

# Leadership as Practical Ethics

By **Joel Rosenthal**

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Joel Rosenthal

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What does one need to know to be a leader in the field of public policy? I want to argue for the centrality of ethics as a basic component of leadership training for anyone pursuing a career in public and international affairs.

If you are a student, please take a moment to ask yourself what you have learned about ethics in your time in the classroom. If you are a teacher or administrator, consider what your curriculum covers in this regard. We know that medical students engage medical ethics, law students study legal ethics, business students take on business ethics, military officers study military ethics, and so on. So let's ask ourselves, what should students and aspiring leaders in public affairs know about ethics to be considered professionals competent to practice?

By ethics, I do not mean simply compliance with law. Compliance is of course an essential part of ethics. But it is only a beginning. Compliance is a floor, a minimum upon which to build. Many actions in government, business, or private life comply with the law but are not optimal from an ethical perspective. Examples are all around us. British members of parliament may not have broken laws when they used expense accounts to bill tax payers for lifestyle enhancements such as moat cleaning, the upkeep of expensive second homes, or the rental of adult movies. But surely this kind of behavior was wrong. In more serious policy matters, it may well be that most of our major banks and financial institutions were in full compliance with the law when it came to the management of credit default swaps and derivative trading. Yet something went very wrong in the area of risk and responsibility. There are many things we can do and still be in compliance with law—but some of them are wrong. Ethical reasoning helps us make these distinctions.

The discipline of ethics begins with [Socrates'](#) question: How should one live? Ethics is about choice. What values guide us? What standards do we use? What principles are at stake? And how do we choose between them? An ethical approach to a problem will inquire about ends (goals) and means (the instruments we use to achieve these goals) and the relationship between the two.

Ethical reasoning is the process of raising awareness of moral claims and applying principles to arising circumstances. Ethical reasoning implies an interrogation of the moral claims that surround us rather than a mere listing of do's and don'ts. In a word, ethical inquiry is proactive rather than passive.

The philosopher [Simon Blackburn](#) writes that ethics takes as its starting point that: "Human beings are ethical animals ... we grade and evaluate, and compare and admire, and claim and justify ... Events endlessly adjust our sense of responsibility, our guilt and our shame, and our sense of our own worth and that of others."<sup>1</sup>

According to Blackburn, ethical inquiry is normative in the sense that it suggests "norms." Norms are what we consider "expected and required" behavior. We all experience functional norms. For example, in the United States, drivers stay on the right-hand side of the road; in the United Kingdom, drivers keep to the left. We also experience moral norms. A moral norm would consist of an expectation such as nondiscrimination in the workplace or the requirement to respect the needs of the most vulnerable members of society (e.g. children, elderly and the infirm). Moral norms are aspirational and prescriptive rather than functional and descriptive—they paint the "ought" rather than the "is." It is this type of norm that I want to focus on in this essay.

A cautionary note is necessary here. Norms, expectations, and ethical claims depend deeply on context. No single normative theory or formula will suffice across different types of examples. One of the great ethicists of recent memory, [Isaiah Berlin](#), famously gave up his Oxford chair in normative theory, so the story goes, because he felt he had no single normative theory to purvey. Berlin did not pretend to offer a grand theory that would meet the test of the many different types of cases he was concerned with.<sup>2</sup>

Berlin's work reminds us that normative inquiry is a non-perfectionist art. The first lesson of ethics is that values overlap and conflict. The single-minded pursuit of any particular virtue can subvert a competing virtue. So as we often see, freedom can conflict with order, justice with mercy, and truth with loyalty. In international affairs, peace may be our goal, but we cannot ignore the need to confront aggression. Some may chant "no more war." These same people may also chant "never again genocide." Sometimes, tragically and unavoidably, force is needed to prevent harm. Here, and in countless similar examples, we see norms clashing. Berlin lets us know that these clashes happen more often than not.

## **Ethics in Three Dimensions**

Despite our lack of a single theory or formula, Berlin and others do offer a framework for ethical reasoning. Inspired by Berlin and other pragmatists, I think of this framework as ethics in three dimensions. The first dimension focuses on the decision maker—the actor or the agent who makes a choice. We can and should evaluate the acts of individuals, be they presidents, ministers, official representatives, CEOs, community leaders, advocates, employees, consumers or citizens. Each has a role as an autonomous actor.

