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Adam Smith, the Impartial Spectator and Embodiment: Towards an Economics of Accountability and Dialogue

Mark Rathbone 

Faculty of Economic and Management Sciences, North-West University, Potchefstroom 2531, South Africa; Mark.Rathbone@nwu.ac.za

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Abstract: This article argues that Adam Smith’s notion of sympathy and the impartial spectator in his work *The Theory of Moral Sentiments* [1759] connects the individual to society. In this work, Smith’s economics are far more complex than mere self-interest as a driver of commerce. Self-interest functions within a socio-ethical framework that limits excess and narcissism. However, morality was not based on normative assumptions for Smith and Hume. Morality was directly linked to social and cognitive processes in which the approbation of others was important. In other words, behaviour was based on the perceptions of others; therefore, action was to be adjusted to obtain sympathy. The impartial spectator refers to the cognitive process in which moral assessments are made. Therefore, the empiricism of Smith differs from determinism as related to physical causation because it operates through habituation and/or socialisation that can accommodate change and variation. Clearly, the socio-cultural presupposition of society directly influences the moral judgment of the individual. However, this deterministic tendency may result in an uncritical assessment of moral behaviour. To address this potential limitation of determinism, the embodied phenomenology of Merleau-Ponty is explored as an alternative theory which attempts to move beyond a dualism rooted in materialism/idealism. This perspective may expand on Smith’s economics by adding a more inclusive assessment of behaviour. Specifically, Merleau-Ponty’s corporeality provides a theory of behaviour that goes beyond a particular society’s perceptions of acceptable behaviour. This framework may provide the impartial spectator with a more encompassing perspective on moral assessment that may also be beneficial for sustainable commerce. It will be proposed that Merleau-Ponty’s embodied phenomenology and the hyper-dialectic of the flesh highlights the role of accountability and dialogue in moral assessment that may contribute to responsible economics in the South African context.

Keywords: Adam Smith; Merleau-Ponty; sympathy; impartial spectator; determinism; embodiment; accountability; dialogue

1. Introduction

The economic philosophy of Adam Smith is usually associated with his work *An inquiry into the Nature and Causes of the Wealth of Nations* (WN) (Smith [1776] 1950). However, his earlier work, *The Theory of Moral Sentiments* (TMS) (Smith [1759] 2004), is equally important because it explains how self-interest is embedded in a socio-ethical framework in which sympathy plays a crucial role (Wells 2014, pp. 90–91; Gonin 2015, pp. 221–22). Sympathy refers to the mode of moral development in which the impartial spectator is a mental construction which serves as a means of assessing events and behaviour. Hühn (2017) notes that Smith’s contribution to social science was his linking of the individual with society through the impartial spectator. Smith [1759] (2004, p. 100) highlights this

connectivity between individual and society in TMS by stating that “human society stand in need of each other’s assistance, and are likewise exposed to mutual injuries”.

This paper argues that Adam Smith’s notion of sympathy and the impartial spectator in TMS connects the individual to society. In this work, Smith’s economics are far more complex than mere self-interest as a driver of commerce. Self-interest functions within a socio-ethical framework that limits excess and narcissism. However, morality was not based on normative assumptions for Smith and Hume. Morality was directly linked to social and cognitive processes in which the approbation of others was important. Behaviour is based on the perceptions of others; therefore, action is to be adjusted to obtain sympathy. Therefore, the empiricism of Smith differs from the determinism of physical causation because it operates through habituation and/or socialisation that can accommodate change and variation (Berry 1997). It is clear that the socio-cultural presupposition of society directly influences the moral judgment of the individual.

Unfortunately, this deterministic tendency may result in an uncritical assessment of correct moral behaviour. To address this potential limitation of determinism, the embodied phenomenology of Merleau-Ponty is explored as an alternative that attempts to move beyond a dualism rooted in materialism/idealism. In this article, embodiment is understood from the perspective of phenomenology and intentionality. In this regard, embodiment incorporates a physical form that embraces the role it plays in the creation of meaning. As such, the reception of sensory information is not limited to mental or cognitive constructions in which the subject becomes a third person observer. The physicality of the perceiving subject is not bracketed or of no consequence to the construction of meaning. The pre-reflective subject is part of meaning creation and connected to reality. This perspective may expand on the economics of Smith by adding a more inclusive assessment of behaviour rooted in Merleau-Ponty’s corporeality which goes beyond a particular society’s perceptions of acceptable behaviour. This may provide the impartial spectator with a more encompassing perspective on moral assessment that may also be beneficial for sustainable commerce. Accordingly, the impartial spectator is not a cognitive or imaginative construction that assesses a situation based on the assumptions of a homogeneous group or society; rather, the embodied subject is part of a corporeality that is heterogeneous and diverse. It will be proposed that Merleau-Ponty’s embodied phenomenology and the hyper-dialectic of the flesh highlights the role of accountability and dialogue in moral assessment that may contribute to responsible economics in the South African context.

