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Ethics in times of Corona: Ordonomic reflections on (dys-)functional morality

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Ingo Pies

Ethics in Times of Corona – Ordonomic Reflections on (Dys-)Functional Morality

Diskussionspapier Nr. 2020-06

des Lehrstuhls für Wirtschaftsethik
an der Martin-Luther-Universität Halle-Wittenberg,
hrsg. von Ingo Pies,
Halle 2020

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Kurzfassung

Dieser Artikel diente als Textgrundlage für eine „Keynote Address“, die ich am 26. Juni 2020 als Video-Vortrag zum IAMO Forum 2020 beigesteuert habe. Sie geht der Frage nach, inwiefern moralische Gefühle und helfen bzw. daran hindern, vernünftige Strategien zu finden, mit denen sich die Corona-Krise bewältigen lässt. Der Text formuliert Thesen zur Funktionalität und Dysfunktionalität individueller sowie kollektiver Moral und gibt eine Anregungen für eine kluge Weltinnenpolitik zum Risikomanagement globaler Herausforderungen.

Schlüsselbegriffe: Ethik, Ordonomik, moralische Emotionen, Pandemie, Globales Öffentliches Gut, Weltinnenpolitik

Abstract

This article contains the text for a keynote address, delivered as a video presentation, for the IAMO Forum 2020. It discusses whether our moral sentiments help or impede finding reasonable strategies to cope with the Corona crisis. The text formulates hypotheses about the functionality and dysfunctionality of both individual and collective morality. Furthermore, it provides some suggestions for a prudent world-domestic institutionalization of risk-management to counter global challenges.

Keywords: ethics, ordonomics, moral sentiments, pandemic, global public good, world-domestic politics

Ethics in Times of Corona – Ordonomic Reflections on (Dys-)Functional Morality

Ingo Pies

I would like to start with a short introduction. My name is Ingo Pies. I am an economist by training, and a philosopher by heart. That is why, as a researcher, I was attracted by a very special ecological niche, namely the borderland – or should I say: the no man's land – right in between academic disciplines. This has been my intellectual home base for more than thirty years now. During this time I have developed the research program of "ordonomics". Let me just sketch one of its central ideas.

From an historical point of view, human morality evolved as a problem-*solving* device. But under modern conditions it might as well *generate* or *intensify* problems. Our moral sentiments are not well adjusted to the systemic challenges we face in modern politics, modern business, or modern science. To put it in a nutshell: Moral sentiments can become an impediment to moral progress. This is what I call the "moral paradox of modernity", and this is what we study in the ordonomic research program, covering a broad spectrum from basic research to applied research, as will be illustrated by my today's talk on "Ethics in Times of Corona".

Let me start with three empirical observations.

I. Empirical Observations

1. The Corona crisis is a global pandemic. Fighting it is a global public good. In such a situation, the optimal reaction would require world-domestic politics, i.e. a federal response of globally coordinated local endeavors. But this did not happen.
2. What happened is a series of by and large uncoordinated endeavors to fight the pandemic within nation-state borders. These strictly national responses (e.g. closing the borders and economic lockdown) showed little regard for neighbors' interests and radically no regard for the interests of people at the very beginning of global value chains.
3. From a theoretical point of view, we live right now in a time of extreme uncertainty. We suffer from lack of reliable data about many aspects of the pandemic. But one thing we know for sure. Uncoordinated national contributions to a global public good will provide a suboptimal result. This means that at the end of the crisis, more people will have died or will have experienced a stronger decrease in their living standards than was actually necessary.

Now I would like to offer some reflections on pandemics and moral sentiments.

II. Pandemics and Moral Sentiments

1. Pandemics are an integral part of human history. Think of the Justianan plague (541-542 AD), devastating the East Roman empire, or the Great plague (1347-1350), devastating large parts of China, India, and Europe. The archeological

record in combination with modern DNA research provides evidence that such pandemics have accompanied humankind for at least 5.000 years.

2. From an evolutionary perspective, we should expect that pandemics have played a role in shaping moral sentiments. As a case in point, take angst (= existential fear, coupled with a fight-or-flight-mechanism), disgust and xenophobia. In combination, all three of them lead to a moral disposition to evade infection by avoiding physical contact. For millennia, this has been the only technology of saving your life during a pandemic. (As an aside: It seems that so far humankind has made rather little progress in this respect. Social distancing is literally an ancient technology. And in the 21st century it is still the major pillar of our fight against the new Corona virus.)

Let me now draw some conclusions with regard to individual morality in times of Corona.

III. Individual Morality in Times of Corona

1. There is evidence that social distancing began before governments mandated an economic lockdown. But of course a lockdown amplifies social distancing. It provides information and triggers the individual disposition to keep away from potentially infected people.
2. Hence, individual morality and its inclination towards social distancing is an important success factor for an immediate reduction of the infection rate. In this sense, it is a force for good.
3. While mandating a lockdown can trigger social distancing, suspending the lockdown is unlikely to have an equally strong effect in the opposite direction. There is an important asymmetry. We can expect strong hysteresis, i.e. a ratchet effect. And this is likely to cause problems. People may have trouble in aligning their individual behavior to objective risk calculations. Here, individual morality might prove to be disadvantageous. Returning back to normal might take a long time – and perhaps might not even be an option.

Next, I would like to discuss some conclusions with regard to group morality in times of Corona.

