



## 3<sup>rd</sup> Groningen – Wharton PPE Workshop

University Library, Groningen (Tammeszaal, 4<sup>th</sup> floor library building, Broerstraat)

### General information

This is a workshop to discuss work in progress from the realm of PPE (Philosophy, Politics, and Economics). Papers will be circulated in advance and participants are expected to read them beforehand. Authors will give a short introduction, followed by a commentary and then a general discussion. The workshop is supported by the Zicklin Center for Business Ethics Research of The Wharton School at the University of Pennsylvania and the Center for Philosophy, Politics and Economics at the University of Groningen. It has been organized by Brian Berkey ([bberkey@wharton.upenn.edu](mailto:bberkey@wharton.upenn.edu)), Lisa Herzog ([l.m.herzog@rug.nl](mailto:l.m.herzog@rug.nl)), and Julian Jonker, and will be held in person at the University of Groningen.

### Registration

If you are interested in participating, please contact the local organizer, Lisa Herzog, at [l.m.herzog@rug.nl](mailto:l.m.herzog@rug.nl). Places will be allocated on a first come, first serve basis.

### Timetable

#### Monday, September 2

- 9.30-10.00 Welcome and round of introductions
- 10.00-11.00 **Michael Schwan (University of Groningen): Patient or Pushing? New Institutional Ownership and the Shareholder Value Orientation of European Nonfinancial Firms**  
**Commentator: Lily Hu (Yale University)**
- 11.00-11.30 Coffee break
- 11.30-12.30 **Lauren Kaufmann (University of Virginia): Repoliticizing Rights: Gender, Development, and the Right to Credit**  
**Commentator: Michael Eigner (University of Groningen)**
- 12.30-13.30 Lunch break (provided for all participants)
- 13.30-14.30 **Daphne Brandenburg (University of Groningen): Think of the Children**  
**Commentator: Aaron Ansell (Bentley University)**
- 14.30-15.30 **Grant Rozeboom (St. Mary's College): The Egalitarian Theory of the Firm**  
**Commentator: Fabian Corver (University of Groningen)**
- 15.30-16.00 Coffee break
- 16.00-17.00 **Ricardo Vecellio Segate (University of Groningen): What makes an applicant for refugee status “trustworthy”? Remote sensing and human introducers as mutually corroborative evidence in asylum proceedings, in between individual and group factual accounts**

**Commentator: Brian Berkey (University of Pennsylvania)**

17.30 Drinks (place t.b.c., for all participants)

19.00 Dinner (place t.b.c., speakers and commentators only)

## **Tuesday, September 3**

9.30-10.30 **Julian Jonker (University of Pennsylvania): Reaction qualifications, condonation, and liberalism**

**Commentator: Frank Hindriks (University of Groningen)**

10.30-10.45 Coffee break

10.45-11.45 **Roland Mees (University of Groningen): Conscience, Corruption and Climate Change**

**Commentator: Annalisa Costella (Free University of Amsterdam)**

11.45-12.45 **Diana Acosta: Rogue Actors and Millian Bots: Emerging Challenges to Public Discourse from Generative AI**

**Commentator: Lisa Herzog (University of Groningen)**

13.00 Lunch (place t.b.c., speakers and commentators only)

## **Abstracts**

### **Michael Schwan: Patient or Pushing? New Institutional Ownership and the Shareholder Value Orientation of European Nonfinancial Firms**

**Commentator: Lily Hu**

Can we identify a systematic correlation between the emergence of new institutional investors concomitant processes of corporate financialization? Shedding light on this issue this paper contributes to the burgeoning literature on the new political economy of the firm in the era of global finance. Conceptually it develops a framework that links the formation of Asset Manager Capitalism – a new corporate governance regime coined by the re-concentration of ownership – to corporate financialization – a multidimensional process affecting the generation and distribution of profits within and outside the firm. Empirically, the paper applies different econometric estimation techniques to a novel and unique panel of 1,472 firms from 31 European countries and 8 economic sectors over the 2010-19 decade. The results show robust, yet ambiguous and surprising associations between Big Three and Sovereign Wealth Fund shareholdings and corporate financialization that deserve further attention. While the acquisition of financial assets by highly leveraged corporations seems to have come to a hold, new institutional ownership correlates with a stronger shareholder value orientation. Future research might investigate further the necessary context factors and potential causal mechanisms behind these variegated trends.

