Consequences of Virtue Ethics from the Perspective of Economic Public Law

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Abstract

Policymakers in public and economic law, under the influence of ethical schools of thought, seek to distinguish between the current situation and desirable goals, aiming to bridge the gap between what is and what ought to be by employing various instruments. The successful implementation of this process depends on the continuous evaluation of all components of these two main and significant elements, which is generally carried out based on the principles governing public and economic policy-making. Muslim jurists typically derive these principles by referring to foundational sources. Alongside these legal discussions, various economic schools of thought have structured their systems for evaluating policies based on their own purposeful ethical criteria. In this article, through a descriptive-analytical method and under the overarching framework of public law discourse, we aim to examine and explain this topic.

Keywords: Virtue ethics, policy-making, economics, public law, ethical principles.

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1. Introduction

Historically, the formation of classical ideas about political economy has been inextricably linked with public law. Among the most influential thinkers whose ideas have shaped contemporary economic developments is Adam Smith. In *The Wealth of Nations*, Smith emphasized the importance of international division of labor based on national specialization in production, and posited that enhancing productivity and living standards globally is contingent upon free trade. He leaned toward offering arguments and admonitions regarding market laissez-faire. In his thought, the role of the state was restricted to traditional functions. Although Smith never explicitly used the term “free economy,” his recommendation to the state was essentially to leave the market alone. He maintained that the state should exercise control over the market, but without neglecting the maintenance of domestic peace and order. From his perspective, the state was to provide a peaceful environment and promote market coherence indirectly, through institutions such as the police, judiciary, and legislative assemblies. Furthermore, he believed the Great Depression revealed the incapacity of the market to self-regulate, necessitating state intervention in economic regulation.

However, the next generation of political economists initiated the concept of the "welfare state," which, beyond regulating the market, also provided public services such as education, healthcare, transportation, water, electricity, sanitation, and reconstruction. The welfare state implied the existence of deliberate and intelligent standards aimed at establishing a minimum standard of living for all and promoting equality of opportunity. There was no ambiguity regarding the necessity of centralizing all formal institutions to ensure the provision of public services. The welfare state played a role broader than the traditional functions of sovereign rights and privileges and was founded on the objective of delivering welfare and happiness to citizens. The existing literature on the welfare state emphasizes two core principles: the provision of welfare services to ensure survival under a free economy and the existence of a democratic government. Thus, beyond traditional functions, the state undertook the mentioned public services. In this context, the state inherently relied on coercive power to protect its functions. Modern governments have significantly expanded their range of activities and are now responsible for enhancing economic and social development, managing the economy, and ensuring the welfare of citizens. This new movement was advanced through the institution of the modern state. The transformation from “servants of the king” to “public officials and government agents” marked a decisive step toward establishing a specialized and impersonal administrative apparatus. Perhaps the most significant changes in modern governance have been in economic management and the expansion of social welfare.

2. Economic Public Law and the Transformation of the State's Role

The transformation in the role of the state and the consequent transition from the “police state” to the “welfare state” necessitated both greater empowerment of the government and, simultaneously, oversight over that power. The increasing growth of these two opposing poles—power versus oversight of power—as well as their contradictions and conflicts, reflect the need to expand public law.

As a result, public law is a by-product of the development of the state’s socioeconomic functions and has led to an increase in state power. In developed societies, power is a critical and indispensable matter; meanwhile, the relationships among public officials in these societies have become increasingly complex. To moderate these complex relationships, a legal framework is required that guarantees order and certainty while also monitoring the abuse of delegated power. In traditional societies, the state’s functions were highly limited. Among the most important were safeguarding territorial integrity, preventing foreign invasions, levying and collecting taxes, and maintaining domestic security and order. The rapid development of public law in modern societies is a direct result of governmental power. The 19th-century free market theory advocated minimal government oversight and maximum competition within a capitalist and contractually free system. This situation was enshrined in law and governed society. In this system, the state's role was confined to the traditional function of defending territorial sovereignty. The management of economic and social life was not regarded as a state responsibility. However, the principle of a free economy led to the misery of humankind. The unequal bargaining power between labor and employers resulted in the exploitation of workers, which included harsh and sometimes dangerous working conditions and the use of child labor. Ultimately, this led to widespread poverty and the concentration of wealth in the hands of a small portion of society. Following these disasters, it became clear that the state must play an active role in reducing and moderating power imbalances. As a result, a new approach was adopted, granting the state the right to intervene in affairs, exercise social oversight, and regulate private economic enterprises. Consequently, this “negative state” was compelled to adopt a positive role. Over time, and influenced by the idea of “collectivism,” the concept of the “social welfare state” emerged, emphasizing the role of the state in economic and social rehabilitation and in creating societal welfare. Hence, the growth and development of public law became associated with the transformation in the philosophy of the state's role and functions.