IV. Group Morality in Times of Corona

1. The historical record is even more critical if we focus on group morality. The feeling of being endangered triggers strong instinctive reactions. The spectrum covers intense feelings of solidarity with your in-group and a readiness to fight external enemies.
2. In a pandemic, however, there are no visible enemies to fight. This causes cognitive dissonance, a strong psychological pressure that is often resolved by searching for the guilty (wo)man and identifying scapegoats. During the Great plague, e.g., people in Europe accused the Jews of having poisoned their drinking water, which resulted in pogroms, i.e. the prosecution and killing of thousands of innocent people. Moral panics can lead to genocide.
3. Against this background, we can formulate two hypotheses:

a. Looking back, group morality may have been a major causal factor in triggering anti-pandemic reactions at the national level. From a normative point of view, this is a mixed blessing. On the one hand, strong feelings of group solidarity encouraged fast and strong policies, perhaps even policies that in retrospect may prove to be too strong, but I think it is still much too early to give a definitive answer to this important question. On the other hand, strong feelings of group solidarity quite obviously discouraged efficient responses at the global level. With regard to humankind, moral sentiments of group solidarity promote more exclusion than inclusion, so morality is much more ambiguous than we are usually aware of. All in all, it is an open question whether we have seen overreaction at the national level, but we surely have observed underreaction at the global level, triggered by moral sentiments.

b. Looking forward, this ambiguity may even become stronger. Casting a light on the dark side of morality, we may expect that the first phase of collectively standing together as a nation may give way to a second phase of playing the usual blame-games. The initial consensus may quickly erode even at the national level if people start searching for scapegoats as objects of anger. Our natural disposition for blaming and shaming, exemplified by a collective thrill of pillorying, may very well amplify the already existing tendencies of political polarization, simply because people feel an urgent psychological need for a safety-valve in order to cope with emotional pressure stemming from strong moral sentiments. The recent upsurge of conspiracy theories is just a case in point.

Finally, I would like to offer some thoughts for future learning processes, in particular with regard to a world-domestic institutionalization of prudent risk-management and the moral status of markets.

V. Towards a World-Domestic Institutionalization of Prudent Risk-Management

Let me formulate my final conclusions in what grammarians call ”future perfect”. If we are lucky, after successfully having endured the Corona crisis, we will have learnt the following lessons.

1. The media attention within our diverse national publics is much too narrow, in several respects. There seems to be a tendency to solely concentrate on one major topic, as if they were overchallenged if they had to deal with let us say three or four topics at a time. This mono-thematic tendency leads to underreporting on and even negligence of major existential threats, like for example asteroids, volcanic eruptions or earthquakes. Furthermore, the national focus on global challenges is very often an invitation to engage in navel-gazing and nationalist egotism. We therefore need a much wider perspective in order to better understand and appreciate the advantages of international coordination and cooperation.
2. Being aware of several global challenges at a time offers the chance to observe that distinctively different problems like climate change, international pandemics, but also financial crises as well as global food security share common features with regard to the underlying problem structure. If we thus open our

eyes we can see similar manifestations of an underprovision of public goods, a failure of collective action, a social dilemma, or in even more technical terms the emergence of Pareto-inferior Nash equilibria, i.e. the phenomenon of collective self-harm via free-riding behavior.

3. If we became aware that there is more than just one global challenge and that such problems require truly global solutions, it would be easier for us to acknowledge that we cannot afford to wait for global altruism to emerge. Instead, we must build institutions that encourage moral behavior and at the same time protect it against exploitation. This requires a paradigm shift for implementing moral progress, a shift from choice *within* constraints to choice *among* constraints. We must learn to distinguish between playing a given game better and playing a better game, between *optimization* and *governance*. This insight, however, is not new. But it is still a lesson that has to be learnt. (And just as an aside: Our learning could be inspired by David Hume, who in 1739 wrote about the need to augment our natural virtues by artificial virtues that are backed by institutional incentives.)
4. Let me illustrate with a specific example. Global wheat prices peaked in 2008/9 and then again in 2011/12. Both peaks were amplified by politically mandated reductions in exports and by politically mandated increases in imports. During both peaks, the European Union played an active role by encouraging imports, thus pushing prices even more. This was irresponsible and should never have happened. Take an analogy: If there is an airplane crash, we have a marvelous system of causal investigation that has helped to drastically improve flight safety at a global scale. We should have a similar system in place for all kinds of catastrophic outcomes. With the help of such a system, we could have learnt what went wrong in 2008 and then not make the very same mistake again in 2011. And perhaps by now we even could have made some progress in avoiding export bans that threaten global food security.
5. We need an institutional architecture for a prudent risk management at the global scale. This is what I mean by world-domestic politics: a federal governance structure for coordinating decentralized local measures addressing global challenges. We need ex ante coordination before the risks materialize. Let me stress just one major reason for this: During a crisis, moral sentiments often turn out to be prohibitionist and protectionist, exerting a strong pressure for limiting markets. This is where the ordonomic interplay of ethics and economics can prove useful: Knowing about this temptation, it is prudent to install institutional checks and balances ex ante. Open markets can be thought of as an insurance policy that fosters resilience. Already Adam Smith knew this. To drive home this lesson, one can say that competitive markets have a moral status of their own because they augment our moral sentiments of in-group solidarity towards a cosmopolitic solidarity with strangers. Moral progress at a global scale does not require *motivational* altruism. It just requires *effective* altruism, and that can be brought about by market incentives that channel individual behavior towards the common good.

VI. The Ordonomic Take-Home Message

This is my ordonomic take-home message for you:

In general, morality is a force for good. But it also has a dark side. As a case in point, moral sentiments can interfere with risk literacy. This is of particular importance in times of pandemics. Risks require insurance for creating resilience. It is exactly here that our morality has a blind spot. We tend to overlook that markets can foster resilience and that we can enlarge the circle of moral sentiments from motivational altruism to effective altruism if we make use of market institutions for organizing *solidarity with strangers*.

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