### **Ricardo Vecellio Segate: What makes an applicant for refugee status “trustworthy”? Remote sensing and human introducers as mutually corroborative evidence in asylum proceedings, in between individual and group factual accounts**

**Commentator: Brian Berkey**

In asylum applications, while the burden to prove a “well-founded fear of persecution” rests with the applicant on an *individual* basis, authorities are expected

to contribute their general knowledge about the *collective* situation of relevant population fractions across the region of origin. One implication thereof is that if technology solutions could provide insights on mentioned collective situations, authorities would better corroborate the applicants' factual accounts and establish their identity. This is especially promising if third-party intervenors for the applicants, serving the function of *personal* identity introducers, are corroborated by *group-wide* technology insights. Remote sensing seems particularly suitable to supply collective insights on migratory movements and their potential root-causes on a macroscopic scale, but technology feasibility does not necessarily equate to policy desirability. Indeed, it might further reduce the room for compassionate assessors to believe borderline situations, and for applicants to escape from conditions of structural oppression and vulnerability that fail to fit squarely into the accepted (and obsolete) definition of persecution. Unless global lawmakers expand the boundaries of international refuge and update its terminology, remote sensing remains only marginally preferable over alternative tracking technologies such as global self-sovereign identity wallets.

**Roland Mees: Conscience, Corruption and Climate Change**  
**Commentator: Annalisa Costella**

The number of sources reporting that global climate action is lagging is rapidly increasing. Even though pledges to achieve “net zero emissions by 2050” are made every day, individuals, and institutions in the moral community of high-income OECD countries are failing to take the necessary actions to combat climate change. Stephen Gardiner has introduced the notion of moral corruption for the root cause of an agent's attitudes of complacency and procrastination when it comes to taking climate action, even when such action is supported by the agent's moral judgement. While referring to Kant's *Groundwork*, Gardiner understands moral corruption as “(a) a tendency to rationalize, which (b) casts doubts on the validity and strictness of moral claims, by (c) seeking to pervert their status and substance, and in doing so (d) aims to make those claims suited to our wishes and inclinations, and (e) destroys the characteristics in virtue of which we respect them” (2011, 307). To date, Gardiner's position on moral corruption has been discussed in the literature only a few times. In this paper, I propose a reformulation of Gardiner's concept of moral corruption, which I derive from an analysis of the motivational obstacles that agents experience when they take climate action. I take Kant's account of “radical evil” as a background for my proposal to rename moral corruption to corrupt climate action (CCA). I understand CCA as: (1) pursuing a strategy, (2) with the objective of keeping up one's current, convenient status quo, (3) of deliberately and persistently failing to commit to taking climate action or of failing to take measures that will foreseeably be necessary for one to be sufficiently motivated to keep one's commitment to taking climate action. This means one knows that taking climate action is morally required; however, one does not do the action, since the motivation of mitigating climate change is not strong enough. One does not make the plans that are necessary to overcome the motivational challenges of taking climate action, in both one's individual and one's institutional roles. With this formulation of CCA in hand, the questions I address are: If agents are committed to acting morally in many other situations, then how can they make their non- commitment to climate action compatible with how they understand their agency? How can agents pursue CCA on the one hand, and strive for a virtuous life on the other hand? How should we understand our moral integrity if we fail to take climate action because we choose to

pursue CCA? CCA is incompatible with our deeply held moral principles, by which we are motivated to act, and by which we ultimately measure our character and behaviour. A moral principle that addresses the moral community of high-income OECD countries is that they should right three prevailing climate injustices: High-income OECD countries bear historic responsibility for global warming; they claim a disproportionate share of the remaining climate budget and are least affected by climate change. I argue that agents displaying CCA damage their conscience by compartmentalising it. From the concept of corruption, it follows that there must be someone who acts as the corruptor, and someone or something who is the corrupted – that is, someone or something undergoing the corrupting effect of the corruptor’s action. Agents displaying CCA are thus morally responsible for the corrupting effect of their action on their conscience, and, thereby, face difficulties considering themselves candidates for possessing the virtue of integrity.

**Daphne Brandenburg: Think of the Children**  
**Commentator: Aaron Ancell**

**Abstract:** When and how are children morally responsible for what they do? Parents and educators provide different and seemingly conflicting answers to this question. The legal answer is also ambiguous. Some liberal states have no problem putting an 8-year-old in jail, whereas others would never consider a child to be legally responsible before the age of 18. There is considerable unclarity about what it means to consider a child responsible, about which requirements a child should meet, and about when they can be said to meet them. More clarity would help make sure children are treated fairly, respectfully, and pedagogically when they transgress sociomoral norms.

Unfortunately, ethical theory falls short of providing such clarity. The topic is undertheorized, and the available answers seem to contradict each other. Some philosophers argue (most) young children are to be excused for (most) transgressions, whereas others maintain that (most) young children should be held and considered responsible for (most) transgressions. Both approaches face an applicability problem when it comes to real life scenarios.

In this paper I demonstrate how nurture-based concerns and fairness-based concerns get conflated in theory and practice. I then provide an overarching normative theory of how and when young children can be considered responsible. This theory does not solve the applicability problem, but significantly alleviates it. It can therefore provide guidance in those scenarios where there is uncertainty or disagreement about a child’s blameworthiness. I conclude with the observation that thinking of the children has implications for how we should think of responsibility and justice at large.