In this article, I will firstly argue that Smith’s understanding of self-interest is more nuanced than how it has been popularly viewed in contemporary literature. I will also argue that self-interest is contained by the notion of sympathy. However, the social determinism involved in the assessment of the impartial spectator requires further exploration to avoid moral judgement based on the singular perceptions of a particular society. Secondly, it will be proposed that Merleau-Ponty’s embodied view of the subject and corporeality may address the limitations of determinism. Embodiment has the potential to deal with problems associated with determinism without falling prey to idealism. Thirdly, the implication of accountability and dialogue for responsible business decisions and actions of individuals will be discussed with particular reference to the South African context.

2. Adam Smith, Sympathy and the Impartial Spectator

It is commonly argued that the notion of self-interest in WN (Smith [1776] 1950, p. 16) is the driving force of economics. Stigler (1971, p. 265) refers to WN as “... a stupendous palace erected upon the granite of self-interest” that guides “resources to their most efficient uses, stimulates laborers to diligence and investors to splendid new divisions of labor—in short it orders and enriches the nation which gives it free rein”. Recent research has highlighted that Smith presents a far more nuanced view of self-interest in WN (Sen 1999; Wells 2014; Paganelli 2008; Gonin 2015; Rathbone 2015). Werhane (1989, p. 670) notes that Smith’s self-interest cannot be associated with selfishness or greed; that “self-interest is both driven and restrained by the desire for approval” and therefore “economic self-interest makes sense only in the atmosphere of mutual cooperation” (Werhane 1989, p. 670).

However, Smith's work has often been misused to justify selfishness: "It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages" (Smith [1776] 1950, p. 16). Nowhere in the above-mentioned quote does Smith condone selfishness. Instead, he argues that, in a society of free people, we do not "address" ourselves to the "humanity" of others to make a living. A person does not rely on the charity of others; rather, an individual works in a co-operative manner by providing goods and/or services another requires to satisfy his/her "self-love". Heath (2013, p. 241) notes that self-interest is not a motive for economic activity; rather, it is an orientation regarding human interaction. It is a positive ethic of freedom, self-realization, and production.

Smith's contemporaries such as Jean-Jacques Rousseau and others noted that the growth of commerce would undermine natural benevolence (Folbre 2009, p. 85). It is often misunderstood that Smith was against benevolence. For Smith, benevolence was not a mature economic expectation. This should not suggest that Smith supported a notion of egoistic economics. Werhane (1989, p. 674) highlights that, for Smith, greed "prevents good economic performance". However, recent research on TMS has gone a step further and has highlighted how sympathy and the impartial spectator play a crucial role in connecting the individual and society (Paganelli 2008, 2010; Gonin 2015; Hühn 2017). The natural impulse of self-interest is embedded in a system with important moral, ethical, and societal dimensions.

The opening chapter of TMS clearly highlights that sympathy is a natural instinct: "How selfish so ever man may be supposed, there are evidently some principles in his nature, which interest him in the fortunes of others, and render their happiness necessary to him, though he derives nothing from it ... " (Smith [1759] 2004, p. 3). Smith refers to this instinct as "fellow-feeling" that is evident in the "sympathy" which may arise when the pain and suffering of others is witnessed (Smith [1759] 2004, p. 13). For Smith, sympathy does not refer to pity, compassion, or empathy; instead, Smith uses it as a technical term, referring to the cognitive and psychological processes which connect people. Although Smith generally believed that most people possess this natural ability (except for some people with possible anti-social disorders), he did not believe that the mere sight of the passions of others leads to action.

