The prospect of insider trading gives corporate insiders a reason to manipulate stock prices, creating short-term gains in corporate profits that will allow insiders to sell their own stock at a large profit but harm the firm, other shareholders, and the public in the long term. We do not know, as a matter of fact, how much market manipulation would occur under an insider trading regime, or whether its costs would be economically “outweighed” by its benefits. We do know, however, that if we as a society sanction the practice of insider trading, it will give corporate insiders new and powerful reasons to engage in market manipulation, an unacceptably exploitative practice that can devastate its victims. The problem with allowing insider trading, then, is not simply in the harm it might cause, but in the exploitative relations it fosters. We as a society have no more reason to facilitate the exploitative relations in insider trading than to facilitate exploitative labor practices, even if some people are willing to gamble that they will prosper under exploitation. Insider trading is wrong as a matter of principle.

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What Is Charity?

Judith Lichtenberg

The extent of global poverty, and of human suffering more generally, boggles the mind. And so the mind of a person not overburdened by poverty or pain can hardly fail to wonder: should I do something to better the situation of those suffering these ills? How much should I do? Is charity a duty? A virtue that is “above and beyond the call of duty”? Or is helping others perhaps something less good than it appears to be? Simply naming the phenomenon of interest is fraught. The word “charity,” as well as all its synonyms and cousins—aid, assistance, help, philanthropy, rescue, giving, humanitarianism, beneficence—is morally and politically loaded.

The word “charity” comes from the Latin caritas, which means love; “philanthropy” means love of humankind. Since we ordinarily think of love as a feeling or emotion, the suggestion is that Good Samaritans act “out of the goodness of their hearts.” This emphasis on people’s inner states—their motives, intentions, dispositions—reflects one strand in our beliefs about charity. Yet in thinking about the alleviation of poverty and suffering, it seems we are primarily concerned with actions and outcomes, rather than motives and disposi-
tions. We rightly care about both—the inner and the outer—but they raise different questions. Discussions of charity often confuse the two realms.

To many people terms like “charity,” “humanitarianism,” and “beneficence” conjure up smugness, condescension, paternalism, pity, domination, colonialism, humiliation, and self-deception. One reason is that “charity” and its ilk suggest that would-be donors are not at fault for the plight of those they would be aiding. Frequently, however, they are at fault: poverty, inequality, and the suffering they produce are often political conditions arising from willed human acts and arrangements. In such cases the actions and policies needed to remedy them are requirements of justice, not charity. Even if not personally at fault, the well-off may be beneficiaries of a system that harms the “less fortunate,” as we often call them. Individual guiltlessness within a blameworthy system blurs the line between charity and justice.

But there are other reasons as well for charity’s bad rap. First, for one person to aid another implies an inequality from the start: one person has, the other has not, and needs. The have may harbor a sense of superiority; the have-not a sense of inferiority. Second, the transfer from have to have-not that takes place in an act of assistance or charity in some ways compounds the difference between the parties: the have-not, who began with less, has now been given something by the have. To the initial inequality is added a debt of reciprocity—which, according to psychologists and anthropologists, is a powerful burden. The have expects some return (gratitude at the very least), the have-not feels beholden. How strange that, although charity has traditionally been conceived as a virtue (indeed, the greatest of the three theological virtues), it is now difficult even to use the word without creating doubt and suspicion.

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Dissecting a Small Act of Charity

Imagine a college student who encounters a fellow-traveler in the airport—a well-dressed businessman (as he appears) rushing to catch a plane, who has hurt his back picking up his luggage. She volunteers to carry his suitcase to the gate. Here is a small act of charity of the kind many people perform regularly and without thinking twice. It does not involve heroic self-sacrifice; it does not save a life. But examining conduct of this kind may illuminate some features of acts we would typically describe as charitable, and help us to see what is essential to them and what not.

Carrying his suitcase is not something the student owes the man as compensation for harm she has done him. His injury was not her fault. It was, we may suppose, nobody’s fault. He has been a victim of misfortune, not injustice. Nor is she entwined in any relationship with him—personal, professional, political, or economic—that might require her to act to protect his welfare or improve his good. Expanding on these points, I offer a preliminary working definition. An act of charity is one aimed at benefiting another, where the benefit cannot be understood either (a) as a kind of compensation or reparation for previous harm done by the donor to the recipient; or (b) as a duty deriving from a special relationship between donor and recipient.

Consider carrying the suitcase of your fellow-traveler in light of some of the questions that have been raised about charity. By hypothesis, the helper possesses something the other needs, and is in that respect better off. But suppose the man in need of assistance is, as he appears, a rich businessman, and the student occupies a lower socioeconomic status. The two will probably never meet again, so any feelings on the part of one or the other, if they persist at all, will remain private soon after their brief encounter.

The student may feel good about what she has done. Did she help in order to feel good? We are not ordinarily in a position to know all of a person’s motives—in fact, we are probably never in such a position. The agent may be no better informed. The view known as psychological egoism claims that we always act only to advance our own interests or happiness—in other words, that everything we do is designed ultimately to make us feel good. This view is often maintained in a way that renders it unfalsifiable and thus empty of substantive content. More plausible than that people are wholly self-interested is that they often act from a mix of motives, and that the recipient’s good, although a purpose of a charitable act, is not its only purpose.