**Diana Acosta: Rogue Actors and Millian Bots: Emerging Challenges to Public Discourse from Generative AI**  
**Commentator: Lisa Herzog**

**Abstract:** This paper examines the ways in which generative AI may exacerbate the negative impact of existing technologies on public discourse, and more specifically, on the societal values that freedom of speech is meant to protect. The argument proceeds as follows: Firstly, it elaborates the view according to which the value of a healthy culture of free speech is to preserve the enabling conditions for human knowledge and decision making. I refer to this value as *epistemic resilience* and suggest that it is necessary for the ideal of self-government. Secondly, the paper analyzes three potential

challenges to epistemic resilience stemming from generative AI: (1) the incorporation of engagement optimization into content generation processes; (2) the difficulty of identifying artificially generated content; and (3) the need to place disproportionate epistemic trust on the designers of the technology. Thirdly, the paper addresses the objection that Generative AI serves as a platform for freedom speech and that measures to mitigate its negative impact would violate the right to freedom of speech. Lastly, the paper suggests how generative AI could be employed to promote the value of epistemic resilience.

### **Lauren Kaufmann: Repoliticizing Rights: Gender, Development, and the Right to Credit**

**Commentator: Michael Eigner**

**Abstract:** A proliferation of human rights discourse in business policy, practice, and academia has sought to establish human rights as an undeniable tool for seeking justice within capitalism. Yet, claiming justice for women through the logic of rights poses a paradox. In this manuscript, we explore this paradox through analysis of gender lens investing (GLI), a tool of for-profit capital to address gender inequality. We interrogate, rather than assume, that the evocation of women's human rights—within an industry seeking to fulfill women's "right to credit"—is the most appropriate tool for claiming gender justice in the context of development finance. Instead, claiming equality through rights discourse can be understood as a method of reifying Western hegemony. This project seeks to contribute to and advance the feminist business ethics scholarship on gender in the context of economic development.

### **Grant Rozeboom: The Egalitarian Theory of the Firm**

**Commentator: Fabian Corver**

**Abstract:** How should the ideal of relational equality – of persons relating as one another's moral equals – inform theorizing about the proper structure and operation of firms? Many relational egalitarians think it should do so *negatively*: given that the power encoded in firm hierarchies poses some of the same dangers as objectionable asymmetries of power in other domains, relational equality places constraints on firm structure and operation so as to mitigate these dangers. This rests on "parallel case" argumentation that I find unconvincing. Other relational egalitarians think, instead, that relational equality constrains firm structure and operation *minimally*: we simply need to preserve robust exit rights and basic liberties for workers, given that we don't want firms to disturb wider social relations of equality. This treats firms as mostly uninteresting for relational egalitarianism; they don't contain any distinctive peril or promise for relational equality. A third option, which has been relatively underexplored, is to see relational equality as *positively* informing the structure and operation of firms: relational equality provides one of the guiding principles of firm structure and operation, given the nature of their functioning and role within market (and other social) institutions that properly aim at relational equality. This is to propose an egalitarian theory of the firm, akin to the "economic" theory of the firm that treats the efficiency that market institutions aim at as a guiding principle for firm structure and operation, given the role that firms play in solving transaction cost problems. I want to suggest that, similarly, firms properly play a role in solving relational equality problems that arise in markets and other social institutions.

**Julian Jonker: Reaction qualifications, condonation, and liberalism**  
**Commentator: Frank Hindriks**

**Abstract:** Any evaluation of meritocracy, or the idea of fair equality of opportunity, must make sense of what it is to select someone for a job or other position on the basis of merit. But the idea of merit is difficult to pin down, especially in a diverse society. Let us say that *qualifications* are those criteria that confirm that a candidate for a job will be effective at the job. *Reaction qualifications* are qualifications that are partly grounded in the reactions of any of those with whom a candidate would properly interact on the job: managers, coworkers, or customers (“recipients”). When are reaction qualifications legitimate? But drawing a line proves difficult. Lippert-Rasmussen proposes a Symmetry Thesis: a selector should not select candidates on the basis of a reaction qualification grounded in reactions to trait T just in case a selector should not select candidates on the basis of whether they have trait T. But Symmetry does not explain our intuitive response to all cases. From the contractualist perspective the question about reaction qualifications is an instance of the broader question (familiar within liberal theory) whether it is ever justifiable to another to accommodate attitudes that would be unjustifiable to them to act upon. When does such accommodation count as objectionable condonation of an attitude? I defend the following principle of non-invidious justification i.e. a selector may select a candidate on the basis of a recipient’s reaction to trait T just in case the selector has a justification for doing so that is not grounded in and does not promote the conception of the good that motivates the recipient’s reaction to T. In special circumstances Symmetry echoes this principle’s judgments, though it is not the reason for those judgments.