavior. The Greek philosopher, Aristotle, is widely credited for producing some of the first analyses of systematic economic thought (Becker 6). By studying his work, we can ascertain how acting ethically can allow us to achieve a happier form of life that is more in line with human nature. Aristotle believed that all human action is directed, in one way or another, towards one goal, or “telos.” This goal is to be happy and fulfilled in life. He addresses this topic at length throughout the *Nichomachean Ethics*, in which he defines happiness as the supreme goal for every human. He elaborates, “Now such a thing happiness, above all else… we choose always for self and never for the sake of something else, but …every virtue we choose indeed for themselves… we choose them also for the sake of happiness, judging by the means of them we shall be happy” (Aristotle Book 1 Sec. 7). It is also instructive to examine the original Greek that Aristotle used in order to understand what exactly he means by “happiness.” As it turns out, it does not reflect the definition from today’s popular culture that describes the emotion simply as a positive state of mind. The Greek word is “eudaimonia” which means, “activity that makes appropriate use of our capacities, a way of life in which we are optimally functioning in accord with our purpose as human beings” (Bragues 343). Therefore, Aristotle views happiness as less of a state and more of an action. One doesn’t achieve happiness, he *does* happiness. How, then, does somebody go about applying this idea to daily life? Aristotle would respond that a person should attempt to improve himself and live in accordance with his purpose. The philosopher substantiates this claim, “…to say that happiness is the chief good seems a platitude, and a clearer account of what it is still desired…For just as a flute-player, a sculptor, or an artist, and, in general, for all things that have a function or activity, the good and the ‘well’ is thought to be in the function” (Aristotle Book 1 Sec. 7).

We are then led to consider what our “function” is and what living in accordance with our purpose means. Aristotle addresses this question at length and in different ways throughout the *Nichomachean Ethics*, but his claim that virtue is necessary in order to pursue eudaimonia is specifically germane to our investigation here. Before he begins his discussion on his renowned Aristotelian virtues, Aristotle states that, “…happiness is an activity of soul in accordance with perfect virtue, we must consider the nature of virtue; for perhaps we shall thus see better the nature of happiness” (Aristotle Book 1 Sec. 13). Therefore, Aristotle posits that morality is a prerequisite for achieving the purest form of happiness. He does concede that immoral conduct can lead to a more ephemeral, hedonistic sort of pleasure. However, he dismisses this conduct as a mere distraction to the more fulfilling and lasting telos of discovering eudaimonia (Bragues 344). If we accept Aristotle's logic that all human action is-- successfully or unsuccessfully-- directed at obtaining eudaimonia and that virtue is a necessary component in this quest, we reach the conclusion that it is in our best interests to live a virtuous and moral life. A rational economic actor might have difficulty in quantifying eudaimonia. It isn't an entity that can be traded for in the marketplace or studied using economic models. But surely, any self-interested person would be able to realize that possessing eudaimonia is a superior state of being to the alternative. In fact, happiness would certainly be worth its weight in gold.

In addition to the purely philosophical treatment of virtue ethics in Aristotle's work, we can see his ideas manifested more tangibly in their application to economic behavior. In order to continue, we should define our terms. A suitable definition for virtue is found in Christian Becker's essay, "Aristotelian Virtue Ethics and Economic Rationality," where he states,

> A virtue can generally be defined as an excellent (and durable) character trait that enables someone to act and get along with other people in an exemplary way…Virtues need to be developed over time through experience within certain contexts of practice and within a community of interaction and feedback… [They] must also be part of, and contribute to, some general conception of good… [and] require a reference to a broader context of society or humankind and a conception of the good within this broader context. (Becker 2)

In addition, moral or ethical behavior will be henceforth be defined as virtuous action, using the definition of virtue provided here. Now, we can further examine how Aristotelian ethics applies to economics. Aristotle believed that humans are primarily social creatures (Becker 7). Sequentially, the goal of economics is to study these social interactions between humans and determine how people use social ties in order to fulfill wants and needs. How a rational economic actor conducts himself in this economy is called "logos," a term which, itself, can be differentiated into five distinct methods. The method that is specifically important here is phronēsis, or practical wisdom (Becker 7). However, phronēsis does not describe a practical wisdom in economic decision-making that is purely pragmatic or utilitarian. Rather, Aristotle defines it as "a true and practical state involving reason, concerned with what is good and bad for a human being" (Becker 8). As a result, the Aristotelian approach to economics is to make prudent economic decisions that are oriented towards attaining eudaimonia. Becker sums this idea eloquently, "…the end of economic activity is not defined by achieving certain products or outcomes, but rather by acting well within the context of the economy" (Becker 8).