At first glance, the idea of the autonomous actor seems simple and straightforward. However, we should bear in mind that identity is fluid not static. Most individuals have multiple identities. Consider an example like the following. A single individual could say: I am British. I am a Muslim. I am a woman. I am a professor. I am a feminist. Clearly, many sets of values make up a composite yet single-actor identity in an example like this. Each element of one's identity plays an important role in determining which values and allegiances among many may have priority. Claims of national loyalty, religious obligation, professional codes of conduct, and solidarity around an issue of social justice and concern might all come into play. This is the way life is actually lived, isn't it?<sup>3</sup>

In addition to single actors, a discussion of agency must also consider the identity, values, and acts of collective actors such as states, corporations, non-governmental organizations, and international organizations. One of the most important trends of our time is the growing power of non-state actors—especially multinational corporations. Wal-Mart, Microsoft and other companies of this size and scope rival the capacities of many states in terms of their economic, political and social reach. It is therefore both necessary and proper to ask and answer questions relating to the moral choices of corporate entities. All are moral agents.

The second dimension of ethics has to do with the systems, social arrangements, and conditions that define our range of choices. In short, we need to examine the "rules of the game" by which we live and make decisions. We all live within sets of norms and expectations—some more fair and just than others. Perhaps the best way to illustrate this dimension is to show you examples of when "rational" choices within a set of arrangements yield "bad" or less-than-desirable results. In other words, in some systems, when you do the "right thing" within the system, the net result is sub-optimal.

Here I am thinking of a common example of consumer behavior. When shopping for clothes, it usually makes sense for you to buy the least expensive shirt available when quality between competing options is equal. But because of the supply chain of the global economy, that shirt may be produced in a sweatshop that runs on child labor. Buying the least expensive shirt of equal quality might be rational according to market design—yet the result might be ethically troubling.

This problem exists on many levels of policy and institutional design. For example, consider the nuclear weapons doctrine of MAD—mutual assured destruction. The

entire strategic framework is based on the idea of reciprocal threat. Within this system, to insure stability, the most rational thing to do is to make an immoral threat (and be prepared to carry it out).

Clearly, there is something deeply troubling about MAD. It would seem to me to be a worthy goal to try to create frameworks and policies where the "rational" thing to do would be more benign than to make a threat of mutual assured destruction. In brief then, this second dimension calls attention to the fact that we live within institutions, systems, and social arrangements of human design. The rules, norms, and conditions of these arrangements should be subject to ethical evaluation.

The third dimension of ethics is the assertion that we often have the opportunity to improve our situation—to do better. One way to think of this is to consider a standard ethics scenario like this: My mother is sick. I cannot afford medicine. So I steal the medicine from a pharmacy whose managers will not even notice that it is gone. Is stealing the medicine in this circumstance the right thing or the wrong thing to do?

We can discuss this case in terms of my decision as a moral agent—whether I am a thief and villain, a rescuer and a hero, or both. Ethical questions are frequently raised as dilemmas such as this one. In many situations, there is a genuine need to choose between two competing and compelling claims, and ethical reasoning can help to sort these out. But we can also expand the inquiry to ask a broader question beyond the narrow question of whether to steal or not to steal. We can also ask: What kind of community denies medicine to sick people who cannot afford it? Is there something unfair or unethical about this system?

To further illustrate this third dimension, it is useful to note the distinction that [Andrew Carnegie](#) drew between charity and philanthropy.<sup>4</sup> Charity, according to Carnegie, is the duty to attend to immediate and acute human suffering. Charity translates to feeding the hungry, tending to the sick and destitute, providing relief to victims of natural and man made disasters, and giving shelter to the homeless. Philanthropy is something different—it is an endeavor that reaches above and beyond the imperatives of charity. Philanthropy explores new ways of living, new ideas and institutions to improve society.