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to think of herself as being. Still, advancing his good is a primary reason for her action. In that sense her action is benevolent or beneficent—terms often used to characterize charitable acts or motives. Observing his difficulty might evoke Golden-Rule-like thoughts about how she would want to be treated if she found herself in his shoes. At the same time, because their relationship is fleeting, her act cannot be interpreted as a strategy designed to attain a reciprocal benefit.

Do the negative associations often pinned on charity attach to this act? That depends largely, if not entirely, on the psychological states of the parties themselves. Apart from the inherent situational “superiority” of the helper—she has something (the ability to carry a suitcase) that the other lacks, and needs—no chronic inequality between them exists; indeed, as I have described the example, his status dominates hers. She probably expects nothing from him except thanks. If he shows no gratitude, she may be annoyed or angry and might even regret having helped him. What about him? Gratitude, if he feels it, may be tinged with other emotions. As I have told the story, a woman aids a man, and in our culture (and most others) men generally do not like to depend on women for heavy lifting.

The attitudes of donor and recipient might differ if the person helped were lower in socioeconomic status than the helper. But predictions here are iffy. A person used to the lower-status position might not chafe at the aid; on the other hand she might be more sensitive to class and inequality. The higher-status person might be uncomfortable to be in the unusual position (as he sees it) of recipient of aid; on the other hand he might be less sensitive and mind less. At least as important as socioeconomic status is the degree to which a person’s need for help reflects enduring features of her situation. Compare the following cases: (a) an able-bodied person carrying the luggage of a person with a temporarily strained back; (b) an able-bodied person carrying the luggage of a permanently disabled person; (c) a person giving money to a stranded traveler who has had his wallet stolen; (d) a rich person giving a poor person money for food. The recipient’s enduring conditions in the second and fourth examples are more likely to give rise to pity on the part of donors or resentment on the part of recipients than the situations described in the first and third, which do not reflect chronic dependence.

Gratitude and Reciprocity

Yet all these examples share one of charity’s central features. At issue is what sociologist Alvin Gouldner calls the “norm of reciprocity” and what social psychologist Robert Cialdini calls “the rule of reciprocation”—the idea that “we should try to repay, in kind, what another person has provided us.” Gouldner argues that this norm is “no less universal and important an element of culture than the incest taboo.” Research by a long line of anthropologists, sociologists, and psychologists confirms our everyday experience of the power of reciprocity as both a psychological fact and a moral norm. Yes, moochers, schnorrers, sponges, free riders, freeloaders, and parasites exist. (It’s interesting that we have so many words for these types.) But much more common is the experience of indebtedness when a person receives gifts, favors, or aid from others. The feeling often coexists with gratitude, which is typically understood to be a positive emotion. Certainly its opposite, ingratitude, is widely, even universally, regarded as a serious character flaw, even if Hume overstated the case in insisting that “Of all crimes that human creatures are capable of committing, the most horrid and unnatural is ingratitude...”
Yet the feeling of indebtedness inherent in gratitude is distinct from it, because a person can feel indebted without feeling grateful, as when one receives something one doesn’t want. And indebtedness, whether coexisting with gratitude or not, generally involves a certain discomfort or unease. Indeed, this discomfort is probably central in motivating the desire to repay what has been given.

According to Cialdini, the “web of indebtedness” that accompanies acts of giving and receiving is “a unique adaptive mechanism of human beings, allowing for the division of labor, the exchange of diverse forms of goods and different services, and the creation of interdependencies that bind individuals together into highly efficient units.” Even so, feelings of indebtedness and gratitude are complex and ambiguous. As Mark Twain quipped, “If you pick up a starving dog and make him prosperous, he will not bite you. This is the principal difference between a dog and a man.”

The central point is that to be the recipient of aid or charity is to experience a sense of indebtedness, and this feeling is an important source of the concern that charity is inevitably tinged with domination, pity, and resentment. The original example I described minimizes these possibilities, because the situation requiring help is temporary and brief, the donor’s social status is inferior to the recipient’s, and the relationship between the two will end almost as soon as aid has been given. But in many cases the psychological and political dangers associated with charity are never far from the surface.

Maimonides’ Teachings
The medieval Jewish physician, Talmudist, and philosopher Maimonides (1135-1204) articulated some of the moral ambiguities in charity and hinted at others in setting out his famous “eight degrees of charity.” Maimonides delineates eight steps, in descending order of moral virtue, that can characterize the relationship between donor and recipient:

1. “The highest degree...is that of the person who assists a poor Jew by providing him with a gift or a loan or by accepting him into a business partnership or by helping him find employment—in a word, by putting him where he can dispense with other people’s aid.”
2. “A step below this stands the one who gives alms to the needy in such manner that the giver knows not to whom he gives and the recipient knows not from whom it is that he takes.”
3. “One step lower is that in which the giver knows to whom he gives but the poor person knows not from whom he receives.”
4. “A step lower is that in which the poor person knows from whom he is taking but the giver knows not to whom he is giving.”
5. “The next degree lower is that of him who, with his own hand, bestows a gift before the poor person asks.”
6. “The next degree lower is that of him who gives only after the poor person asks.”
7. “The next degree lower is that of him who gives less than is fitting but gives with a gracious mien.”
8. “The next degree lower is that of him who gives morosely.”