How, then, does phronēsis apply to an ethical system of economics? The answer lies in how one can use practical wisdom to develop a set of ethical virtues. Phronēsis operates as a person receives feedback on his behavior from the larger societal framework and integrates this knowledge into his decision-making process for future social interactions. There is no other way to gain such practical wisdom. Similarly, moral actions are something that must be learned from other people in social contexts. So, moral economic activity is integral to developing functioning phronēsis. This logic culminates in Becker's main point for his analysis,

> Economic rationality is based on phronēsis; therefore, one needs to properly develop phronēsis in order to be able to decide and act economically rational. This means that economic rationality cannot be separated from ethical rationality and the overall development of phronēsis and virtues in the societal context of the

> polis. In other words, only the good citizen—in the sense of the person that has developed practical wisdom and virtues within the broader societal and political context—can be an excellent rational economic actor. (Becker 10)

Therefore, a person who claims to be a self-interested participant in commerce or economic activity cannot ignore the importance of acting ethically in her dealings with others. Not only do ethical practices lead to personal fulfillment in eudaimonia, but they also cultivate a heightened ability to act rationally and achieve success in the marketplace.

While Aristotle's ideas are certainly philosophical in nature, they do have practical applications to how a person or company can use phronēsis to improve their economic performance and quality of life for employees. Finding discrete ways to employ Aristotle's theories on a business level is the subject of George Brauges' essay "Seek the Good Life, Not Money: The Aristotelian Approach to Business Ethics." Throughout most of his paper, Bragues summarizes Aristotle's argument and makes a case about the nature of phronēsis and economic behavior similar to the one presented here. Towards the end of his work, Bragues includes a list of best practices for companies that integrate Aristotle's logic. For example, one suggestion is that "[companies should have] more respect shown for employee's rationality by ensuring that management liberally discloses information pertaining to the firm's condition and prospects and provides reasons for company policies" (Bragues 354). He also proposes "the creation of more participatory workplaces so that employees can contribute their particular expertise and play a greater role in company decisions" (Bragues 354). These suggestions should increase worker satisfaction and, indirectly, improve the company's financial returns by stakeholder theory.

In addition to Aristotle, one can learn much from Adam Smith's philosophy on morality and economic behavior. Smith, who lived in eighteenth century Scotland, is widely regarded as one of the founding fathers of modern economics. Many of his theories in *The Wealth of Nations* are still revered by economists today. However, his lesser-known treatise titled *The Theory of Moral Sentiments* will be the subject of our discussion. While Aristotle believed that economic behavior is grounded in phronēsis, Smith believed it is grounded in sympathy. Smith defines this emotion: "Sympathy… can now fairly properly be used to denote our fellow-feeling with any passion whatever. We sometimes see sympathy arise merely from the view of a certain emotion in another person" (Smith Part 1 Sec. 1 Ch. 1). If we feel sympathetic towards our fellow man, we are more likely to act morally in economic dealings with him. James Otteson explains this in his essay "Adam Smith on Virtue, Prosperity and Justice,"

> [Sympathy] is what drives us into society, what motivates much of our conversation and conduct, what leads us to moderate our sentiments and behavior so that they more closely accord with what others would expect, and what ultimately gives rise to the habits and rules of moral judgment that come to constitute commonly shared morality. (Otteson 3)