Smith [1759] (2004, p. 15) argued that action is always a matter of context. For example, the suffering of a criminal may not necessary lead to acts of kindness. Any act of kindness is a matter of prudence and propriety as perceived by others based on contextual variables. Not all acts of kindness may gain the sympathy of others and not all situations that require philanthropy may lead to action. Therefore, only action which is considered both acceptable and that may gain the sympathy of others is deemed appropriate and lead to the joy of mutual sympathy (Smith [1759] 2004, p. 17). According to Smith, mutual sympathy is one of the motivational aspects of morality, leading to harmonious societal relations (Smith [1759] 2004, p. 17).

To arrive at a state of mutual sympathy, people instinctively develop the cognitive mechanism to assess behaviour and events. Smith refers to this cognitive mechanism as the impartial spectator (Smith [1759] 2004, p. 28). The function of the impartial spectator is to assess a situation based on the potential acquired sympathy of others. To do this, the subject imagines him/herself as a spectator to an event in which his/her action may be assessed by others. This imaginative construction is based on previous events which serve as an analogical construction. According to Smith, the subject accordingly avoids being swayed by personal or impulsive presuppositions and/or passions. Events are judged in an "impartial light" (Smith [1759] 2004, pp. 27–28). Action is therefore based on the degree of approbation that may be received from others. Accordingly, moral development is the ability of the subject to act in accordance with the assessment of the impartial spectator that may enhance prudence and propriety. The irony of this subject's impartial perspective is that societal perception dictates what is acceptable or not.

In context of business, sympathy is crucial to avoid excessive self-interest and maintain societal harmony (Smith [1759] 2004, p. 24). Moral behaviour is directly linked to the socio-cultural system that condones behaviour, resulting in the joy of “fellow-feeling” or mutual sympathy. Smith [1759] (2004, p. 29) acknowledges that “. . . virtues of self-denial, of self-government, of that command of the passions which subjects all the movements of our nature to what our own dignity and honour, and the propriety of our own conduct require, take their origin from the other”. For Smith, self-interest and virtue are inseparably linked to the wellbeing of society, “The wise and virtuous man (*sic*) is at all times willing that his own private interest should be sacrificed to the public interest or his own particular order of society” (Smith [1759] 2004, p. 346). Clearly, the accusation that Smith’s reference to self-interest is a precursor to *homo economicus* is misguided. Sen (1999, p. 23) notes that these integral moral dynamics related to economics “tended to be lost in the writings of many economists championing the so-called ‘Smithian’ positions on self-interest and its achievements”.

However, the limitation of Smith’s view of sympathy and the impartial spectator is linked to the empiricist roots of his work. The determinism that is embedded in his view of moral development and his later economics has a negative impact in that the partiality of a particular society dictates moral assessment and behaviour. Although Smith steers clear of idealism, our globalized world requires a more encompassing and inclusive view of moral assessment. For example, showing kindness to a suffering criminal may not result in sympathy from other people. This assessment of the impartial spectator may be the result of an analogical reconstruction based on similar situations, for example, one in which kind action towards someone judged deserving of suffering resulted in rejection by others. However, the question remains as to what social presuppositions is the judgement of society based? That someone is viewed as a criminal may support specific social biases and perceptions. For example, framing a person as a criminal may be justified in some societies; however, in other societies, a criminal could be reframed as a freedom fighter. This ties into a broader question to the extent the impartial spectator is equipped to deal with competing and even conflicting moral dilemmas.

A possible solution from Smith’s perspective may be found in the role that strangers play in moral development. Smith notes that contact with strangers results in restraint and control of passions because the subject knows that the stranger does not have knowledge of his/her circumstances, “We expect still less sympathy from an assembly of strangers, and we assume, therefore, still more tranquillity before them, and always endeavour to bring down our passion to that pitch, which the particular company we are in may expect to go along with” (Smith [1759] 2004, p. 28). The unfamiliarity of strangers and their view of the subject leads to a cautious evaluation at the moment of contact. This concern may result in action that avoids unnecessary offence and/or conflict with strangers. It is important to note that strangers can eventually become acquaintances and even friends with continued contact. However, strangers may remain outsiders in a society and consequently are not able to influence the dominant presuppositions of that society. A potential consequence of this is behaviour which fosters the oppression of strangers, given the slow process of social change. Therefore, the deterministic basis of the impartial spectator is not able to provide a sufficient critical perspective on moral assessment.

