

## Humans as Moral Beings

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### INTRODUCTION

Mainstream economic discussions adopt perspectives on economic development with theoretical pillars in the form of neo-liberalism and instrumental rationality. It is therefore refreshing to read the intervention by Professor Mohd Hazim Shah. His paper draws on the tradition of seeing economic development as part and parcel of societal development. It is a tradition dating back to as early as the days of Plato and Aristotle, i.e. 2,300 years ago. This tradition is very much alive today in the works of Amartya Sen (as Mohd Hazim rightly points out) and Jeffery Sachs, and as every Malaysian would be proud to note, in the works of Syed Hussein Alatas, Ishak Shari, Syed Husin Ali, K S Jomo and Abdul Rahman Embong. Unfortunately, such voice of social conscience and wisdom does not enjoy the central stage in economic discourse. Mohd Hazim should therefore be congratulated for holding high the torch in the long marathon to justice, human dignity and happiness. His piece should be included in a reader of critical papers and articles in undergraduate course of economics.

### HUMANS AS MORAL BEINGS

The debate on economic development touches on a very fundamental question of political philosophy, moral philosophy and sociology. The question is: "Who are we?" Are we moral beings, or economic beings, or political animals, or hedonists? Professor Syed Hussein's works suggest very strongly his belief that we are primarily moral beings. It is a belief well grounded in all spiritual traditions and moral philosophies of different cultural heritages. It is a tradition whose influence can be found in the writings of Adam Smith. His *Moral Sentiments* is as important a reading as his *Wealth of Nations*. His notion of enlightened self-interest is often wrongly conveyed as self-interest. It is perhaps the greatest distortion in the history of economic study. Two other great economists, John Maynard Keynes and Karl Marx, are concerned with the moral aspects of society. Keynes is deeply concerned with the social consequences when the moral anchor of the Christian faith loses its hold on the Western societies. Marx is well known for his concern of social injustices and miseries resulting from capitalist exploitation. We may safely say that there is broad agreement among the most influential of the economic minds that moral and ethical considerations should form the basis of economic development.

There is a broad consensus among all major religions and among moral philosophies extolling honesty, hard work, tolerance and compassion and other virtues. However, such picture is not obtained in political philosophies. There are political philosophers who argue for compassion and virtues as guiding principles while there are those who argue for the opposite. Ancient China had political philosophers advocating absolutist state using the theory and practice of legalism. We have a big range of thinkers from Machiavelli to Plato and Hegel to John Stuart Mill, to Jürgens Habermas, John Rawls and Charles Taylor. It is obvious that Syed Hussein and Mohd Hazim stand on the side of the people and argue for the politics of honesty, justice and democracy. At the same time they also advocate that economic development must be people centered. It is inspired by a commitment to improve the living and working conditions of the people, especially those of the poor and disadvantaged. It is a development philosophy that is not in full accord with what is surely not reflected in grandiose projects. Scholars like Professor Syed Hussein are arguing that the money spent on such projects should have been properly spent to advance the well being of the poor.

#### WHICH IS PRIMARY – POLITICS OR ECONOMY?

Based on the above, could we therefore proceed to say that moral and ethical values lead to political considerations, which in turn determine economic development programmes? As a prescriptive scheme of things, it is fine. However, as a matter of evidence-based academic inquiry, the logic of politics as the basis of economy is hard to establish. In other words, primacy of politics over economics as a prescriptive ideal may be fine but it is not always true. Similarly, the Marxist position of primacy of economics over politics is not always true either. This is a debate that has been going on for a long time and there seems to be no end in sight. I would rather take an easier position to say that both interact with each other in very complex and complicated ways. This is at least more in accord with social reality. Politics determines the course of economic development – a point amply illustrated in the sad situation in Myanmar and the Philippines. The reverse is true too, as seen in the subtle and significant change in the political life in China following three decades of rapid economic transformation. The relationship between politics and economy represents an evolving phenomenon populated with ambiguities and uncertainties. Even personal choices of key players can produce rather unexpected consequences in the long term.

