

# [Kantian capitalism](https://assignbuster.com/kantian-capitalism/)

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Kantian capitalism focuses on the corporation as an individual with rights, the exercise of which is limited to the extent that the rights of others are affected. As such, the corporation and its managers are responsible for the consequences of their actions on others. A utilitarian perspective would present the argument that the liability of corporations in the effects of its actions depends largely on whether or not Kantian capitalism focuses on the corporation as an individual with rights, the exercise of which is limited to the extent that the rights of others are affected.

As such, the corporation and its managers are responsible for the consequences of their actions on others. The Stakeholder Theory in Kantian capitalism focuses on a rights perspective however as there is no balancing of rights overstepped and benefits made. There is simply a remuneration of the said rights offended by the company’s acts, regardless of the number of people benefited or the extent of the good resulting from such act. A utilitarian perspective would present the argument that the liability of corporations for the effects of its actions depends largely on the extent to which the general public is benefited.

The balance struck in this theory is between the rights of the stakeholders of the corporation with the consequences of corporate procedures. There is thus an acknowledgement that the corporation has aresponsibilityto those of the public disturbed by its actions, thereby placing value in each person and not merely justifying their losses as means to a greater good. The classical look at capitalism would not bother with the outside perspective as it would draw only into itself and its benefactors, in this case the stockholders. Management would then simply protect the claimant privileges of those contributing to the resources of the company, the stockholders and stakeholders. Kantian capitalism however looks beyond these assertive rights and places greater priority on the rights of individuals outside the corporation yet still affected by its workings.

The legal justification for the theory presents the corporation as a judicial person endowed with rights and duties of natural persons, yet not possessing the same characteristics. A judicial person in the form of a corporation begins its existence upon action of its component members yet its existence persists even after such members desist from their commitment, so long as one or more still remain or others should take the place of those who leave. However, being judicial persons, their existence is dictated and constrained by law. The laws clearly establish that the rights of stockholders from gathering their share from the company is secondary to the rights of customers, suppliers, local communities and the like to seek redress for grievances they might have incurred in relation to the company.

Economic justification would bring in external factors affecting management capitalism. As the nature of the consumers, the effect upon the locality and the competition in the community converge to work upon the reality of running the company, the need to keep within the bounds of their duties surfaces. To state plainly, no matter the ideal management in capitalism prefers the benefiting of only their own management and patrons, the facts would prefer the practical giving back to clientele, distributors, and the like. There is then a greater benefit to the company’s longevity as result regardless to how such acts may translate to profits for the meantime.

There is need to remember that there is a balance that must be sought. So far the playing field has been drawn so as to seem biased towards the rights of outsiders. The balance is struck in that Kantian capitalism permits the use of people as mere means to an end, when these people are conscious of the role that they play and give express permission to be used as such. The rights perspective stabilizes this situation by providing these persons must be active parts of decision-making regarding their participation in the company. The prevalent paradigm ofrespectfor others and the preservation of rights will not be defeated then. It is then a joint future that the corporation seeks to address when they formulate plans.

This theory, in law and in actual practice in the market substantiates reason. Efficient management would need to answer the company’s liabilities to the community. The externalities should be taken into account to further the progress of the company as ignorance of the same would result in long-term degradation of the quality of service produced. By following the theory of Kantian capitalism, the sting is taken out from the suppressive reign of corporations as costs are not passed onto outsiders but is accounted for by the persons causing them. There is then a redistribution of resources and a striking of market equilibrium.

Ideally, markets operate to provide the best product or service to consumers at the cost required by companies to produce such. The idyll of the market place requires the control of externalities not by the community but by the corporation. Thus long-term benefits are taken into account and not short-term profit. Kantian capitalism thus answers for an expanding and growing economy.

A more stable economy would thus attract more investors, not just to mean that new corporations and more competitors are encouraged, but that more stockholders are encouraged to contribute to the growth of already existing corporations. The old goal of capitalism, to provide profits to stakeholders, is therefore still addressed. This time, even taking into account the distribution of such profit not just to the oligarchy or to a select few but to a more widely spread out class distribution. The arguments against capitalism and Rightist extremism is, in this way, buffered as the paradigm rotates closer to a central, or a right closer to center perspective.

Works Cited

Evan, W. and Freeman, R. (). " A stakeholder theory of the modern corporation: Kantian capitalism." Ethical Theory and Business, 3rd ed. 1988.