

Christoph Schank, Alexander Lorch

Economic Citizenship and Socio-Economic Rationality as Foundations of an Appropriate Economic Education

In this article we argue that social science education needs to convey more than operational mechanisms of society. Especially in socio-economic education, questions of business ethics, i.e. phenomena of economics and society need to be integrated and reflected, decidedly focusing on the moral content of economics. With the introduction of economic citizenship as the ideal economic actor to be the purpose of economic education, this paper proposes that economic education needs to connect economic expertise and moral judgment and should also allude to the necessity of every market action's conditional legitimization by society.

We propose to discuss different 'sites' of morality as a heuristic approach to the different areas of economic responsibility. The individual, organizational and political level of responsibility helps to categorize the different moral issues of economic activity and serves as a great pattern to explain economic relations to scholars and students.

Keywords:

Business ethics, economic-ethical education, integrated economic ethics, economic citizen, sites of morality, civic spirit, ethical expertise

1 Introduction: Socio-economic education from a business ethics perspective

Economic and employment systems play an increasingly important role in modern societies; as (re)producers of social disparity, they take accountability for the distribution of economic goods and determine the amount of individual societal participation. Thus, economic operational competence constitutes an invaluable basis for any self-determined lifestyle concerning changes of status as well as everyday life. It is therefore crucial not to reduce these systems to abstracts beyond social reality, but to conceive them as culturally embedded societal subsystems. Such interconnected systems always cause conflicts, dilemmas and structural problems in their interpenetration zones (cf. Göbel 2006, p. 79), i.e., their intersections with adjacent subsystems (e.g., politics, legislation, education, etc.). In the following, we argue that those phenomena—within the scope of school education—need to be reflected from a perspective beyond an analysis of simple operational mechanisms, decidedly focusing on the moral content. Socio-economic education and issues of business ethics are therefore very closely connected. If (conventional) socio-economics wants to apply to imparting economic and social expertise, then business ethics accompanies this via reflecting the development of socio-economic rationality.

The genuine contribution of business ethics is to endow this guidance as a *"critical reflection authority"*¹ (Ulrich, Maak 1996, p. 15), and to offer explanatory discourses regarding values, purposes, principles and extra-economic framework requirements to both lecturers and learners of socio-economic education. This is meant to include those issues and aspects which are shunned by "pure" economics in order for it to be acknowledged as a value-free, descriptive science. We hold the view that the separation of ethics and economics, of explanatory and applicational discourses, is artificial, and that the two-world-conception of value-free economic rationale on the one hand and "extra-economic" ethics on the other hand can be transcended by a socio-economic education. In this regard, ULRICH (2005a, p. 6) points out: "Thus, we do not have a choice between a value-free or an ethical perspective on economic activity, but only a choice between a reflected or unreflected dealing with the inevitable normativity of every statement concerning issues of reasonable economic activity. Every conceivable notion of economic rationality always includes the normative."²

This essay discusses socio-economic education from a business ethics point of view. Generally speaking, we consider every person involved in economic inter-relations (consumer, investor, entrepreneur, executive or member of an organization) to be a beneficiary of this education. It needs to be embedded into the general school system, since relatively young students already take on the role of economic subjects or develop ideas about economic activity during their occupational orientation or via decisions regarding consumption and saving. During tertiary and quaternary education, socio-economic contents of teaching gain importance along with the increase of potential role models (entrepreneurs, employees, executives, etc.).

Dr. Christoph Schank
Dr. Alexander Lorch
Institute for Business Ethics
University of St. Gallen
Tannenstrasse 19
9000 St. Gallen
Switzerland
Emails: christoph.schank@unisg.ch
alexander.lorch@unisg.ch



Special attention is given to the location within the theoretical construct of integrative economic ethics (cf. Ulrich 2008, 2010), which ascribes particular advertence to the individual and his or her responsibility—in contrast to rather economic approaches to morality (e.g., Homann, Lütge 2005; Homann, Home-Drees 1992) that focus on the institutional order as the systematic location of morality. Although moral failure of leadership and management—a typical issue of individual ethics—is a noticeable concern in recent public perception³, business ethics as a scientific discipline has not dealt with issues of individual education until recently. However, earlier dealings with integrative economic ethics have led to a systematic introduction to business ethics education for teachers (cf. Ulrich, Maak 1996) as well as socio-economics in general and socio-economic education in particular (cf. Ulrich 2003, 2005a, 2007). We will examine the didactic implementation towards the end of this article.

