Dewey's Business Ethics and Education: Bridging Public-Private Tensions?

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Toward the end of John Dewey's *Ethics*, he includes five relatively short chapters in which he explores the ethics of economics and business.[1] Arguably prescient in his consideration of the tensions between family and work life, artisanship and mass production, capitalism and socialism, training and education, etc., Dewey appears to bridge public-private tensions by arguing for something along the lines of economic justice—basic social security for all. He does so in characteristic form: laying out the opposing sides of, say, excessive concentrations of wealth on the one hand and abject poverty on the other. He laments monopolies and appears nostalgic for craft guilds and artistic enclaves. Mitigating these disparities and tensions are four economic options for culture and society: 1) give to each what is earned; 2) give to each based on merit, where pre-existing advantage is part of the equation; 3) give an equal share to everyone; or 4) give justly for common wealth where minimum standards or basics are assured. Dewey rejects the first three as follows: 1) the complexity of production and distribution makes "earning" so unclear as to be unworkable; 2) "merit" suffers a similar fate, nonetheless operating via meta-narratives of hard work and competition but concentrating wealth for a few at the expense of the many; and 3) communism undermines pluralist democratic community.[2]

Dewey claims that the fourth principle is the best option because it "would abandon, in part at least, the attempt to distribute justly on the basis of giving to each man [sic] a precise equivalent for his contribution, or of giving him an equal share on the basis of the assumed equality of all human beings, or on the basis of what he can get in the market."[3] Instead, the fourth option advances "a regard for the public good."[4] Notes Dewey, "it asks what is a good condition of society, and what standard of living is necessary or conducive to a good society."[5] Such a project is an ethical one and requires not only understanding ethics, but demonstrating and enacting ethics as well.

PHILOSOPHY OF EDUCATION 2020 | Heather Greenhalgh-Spencer, editor

The link to public education is the opportunity to formally consider the ethics of economics within a pluralist space for solving social problems and demonstrating the public good. The public good is a phrase that, for Dewey, captures the interrelationships between individuals and groups with one significant qualification: democratic community.

> Only when we start from a community as a fact, grasp the fact in thought so as to clarify and enhance its constituent elements, can we reach an idea of democracy which is not utopian. The conceptions and shibboleths which are traditionally associated with the idea of democracy take on a veridical and directive meaning only when they are construed as marks and traits of an association which realizes the defining characteristics of a community. Fraternity, liberty, and equality isolated from communal life are hopeless abstractions.[6]

Schools are central to this project only if they demonstrate, in word *and* deed, the factual engagement to which Dewey refers. The engaged thinking Dewey expects of schooling thus requires diverse students investigating and solving various social problems, including economic ones. The processes of investigation are communal—public—and require students and teachers to engage in critical inquiry.

This paper considers the primary arguments Dewey offers regarding business ethics. It explores whether his meliorism is a bridge between economics and education and whether his view is too optimistic for contemporary times. Is Dewey's view of ethical economics antithetical to his otherwise functional, pragmatist philosophy of education? That is, does Dewey's view of basic economic justice run counter to how public schooling operates in the U.S. in 2020? The paper proceeds in three sections: A) a brief overview of the main claims Dewey makes toward the end of *Ethics*; B) an exploration of structural differences in Dewey's view of economics of his time and current fiscal contexts in relation to schooling; and C) an analysis of Dewey's hopeful view that schools as democratic, public spheres can contain the

worst ethical lapses of business fundamentals and still provide ameliorative economic options for contemporary life. The ultimate point of this paper is to situate Dewey's business ethics in educational contexts to reconsider whether his hopeful vision still holds.