The welfare state, in effectively fulfilling these extensive duties and in achieving economic and social justice, is necessarily engaged in direct interactions and confrontations with citizens. Consequently, the attainment of socio-economic justice becomes a key objective and central policy of such a state. It is almost certain that the level of direct contact between ordinary citizens and state officials will significantly increase and become more frequent. Balancing and harmonizing power and justice is the most important task and function of public law.

It is evident that economic and social conditions have led to the emergence and development of the phenomenon of public law. Public law is conceived as a mechanism for monitoring the expanding power of the state. As Lord Acton famously stated, “Power tends to corrupt, and absolute power corrupts absolutely” (Acton, 1887). The concentration of power in the hands of state officials, even if effectively and appropriately monitored and moderated, always poses a potential threat to individual rights, freedoms, and autonomy. Public law is a response to the threats posed by “extremely interventionist states.” In other words, as Massé notes, public law is a by-product and secondary outcome of the existence of extreme states (Massé, 1948).

These “extremely interventionist states,” commonly referred to as welfare states, are products of the economic, social, and political realities of the 19th century. The Beveridge reforms, especially in the area of social security initiated immediately after World War II, aimed to counter five major social evils—disease, squalor, ignorance, unemployment, and want—by establishing protective measures. These reforms, while strengthening previous social policy legislations, signified progress in expanding the scope of citizenship. This expansion led to the extension of citizenship rights from civil and political spheres into the social domain. In other words, it was believed that full membership in a society entailed the right to live a life befitting a civilized human being, according to the prevailing standards of that society.

The dominant theory of that time—namely, the free economy—failed to solve the economic problems and social corruption that led to poverty, neglect, exploitation, and widespread social suffering. Due to an excessive emphasis on individual liberties, government intervention was minimal, and its powers were limited. Public law did not exist in such circumstances. When state power is minimal and limited, the level of interaction with members of society is equally minimal. Therefore, under such conditions, the need for public law as a mechanism for monitoring power was not considered significant.

The evolutionary trajectory of public law parallels the transition from the “police state” to the “welfare state.” The rationale for this transition lies in the necessity of delegating greater power to the state. The problems, deficiencies, and inadequacies of the police state became evident by the end of the 20th century and following World War II. Social hardships, poverty, and the exploitation of the masses sufficed to justify the need for granting greater authority to the state. With increased power, the state assumed new roles to resolve social and economic problems and thereby implement development, social justice, and equitable wealth distribution. Public law was the answer to the problem of power. Public law recognized the need for expanded state authority but simultaneously emphasized that this power must be bounded by appropriate and legal constraints. Controlling the exercise of power and determining its limits constitute the core and ultimate goal of public law.

3. The Position of Virtue Ethics and Public Law

The close relationship between ethics and law is among the major and widely debated issues in the philosophy of law. In certain philosophical systems, this relationship is of such significance that the entirety of legal philosophy is structured around it. For instance, Roger Shiner states: “In analytical legal philosophy, numerous issues are associated with the relationship between law and ethics to such an extent that it allows for a comprehensive study of public law” (Seyyed Fatemi, 2012). In this regard, it is essential to examine the major ethical theories that serve as the foundation for the connection between ethics and law. Therefore, this section discusses various theories that each, in their own way, help us reach a desirable conclusion.

4. Rights-Based Ethical Theory

The rights-based ethical theory, primarily derived from Kantian ethics, makes a distinction between moral rights and legal rights. The central focus of this theory is on what rights and obligations individuals and societies possess from a moral standpoint (Seyyed Fatemi, 2012). The definition of rights-based ethics can be considered as the essence and ultimate form of natural law, grounded in the inherent and a priori principles of human reason.