The following explanations are to shed light on a realm of socio-economic education that has rarely been highlighted so far, namely the normative foundations of every form of economic education.

2 Civic spirit, mythbusting and ethical expertise – conceptualizing the idea of the economic citizen

An orderly society and a beneficial market economy need actors whose unbowed self-conception includes being economically active while conditionally legitimized as part of a surrounding societal system. Under these prerequisites, socio-economic education must not aim for the creation of unconditionally efficient and privatistic economic actors, whose degrees of freedom are only limited by natural and political restrictions. Rather, an understanding of the liberal-republican ethos of an economic citizen is required that ties economic activity to civic virtues and moral faculties of judgment. This notion is legitimized through the well-founded assumption that people have always been growing up within a society—therefore, neither nature nor any thought experiments are necessary to account for moral duties. Instead, regarding discourse ethics, one does well and acts correctly if he puts his actions up for discussion among the parties affected to show his concern about the legitimacy and social approval of his actions. From this point of view, an action is legitimate if it can be potentially identified by everyone as generalizable, i.e., if it is impartially justifiable towards everyone. It is the “basic tenet of discourse ethics” that “[o]nly those norms can claim to be valid that meet (or could meet) with the approval of all affected in their capacity as participants in a practical discourse.” (Habermas 1991, p. 66)

Economic citizens then are “economic subjects who do not separate their business acumen from their civic spirit, i.e., their self-conception as ‘good citizens’, but integrate both” (Ulrich 2005b, p. 14 – cf. Ulrich 2008, p. 283) in a community of free and equal citizen. Here, “business acumen” means the knowledge of the (market)economic system’s rationale. Thus, socio-

economic education necessarily includes the development of economic expertise taught by conventional economics. This expertise does not stand on its own though, but is rather augmented by the civic spirit and the capacity for ethical reflection. Civic spirit – in a broad sense – is the individual responsibility to shape the *res publica* and to implement the *volonté générale* as a social idea of a beneficial economic order. The capacity for ethical reflection is a necessary complement, but never a substitute for a substantiated economic education. It seems essential to investigate basic ethical issues concerning ecological, social and inter- as well as intragenerational justice of economic activities and not to approach the economic pursuit of ideal resource allocation by falling back to unacceptable extremist positions, namely mindless economism (which subordinates every normative consideration to economic calculations and propagates liberal anarchy) and economically naive moralism (which confronts economic activity with unattainable moral postulates) (cf. Röpke 1961, p. 184). This means that ethics and economics are not supposed to be pitted against each other, but to be reconciled by – or at least integrated into – the economic citizen. In order to fulfill this task, a mature economic citizen, being addressee and purpose of any economic education, has to have reflexive and professional competencies: He needs to (a) subordinate his actions to conditions of public welfare, (b) have the expertise and judgment to disenchant economic myths, and (c) develop enough moral judgment and competency to be geared to values, virtues and duties connected to this public welfare in economic and political contexts.

a) The appeal to the term “citizen” constitutes the liberal-republican core of the economic citizen. Business acumen and civic spirit can be viewed as two competing conceptions of the term “citizen”. The bourgeois, following his business acumen, understands economic activity to be primarily a self-involved, quasi-autistic action, only restricted by a state treaty. Aside from a civic-capitalistic corporate ethos and the attendant pursuit of self-interest, the civic virtues of this property-owning bourgeois do not reach beyond observing the law as a sign of good citizenship (cf. Schrader 2011, p. 309 – Ulrich 2008, p. 274). ULRICH contrasts this bourgeois with a conception of the economy being inseparably tied to politics and especially ethics. The politically mature citizen (*citoyen*) subordinates his economic activity to an expanded conditional legitimacy, which is not limited to a conformist behavior geared towards coercive norms—underpinned by sanctions—of the regulatory framework; he rather considers himself as a member of a community. On the one hand, this citizen is characterized by the civic spirit mentioned earlier. This basic point of reference, incorporating the solidary and just social order of free and mature citizens, can be regarded as a republican guideline of the economic actor. Beyond this ethos, civic virtues are the navi-

gation aid of economic activity and form the normative substructure of economic-efficient actions. ULRICH (2008, p. 342) recognizes the following formal minimal requirements for republican civic virtues:

“—firstly, a fundamental willingness of the citizens to reflect on their preferences and attitudes involving a certain degree of self-critical open-mindedness which will enable them, if need be, to change their position;

– secondly, a fundamental willingness to reach an agreement on impartial, fair principles and procedural rules regulating the deliberative process. A particular degree of good will is required for the clarification of this basic consensus, as the participants must be prepared to renounce the use of their power potential in the pursuit of their own interests;

– thirdly, a willingness to compromise in areas of dissent which, beside the good will to arrive at a basic consensus on fair rules for finding compromises, also requires a permanent mutual acceptance of limited areas of disagreement;

– fourthly, a willingness to accept the need for legitimation, i.e. the willingness to submit ‘private’ actions unconditionally to the test of public legitimation. This includes the renunciation of an a priori privatism, adequate forms of ‘publicity’ and accountability for publicly relevant activities.”

Embedded in his particular ‘lifeworld’, the economic citizen is faced with a multitude of possible role conflicts every single day. Thus, his civic spirit is called upon not only concerning political ballots, but also decisions of consumption and investment. It has to be developed in awareness of the fact that purchase decisions and portfolio strategies always imply political and social aspects, too, which can be reflected in substantial externalities like environmental damage, precarious labor conditions or violations of human rights. Moreover, globalization has caused such processes to shift from local events to worldwide chains of interdependence, which an individual can hardly identify and assess without a high level of investment. Later on (cf. chapter 4), further locations of morality shall be addressed, which can (but not necessarily do) support the economic citizen in pursuing the civic spirit. His role as an organizational citizen, i.e., as a member of an enterprise bound by a labor contract, seems particularly demanding. In this case, it is imperative to conciliate—or, in a conflict situation, balance—the legally codified loyalty towards the employer with one’s own ethos and the civic spirit. Clearly confirmed by reality, the conflict situation’s individual solution boils down to a decision between three strategies: “exit” (i.e., annulment of any contractual relations or membership), “voice” (i.e., enunciation of the conflict and attempt to overcome it), or “loyalty” (which often manifests as uncritical loyalty in the face of noticeable

grievance) (cf. Hirschman 1970). Therefore, socio-economic education in light of business ethics not only implies the ability to consider the ethical dimension of economic decisions, but also includes guidance for actions in ethical conflict situations. The phenomenon of whistle-blowing – widely discussed in the media – strikingly shows how moral conflicts in economic, legal, and political contexts can escalate.

b) Beside their ethical expertise, economic citizens also need economic competence, of course. But responsible economic citizens are to be seen as ‘myth-busters’. On the basis of critical-scientific values following Elias (2009, p. 53f), those citizens are versed in the ability of “replacing imagery of event interrelations, myths, belief systems and metaphysical speculations that cannot be confirmed by looking at the facts with theories, i.e., models of interrelations that can be checked, validated and revised by looking at the facts.” From our perspective, this requirement is well-understood if it is sensibly translated to the citizen’s ‘lifeworld’, enabling him to check material logics and functional mechanisms—on whose premises he aligns his economic decisions and actions—for their functionality and normative content. Economics rightfully claims to have contributed to the rationalization of the world by means of a strong formalism and subsequent modeling. Thus, criticism neither applies to economics as a scientific discipline nor to the necessity of imparting classical economic knowledge, but aims at a specific occurrence, which ELIAS (2009, p. 54) also cautions against: the transformation of scientific theories into belief systems, which—though acting as evidence-based sciences—want their own premises to be conceived as socio-scientific analogies to natural laws or metaphysical dogmas. A (compulsory) material logic that is deemed to be without alternative seems especially ominous when it burdens the citizen with moral obligations and operates under the assumption that these can be extracted from real events at the market via the normative force of facts. The principle of profit poses a very characteristic example; it encompasses – as necessarily specified guidance for action (cf. Löhr 1991, 91) – both a systemic functional mechanism of rational economic activity, deduced from reality, and a normative postulate for the individual, conveyed by the capitalistic corporate ethos (cf. Ulrich 1998, p. 2).

