

The Third Language

It's been said that if you want your students to learn how to define *water*, the last place you send them is to the fishes. In a similar way, the last people helpful in defining today's global financial crisis may be the news junkies. So immersed are they in their craft that they rarely remember that news is *framed* rather than *ordained*. They forget that what we learn always comes to us through a particular frame, language, or paradigm.

That latter word belongs to Thomas Kuhn, whose 1962 classic, *The Structure of Scientific Revolutions*, introduced the idea of a paradigm shift. More on Kuhn in a moment. To understand paradigms, however, just scan the headlines. You'll find that nearly everything we know about the financial crisis has come through the language of either economics or politics. The first language examines wealth, studies numbers, and asks, "Where's the bottom line?" The second language looks at power, tracks influence, and asks, "Who's winning?"

These two languages have become the default languages of journalism. But today's situation – a global economic crisis shot through with political interventions – is rapidly outstripping the capacity of these frames to explain it. Not surprisingly, a third language is coming into play – the language of ethics. Talking not about wealth or power, it talks about values. Instead of asking about bottom lines or winners, it asks, "What's right?"

Under the influence of this third language, what began as a discussion of money has shifted into a conversation about integrity. This shift began slowly last summer. It escalated in October, when former U.S. Federal Reserve chairman Alan Greenspan told a congressional committee that, having trusted overmuch in the markets' capacity for self-regulation, he was in a state of 'shocked disbelief' and re-examining his fundamental beliefs about the economy. It came into startling clarity in December, when New York financier Bernie Madoff admitted to running a Ponzi scheme that destroyed some \$50 billion in investor wealth. By early January it had suddenly gone global and ethical:

- In India, the head of Satyam Computer Services, Ramalinga Raju, resigned after admitting to perpetrating a massive financial fraud within his global outsourcing company.
- In New York, Rene-Thierry Magon de la Villehuchet committed suicide after losing more than \$1 billion of his client's money through Mr. Madoff.
- In Germany, Adolf Merckle, one of the world's wealthiest men, took his own life after losses of \$1 billion.

Put simply, the financial recession suddenly became an ethics recession. No longer about numbers and measurements, it's now about character and identity. But can things really change that fast?

Here's where Kuhn helps. As an historian of science, he was intent on explaining how revolutions in scientific thought come about as we move from, say, Copernicus to Newton, or Newton to Einstein. Though he was writing about science, his thesis helps explain how wholesale changes in thought typically happen:

- Revolutions in thought arise after "frequent and deep debates" over methods and standards, leading to "the need constantly to reexamine . . . first principles" – as Mr. Greenspan was doing.
- They are "generally preceded by a period of pronounced professional insecurity," arising from "the persistent failure of the puzzles of normal science to come out as they should" – showing up today as a lack of confidence in economics itself.
- They grow from a sense that something is "fundamentally wrong" with current ways of thinking, especially in the presence of a "cumulative acquisition of unanticipated novelties" that researchers (or government regulators) can't explain.
- Significant change is less evolutionary than revolutionary, less gradual than sudden, and often encounters significant resistance from the community's most respected members – who sometimes are bankers, brokers, or legislators.

- While such change is sometimes anticipated, usually "no such structure is consciously seen in advance." Instead, the new paradigm "emerges all at once, sometimes in the middle of the night."

True, there are significant differences between scientific and economic change. But what if the analogy works? What if this 'persistent failure' indicates that our 'first principles' are 'fundamentally wrong'? What if this turmoil presages an entirely new order of thought, where ethics is integral to free enterprise rather than simply an adjunct to it?

Let's face it: The old paradigm has failed. The notion that we can successfully ignore the moral context of wealth and power has proved unworkable. As public thought clamors for philosophical depth and personal integrity, the ethics revolution is rolling over us with the speed of a scientific one. How fast our educational systems can shift paradigms – how quickly we can move to require an education in the third language of moral choice – may determine how relevant we remain in this new century. |

Copyright © Institute for Global Ethics 2008

RUSHWORTH M. KIDDER is President and Founder of the Institute for Global Ethics. An earlier version of this column appeared in *Ethics Newsline*®, the Institute's free weekly newsletter (www.globalethics.ca).