Hence, moral rights are formulated and determined through rational and ethical reasoning because individuals, by virtue of being human, are morally entitled to certain rights and duties that must be reflected in legal systems and transformed into legal rights, particularly in the realm of public law. However, the reflection of these rights within different legal systems can face obstacles due to various factors such as cultural, social, and political differences (Seyyed Fatemi, 2012).

5. Moral Economics or “Ethonomics”

Now it is time to discuss "moral economics" itself, including its background, early pioneers, and foundational principles. Moral economics is composed of two terms—economics and ethics—with ethics functioning as a qualifier for the noun economics. Thus, in simple terms, moral economics can be defined as an interpretation of the science of economics that incorporates moral dimensions into the analysis, explanation, and policy-making of economic issues.

One of the most notable aspects of moral economics is the term "Ethonomics," which combines "ethics" and "economics." The term originates from the prefix "Eth-" (from *ethics*) and the suffix "-onomics" (from *economics*). Ethonomics was first used in 2005 by DanceNet Café (Frankena, 2019), a student-run business center at the historic campus of Santa Barbara School, which provides local career programs. This center defines ethonomics as a synthesis of ethics and economics and prides itself on being the first to use the term. It promotes ethonomics as a method for earning income through engaging in ethical activities.

However, the term has also been used by others. Christopher Flynn, in 2007, proposed ethonomics as a remedy for corrupt capitalism and the ruling elite of his time. Greenberg also used the term in 2009, explaining that ethonomics refers to moral economics and was utilized within the innovation section of *Fast Company* magazine, particularly in marketing contexts.

Since the early 20th century, following the positivist work of Robbins and later Friedman, economists' interest in ethics declined both theoretically and practically. However, in the closing decades of the 20th century, the adverse consequences of ignoring ethical considerations in economics became apparent. Gradually, the ethical assessment of economic practices—historically, theoretically, and practically—drew increasing attention among economists.

The turning point of this movement was the publication of Amartya Sen's *On Ethics and Economics*, a book widely regarded as a major and influential reference in the field of moral economics.

Sen argues that there is a dissonance between the consciously "non-ethical" character of modern economics and its historical roots, emphasizing that economics originally emerged as a branch of ethics. Not only was Adam Smith—a founding figure in economics—a professor of moral philosophy at the University of Glasgow, but economics itself had long been viewed as a subfield of ethics. Sen points out that, until recently, economics was taught in European universities as part of a degree in "moral sciences." This continued until Robbins, in the 1930s, introduced ideas that diminished the ethical dimension of economics—an approach that has since become dominant, although it was not mainstream prior to Robbins (Singer, 2016).

The reemergence of moral economics began in the late 20th century. Although ethics had accompanied economics since its inception and many economists before Sen spoke on the subject, Sen's influence is particularly significant. Therefore, in this paper, the official reappearance of moral economics is considered to have begun with the publication of *On Ethics and Economics* in 1988.

As of the beginning of 2012, moral economics has had a 24-year presence. If we consider earlier sporadic statements by economists, beginning in the 1970s, that reacted to the negative consequences of the mechanistic approach to economics—particularly in development economics—as markers of the field's emergence, the age of moral economics would extend to about 40 years.

During that time, attempts by economists to raise awareness of the neglect of ethics in economics and to emphasize its importance were largely ineffective—until Sen's book gained widespread attention, bolstered by his subsequent Nobel Prize in Economics (Singer, 2016).

Sen believes that the separation of economic study from ethical inquiry is unjustified because two major concerns in economics are inherently moral: "human motivation" and "the evaluation of societal outcomes." The issue of human motivation relates closely to the central ethical question: "How should one live?" This does not mean that individuals always act in accordance with their ethical beliefs, but rather that ethical obligations influence real behavior.

Sen identifies two sources of economics, both of which are linked to politics in different ways. One source is moral, tracing back to Ancient Greece and Aristotle, focusing on ethics and the moral perspective of politics, and highlighting essential duties in economics. Based on this view, the goal of economics should be human well-being, with wealth accumulation serving only as a means to that end. Thus, economics is inherently connected to ethical inquiry and moral views on politics.

Sen attributes the "engineering" source of economics to thinkers such as William Petty and Léon Walras, who applied scientific modeling to economics (Singer, 2016).