Economic citizens embody this kind of ‘mythbuster’ if socio-economic education endows them with the requisite know-how and faculty of judgment required to expose the “natural-law-metaphysics of the market”, (cf. Ulrich 1997, 3ff.) as a cultural artifact, to challenge (compulsory) material logics, and to prevent his own economic actions to be unquestioningly based on laws of the market which seem to have no alternative, but to have these actions conditionally legitimized by society.

c) As we understand it, the normative core of socio-economic education should be to prevent civic virtues and public welfare orientation from being



subordinated to the pure systemic logic of economics or even from being maneuvered into an irresolvable dualism. In this respect, being a mature citizen means embedding the principle of economic rationality into a viable and beneficial context, thus eventually implementing the Aristotelian triad of ethics, politics and economy (cf. Ulrich 2009, p. 8). From that point of view, market actors' individual liberties are not absolute but need to be conditionally legitimized in accordance with third-party entitlements (cf. Beschorner, Schank 2012). In line with these considerations, a socio-economic education that propagates the possibility of value-free economic activities beyond inherent questions of equity, solidarity, and free and equal participation in forming the social and economic order is to be rejected.

So far, the economic citizen has been characterized as receiver and product of a socio-economic education which encompasses both factual competencies and a basic moral attitude, which in turn needs special competencies to be implemented. His factual competence does not only encompass knowledge about economic correlations, but also an understanding of the generation of this knowledge as a cultural product rather than a misconceived analogy of value-free natural laws. With every bit of knowledge about the normative content of economic activity, the orientation towards public spirit and civic virtues approaches the educational core ever closer. Now, the question is not only how values are to be created, but also for what and for whom (cf. Ulrich 2010, p. 31 – Ulrich 2008, p. 90). Special competencies are necessary to answer these significant questions independently. Thus, this last sub-item highlights the development of moral judgment competence and decision-making authority.

The molding of morally upright personalities is a well-developed field of moral psychology and can be connected with considerations regarding a socio-economic education reflecting business ethics. The goal is to support the individual actor in his struggle to integrate moral values and ethical rules of decision-making into his own identity (cf. Windsor 2004 or Jagger 2011). Moral knowledge, moral motivation and moral action cannot be consistently combined until this moral self (cf. Blasi 1984) has been confirmed. In order to enable economic citizens to decide and act with integrity within an economic context, the following competencies have to be supported in their development (cf. Knopf, Brink 2011, p. 20; Maak, Ulrich 2007, p. 480ff):

- 1) Moral knowledge: One has to be informed about general norms, manners and customs in economic contexts as well as expected actions on those bases. (Example: Corruption is to be refused.)
- 2) Moral judgment: One has to have the ability to analyze situations and actions regarding their moral content, i.e., one has to recognize whether a norm or obligation has to be applied due to prevailing morals.

(Example: Accepting precious gifts in certain business relations constitutes corruption.)

3) Moral competence of reflection: This signifies the central ability to justifiably check moral rules for their content, i.e., to reflect them ethically. This may be a matter of consenting to universal ethical principles. (Example: Corruption is immoral because it undermines trust and leads to misallocations of resources. Therefore, an administration and economy based on corruption is undesirable.)

4) Moral courage: Tied to the competence of reflection is the ability to create and keep a skeptical distance from established and implemented norms. This ability is relevant not least because of the pressure of conformity within companies and branches of trade, which may demand non-reflective or uncritical behavior. (Example: The deliberate decision against corrupting actions, even if they are supported or demanded by one's own employer.)

In case these four competencies are combined, the economic citizen gains an unbroken identity—a prerequisite for consistent, upright and legitimate decisions and actions along the lines of public spirit and civic virtues.

If socio-economic education manages to convey economic expertise as well as moral judgment and also to allude to the necessity of every market action's conditional legitimization by society, then the qualification of mature economic citizens succeeds. They then are enabled to act literally with integrity, with unbroken wholeness, since their profit motive is set before a background of civic virtues. Such qualified citizens are less prone to place all social relations under the condition of economics and to regard society as a mere market attachment (cf. Polanyi 1978, p. 88f.).

Equipped to such an extent, the economic citizen is capable of taking political and economic responsibility in mature and self-determined ways. Not only has he been enabled to navigate the economic system via his expertise and his critical examination of economics' doctrines and propositions, but he also submits every economic action to the aspect of everyday life's practical benefits.

3 The economic citizen's responsibility

Beside the requirement to submit one's economic actions to one's own understanding as a citizen and a societal legitimization, the economic citizen is obliged to take responsibility for his actions, particularly in economic contexts. Before being able to discuss the economic citizen's responsibility, the very meaning of the enigmatic term "responsibility" has to be established in the first place.