OVERVIEW OF DEWEY'S BUSINESS ETHICS

In *Ethics*, Dewey provides five chapters with the following titles: "Ethical Problems of the Economic Life," "Collective Bargaining and the Labor Union," "Moral Problems of Business," "Social Control of Business and Industry," and "Toward the Future."[7] I begin where Dewey ends and then tease out key elements from these chapters to show what arguments he makes and what might follow from them for contemporary society and schooling. Dewey concludes that if economic considerations are the driving force in humans' lives, something is tragically wrong. His worry is that "the finer things" of life, like love, joy, contemplation, etc., will be distorted by an unrelenting focus on materialism, commercialism, and economic domination. Here is Dewey's summation:

> If the economic dominates life—and if the economic order relies chiefly upon the profit motive as distinguished from the motive of professional excellence, i.e., craftsmanship [sic], and from the functional motive of giving a fair return for what is received—there is danger that a part of life, which should be subordinate or at most coordinate with other interests and values, may become supreme.[8]

Dewey's caution is informed by historical symbols. He begins his analysis of economic life by pointing to architecture and how, in important epochs, buildings symbolized that which society valued most. For Athens, it was the temples on the Acropolis. For Rome, it was the forums and temples to government. Medieval cities had cathedrals towering above the marketplace. But the "modern" city, Dewey laments, is filled with corporate basilicas, sprawling manufacturing plants, and banks. "Government is less prominent;" he writes, "the churches follow the residences into the suburbs;

business reigns."[9] Dewey's concern is that nearly "half our citizens neglect to vote; at least as many abstain from the services of the churches; but business and industry admit no absence."[10] We do not escape commercialism and consumerism.

Dewey then lays out how we arrived at the current condition of business dominating society. He highlights the rise of industrialism, machinery, and resulting factory work. Importantly, he straddles the progressive benefits of industrialization while also raising serious questions about the consequences of that same industrialization. He notes, for example, that earnings increased from the nineteenth to the twentieth centuries, but not without struggles over horrible working conditions. People may have had more money to spend, but Dewey questions the meaningfulness of lives that endure repetitive motions within environments that increase risks of physical injury and mental monotony. With earnings from such work, what are those wages used for? In some cases, workers' housing was rented from the factory and food had to be purchased from company stores. Wages were cycled back to industry in a commercial loop of corporate-self-interest. Whither the public good? More will be made of this point in the next section but note how schools conform to a similar cyclical function: perpetual preparation and training of future workers to compete in a global economy reinforces the idea that public schools exist primarily for private enterprise.

In chapter 18, "Ethical Problems of the Economic Life," Dewey provides a broad outline of the rise of industrialization in the U.S. and some of the consequences that followed. The conditions of work altered significantly such that the economic imperatives of capital redefined priorities and individual power. Importantly, Dewey is not arguing against the industrial revolution, per se, nor arguing that feudal life was egalitarian and bucolic. He is arguing against the effects of the way the industrial revolution was carried out: not only were monopolies funneling enormous wealth to a very small number of industrialists, but the social and collective interaction of communities was fundamentally and reductively changed. Again, it did not change from utopia to dystopia, but, as Dewey notes, "it makes a difference wheth-

er [our] relations with [our] fellow workers or employers are of a family or neighborly or friendly character, or whether the relation is purely impersonal and the motive for work is the acquisition of money in some form as wage or salary or profits."[11] Here Dewey returns to a vision of human being that is not encased in materialist drudgery. His point is that the more materialist our lives become, the less likely we are to enjoy what it means to be more fully human. Note the qualifiers. Dewey is not arguing against work or jobs or making a decent (i.e., beyond subsistence) wage. He is arguing for a society that is communal, fair, and filled with the kinds of artful serendipity and generative expertise that make us laugh and appreciate existing. What makes this view *not* utopian is the functional anchoring that comes with democratic socialism. Problems still exist. Chores must still be done. Threats endure. Addressing these realities is best done, though not perfectly so, by a democratic socialist ethos tethered to a pragmatic vision of the world. In place of Adam Smith's elevation of individuals, Dewey sees individuals interested in more than self-preservation or, worse, self-promotion.

