

Value Dimensions of the Transaction—A Proposal of Business Metaphysics for Relational Economics



Michael Schramm

Abstract Transactions are the basic events of the economy. In the second section, this article explores the “event” as the ultimate unit in different micro-analytical approaches and concludes metaphysically that the world—both in the physical realm and in the realm of business—works as a dynamic network of events. The third section argues that events can be explained “reductively”, i.e., micro-analytically, but that this explanation is not “reductionist” in character; rather, all events are poly-dimensional in nature. Finally, the fourth section analyses the multiple value dimensions of economic transactions. In this context, values of a social-ontological nature (economic values and moral–cultural values) can be distinguished from values of the natural-ontological type which, referring to Whitehead’s metaphysics, are termed as “actuality values”. In these values, which are objectively (intrinsically or extrinsically) inherent in all things, the concept of “ethical interest realism” recognizes the ontologically objective cosmological foundation of any ethics. All these value dimensions of the universe gather in every economic transaction.

Keywords Transaction · Event · Microanalytic · Reductive · Reductionist · Social ontology · Natural ontology · Cosmology · Process philosophy · Ontological objectivity · Ethical Interest Realism · Actuality values

1 Introduction

The universe in which we live in is exactly one (Searle, 1995/ 1996, p. xi). Nevertheless, it is a poly-dimensional world, a diverse world. This is especially true for the values that occur in this universe. There is an almost unmanageable variety of different “values”, among others, economic values, esthetic values, mathematical values, moral and ethical values, technical values, religious and spiritual values, or natural values. But since we now live in only one concrete world, all these values,

M. Schramm (✉)
Hohenheim, Germany
e-mail: schramm@uni-hohenheim.de

despite their diversity, must somehow be relationally connected and fit together to form a coherent whole.

Josef Wieland’s “Relational Economics” also revolves around values, since it represents an analysis of the “value creation processes” (Wieland, 2020, p. 1). Thus, it is about the creation of values by the economy, and these value-creating transactions are relational in nature, so that other kinds of values are also relationally interwoven in their processing, especially moral–cultural values. This is the foundation for the fact that economic management can only exist as poly-dimensional “value management” (cf. Wieland, 2011/2021).

This basically outlines the thematic agenda of my contribution. It is about value creation, which firstly takes place via the basic *events* of the economy—the transactions—which secondly are of a *polydimensional* nature and thirdly relate to different *values*.¹

2 “Fibers” and “Threads”. The “Event” as the Basic Unit in Micro-analytical Theoretical Approaches

The basic unit of different micro-analytical approaches is the concrete *event* or—economically—the transaction. Examples of such a *micro*-analytical theory architecture can be found in quite different disciplines.

2.1 *Transaction Economics*

Already in 1924, economist John R. Commons, took the theory-strategic decision to make the basic event of the economic system, the transaction, the “ultimate unit” of his economic conception. In 1924, he writes: “A transaction [...] is the ultimate unit of economics, ethics and law” (Commons, 1924/2012, p. 68). In an important 1932 essay, he reaffirms this micro-analytic foundation: “Thus the ultimate unit of activity which correlates law, economics and ethics must contain in itself the three principles of conflict, mutuality, and order. This unit is a transaction” (Commons, 1932a/1932b/1996, p. 454). He sees the larger entities of the economy, such as companies, as “societies” of transactions, as “going concerns” (Commons, 1932a/1932b/1996, p. 454), but existing in the micro-entities (transactions) that build them up: A “corporation” is “an economic going concern existing in its transactions” (Commons, 1932a/1932b/1996, p. 53). As an alert mind that also followed developments in other disciplines, Commons then found theoretical parallels to his micro-analytic approach with cosmologist Alfred North Whitehead: “These going concerns and transactions are to economics what Whitehead’s ‘organic mechanism’ [*later called*

¹ A single asterisk (*) indicates: my emphasis. A translation done by myself is indicated by a double asterisk (**).

‘society’ by Whitehead; *M.S.J* and ‘event’ are to physics” (Commons, [1932a/1932b/1996](#), p. 96). Only in concrete transactions do the rules of the game, which are abstract in themselves, reproduce or “incarnate” themselves.

2.2 “Philosophy of Organism”

On the completely different area of the physically founded cosmology then, the previously mentioned mathematician, physicist, and philosopher Alfred North Whitehead has presented a micro-analytic metaphysics insofar as, for him, too, the *event* represents the basic unit from which the whole world is built up. Already in the middle phase of his work, i.e., in his books on natural philosophy, Whitehead had made a modal basic distinction: possibilities and actualities. Thus, already in this phase he developed a fundamentally *processual* concept of nature and named the abstract possibilities “*objects*” and the concrete (actual) elements of the universe “*events*”: “[T]he ultimate facts of nature [...] are events” (Whitehead, [1919/1925/2011](#), p. 4). These are process events that actively actualize “possibilities” (“objects”, later called “eternal objects”). In any case, Whitehead assumes with reference to the quanta or elementary particles of modern quantum physics the existence of basic units of actuality which have only a tiny temporal life span² and are connected with each other in processual relativity, energetic process droplets (“events”), which Whitehead later named “actual occasions” or “actual entities”: “‘Actual entities’—also termed ‘actual occasions’—are the final real things of which the world is made up” (Whitehead, [1929/1979](#), p. 18). These “events” or “occasions” are thus the basic units of Whitehead’s micro-analytical conception. All larger entities—such as atoms, water drops, ants, stones, trees, humans, or planets—are more permanent things, which consist of “actual occasions” which, in a way, “cooperate” more closely and thereby achieve a certain structural stability. These more complex and more durable things of this world on the macrocosmic level Whitehead calls “societies”: “The real actual things that endure are all societies. They are not actual occasions” (Whitehead, [1933/1967](#), p. 204). All the more permanent things are “societies” of single events, whereby these “societies” gain concrete reality only in their events. From countless micro events, an organically evolving network of “societies” weaves itself. All things in the universe possess such an “organic” character—from the atom up to a business enterprise or even a galaxy. In this sense, Whitehead has given his cosmology the name “Philosophy of Organism” (see Whitehead, [1929/1979](#), p. xi. 7. 18. 27 et passim).

² To get an idea of the order of magnitude, or better: the extreme tininess of these elementary “events”, one has to refer to the idea of a quantization of energy put forward by Max Planck in 1900 and then postulated by Einstein in 1905, which has a so-called “Planck length” around 10–33 cm (a millionth of a billionth of a billionth of a billionth of a centimeter), and a “Planck time” of 10–44 s (a tenth of a millionth of a trillionth of a trillionth of a trillionth of a second). See Greene ([2004/2005](#)), p. 333.

2.3 Sociological “Systems Theory”

In the field of sociology, Niklas Luhmann represents a *micro*-analytical theory, i.e., one that starts with *events*. Thus, in his “systems theory”, the basic units of functionally differentiated social subsystems (economy, politics, law, science etc.) are “[p]rocesses” that “are composed of irreversible events” (Luhmann, 1984/1995, p. 44). For the concept of “event”, he refers to Whitehead (Luhmann, 1984/1995, p. 506, fn. 65; cf. *ibid.* p. 290). Luhmann distinguishes this fact that in social systems “elements are events” (Luhmann, 1984/1995, p. 567, fn. 40) from substance-metaphysical misunderstandings and declares that “a system [...] does not consist of substances, but only of events” (Luhmann, 1988/1989, S. 33**). Looking at the “basic units” of the economic system, namely payments, he explains, for example, “[T]he payment [...] is event in the precise sense of Alfred North Whitehead’s cosmology” (Luhmann, 1988/1989, S. 53**). Of course, these events do not float in a vacuum, but are embedded and shaped by systemic “structures” (Luhmann, 1984/1995, p. 289 f.). In Luhmann’s sociology, the system codes represent the infrastructure of a “*meaningful* connection of events” (Luhmann, 1970/1974, S. 115**). In this respect, systems theory is not about physical elementary processes (as in Whitehead’s cosmology), but about events of social systems, about social-ontological “system events”. Despite this self-evident disciplinary difference, which event type is specifically taken into account in the diverse conceptions, it remains a common feature of every “concept of event/structure [...], as was particularly clear in Whitehead’s philosophical cosmology” (Luhmann, 1984/1995, p. 290), that the decisive justification for the micro-analytical method lies in the fact that the “temporalized” events (in systems theory: the communications, in economics: the transactions) are what really happens concretely: “[A] system is fully concretized only on the level of its elements. Only there does it achieve a real temporal existence” (Luhmann, 1984/1995, p. 291). This is also true for the transactions of the economic system. Systems theory reconstructs “what the economy consists of [...] [*as*] a network of self-produced events that is constantly reproduced or otherwise would simply cease to exist” (Luhmann, 1988/1989, S. 9**). The single event disappears as soon as it happens, but the system updates itself, weaving a “thread” or a network of pulsating events: “The system operates in the form of the chaining of individual events” (Luhmann, 1993/1995, S. 212**). Systems are “event-bound” (Luhmann, 1988/1989, S. 254**); and from the continuous weaving of the network of fragmented and temporalized events, the evolution of the system into a new future arises.