The limitations of determinism are made manifest in the discussion of the gender stereotyping of women in TMS. Smith [1759] (2004, p. 34) notes that to “talk to a woman as we would to a man is improper: it is expected that their company should inspire us with more gaiety, more pleasantries, and more attention; and an entire insensibility to their fair sex, renders a man contemptible in some measure even to the men”. Although the impartial spectator would propose an adjustment of tone of man’s voice in the presence of a woman based on the fact that she is “fair”, this assessment is based on culturally determined gender stereotyping.

The limits of determinism may have inadvertently contributed to the emergence of an economic system and culture infused with rationalism, greed, and exploitation known as *homo economicus* or the money-making animal (Ingram 1915). Although the term was developed in John Stuart Mill’s works entitled *Essays on Unsettled Questions of Political Economy* (Mill 1844) and later *Principles of Political*

Economy with Some of Their Applications to Social Philosophy (Mill 1848), it is largely attributed to Adam Smith and the WN. Mill (1844) describes *homo economicus* as someone who “desires to possess wealth, and who is capable of judging of the comparative efficacy of means for obtaining that end”. The main tenants of *homo economicus* are self-interest and instrumental rationality. Therefore, *homo economicus* refers to a reductionist view of people as economic beings with the ability to make rational decisions in all circumstances based on the self-interest of the individual or group. Although Smith attempted to avoid excess and injustice, the idea of sympathy can be applied using deterministic methodology. A person is reduced to a data-gathering subject who is guided by analogical experiences, without the ability to create meaning through a wider horizon of meaning creation.

Therefore, although Smith cannot be held responsible for *homo economicus*, determinism has limitations in which the impartial spectator cannot critically scrutinize the societal presuppositions that inform assessment of situations. To address this limitation, the next section will explore the embodied phenomenology of Merleau-Ponty which attempts to move beyond the empiricism/idealism dichotomy.

3. Embodiment and the Impartial Spectator

Merleau-Ponty’s phenomenology is part of an intellectual tradition that dates to the philosophy of Husserl. Phenomenology attempts to overcome the distinction that Immanuel Kant made between *nouma* (real world) and phenomena (perception of reality). To bridge this separation, the phenomenological reduction or *epoche* is an attempt to bracket questions relating to reality and transcendence (Cobb-Stevens 1994, p. 13). Thus, the focus is on immanence and the subject’s creation of meaning by opening oneself to the world, a process that Husserl referred to as intentionality. The subject cannot be reduced to a container which gathers sensory data of the world. Rather, the subject gives meaning to sensory information in a constructive process of meaning creation. Later, Heidegger (a student of Husserl) took the phenomenological project further by exploring the ontological aspect of meaning or *Dasein* (Taminiaux 1994, p. 42). Heidegger’s work was a clear existential turn that related meaning to existence and authentic being. Sartre continued this line of thinking but was far more pessimistic as to the possibility of arriving at any meaning in itself (Flynn 1994, pp. 73–104). The work of Merleau-Ponty provides a clear departure from Husserl, Heidegger, Sartre, and others by asserting that the body/mind binary is false and instead proposes an embodied intentionality.

One of the major implications of Merleau-Ponty’s phenomenology is that the body, perceived by empiricists and idealists from a third-person perspective, is embedded in the interpretative process. That the body is embedded in the interpretative process is significant because it implies that the mind and its power of perception is an incarnate reality and is situated or contextual (Merleau-Ponty 1964, pp. 1–11). Therefore, the situated subject, consciousness, and intentionality cannot be separated from the perceived environment or other people. Embodied perception also emphasizes that other people are not mere objects but perceiving subjects. The mind is part and parcel of “corporeality” which refers to the ambiguous relationship we have with our body and perceived things (Merleau-Ponty 1964, p. 4). Our bodies are involved in the way we perceive ourselves and the way others perceive us.

The self cannot be viewed from the Cartesian perspective as a personal reflective subject because the self is a pre-reflective embodied subject in the world. This pre-reflective or tacit position in the world is linked to others and is not mere materiality or rationality. Rather, it is a unified perspective in which we all “participate as anonymous subjects of perception” (Merleau-Ponty 1962, p. 369). This participatory relationship with others is the basis of the subject’s identity from which individual differences and individuality are established. The participatory perception can suggest that the freedom of the individual may be compromised. However, for Merleau-Ponty (1962, p. 379), although the other is linked to the identity of the individual, the perception of difference (that which distinguishes the subject from others) is a pre-reflective perception, what is known as the violence of perception.

