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## 2 Moral codes and economic success

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### Introduction

Do moral codes of behaviour have anything to offer in achieving economic success? The answer that much of modern economics seems to take for granted is definitely 'no'. Good performance in business is supposed to depend on hard-nosed cultivation of self-interest. Indeed, the so-called 'economic method' that many economists have attempted to impose not just on economics, but also on other social disciplines, asks that analysts see behaviour in terms of preference fulfilment and the intelligent pursuit of self-interest, steering clear of the deontic demands of morals and values. This is taken to be the best explanation of behaviour and also a fine basis for achieving whatever good results the market mechanism has to offer. To do one's moral duty may be good for one's soul, but it is not, so the argument goes, particularly wonderful for business or for the economy.

Perhaps the most widely quoted aphorism in economics is Adam Smith's remark about the butcher, the brewer and the baker in *The Wealth of Nations* (a remark that is cited with such exclusiveness by many economists that one is inclined to wonder whether anything else of Smith is any longer read):

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 interest. We address ourselves, not to their humanity but to their self-love. ...<sup>2</sup>

The butcher, the brewer and the baker want to earn money from us, and we – the consumers – want the meat, the beer and the bread they have to sell. The exchange benefits us all. There would seem to be no need for any moral codes in bringing about the betterment of all the parties involved. What is needed is simply some 'self-love' on our parts, and the market can apparently be relied upon to do the rest in bringing about the mutually gainful exchanges.

In this chapter I shall try to examine the nature and limits of this claim. It is a matter of some practical interest in assessing the determinants of economic performance in different parts of the world – varying from economic development in the Third World and economic reform in what used to be called the Second World, to the variable performance of different economies in the First World. I shall end by taking the opportunity to discuss some of the specific issues that have been thrown up by the recent Italian debates on the need to tackle corruption – and even the influence of the Mafia.<sup>3</sup>

**Adam Smith on motives and behaviour**

There is a well-known oddity in seeing Adam Smith as the great champion of 'self-love', and in viewing that tireless Professor of Moral Philosophy as the no-nonsense scoffer at the importance of moral codes. As a matter of fact, Smith spent much of his life arguing for the need for 'sympathy' in other-regarding conduct and exploring the role of 'moral sentiments' in making the world a better place. This is not the occasion to carry out a detailed discussion of Adam Smith's views and recommendations, but I shall begin with a few clarifying comments on what Smith was saying – and in particular what he was *not* saying.<sup>4</sup> Some of the distinctions invoked are, I believe, of some general interest – going well beyond the part they play in explaining Smith's beliefs.

In fact, in his *The Theory of Moral Sentiments*, Smith went extensively into the role of moral codes of behaviour. He also distinguished between distinct reasons for going against the dictates of self-love, including *inter alia* the following:

- *sympathy* 'the most humane actions require no self-denial, no self-command, no great exertion of the sense of priority', and 'consist only in doing what this exquisite sympathy would of its own accord prompt us to do';
- *generosity* 'it is otherwise with generosity', when 'we sacrifice some great and important interest of our own to an equal interest of a friend or of a superior';
- *public spirit* 'when he compares those two objects with one another, he does not view them in the light in which they naturally appear to himself, but in that in which they appear to the nation he fights for'.<sup>5</sup>

In some of these choices the person's basic 'sympathy' does the work spontaneously, while in others he has to make the 'impartial spectator enter into the principles of his conduct'.<sup>6</sup>

Smith's admiration of Stoic philosophy was much at peace with the views about correct conduct that he came to propound. He discussed extensively the need for non-self-interested behaviour. While 'prudence was of all virtues that which is most helpful to the individual', Smith argued that 'humanity, justice, generosity, and public spirit, are the qualities most useful to others'.<sup>7</sup> Through overlooking Smith's wide-ranging writings, and by concentrating on only a few selected passages (such as the one on the baker–brewer–butcher deal), the father of modern economics has too often been made to look like a narrow-minded ideologue – incessantly outlining the pristine virtues of selfish behaviour. While some men are born small and some achieve smallness, Adam Smith has had much smallness thrust upon him.<sup>8</sup>

**Exchange, production and motivation**

The point is sometimes made that even though Smith acknowledged the fruitful role of moral codes of behaviour in social and political matters, his views of useful motivations in economics were fairly well reflected by the butcher–brewer–baker remark. The resolution of the so-called 'Adam Smith problem' through this division of fields has appealed to many economists.