2.4 “Transaction Cost Economics”

In the field of recent economics, the “Transaction Cost Economics” of Oliver Williamson is to be mentioned as a micro-analytical approach. Williamson always

referred to John R. Commons for his theoretical decision to consider the transaction as the basic unit of analysis. Thus, he also began his Nobel Prize speech in 2009 with the already mentioned quotation from Commons (Williamson, 2009/2010, p. 673). Except in his early years, Williamson drew in all his important works and in many essays on this quote from Commons to qualify the transaction as the ultimate unit of his further research: “[T]he transaction is made the basic unit of analysis” (Williamson, 2009/2010, p. 674). However, two things are striking: on the one hand, Williamson has always omitted a crucial passage in Commons’s text (I will come back to it in the third section), and on the other hand, he has—as far as I can see—never really explained what was, for him, in terms of content, the theory-strategic reason for placing the transaction at the center of his governance analyses, i.e., for proceeding micro-analytically. I tend to assume that he had no real conceptual or methodological reason for this. Presumably, his transaction orientation simply stemmed from the fact that he had been following Ronald Coase’s “*transaction cost approach*” from the very beginning. So, his starting point became the transaction.

2.5 Quantum Physics

In contrast to this, we find an extensively investigated and distinctively reflected focus on events in a completely different discipline, namely in modern physics. Here energetic quantum events as the ultimate elementary processes are at the heart of the research. By way of example, I refer to one of the most important current conceptions, namely “Relational Quantum Mechanics” (RQM) of Carlo Rovelli.³ Briefly summarized: “The World is Made of Events, not Things” (Rovelli, 2017a/2018, p. 85). Newton’s mechanics was extraordinarily successful (and even today you can build cars or airplanes with the help of his classical physics), but with respect to the question of how the world fundamentally works, Newton’s theory had some fundamental errors: on the one hand, his idea that the smallest building blocks of reality are dead and unchangeable blocks of matter, so to speak tiny “billiard balls”, and on the other hand, his intuitive and therefore “known to all” idea of an “absolute time” and an “absolute space”.⁴ Modern physics has thoroughly cleared up these conceptions of the everyday mind and replaced them with the realization that the world does

³ Together with Lee Smolin, he developed the so-called “Loop Quantum Gravity” (in short: “Loop Theory”), which is the most important alternative to the “String Theory”.

⁴ “[T]ime, space, place, and motion are very familiar to everyone [...] Absolute, true, and mathematical time, in and of itself and of its own nature, without reference to anything external, flows uniformly and by another name is called duration. [...] Absolute space, of its own nature without reference to anything external, always remains homogeneous and immovable.” (Newton 1687/1999, p. 408) Albert Einstein has used the apt term of the “box” (“Schachtel”) for Newton’s conception of the cosmic geometry (Einstein 1917/2009, S 92 f.) With regard to Newton’s idea of an “absolute space” Einstein also speaks of a “Behälter” (ibid., S. 94**): “container”) or a “Bühne” (ibid., S. 98**): “stage”). This idea was replaced by Einstein’s “General Theory of Relativity”, according to which space–time curves and bends, It is a virtually organic structure, for which Einstein himself used the biological metaphor of a “mollusc” (cf. Einstein 1917/2009, S. 65 f.: “Molluske”).

not consist of dead particles but of a relational network of tiny energy events which make up space and time in the first place. “The world of quantum mechanics is not a world of objects: it is a world of events” (Rovelli, 2014a/2016, p. 116). In this sense, one must consider the entire “world as a network of events: simple events, and more complex events that can be disassembled into combinations of simpler ones” (Rovelli, 2017a/2018, p. 88). Space and time are not given framework conditions, but they are built up by these elementary quantum events for the very first time (Rovelli, 2014a/2016, p. 170). The entire world in its spacetime is a product of the elementary and interacting transactional events at the micro-level of quantum physics.⁵

2.6 “Relational Economics”

Since the beginning of his publications, Josef Wieland has made the economic transaction the basic event of his concepts (“Governance Ethics” and “Relational Economics”), as can already be seen in his first version of his function on the moral quality of a transaction: $T_m = f(IS, FI, IF, OCC)$ Wieland’s *micro*-analytical (“reductive”) approach is anything but “reductionist” (see Sect. 2), but obviously represents a poly-dimensional or “comprehensive concept of governance as its starting point” (Wieland, 2014, p. 7).⁶ In his recent work on “Relational Economics”, Wieland emphasizes “the transaction as *relation*, that is, the transaction as an attractor of polyvalent contexts, decision logics and sources of value creation” (Wieland, 2020, p. 21*). Here, Wieland has presented some interesting reflections on the micro-analytical theory architecture of his “Relational Economics” with its “relational transactions”:

I will not approach the global economy as a space [...]. In keeping with my theoretical approach, I instead see it as a network of transactions on the part of individual and collective actors [...]. Relational Economics is transaction-based, not space-of-action-based (Wieland, 2020, pp. 1 f. and 62).

From a metaphysical perspective, remarkable conceptual parallels appear here, for example, to quantum physical insights, according to which there is no prior space for events, but this space is only woven together by the processual network of events. The entire reality, for Wieland the social reality, comes into existence ontologically only through events (Wieland, 2020, p. 55). The *values* involved in this network of “relational transactions” (of an economic or moral nature, for example) are also

⁵ Rovelli represents a strictly relational interpretation of quantum physics: the so-called “Relational Quantum Mechanics” and explains in this sense: “The world of existent things is reduced to a realm of possible interactions. Reality is reduced to interaction. Reality is reduced to relation.” (Rovelli, 2014a/2016, p. 115) But from a metaphysical point of view these propositions are not quite unproblematic, because an elementary event is not an extensionless mathematical point, which consists exclusively of relations.

⁶ Meanwhile, this polydimensionality is specified by the terms “polycontextuality”, “polycontextuality” and “polylingualism” (see Wieland, 2020, pp. 10–12).

consistently dynamized and thus conceived in terms of process philosophy (Wieland, 2020, p. 9).

2.7 “Business Metaphysics”

If one looks at the conceptions presented so far, it is striking that—despite the fact that some of the authors come from very different disciplines—the descriptions of how things work are very similar. This speaks for the fact that one has to do here with a *metaphysical* description pattern which is applicable to all events that occur in this universe. More closely, my research concept of “Business Metaphysics” is *cosmologically* oriented first and foremost to Whitehead’s metaphysical philosophy and then expands his cosmology **socio-theoretically** through Searle’s metaphysical analysis of “social ontology”. Both approaches together establish the character of “Business Metaphysics” as *metaphysics*. The recourse to Commons’ transactional economics then gives the research concept the specific character of a “Business Metaphysics”. These building blocks are briefly explained hereafter.

2.7.1 Whitehead’s Cosmological Metaphysics

In the first step, “Business Metaphysics” follows the “Philosophy of Organism” of Alfred North Whitehead according to whom reality—whether cosmological or economic—is an organic network of innumerable *events* or *processes* (“actual occasions”) that come and go, as well as of many different “*societies*”—whether atoms, animal bodies or business enterprises—which are also “born”, grow or wither away and eventually “die”. Philosopher Ludwig Wittgenstein proposed—in a completely different context—a metaphor that expresses this organic “weaving” of reality well:

... as in spinning a thread we twist fiber on fiber. And the strength of the thread resides not in the fact that one fiber runs through its whole length, but in the overlapping of many fibres.⁷

This metaphor is applicable to any reality. Metaphysically, not only the actuality of *physical* cosmology shows itself as an evolving network (“thread”), which is woven from many events (“fibers”), but also in the area of *economic* reality, for instance, a company is an evolving “thread” or a network, which is built up and grows from many transaction “fibers”, but which probably will die again at some point. The metaphysical analysis shows that all things in the universe have this “organic” process character—from the atom to human life, to a business company, or even to a galaxy (Fig. 1).

⁷ Wittgenstein (1953/2009), p. 36 (§ 67). Philosophically, the fiber rejected by Wittgenstein, which runs through the entire length of the thread, is the substantial “essence” (ουσία, ὑποκείμενον, “substantia”) in the traditional substance metaphysics.