Sen emphasizes the moral origin of economics and argues that modern economics has been weakened due to its disconnection from ethical considerations. Nevertheless, as he himself notes, while his book highlights the absence of ethics in modern economics, he does not present this disconnection as the sole reason for modern economic problems. His aim is to reintegrate deep ethical concerns into modern economic analysis. These concerns include ethical perspectives on motivation and social outcomes, which he believes deserve attention in contemporary economics.

Importantly, Sen does not reject the contributions of the engineering approach to economics. He avoids extremes and instead advocates that economics should give proper attention to its ethical dimensions—not by reinventing the discipline, but by incorporating moral considerations into its existing structure.

In summary, moral economics critiques conventional economics and seeks to reform it, rather than dismissing or discrediting its achievements. Thus, moral economics addresses both the mechanistic (or engineering) and ethical approaches to the discipline. The primary aim of moral economists, led by Amartya Sen, is to reintroduce both theoretical and practical ethical dimensions into economics. This entails encouraging economists to incorporate ethical variables into their theories and urging policymakers to account for ethical principles and social values in the formulation, implementation, and supervision of economic policies.

6. Analysis of the Position of Moral Economics

Every school of thought presents a coherent plan that outlines the values and overarching goals of its society. An economic school of thought is similarly a coordinated system of foundational economic theories developed in accordance with a society's value principles to address economic problems. The divergence among different schools and their varying theories stems from the fundamental principles and values upon which they are based. Among these economic schools, some have emphasized ethics, while others have excluded it from their theorizing and calculations (Tafazzoli, 2015). The earliest economic school to articulate the importance of ethics and the need for its consideration dates back to developments that cannot be properly discussed prior to the 16th century. Discussions of economic issues by earlier thinkers—from antiquity to the Reformation era—were fundamentally distinct from what we now recognize as the modern science of economics. At that time, the concept of the economist as understood today did not exist; rather, philosophical and theological figures such as Aristotle expressed opinions on economic matters within broader philosophical and theological frameworks. Economic life was not viewed as an independent domain of significance, but was evaluated through a moral lens.

The Scholastics derived their ideas from Aristotle, blending his thoughts with Christian teachings to form their academic framework, using dialectical methods to argue and teach their beliefs. They rejected rational inquiry as the primary path to knowledge, considering faith to be sufficient for attaining awareness. The Scholastics opposed new ideas, even those aimed at solving practical problems in daily life. As mentioned earlier, moral economics emerged as a response to the failures of the mechanistic approach to economics and advocates for innovative, global solutions to economic challenges. While it advocates moralizing economics, this does not imply a Scholastic-style imposition of ethics without logic or reasoning. Moral economics does not reject the engineering approach to economics and acknowledges its role in fostering economic development in many countries. The criticism lies not in the existence of this approach, but in the failure of modern economics to account for ethical values in morally relevant phenomena. In cases where ethics are irrelevant, the forced insertion of ethical considerations might even prove counterproductive.

Therefore, moral economics avoids extremes and does not embrace the dogmatism of the Scholastics in their treatment of economics. This does not mean, however, that there are no shared general principles between the Scholastics and advocates of moral economics. Moral economics similarly leans toward normative economics, though this does not mean it neglects the positive aspect of the discipline. In clear and simple terms, moral economics is free from Scholastic dogmatism and extremism. It seeks to resolve economic issues that have largely arisen due to the neglect of ethical concerns. Consequently, although the term "moral economics" might, at first glance, evoke associations with Scholasticism in the minds of economics professors or students, a comparison of the origins, development, and doctrines of both traditions makes it evident that moral economics cannot be categorized within the Scholastic school.

As for the classical school, it is true that economists who defend ethics, including Amartya Sen, consider Adam Smith to be a moral philosopher and cite him as evidence of the historical relationship between ethics and economics. However, this does not imply that moral economics is a subset of classical economics. Some foundational principles of the classical school are indeed questionable or unjustifiable from the perspective of moral economics. Economists advocating for moral economics—especially Amartya Sen—view Smith as a bridging figure between the disciplines of ethics and economics. Smith's *The Theory of Moral Sentiments* enjoys significant popularity among advocates of moral economics, serving as evidence of Smith's ethical orientation as the father of modern economics and a professor of moral philosophy at the University of Glasgow.