Smith maintains that we are born with no morality. We learn to get what we want through cries and screams. Through interaction with our parents and eventually other children, we learn that the world doesn't revolve around us. Instead we find that we are just one player in a very large pool of social actors. In order to facilitate interaction with our peers we develop what he calls "mutual sympathy of sentiments," which allows us to avoid the uncomfortable feeling of drawing their ire by violating norms (Smith Part 3 Ch. 3). Otteson describes how this process results in a moral system,

> …our desire for mutual sympathy of sentiments thereby generates, via an invisible hand mechanism, commonly shared standards of behavior and judgment

> and even a shared system of morality. It is an invisible hand because the agents in question do not intend to create a shared system of morality—they intend only to achieve mutual sympathy here, now, with this person. In so doing, however, they (unintentionally) establish the precedents and behavioral habits that will generate, constitute, and maintain a shared system of expectations and sentiments. (Otteson 5)

Through mutual sympathy of sentiments, a system of social interaction governed by an invisible hand benefits those who act morally. If we place our rational economic actor in Smith's system, would it not be in his best interest to adopt the patterns of behavior delineated by the moral framework of society? If mutual sympathy leads to more fruitful and reciprocal economic exchanges, and the way to achieve this state with another person is acting ethically in social and economic interactions, then it follows that the most rational course of action for a self-interested individual would be to act ethically. Cheating is antithetical to mutual sympathy, and repeated violations will degrade this communally beneficial system.

It is quite conceivable that a more scientifically minded observer might read the previous discussions by Aristotle and Adam Smith on moral and political philosophy and remain unconvinced that ethics can help someone markedly improve their life. After all, philosophical theories aren't usually testable empirically. How, then, can we make such sweeping generalizations about the positive effect of morality on economic outcomes and quality of life? To this skeptic we introduce the field of moral psychology. One of the most prominent scholars in this field is Jonathan Haidt, a professor of business ethics at NYU. In his book *The Righteous Mind*, he outlines many of the tenets of moral psychology and the scientific studies that back them up. One of the first points he outlines is that moral intuition is ingrained in human biology to a large degree. It is important to note that this is a departure from the philosophies of Aristotle and Adam Smith, but such a realization should not detract from their logical conclusions. One case he includes to demonstrate this claim examines psychopaths. Haidt explains his conclusions from studying the scientific literature, "Psychopathy does not appear to be caused by poor mothering or early trauma, or to have any other nurture-based explanation. It's a genetically heritable condition that creates brains that are unmoved by the needs, suffering or dignity of others" (Haidt 62). If psychopathy has a genetic component, moral intuition should also. Another study he includes to illustrate this point was conducted by Hamlin, Wynn and Bloom at Yale University. The researchers performed a puppet show for six to ten month old babies in which one puppet was mean to another puppet. In a second show, the bullied puppet decided to go be friends with the mean puppet rather than a nice puppet. Consistent with research demonstrating that babies stare longer at things that seem logically incoherent, the babies stared much longer at the bullied puppet cozying up to the mean puppet. In addition, a statistically significant number of babies reached to play with the nice puppet instead of the mean one when given a choice (Haidt 64). These two cases lead Haidt to the following conclusion, "Looking at the discoveries from infants and psychopaths at the same time, it's clear that moral intuitions emerge very early and are necessary for moral development. The ability to reason emerges much later, and when moral reasoning is not accompanied by moral intuition, the results are ugly" (Haidt 64).

As with most traits that are encoded into human biology, moral intuition and moral action likely serve some sort of evolutionary function. Unless morality helped our ancestors to survive many years ago, it is improbable that ethics would have been favored by natural selection. Haidt is careful not to fall into the trap of simply picking a human trait and trying to force it into fitting some evolutionary niche (Haidt 122). Instead, he approaches his task of assigning evolutionary value to morality very deliberately. Haidt begins by defining what he calls “modules.” He explains, “Modules are like little switches in the brains of all animals. They are switched on by patterns that were important for survival in a particular ecological niche, and when they detect that pattern, they send out a signal that (eventually) changes the animal’s behavior in a way that is (usually) adaptive” (Haidt 123). Haidt lists six different moral modules, each functioning like its own “taste receptor” for morality: care/harm, fairness/cheating, loyalty/betrayal, authority/subversion, sanctity/degradation and liberty/oppression (Haidt 125). The fairness/cheating module, for example, is specifically applicable to the type of economic relationships of interest to our investigation. The “adaptive challenge” that this module evolved to address is finding ways to “reap benefits of two-way partnerships” (Haidt 125). Therefore, it is evolutionarily beneficial for us to act morally towards other people and, just as importantly, be able to perceive whether or not others are acting morally towards us.