Fig. 1 Ludwig Wittgenstein 's "thread" from "fibers"

2.7.2 Searle's Metaphysics of "Social Ontology"

Philosopher John R. Searle has convincingly argued that besides the traditional natural ontology (physical, mental, and abstract things) there is also a "*social ontology*" which he considers as a part of "the metaphysics of [...] social relations" (Searle, 1995/1996, p. 3). The first decisive characteristic of *social-ontological* realities is that—in contrast to *natural-ontological* things—they exist only because they have been *invented* by humans: "we are inventing a reality out of nothing" (Searle, 2010/2011, p. 105). They are therefore "imagined orders" (Harari, 2015/2018, p. 143). For example, paper money is such an invention of a *social reality*. It was not nature ("*natural ontology*") that created banknotes, but human society ("*social ontology*"). The same is true for political offices, soccer matches, market competition, democracy, marriage, or companies.⁸ In Searle's philosophy the "puzzling character of social ontology" (Searle, 2010/2011, p. ix) is clarified through a double conceptual distinction:

- Money, on the one hand, is only money because we think it is money (Searle, 1998/1999, p. 112) and we accept it as money. Money is "*ontologically subjective*", because if nobody thought that the piece of paper here is money, then it would not be money.⁹
- But at the same time, money is "*epistemically objective*": if I were to tear a €200 note, the bystanders would think in horror: "This moron has just destroyed €200!" So, anyone who does not realize that this €200 is *objectively* money ("*epistemic objectivity*") has a problem of perception.

One more point about "*social ontology*": although certain events are "*social-ontological*" in nature (e.g., economic payment transactions or soccer matches), they

⁸ "God can create light by saying 'Let there be light!' Well, we cannot create light but we have a similar remarkable capacity. We can create [...] corporations by saying [...] 'Let there be a corporation!'" (Searle, 2010/2011, p. 100).

⁹ "If everyone forgot what money was, there wouldn't be any money anymore." (Dennett 1991, p. 24).

can nevertheless only gain *concrete actuality* as physical and therefore “*natural-ontological*” events. For it belongs to the characteristics of this one world, our world, that there can be no *concrete* realities without *physical* concretions.¹⁰ For example: “[M]oney has to exist in some *physical* form or other. [...] Institutional facts exist, so to speak, on top of brute *physical* facts” (Searle, 1995/1996, p. 34 f.*) or “basic facts” (Searle, 2010/2011, p. 108 f.). Therefore the “social ontology” of the economic system can only be realized in physically concrete transaction processes, in “some physical realization” (Searle, 1995/1996, p. 35). Everything, so to speak, “has to reach a rock bottom” (Searle, 1995/1996, p. 56) in order to become concrete or actual. This in turn shows that the *metaphysical* question of *how the world works in general* is of fundamental relevance, worth arguing about.

2.7.3 Business Metaphysics

“*Metaphysics*” is the scientific treatment of the question of *how the world works in general*.¹¹ As a specific manifestation of general metaphysics, “*business metaphysics*” is concerned with the question of “how the *business* world works in general”.¹² Its contours can be briefly outlined in three theses:

- The metaphysical basic thesis of “Business Metaphysics”. The economy is—un-like the abstract models of the differentiated sciences—a processual fabric or network of economic “transactions”. The reason for this micro-analytical orientation is to be found in the fact that only the concrete transactions are real, because, for instance, institutional rules of order only become concrete when they become actual “habits” of the economic actors and thus properties of the transactions.
- The economic thesis of “Business Metaphysics”. The concrete economic transactions are not only purely economic events of the market, which—“monolingual”—knows only the one language of prices; rather, economic transactions are “poly-dimensional”, combining concretely economic, legal, and ethical aspects (cf. Commons, 1934/2009, p. 58).
- The ethical thesis of “Business Metaphysics”. Modern morality, i.e., the logic of impartiality, is not imposed constructively on economic reality by us but consists in perceiving (in the sense of “receiving”) the entire reality of economic activity with all the real existing interests involved in it. I will come back to this thesis of an “Ethical interest realism”, which starts from ontologically objective “actuality values”, in more detail in the fourth section.

¹⁰ However, there are other ontologically objective “things” besides the concrete realities, because there are also abstract entities like numbers or the possibilities (which are called “eternal objects” by Whitehead).

¹¹ In contrast, the differentiated sciences—natural sciences such as physics in the narrower sense or social sciences such as economics—are working on the question of “how the world works in detail”.

¹² See, for instance, Schramm (2016/2017a/2022/(2023))

3 “Reductive”, But Not “Reductionist”. On the Polydimensionality of Transactions

The approaches discussed so far are all of a *micro*-analytical nature. However, they differ with regard to a conceptual difference, which was marked by the philosopher Thomas Nagel by the two terms “reductive” and “reductionist”.

3.1 “Reductive”

Nagel uses the (unusual) term “reductive” for theories which start from “basal elements” or “ultimate units”: “I will use ‘*reductive*’ as the general term for theories that analyze the properties of complex wholes into the properties of their most basic elements” (Nagel, 2012, p. 54, fn. 14). Basically, his term “reductive” means the same as the term “micro-analytic” otherwise used here.

3.2 “Reductionist”

From such a “reductive” or “micro-analytical” methodology, however, he distinguishes the more far-reaching “reductionist” view of things (whereby in his context he has in mind above all one form of the “reductionist” approach”, namely “reductionist” physics): “I will [...] use ‘*reductionist*’ for the more specific type of reductive theory that analyzes higher-level phenomena exclusively in terms of physical elements and their physical properties” (Nagel, 2012, p. 54, fn. 14). So, according to the “reductionism”, at the end of the day, everything is reducible to physics. The “reductionist” method is thus a “nothing but” approach: there may be many different things, but ultimately all the things that exist are nothing but physical particles thrown together.

3.3 Value Issues

The crucial point for our topic here is that a “reductionist” approach cannot take into account questions of value at all, since a “reductionist” approach remains—methodically conditioned—from the beginning “blind” for any value problems. In economics, for example, John R. Commons represents a “reductive”, but not “reductionist” approach, whereas Oliver Williamson has “reductionistically” (in this case: economically) truncated Commons’ polydimensionality of the transaction.¹³ To

¹³ In countless publications he has cited a (already quoted) passage of Commons and always and without exception made a characteristic omission: “Commons [...] formulated the problem of

Table 1 Systematics of different Values

social ontology				natural ontology	
economic values		moral-cultural values		“actuality values” (inherent)	
monetary	non-monetary	non-moral	moral	intrinsic	extrinsic
				area of ethics	
				cosmological basis of all ethics in “ethical interest realism”	

reduce these basic units monodimensionally is in their—and my—eyes a problematic shortening of actuality and thus a “Fallacy of Misplaced Concreteness”.¹⁴

4 The Diverse World of Values. Axiological Dimensions of the Transaction

With the fourth section, we now move into the field of philosophical axiology, i.e., the doctrine of values (old Greek ἀξία = “value”). My suggestion to define the term: “value” means “*something which is important*” or “*something that matters*”. Table 1 shows my attempt to systematize different values (Tables 2 and 3).

First of all, it is obvious that the values I discuss in this paper constitute only a small part of the tremendously diverse world of values.¹⁵ In the following, we will only deal with the most important value dimensions of an economic transaction from an ontological perspective. There are three main types of values involved here: economic values, moral-cultural values, and what I call “actuality values”. These are the three columns in the second row of the table above. The economic and moral-cultural values belong to the “social ontology”. But in my opinion, the ethical dimension as such (in the table: “area of ethics”) is metaphysically based (in the table: “cosmological basis of all ethics”) on an “ontologically objective” value dimension,

economic organization as follows: ‘The ultimate unit of activity ... must contain in itself the three principles of conflict, mutuality, and order. This unit is a transaction’ (Commons, 1932a/1932b, 4)” (Williamson, 2009/2010, p. 673). Williamson’s omission, indicated by the three dots, removes the phrase “which correlates law, economics and ethics” and thus the polydimensionality of the transaction. But exactly this polydimensionality was the initial problem of the original essay of Commons, which had the title: “The Problem of Correlating Law, Economics, and Ethics” (Commons, 1932a/1932b).

¹⁴ For this term see Whitehead, (1925/1967), p. 51. 59 f.) Whitehead’s shorthand formula for dealing with this problem is: “Seek simplicity and distrust it” (Whitehead, 1920/1982, p. 163).

¹⁵ A small enumeration of arbitrarily picked out values may clarify this variety. There are, among others, PH values, Christian values, measurement values, money values, liver values, etc. My definition of the term “value” as “something which is important” fits only those values which I’m interested in as a business ethicist (i.e., economic, ethical and also “natural” values in the sense still to be specified), but not physical measured values or liver values.

Table 2 The Value Square of Josef Wieland¹⁶

<p>Performance values</p> <ul style="list-style-type: none"> • Benefits • Qualification • Willingness to perform • Flexibility • Creativity • Focus on innovation • Quality 	<p>Communication values</p> <ul style="list-style-type: none"> • Respect • Belonging • Openness • Transparency • Communication • Willingness to assume risks
<p>Cooperation values</p> <ul style="list-style-type: none"> • Loyalty • Team spirit • Conflict management skills • Openness • Focus on communication 	<p>Moral values</p> <ul style="list-style-type: none"> • Integrity • Fairness • Honesty • Contractual fidelity • Responsibility

Table 3 A Value “Hexagon” according to Baumann Montecinos (modified)¹⁷

<p>Institutional values → Stability</p>	<p>Relational values → Integration</p>
<p>Political culture values → Political participation</p>	<p>Social values → Trust</p>
<p>Knowledge values → Access to education</p>	<p>Semantic values → Good life</p>

namely, the “actuality values”, which are explicitly addressed by “ethical interest realism”.