The views of others or circumstances are not determinate. The intentionality of the subject remains in control of perceptions.

Empiricism is a theory of knowledge which attempts to determine the cognitive processes involved in perception. One implication of this theory is that the subject is turned into a third-person gatherer of data (Matthews 2010, p. 22). This empiricist presupposition is clear in the case of the impartial spectator: one which is a function of the cognitive processes involved in assessing appropriate moral behaviour. Empiricism fails to assess the primary perceptions involved with our engagement with the world. Our primary engagement is intentional in the process of the creation of meaning. We do this as embodied subjects who are aware of others and the perception of difference (Matthews 2010, p. 116). The perception of others assists the self to understand its identity but this does not mean we only socially constructed identities.

This is also true of materialism. Merleau-Ponty (1964, p. 12) notes that matter is pregnant with form. Perception is not limited to the mind; rather, it is a pre-conscious activity of the body-subject. That the body-subject is pre-conscious implies that we are born with prescribed perceptions of reality and therefore the subject does not simply react to external stimuli as proposed by behaviourists. On the other hand, the idealist assumption that cognition is an imposition on the material body is also problematic. Rather, the organism is involved in “prospective activity” which is influenced by the complex contextual interrelations that connect the subject, body, and the world (Merleau-Ponty 1964). Material reality does not dictate how we make sense of the world because we make sense of reality based on our embodied perception. This is a complex network of perceptions of both the environment and others, one which has implications for how we view ourselves and our recognition that we are different from others.

The awareness of difference highlights the possibility of other perceptions; because our perception of the world and others is inexhaustible and is not completely accessible to our consciousness and its intentionality, we remain free individuals. This freedom to act does not go beyond the existence of intersubjective relations between people; therefore, freedom goes hand in hand with accountability. The facticity of existence makes it impossible for empiricism to give way to idealism. We cannot be free in our minds with our self-determining consciousness if not also as bodily perceptive beings. For Merleau-Ponty, to escape self-determining consciousness, unlike Sartre’s view that the consciousness is undetermined or “nothing”, perceptions and freedom is always dependent on a particular situation. We are not determined to be an object in this world; however, there are limits to our freedom which require that we confront a situation and our assessment of it. We choose between various possibilities within a situation. There is no absolute freedom or absolute determinism, no idealistic norms for behaviour or behaviour that will gain approbation by others as envisioned by the impartial spectator. Rather, we are always embodied subjects within a particular situation and historical context provides the motivation for specific action. This is not a historicist reduction because the self remains different from others and the situation and can therefore act with freedom.

Operative intentionality or the “world lived by me” refers to this paradox of facticity and freedom (Merleau-Ponty 1962, vol. xviii). The lived experience of the subject is crucial to understand Merleau-Ponty’s phenomenology because it highlights that intentionality can never be reduced to either environmental and/or cognitive processes. Rather, lived experience returns philosophy to the complex interconnection of self/other and mind/body. Therefore, the possibility for the impartial spectator to achieve an accurate assessment of appropriate behaviour first is based on the embodied intentionality of the subject. The first response may not be the desire to conform to social conventions. Rather, the opposite may be true; that is, that any act of meaning creation has an effect on others and the environment. The freedom to act as mentioned assumes accountability because the implication of “operative intentionality” is that the subject is connected to others, “It is precisely my body which perceives the body of another, and discovers in that other body a miraculous prolongation of my own intentions . . . as parts of my body together comprise a system, so my body and the others are one whole, two sides of one and the same phenomenon” (Merleau-Ponty 1962, p. 354).

We perceive the presence of others as perceptive beings with whom we might be able to communicate and therefore create a potential bridge between people. According to Merleau-Ponty, this bridge is language. Language embodies a culture and therefore relates to my being in the world as an embodied intentional being (Matthews 2010, p. 121). Communication is not the means of engagement but rather an intentional embodied experience. It is a shared operation and the reality of coexistence. In this regard, solitude and communication are two moments of the same phenomenon (Merleau-Ponty 1962, p. 359). The implication is that action is not *determined* but *motivated* by our shared world or flesh.

