Business Ethics Journal Review
SCHOLARLY COMMENTS ON ACADEMIC BUSINESS ETHICS
businessethicsjournalreview.com

Cite as: **Bus Ethics J Rev** 7(1): 1–6,
https://doi.org/10.12747/bejr2019.07.01

Edited by **Chris MacDonald** *&* **Alexei Marcoux**

ISSN: 2326-7526

MacIntyre and Wyma on Investment Advising

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A COMMENTARY ON Keith Wyma (2015), "The Case for Investment Advising as a Virtue-Based Practice," ***J Bus Ethics*** 127(1): 231–249,
https://doi.org/10.1007/s10551-013-2025-3

ABSTRACT

In "The Case for Investment Advising," Keith Wyma argues that investment advising is what Alasdair MacIntyre calls a "practice"—that is, it is an activity marked by what MacIntyre calls an "internal good." In this Commentary, though, I argue that Wyma seriously misunderstands what internal goods are.

In his "Irrelevance of Ethics," Alasdair MacIntyre (2016) argues that investment advisors are inevitably vicious. But in his "Case for Investment Advising," Keith Wyma (2015) argues that, when they do what they ought to do, investment advisors are downright virtuous. But what is noteworthy is that Wyma roots his argument in the ideas of MacIntyre—specifically, in his ideas of practices and internal goods: since investment advising is a practice, Wyma argues, those who engage in it rightly are cultivating the virtues.

As an inference, this is all well and good. But its antecedent is false: investment advising is not a practice, for it is not an activity marked by an internal good. Unfortunately, Wyma misses this because

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he seriously misunderstands what internal goods are. Or so I argue in this Commentary.

Internal Goods in MacIntyre

What separates practices from other activities? Though several considerations are relevant, the key one seems to be that practices yield goods that can be attained in no other way than by participation in those practices. Consider examples that MacIntyre himself offers—turnip planting, which is not a practice, and chess, which is. Turnip planting offers no goods that can be had only by participation in the activity: the only good offered by turnip planting seems to be, well, turnips—and one can get those at the supermarket. Chess, though, offers goods that can be had only by participation in chess; the most obvious of these is mastery of chess, which can only be had by what we call "practice."

MacIntyre calls mastery of chess a good "internal" to chess—or, for short, an "internal good." If one can attain a good in indefinitely many ways – if, in other words, there is no one activity in which one needs to participate in order to attain the good – then that good is not an internal good. MacIntyre calls such goods "external goods."

Internal Goods in Wyma

Investment advising is a practice, Wyma (2015: 237, emphasis in the original) argues, because its product is an internal good—specifically, what he calls "positive liberty":

> MacIntyre's charge that the job is simply aimed at making money is mistaken, because it inadequately conceives investment advising's function. *An investment advisor's function is to enable the positive liberty of his or her clients*.

Freedom means, at the least, that one is not constrained by others: one is not free, obviously, if one is literally a prisoner. But freedom, it seems plausible, means more than this: even if one is not *literally* a prisoner, one might still be *metaphorically* imprisoned—by poverty, for example. But if this metaphor makes any sense, then freedom *from* constraint is really just one aspect of a broader freedom—specifically, the freedom *to* do what one wants to do. Writes Wyma (2015: 237), "Each of us wants to be able to make of our lives what we can, according to our own understanding of what is best. When we are able to do that, we have positive liberty."

It is not clear that the distinction between negative liberty and positive liberty is especially sharp. Nonetheless, the sharpness of the distinction matters less than its reality—and an example reveals precisely that reality: freedom to buy what one wants requires that one have money, not just that others do not prevent one from spending whatever money one has.

I do not offer this example at random. For Wyma (2015: 237, emphasis in the original) insists, despite his earlier disclaimer, that the relationship between positive liberty and money is quite close:

> Because positive liberty involves the power of enabled agency, it requires *resources*. . . . Notice that only one resource genuinely enables positive liberty in the fullest sense: *money*.

Wyma does not quite *identify* positive liberty with money. Presumably this is because, even in a society without money, some individuals might have positive liberty. A harvest, for example, might give a farmer the freedom to trade some barley to a herder for a goat. But this transaction could happen only if the relevant herder happened to *want* barley—and, for that matter, *have* a goat; if the relevant herder wanted only *wheat* – or, for that matter, had only a *sheep* – then the harvest of the farmer would *not* have given him this freedom.