THE BEAUTIES AND FLAWS OF LIBERAL DEMOCRACY  
AS WE KNOW IT

Seen from the perspective of history, liberal democracy is used as an ideological tool by the emerging bourgeoisie in Europe in their struggle against the absolutist powers. It is a powerful ideology broad enough to win the support of the lower classes, progressive enough to incorporate the scientific spirit. It encompasses freedom for the market mechanism and for religious beliefs as well as tolerance for dissenting voices. The state built on the basis of liberal democracy is naturally a state that represents the interests of the rich and powerful more than the poor and downtrodden. The rule of the game for economic life is that of equal opportunities and level playing field. Being in a stronger position, the rich and powerful have much to gain. Having said this, it must be added that the poor and downtrodden are certainly having a much better deal in a liberal democratic state than an absolutist state. Though globalization has attenuated some powers of the state, the state remains a strategic player in the international arena. Within its own border, the state is the most powerful player; it has the sole legitimate power to exercise violence and to go into war with other states.

Whether we should have a strong state or not presents us with a dilemma. In order for the state to perform its useful roles, for example in relief operations during tsunami or earthquakes, it must be strong. And to be able to provide welfare to those needy, it must have access to the relevant information. What if such power is abused?

Because the government running a liberal democratic state derives its legitimacy in the electoral process, it has to listen to the voice to the electorate. There is an in-built institutional procedure for people to get rid of government that abuses its power or fails to live up to the expectation of the people. There are also rules of law, press freedom, guarantee of human rights, etc. These are the key features of liberal democracy, at least in theory. It is certainly observed during peaceful and normal times. At times of stress and strain, one can see the tendency of those in power to deviate from the theory. We are witnessing such pattern in the USA after the 11 September incident.

This brings us to the reality of functioning of liberal democratic systems. Democracy assumes that people closely monitor the performance of the government and elected deputies, be actively involved in the decision making process. Even in the most liberal democratic countries found today, this is an ideal situation, too far away from reality.

Records across many countries show that the turnout during elections is dimly low, unless when the ruling party shows *very poor* performance. In between election times, people do not tend to bring government to court or resort to other means to pressure the government to account for its actions. In other words, the liberal democratic framework does provide space for democratic participation. But people are more interested in material well being than

exercising their democratic rights, leaving the real exercise of power in the hand of the rich and powerful. Political apathy is in a very real sense a crisis of democracy.

The situations in other democratic countries are much worse, where there are rampant corruption, vote rigging, unfair demarcation of electoral districts, restricted press freedom, money politics and truncated judiciary independence. Luckily, such unhappy situation is unlikely to last forever, as the political developments in Malaysia and elsewhere have amply demonstrated. Events over the past several decades suggest that with twists and turns, countries seem to move in the direction of becoming liberal democratic states. Assuming that this is so, does it mean that we are kissing goodbye to all the deep-seated problems associated with socio-economic development? The answer appears to be negative. It is the problem of sustainable economic development, environmental pollution and ecological decay, of global warming and rapid depletion of natural resources.

## OVER CONSUMPTION AND ENVIRONMENTAL CRISIS

Whatever the magic merits that liberal democracy and free market have in wealth creation, it has failed to solve the problem of over consumption. This has resulted in tremendous wastage, depletion of natural resources and environmental pollution as well as health problems due to overeating and overdrinking. One just need to google the Internet using words like overconsumption and ecological degradation to read reports authored by reputable researchers and organizations detailing the disturbing situation.

The sad story is that, while the rich are eating themselves to obesity and ill health, the very poor are dying of hunger and malnutrition. While the poor and rich countries alike are spending trillions on weaponry systems, millions are dying from curable diseases every year. This are certainly the most powerful indictments of the failure of the free market economy and liberal democracy, of knowledge devoid of moral underpinning, of the failure of the European Enlightenment. We have to look objectively at the achievements and otherwise of the advanced industrial countries, at such moral failures as well as their impressive physical infrastructure. More importantly we have to look beyond these so-called successful economies for us to chart our future. This brings in the relevance of the points made by Professor Mohd Hazim and Professor Syed Hussein. They argue forcefully that we should bring back the role of moral

values in nation building, in seeing economic development as an integral part of social development.

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