

Business Enterprise in the Logic and Ontological Analysis of Józef I. M. Bocheński

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The article proposes a new look at J. M. Bocheński's OP classical philosophical concept of the business enterprise as a "system" (presented in the text *Zur Philosophie der industriellen Unternehmung*). The referred author analyzed the industrial enterprise – or business enterprise – from the logic and ontological perspective. The discourses conducted in the article focus mainly on: the significance of Bocheński's model (1), the ontological perspective and the author's references to Aristotelian terms (2), the reservations and objections to the concept (especially regarding the role of ownership) (3),

the possibilities of extending the analysis and new interpretations of the concept, with regard to the idea of entrepreneur's contribution to the common good (4).

Key words: Józef M. Bocheński, business enterprise, industrial enterprise, philosophy of business enterprise, logic of business enterprise, ontology of business enterprise, Aristotle, entrepreneurship and ownership, entrepreneur's ethics, common good

Bocheński's model of the industrial enterprise

Analytic approach

Józef Innocenty Maria Bocheński's ideas¹ originated in Thomism. By the start of World War Two he had already engaged especially in the study of logic, making a significant contribution to the history

¹ See entry: "Bocheński Józef", in: *Universal Encyclopedia of Philosophy* (Moskal 2020).

of logic². In this, early period he participated in the “Krakow Circle” striving to apply the tools of mathematical logic to traditional philosophy and to redefine and restore Thomistic philosophy and theology in this way [Wolak 2005]. Over time, he moved toward analytic philosophy [Bocheński 1989]. In his later works, he emphasized the role of Aristotelian thought and pointed out that: “[...] both the medieval and the Enlightenment basic visions contradict contemporary spiritual situation [...]”³. The work *Zur Philosophie der industriellen Unternehmung* belongs to the fourth phase of the author’s intellectual path. This phase is called “the systematic and analytical period” [Porębski 2019: 101]⁴.

The approach proposed in the philosophy of enterprise has significant value regardless of the axiological perspective (of the author or the reader) – it is rooted instead in the author’s identification with analytic philosophy. Such philosophy “[...] does not create all-encompassing systems and makes no claim to construct or to defend a worldview. It conceives itself as simple analysis.” [Bocheński 1987 (in translation): 1.1]⁵.

Bocheński also emphasizes that the analytic approach allows a philosopher to become competent in areas and topics mainly associated with other disciplines. In the context of the industrial enterprise, first and foremost he means economics.

² Cf. Bocheński 1961: passim.

³ Bocheński 1990₂: 261 (section V); cf. *ibid.*: “Hence, the essence of the contemporary crisis is the break with the basic vision of the Enlightenment and to a lesser degree with the vision of the Middle Ages, though both of these continue to affect the masses.” (p. 259, section III);

⁴ Bocheński became close to analytical philosophy already in an the earlier period, thanks the influence of the Lvov–Warsaw school – cf. Jadacki 2009: 48; Woleński 2013.

⁵ Some Aristotelian elements discernible in Bocheński’s analysis should not be the reason to label the work as belonging to the “Thomistic school”. The references to the thought of Thomas Aquinas do not contradict the general analytic attitude of our Author.

The production enterprise conceived as a system

The concept of enterprise used in the work is quite extensive. The title includes the German word *industriellen* (*die industriellen Unternehmung*)⁶, but the author notes that the concept can be applied to agricultural production as well, as the difference between industry and agriculture is entirely negligible in this respect [Bocheński 1987: 1.2]. Moreover, it seems to apply (although with a small reservation) to trade enterprises and other services. Therefore, it could be translated as “business enterprise”, although this translation may narrow the implication of the concept, because the author also takes into consideration a type of enterprise that is non-profit oriented. It is worth noting that the word “industry” comes from Latin term *industria*, which means professional diligence.

In his analysis of the enterprise, Bocheński applies the concept of “system”, used also in the theory of organization [Czech 1991]. Wojciech Gasparski stresses – in the text published in this volume – the similarity between Bocheński’s and Mario Bunge’s concepts of “system” [cf. Bocheński 1990₁]. Referring to the idea of categories (originating in Aristotle), our author asks if the concept of system is not “a category overlooked by philosophers”⁷ [Bocheński 1987: 2.2]. By applying the concept of “system” Bocheński formulated a more general and universal notion of the business enterprise than typically used in the discourse of economists. This concept can be applied to different types of enterprise, including both very small businesses and large international corporations [Bocheński 1987: 2.1].