¹⁶ Cf. Wieland (2011/2021), S. 522; Wieland (2014), p. 162.

¹⁷ Cf. Baumann Montecinos (2019), S. 247 f., S. 250; Montecinos (2022), p. 205.

4.1 *Economic Values*

When it comes to the value dimensions of economic transactions, it is of course clear that the dimension of economic values has to be addressed first (in the table: first column, second row). With regard to economic values, it should be undisputed that they exist in both *monetary* (examples: money, bank deposits, shares) and *non-monetary* (examples: real estate, cars, gold) forms.

4.1.1 **Conceptual History**

Regarding the history of the term “value(s)”, it should be said that it was historically at home only in the economic realm. The etymological root of the English term “value” is the Latin “valere” (“to be strong” or “to be worth”). The word “value” has been in use since the fourteenth century in an economic sense, because it refers to the monetary or material worth of something. The older term “worth” has its roots in the Old English word “weorth” which has been used since the ninth century. “Weorth” in turn is derived from the Germanic *werþa* which has been used since the eighth century and means “value”, “price” or “preciousness”. So, all these terms were used exclusively in an economic sense. In later centuries, these terms were occasionally also used in an ethical sense, but it was only with Immanuel Kant’s “Grundlegung zur Metaphysik der Sitten” that the concept of value was prominently imported into the field of ethics (and differentiated from its original economic meaning). Kant distinguished between “*relative value*” in the economic sense of “price” and “*absolute value*” in the ethical sense of “dignity” (see Kant, 1785/1786/2011, p. 85). It was at this point in the history of value concepts where philosophical ethics and economics separated: henceforth, philosophical ethics and theology were responsible for the “*absolute value*” (dignity of persons), economists, however, for the analysis of “*relative value(s)*” (market prices).

4.1.2 **“Objective” and “Subjective Value Theory”**

The subsequent economic discussion of the nature of economic values, about which economics was henceforth exclusively concerned, is mainly characterized by the replacement of the “*objective theory of value*” in classical “political economy” (for example, Smith, 1776/ 1789/1952, p. 21) by the “*subjective theory of value*” in neoclassical market mechanics (for example, Jevons, 1871/1965, p. 165: “*Value depends solely on the final degree of utility*”). To put it philosophically: the value (of a good) became ontologically *subjective*. Now it was up to us—via our demand on the market—to assign a value to a thing. Therefore, a “*subjective theory of value*” means in consequence that *objectively nothing is valuable (in itself)*.

4.1.3 “Creating Shared Value” (CSV)

More recently, there has been an interesting conceptual innovation with regard to the question of value. I am referring to the concept of “Creating Shared Value” introduced by Porter and Kramer (2011). The term “Creating Shared Value” means that both “economic value” for companies and “societal value” for the rest of society should be created (Porter & Kramer, 2011, p. 67). However, both types of value brought into play here by Porter and Kramer are of an economic nature: “economic value” means the monetary profit for companies, and “societal value” refers to the benefit (broader sense of “economic”) that society derives from the creation of value by companies. The creation of values for society pursues a moral purpose in the concept of “Creating Shared Value”, but in terms of value concepts, Porter & Kramer remain entirely in the area of economics as well as in the field of ontologically subjective values.

4.2 *Moral–Cultural Values*

For years, research from the field of “Relational Economics” has demonstrated the relevance of a second group of values, which forms the second column in my table above, namely the group of moral–cultural values.

4.2.1 “Moral Culture”

According to my own definition, the term “moral culture” encompasses “all behaviorally relevant factors of the informal institutions of a society” (Schramm, 2008, S. 171**).

4.2.2 *Moral–Cultural Values*

A moral culture is decisively shaped by the objectives to be striven for: the moral–cultural values:

Values are statements about what is desirable and are part of the moral culture of a society [...]. They express what is valued in a society and in this way, they provide first of all a standard for decisions and actions. Values are not only moral in nature (Wieland, 2014, p. 161).

Among the moral–cultural values, therefore, there are those which are not in themselves of a moral or ethical nature in the narrower sense, but whose observance is nevertheless regarded as a moral duty. Examples would be the eating culture (for example, eating with chopsticks) or other expectations regarding appropriate behavior (greetings, etc.). The social code here is: \pm proper. In addition, however, there are also moral–cultural values that by themselves have a substantive moral

character, such as the Confucian ideal of “harmony” or the goal of respect for nature in Daoism. The social code of these moral–cultural values is \pm (morally) right/good. In all these cases, however, we are dealing with moral–cultural values because, on the one hand, we are dealing with cultural views which, on the other hand, are regarded as important (“values” are, after all, “what is important for us”).

These moral–cultural values can be differentiated in many ways. For example, one can mention the “value square” of Josef Wieland or the “value hexagon” (my term) of Julika Baumann Montecinos.

At first sight, however, this “value square” looks quite different from the moral–cultural “value hexagon”, which is based on the considerations of Julika Baumann Montecinos on cultural “moral capital” as an “asset” (for the sake of clarity, I have transformed these considerations into a moral–cultural “value hexagon”).

The fact that these two analyses of moral–cultural values look so different is mainly due to the respective interest in knowledge and the resulting difference in method. Wieland’s compilation of a “value square” was primarily based on the need to identify some central pillars of corporate values management. Unlike Wieland, who primarily focused on the meso level of organizations (companies), Baumann Montecinos focuses on the overarching “aspects of moral culture as potential determinants of economic performance” (Montecinos, 2019, S. xxi**) and thus on the economic effects of moral culture values from a “macro-analytical perspective” (Montecinos, 2019, S. 3**/*). In view of this difference of methodologically conditioned perspectives as well as the—always to be admitted—diversity of the complex world of values, different value schemes are then no longer surprising. The relevance of moral–cultural values is rather underlined by this.

4.3 “Actuality Values”

The third type of value, which in my opinion is important for an analysis of the value dimensions of a transaction, does not—like the economic and moral–cultural values—belong to the “social ontology” (Searle), but is to be assigned to an ontological “drawer”, which I would like to call “natural ontology” (see the right side of the table above). Following the terminology of Whitehead,¹⁸ I name this corresponding value type “actuality values” or “values of actuality”. In detail:

4.3.1 Whitehead’s Critique of a “Vacuous Actuality”

In the preface of his main work *Process and Reality* Alfred North Whitehead brings a list of “prevalent habits of thought” (Whitehead, 1929/1979, p. xiii), which are rejected by his “Philosophy of Organism”. Among them is also the idea of a “vacuous actuality” (Whitehead, 1929/1979, p. xiii*). This counter-model of Whitehead’s

¹⁸ “Value is inherent in actuality itself.” (Whitehead, 1926/2007, p. 100).

“Philosophy of Organism” is first of all the materialistic theory of nature of the mechanistic physics of Isaac Newton, for whom matter consisted of “solid, massy, hard, impenetrable, moveable Particles” (Newton, 1730, pp. 375). These dead particles, which stand in purely *external* relations and thus form the basis of the mechanical connections of all things, are what Whitehead meant critically with the term “vacuous actuality”, i.e., an empty, value-free reality. But this “prevalent habit of thought” of a materialistic metaphysics of dead building blocks, i.e., a “vacuous actuality”, is now no longer tenable due to the findings of modern physics. Einstein’s famous formula $E = mc^2$ (E stands here for energy, m for mass, and c for the speed of light) shows “that inertial mass is nothing but energy” (Einstein, 1916, S. 807**). Physically, we have to consider “energy as [...] the basic material of the world” (Heisenberg, 1958/2011, S. 102**). The so-called “particles” are inwardly and therefore actually processes and not “things”. We are living “in a cosmic network [...] of [...] creative matter” (Davies & Gribbin, 1992, p. 17). As a result, we have to note: “[M]aterialism is dead” (Davies & Gribbin, 1992, p. 13).

4.3.2 Whitehead’s “Panpsychism” and “Panvaluism”

The question as to what it means philosophically or metaphysically if the world-reality is *not* “vacuous” led Whitehead to quite far-reaching (but in my opinion quite plausible) assumptions about the nature of nature—assumptions which are discussed in philosophy today under the term “panpsychism”¹⁹ and which in addition can be called “panvaluism” in Whitehead’s case.²⁰

4.3.3 “Ethical Interest Realism”

Although I will not take up the cosmological dimensions of “panvaluism” in Whitehead’s philosophy here, it is nevertheless useful to refer back to the structure of the connection between interests and values in Whitehead’s metaphysical description.

¹⁹ “Panpsychism” (from $\pi\alpha\tilde{\nu}$ = everything + $\psi\upsilon\chi\acute{\eta}$ = spirit, soul) claims that the creative matter that makes up the world must contain at least a vestige of mentality, a “mentality potential” or a kind of “protomentality”. See my own 40 min documentary: <https://www.youtube.com/watch?v=6Uy5-mOGgC8>.