While this may sound abstract, Carnegie's philanthropy was specific and practical. He addressed the societal-level problem of education by suggesting and then providing the infrastructure for two institutions we now take for granted: the public library and the teacher pension system. Carnegie believed that every person should have access to knowledge. Universal literacy and educational opportunity would be possible by supporting a free public library system which he began to do all across the United States and to a much lesser extent, the United Kingdom (his place of birth). In his lifetime, Carnegie provided funds to build more than 2500 public library buildings.

Carnegie's library venture was an extraordinary feat totaling \$41 million dollars, easily several billion in today's dollars. Yet tellingly, he asked municipal leaders to

be partners in the enterprise by providing the books and the funds for upkeep. Carnegie would build the buildings, but communities would be responsible for whatever would happen next. Carnegie thought that if these institutions had real value, communities would invest in them rather than merely accept them passively as gifts. Similarly, when he decided to provide the funds to build Carnegie Hall in New York City, he built the structure in all its grandeur but he did not leave an endowment for maintenance. He believed that if the music hall had genuine value, its patrons—those who benefitted from it—would contribute to its upkeep.

Carnegie also created the first teacher pension institution—now known as TIAA-CREF—to help professionalize the vocation of teaching. If teachers were undervalued, as some surmised, then here was an institution that would contribute to improvement of the educational system by supporting teachers. The idea was simple. But its ramifications were profound. With proper pay and retirement benefits enabled by the new pension system, teaching would become a fully modern profession.

Similarly, when it came to politics, Carnegie believed that new institutions could improve public policy. Specifically, as an advocate for the peaceful resolution of international conflicts and disputes, Carnegie supported the mediation and arbitration movement that grew out of Geneva in the mid-19th century. Again, the idea was elegant in its simplicity and grandeur. Just as we have legal mechanisms to arbitrate disputes in domestic society, so too can we have mechanisms in international society for the same purpose. The concept of international law and organization was gaining momentum at the beginning of the 20th century—the movement merely needed new institutions to give it shape and force. In this spirit, Carnegie financed the building of the Peace Palace at The Hague, supported the establishment of the International Court of Justice, and lobbied for the establishment of the League of Nations. Carnegie devoted much of his philanthropy—and his personal energy—to promoting these new institutions and the ideas behind them.

So then the third dimension of ethics expands the range of choices we have in front of us. It is about creating new possibilities. I like to picture this idea in its cartoon form. For me, it comes to life in the character of Bugs Bunny. The narrative is familiar. Our hero gets into trouble and runs away from a threatening pursuer. But he is eventually backed into a corner. There is no escape. What does he do? He reaches into his pocket and miraculously pulls out a pen or marker. He then proceeds to draw a picture of a window on the blank wall. The image of the window becomes real. Then he climbs out. Sometimes we do face genuine dilemmas—and the lines we draw on the wall remain lines. But other times we can and should imagine better options.

## **Leadership as Practical Ethics**

How then do we connect this understanding of the three dimensions of ethics to leadership? Leadership is as vast a topic as ethics, so let's begin with some simple

concepts. In his new book *George Washington on Leadership*, [Richard Brookhiser](#) describes leadership as "knowing yourself, knowing where you want to go, and then taking others to that new place."<sup>5</sup> There are many ways to lead; there are many styles and countless examples to study. One way to focus our analysis is to examine in detail the ends/means/consequences equation as Brookhiser suggests. This leads to three questions: What is the goal? What means will we use to get there? And what types of tradeoffs and compromises must be made along the way?

Brookhiser's observations remind me of one of my favorite undergraduate lectures on American political history. The lecture was delivered by Professor [Frank Freidel](#), a biographer of [Franklin Roosevelt](#). His topic was the leadership style of FDR. Professor Freidel drew a simple X at the top/center of the blackboard. He then drew a zig-zagging line from the bottom of the blackboard up to the top. He explained that Roosevelt considered himself as a sailor heading upwind. The destination was certain—the fixed point represented by the X. Each zig-zag represented a tack back-and-forth needed to approach the goal.