Dewey distinguishes between functional and acquisitive societies as follows: functional societies have individuals performing their own parts or roles, where these parts and roles are inseparable from the total society and its growth and security; acquisitive societies have individuals performing their own parts or roles, where these parts and roles are the focus at the expense of a greater good. Functional societies require interpersonal collaboration. Acquisitive societies pit individuals against one another to secure financial superiority in constant competition and comparison to others. Functional societies require altruism. Acquisitive societies valorize selfishness at the same time as they play on the trope of meritocracy.[12]

How does a functional society come about, then? The answer, for Dewey, is partly through a public schooling process that bridges inquiry and content not divorced from the social and economic realities students (and teachers) already embody in schools. Beyond cliché, schools as embryonic communities are not separate from the publics in which they reside. Social, political, and economic factors *already* color what school does and what

school means. An unreflective view yields schools continuing to reinforce order, control, and a view of preparation that narrowly ties the purpose of schooling (and the purpose of living) to job skills, training, and employment. Dewey challenges this view by arguing that the problems of classism and income inequality should become part of the curriculum. Students should not be taught that there are "free markets," when the markets operate in constant mediation of political and regulatory fluctuations to the continued advantage of the rich and at the expense of everyone else.[13]

BRIDGING STRUCTURAL DIFFERENCES IN ECONOMICS AND EDUCATION: DEWEY IN 2020?

Dewey's *Ethics* was first written as a textbook with James Hayden Tufts in 1908. It was updated, also as a textbook, in 1932. Given World War I and the Great Depression in the intervening years, not to mention overlooked-but-significant court cases like *Adair v. U.S*. and *Coppage v. Kansas*,[14] are there significant structural differences between the economics of Dewey's time and the economics of the present? The short answer is yes, but there are also some important similarities that are striking. For instance, in Chapter 21 ("Social Control of Business and Industry"), Dewey writes about the Great Depression, but seems prescient regarding the 2007-8 start of the Great Recession. He writes that a

> …complete change in economic conditions is slowly compelling recognition of the fact that men [sic] are likely to be thrown out of work by a general business depression without the least fault or possibility of escape on their part. It is also apparent that, in so far as labor is regarded as a commodity to be bought in the cheapest market and scrapped like a machine when it is no longer at its maximum efficiency, the older protections against poverty and old age—which existed when the employer had a personal interest in his workmen [sic]—no longer exists. A society which claims to be just, to say nothing of being humane, must take account of these changed conditions and make provision, either through the industries themselves, or through government administration, against those contingencies which the present development of industry has brought about. The old maxim was, "Where

the tree falls, there let it lie." The modern conscience believes that a society which makes any pretense to understand what it is about should prevent trees from falling—or when this is not possible should at least prevent the fall from crushing the helpless members of the commonwealth.[15]

Dewey is arguing against *laisse faire* libertarianism and for an economic system that safeguards basic work *and* living conditions. While it might be argued, in 2020, that democratic socialism is enjoying a resurgence in public discourse, it faces the same kind of negative reaction and negative characterizations that existed in Dewey's time. As he noted in the chapter "Toward the Future," it "is absurd to object to a national plan for mitigating suffering and injustice on the ground that it was first tried in Europe. The argument that social insurance is 'paternalistic' or 'socialistic' or 'German' is convenient hokum."[16]

The structural differences between economics and education are few. Given Frederick Tayler's time-and-motion studies merging manufacturing plants and schools, the rise of David Snedden's social-efficiency advocacy in early twentieth-century debates about the purposes of schooling, and the increased conceptual substitution of education for training, schools operate far more like factories than communities of learners.[17] This point goes beyond bell schedules and the curriculum. The point is that nearly 70 percent of adults in the U.S. believe that schools should focus more on career and technical skills-based classes than on more honors and advanced academic courses.[18] Such preferences indicate the culmination of a century-old effort to see schools as vocational, even if the majority of schools are not, strictly speaking, named technical and vocational institutions. At least two historical points are worth considering in order to build the philosophical bridge from Dewey's time to today: The Smith-Hughes Act and globalization after World War II.