In the concept of “enterprise as a system”, the traditional antithesis (which in the author’s day was more crucial than it is today) between capital and labor can be overcome⁸. Even though, as the author writes: “Whoever dreams of an industrial enterprise free of

⁶ <http://www.wirtschaftslexikon24.com/d/unternehmung/unternehmung.htm>

⁷ Along with: thing, property, and relation.

⁸ Bocheński 1994: 65 (entry: “Kapitalizm”); cf. Jacko 2013.

tension is simply dreaming: such enterprise is impossible” [Bocheński 1987 (in translation): 4.6], the proposed systemic concept does combine the interests of various collaborating elements that are necessary for the existence of an enterprise. Moreover, other stakeholders (customers, a local commune, and a state) are taken into consideration and are called “extrinsic elements” of the system.

Ontological perspective

Bocheński distinguishes between goals of different components of the enterprise, and the goals of the enterprise (of the system), as a whole. The latter are called “immanent goals”, arising from the nature of system’s activity and its structure. The main immanent end of the enterprise, conceived as a system, is production of goods – the goal common for all collaborating components (elements of the system). It is worth adding that this main goal of the enterprise cannot be detached from the context of market economy. Production, in this perspective, is inseparably linked to selling goods in the market. The enterprise must offer attractive goods to the market and sell them (achieving profit, at least in long term!), in order to reach its main goal, viz. to maintain and develop its production.

This concept of the main goal alludes to the Aristotelian idea that living beings and things should be perceived in accordance with their fundamental nature or proper function (task, *ἔργον*) [Bukala 2019: 41–42]. In one of the works on Bocheński’s philosophy of the enterprise it is noted the following:

“One can look at an enterprise from an ontological, epistemological, anthropological, or ethical perspective. These studies of the philosopher will also take on a different aspect depending on what is considered first philosophy (ontology – Aristotle; epistemology – Kant; anthropology – Heidegger; ethics – Levinas). For Bocheński, first philosophy was ontology.” [Kmieciak 2013: 170⁹]

⁹ English translation of the fragment and highlights by M.W.B.

In the discussed model, Bocheński analyses the most abstract aspects of the business enterprise – and that corresponds with his understanding of ontology [Bocheński 1974: 290]¹⁰. One should remember that Bocheński was stressing close interconnection between logic and ontology and was advocating close collaboration of these disciplines (contrary to some of his contemporaries, but similarly to some great thinkers of the past, as Uddyotakâra¹¹, Thomas Aquinas, Leibniz, and – in the 20th century – Whitehead) [Bocheński 1974:266].

The main immanent end the social role of the enterprise

According to Bocheński's concept of the enterprise, its essential social role is not supporting social goals, as for example by donating a portion of its profit to non-profit organizations, or creating an optimal social environment for employees. Adopting such goals is not explicitly ruled out by the concept (also for the reason that a favorable social environment at the workplace can facilitate reaching the main objective of an enterprise¹²) – yet the crucial social role of any enterprise, according to Bocheński, consists, first and foremost, in the social utility of its main activity, i.e. the production of goods:

“One gets the impression that some authors would like to make of the industrial enterprise something akin to a unit of the Salvation Army, because then – as they say – it becomes more »social«. They forget thereby that any enterprise by virtue of its immanent goal performs an important social function, viz., the production of goods. This, and nothing else, makes up its social significance.” [Bocheński 1987 (in translation): 4.4].

¹⁰ Cf. *ibidem*: “[...] ontology as it is usually practiced is the most abstract theory of real entities [...]”; cf. p. 282: “In summary, then, Aristotle left: [...] (3) a considerable overlapping of both disciplines (for example, the »principles«, the categories, etc.)”.

¹¹ On Uddyotakâra, a philosopher of the 6th century India, see: Potter 1978: 303 ff. (“UDDYOTAKARA /BHARADVĀJA, PĀSUPATĀCĀRYA/”).

¹² When it comes to supporting an organization, the specific manner of such involvement in many cases may raise some reservations, about which more below.