In this context, "responsibility" is understood as a multidimensional, relational term. At any rate, responsibility means that someone (1) has to account to a certain entity (2) for something (3). In the context of responsibility for economic actions, this entity is not necessarily an individual counterpart, but may be the



citizenry in general (or the *res publica* respectively). This generalization of the entity to which one is accountable gives consideration to the fact that there are two different areas of responsibility in general: On the one hand, the citizens within a society are obviously responsible for their individual, immediate actions (or the neglect thereof). Since economic actions and circumstances are autonomously caused by intelligent individuals, those same individuals bear the responsibility. KANT already “anchors the moral and judicial accountability of actions to freedom” (Heidbrink 2003, p. 63); it is therefore indispensable for a socio-economic education to convey this connection of freedom and responsibility and to show prospective economic citizens the ever-present, essential possibility to take this responsibility, even in the face of alleged “inherent necessities” of economic activities (cf. Lorch 2014, p. 124-126).

Moreover, citizens can also be (co-)responsible for alterable states of society in terms of their civic duties: “People are responsible for all conditions which allow for human intervention and correction”, since “every alterable state needs justification” (Gosepath 2004, p. 57). This means that every citizen can be held co-responsible (by and to every other citizen) for changing unjust states of society, provided he is able to take part. The question is whether this is reasonable in every case, or whether it might be necessary to focus on addressees of accountability aside from the individual economic citizen.

4 ‘Sites’ of morality as a heuristic approach to areas of responsibility

So far, only the individual and his responsibility as a citizen in an economic system – viewed from a socio-economic perspective – have been discussed. But the economic citizen is not the only entity to be addressed with issues of responsibility. Thus, within the scope of a socio-economic education, the interplay and reciprocity between different societal institutional actors and their responsibilities should be broached and conveyed. The reason being that especially in complex situations of decision-making, one cannot assume that all individuals are morally upright and competent regarding the subject; one should always expect to deal “with precisely such average human defects” (Weber 1919, p. 57). In case the burden of responsibility takes individuals out of their depth, other sites of responsibility have to be consulted. Hence, a social “organization of responsibility” (Heidbrink 2003: 187) is required, which manifests in societal institutions that are indeed shaped by and filled with individuals, but whose basic existence is not bound to them.

In addition to the individual, two of those institutional sites are particularly relevant to economic issues and can be burdened with responsibility: the corporations and organizations as economic actors (meso-level) as well as regulatory politics, which institutionalizes economy and provides regulations and laws (macro-level)⁴ (cf. fig. 1).

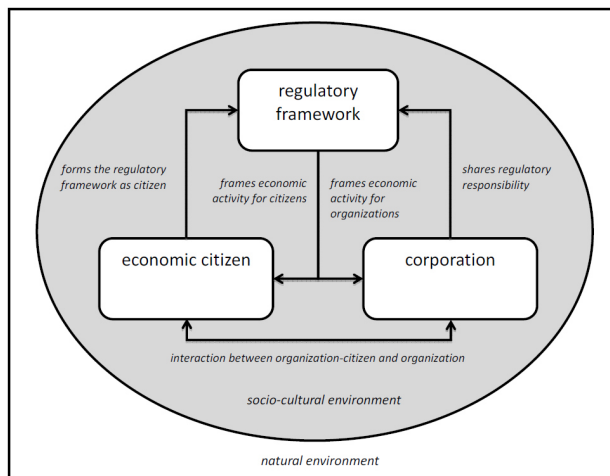


Figure 1: Locations and relations of economic responsibility

Before going into details concerning contexts surrounding the cultural and natural environment, the meso- and macro-level are to be introduced. The economic citizen as an actor on the micro-level of individual ethics has already been discussed.

a) Regulatory politics’ initial problem is the strained relation between ‘lifeworld’-aspects and systemic aspects of the market economy order. Therefore, its pivotal function is first and foremost to determine the role of the market within the societal framework. Regulatory politics has to check in which cases and under which conditions market competition gets permission to be a societal system of coordination. In other words, it has to settle the question of which areas of society are to be governed by the market, i.e. by the principle of profit and economic rationality, and which areas are left to alternate logics. Upon finding those answers, it has to guarantee the establishment of institutional preconditions for a functioning and effective competition wherever – according to the first task – market should prevail (cf. Ulrich 2008, p. 350ff). Before regulatory politics can discuss how competition is to be shaped (second task), the question of the competition’s area of influence has to be decided (first task).