As any sailor knows, when in a sail boat, you cannot head directly into the wind. If you try to sail straight into the wind, the sails flap around uselessly, the boat stalls, and you are unable to move forward. This is what sailors call "irons." So like any experienced helmsman, Roosevelt understood the need to tack back-and-forth. Each tack could mean an uncertain and uneasy compromise. Sometimes he would have to tack horizontally just to maintain his previous gains. Yet each compromise was necessary to maintain headway against the headwinds that would mercilessly beat him back or blow him off course.

If we accept leadership as goal-driven and compromise-ridden, then we see that ethics should not be a peripheral to any public policy curriculum or program of leadership development. Ethics is neither a luxury nor a hurdle to be cleared. It is central to decision-making and leadership itself.

In his book *Ethics as Practice*, [Hugh LaFollette](#) explains that ethics, like medicine, is a practical art.<sup>6</sup> Just as we study medicine not only to learn about the body and its functions but to make us better by promoting good health, so too we study ethics not merely for philosophical enlightenment but to improve our living conditions. Ethics helps us to understand what we truly value and how to connect this with the practice of our daily lives, our individual choices, and the policies of the institutions of which we are a part.

Pragmatists, like pluralists, argue that the moral and the practical are inextricably linked. Let me give you an example drawn from the history of my institution, the Carnegie Council, which was founded in 1914 by Andrew Carnegie as one of his peace endowments. Its purpose then, as it is now, is to be an educational resource—a center for ideas and action—for leaders in the academic and policy communities. Writing in 1937 about the future of the peace movement, my predecessor as leader of the council, Henry Atkinson, made this point: The reason for the long list of failures [of the peace movement] is that the idealism of the idealist is seldom put into practice. The eminent Boston physician Dr.

Richardson Cabot, speaking of ethics, said, 'Most of what used to be called goodness has rightly fallen into disrepute because it is inefficient. As I see it, ethical diagnosis, like physical diagnosis, has a practical end.'<sup>7</sup>

In citing Dr. Cabot, Atkinson understood that ethics is intrinsic to what we do, not extrinsic. No project is sustainable if it is built on faulty assumptions. Nothing good, and certainly nothing great, can be built upon ignorance, misperception, or misplaced idealism. A moral commitment without a sense of realism, a sense of how things actually work, is a recipe for disaster. And any practical scheme without any sense of the values that must support it is equally doomed.

Ethics and leadership is therefore best understood as a realist endeavor. Realists focus on power and interests as the key elements of human behavior. The Athenian generals in [Thucydides](#) *The Peloponnesian War* are often quoted as the authority on this point: "The strong do what they will and the weak do what they must." We neglect this basic insight about power at our own peril.

Yet with this point made, sophisticated realists will also understand that while the drive for power and the maximizing of interests explains much, the concept of interest is often more than just the accumulation and exertion of power. Interests are not always obvious. They can be complex, diverse and hard to isolate. There are also obvious limits to power. Thucydides and his realist disciples [Machiavelli](#) and [Hobbes](#) were quick to recognize that some outcomes cannot be achieved by brute force alone, and that the exertion of power always raises the specters of overreach and corruption.

In understanding the complexities of power, realists are perhaps the best proponents of the concept of enlightened self-interest. Simply put, enlightened self-interest begins with our own needs yet it also takes into account the needs and interests of others.

Any good realist will tell you that taking into account the interests of others is not altruism. Rather, it is realism at its best. In her book *Moral Clarity* [Susan Neiman](#) writes: "Hobbes...imagines a state of nature whose wild hordes are just rational enough to stop their rush toward doomsday by agreeing to obey any sovereign who will prevent further war."<sup>8</sup> Neiman reminds us through the example of Hobbes that even in the darkest, crudest version of the war of all against all, some notion of rationality prevails. Limits are recognized. Cooperation becomes possible by yielding to the overarching power of the leviathan. In the Hobbesian state of nature, conflict has its limits and cooperation around enlightened self-interest, albeit in a limited form, is a strategy for survival.