But what was Smith really saying in this passage? Clearly, Smith was arguing here that the pursuit of self-interest would be fine to motivate the exchange of commodities, and we do not need to invoke much morality in explaining why the baker wants to sell bread and we want to buy it, and how that exchange benefits us both. As an observation full of homely wisdom this is a fine enough remark, but admirers of Smith – and this writer is second to none in this respect – must be grateful that he wrote much else.

One question we have to ask to measure the claim of the butcher–brewer–baker aphorism is this: *Do economic operations and activities consist only of exchanges of this kind?* What about such economic activities as production, requiring team spirit and collaborative work on the factory floor? Did Smith think that production was an unimportant part of economics?

Secondly, we have also to ask the question: *Is the basic motivation of desiring exchange all that is needed to have successful exchanges?*

Would Smith have thought that the result of the pursuit of exchange would be just as good if the businesses involved, driven by self-interest, were to try to defraud the consumers? What about trusting each other's words and having confidence in the reliability of the offers and promises that others make?

The answers to these questions are not hard to find. First, economic operations encompass many activities other than exchange, notably production, and the motivational problems underlying production can be very different from those in exchange. They involve the difficult task of generating effective co-operation in the work-place despite considerable conflict of interest (combined with partial congruence). The importance of dutiful activity, unsupervised reliability and a concern for efficiency can hardly be overstated in discussing the determinants of economic productivity. Whether we attempt to understand the deep production problems in the reforming experience of the former Soviet Union and Eastern Europe, or try to explain the Japanese economic success *vis-à-vis* British or American difficulties, we cannot get very much insight from the alleged fecundity of our butcher–brewer–baker's desire to exchange.

Secondly, even within the field of exchange (ignoring production for the moment), its efficiency can be much influenced by trust between the different parties. If self-interest were the only concern (and the only determinant of behaviour), there would be many occasions on which letting the other side down (for example by reneging on earlier arrangements) would be sensible enough. To rely just on legal recourse would make business activities expensive and slow.

Something more than noticing that there is gain from trade is involved in making exchange an efficient activity. The sense of trust and the use of behavioural codes in this context may well be analysed in primarily ethical terms – invoking, say, Kant's principles of 'universalizability', or Smith's own 'impartial spectator'. Alternatively, it is possible to bring in some game-theoretic reasoning to explain the emergence and survival of moral codes. But no matter which route we take, the need for such codes of behaviour for efficient transactions would be hard to overlook. The business world shorn of moral codes is not only normatively indigent, it can also be very poor in performance.<sup>9</sup>

#### **Institutions, trust and economic activities**

The trouble with reading much into the homely butcher–brewer–baker example is not only that it ignores the role of moral codes in (1) non-exchange activities (such as production), and (2) in non-motivational aspects of exchange activities themselves (such as the need for mutual reliability), but also that it downplays the function of *institutions* that sustain and promote economic activities. The concern of the different parties with their own interests certainly can *motivate* people to take part in exchange from which each benefits. But whether the exchange will operate well will depend also on organizational conditions. There is a need for institutional development which can take quite some time to emerge – a lesson that is currently being learned rather painfully in Eastern Europe and the former Soviet Union. The importance of institutions was rather eclipsed there in the first flush of enthusiasm about the magic of allegedly automatic market processes.

The need for institutional development has some clear connection with the role of codes of behaviour, since institutions based on interpersonal arrangements and shared understandings operate on the basis of common behaviour patterns, mutual trust and confidence in the behavioural ethics of each other. The reliance on rules of behaviour may typically be implicit rather than explicit – indeed so implicit that its importance can be easily overlooked in situations in which such confidence is unproblematic. But whenever it is *not* unproblematic, the overlooking of its need can be quite disastrous. This is a particularly important issue in many specific contexts, such as: (1) economic development in the Third World, (2) economic reform (in the former Second World), and (3) relative productivity and avoidance of corruption (even in the First World).