Although ethical behavior has served the human race well over the course of evolutionary time, we will still observe individuals who will attempt to exploit the good intentions of others in a ruthless attempt to get ahead. However, Haidt argues that this behavior is detrimental to both the individual and the larger society. He elaborates this point,

> Human life is a series of opportunities for mutually beneficial cooperation. If we play our cards right, we can work with others to enlarge the pie that we ultimately share. Hunters work together to bring down large prey that nobody could catch alone…For millions of years our ancestors faced the adaptive challenge of reaping these benefits without getting suckered. Those whose moral emotions compelled them to play ‘tit for tat’ reaped more of these benefits than those who played any other strategy. Haidt (136)

From Haidt's scientific analysis, we can reach the conclusion that morality improves payoffs of economic interactions for each player involved. Not only does morality make the earnings "pie" larger through economic cooperation, but it also helps humans identify and weed out cheaters. Thus, society benefits as a whole.

Haidt expands more on what this moral economic community looks like in a paper published in *Science* Magazine titled "The New Synthesis in Moral Psychology." These communities include shared ethical norms and benefits or consequences for adhering to or circumventing these norms, respectively. Such a moral economic system prioritizes "indirect reciprocity," where acting virtuously pays by improving one's own reputation within the community. Haidt explains the importance of indirect reciprocity to economics,

> Reputation is a powerful force for strengthening and enlarging moral communities… When repeated-play behavioral economics games allow players to know each others' reputations, cooperation rates skyrocket. Evolutionary models show that indirect reciprocity can solve the problem of free-riders (which doomed simpler models of altruism) in moderately large groups, as long as people have access to information about reputations (e.g., gossip) and can then engage in low-cost punishment such as shunning. (Haidt)

Clearly, moral communities have paid dividends for the human race over the course of history. Morality leads to indirect reciprocity, which rewards people who act ethically and punishes free riders. Haidt also mentions how indirect reciprocity leads to success for moral actors in economic games, a topic we will elucidate with greater depth later on. Consequently, any person who is looking to improve social connections and forge more fruitful relationships in the marketplace should be making every effort to become more ethical in her everyday dealings with others.

This idea of indirect reciprocity and its influence on moral communities has also been well established in other moral psychology studies. For example, researcher Michaela Gummerum conducted a rigorous scientific experiment described in her paper “To Give or Not to Give: Children's and Adolescents' Sharing and Moral Negotiations in Economic Decision Situations.” What she discovered should definitely be of interest to our rational economic actor. Gummerum explains some of her findings in the discussion section, “Our analyses revealed that a prosocial majority is more likely to defend its majority position and steer the group toward a prosocial offer if the moral reasoning level of the most prosocial group member is higher compared to the moral reasoning level of the most self-interested group member” (Gummerum 573). So, if you desire influence over an economic decision of your group, your decision is most likely to be chosen if you employ moral reasoning and act ethically. Ethical behavior can therefore make you more powerful and allow you to elicit your desired economic outcome.

Some may argue that this claim about ethical behavior and power is self-defeating. If moral rationale and actions lead to more indirect reciprocity and therefore more group influence over economic decisions, wouldn’t it be in our rational actor’s best interest to simply *appear* moral rather than actually be moral? He could assume all of the advantages of moral action and simultaneously reap the benefits of cheating. This seems to present a problem. However, the previous logic still stands. The defect is not with the conclusion that morality can help one achieve desired economic outcomes, but with our assumptions. Thus far, we have been operating under a Homo economicus understanding of human economic decision-making. This theory states that humans are purely rational and self-interested economic actors. Indeed, it might be in