Recent literature in evolutionary biology and neuroscience investigates the notion that enlightened self-interest may be "hard-wired" as a matter of natural selection and the instinct to survive. [Robert Wright](#)'s book *Non-Zero: The Logic of Human Destiny* explores the idea that human history and interaction can be best explained by observing non-zero sum, win-win, cooperative arrangements rather than zero-sum, winner-take-all competitions. He writes:

"In zero-sum games, the fortunes of the players are inversely related. In tennis, in chess, in boxing, one contestant's gain is another's loss. In non-zero games, one player's gain needn't be bad news for the other(s)...You can capture history's basic trajectory by reference to a core pattern: New technologies arise that permit or encourage new, richer forms of non-zero-sum interaction; then (for intelligible reasons grounded ultimately in human nature) social structures evolve that realize this rich potential—that convert non-zero sum situations into positive sums."<sup>9</sup> The result is a world of cooperative structures that benefit most of the people most of the time. Neuroscience is beginning to show us the "will to power" may have a companion in "cooperation" as a biological mechanism to enhance prospects for survival.

The proper discernment of power and interests in a globalized and highly interdependent world is no small matter. It is the first requirement of leadership. The three dimensions of ethics we have just discussed provide a framework for this discernment. Once we have established our bearings, it is then necessary to articulate the core principles of our ethical concern. In my experience, there are three core principles that have universal resonance even if interpretations of each differ widely according to time, place, and circumstance. These principles are: pluralism, rights, and fairness. Each principle provides a point of reference from which we can rehearse arguments with ourselves and others, and then make ethically-informed decisions.

### **An Ethical Framework: Three Principles**

Pluralism begins with appreciation for diversity while recognizing what is common in the human experience. A value such as self-interest and or a moral sentiment such as honor or fairness will develop differently according to time, place, and circumstance. Yet there is something that binds us—and that "something" is the capacity to enter into a value system that is not our own.

Simon Blackburn, [James Rachels](#) and other philosophers make this point by citing an example from [Herodotus' Histories](#) regarding funeral customs.<sup>10</sup> We know that in some societies the most common funeral custom is to bury the dead. In other societies it is customary to burn the dead. In still others, the custom is to eat the dead. Members of each society think that their custom is best, and that others are misguided or worse. The point here is not to say that one's own customs are always superior. Nor is the point the opposite: that all customs are relative and are purely matters of convenience. Rather, the point of this example is that there is a central truth—respect for the dead—that takes different forms in different circumstances.

Pluralism's first argument is with monism. Monists are purveyors of moral clarity, single-minded advocates of a truth as they see it. As such monists adhere to familiar custom and dogma, the validity of which is based on faith and will remain beyond human reason and reach. Monists neglect the idea that our understanding of the truth may change over time, especially in light of new information and experience. Monists will resist the idea that truths are many, not one, and that while we often agree on those verifiable observations we call facts, we often do not

agree on their meaning. Enlightened realists remind us that humility is required in the face of conviction. Pluralists remind us that, ironically, the one thing we should agree upon is the possibility that we can be wrong. The realist and pluralist point of view does not resonate with monists who are more comfortable in the waters of "moral clarity."

We feel the full weight of pluralism when we view a great work of art or read a classic text. Through these encounters, we can understand the experiences and the value systems of others. We enter into another world and experience part of it as others do. Pluralism is a way to transcend the false dichotomy of monism and relativism. Monism holds that "only one set of values is true, all others are false." Relativism holds that "my values are mine, yours are yours, and if we clash, too bad, neither of us can claim to be right."<sup>11</sup> Most of us live in that interesting place in between—and this is the territory of the pluralist.

Reinhold Niebuhr has gained much attention recently as a favorite philosopher of the current president. This is no coincidence, as President Obama has charted a course that veers away from black-and-white, for us or against us, arguments favored by President Bush. The columnist David Brooks captured the Niebuhrian spirit in 2002 in an aptly titled *Atlantic* magazine article "A Man on a Gray Horse."<sup>12</sup> The true moral course, according to Niebuhr, is often found in uneasy compromises and in shades of gray. The grayness of the horse is a reminder that we are far from pure; our history shows us that we sometimes act unjustly and impurely in our pursuit of justice. Niebuhr reminded us that even the "good war" ended with the atomic incineration of Hiroshima and Nagasaki. Brooks summarizes Niebuhr's point succinctly: "We should not become intoxicated with our own goodness."