But it would be a mistake to see moral codes in all-or-nothing terms. The nature of the codes does vary and so does their effectiveness in promoting economic success. While capitalism has been very successful in radically enhancing output and raising productivity in the modern world, it is still the case that the experiences of different countries are quite diverse. The recent experiences of East Asian economies – most notably Japan – raise important questions about the modelling of capitalism in traditional economic theory. To see

capitalism as a system of pure profit-maximization based on individual ownership of capital is to leave out much that has made the system such a success in raising output and in generating income.

I am personally no great admirer of unrestrained capitalism. I think it is no tribute to the system that African Americans (that is, American blacks) have lower chances of survival to an advanced age than do the citizens of China or the Indian state of Kerala (despite their poverty but with reasonable systems of public health care).<sup>10</sup> It is also striking that men in the Harlem region of the prosperous city of New York have lower survival chances than their corresponding number in even famished Bangladesh. The lack of health care and other public services even with high average income can be terribly debilitating for society. Also, the omnipresence of aggression and fear in modern urban life in great centres of capitalism is nothing short of revolting. Capitalism has been distinctly less successful in shaping the political economy of a just society than in dramatically raising the average level of opulence.

But I would still argue that as far as the *successes* of capitalism are concerned (such as opening up the possibility of standards of living that people could not have dreamt of even a few generations ago), to see them all as the unintended result of pure greed is to belittle the system altogether. Capitalism has made it possible to raise productivity by team-work, by co-ordination and co-operation, and ultimately by trust in each other's behaviour in economic and business relationships. Codes of behaviour have been central to this achievement. While some have criticized this pervasive co-operation given the unequal outcomes (Marx's treatment of 'false consciousness' of the working class related to the ideological neglect of this contrast), and others have seen in it one of the untarnished glories of modern industrial capitalism (the glowing rhetoric of President Reagan's populist economics derived much from it), it is impossible to overlook the far-reaching role of this phenomenon in generating the successes that capitalism has achieved.

#### **On taking Japan seriously**

Japan is often seen as the greatest example of successful capitalism. However, the motivation pattern that dominates Japanese business has much more content than would be provided by pure profit-maximization. Different commentators have emphasized distinct aspects of Japanese motivational features. Michio Morishima (1982) has outlined the special characteristics of the 'Japanese ethos' as emerging from its particular history of rule-based behaviour patterns. Ronald Dore has seen the influence of 'Confucian ethics'.<sup>11</sup> Masahiko Aoki (1989) has seen co-operation and behavioural codes in terms that are more responsive to game-theoretic reasoning. There are other behaviour-based accounts related to Japanese economic performance.<sup>12</sup>

There is, in fact, some truth even in the apparently puzzling claim made in *The Wall Street Journal* that Japan is 'the only communist nation that works'.<sup>13</sup> It points to the non-profit motivations underlying many economic and business activities in Japan. We have to understand and interpret the peculiar fact that what is arguably the most successful capitalist nation in the world flourishes economically with a motivation structure that departs firmly from the pursuit of self-interest, which – we have been told – is the bedrock of capitalism.

Japan does not, by any means, provide the only example of a powerful role of business ethics in promoting capitalist success. The merits of selfless work and devotion to enterprise in raising productivity have been seen as important for economic achievements in many countries in the world. Indeed, capitalism's need for motivational structures more complex than pure profit-maximization has been acknowledged in various forms, over a long time, by many leading social scientists (though not by many 'mainstream' economists). One thinks of Marx, Weber, Tawney and others.<sup>14</sup> The role of non-profit motives in the success of capitalism is not a new point, even though the wealth of historical evidence and conceptual arguments in that direction is often thoroughly ignored in contemporary professional economics.

### **Public goods and the motivational challenge**

In order to understand how motives other than self-seeking can have an important role, we have to see the limited reach of the butcher–brewer–baker argument in dealing with what modern economists call 'public goods', where one person's consumption does not exclude that of another. Whereas, say, a toothbrush is a 'private' good (your brush is for your use only), an uncrowded park or 'common' is a 'public' good (your use of it does not preclude mine).