Especially the second task emphasizes the interaction of regulatory politics and the two other locations of responsibility: Because of an increasing economization in many areas of life, economic citizens as well as corporations are faced with problems of reasonability within the field of tension between economic efficiency, personal moral integrity, and societal legitimacy.⁵ In such cases, there is a need for so-called “institutional backings” (Ulrich 2008, 302), which offer the economic citizen an opportunity—via available frameworks—to act upright and take responsibility.

Thus, the duty of regulatory politics should be to not only enable but also promote responsible and upright actions. One criterion for well-understood regulatory



politics is its orientation towards efforts of promoting upright economic actors (instead of individuals maximizing their own benefit, disconnected from any societal attachment). Regulatory politics has to shape the market economy in order to prevent those who take societal responsibility from having to put up with disadvantages; acting upright has to be reasonable, while acting only towards one's own benefit should be illegitimate. Possibilities for individuals to establish these regulations are limited, which is why an institutional backup is needed – which in turn is determined by the commitment of the citizens.

b) In addition to citizens and regulatory politics, corporations and other organizations within economic processes account for the third location of responsibility.

To what extent can corporations (being artificial entities) bear responsibility, and what should be their role in shaping a modern order of society? These questions had been raised even before the experiences of the financial and economic crisis and are extensively discussed in the current debates about Corporate Social Responsibility (CSR)⁶. At this point, two areas of corporate responsibility are to be highlighted: On the one hand, corporations bear responsibility for pursuing an upright business strategy, and on the other hand, they also bear responsibility for their part in shaping the regulatory framework, i.e., co-responsibility in the field of regulatory politics (cf. Ulrich 2008, p. 410ff).

1) Upright business strategy (*corporate ethics*): A corporation that is integratively understood is a “pluralistic value-creation-activity” (Ulrich 2008, p. 430), whose actions take public effect. Hence, a legitimate and socially meaningful business strategy is required as a foundation. This calls for integrity within the corporation as well as regarding its external appearance. It is reflected by the corporation's handling of antagonistic claims of different stakeholders (cf. basics by Freeman, Reed 1983; Freeman et al. 2010). Corporations acting with integrity will respect the claims of all their shareholders proportional to their reasonability. This holds true particularly concerning the protection of human rights in a company's sphere of influence.

2) Co-responsibility in branch-specific and regulatory politics (*republican business ethics*): Single corporations, however, are not always in a position to implement a beneficial conception of value creation, since they are again confronted with the issue of reasonability – a situation akin to that on the individual level. It is competition that structurally leads to (alleged) “inherent” or “market necessities”, respectively. If the individual actor abstains (or intends to abstain) from profits for the benefit of an upright management, he has to accept competitive disadvantages and is eventually even more exposed to the pressure of the market. These problems are often to be ascribed to failures of regulatory politics – binding,

institutional backings are missing. However, upright corporations not only have a duty to not exploit those shortcomings, but to step into the breach in terms of the principle of subsidiarity in cases where the state does not intervene yet. An example of this would be so-called soft law initiatives, establishing, inter alia, branch-specific agreements. At the same time, the individual economic citizen in his role as organization-citizen bears an essential co-responsibility for the integrity of business activities. Thus, corporations are also tied to the other two levels of responsibility.

It is the connection of the different levels of responsibility that is to be proposed as a possible heuristic to convey and reflect economic interrelations, forming the basis of a socio-economic education. In terms of a young people's qualification for becoming an economic citizen, it facilitates the means to convey the liabilities on different levels and to uncover and deliberate alleged inherent necessities and dependencies. Aside from these three conventional levels of accountability, there are also contextual levels, which influence the allocation of responsibilities to the three discussed levels significantly. To conclude, these are to be added to the heuristic in order to complete it – the sphere of the natural environment on the one hand, and the sphere of the socio-cultural environment on the other.⁷

Despite the classification provided in the last paragraph, the *sphere of the natural environment* can hardly be viewed as given, objective surroundings. Though natural resources and livelihoods like soil, water, air, and commodities are allegedly intersubjectively determinable, their perception is de facto embedded within social discourse and can vary significantly, depending on times, contexts or groups. In order to determine the areas of responsibility, pivotal aspects of the natural environment are to be considered:

- the basic relation between humans and their environment
- existence and perception of the shortage of natural resources
- significance of quality of life as defined by the condition of the natural environment
- assumptions about the extent of economic growth being a socially and economically desirable factor, in spite of detriments to the environment

The *socio-cultural sphere* is disproportionately more extensive, since it is comprised of every cultural product and every cultural technique. Particularly prominent examples include:

- systems of norms and values within societies and social groups
- socio-demographic distribution of age, sex, education, income, etc.