In addition to the dangers of monism, pluralism also addresses the challenges of relativism. Relativism is the idea that every moral claim is just as good as any other. The well-worn example is, "one man's terrorist is another man's freedom fighter." One can try to make that argument; but it will not alter the fact that terrorism is the random slaying of innocent people. Another tired relativist argument is that norms are merely the reflection of the interests of the power actors who make the rules and stand to gain from their enforcement. While one may make this argument too, it will not alter the fact that freedom makes no sense without order, and that power must be deployed to insure order. Power considerations cannot be wished away; and the actions of powerful actors should not be dismissed out of hand as morally suspect.

Pluralists hold firm against cynicism. They contend that it is both possible and necessary to sort out competing claims. Pluralists observe that every society has strongly developed codes of duty and restraint that promote some notion of human well being. Part of what makes us human is our capacity to understand these norms, how they developed, and why—even if we disagree with them strongly. This open approach enhances the prospects for moral argument.

Isaiah Berlin gives us a classic example of how and why pluralism is not relativism. He writes:

"I find Nazi values detestable, but I can understand how, given enough misinformation, enough false belief about reality, one could come to believe that they are the only salvation. Of course they have to be fought, by war if need be, but I do not regard the Nazis as, as some people do, as literally pathological or insane, only as wickedly wrong, totally misguided about the facts, for example, in believing that some beings are subhuman, that race is central, or that Nordic races alone are truly creative, and so forth. I see how, with enough false education, enough widespread illusion and error, men can, while remaining men, believe this and commit the most unspeakable crimes."<sup>13</sup>

Pluralism is not relativism because Berlin first empathizes, he seeks to understand the Nazi worldview on its own terms, and then he engages in moral argument to refute it.

Another place to plant the flag against relativism is on the high ground of the idea of "rights." By rights we mean protections and entitlements in relation to duties and responsibilities. Rights arguments are put forward against arguments of utility. According to rights theorists from [Kant](#) to [Jefferson](#) and beyond, there is something fundamental about being human (an inalienable characteristic) that prohibits any person as being treated as something merely "useful," as a means to an end.

The source of human rights is an unending debate. However, I am persuaded by pragmatists like [Judith Shklar](#), [Amy Gutmann](#), and [Michael Ignatieff](#) who argue that in the end, foundational arguments may not really matter.<sup>14</sup> Empirical observation of the need for human rights and the work that human rights arguments do may be sufficient. After all, the mass murders of the twentieth century are proof of the need for protection. Think of the body counts under the regimes of [Hitler](#), [Stalin](#), and [Mao](#). The facts of the genocides and gulags in such recent memory should be sufficient to make the case that protections are needed. Duties to provide protection therefore follow.

Rights claims raise questions about assignment of responsibilities that are not always clear. One way to think about assignment of responsibilities is to consider rights claims in terms of "perfect" and "imperfect" obligations. Perfect obligations are specific and direct. For example, we have the perfect obligation not to torture. Imperfect obligations are more general, less specific, and inexactly targeted. So in the case of torture, there is the requirement to "to consider the ways and means through which torture can be prevented."<sup>15</sup>

Although this is not a perfect illustration of the distinction between perfect and imperfect duties, consider the infamous case of Kitty Genovese. Kitty Genovese was a 28-year old woman who lived in Kew Gardens Queens in 1964. One night on her way home, she was stabbed several times by an unknown assailant and left to die. Her case became widely known because it was alleged that 38 people passed her by as she lay dying in the street. No one helped her. Presumably, each of the 38 passers-by thought someone else would help, or they didn't want to get involved. Whatever the precise details, this scenario helps to elucidate the point about perfect and imperfect duties. We all share the basic duty not to harm. But we also share the basic duty not to allow the conditions of harm, and that when harm is

done, to mitigate the effects of it. To echo a previous point, the exercise of imperfect duty is far from altruism. It is in our enlightened self-interest to live in a community where people are not left to die in the streets.