In the case of public goods, the rationale of the self-interest-based market mechanism comes under severe strain. The market system works by putting a price on a commodity, and the allocation between consumers is done by the respective willingness to buy it at the prevailing price. When 'equilibrium prices' emerge, they balance demand with supply for each commodity. In contrast, in the case of public goods, the uses are – largely or entirely – non-competitive, and the system of giving a good to the highest bidder does not have much merit, since one person's consumption does not exclude that of another. Instead, optimum resource allocation would require that the *combined* benefits be compared with the costs of production, and here the market mechanism, based on profit-maximization, functions badly.<sup>15</sup>

There are two important issues to be addressed in this context, in analysing the organization and performance of production. First, there would tend to be some failure in resource allocation when the commodities produced are public goods or involve strong externalities. This can be taken *either* (1) as an argument for having publicly owned enterprises, which would be governed by principles

other than profit-maximization, *or* (2) as a case for public regulations governing private enterprise, *or* (3) as establishing a need for the use of non-profit values – particularly of social concern – in private decisions (perhaps because of the goodwill that it might generate). Since public enterprises have not exactly covered themselves with glory in recent years, and public regulations – while often useful – are sometimes quite hard to implement, the third option has become more important in public discussions. It is difficult, in this context, to escape the argument for encouraging business ethics, going well beyond the traditional values of honesty and reliability, and taking on social responsibility as well (for example, in matters of environmental degradation and pollution).

The second issue is more complex and less recognized in the literature, but is also more interesting. Even in the production of private commodities there can be an important 'public good' aspect in the production process itself. This is because production is a joint activity, supervisions are costly and often unfeasible, and each participant contributes to the shared success of the firm in a way that cannot be fully reflected in the private rewards that he or she gets.

The overall success of the firm is, to a great extent, a public good, from which there is common benefit, to which all contribute, and which is not divided up into little parcels of person-specific rewards, strictly linked with each person's respective contribution. And this is precisely where motives other than narrow self-seeking become critical for productivity.

### **Corruption, crime and behavioural codes**

The issues of collaborative efforts and productivity are not the only ones that make it important to consider the role of moral codes of behaviour in economic performance in advanced capitalist countries. Problems related to behavioural codes that have received most attention in recent deliberations involve economic corruption and its linkages with organized crime. In Italian discussions on this subject, the role of 'deontological codes' has been much invoked. The possible use of such codes in combating illegal and unfair procedures in influencing public policy has received attention, and this line of remedy has been considered even as a way of reducing the hold of the Mafia on government operations.<sup>16</sup>

There are two issues of behavioural codes that closely relate to this question. First, can behavioural norms be changed in the direction of some deontological codes, making a direct impact on the situation? Secondly, is the powerful influence of the Mafia indirectly related to some behavioural features influencing the operation of economic transactions?

Taking up the former question first, certainly a code of honour and a sense of duty on the part of businessmen and politicians can make a real difference to corruption, illegal transaction and the related developments of organized crime. It is not surprising that a call for such a deontological 'codice' has come from

many quarters – intellectuals, businessmen, political leaders. The real questions to consider are: Can it actually work? How will it operate and with what effects?

This is, of course, an ancient issue. In *The Laws*, Plato had discussed the benefits of a strong sense of duty on the part of public servants, but had also noted that to develop that sense of duty is 'no easy task'. In the *Ayrtashastra*, Kautilya, the Indian political analyst of the fourth century BC, expressed great scepticism about the possibility of preventing corruption through deontology, and opted for a system of stochastically organized spot-checks followed by penalties and rewards (much as modern economics would suggest). Many of the contemporary commentators in Italy are no less sceptical of the possibility of making any significant change in behavioural modes – changes that could make a real difference in fighting corruption and organized crime. It is not hard to understand that scepticism. Reform of behaviour modes is hard to bring about through a policy decision. 'Thou should behave better' sounds like a hopeless solution to the problem of crime and graft.

All this seems clear enough. What is less easy to understand is the empirical basis of the cynical belief that human behaviour is basically so self-centred, so invariably oriented towards personal gain, that no real prospect of behavioural reform actually exists. To talk of any code of ethics is, in this view, a waste of time. Or worse.

Is this cynicism justified? It is hard to see this view as empirically established given the enormous variety of behavioural modes across the world. Some avenues of corruption are thoroughly used in one country, occasionally tried in others, and rarely utilized in still others. Since it is hard to find any generic explanation of these differences (why, for example, a practice shunned in Switzerland may be much used in Italy), we have to look at the pervasive cultural influences on behaviour patterns.