If the classical school were limited to Smith alone, it would be easier to categorize moral economics within it. However, the reality is that Smith was merely the founder of the classical school. Many classical theories were derived from his ideas, but the school continued beyond him with figures like David Ricardo, who paid little attention to the role of ethics in economics and developed theories accordingly (Keith, 2020, p. 45). Thus, classical economic theory comprises contributions from Smith through to John Stuart Mill. The mere acceptance of Smith by moral economists and their emphasis on the ethical foundations of his work does not suffice to classify moral economics as part of the classical school. Moreover, many classical school principles are criticized by moral economists like Sen. For instance, in his work on "rational behavior," Sen critiques the classical definitions of rationality—namely, "internal consistency of preferences" and "maximization of self-interest."

Sen does not accept internal consistency of preferences as a sufficient condition for rationality. He writes: if a person acts in a way that clearly contradicts their ability to achieve desirable outcomes—yet does so with perfect consistency (for example, surrendering a competition with a large prize due to pity for their opponent or their opponent's family)—this person can hardly be considered rational, even if their rigid consistency provokes admiration or astonishment in an observer. He adds that even the theory of mere internal consistency is not a fully coherent theory, as what we consider consistent within a set of choices depends on our interpretation of those choices and characteristics external to the choice itself (Bekkers et al., 2023). In moral economics, individuals give without expecting returns. They help their neighbors. Classical economics rejects state intervention in markets and holds that the state should only intervene in times of crisis. Otherwise, individuals pursue their self-interest, and since everyone strives and progresses through their own efforts, society as a whole will also advance.

However, the emergence of environmental crises in the 20th century clearly demonstrated that individual pursuit of self-interest does not necessarily result in societal benefit. Individuals or firms seeking to maximize their gains may exploit natural resources unsustainably, violating not only the rights of future generations but also those of their contemporaries in other parts of society or the world. A country's industrial progress may not only be accompanied by uneven distribution of production benefits but also cause environmental damage—such as water and air pollution—that does not remain geographically contained. Regardless of whether the benefits of increased production are distributed fairly within the country, the environmental degradation itself, arising from the overexploitation of nature in pursuit of higher economic standing, poses serious ethical challenges (Konow, 2020; Nozick, 2016).

7. Reasons for the Growing Importance of Moral Economics in the Late 20th Century and Early Third Millennium

The Scholastics, drawing on Aristotle's ethical theories and combining them with Christian principles, attempted to enforce their specific moral interpretations—often dogmatically—through argumentation. Adam Smith, as the father of modern economics and a professor at the University of Glasgow, was one of the most prominent advocates for linking ethics and economics. His book *The Theory of Moral Sentiments* is rich in ethical content (Pejouyan et al., 2020). A study of this book, along with *The Wealth of Nations*, reveals Smith's deeply intertwined ethical beliefs. After Smith, economists like Malthus and John Stuart Mill continued to promote his ideas. Thus, throughout the classical period, economics was considered a moral science.

However, the neoclassical school, in its effort to professionalize economics and distinguish it from other disciplines like ethics, facilitated the fading of the historical relationship between ethics and economics. Although the neoclassicals did not explicitly reject the connection between ethics and economics, their theories effectively marginalized ethics. Nevertheless, until the dominance of Alfred Marshall—the most renowned neoclassical economist—economics was still widely considered a moral science.

Geoclassicists, who emerged alongside the neoclassicals, drew inspiration from Henry George's critiques of classical economics, especially its neglect of ethical issues such as environmental degradation, land use, natural resources, and justice. Georgist economic views were explicitly ethical. Scholars from the historical and institutional schools gave ethics greater importance. Thinkers like Max Weber and Werner Sombart emphasized the role of religious ethics in driving economic progress.

In summary, until the early 20th century, there was no major rift between economics and ethics. This separation only materialized when Lionel Robbins, through his writings and lectures, formalized the distinction between the two, effectively prompting a farewell between economics and ethics. Until Robbins' intervention, ethics had not been so marginalized. But following his influence and the rise of positivist thought in economics, the divide between economics and ethics became a matter of theoretical orthodoxy.