In looking at public policy today, we see several obvious cases where both our direct and indirect participation in the mitigation of harms is inevitable. As participants in the global economy, the global environment and global security, we act both directly as agents and indirectly as bystanders. When we consume and travel, we engage in a system that provides benefits and places burdens. There is really no place to hide. As implicated agents in these social arrangements, our actions will be judged accordingly.

The third principle to consider is fairness. Ideas about fairness are highly subjective and heavily influenced by circumstances. As I have written elsewhere with my co-author [Ethan Kapstein](#), one of the most useful models for illustrating fairness considerations is the Ultimatum Game (UG).<sup>16</sup> In the game, two players have the opportunity to divide a pot of money. A proposer (P) makes an offer to a Respondent (R) over how a pot of money should be divided. R can either accept P's offer—in which case the money is divided as P proposed—or R can reject the offer, in which case both players walk away with nothing.

The classic rational actor model of behavior predicts that, in such cases, the split might be something along the lines of 99:1; that is, P would offer R 1 unit while keeping 99 for himself. Since we can usually count on profit-maximizing behavior, this division makes both parties better off and so there is no reason for R to reject it. Maximization strategies therefore lead to unequal divisions of a given pie.

But behavioral economists, repeating the UG in a variety of countries and under a variety of conditions, have observed a puzzling result. When R's are offered an amount that they consider to be "unfair" they reject it—they would prefer nothing to something. Indeed, knowing that "unfair" offers are likely to be rejected, P's routinely offer about one-half the pot at the outset, and when asked why they do so they normally answer that "this seems fair."

Researchers have drawn several significant findings from the UG, all of which are relevant to the study of moral considerations in world politics. First, P's adopt moral reasoning or other-regarding behavior out of their self-interest. Proposers who do not care about what others think must nonetheless fear rejection of an "unfair" offer and the absence of any payoff whatsoever. The adoption of "fairness considerations" is therefore efficiency enhancing to the extent that it leads to an agreement and thus an increase in welfare for both of the agents.<sup>17</sup>

Second, the Proposer's concern with achieving an equitable or fair result arises in part from *uncertainty* about how R will respond to its offer. If P knows that R will willingly accept a greedy offer, P will be much more inclined to propose a lopsided division. Not knowing R's response *ex ante*, P offers the amount that intuitively seems to be fair (e.g. equal division).

Returning to our theme of enlightened self-interest, fairness and reciprocity suggest that what is good for you is often linked to be what is good for others involved. This is the nature of complex problems and decisions. Taken to the global level, individual interests must be seen in terms of complex interdependence, international norms, and global responsibilities.

## Leadership for Realists

While I hope these remarks have given you positive ideas about leadership, I also hope they have not promised too much. It is important to close with a sense of realism that reminds us of the limits of human achievement and the dangers of assuming harmonious outcomes. Good intentions are never enough. Leaders must always attend to consequences. Moral imperatives often conflict. Leaders must make difficult and imperfect choices. The literal definition of utopia means "no place." Utopia does not exist. And as you all know from history, it has been the pursuit of utopia—of perfect societies and outcomes—that have led to the worst episodes in human history.

There is much in the commonplace sayings such as "leadership is a foul weather job" and organizations "rot from the head down." Burdens placed on leaders force them to be visionaries and exemplars—and yet, they can never be nor should they aspire to perfection. Ethics plays a central role in navigating the ideal vision and the realities of daily life. Ethics is a process, a constant reflection on aspirations and compromises. It is incumbent upon leaders to set out their normative vision and to measure their behavior accordingly. What are my goals? What are my core values? And what tradeoffs am I willing to make? These questions never go away.

Management gurus are quick to point out that if we are not trying to improve, then we are sure to get worse. Commitment to our highest aspirations, openness, and self-correction is the essence of ethics in leadership. By suggesting three dimensions as points of entry into ethical inquiry—our roles as moral agents, as participants in the institutions in which we live, and as the architects of new institutions that will define our future—I hope I have given you a sense of the practical importance of ethics. And by offering the principles of pluralism, rights, and fairness as a place to plant a flag—or to aim your fire—I hope I have given you a framework that empowers you and leads you on a journey toward principled leadership.

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## NOTES

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