²⁰ In Whitehead, “panpsychism” is logically combined with “panvaluism”, i.e., the view that value in some (and yet to be specified) form is an ontologically objective attribute of all ($\pi\alpha\tilde{\nu}$ = all, everything) actuality. The Whiteheadian Victor Lowe (1962/1966, p. 312 f.) coined the term “panvaluism” for this view.

Interests and Values in Whitehead

Whitehead describes the structural connection between interests and values as follows (with reference to an “actual occasion”): “To be an actual entity is to have a self-interest” (Whitehead, 1926/2007, p. 100). The experience of elementary self-interest is an experience of value, the experience that “something is important”: “This self-interest is a feeling of self-valuation” (Whitehead, 1926/2007, p. 100). In the next step there is no way around the perception that other entities also have interests and thus also experience themselves as self-values:

[O]ur experience is a *value* experience [...]; and [...] this value experience differentiates itself in the sense of *many existences with value experience*; and [...] this sense of the multiplicity of value experiences again differentiates it into the *totality* of value experience, and the *many other* value experiences, and the *egoistic* value experience. [...] Everything has some *value* for itself, for others, and for the whole. This characterizes the meaning of *actuality* (Whitehead, 1938/1968, p. 110 f.*).

This experience that the universe is a huge network of the most different values is—according to Whitehead—the elementary basis for ethics:

[V]alue experience [...] characterizes the meaning of actuality. By reason of this character, constituting reality, the conception of *morals* arises. We have no right to deface the value experience which is the very essence of the universe (Whitehead, 1938/1968, p. 111*).

My own concept of “ethical interest realism” draws on this structure—described metaphysically by Whitehead—of the connection of real interests, objective values, and morals or ethics, but it is limited (at first) to conscious nature and thus to the conscious interests of different life forms.

Objective Realities in the “Moral Point of View”

Let’s imagine the situation that a person is driving on a road and notices an overturned car and two unconscious, obviously seriously injured, persons on the right side of the road. The question arises whether my decision to stop or not is ethically a purely subjective and thus arbitrary matter, or whether there are objective and ethically relevant realities in this situation that can be ignored but not plausibly denied. “Ethical interest realism” claims that the reality to be objectively perceived are the interests of the persons involved: on the one hand the self-interests of the passing drivers, on the other hand of course the *objectively real* (self-)interests of the injured persons.²¹ The “moral facts”—or morally relevant facts—to which “ethical interest realism” refers, are thus no ontologically confused “morons” floating around in a “cloud cuckoo land” of obscure (Platonic) value spheres,²² but quite normal components of our

²¹ In addition, all persons involved may also have the “moral interest” that the injured should be helped. But this is not the point of “ethical interest realism”.

²² The term “morons” was invented by Ronald Dworkin with the ironic intent to express that moral realists—to which Dworkin himself belongs—do not necessarily believe in ontologically

universe: the ontologically real self-interest interests of the individuals involved. In this sense, philosopher Peter Schaber has aptly formulated:

Moral facts—as they are conceived here—do not exist [...] independently of beings that have interests [...]. The proposed version of moral realism thus differs from a value objectivism, according to which something can be morally good or valuable completely detached from our interests (Schaber, 1997, S. 18 f.**).

These “moral facts”, i.e., the real self-interests of all participants, are facts of *objective* reality. Now, in view of these facts, the “ethical interest realism” demands methodically no other procedure than that which is also demanded in the natural sciences in dealing with empirical facts: namely, the open and honest *perception of all the relevant facts* in each case.²³ Just as in the (natural) sciences the honest perception of all relevant facts—i.e., the practical recognition of a “scientific point of view”—is a prerequisite for a methodical scientific approach, the open perception of all relevant interests—i.e., the recognition of the “moral point of view”—is the prerequisite for a realistic approach to ethical questions. Accordingly, “ethical interest realism” declares that, although one can of course *ignore* the empirically real interests, one cannot plausibly deny them. If someone does not “perceive”²⁴ the objective realities (ethically: the real interests) but ignores them, then it is a person who closes his eyes to *reality*. In this sense, the expression “ethical interest realism” explains itself.

Interests of All Conscious Living Beings

Furthermore, it is necessary to extend the area in which we encounter objective “interests” beyond human interests, for (higher) animals have clearly conscious interests, too. For example, a cow has no interest in freedom of the press—because as far as we know, cows don’t have a press. But she has a very clear interest in not being tortured and also a fundamental interest in staying alive (cf. Kaplan, 2011, S. 45).

outlandish moral entities (cf. Dworkin, 2011, p. 9). Similarly, John Leslie Mackie had already previously affirmed his thesis of an “ethical subjectivism” through his “argument from queerness” (Mackie, 1977/1990, p. 38) by explaining that the supposedly objective realities in which moral realism must believe—Mackie here mostly imagines “values” as ontologically miraculous “things”, similar to Platonic forms (cf. Mackie, 1977/1990, p. 40)—would have to be “entities or qualities or relations of a very strange sort, utterly different from anything else in the universe” (Mackie, 1977/1990, p. 38).

²³ With the science theorist Karl R. Popper, one can see “ethical principles” at work in a natural scientist’s willingness not to ignore empirically relevant facts—that is, to seek the truth unprejudiced and sincerely, even though these facts may not fit their theory: “Science itself is very much dependent on ethical principles. And this ethics that manifests itself [...] in science [...], that is [...] in the sincere search for truth—[...] there are ethical principles that are [...] indirectly embodied in science. They are not consequences of science, they are presuppositions of science” (Popper, in: Podak & Zimmermann 1974, time code 41:29 min.). Popper is to be agreed with completely, but his “ethical principles” are not about any elaborated morality, but only about the open and honest perception of all relevant facts.

²⁴ I take the English word “perception” here quite literally as “to perceive”: from Latin *percipere* = *per* (that which is in front of me) + *capere* (to grasp, to take).

At this point, we are of course faced with a moral problem in the case of conflicting interests:

[L]ife is robbery. It is at this point that with life morals become acute. The robber requires justification (Whitehead, 1929/1979, p. 105).

If the different interests are in conflict with each other, then one is inevitably confronted with a moral problem: which of the conflicting interests should be given priority? This problem arises in the accident situation described above as well as in the question of the treatment of animals. “The robber requires justification” and has to explain and explain why human culinary desires should take precedence over the existential interests of the cow. In any case, the open “perception” of all involved interests is the prerequisite for a *realistic* view of the situation.

4.3.4 “The View from Nowhere” and The “Impartial Spectator”

At this point, ethics raises the methodological question of how to “perceive” an objective picture of all interests, in order to be able to make decisions that are adequate to reality. Let’s take an innocuous example. If we observe a sunrise, then a quite clear subjective impression arises: namely that the sun moves, but the earth stands completely still. So, one concludes from this subjective impression: “The sun revolves around the earth!” If we now try to transcend this limited subjective view and start to take a broader point of view—for example, a point of view from a certain distance to our solar system—then we can see that our first subjective impression has deceived us and in reality, the earth revolves around the sun. This *widened angle of view* is more objective than the first subjective impression, because with a widened angle of view, one simply gets more of the world.

When we look a little further ahead we discover that the world is not as it appears to us: the Earth is round, and in Cape Town their feet are up and their heads are down (Rovelli, 2014c/2015, p. 59).

According to philosopher Thomas Nagel, this methodical logic of striving for a broader and therefore more objective (truer) view of things is also the method of (modern) ethics:

We begin with a partial and inaccurate view, but by stepping outside of ourselves and constructing and comparing alternatives we can reach [...] a higher level of objectivity. [...] I believe that ethics [...] requires a detachment from particular perspectives and transcendence of one’s time and place (Nagel, 1986, p. 140 and 186 f.).

We cannot choose to impose on reality any other ethical logic that we might prefer—just as we cannot do so with the logic of mathematics.²⁵ In the description of “ethical interest realism” it is the *real facticity of interests* that precludes—at least

²⁵ “[I]t seems that we’re not free to impose any mathematics or any logic we want.” This “isn’t something we can just make up or decide.” (Putnam, 1979, p. 238).

for all those who do not want to simply ignore the facts—that we simply arbitrarily make up something else.