Briefly, the Smith-Hughes Act was one of the first times federal money was spent on state schooling. In 1905, Massachusetts studied the need

for vocational training and a national discussion followed concerning agriculture, industry, and home economics. The Smith-Hughes Act embodied social determinist theory to identify those unable to do academic work but who were identified as future workers for industry. The debate then, as now, was between technocratic indoctrination or humane development of community.[19] As Emery Hyslop-Margison notes:

> The debate between Snedden and Dewey…reflects many of the arguments…on both sides of the vocational education divide. Snedden considered specific skill training an essential educational element to meet existing labor force demands, enhance national competitiveness, and promote economic progress. Advancing an *argumentum ad populum* to support his position, he suggested if Americans were forced to choose between social efficiency and democracy as the basis for public education, they would invariably select the former. Not unlike current social efficiency advocates, then, Snedden equated vocational education with providing students the skills, values and attitudes required by industry. From Dewey's perspective, however, vocational education should be designed to meet student instead of corporate needs and prepare the former for the various challenges of social life rather than for specific occupational roles.[20]

Then, as now, arguments in favor of job preparation saturated media. Fomented by groups like the National Association of Manufacturers, patriotism became synonymous with industrialism. Citizenship narrowed to workforce preparation and jobs became the primary focus of family support. With World War II, a shift to national defense further reinforced the idea that national interests centered around manufacturing. The military-industrial complex became entrenched, and schools were further regarded as sites to produce future workers.[21]

After World War II, economists associated with the Mont Pèlerin Society (MPS) exploited post-war Europe in a concerted effort to expand classical, monetarist economic thought.[22] Milton Friedman, Friedrich von Hayek,

and Ludwig von Mises were leading members of the MPS who argued vehemently against government intervention into "free markets," championing instead a vision of capitalism that promoted individualism and competition. Where John Maynard Keynes argued for government expenditures, the MPS essentially argued, and Friedman specifically did, that profit is the only purpose of business.[23] Dewey, though not perfectly aligned with Keynes, viewed business with deep suspicion. In writing about the havoc wrought by the cycles of surplus-recession-depression associated with MPS-like capitalism, Dewey laments that "it is doubtful whether there will be any escape from the cycle so long as business and industry are left to the unlimited control of the profit motive."[24] The consequences, according to Dewey, reinforce a bizarre reality. "Business wants to be left alone by government, but at the same time it virtually admits that it has no plan, except to make as large profits as possible in times of prosperity, and when depression comes to throw the burden of unemployment upon charity" or the very government it eschews. [25] This point is another bridge to understanding how schools are exploited by corporations.

SCHOOLS AS DEMOCRATIC, PUBLIC SPHERES TO CRITIQUE BUSINESS ETHICS?

Schools find themselves in a double-bind insofar as state governments lure companies to headquarter or relocate to their area by offering significant tax incentives. Amazon is a recent example, but only because it was so large. Many smaller "deals" are constantly made as part of the globalization/MPS-approach to trade. As Tyler Mac Innis and Juan Carlos Ordóñez note, however, using Oregon to illustrate the issues facing all states:

> Over the decades, the Oregon corporate income tax has declined dramatically as a source of revenue. This is evident from several perspectives. First, as a share of the state's economy, corporate tax contributions have shrunk by more than half since the late 1970s. Second, as a share of all income taxes collected in Oregon, corporate income taxes have also contracted. Third, corporate income taxes have eroded to such an extent that the Oregon Lottery now brings in more revenue than the corporate income tax.

And fourth, in recent years many profitable corporations have paid nothing or next-to-nothing in income taxes.[26]

The result is that schools are structurally underfunded and, *because of that underfunding*, are then used in "school-business partnerships" where companies call attention to their generosity. I call this false philanthropy. Dewey called it charity. He also found it ethically dubious when he argued that "to resort to charity to remedy a situation which ought to be prevented by the economic system is a confession of weakness. For charity places the burden not on those who are able, nor on those who have profited most from previous prosperity, but on those who are willing."[27] Partnerships can be terminated and "grants" to schools from corporations can be withdrawn. Budgets can be cut, too, of course, but tax revenue is far more reliable than donations.[28] Schools as charities are certainly not what Dewey had in mind when he argued for embryonic, democratic communities where students and teachers engaged in solving social problems. Using corporate tax subsidies and school funding as projects for inquiry and critique is much more in keeping with Dewey's view.