Homo economicus' best interest to appear moral and cheat. On the other hand, there is a formidable collection of scholarship that refutes Homo economicus theory. An example of this body of work is "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory" by economist and philosopher Amartya Sen. He believes that economic relationships are governed by sympathy and commitment. These motivations often cause us to act in ways that Homo economicus usually wouldn't. The effects of sympathy on economic relationships have already been discussed in Adam Smith's work. Commitment, unlike sympathy, can actually reduce your ability to act in a rational and self-serving manner. Yet, it is still a very ingrained aspect of human behavior. Sen explains, "…commitment does involve, in a very real sense, counterpreferential choice, destroying the crucial assumption that a chosen alternative must be better than (or at least as good as) the others" (Sen 328). This has the effect of "[driving] a wedge between personal choice and personal welfare" (Sen 329). As a result, Sen reaches the conclusion that "The *purely* economic man is indeed close to being a social moron" (Sen 336). Consequently, a more accurate model for human economic behavior is desired.

If Homo economicus doesn't account for relevant social factors, we must search elsewhere for a theory that takes relevant aspects of human nature into account. We can find a suitable answer in Homo duplex theory, as explained by business professor Jesse Kluver in his paper, "Behavioral ethics for Homo economicus, Homo heuristicus, and Homo duplex." He defines Homo duplex as a person "that move[s] back and forth between two very different ways of being, each with its own set of emotions and goals" (Kluver 152). These two different ways of being are an individual state and a collective state. The individual is motivated by the pursuit of her own goals. At the collective level, "people are highly individualized but they are still quite social, and they have social emotions that bind them to other individuals" (Kluver 152).

Therefore, this tiered model for human decision-making is more nuanced and can explain how a person might have different priorities when working alone and when working as a member of a larger group. It is well established that individuals can appropriate the priorities and actions of a group they are integrated in (Haidt 233). Homo duplex allows for both individual and group interest to coexist. Since Homo duplex is concerned about group success in addition to his own, he is less likely to act immorally because he doesn't want to cheat his fellow group members. By the lines of reasoning discussed thus far, we know that acting morally in group settings can help a person improve economic and social outcomes for all parties involved. As a result, Homo duplex strengthens the case for a system of moral economics because moral behavior is consistent with our natural tendency to be groupish and meld our priorities with those of people important to us.

It is also important to note that moral economic behavior doesn't disadvantage a person or his company by portraying weakness. Some may argue that, in the world of business, one must be willing to make tough decisions that may be outside of the bounds of morality in order to stay afloat in a competitive marketplace. Because of this, we often see examples of people or corporations lacking compassion. Without a doubt, compassion is a moral economic virtue. It fits our earlier definition of virtue, and would lead to indirect reciprocity by growing trust among economic actors. Robert Solomon explains this point in his essay "The Moral Psychology of Business," "The caring corporation is not just a hotbed of sentimentality and 'bleeding hearts,' with no competitive sense whatever. Indeed, my argument is that a caring corporation cultivates the most basic strength of any organization, mutual dedication and a sense of security rather than defensive self-interest" (Solomon 518). Indeed, corporations that embrace moral virtues like compassion and others are more likely to receive tangible economic benefits. This is a point addressed in the textbook *Managing Business Ethics*. A moral corporation reaps three main rewards. The first is a good reputation. The authors explain, “In general, research has supported the idea that having a good reputation pays off in lower costs, higher sales, and the ability to charge higher prices than firms with poor reputations can” (Treviño and Nelson 338). The second is avoiding consequences of immoral action. In addition to heavy fines, “firms that engage in illegal or unethical conduct find that high quality network connections are severed as those associated with more profitable and reputable firms distance themselves” (Treviño and Nelson 339). Finally, a moral corporation receives higher returns. As the textbook states, “research has demonstrated that companies with good corporate governance structures and policies ...have higher profitability, sales growth, and market values as well as higher stock prices than do companies without such structures and policies” (Treviño and Nelson 343). Clearly, the benefits of moral economic decision making far outweigh whatever fleeting gains one might accrue through unsavory behavior.