This point of view, to understand the ethical problem as a problem of the ever-greater objectivity, stands for the modern view on ethics in general, the modern “moral point of view”. Even before Immanuel Kant’s pioneering conception of ethics, the moral philosopher Adam Smith devised a theoretical figure to model this modern “moral point of view”: the “impartial spectator”²⁶ The fictitious “impartial spectator” would be one who could both see and empathize with everything that happens and is thought about—in “ethical interest realism” this would be all the interests of all those concerned—and since he himself is not a self-interested player would have an impartial view, a “moral point of view”, which we should then come as close as possible to in our actions. Smith explains this “*supposed impartial spectator* [...]”: If we place ourselves completely in his situation, if we really view ourselves with his eyes [...], his voice will never deceive us” (Smith, 1759/1790/2009, p. 268*). But the “view” of this “impartial spectator” is—with a phrase by Thomas Nagel—a “view *from nowhere*” (Nagel, 1986, title). It is not only our merely subjective view, but it is also not the view of a third-person observer’s view as it would be the view of a traditional God.²⁷ Rather Thomas Nagel introduces his “view from nowhere” to describe a “view” transcending everything particular and containing everything at the same time: “In fact it *is* the world, conceived from nowhere within it” (Nagel, 1986, p. 56). At the same time, this “view from nowhere” is not a merely objectifying view, but one that sees things from both the outside and the inside: “One must arrange somehow to see the world both from nowhere and from here” (Nagel, 1986, p. 86).²⁸ The “view from nowhere” is the transpersonal and intersubjective synopsis of all real interests, the totality of the objective reality of all interests. The logic of modern ethics—the logic of the “impartial spectator” (Adam Smith) or the “View from Nowhere” (Thomas Nagel)—is *ontologically objective*. And in “ethical interest realism” the actual interests are this *ontologically objective reality*.

²⁶ One finds the “impartial spectator” in innumerable places in Smith’s Theory of Moral Sentiments. Mostly he is called the “impartial spectator” (Smith, 1759/1790/2009, p. 31. 33. 48: “cool and impartial spectator”. 84. 95. 96. 100. 101 etc.), sometimes also the “indifferent spectator” (e.g., Smith 1759/1790/2009, p. 48) or the “impartial judge” (e.g., Smith, 1759/1790/2009, p. 103).

²⁷ Adam Smith never identified his “impartial spectator” with the person of a traditional God, but always emphasized that it is a figure imagined for methodical reasons (see Smith, 1759/1790/2009, p. 103. 152. 153. 156. 169). The “impartial spectator” is the perception of what is empirically real, “he” is the virtual synopsis of all interests (in the terminology of “ethical interest realism”). In this respect, “he” differs fundamentally from a God, who “from above” (supranaturalistically) issues any commandments, which only please him (“ontologically subjectively”).

²⁸ Therefore, Jürgen Habermas (2019 [Vol. II], S. 784 f.***) is wrong when he criticizes critically attributes a “reifying attitude of a neutral observer”.

4.3.5 “Actuality Values”

As far as I can see, the concept of “actuality values” does not appear in philosophical or social science discussions. Usually, the term “values” is not used to refer to actualities within the natural world (people, animals, trees, clouds, etc.), but to “value concepts”, i.e., mental artifacts containing ideas of what is desirable, ideas of “what is important to us”. I believe, however, that this is only half the truth.

Values as Mere “Value Concepts”?

The usual view in modern ethics claims that values are human inventions, that is, that they are not an ontologically objective part of reality, but rather that their existence is purely mental, that is, *ontologically subjective*. So, for example, philosopher John Leslie Mackie, who has given his book on ethics the subtitle “Inventing Right and Wrong” (Mackie, 1977/1990/subtitle*), writes: “There are no objective values” (Mackie, 1977/1990, p. 15). John Rawls teaches us just as succinctly: “[T]here are no moral facts” (Rawls, 1980, p. 519). In this context also—although without reference to the word “values”—a statement by physicist Steven Weinberg is of interest:

There *is* a moral order. It is wrong to torture children. And the reason it’s wrong to torture children is ‘cause I say so. [...] I mean that not only I say so, John says so, probably most of us say so. But it’s *not a moral order out there*. It is something *we impose* (Weinberg, 1999, time code: 28:26 min.).

Weinberg’s (double) message is therefore on the one hand: The universe “out there” objectively is without any moral order or moral values. On the other hand, it is up to us to bring a “moral order” or moral values into the world (“cause I say so”; “most of us say so”; the “moral order [...] is something we impose”). Philosophically formulated, Weinberg argues that values are ontologically subjective in nature. According to this view, values are purely mental constructions or, as philosopher Andreas Urs Sommer puts it, “regulative fictions” (Sommer, 2016, S. 141**): “Values are [...] something that people think up [...] in order to regulate their lives” (Sommer, 2020, time code: 00:39 min.) Thus, values are exclusively human inventions or ontologically subjective settings: “Values are nothing that precedes valuing, but something that emerges from valuing. [...] They are not the premises but the results of valuing” (Sommer, 2016, S. 26**). Mackie, Rawls, Weinberg, and Sommer thus represent a purely “*subjective* theory of value” just as the representatives of neoclassical economics had already done. And the philosophical position, against which Sommer turns—like Mackie once—are the views of—as Sommer ironically puts it again and again—the “confessed value ontologists” (Sommer, 2016, S. 16–18 et passim) or the “value-Columbuses” (Sommer, 2016, S. 15**), who think to have discovered objective values in a value-heaven. But the possibility that not only this idealistic value ontologist “believes in the reality of values” (Sommer, 2016, S. 18**), but—in a completely different way—also the realistic process philosopher, does not even come into view.

In Whitehead's cosmological "Philosophy of Organism" as well as in my "ethical interest realism" values are—in this I quite agree with Mackie, Rawls as well as Sommer—no alleged realities ("morons") in an obscure "cloud cuckoo land" of platonic value spheres (as with Sommer's "confessed value ontologist"). In my opinion, values are not only ontologically purely subjective mental constructions (as in Mackie, Rawls, Weinberg and Sommer). To be sure, Weinberg is absolutely right when he points out that we—and we alone—are the ones who can weigh ethical reasons pro and contra, and we are also the only ones who then have to formulate moral sentences or values and agree on moral rules of the game, on a "moral order". But that is only half the truth. Formulated more philosophically: Weinberg's "cause I say so" is quite agreeable in an *epistemological* sense, but not in *ontological* terms. For it is not wrong to torture children because we say it is wrong, but because the child has an ontologically objective intrinsic value. The actual or concrete things (people like the child, animals, trees, clouds etc.) are the real values. I call these values here therefore with the term "*actuality values*". The values at stake here are not obscure entities in a Platonic "cloud cuckoo land", but something quite concrete and natural.

"Actuality Values"

The "ethical interest realism", which I have already described above, explains that there are indeed "moral facts" (morally relevant facts), namely the *real interests of conscious living beings* (humans, higher animals). This view has now axiologically the consequence that an "*intrinsic value*" must be attested to conscious living beings. Due to their consciousness, these living beings possess an inner side, which consists not least of the conscious interests. If, on the one hand, the word "value" denotes "that which is important", and, on the other hand, the internal interests of conscious living beings—which can be ignored but not denied (not declared as non-existent)—are precisely those which are important to them, then one cannot avoid the statement that these conscious living beings are intrinsically valuable, that is, they embody in themselves ("intrinsically") ontologically objective values.²⁹ If I torture a child or kill a cow, then from an ethical point of view—in contrast to mowing a lawn, for example—this is not simply at my arbitrary pleasure, precisely because of the reality of the internal interests of these living beings, but is—at least for someone who does not want to act ignorantly, but in a manner appropriate to reality—subject to justification (cf. Whitehead, 1929/1979, p. 105). In this sense, intrinsically valuable living beings *are* ontologically objectively existing "actuality values": it is not up to us to ascribe an (ontologically subjective) value to them arbitrarily and from the outside; rather, they represent ontologically objective, i.e., actual values, in themselves. Value is an inherent characteristic of their existence. "Actuality values" are thus those which

²⁹ Etymologically, the word "intrinsic" is based on the Latin *intrinsecus* = "inward" or "inside". Therefore, a living being has intrinsic value from within itself, as an "inward" or "internal" property.

are “inherently” important. Whitehead has put the thesis of “actuality values” in a nutshell:

Value is inherent in actuality itself. [...] [T]he actuality [...] is the experiencing of value (Whitehead, 1938/1968, p. 116).

“Ethical interest realism” specifies this “inherent” value by arguing, with respect to conscious nature (humans, higher animals), the “intrinsic value” of beings with real interests.

Whitehead’s emphasis on the value of actualities is not least connected with his ontological distinction between *actuality* and *possibility*. A real baby is a valuable living being and therefore worthy of protection, whereas a merely possible (imagined) baby is not. A real cat has real interests, which is why, from an ethical point of view, one may not simply douse her with gasoline and set her on fire; on the other hand, a merely imagined, i.e., only possible or virtual cat does not embody any “intrinsic” value.

Now, the value of natural things is not exhausted in the “intrinsic” actuality values. Besides the “intrinsic” values there are also the “*extrinsic*” values, which “ethical interest realism” certifies to many unconscious creatures. Again, there is a formulation of Whitehead, which helps ethically:

The actual world [...] is a community of many diverse entities; and these entities contribute to, or derogate from, the common value of the total community. [...] They add to the common stock (Whitehead, 1926/2007, p. 88)—or they do not.