In the first step of the ladder, Maimonides mentions four different ways to achieve the highest degree of charity: by gift, loan, offering a business partnership, or finding a person employment. These are each quite different and we might conclude that Maimonides’ ladder should have several more steps! But Maimonides’ central point is one that might be made by a contemporary critic of humanitarian aid and development assistance: aid should put the recipient in a position “where he can dispense with other people’s aid” and thereby become independent. We may doubt that the four methods are equally suited to achieve that end, for Maimonidean reasons.

Generally, Maimonides focuses on ways to reduce the psychic and other costs of receiving and giving aid. Anonymity is one such means: when neither donor nor recipient know each other’s identity, the possibility of smugness and condescension on the one side and humiliation and resentment on the other decreases. If only partial anonymity is possible, better for the recipient not to know the donor than vice versa—presumably because the psychic dangers of dependence on the part of the recipient outweigh the risks of condescension on the part of the donor. Giving before a person asks spares the recipient the pain of begging.

The Doer and the Deed
Giving “less than is fitting” but “with a gracious mien” is better, according to Maimonides, than giving “morosely.” The comparison reveals an ambiguity about the source of charity’s value.

The question concerns the relative importance, in giving, of the “how” and the “how much.” Rabbi Joseph Telushkin illustrates the problem with the following example:
Suppose two people who have the exact same earnings and expenses are approached by a poor man in desperate need of food and money for his family. The first person, after listening to the man’s horrible experiences, cries and then out of the goodness of his heart gives him five dollars. The second person, although concerned, does not cry, and in fact has to rush away. But because his religion commands him to give 10 percent of his income to charity, he gives the poor person a hundred dollars. Who did the better thing—the person who gave five dollars from his heart, or the one who gave a hundred dollars because his religion commanded it? We discovered that 70 percent to 90 percent of the teenagers we questioned asserted that the person who gave the five dollars from his heart did the better deed.

...When we asked these same students who they would think had done the better deed if they were the ones who needed the money, many of them were brought up short.

Maimonides’ comparison of giving little graciously with giving morosely raises indirectly the more telling contrast—between giving graciously, but less, and giving without a heart full of loving-kindness, but more. About which is preferable, Judaism, according to Rabbi Telushkin, gives a clear answer. Quoting the writer and talk-show host Dennis Prager, he says:

‘Judaism would love you to give 10 percent of your income each year from your heart. It suspects, however, that in a large majority of cases, we are to wait for people’s hearts to prompt them to give a tenth of their money away, we would be waiting a very long time. Ergo, Judaism says, Give ten percent—and if your heart catches up, terrific. In the meantime, good has been done.’

The contrast of outward behavior with inner feeling or motive expresses a dualism in the way we think about charity, and much else in ethics, that runs deep. Our interest in having people do good derives from two very different sources. One is broadly consequentialist: we approve of behavior that benefits others because of its good effects—such as relieving suffering and improving human well-being. But we also care about people’s characters and dispositions. We want to know why a person acted as she did—whether out of a genuine desire to see another human being thrive, or from some other motive. Insofar as we are interested in judging a person’s character, knowing what is “in her heart” is paramount. Insofar as we care about reducing human suffering, what matters is what she does, not why she does it.

Of course, the two concerns are almost certainly related: the judgments we make about which motives are worthy no doubt rest partly or wholly on their general connection with outcomes. Considering the historical evolution of our moral sensibilities, it’s likely that we esteem those motives that tend to produce the outcomes we value. Thus, we prize unselfishness because it correlates with behavior that benefits others. Sometimes the same words are used to describe motives and behavior, enhancing the ambiguities. Words like “love,” “loving-kindness,” and “beneficence,” employed in discussions of charity, appear to describe inner states, but often refer to the outward manifestations of such states—the behavior we would expect to proceed from the feeling of love or benevolence. Thus the Hebrew word hesed, translated as “loving-kindness,” is understood to mean the exercise or practice of beneficence. Similarly, the Christian teaching to “Love thy neighbor” means that one should act as a loving person would act. Beneficence, according to Aquinas, “simply means doing good to someone.” The primacy of behavior accords with the fact that people do not have control over their feelings in the same way that they have control over their behavior. As Kant argued, “love as an inclination cannot be commanded.” You can’t make yourself love another, but you can, or at least you may be able to, make yourself act lovingly.

Still, even if human beings came to value certain psychological states (motives, feelings, and the like) because of their connection with outcomes in the world, we now value them intrinsically, and make judgments about people’s character in terms of them. We care not only about how people act but about their dispositions: what they desire, what motivates them, how they feel. In thinking about the nature and limits of charity, it’s important to keep in mind at every point whether we are evaluating the effects of actions in the world, or the inner lives of agents responsible for those actions.

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