After exploring the philosophical and psychological basis for moral economic decision-making, we can now turn to the question of how economic game theory can further bolster the claim that morality will produce the most desirable outcomes for individuals and society. Game theory, as defined by the *Stanford Encyclopedia of Philosophy*, is “the systematic study of *interdependent* rational choice… [which] can be used to explain, predict and evaluate human behavior in contexts where the outcome of an action depends on what several agents choose to do and where their choice depend on what others choose to do” (Verbeek and Morris). Understandably, morality and game theory have an interesting relationship. As we have discussed, ethical behavior often requires a person to act in a way that appears to be against his best interest. However, this does not mean that morality is irrational from a maximum utility standpoint. Game theory defends moral actions taken by both Homo economicus and Homo duplex. Authors Verbeek and Morris elaborate on this further in their article in the *Stanford Encyclopedia of Philosophy*,

> Morality, at least as it is traditionally conceived, often requires us to sacrifice our interests or aims. This is, at least on the face of it, contrary to what rationality requires… The *aim* of rationality—to do as well as possible—does not necessarily determine our *principle of decision*—for instance, to choose the best alternative at each moment of choice… the aim of maximizing utility does not mean that we should, at each decision point, maximize utility. Instead we should reason in ways which are utility maximizing… Given that our mode of reasoning or deliberation itself affects our prospects, our aims or purposes are sometimes best served by our not seeking to do best at every decision point. (Verbeek and Morris).

This conclusion certainly seems paradoxical at first glance, but makes more sense upon reflection. As described at length here, morality has many benefits. In cases where morality conflicts with rationality, the choice that maximizes utility may still be morality. Perhaps, for example, someone may forgo a promotion at work by making a moral choice to attribute credit to a coworker. This doesn't make rational sense if the worker's goal is to rise in the company. This, in turn, could position the employee for an even larger promotion later on by fostering indirect reciprocity. As a result, even when it appears counterintuitive, morality is likely the best choice.

Game theory also predicts that moral actors are more likely to receive a large payoff in economic interactions. This idea is the subject of Robert Frank's economics paper, "If Homo Economicus Could Choose His Own Utility Function, Would He Want One with a Conscience?"

Much of this paper contains advanced mathematical analysis of this question that is far beyond the scope of our discussion here. However, he provides some take-home points that we can learn from. Before Frank begins his lengthy statistics and calculus based investigation, he defines one of his variables, S, as the probability that an economic actor is trustworthy (Frank 596). He then examines how this variable behaves with a number of mathematical equations based on multiple iterations of the prisoner's dilemma, a game theory model which explores the benefits of either cooperation or defection between two actors. Frank explains his findings,

> The bearer of a high S value, whether he is honest or not, owns a valuable asset. The natural way to exploit it will be to use it to attract a partner whose own S value is also high. Without going into technical details, it can be seen that the outcome will be for the two with the highest S values to pair up, then the next two, and so on, until all those with $S \geq S^*$ are paired. Needless to say, the expected total payoff to any pair increases with the S values of its members. (Frank 598).

Moral actors are more easily able to identify each other in the marketplace due to the mechanisms already discussed. Therefore, when they interact, their relationship will be much more fruitful that it would be if either were immoral. They can both consistently achieve the most mutually beneficial payout the prisoner's dilemma has to offer. Clearly, the field of economic game theory confirms our assumption that ethics pays.

While our previous example bases its analyses on an assumption of Homo economicus, game theory also applies to the Homo duplex model. What happens when we include concern for communal interest to economic games? We can discover the answer in psychology professor Felix Broadbeck's scientific paper, "Morals Matter in Economic Games." Broadbeck conducts four different experiments. The first two study priming moral concepts in economic games and lead to the conclusion that "moral motives operate consciously and unconsciously in their impact on other-regarding behavior in interpersonal economic decision making" (Broadbeck 10). The second two question whether subjects will use the same moral reasoning to make decisions in economic games alone and in groups. In fact, this seems to be the case. Broadbeck summarizes his findings in the discussion section of his paper,