8. The Success of the Ethical Approach to Economics in Economic Advancement

The engineering approach to economics in the twentieth century was not particularly successful. The absence of ethics in modern economics is considered one of the reasons for this failure. Conversely, certain economic systems in which ethics played a decisive role—preserving the traditional bond between economics and ethics—achieved remarkable economic success. One of the most notable examples is the Japanese economy. Amartya Sen argues that Japan's economic success was not due to the pursuit of self-interest, writing: "In fact, at least in the case of Japan, empirical evidence supports the view that abstaining from self-interested behavior in favor of duty, loyalty, and goodwill played a fundamental role in its industrial success." What Michio Morishima refers to as the "Japanese spirit" cannot easily be subsumed within a simplistic picture of self-interested behavior (Singer, 2016).

What is today considered Japan's comparative advantage in technological competition can be summed up as the principles and values rooted in its culture, derived from teachings transmitted over centuries by major intellectual traditions such as Shintoism, Buddhism, and Confucianism. These values—referred to as distinctive Japanese traits—permeate all aspects of life in Japanese society and are especially visible in management, work relations, and economic and social behavior.

The coexistence of "traditional moral and spiritual values" with "significant economic development," despite earlier twentieth-century claims of an inherent contradiction between economic progress and cultural heritage, is one of the defining characteristics of Japanese behavior. Frugality in consumption and saving with the aim of increasing national production are central features of this moral system and key factors in Japan's major economic achievements. Among the various religions in Japan, Confucianism has a longstanding emphasis on frugality. According to this tradition, individuals must curb their desires and demands for goods (i.e., consume less) and instead devote their full effort to increased production (i.e., produce more). This practice purifies the heart, maintains social balance, and facilitates the attainment of foundational societal goals.

The significance of these teachings lies primarily in the link they establish between economic behavior and the ethical values of a moral system. Emphasis on hard work as a sign of self-sacrifice and devotion, the framing of one's profession as a duty to society, and mindfulness in personal spending—especially avoiding unnecessary and luxury expenditures as an ethical obligation—are all key economic principles within this ethical framework. Thus, the most prominent feature of the Japanese ethical-economic link is the emphasis on modesty and frugality, manifesting in limiting consumption to essentials and avoiding luxuries while maximizing effort and striving for increased production.

While in the twentieth century, the link between economics and ethics was considered a weakness, economies like Japan's, inspired by ethical values, achieved significant economic progress. This ethical-economic relationship in Japan is not limited to the twentieth century or the third historical period of ethics-economics relations as identified by scholars. Rather, it has deeper roots. What was seen as an obstacle to economic development in many countries during the twentieth century became the very engine of progress in Japan. Therefore, the key argument is that ethics should be applied to economics with logical reasoning and moderation—not through excessive efforts to moralize every economic issue without discrimination.

9. Justice from the Perspective of Virtue Ethics

We begin this discussion with an example from Alasdair MacIntyre: imagine an individual engaged in a service job who, through hard work, manages to save a small portion of their income in hopes of covering essential needs like buying a home or funding their children's education. However, rising taxes threaten these plans. Since the individual's income is earned lawfully and through effort, they argue that justice requires that the fruits of their labor remain theirs, and they deem taxation unjust. Consequently, they support a political group aligned with their conception of justice.

Meanwhile, another person—perhaps self-employed or someone who inherited wealth—feels disheartened by the unequal distribution of income, wealth, or opportunity. They are distressed by the fact that, as a result of these inequalities, the poor are unable to improve their conditions. They conclude that redistributive taxation is necessary to fund social and welfare services and believe this aligns with justice. Naturally, they would support a political party reflecting this view (Nozick, 2016).

In this example, based on two theories of distributive justice, the first individual aligns with Nozick's entitlement theory, believing they own what they lawfully acquired through labor. The second aligns with Rawls's theory, arguing that the accumulated wealth (i.e., the first individual's savings) should be redistributed to those in greater need to meet their basic needs, as ownership has moral limits and society must support its least advantaged members.

Cases like these and the broader debate around taxation are not fictional or accidental but are genuinely discussed across various U.S. states. In fact, what Nozick and Rawls overlook is the reality of national identity and citizenship, and the connection individuals have to their countries. Rawls conceptualizes individuals in the original position as if they emerged from nowhere and gathered arbitrarily. Nozick focuses solely on legal relations and ownership (Nozick, 2016).