Merleau-Ponty (1968, p. 94) notes that a constant dialectic between the subject and the world takes place, what is known as a “hyper-dialectic of the flesh”. This is dialectic without synthesis in which the state of being is not limited to the interior or exterior; rather, being is always in a state of flux at the border between inside and outside. The border is the “body” because it is part of the world and has a sensory capacity to observe the world. Sensory capacity is not based on the supposed disinterested relationship of the subject relative to objects of consciousness. The opposite is true: the body is part of the environment in which the perceiving body exists. The body is both seen and seer or both visible and invisible—*la chair* (flesh in French). Merleau-Ponty (1968, p. 248) states that my “. . . body is made of the same flesh as the world . . . and shared by the world”. The implication is that open and inclusive dialogue is one of the characteristics of embodied phenomenology.

To conclude, Merleau-Ponty’s embodied intentionality addresses the possible determinism present in the functioning of the impartial spectator. In TMS, Smith highlights the cognitive processes by which an individual assesses behaviour and possible action bases on the functioning of the impartial spectator. The approbation of others informs the behaviour adopted. According to Merleau-Ponty, the focus on studying cognitive processes in moral development results in the objectification of the subject who is relegated to the third person. The embodied perception of the subject is paramount and highlights that the subject is both contextual and relational and also differentiated from the perceived situation and others. Therefore, embodied intentionality assumes that any process of meaning creation assumes accountability. Accountability highlights freedom and presence in the world with others. Secondly, accountability also presupposes the possibility of communication and engagement with others. This form of communication is not unilateral but open and dialogical.

4. Embodied Economics: Accountability and Dialogue

The implications of Merleau-Ponty’s embodied phenomenology are clear in terms of its critique of determinism. The role of accountability and dialogue may reveal new perspectives on economics. The subject is intentional and contextually located. On the one hand, the individual is free to pre-reflexively interpret reality based on presuppositions. On the other hand, the subject has facticity which implies that interpretation is also a physical act with a range of possibilities influencing the choices available; it also indicates that the environment and other people are connected to the subject. The presence of others implies that the subject cannot simply act without recognition of others and accountability. Accountability is extended through multi-lateral dialogue. This is specifically relevant to the South African context which has rampant unemployment, poverty, and economic inequality perpetuated by legacy issues related to colonialism and apartheid. Another aspect is that dialogue is crucial to confront the cultural diversity of South Africa by creating the possibility of co-operative meaning creation.

Smith highlights the role of self-interest and sympathy as well as the individual and community. Unfortunately, the implied spectator is not involved in meaning creation and the subject is disembodied. The determinism involved in the calculation of the implied spectator therefore creates the impression that social constraints are paramount. Another problem is that the subject is viewed as neutral and the material and social space become determinants. This is problematic in the South African context where liberal economic principles and African culture need to co-exist (Nussbaum 2009). Nussbaum (2009, p. 239) notes that many African business leaders experience “internal conflicts”

because the “dominant capitalist pattern is the exact opposite of the more equitable imperatives and economic justice called for by *Ubuntu*”. In Africa, the self is integrated into the community and also is specifically connected to geographical space (Munyaka and Motlhabi 2009, pp. 70–73).

Merleau-Ponty’s phenomenology highlights that individuals in commerce are involved in meaning-creating activities. Different people will find different purposes in business, some with a profit motive and others philanthropic. However, embodiment assumes that people are socially connected implying meaning and accountability are linked. Therefore, unethical activities in business are self-destructive. The reality of limited resources which enables the system of supply and demand to function cannot be abused without damaging yourself. Finally, business is more than just mere calculation; it is also dialogue, which recognises interdependence. In this regard, Merleau-Ponty’s embodied phenomenology resonates with African moral theory and *Ubuntu* because both focus on shared identity and human dignity (Metz 2009; Mbiti 1969).

4.1. Accountability and the Economy

Accountability derives from the Latin word *accomptare* (to account) and is also related to the word *computare* (to calculate). From its earliest usage, accountability referred to the blameworthiness of the individual. Any decision or action has a corresponding liability. Roberts (1991), with reference to Merleau-Ponty, notes that embodied perception identifies the self in relation to others which may lead to greater accountability in accounting practices. Roberts argues that accountability from a compliance perspective reduces the self to a solitary and singular position which has the possibility of moral failure. Embodied intentionality moves beyond this perspective to highlight inter-subjectivity. In such a view, organisations consist of a collective workforce or interconnected individuals where each person is accountable to co-workers, management, and society. For example, if a company is involved in practices that are unethical, each member of the business is accountable for his or her actions.