Since it dissolves this issue entirely, money increases positive liberty. Indeed, money increases positive liberty so much that the two might as well be identical:

> We cannot meaningfully talk about positive liberty – and certainly not its exercise – without keeping in mind the acquisition of the funds that make that liberty's choices and self-direction possible (Wyma 2015: 238).

In what remains, I will argue that money is *not* a good internal to investment advising. In order to show this, I will argue *first* that money is not unambiguously a good and *second* that, even if it were, it would not be a good internal to investment advising—or, for that matter, to any other activity.

Is Money a *Good*?

A good is just whatever one ought to want. Money is good only insofar as it is a means to what is good in itself: one ought to want money only insofar as one ought to buy what one wants to buy with it. But there are times when what one ought to buy and what one wants to buy are not the same.

Sometimes, presumably, we want what we want because we *ought* to want it—in other words, because we *need* it. Too often, though, we want what we want because we are *made* to want it. Nor is this process especially mysterious: our society is saturated in advertising that presents every product as though it were something that we ought to want—whether or not it is.[2]

Sometimes, of course, the product advertised is something that we ought to want; often, though, the product advertised is *not* something that we ought to want. Sometimes, the issue is merely that we ought to spend our money on something else—something, in other words, that we need. Other times, though, the issue is that the product advertised appeals to one of our vices. Thus the things that we ought not to want sometimes become the things that we want most of all.

No doubt all of this is an oversimplification. Probably the distinction between products that we *do* need and products that we do *not* need is not especially sharp. Nor is it obvious that advertising has quite the grip on us here implied. But what is worrisome is that Wyma (2015: 238) seems to miss this concern entirely:

> I could not disagree more with MacIntyre on this question. . . . I submit that . . . positive liberty, which money can enable, is an enormous and intrinsically valuable good in our lives that – in spite of possible misuse – allows us to act authentically and creatively in this world.

But the concern is not one of *misuse*. The concern is rather one of *manipulation*. MacIntyre worries that money might become the *opposite* of what Wyma takes it to be: MacIntyre worries that money might become not a means to my *freedom* but rather a means to my *enslavement*. Money is therefore *not* unambiguously a good.

Is Money an *Internal* Good?

Even were money unambiguously a good, though, it would not be a good internal to investment advising—or, for that matter, any other practice. In order to show this, let me tell a story.

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[2] MacIntyre (2016: 13) makes precisely this point—as does Guy Debord (1994).

When I have wants – whether or not those wants are needs – I am happy to trade my labor for coins. For I am certain that merchants are happy to trade those coins for their products. For those merchants are certain that *other* merchants are happy to trade those coins for *other* products. And so on.

Because it is utterly abstract, this is not a terribly exciting story. But its abstraction is itself exciting—and that in at least two ways. Let me note them in turn.

First, note that, in this story, it does not matter what the relevant products are. For we are all certain that, *no matter what products we might want*, the merchants who sell those products are happy to trade our coins for them—because those merchants are certain of the same thing. Money therefore represents the fact that one can get what one wants, whatever one happens to want. Money is, in other words, a *medium of exchange*.

Second, note that, in this story, it does not matter at what I labor. For I do what I do *in order to get coins*; if those who pay me had wanted me to labor at something else, then I would have labored at something else. Money therefore represents the fact that one has given others what they wanted, whatever they happened to want. Money is, in other words, a *store of value*.

Of course, the two uses of money cannot be separated. For, in order to serve as a medium of exchange, money must *store* the relevant value—if only for the duration of the relevant exchange. And, in order to serve as a store of value, one must be able to *exchange* money for something of the relevant value—if only for the duration of the relevant storage.

But the point is that money represents power. More specifically, it represents the power that one spent to get others what they wanted, whatever they happened to want—and the power to get what one wants, whatever one happens to want. Another way to put this point is that, given our conventions of representation, money *is* power.

All of this is, I admit, terribly abstract. But the point is that money *is* money precisely because it can be specified in terms that do not mention any practice in particular.[3] Indeed, it was precisely this that I did in my boring story.

All of this means that, even if money were unambiguously a good – which it is not – it would not be a good internal to investment advising. For it is not a good internal to *any* practice. Indeed, this is what *makes* it money—a representation of power in the abstract.

Received 23 May 2018 / Posted x March 2019

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[3] MacIntyre (2007: 188–189), in the paragraph in which he introduces the concept of an internal good, notes precisely this.