In volume 17 of the “Praxiology” series dedicated to the issue of entrepreneurship and its values [Gasparski, Ryan, Kwiatkowski ed. 2010], Robert Sirco presented some valuable remarks regarding the involvement of companies in supporting non-profit organizations. In this context, he expressed some reservations about the practice of several corporations, including a selection of cases in the U.S.A., in the considerations entitled “Anti-capitalist capitalists” [Sirco 2010: 160–163]. In his comments, R. Sirco points out the problem of subjectivity in the selection of supported organizations, which may be contested by some shareholders or employees of a supporting organization. Moreover, in some cases, such involvement may be taken as a means deflecting focus away from some violations of ethical rules in the principal part of activity of an enterprise. Therefore, Bocheński’s emphasis on the substantial priority of the main activity of the enterprise (related to “main immanent goal”) seems to be also justified from the perspective of the social role of enterprise.

The ways of extending the analysis

The main end and *bonum commune*

In more general terms, this role can also be understood as a contribution to the common good (*bonum commune*) – although Bocheński does not use this term. In this context, the common good intent is indirect and “formal”, meaning “a general intention”¹³. In a given society, different entities may strive for the common good within their fields of responsibility, and these attempts can sometimes even conflict with each other (the task of reconciling them is to be performed by public institutions that are to strive for the common good, directly, “materially”). Ive Simon – not referring to industrial enterprise, but presenting the question in general terms – explains it in the following way:

¹³ “Formal” does not mean here “apparent”

“[...] Under the assumption that the society with which we are concerned is aiming at a common good, it is stated: 1. That virtue implies love for the common good, willingness to sacrifice one’s own advantage to its requirements. 2. That the common good may be intended formally without being intended materially. 3. That the virtue of the private person guarantees the intention of the common good formally considered, not the intention of the common good materially considered. That society would be harmed if everyone intended the common good not only formally but also materially”¹⁴.

Moreover, the centuries-old textual tradition pertaining to the ethics of economic activity, encourages us to associate the concept of the main goal of an enterprise (proposed by Bocheński) with the common good¹⁵. For example, Matthew of Krakow (†1410) stressed that a merchant’s ethics does not only require fairness in individual transactions, but also requires the general intention of making business useful for our neighbors.

In some cases, the ethical doubts associated with the main goal of an enterprise may emerge. These include a difficult ethical discussion, given that some goods are desirable but do not necessarily benefit their buyers (or may even harm them). The problem is also connected to understanding the freedom of buyers.

Entrepreneur and owner

The significant problem pertaining to J. M. Bocheński’s proposal concerns the meaning of risk and ownership. The author notes that

¹⁴ Cf. Simon 1993: Chapter I, section: “The Volition of the Common Good”; cf. *ibid.*: “5. That the intention of the common good, materially considered, is the business of a public reason and a public will. 6. That the intention of the common good by the public reason and will necessarily develops into a direction of society, by the public reason and will toward the common good considered not only formally but also materially; [...]” (highlights by M.W.B.)

¹⁵ For detailed references see my text *Market (forum) and theft in the historical perspective: back to the concept of Paolo Prodi*, published in this volume of “Prakseologia”, footnote 22; see also: Bukala 2012: 209–210.

different elements of a system can be involved in the management of an enterprise, viz.: capital, employees, the local commune, region. Nevertheless, risk, responsibility and legal liability related to the activity of any enterprise are essentially bound to its ownership.

From the point of view of the theory of organization, an enterprise can be viewed as “a system” in which the collaboration of different elements is of essential importance. However, from the juridical point of view, the owner of an enterprise assumes the risk and liability. In the history of ethics, such responsibility always had a crucial role in the moral justification of business profit [Bukala 2014]; in the contemporary context, this role of business risk received particular emphasis in the framework of the Austrian School [Kirzner 1995].

Admittedly, Bocheński was right when he wrote that in our epoch an enterprise is not as often the property of an individual capitalist-entrepreneur as it was in the 19th century. In such conditions, the functions of an entrepreneur in many cases cannot be performed by an owner (or owners). Then, the functions of the entrepreneur must be in some way, divided among different persons. Another reason is that the legal understanding of the term “entrepreneur” is linked to ownership.