This principle of blameworthiness is prominent in contemporary governance practices which require business to comply with certain laws and/or business regulations. Naidoo (2009, p. 3) notes that corporate governance “regulates the existence of power (that is, authority, direction and control) within a company in order to ensure that the company’s purpose is achieved . . .”. Governance is a means to achieve accountability that incorporates all stakeholders. To achieve this, codes of corporate governance are continually developed to respond to the ever-changing business environment. In South Africa, governance was first institutionalised with the first King Report in 1994. With the release of *King IV Report on Corporate Governance for South Africa (2016)*, it has become a business standard in South Africa. King IV may also be regarded as an extension of *Ubuntu* which endeavours to keep organisations accountable.

As Roberts noted (1991), the problem is that accountability retains a sense of compliance; a company that does not comply would probably not attract the same investment as those that do. This is clear from the results of the *McKinsey Investor Opinion Survey (2002)* that highlighted that investors value good corporate governance: 85% of investors agreed that there is a link between good governance and financial performance. Additionally, 73% of investors would pay a premium for shares of a company that is well governed. However, this view of compliance is limited to individual responsibility and well-governed companies still find themselves in the midst of corporate scandals and incur staggering financial losses as a result. A good example in the global context is the Nestlé Indonesian Palm oil scandal in which Greenpeace used social media to raise awareness that one of Nestlé’s palm oil suppliers was using unsustainable methods that threatened the indigenous orangutan population (Ionescu-Somers and Enders 2012). This widely published case study highlights the failure to consider the environmental impact of the supply chain of a company and the negative publicity it can cause. However, it also highlights the role of inter-subjectivity and accountability of an embodied phenomenology through the Greenpeace media campaign.

Social media has become a fast and effective channel for communication and awareness, i.e., corporeality. Therefore, accountability goes far beyond individuals complying to rules; it suggests

that no act of business can be separated from either the society or the environment and that each individual involved in business is accountable for their actions. As this case study highlighted, failure to recognise this transformation of consciousness could be devastating for business and the environment. In the article, *The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practices* (Carroll and Shabana 2010), Carroll and Shabana highlight the importance of accountability as a core business value. They support the notion of accountability as inherent to a business's identity based on its presence in the world. The identity of business is based on its relation to society; accordingly, any damage to society also damages business.

Something is clearly missing from contemporary perspectives of governance that result in failures of good governance. Naidoo (2009, p. 4) notes that corporate governance should be a way of life. In other words, corporate governance should not be a matter of compliance. The high occurrence of corporate scandals is probably related a move beyond individual responsibility. Singularity is required for intra- and inter-subjectivity within business and beyond or, as Merleau-Ponty's highlights, a hyper-dialectic of the flesh. In South Africa, individual accountability has been eroded as a result of the many corruption scandals that have become endemic of our politics, economics, and socio-cultural fibre. According to the *Corruption Perception Index* compiled by Transparency International (2017), South Africa has a corruption score of 43 (zero indicating maximum corruption and 100 no corruption). Accordingly, although a multitude of governance policies may be adopted, accountability must start with each individual to change the culture of corruption.

4.2. Dialogue and the Economy

For Merleau-Ponty, dialogue refers to self-understanding and meaning creation through communication. Embodied phenomenology and linguistics are related as a function of inter-action and dialogue. In this way, the hyper-dialectic of the flesh becomes evident through an intersubjective communication network—responsible action is based on the ability to listen and not instruct. This is a challenge because it involves active engagement to understand my identity as someone doing business. Singularity and unilateral communication must be exchanged for open dialogue if the individual is to remain a responsible business person as well as a member of society. For the individual to be part of business innovation and creativity, a transformation is required from instrumentalist logic, exclusivity and singularity to dialogue. *Homo economicus* has perpetuated extraction capitalism, in which individuals are part of a business model that emphasises the singularity and the reduction of employees, natural and other resources to means for personal wealth creation. Instead of being part of a corporeality that can be the basis of a flourishing society, singularity has led to individuals who are engaged in business in a unilateral and rationalistic that contributes to the chaos of exploitation, environmental disasters, poverty, and unemployment.