However, the two individuals in our example are citizens, with national identities, and diverge from both Rawls and Nozick by integrating merit into their conceptions of justice. They appear to favor an older theory of justice—Aristotelian justice—because in any society represented by a state, the shared moral commitments of citizens are not merely instrumental, and legal institutions exist not only to resolve disputes. The kind of patriotism that truly existed in Aristotle's Greece has largely vanished today. This reasoning clearly opposes the modern economic system, and is in conflict with its foundations.

The rule of law must be justified insofar as it relates to injustice. It must be rooted in the virtues of generosity and fairness and must foster and defend freedoms, as in many cases the state fails to do so. The theories of Nozick—and especially Rawls—offer a mechanistic, machine-like analysis of human relations in society, treating individuals as autonomous units. Yet justice is fundamentally tied to norms, and anyone who has ever attempted to define justice has inevitably framed it within a moral-law perspective.

Indeed, each of the three distributive justice theories outlined above is based in ethics. For Rawls, good justice is primarily that which benefits the least advantaged. Nozick emphasizes liberty above all. MacIntyre celebrates personal virtues. If we reexamine these theories closely, we see each rests on a distinct informational foundation: for Rawls, the standard is liberty; for Nozick, rights; and for MacIntyre, desert (based on virtue).

If we are to address the problem of inequality in the twenty-first century from a virtue ethics perspective, we must first define virtuous justice and the behaviors consistent with it. Our analysis of distributive justice from this ethical viewpoint must occur on two levels: the individual (natural person) and the collective (legal person or society).

1. From the perspective of individuals, virtue ethics prioritizes personal virtues, magnanimity, and generosity. The third narrative of distributive justice attributed to MacIntyre is grounded in these principles. The virtue of patriotism, which he emphasizes, is both valuable and necessary. It requires cultivation and education, beginning within the family—the smallest social unit—and extending through public education. Such personal virtues are undoubtedly useful in commercial exchanges, in strengthening competitive free markets, and in promoting just behavior. They are also now considered a form of intangible individual capital.
2. From the societal perspective, we maintain that public policymaking must always be centered on virtue, and therefore on virtuous justice. But what is this justice? Aristotle identifies two general features of justice: the first is respect for law. He states: "...actions that the law commands are those in accordance with every virtue, because the law orders us to perform acts consistent with each specific virtue and to avoid all acts aligned with each vice. Therefore, the actions commanded by law are those that embody virtue in its broadest and fullest sense" (Aristotle, 2020). The second feature is equity, which he regards as aligned with justice. Equity serves to correct general legal rules when they fail to account for exceptional cases.

In addition, Aristotle attributes a principle of proportionality to distributive justice due to its geometric nature. For Aristotle, justice is not merely the mean—it is itself the mean. These characteristics make justice, in his view, a virtuous quality.

Now that we understand these characteristics, we return to the core question of inequality in the twenty-first century. Let us first consider Piketty's response. The proposal of a capital tax has been criticized by proponents of modern public policy and free markets on the grounds that capital taxes apply to the asset itself, not the owner. As a result, such taxes convert assets into capital in a specific form, which then reenters the market. Since returns are diminished, the capital value declines, reducing the incentive to use it. Consequently, investment shifts elsewhere (Rothbard & Matin, 2023).

If applied progressively and globally, this tax structure would destroy incentives for productivity, innovation, and entrepreneurship. As a result, the economic growth rate and living standards would decline. Moreover, Piketty's projections are for the next 50 to 100 years and lack certainty. We must also remember the axiom that future redistribution becomes necessary after present redistribution. Even with relative equality, some will still prefer saving to spending, and others will remain luckier or more creative. Ultimately, capital is the result of prudent consumption restraint. It is created, grown, and maintained through saving.

10. The Return of Utilitarianism to Consequentialism in Moral Philosophy

One of the fundamental dichotomies in ethical theory is that between deontology and teleology. Deontological ethics assesses the rightness or wrongness of an action based on its conformity with a moral duty. If the action conforms, it is affirmed, and the moral will is directed toward it. In this framework, the achievement of a goal or end is not the focus—even though goals such as "the good" are naturally desirable to everyone. However, if the end influences the morality of the act, or if the attraction of the end becomes central to the motivation behind the moral action, that very attraction may gradually prioritize the goal and render the legitimacy of the means and method irrelevant. Eventually, the means—i.e., the act—will become corrupted. Thus, deontology excludes even praiseworthy and desirable ends from the sphere of moral action.