Many things contribute something valuable to the totality of reality (the trees produce oxygen, the oceans provide clouds, etc.). They have “extrinsic value” for the whole.³⁰ Clouds, for example, have no intrinsic value because they have no consciousness and therefore no intrinsic interests, but they do have an “extrinsic” value to the other things in the world: they provide them with the water they need to live. Trees, too, have—presumably—no consciousness, no conscious interests, and therefore no intrinsic value, but they embody a crucially important “extrinsic” value for the entire ecosystem of the earth, in that they extract carbon dioxide (CO₂) from the atmosphere via their photosynthesis and release it as oxygen (O₂). Trees are therefore of “extrinsic” value, in this case, *ecological* value, as they both counteract anthropogenic climate change (CO₂) and produce breathable air (O₂) for humans and animals. Conceptually, “extrinsic” or ecological value is also an “*inherent*” value, that is, a value embodied by trees, clouds, or other beings.³¹ Other things again, however, are extrinsically harmful or destructive, for example, the coronavirus. It has no extrinsic value and therefore can be fought or contained in the name of

³⁰ The word “extrinsic” is based on the Latin *extrinsecus* = “outside”, “external”, “not belonging to the thing”.

³¹ “In particular, an organism’s inherent value includes its ecological value—its value for sustaining the ecosystem. [...] [E]cological value [is] [...] the most important type of extrinsic value [...]. [T]he total inherent value of anything includes both its intrinsic and its ecological values” (Griffin 2007, p. 82).

actual values. Metaphysically, the “extrinsic” valence or non-valence results from the relationality or “connectedness” of all things.³²

Now Whitehead uses—probably unknowingly—an economic formulation in the passage just quoted: “They add to the common stock”.³³ If we now apply this formulation of Whitehead to the natural world-reality, we get:

- Trees “pay in” to the total value of reality (the common “natural capital”) and they acquire thereby “voting rights”. We humans have to represent these “voting rights” as their advocates in the sense of an ethical administration of their “voting rights” “proxy voting”; “Depotstimmrecht”).
- The coronavirus, on the other hand, “withdraws” from the total value of reality and thus diminishes the overall natural value (“natural capital”). Therefore, we have no ethical responsibility to it.³⁴

In relation to the “intrinsic (inner) value” of beings with real interests on the one hand and to the “extrinsic value” (value for others) or “ecological value” of things without conscious interests on the other hand, an *inverse* relationship can generally be observed:

There is “an inverse relation that exists, in general, between intrinsic value and ecological value. That is, those species whose (individual) members have the least intrinsic value, such as bacteria, worms, trees, and the plankton, have the greatest ecological value: without them, the whole ecosystem would collapse. By contrast, those species whose members have the greatest intrinsic value [...], such as whales, dolphins, and primates, have the least ecological value. In the case of human primates, in fact, the ecological value is negative. Most of the other forms of life would be better off, and the ecosystem as a whole would not be threatened, if we did not exist. [...] Once we see, however, that the total inherent value of things—the total value things have in themselves—includes not only their intrinsic value but also their ecological value and that these values generally exist in inverse proportion to each other, we can see these two ethical concerns as complementary, not conflictual. Both concerns are valid and need to be addressed simultaneously” (Griffin, 2007, p. 83*).

³² “The notion of a mere fact is the triumph of the abstractive intellect. [...] A single fact in isolation is the primary myth required for finite thought, that is to say, for thought unable to embrace totality. This mythological character arises because there is no such fact. Connectedness is of the essence of all things of all types.” (Whitehead, 1938/1968, p. 9).

³³ In addition to the term “common stock”, the terms “voting share”, “ordinary share”, “equity share”, or “ordinary share” are also used. With this ordinary form of share, the payer acquires company shares (to the extent of the capital contributed) as well as voting rights (one vote per share). The term “common stock” indicates that the shareholders do not own specific assets, but that the total of the assets (“share capital”) belongs to all contributors. Voting rights can also be transferred and exercised in bundled form, in Germany for example as “Depotstimmrecht” by depositary banks, in England or the USA as “proxy voting” by the administration of the stock corporation itself.

³⁴ While—strictly speaking—even the coronavirus embodies intrinsic value (it is an impressive biological entity with remarkable capabilities), at the bottom line, it has a destructive and therefore value-diminishing overall balance, thus it “withdraws” from the total value of reality.

But only both kinds of values together— “*intrinsic* values” plus “*extrinsic* values”—make up the total objective value of all things in a world full of “*inherent*” values:

“Value is inherent in actuality itself” (Whitehead, 1926/2007, p. 100). “The main point of this description is the concept of actuality as something that matters” (Whitehead, 1938, 1968, p. 118). “Everything has some value for itself, for others, and for the whole. This characterizes the meaning of actuality” (Whitehead, 1938/1968, p. 110 f.*).³⁵

This means that the assumption that reality is a mere collection of valueless facts is nothing more than an abstraction from a reality full of “*inherent*” values.³⁶ The value or meaning of things is ontologically objective in nature. It is “a meaning, in terms of value, [...] which flows from the nature of things” (Whitehead, 1926, 2007, p. 100). The world is a differentiated network of “*actuality* values”.³⁷

However, it is important not to look at the universe through rose-tinted spectacles, because our universe with all its inherent values is marked by countless antagonisms. Even Whitehead always emphasized that life as such inevitably is at the expense of other life. In order to feed ourselves and to produce economic values (products, etc.), we must destroy other values: we consume plants or animals for food, and we also consume them in the process of economic production. The world is a place of both the creation of shared inherent values and the creation of value at the expense of other real values:

Whitehead (1926/2007, p. 59) represents a “concept of the world of adjusted values, mutually intensifying or mutually destructive”.

This double constellation—that the universe is on the one hand a huge network of the most different values (“*actuality* values”), but that on the other hand there are contradictions between the different actuality values—is the fundamental basis of any ethics (see in the table above: the “*cosmological* basis of all ethics”):

³⁵ Taken together, these three value dimensions describe “the ultimate character of the universe. These concepts are: 1. That of the value of an individual for itself. 2. That of the value of the diverse individuals of the world for each other. 3. That of the value of the objective world” (Whitehead 1926/2007, p. 59). To see this elementary value character of things has, according to Whitehead, the character of a religious perception of things: in such a perception “our sense of the value of the details for the totality dawns upon our consciousness. This is the intuition of holiness, the intuition of the sacred, which is at the foundation of all religion.” (Whitehead 1938/1968, p. 120*).

³⁶ “Matter-of-fact is an abstraction, arrived at by confining thought to purely formal relations which then masquerade as the final reality. This is why science, in its perfection, relapses into the study of differential equations. The concrete world has slipped through the meshes of the scientific net.” (Whitehead, 1938/1968, p. 18).

³⁷ Moreover, there is a systematic connection between value and finiteness: “The infinite has no properties. All value is the gift of finitude which is the necessary condition for activity. [...] [I]nfinity in itself is meaningless and valueless. It acquires meaning and value by its embodiment of finite entities. Apart from the finite, the infinite is devoid of meaning and cannot be distinguished from nonentity. The notion of the essential relatedness of all things is the primary step in understanding how finite entities require the unbounded universe, and how the universe acquires meaning and value by reason of its embodiment of the activity of finitude. [...] [I]nfinity is mere vacancy apart from its embodiment of finite values” (Whitehead, 1948, p. 81). In my opinion, this connection between value and finiteness is especially relevant for religion and theology.

[V]alue experience [...] characterizes the meaning of actuality. By reason of this character, constituting reality, the conception of morals arises (Whitehead, 1938/1968, p. 111*).

Ethics has an *ontologically objective foundation of values in reality*. It is *not* an ontologically *purely subjective* invention of man:

Our enjoyment of actuality is a realization of worth, good or bad. It is a value experience. Its basic expression is—Have a care, here is something that matters! Yes—that is the best phrase—the primary glimmering of consciousness reveals, something that matters (Whitehead, 1938/1968, p. 116).

The reason why we (should) ascribe dignity to human beings lies in the ontologically objective fact that human beings embody “intrinsic” values due to their conscious interests. The fact that cows or pigs have a conscious interest in not being tortured or killed and that they are “intrinsically” valuable living beings, is the reason for my opinion that we need to fundamentally rethink and change our current treatment of such animals in the agricultural industry.³⁸ The objective reality of the “extrinsic” or ecological value of trees to the entire habitat on earth is the reason that cutting down tropical forests is ethically indefensible. In summary: our entire modern ethics has its objective foundation in the fact of the “inherent” value of all things, that is, in the reality of the “actuality values”.

As a result, ethically it is a matter of perceiving the value or the “importance” of the realities and, if possible, of increasing it:

Morality consists in the control of the process so as to maximize importance. It is the aim at the greatness of experience in the various dimensions belonging to it (Whitehead, 1938/1968, p. 13 f.).

“Actuality Values” and Economic Transactions

Every economic transaction is an accumulation point of all the values discussed here. To briefly illustrate this fact, let’s assume the simple transaction of someone wanting to purchase a jar of yogurt at the supermarket.