Stakeholder engagement is a popular business theme of management and governance which attempts to move beyond *homo economicus*. Stakeholder theory is associated with the work of Freeman (1984) and highlights the network of an organisation's internal and external stakeholders. The strength of this theory is that an organisation is viewed as a network of relationships and that responsible business practices and governance requires engagement. Unfortunately, this engagement may be prioritised according to the strategy of the company to achieve singular goals and not greater responsibility through dialogue. This prioritisation may result in blind spots and oversight or it may perpetuate a *homo economicus* mindset of individuals in business. The individual as embodied subject is not given priority. As a result, dialogue, not inter-subjectivity, can then become part of the company strategy.

A stark example of such failures of communication is the 2012 Marikana Massacre where, during an extended wage dispute, communication broke down and violent clashes erupted between workers and the South African Police Service (SAPS), leaving 44 dead and 70 injured. An investigation into the event revealed that one of the workers' allegations against the management of Lonmin was that they were not open to dialogue. The Marikana Commission of Inquiry (2015, p. 542) found

that the complaint from workers regarding housing had not been addressed, leaving them to live in unacceptable conditions and that this “... created an environment conducive to the creation of tension, labour unrest, disunity among its employees or other harmful conduct.” In this context, listening could have probably averted the massacre.

Listening is also related to the ability to address legacy issues related to colonialism and apartheid. Currently, one of the most important South African issues relates to land and repatriation without compensation. Listening and dialogue is critical for the emergence of a new corporeality that is inclusive, just, and sustainable. An important factor in these issues are the diverse cultural presuppositions which highlight the difference between liberal views of ownership of private property and *Ubuntu* which fosters an interconnection amongst the individual, community, and land (Munyaka and Motlhabi 2009, pp. 70–73).

Another example that highlights the urgency of dialogue from the corporate environment is the 2017 announcement of the possible retrenchment of 8500 workers by AngloGold Ashanti in South Africa. The stated reason for the company’s offer of a retrenchment was to protect the long-term sustainability of the business and the jobs of the majority of their workforce (Fin24, 29 June 2017). Retrenchment is part and parcel of business and it is understandable that a company facing staggering losses must react and do the responsible thing to protect the future of the business. However, individuals in business usually communicate intentions unilaterally, not multi-laterally. Further, such a claim is based on rationality (profitability and saving jobs), not on listening to the affected employees. *Ubuntu* is consultative, engaging, and multi-lateral which is a crucial aspect that Merleau-Ponty’s embodied phenomenology perpetuates.

Listening implies that each individual is part of corporeality and participates in the hyper-dialectic that is crucial for sustainable societies. On the other hand, without sustainable societies, there will be no sustainable businesses. This requires trust, creativity, and innovation, all of which start with each individual’s ability to contribute to the creation of a sustainable future.

5. Conclusions

This paper discussed the role of TMS as the socio-ethical basis for self-interest with special reference to the role of sympathy and the impartial spectator in Smith’s philosophy. It was shown that Smith cannot be reduced to a *homo economicus* view of the individual. However, the empiricist mode of the impartial spectator can give rise to determinism in moral decisions. This perspective fails to take account of the pre-reflectivity of the subject and intentionality. Although Smith does envision a socio-ethical framework for business, he fails to move beyond reducing the individual to the third person. This failure may be the reason why *homo economicus* remains part of the fabric of the business world.

To address this failure, the embodied phenomenology of Merleau-Ponty was explored to provide alternative perspectives for responsible business practices. Merleau-Ponty regards the subject as part of corporeality and presentness in the world. The subject is part of a hyper-dialectic of the flesh which highlights relational self-understanding. Embodiment implies that the physical presence of the subject cannot be bracketed; therefore, the gender, ethnicity, possessions, and other physical aspects impact the creation of meaning. Further meaning is always in a process of creation through engagement with the world, a process also reflected by African moral theory and *Ubuntu*. This inter-subjective perspective or being part of corporeality implies that the subject is always accountable for decisions and action in business. Accountability has direct relevance in governance which may drift into a state of compliance. Embodied phenomenology also highlights that communication is a dialogical process and uses the hyper-dialectic of the flesh as a basis for responsible business practices. This understanding of dialogue implies that the starting point of any form of stakeholder engagement should begin with the responsibility of the individual as part of business and society.

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