- culture of political participation and political opinion
- society's cultural dimensions of attitude (cf. Hofstede 2001)
- technological status and availability
- infrastructure regarding education, mobility, bureaucracy, telecommunication and market

These aspects of the spheres of the socio-cultural and the natural environment constitute the backdrop for the actions of the bearers of responsibility as well as for the determination and balancing of their adoption of accountability. This is also an indication of values, duties and virtues neither being unaffected by time nor being intersubjective factors; they are negotiated under different social conditions.

5 Imparting socio-economic education against the Background of an inductive approach and the three-level-model

In our view, the teaching of socio-economic education (general, tertiary and quaternary) has to avail itself of a broad, method-pluralistic canon of didactic instruments which can show the complexity of situations of economic decisions and work out solutions. Not only does it provide a basic knowledge regarding facts, decisions and reflection (as is demanded within general education), but it can also have a share in challenging and correcting objectives that have been identified as problematic in tertiary and quaternary education ("profit first"). To this day, especially the management education is still to be characterized by a lack of empathy concerning ethical issues (cf. Mitroff 2004; Ghoshal 2005). Following the idea of discourse ethics, we particularly accent forms of education which demand and promote its central subjects: dealing with conflict, criticism, dialogue and discourse, i.e., being able to solve problems via reflection and—whenever possible—via reasoning based on discourse. Using the heuristic of the three levels of morality, it has been shown that in such cases, reflection always includes viewing the issue from different standpoints, conducting thought experiments. The learner is to be enabled to contemplate complex circumstances from different perspectives. Thus, the heuristic supports socio-economic education, particularly concerning problems which seem to be ill-defined:

"An ill-defined problem is one that addresses complex issues and thus cannot easily be described in a concise, complete manner, e. g. those with multiple, non-guaranteed solutions. Furthermore, competing factors may suggest several approaches to the problem, requiring careful analysis to determine the best approach. An effective technique for developing problem-solving and critical thinking skills is to expose students early and often to 'ill-defined' problems in their field" (Euler, Seufert 2011, p. 220).

This centrality of complex problems points to two implications concerning the concrete organization of learning units: Although the teaching of purely factual

economic knowledge plays a crucial role, it is not the dominating factor. One should opt for didactic techniques that help to reflect on problems and aid in developing possible actions. We discern two steps:

Socio-economic education has to be (partly) inductive by dealing with the concrete experiences of the students (cf. Ulrich 1996, p. 22). In this regard, a student-centric approach is characterized by illustrating and discussing problems from a student's perspective instead of deductive-abstract teachings. General-education-students as well as quaternary-education-students are to deal with their own role, their logic of action and their dilemmas before venturing forth. The reflection of one's own situation should not be shortened or inhibited by teaching ready-made values and norms.⁸ An inductive approach is successful if it carves out a student's basic awareness of the problems, illustrates dilemmas and points out (previously unperceived) courses of action.

An inductive approach requires a micro-perspective viewpoint, examining the student as consumer, investor, member of an organization, entrepreneur or voter, thereby focusing on intra- and (depending on the complexity of a given situation) interpersonal role conflicts. The particular value of the three-level-heuristic, however, lies in going one step further, prescinding from one's own position to allow for a multi-perspective examination. Per actors' involvement on the meso- and macro-level, relation networks, dependencies and intersectoral conflicts become apparent. The student is supposed to recognize which actors may articulate a legitimate stake or can palpably enforce an effect in a given situation. By aiming for a change of perspective in class and encouraging students to consider the logic of action and target systems from the actor's point of view, one can make a substantiated decision about the actors' inevitable or possible responsibilities (or even actions). At the same time, interdependencies between actions and their respective effects are exposed.

A socio-economic education constituted in this way requires a didactic toolbox that specifically accounts for both dialog-oriented experimental learning and discourses. An exhaustive overview of possible techniques is – within the limitations of this article – neither possible nor meaningful. Conventional conveyance of knowledge should be complemented with *case studies* and *debating*. Case studies allow for the depiction of problematic situations from different perspectives as well as problem-focused learning. Here, a selection of cases either immediately connected to the students' 'lifeworld' or forcing a change of perspective is possible. Various forms of debating – two rivaling teams arguing about a given topic under specified stipulations – hold similar potential. Conducted as a competition in Anglo-Saxon school systems, debating can be used not only as a means of content reflection, but also in order to convey dialogue competence.