The issue of behavioural reform in the context of preventing corruption relates to the general question of behavioural variations in different cultures and traditions. There is, in fact, plenty of evidence from many spheres of economic, political and social behaviour that different constraints play varying roles in shaping human behaviour. It is also clear that while rules of acceptable behaviour vary, a group that may be quite unmoved by one set of rules may still follow another. Even criminals bent on making money typically follow rules of 'good' gang behaviour, and 'honour among thieves' is not just empty rhetoric. There is very little empirical ground for thoroughgoing scepticism regarding the use of norms.<sup>17</sup> Indeed, the cynical belief that nothing can be changed only replaced high-minded sentimentalism with low-minded sentimentalism – a good example of mushy prejudice masquerading as hard-headed realism.

Perhaps the sceptics in Italy are partly worried by the possibility that the talk of deontological codes may weaken the vigour and speed with which needed institutional reforms are carried out. Certainly, the organization of the economy

and establishing rules governing the connection between business and politics demands legal and institutional attention, and attempts at working from that end must not be slackened in the hope of 'behavioural reform'. Indeed, the institutional reforms and behavioural codes have to be seen as complementary to each other, and each can reinforce the other very substantially.

An important issue in behavioural change relates to the influence of modes of conduct of high-ranked public servants and political leaders. This is one of the challenges with which Italy is much concerned right now. The sense of cynicism that pervades a society when it is generally thought that high-placed leaders are pursuing private or sectarian gains from corrupt practices can be deeply demoralizing. It can also profoundly affect the behaviour modes the society finds generally acceptable or unacceptable.

Writing in China in 122 BC, the authors of *Hui-nan Tzu* put the problem thus:

If the measuring line is true then the wood will be straight, not because one makes a special effort, but because that which it is 'ruled' by makes it so. In the same way if the ruler is sincere and upright, then honest officials will serve in his government and scoundrels will go into hiding, but if the ruler is not upright, then evil men will have their way and loyal men will retire to seclusion.<sup>18</sup>

This piece of ancient wisdom remains as relevant today as it was two thousand years ago.

#### **Organized crime, functional roles and business norms**

I now move to the second question related to the hold of corruption and crime. There are social functions that a strong-armed organization like the Mafia can perform in relatively primitive parts of the economy, in supporting mutually beneficial transactions. The functional roles of such organizations depend greatly on the actual behavioural modes in the legal and above-the-counter economy. One example is the part played by such organizations in ensuring the enforcement of contracts and deals, as Stefano Zamagni and others have discussed. The market system requires arrangements for implementation, to prevent one contracting party from letting others down. Such enforcement can either come from the law and its implementation, or – alternatively – be based on mutual trust and an implicit sense of obligation.<sup>19</sup> Since the effective reach of the government can be limited and slow in this field, many business transactions proceed on the basis of trust and honour.

When, however, the standards of market ethics are not yet well established, and feelings of business trust are not well developed, an outside organization can deal with the breach and provide a socially valued service in the form of strong-armed enforcement. An organization like the Mafia can play a useful functional role here, and this can be particularly important in pre-capitalist

economies being drawn rapidly into capitalist transactions. Depending on the nature of the interrelations, enforcement of this type may end up being useful for different parties, many of which have no interest at all in corruption or crime. Each contracting party may simply need 'assurance' that the other economic agents are also doing the appropriate thing.<sup>20</sup>

The part played by strong-armed organizations to generate such 'assurance' depends on the absence of behavioural codes that would reduce the need for such external enforcement. The enforcing function of extra-legal organizations would shrink with an increase in trusting the trust-generating behaviour. The complementarity between behavioural norms and institutional reform can thus be very close indeed. This is a very general issue to consider in dealing with the hold of the Mafia, especially in some backward parts of the economy.

My purpose here is, obviously, not to defend the Mafia. Its role in corruption, murder and other crimes makes it one of the major scourges in modern Italy and elsewhere. But we have to understand the economic basis of the influence of the Mafia by supplementing the recognition of the power of guns and bombs with an understanding of some of the economic activities that make the Mafia a functionally relevant part of the economy. That functional attraction would cease as and when the combined influence of legal enforcement of contracts and behavioural conformity related to mutual trust and normative codes make the Mafia's role in this field quite redundant. There is thus a general connection between the emergence of business norms and the hold of organized crime in rapidly developing, but still partly primitive, economies.