- If our customer wants to have the good, he must pay for it. The requirement of payment turns the whole procedure into an event of the socio-ontological economic system (code: \pm payment), thus turning it into an *economic* transaction, for which the dimension of economic values is therefore self-evidently constitutive: the good has a price, which one has to pay at the supermarket checkout. To be sure, this economic (monetary) value dimension embodies the leading difference of our transaction, but the value dimensions of the transaction are not exhausted in it.

³⁸ Quite drastically, historian Yuval Noah Harari (2017, S. 107**) has formulated on this issue: “This [...] leads us to perhaps the most urgent ethical question for the present. [...] Billions of sentient and suffering creatures live and die in the factories of our agricultural industry. In my eyes this is one of the biggest crimes in history.”

- *Moral–cultural* values also shape our simple transaction event. In German supermarkets, for example, yogurt is often sold in larger glass jars (0.5 l) with screw caps. The jars can be returned as reusable jars under a deposit system (usually 15 cents per jar). However, if you take a look around an Italian supermarket, for example, you will see that there is no such thing as yogurt in a jar! It is not least moral–cultural values that lie behind this difference. The German deposit system is originally an expression of cultural ideas of efficiency (recycling) and order (orderly return system).³⁹ Although the economic value dimension is the core of the transaction, the purchase of a jar of yogurt also includes this dimension of moral–cultural values.
- And finally, *actuality values* are also inseparably interwoven with the transaction event. Yogurt is a dairy product that presupposes the agricultural keeping of dairy cows, which in turn confronts one with the problem of the conscious interests of cows as “intrinsically” valuable living beings. The fact that the economic transaction also represents an accumulation point of all actuality values is made clear by the fact that some consumers for ethical reasons (animal welfare) buy organic yogurt or, as vegans, refrain from purchasing the yogurt jar altogether.

It is impossible to “surgically” remove all these value dimensions from our transaction, so to speak. The economic transaction is ontologically objectively a point of accumulation of different values. These value dimensions do not only dock externally (accidentally) to an originally purely economic transaction. Although the dimension of economic (monetary) values forms the leading difference of an initial economic transaction within the framework of an economic system (system code: \pm payment), all the other value dimensions also shape the ontological nature of the transaction of a yogurt acquisition. In every economic transaction, no matter how trivial, all value dimensions of this universe gather.

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³⁹ The fact that jars with screw caps also perform better ecologically than alternative packaging (such as that with aluminum lids) is an added bonus.

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Michael Schramm is professor of catholic theology and business ethics at the Faculty of Business, Economics, and Social Sciences at the University of Hohenheim since 2001. Before this, he held the chair of christian social sciences at the Faculty of Catholic Theology in Erfurt (1995–2001). He was a speaker of the Association for Social Ethics (2006–2009) and is a member of the German Economic Association and the German Whitehead Society. His main research topics include business metaphysics, transaction ethics, and process theology.

Relational Economics and Organization Governance

Josef Wieland
Stefan Linder
Jessica Geraldo Schwengber
Adrian Zicari *Editors*

Cooperation in Value-Creating Networks


Relational Perspectives on Governing
Social and Economic Value Creation in
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Josef Wieland
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Friedrichshafen, Baden-Württemberg,
Germany

Stefan Linder
ESSEC Business School
École Supérieure des Sciences
Économiques
Cergy-Pontoise, France

Jessica Geraldo Schwengber
Zeppelin University
Friedrichshafen, Baden-Württemberg,
Germany

Adrian Zicari
ESSEC Business School
École Supérieure des Sciences
Économiques
Cergy-Pontoise, France

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Preface

In 2018, the first conference on Relational Economics took place at Zeppelin University in Friedrichshafen. This marked the launch of an international research project that aims to develop an economic theory on the basis of an interdisciplinary and relational epistemology and methodology. The basic theoretical assumptions and goals of this research project were summarized in a concise Relational Manifesto and published with the contributions of the conference in the specially established series “Relational Economics & Organizational Governance” at Springer Nature¹.

In September 2022, the second conference on relational economics was held at the ESSEC campus in Paris, Cergy. It was entitled “Cooperating in Value-Creating Networks—A Relational View”. This book is the tangible outcome of that conference, as it summarizes the discussion at the conference. The book contains papers presented and further elaborated on at the conference, as well as a number of essays written by other scholars in the field specifically for this publication.

According to the initial thesis of this conference, economic and social value creation in the twenty-first century will increasingly take place in networks of companies, governments, academia, civil society, and other stakeholders. Regional, national, global, individual, and collective actors cooperate in such value creation networks and in their interaction, they mutually influence each other and thus the process of value creation on the basis of their interests and values. This makes the adaptability of governance structures for steering these processes an important variable. This applies above all in times of dynamic economic developments and global social upheaval, when the willingness and ability to cooperate economically for mutual benefit is subjected to stress tests at all levels. This was increasingly the case at the beginning of the twenty-first century, and all contributions to the discussion at that time reflected these economic and social challenges.

¹ Manifesto by Lucio Biggiero, Derick de Jongh, Birger Priddat, Josef Wieland and Adrian Zicari in: Biggiero L., de Jongh D., Priddat B., Wieland J. and Zicari A. (2022): *The Relational View of Economics. A New Research Agenda for the Study of Relational Transactions*. Springer, 9–13.

In Part I of this book, “Global Value Networks and Polycentricity”, Josef Wieland and Robert L. Hellpap discuss the resilience and innovative capacity of regional-global networks. They assume that the crisis of global value chains will not end in de-globalization or re-nationalization, but in the emergence of multi-layer networks: a global network of regional networks in which relational space plays a crucial role. In his contribution, Jacob Dahl Rendtorff explains that the consequence of the regulations of the EU and some of its nation states are companies that, because of legal requirements to report their contributions, become socially responsible actors in global networks. In their analysis of environmental disclosure in Italian SMEs, Eduardo Crocco and Adrian Zicari show that it is the interplay of societal and individual factors that influence the behavior of small companies when it comes to implementing CSR. The Theory of Planned Behavior (TPB), which focuses on the interaction between personal beliefs and specific behavior, plays an important explanatory role in that. Lucio Biggiero’s contribution discusses the formation and diffusion of networks between institutions, organizations, and firms that are not regulated by price mechanisms alone. His contribution aims to explain Inter-Organizational Relationships (IORs) by discussing the strengths and weaknesses of six alternative classifications of these relationships, which reveal the evolutionary dynamics and complexity of the relationship between business and society.

The polycentric nature of modern societies at the level of individuals, organizations, and networks, which explains their dynamics and complexity, is continued in Part II “Relational Leadership and Management” at the level of leadership and management. Derik de Jongh and Stanley S. Ntakumba discuss the challenges of multi-stakeholder management in their essay “[Cultural Complexity and Relational Leadership](#)”. From the perspective of relational social constructionist leadership and the African Ubuntu philosophy, they examine the process in which leadership emerges from the interactions within and between collective actors. Josef Wieland and Jessica G. Schwengber discuss the competencies needed to manage cultural complexity. They conduct a comparative discussion of European and Chinese values, as well as the cultural orientations of the ASEAN states, with the aim of identifying the cooperation risks embedded in them and mitigating them through transcultural learning. From a constructivist and more epistemological perspective, Milton J. Bennett addresses another side of cultural complexity, namely the development of the survivability of multicultural organizations. Diversity management then cannot be limited to perceiving and accepting cultural differences but should be extended to understanding how they are constructed in an organization.

In Part III “Relational Philosophy and Economic Thought” the epistemological discussion of cultural difference and the complexity it drives is deepened by an analysis of fundamental normative forms of thought that structure economic and social categories and discourses in a fundamental way. In his contribution, “[Relationalizing Normative Economics: Some Insights from Africa](#)”, Thaddeus Metz shows how normative ideas influence economic decision-making. The discussion focuses on distributional issues and stakeholder engagement, showing the potential that lies in neglected African traditions to answer these questions. Michael Schramm’s

contribution, “[Value Dimensions of the Transaction—A Proposal of Business Metaphysics for Relational Economics](#)”, deals with the challenge of coherently relating cultural diversity in a shared empirical world. In this chapter, it is economic transactions that form a “point of accumulation”. In his essay on “[The Markets of Truth](#)”, Jan Söffner reflects on the impossibility of monetarizing moral goods like truthfulness. In the language of economists, truth is not a marketable good. It has an economic value; it provides utility, but it has no price. However, it is precisely in the discourse of digital capitalism that this value is called into question, and this leads to its appearance in social discourse in general. Birger P. Priddat argues for a new understanding of the concept of relationality in Aristotelian oikonomia. The associated notions of commonality, friendship, togetherness, and participation as political determinants of the essence of the Greek polis are its “true value”, which arises from the cooperation and commonality of its citizens and constitutes its political economy.

To conclude this introduction, I would like to thank Adrian Ziccari and Stefan Linder for their hospitality at the ESSEC campus in September 2022 on the occasion of the conference from which this book emerged. I would also like to thank Lukas Belser and Jessica G. Schwengber for their tireless editorial support for this book project, which could not have been realized without their dedication and professional expertise.

Friedrichshafen, Germany
October 2023

Josef Wieland

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