From the perspective of business ethics, three functions of the entrepreneur are mostly set out, referring to an industrial enterprise [cf. Gogacz 1995: 62]. The first is the function of *originator*. It is to create an enterprise which includes the idea of manufacturing certain goods, corresponding with the current and future (predicted) market conditions. The second is the function of *organizer*. It is about organizing an enterprise and the process of production, viz. unifying different collaborating components. The third function is *risk/responsibility bearer*. It is mainly about securing the return of investments and gaining profit, and in addition – responsibility for the social consequences of the enterprise activity [*ibid.*: 62–63]. The last function also requires virtues and efficiency

in choosing the golden mean between a possible increase of profit and an unreasonable increase of risk.

Bocheński's systemic analysis of the industrial enterprise brilliantly features the second of the mentioned entrepreneur's functions: the role of organizing business and unifying different components (although their interests may be in conflict) into a cohesive system. However, this analysis takes less account of two other functions, viz. the functions of originator and risk-bearer. The two latter functions cannot be overlooked, especially in the perspective of changes in time. Both require the abilities of predicting future changes in the external environment. Both pertain the role of owner more than that of manager.

Conclusions

Józef Maria Bocheński proposed the philosophical model in which industrial enterprise is conceived as a system. This analysis may also be applied to agriculture (as the author notes), and even – with some reservations – to commercial undertakings and services of different types. Therefore we find here the philosophical concept of the business enterprise. The discussed concept cannot be reduced to the methodology of economics (or philosophy of the science of economics), but also has an ontological character¹⁶.

In the framework of this concept – contrary to the approach prevailing among businessmen, and in economic theory – the main immanent end (goal, *finis operis*) of the enterprise is defined as the production of goods (which may seem banal, but actually it is not!). The main immanent end unifies different cooperating elements of the enterprise (elements of the system), despite their varied motivation or opposing interests. *Nota bene*: the main goal is understood

¹⁶ According to Bocheński, three philosophical sub-disciplines are fully distinct from natural sciences and other specific sciences: ontology, axiology and metaphysics – cf. Policki 2005: 76.

here in the market context, therefore market success, being a secondary immanent goal, is considered as the indispensable condition of production development¹⁷.

The proposed concept of entrepreneur features excellently its organizational function. However, two other crucial functions – the function of originator of an enterprise and the function of risk/responsibility-bearer are reflected to a lesser extent.

Further analyses of the latter functions can shed the light on the question of the entrepreneur's/owner's risk and responsibility, and may inspire a new outlook on risk in terms of business ethics. Moreover the production of goods (or provision of services) which is the main enterprise' goal, may be also perceived and described – due to the inspiration of classical philosophy – in terms of the contribution to the common good (*bonum commune*). These may be the directions of “further research” that father Bocheński encourages us to conduct.

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¹⁷ The author was a strong opposer of so called “real socialism”.

¹⁸ *Zur Philosophie der industriellen Unternehmung*. Lecture given at 1985 March 18th at invitation of Bank Hofmann AG, in Zunfthaus zur Meisen – Zürich

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STRESZCZENIE

Przedsiębiorstwo sfery gospodarczej w logicznej i ontologicznej analizie Józefa I. M. Bocheńskiego

W artykule proponuje się nowe spojrzenie na klasyczną filozoficzną koncepcję przedsiębiorstwa, pochodzącą od J. I. M. Bocheńskiego OP. Autor ten analizował "przedsiębiorstwo przemysłowe" – lub szerzej, przedsiębiorstwo sfery gospodarczej – jako "system", w perspektywie logicznej i ontologicznej. Rozważania prezentowane w artykule dotyczą głównie: znaczenia modelu Bocheńskiego (1); jego ukierunkowania na perspektywę ontologiczną i nawiązań do Arystotelesa (1), zastrzeżeń, które mogą być formułowane (dotyczących zwłaszcza roli własności) (2), możliwości jego nowej interpretacji w kontekście wkładu przedsiębiorcy do dobra wspólnego (4).

Słowa kluczowe: Józef M. Bocheński, przedsiębiorstwo przemysłowe, przedsiębiorstwo sfery gospodarczej, filozofia przedsiębiorstwa, logika przedsiębiorstwa, ontologia przedsiębiorstwa, Arystoteles, przedsiębiorczość i własność, etyka przedsiębiorcy, dobro wspólne