> …economic decision making behavior in [Dyadic Solidarity Game] is significantly affected by the kind of moral motives made salient to participants, whereas in solitary situations (cf. Self-Insurance Game; SIG) it is not. It seems that relationship regulation via relational models and moral motives is confined to interpersonal decision situations, in which relational risks need to be considered over and above probabilistic risks – as compared to solitary situations, in which only probabilistic risks need to be considered. (Broadbeck 14)

Broadbeck's study proves that humans will act more morally in group settings when they have to be concerned about group welfare and their own personal interests within the group. As a result, we can conclude that game theory corroborates all of the theories we've developed about morality and economy thus far.

Without a doubt, there are many different ways acting immorally could seem appealing. The prospect of quick and large payoffs for only small amounts of work can tempt even the most ethical of us. However, virtuous behavior is much more profitable in the long run. It brings us closer to experiencing true happiness in accordance with our purposes, allows us to set up more just societal structures, permits us large and sustainable payoffs, helps us rise within the social hierarchy of a group, and serves a beneficial evolutionary function. As a result, society should be advocating for a moral system of economic interaction where the just are rewarded and cheating is deincentivized. While this is no easy or simple task, it is quite clear that moral behavior will tangibly reward individuals and societies that participate.

Works Cited

Aristotle. *Nicomachean Ethics*. Translated by W.D. Ross, 350 B.C.E. *The Internet Classics Archive*, classics.mit.edu/Aristotle/nicomachaen.1.i.html. Accessed 7 Oct. 2015.

Becker, Christian U. "Aristotelian Virtue Ethics and Economic Rationality." *Economics and the Virtues: Building a New Moral Foundation*, by Jennifer A. Baker and Mark D. White, Oxford, Oxford UP, 2016.

Bragues, George. "Seek the Good Life, Not Money: The Aristotelian Approach to Business Ethics." *Journal of Business Ethics*, vol. 67, no. 4, Sept. 2006, pp. 341-57.

Broadbeck, Felix, et al. "Morals Matter in Economic Games." *PLOS ONE*, vol. 8, no. 12, Dec. 2013.

Day, Robin. Reading.

Frank, Robert H. "If Homo Economicus Could Choose His Own Utility Function, Would He Want One with a Conscience?" *The American Economic Review*, vol. 77, no. 4, Sept. 1987, pp. 593-604.

Gummerum, Michaela, et al. "To Give or Not to Give: Children's and Adolescents' Sharing and Moral Negotiations in Economic Decision Situations." *Child Development*, vol. 79, no. 3, May-June 2008, pp. 562-67.

Haidt, Jonathan. "The New Synthesis in Moral Psychology." *Science*, vol. 316, no. 5827, 18 May 2007, pp. 998-1002.

---. *The Righteous Mind: Why Good People Are Divided by Politics and Religion*. New York, Pantheon Books, 2012.

Kulver, Jesse, et al. "Behavioral ethics for Homo economicus, Homo heuristicus, and Homo duplex." *Organizational Behavior and Human Decision Processes*, vol. 123, no. 2, Mar. 2014, pp. 150-58.

Otteson, James R. "Adam Smith on Virtue, Prosperity, and Justice." *Economics and the Virtues: Building a New Moral Foundation*, by Jennifer A. Baker and Mark D. White, Oxford, Oxford UP, 2016.

Sen, Amartya K. "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory." *Philosophy & Public Affairs*, vol. 6, no. 4, Summer 1977, pp. 317-44.

Smith, Adam. *The Theory of Moral Sentiments*. Oxford [Oxfordshire], Clarendon Press, 1976.

Solomon, Robert. "The Moral Psychology of Business: Care and Compassion in the Corporation." *Business Ethics Quarterly*, vol. 8, no. 3, July 1998.

Treviño, Linda Klebe, and Katherine A. Nelson. *Managing Business Ethics*. 5th ed., Hoboken, Wiley, 2011.

Verbeek, Bruno, and Christopher Morris. "Game Theory and Ethics." *Stanford Encyclopedia of Philosophy*, Summer 2010.