
The Moral and Cultural Climate of Entrepreneurship

BY DOUGLAS B. RASMUSSEN

About 40 years ago I learned the following poem. It exemplifies a moral and cultural attitude about not only entrepreneurship, but also the moral purpose of human life itself. Written by Dean Alfange, it is known simply as “My Creed”:

I do not choose to be a common man.
It is my right to be uncommon—if I can.
I seek opportunity—not security.
I do not wish to be a kept citizen,
Humbled and dulled by having the state look after me.
I want to take the calculated risk,
To dream and to build, to fail and to succeed.
I refuse to barter incentive for a dole.
I prefer the challenges of life to the guaranteed
existence,
The thrill of fulfillment to the stale calm of utopia.
I will not trade freedom for beneficence
Or my dignity for a handout.
I will never cower before any master
nor bend to any threat.
It is my heritage to stand erect, proud,
And unafraid, to think and act for myself,
Enjoy the benefits of my creations
And to face the world boldly and say, this I have done.
All this is what it means to be an American.

I seriously doubt that this moral and cultural attitude is prevalent in the United States today. Possibly, it was not even so prevalent when I first learned these lines. But I certainly think it was prevalent at some time in the past in the United States. However, putting aside whether and to what extent such a moral and cultural attitude is or was ever truly present in the United States,

and also putting aside, at least for the moment, what if anything this poem has to do with the United States, I would like to focus on some basic truths that seem to be expressed in, implied by, or at least suggested by this creed.

1. The ultimate source of wealth—both economically *and* morally—is found in the human intellect. Neither the economic capital for material prosperity nor the moral capital for human flourishing can exist without the human mind discovering and making actual the potentialities that nature in general and human nature in particular provide. Without the exercise of the human intellect, no wealth of any form can actually exist.

2. The intellectual insight that is necessary for an entrepreneur to see an opportunity for profit and create wealth is the same insight that is needed for an individual to put together a life in which final goods and virtues are discovered, achieved, maintained, and appropriately enjoyed.

3. This intellectual insight is an exercise of practical reason, which does not occur automatically or without effort. It is something that only the individual human being can initiate and maintain. It cannot be provided by others. It is a self-directed act.

4. When this intellectual insight is appropriately exercised, it is an exercise of the intellectual virtue of *practical wisdom*, and it involves such moral virtues as temperance, integrity, and honesty. It calls forth the ideal of human excellence, of human flourishing, of self-perfection.

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5. The creation of material wealth is one of the necessary final goods of human perfection or flourishing. So, not only is it not wrong to create wealth or profit, it is in fact something that any and every human being needs to pursue. It is something that is good for human beings and ought to be done.

6. The creation of wealth, just like any of other basic goods that constitute human flourishing, must be achieved in an appropriate manner. Here is the wisdom of Aristotle's "doctrine of the mean."

7. Yet what is often forgotten when it comes to the doctrine of the mean is Aristotle's phrase "the mean relative to us." Thus finding what is appropriate amounts to finding what the appropriate balance or weighting of basic goods is *for one as an individual human being*. Each of us has his or her own unique potentialities that need to be made actual. There is no abstract rationalistic recipe or standard or plan here. (Such rationalistic procedures work, by the way, for neither persons nor economies.) So we truly need to fashion our own unique forms of flourishing, and this comes with respect to how to balance and integrate all the goods and virtues of life, including wealth. Each of us needs to, in the words of the poem, *be uncommon, if we can*.

8. None of these activities is done in isolation but always with and among others. We are social animals from the very beginning to the very end; and since we are not limited to any one form of social life, our sociality is ultimately cosmopolitan in nature. We are open to relationships with all of humankind. We are part of what Hayek called "the Great Society."

9. For each of us to pursue his or her own form of flourishing in the great society, we need to create a social and political context whose basic structure is not, as a matter of principle, prejudiced more toward one form of flourishing over any other. We need a context that respects our potential for individuality and our uncommon forms of excellence.

10. As a result, we need a political/legal order whose

structural principles protect that which is both common and peculiar to every person's form of human flourishing—that is, self-direction.

11. Each of us needs to have the possibility of self-direction protected, and the protection of this possibility allows for a political/legal order that is not structurally prejudiced.

12. Such a political/legal order is one whose foundational principles are the basic negative rights to life, liberty, and property.

13. Such a political/legal order does not make virtue or human flourishing its aim. It aspires only to protect liberty and thereby the condition by which it is possible for human beings to be moral agents—namely, self-direction.

14. Given that human flourishing is unique, social, and self-directed, protecting liberty is all to which the political/legal order either ought or can aspire. This is the proper aim of the political/legal order. To aspire for more is both moral folly and rationalistic hubris.

15. Yet reality is knowable, and though it does not guarantee success in life, it allows, for the most part, ample opportunity for people to find fulfillment, if they will but exercise the effort to use their minds and develop the appropriate virtues, *and if we make sure not to create a political/legal order whose structural conditions fail to protect liberty*.

We need to hold liberty paramount, for that protects the possibility of self-direction. This is all that is necessary to justify liberty, but in most cases upholding liberty also opens the door for the economic and moral entrepreneurship required for material prosperity, human flourishing, and civil society.

Liberty Is Paramount

Overall, a world in which entrepreneurs are praised for their virtues and creativity is a world of greater material and moral prosperity. It is a world in which moral virtues are present, but it is also a world which requires that liberty be seen as the paramount value of the political/legal order. Yet the basis for this is


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a certain moral and cultural climate—*namely, one that recognizes the moral imperative of each of us discovering and achieving his or her own unique form of human excellence, or flourishing.*

This returns me to the poem with which I began. I received it from a man who was working at my grandfather's motel in the midwest community of Council Bluffs, Iowa. I remember that the man was a hard worker and had aspirations for becoming rich and fashioning a life that was his own. I also remember that his name was Steve and that he was not born in the United States. He had emigrated from Lithuania.

As far as Steve was concerned, the United States of America was the greatest country on earth because it was based not on virtue, not on religion, not on ethnicity, nor on a history or national character. No, it was

based on what the lady in the New York harbor represented to him and the world. It was based on liberty; and this was all that any person should want, need, or expect.

As I consider the decline of liberty in the United States and what appears to be its moral and economic deterioration as well, I like to remember that a man from Lithuania gave me the poem called "My Creed." This reminds me that the ideals expressed in this poem are not the property of some people who inhabit a particular location, but are ideals for any and every human being. Finally, this reminds me further of one of my favorite statements. It is from Benjamin Franklin—an entrepreneur, a Founding Father of the United States, and a man who lived a great part of his life outside of the American continent. He said: "Where liberty dwells, there is my country." 

The Invisible Hand and the Entrepreneur

The aim for which the successful entrepreneur wants to use his profits may well be to provide a hospital or an art gallery for his home town. But quite apart from the question of what he wants to do with his profits after he has earned them, he is led to benefit more people by aiming at the largest gain than he could if he concentrated on the satisfaction of the needs of known persons. He is led by the invisible hand of the market to bring the succour of modern conveniences to the poorest homes he does not even know.

—F. A. HAYEK
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