In contrast, teleological ethics evaluates the morality of an act based on the end it seeks. Therefore, while lying is absolutely prohibited in deontology, in teleological ethics, lying is permissible if the intended end is considered good; otherwise, it is deemed wrong. Depending on the nature of the end, additional subdivisions may emerge. The desirable end could be celestial paradise, union with God, or an earthly utopia. Looking at it more concretely, consequentialism is a more narrowly defined version of teleology, meaning that in consequentialism, the outcome of an action is the standard for judging its moral correctness.

For example, from a deontological perspective, a legal norm or contract is deemed moral if it does not violate ethical principles. In contrast, consequentialism holds that a legal rule or contract is justified if the resulting outcomes are acceptable. In utilitarianism, this desirable outcome is "utility." Thus, utilitarianism is categorized under consequentialism and stands in opposition to deontology (or duty-based ethics). Economics, or the economic worldview, from the perspective of moral philosophy, falls under the category of consequentialism because it is outcome-oriented. Liberal economics, which places "utility" at the center of its analysis and views it as its ultimate aim, is inherently utilitarian.

Furthermore, it claims that "experience" proves that humans are "by nature" utility-seeking beings, clearly placing itself in the realm of empiricism, and initially at odds with the realm of rationalism. It is evident, then, that both economics and utilitarianism rely on this "anthropological foundation": that humans are essentially pleasure-seeking and utility-maximizing beings, and that the primary driver of human behavior is the pursuit of self-interest.

In contrast, deontology relies on a different anthropological foundation: (a) humans possess natural animalistic needs and desires, (b) they have pre-moral human inclinations, and (c) they ultimately have moral and rational status. In practice, individuals, based on free will and choice, may operate on any of these three levels. Which view best describes the true nature of humanity? What, in essence, is the reality of human nature?

11. Conclusion

The fundamental foundation of public policymaking in any society and in any field of knowledge plays a vital and essential role in realizing economic justice. Historical investigations in both traditional and modern societies show that recognizing the importance of public policy as a cornerstone of economic transformation and development can be highly promising for achieving justice across various domains in society. Therefore, economic justice is a complex concept that requires the integration of rationality, ethics, virtue, and existing legal frameworks.

The central focus of this study revolved around capital taxation, contemporary wealth distribution inequalities, the emergence of such inequalities, and the role of law and public policy in shaping and responding to these conditions. If a government is genuinely committed to realizing positive discrimination in pursuit of economic justice among its citizens, then, from a theoretical standpoint, it must expand this knowledge field and work toward embedding it in its political, economic, and academic systems.

Although John Rawls, in the modern era, attempted to articulate a theory of justice and although many countries sought to apply this theory in practice, a neglect of the role of public policy led to the undermining of the foundations of a welfare-oriented, justice-centered state in the Rawlsian model. Consequently, in the public domain of society, the role of public policy as a crucial and central pillar for achieving fairness and economic justice must be emphasized.

Simultaneously, the significance of diverse theories of distributive justice has become apparent—from Rawls's emphasis on justice as fairness and prioritizing the least advantaged, to Nozick's defense of individual rights and autonomy, and MacIntyre's focus on personal virtue and moral responsibility in distributive justice.

Given the preceding discussions, it seems that both approaches possess validity and explanatory power within their respective domains. A synthesis of elements from both perspectives could potentially lead to more effective public policies in the pursuit of economic justice. However, it is equally clear that every public policy framework must maintain the flexibility necessary to respond to complex and evolving socioeconomic conditions.

Policy design and implementation aimed at realizing economic justice must rest on rational principles while also upholding human dignity, autonomy, and individual rights. Policies such as progressive taxation to counter the increasing concentration of capital and to foster equitable economic opportunities across all social classes are necessary. Yet, these efforts must also be accompanied by rigorous analysis of taxation impacts and their long-term effects on the economy to prevent unnecessary constraints on innovation, individual effort, and the momentum of the global economy.

Ultimately, an effective economic policy rooted in justice and ethics must be applied in practical settings so as to achieve balance and harmony between individual and collective rights and responsibilities. This can be accomplished through the promotion of a strong cultural foundation based on virtue ethics, along with legal guarantees to safeguard the rights of individuals and entrepreneurs in a sustainable and progressive economic system.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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