#### Concluding remarks

I shall not try to summarize this chapter, but will comment on a few of the central issues. First, I have argued that behavioural codes can be quite important for economic organization in general. The importance of moral codes is not contradicted in any way by Adam Smith's pointer to the fact that our 'regard to our own interest' provides adequate motivation for exchange. Smith's butcher-brewer-baker argument is concerned (1) directly with exchange only (not production or distribution), and (2) only with the motivational aspect of exchange (not its organizational and behavioural aspects).

Secondly, successful operation of an exchange economy depends on mutual trust and implicit norms. When these behavioural modes are plentiful, it is easy to overlook their role. But when they have to be cultivated, that lacuna can be a major barrier to economic success. This can be illustrated by (1) the development problems of the Third World, (2) problems of economic reform in the Second World, and (3) variations in productivity and corruptibility in the First World. A basic code of good business behaviour is a bit like oxygen – we take an interest in its presence only when it is absent.

Thirdly, the importance of behavioural codes in the arrangement and performance of production can be illustrated by the contrasting experiences of different economies, for example the remarkable experience of Japanese economic development. The productive advantages of going beyond the pure pursuit of profit can be understood in different ways. To some extent, this question relates to the failure of profit-based market allocation in dealing with 'public goods'. The important connection to note is that in a very real sense the success of a firm can itself be seen as a public good – the fruit of success is shared by the different parties involved in the firm rather than being parcelled out in neat little packets of individual rewards strictly related to individual contributions.

Fourthly, the hold of organized crime (like the influence of the Mafia) in some economies relates partly to the underdevelopment of business norms and codes on which economic transactions depend, since that underdevelopment gives strong-armed organizations a functional role that they can exploit to build the basis of their power. Making the functional role redundant will contribute to fighting organized crime – a battle that calls for an economic as well as a policing response.

Finally, codes of behaviour in a particular society may be hard to change, but there is little empirical basis for taking them to be immutable. Our behaviour patterns depend much on the emulation of others and on acting according to norms that seem standard in the society in which we live. In this respect, the current Italian – and to some extent the Japanese – emphasis on eliminating corrupt behaviour on the part of highly visible business and political leaders seems particularly appropriate. While there is reason for pessimism about emulated misbehaviour, there are grounds for optimism about imitated honour. If actual behaviour depends on norms, norms too depend on actual behaviour.

#### Notes

1. I am grateful for research facilities at STICERD at the London School of Economics, where this paper was written.
2. Adam Smith, (1776 republished 1910), vol. 1, p. 13.
3. In this context I shall take the liberty of drawing on my talk to the Anti-Mafia Commission of the Italian Parliament on 15 May 1993 (to be published, in Italian, by the Commission).
4. I have discussed Smith's views in more detail in Sen (1987, 1993a). See also Patricia H. Werhane (1991) and Emma Rothschild (1992).
5. Adam Smith (revised edition 1790, reprinted 1975), p. 191.
6. Smith (1790, 1975), pp. 190–92.
7. Smith (1790, 1975), p. 189.
8. I have tried to discuss this issue in Sen (1986).
9. In this sense, the codes of business and professional behaviour are parts of the productive capital of a society. On this question, see Armadori, Massarenti and Antonio Da Re (1991).
10. See Sen (1993b).
11. Ronald Dore (1983, 1987). See also Robert Wade (1990).
12. Recently, Eiko Ikegami (1991) has pointed to the importance of the traditional concern with 'honour' – a kind of generalization of the Samurai code – as a crucial modifier of business and economic motivation.

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13. *The Wall Street Journal*, 30 January 1989, p. 1.
14. Karl Marx (with F. Engels), (1845-6, English translation, 1947); Richard Henry Tawney, (1926); Max Weber (1930).
15. The classic treatment of public goods was provided by Paul A. Samuelson (1954).
16. See the proceedings of the conference on Economics and Criminality in Rome in May 1993, organized by the Italian Parliament's Anti-Mafia Commission - Luciano Violante (1993). My paper to that conference (On 'Corruption and Organized Crime') addresses, in greater detail, some of the issues discussed in this section, with particular reference to the Italian situation.
17. On this see Sen (1984) and the references cited therein.
18. English translation from Alatas (1980); see also Klitgaard (1988).
19. For general analyses of the role of trust, see the essays included in Diego Gambetta (1987).
20. On this see Sen (1967, 1987).

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