By studying economics as a contested field, Dewey was rejecting the nineteenth-century effort to view economics as akin to physics.[29] Part of Dewey's point is that capitalism did not appear out of thin air. Free markets do not naturally occur. They are social vestiges of value: moral commitments that are made and re-made for purposes of power and control. When students understand that economics is not an objective science, they challenge what is otherwise accepted as an "all-knowing" specialization. Belief in antecedent, *a priori* market ideals masquerading as a physics-like science is arguably part of the reason economists are interviewed and quoted so much, even though they are wrong much of the time.[30] Learning that economics is debatable, ideological, and value-laden means taking the field down from its constructed "perch" and democratizing the thinking about the function of economics in a democratic sphere. Accordingly, learning communities and schools, too, are made and constructed and are never pure and wholly

good. They are like nature, for Dewey—evolving contexts requiring constant checks and revisions for the purpose of justice beyond liberty.

For a society to advance economic justice, the law and political institutions will need to re-think the purpose of economic policy and practice. For Dewey, there must also be a rethinking of the purpose of education such that economics is tested and re-thought by students and teachers. In the chapter, "Toward the Future," Dewey stipulates the five central problems to be taken up by schools re-evaluating economics for justice: 1) production and waste; 2) security; 3) worker protections; 4) elevating understanding and taste on the part of consumers; and 5) "problems of a juster [sic] distribution of the enormous gains in economic processes—juster both as measured by service to the community, and as measured by the requirements of a functional society."[31] Perhaps this point is the one Dewey advocates most in *Ethics*: functional societies utilize ethics in determining a good life. Regarding economics and ethics, I return to the central question of this essay. Does Dewey's view of basic economic justice run counter to how public schooling operates in the U.S.? Yes. It does.

Dewey's view is one in which schools are laboratories for critique, investigation, and critical inquiry, including—as stipulated in this paper—economics as a field and as a subject. Current schools teach economics largely from one view, i.e., MPS-like neoliberalism. Accordingly, like other content areas, teaching is essentially telling students "the way the world is." When the Texas state board of education voted not too long ago to get rid of the term "capitalism" in the state's economics curriculum, it was so epithets could not be attached (think "capitalist pig").[32] The phrase that replaced the term was "free market economics" and might represent what Nancy MacLean identifies as "intentional design."[33] Coordinating efforts between the American Legislative Exchange Council (ALEC), the Charles Koch-funded State Policy Network, the Cato Institute, the Foundation for Economic Education, and the Independent Institute has meant a barrage of misinformation about climate change, taxes, and the role of public schools in society.[34] If the role and function of public education is to advance a largely one-sided view of

job preparation, individualism, competition, and selfishness, then Dewey's view of economic justice has been overtaken by an ethics of business that sees society as merely a grouping of consumers. As he noted, the "point…is that exclusive reliance upon the profit motive and upon the supreme importance of wealth tends to distort the proper perspective for life as a whole."[35] Schools subvert this goal of the public good by reifying and promoting individualist competition tied almost exclusively to job training and future employment. To challenge such a reality requires changing what it means to teach and to learn from acceptance to critique. It also requires re-imagining the function of schools to be places where ethics become central to various fields of inquiry. Otherwise, the public good is merely a shibboleth.

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1 John Dewey, *Ethics* (1932), in *John Dewey: The Later Works, 1925–1953*, vol. 7, ed. Jo Ann Boydston (Carbondale: Southern Illinois University Press, 1981). For an explication of Dewey's early works on ethics, see Jennifer Welchman, *Dewey's Ethical Thought* (Ithaca, NY: Cornell University Press, 1995). This paper is limited to five of the last chapters of Dewey's 1932 *Ethics* dealing with business and economics.

2 Dewey, *Ethics*, 407-411.

3 Dewey, *Ethics,* 410.

4 Dewey, 410.

5 Dewey, 410.

6 John Dewey, *The Public and Its Problems* (New York: Henry Holt, 1927), 149. See, also, Joseph Grange, "The Disappearance of the Public Good: Confucius, Dewey, Rorty," *Philosophy East and West* 46, no. 3 (July, 1996): 351-366.

7 Dewey, *Ethics*, 371-437.

8 Dewey, *Ethics,* 436.

9 Dewey, *Ethics*, 373. An argument could easily be made that churches have become businesses, but that point is for another time. Dewey's point is that traditional com-

munitarian spaces are displaced by businesses. Shopping malls, for instance, became substitute spaces of "public" gathering but subsumed under commerce. After 9/11, George W. Bush clarified this point when he encouraged Americans to show their patriotism by going shopping.