The so-called service learning, which combines learning in school or university with real-world experiences and a service to society, offers great potential for the



conception of socio-economic education as outlined in this chapter. It is a form of learning “that meets identified community needs and reflects on the service activity in such a way as to gain further understanding of course content, a broader appreciation of the discipline, and an enhanced sense of civic responsibility” (Bringle, Hatcher 1996, p. 2). It outstandingly complies with the need for an inductive approach, since it helps reflecting and scrutinizing values and norms by confronting one’s own ‘lifeworld’ with those of others (cf. Butin 2005, p. 2). It offers pluralistic perspectives – one’s own value system cannot be conceived as isolated since third-party claims and logic of action have to be taken into consideration. Thereby, the teaching of basic economics can be transformed into concrete, real-world experiences by means of any form of school or tuition. Thus, specialized learning, individual experiences and societal actions coincide with each other. American business schools still play a leading role in enabling societal effects of economic actions to be visualized, reflected and experienced during structured service-learning courses (cf. Kreikebaum 2011, p. 158f.).

6 Conclusion and prospects

Socio-economic and economic-ethical education are joined in a common concern. Both strive not primarily for a more intensive, but for a *better* basic economic education that takes effect beyond disciplinary borders and applies to concrete problems. Citizens educated in such a way are not supposed to act – within markets or (allegedly) economized areas of life – more efficiently or with a higher degree of economic rationality, but to be upright, reasonable and responsible.

This article tried to illustrate how portentous terms like integrity, rationality, and responsibility can be fleshed out via the concept of the economic citizen and the heuristic of interlaced areas of responsibility. It should again be stressed that the economic citizen, too, requires a well-founded acquaintance with classic-orthodox as well as heterodox economic theory. The knowledge of economic interrelations cannot be substituted by an exclusive teaching of business ethics. Even if ethics can be viewed as a corrective for uninhibited economism, it cannot replace economics and exchange economic expertise with ignorant moralism. Thus, the economic citizen that is alluded to is versed in economic theory and possesses competence regarding economic actions. But his additional benefit lies in his ability to tie economic rationality to a higher reason – he aspires to a beneficial economic activity whose roadmap is the civic spirit and whose means of navigation are civic virtues and ethical competencies. Moreover, he – as a ‘mythbuster’ – is capable of searching allegedly value-free economic approaches for their normative content. If this major goal can be reached, the socio-economic education can foster economic citizens who understand successful economy to be a means, but never an end to a well-ordered society of free and equal citizens.

Although business ethics can point to an increasing level of activity during the last few years, this path has only been treaded reluctantly. That is no surprise, since business ethics as a genuinely scientific discipline with a high degree of theoretical advancement (especially in the German-speaking world) is still a relatively rare subject, even at universities. Nevertheless, the fact that business ethics is highly relevant when it comes to the very practice of economy provides incentives for school and university education. Various concepts of an experience-based competence learning (cf. Maak, Ulrich 2007, p. 486ff.) have the potential to find their way into education and teaching. Developing these new measures in order to advance economic education can be viewed as a mutual assignment to be taken by socio-economics and business ethics.

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Endnotes

¹ All German quotes in this text were translated analogously by the authors

² See BRODBECK (2011) for an overview of economics as normative science.

³ See LEISINGER (1997, 141ff.).

⁴ By now, the classification of business ethics into a micro-level (individual ethics), meso-level (business ethics), and macro-level (regulatory ethics) is widely agreed upon, although the terms for the three levels may vary (cf. Enderle 1988, citing Göbel 2006, 79).

⁵ Gary S. BECKER (1976) provides an impressive example of the intrusion of economic logic as the dominating explanatory approach to human behavior into areas of life that were once exempt from dominance by the economic logic.

⁶ For an overview of the current state of the debate about Corporate Social Responsibility, see Aguinis/Glavas (2012).

⁷ The new St.Gallen Management-Model follows a similar approach (cf. Rüegg-Stürm 2005).

⁸ Such a risk might, for example, emerge from an (uncritical) adoption of a code of conduct regarding certain occupations or roles, like the manager's oath, which has been propagandized in recent years (cf. Khurana 2009).