10 Dewey, 373.

11 Dewey, *Ethics,* 375.

12 Dewey, *Ethics,* 410-411

13 Twenty-six of the richest people in the world have more money than 3.8 *billion* of the rest of the world. See https://www.marketwatch.com/story/worlds-wealthiest-saw-their-fortunes-increase-by-25-billion-a-day-in-2018-oxfam-2019-01-21.

14 *Adair v. U.S*. was a Supreme Court case overturning a 1898 law barring employers from firing employees because they joined a union. See https://supreme.justia.com/cases/federal/us/208/161/; and *Coppage v. Kansas* was a state case arguing the same point. Employees lost in both cases, securing business rights over workers' rights. See https://supreme.justia.com/cases/federal/us/236/1/.

15 Dewey, *Ethics*, 414.

16 Dewey, *Ethics,* 433.

17 See Herbert Kliebard, *The Struggle for the American Curriculum, 1893-1958* (New York: Routledge, 2004); and Arthur G. Wirth, *John Dewey as Educator: His Design for Work in Education (1894-1904)* (Malabar, FL: Krieger Publishing Co., 1979).

18 Tim Walker, "What's the Purpose of Education? Public Doesn't Agree on the Answer" August 29, 2016: http://neatoday.org/2016/08/29/the-purpose-of-education-pdk-poll/

19 Arthur G. Wirth, "Philosophical Issues in the Vocational-Liberal Studies Controversy (1900-1917): John Dewey vs. The Social Efficiency Philosophers," *Studies in Philosophy of Education* 8, no. 3 (September 1974): 169–182. For an overview of the odd coalition supporting Smith-Hughes, see John Hillison, "The Coalition that Supported

the Smith-Hughes Act or a Case for Strange Bedfellows," *Journal of Vocational and Technical Education* 11, no. 2 (Spring 1995): 4-11. See, also, Joseph K. Hart, *Education in the Humane Community* (New York: Harper and Brothers, 1951); and Emery J. Hyslop-Margison, "An Assessment of the Historical Arguments in Vocational Education Reform," Eric Document, no. 435 825 (Washington, DC: ERIC, 1999): 1-14. Available at: https://files.eric.ed.gov/fulltext/ED435825.pdf.

20 Hyslop-Margison, 8-9.

21 Sputnik and the resulting National Defense Education Act of 1958 only reinforced this movement.

22 See Philip Mirowski and Dieter Plehwe, *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2015).

23 There were differences between neoliberals and ordoliberals within MPS, to be sure, but the society is staunchly monetarist and exclusionary of state intervention, at least in theory. See Mirowski and Plehwe, 88-123.

24 Dewey, *Ethics*, 383.

25 Dewey, 383.

26 Tyler Mac Innis and Juan Carlos Ordóñez, "The Gaming and Decline of Oregon Corporate Taxes," *Oregon Center for Public Policy* (Portland, OR: OCPP, 2016), 2. https://www.ocpp.org/media/uploads/pdf/2016/06/rpt20160629-corporate-tax-shift_fnl_.pdf

27 Dewey, *Ethics*, 382.

28 I do not have the space to delve into other elements associated with this situation, like wealthy schools versus poorer schools and the fact that wealthy public schools continually "out-raise" other schools or how millage rates in wealthy areas are significantly lower than in depressed or poorer areas. These issues will have to be for another time.

29 William Jevons made this link in 1871.

30 Marion Fourcade, Etienne Ollion, and Yann Algan, "The Superiority of Economists," *Journal of Economic Perspectives* 29, no.1 (Winter 2015): 89–114.

31 Dewey, *Ethics*, 430.

32 See Jonna Perrillo, "Once again, Texas's Board of Education Exposed How Poorly We Teach History," September 21, 2018: https://www.washingtonpost.com/outlook/2018/09/21/once-again-texass-board-education-exposed-how-poorly-we-teach-history/.

33 Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America* (New York: Penguin Books, 2017), 217.

34 MacLean, *Democracy in Chains*, 207*ff*.

35 Dewey, *Ethics*, 437.