Occupy SLU: Exchange, Entrepreneurship, Virtue, Jesuit Charism

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Beabout and Wilson's article focuses on the peaceful nature of the resolution of Occupy SLU, a remarkable outcome given the extraordinary tension associated with the occupation's context and circumstances. They use the insights of the disciplines of virtue ethics and economics to explain how a situation rife with potential conflict was transformed into a peaceful exchange.

Abstract

The events of Occupy SLU provide an example of how a situation rife with potential conflict can be transformed into a peaceful resolution. In this paper, we draw from the disciplines of economics and moral philosophy to shed light on certain features of the case of the Clock Tower Accords. Viewing the events of Occupy SLU from the perspective of these disciplines brings into focus several themes and important distinctions: the difference between a command-and-control-relationship compared with an exchange relationship; the difference between treating a situation in instrumental terms as a problem suited to a "technological" solution compared with seeing people and contexts from an "entrepreneurial" approach where hidden possibilities await realization; and recognizing the importance of exercising and cultivating good dispositions as crucial for leading well through a period of crisis. Bringing the perspectives of economics and ethics together to consider this case serves as a reminder of important connections between the exchange perspective of economics and the virtue ethics tradition of moral philosophy.

I. Introduction

In the middle of the night on October 13, 2014, an unexpected scene unfolded at Saint Louis University (SLU). More than a thousand protestors streamed onto the campus and settled in around SLU's iconic Clock Tower. A short while later, protestors issued a call over social media – tents and supplies were needed. So began the week-long "occupation" of Saint Louis University, now known by its hashtag: OccupySLU.

The men and women who occupied SLU weren't protesting any action by the university. They were protesting the social injustice of marginalized and brutalized black human beings and communities at the hands of the state, an injustice made all the more salient and raw given the recent deaths of three local, young black men, Michael Brown, Kajieme Powell, and VonDerrit Myers, Jr., all killed by white police officers. Amidst a confluence of events and geographical circumstances, SLU, a Jesuit institution with a social justice mission, emerged as a natural space for protestors to raise their voices and concerns. While many affiliated with the SLU community were supportive of Occupy SLU, others were not. Some

trustees, donors, alumni, parents of students, members of the executive staff, and students alike called for swift action to remove the protestors, by force if necessary. The week-long occupation was tense and chaotic – for the protestors, for students, for faculty, staff, and administrators. (*A more detailed account of this case in its fuller context is available here.*)

In recent years, U.S. college campuses have roiled with protest. Arguably though, Occupy SLU was a singular event in the extent of its tension and in the manner of its resolution. In this paper, our primary focus is the manner of the resolution of Occupy SLU. The tense context in which that resolution took place, though, is important. Just two months prior to the occupation of SLU, Michael Brown, a young black man, was killed by a white police officer in the nearby St. Louis suburb of Ferguson. Historical racial tensions and distrust between the largely white police force and the majority black community in the area exploded into weeks of protest and civil unrest. SLU students (and faculty and staff) were among those out on the streets of Ferguson, protesting – and getting tear gassed and shot at with rubber bullets and wooden baton rounds by police. The Ferguson protests and the aggressive reaction of police to them fueled the Black Lives Matter (BLM) movement. That movement in turn produced a backlash. Conservative commentators called for the BLM movement to be named a hate group. Police groups accused protestors and the BLM movement of inciting a "war on cops."

In the midst of all this tension, two further events produced the critical juncture that culminated in Occupy SLU. Four days before the occupation of SLU, another young black man, VonDerrit Myers Jr., was shot and killed by another white police officer, two miles from the main SLU campus. Coincidentally, the very next day was the beginning of a nationally-promoted "weekend of resistance" in St. Louis. Visitors poured into the metropolitan area, among them celebrities such as Cornel West and Jesse Williams. Amidst the confluence of these events, protestors — toughened, emboldened, wisened by their experiences and encounters on the streets of Ferguson — occupied SLU, a social justice-conscious institution, but also arguably a conservative "bubble" of evident white privilege.

Occupy SLU was thus a situation uniquely rife with potential conflict. Extraordinarily however, over the course of a week, the potential conflict was transformed and a peaceful resolution emerged. The occupation began in the wee hours of a Monday morning. By Friday, protestors and the administration had cooperatively engaged one another and come to a mutually beneficial agreement that ended the occupation, an agreement now known as the Clock Tower Accords. How was a situation rife with potential conflict transformed into a peaceful resolution? We suggest that the disciplines of economics and moral philosophy shed important light on this question.

Economics and moral philosophy connect and intertwine in important ways, especially through the virtue ethics tradition. This relationship may not, however, be immediately obvious. Contemporary neo-classically trained economists are often disciplinary and technical specialists, adept in the application of mathematical, computational, and quantitative methods. It is more common than not that contemporary economists dismiss ethics, either as self-serving and therefore fully captured by the *homo economicus* construction,[2] or as a second-order concern (safely left to moral philosophers) relative to the instrumental value of extensive market activity. Philosophers are sometimes dismissive of economics as the dismal science, or as too focused on narrow financial concerns. Historically though, economists were moral philosophers, deeply concerned with ethical matters. Adam Smith himself held the chair of moral philosophy at the University of Glasgow.[3] Although Adam Smith is typically identified as the father of economics, another moral philosopher may more rightfully claim the title, namely, Aristotle.[4] In one view, the discipline of economics has moved on from Aristotle and Smith and matters of ethics. In another view, evident in recent scholarship, the discipline has begun to rediscover the virtue ethics of Aristotle and Smith. For example, it is increasingly understood that Smith's *Theory of Moral Sentiments* not only characterizes morality as an emergent order just as his *Wealth of Nations* characterizes markets as an emergent order,[5] but also that our moral sentiments imply that the market is both a moral space and a moral teacher.[6] Becker[7] argues that the concept of rationality,

especially as treated by Aristotle, has the potential to tie virtue ethics to economic thought, and in so doing to help us meet head on the *rerum novarum* of our age. More general examples of this rediscovery include Bruni and Sugden,[8] who recently wrote in the *Journal of Economic Perspectives* about "Reclaiming Virtue Ethics for Economics," and Baker and White[9] who have assembled an edited volume on *Economics and the Virtues: Building a New Moral Foundation.*

In the particular context of Occupy SLU, the disciplines of economics and moral philosophy connect and intertwine through the virtue ethics tradition most clearly with respect to the theme of "relationship." More specifically, we suggest that a posture of cooperation, a characteristic of economic acts of exchange (*à la* Adam Smith), was adopted, rather than a posture of coercion. We further suggest that this may have been facilitated by an awareness of the ends towards which human beings should be oriented, along with practicing the virtues integral to human flourishing together in a community. Ultimately, the posture of cooperation avoided a series of formulaic dictates and instead facilitated a situational and contextual approach. As a result, an interdependent community of stakeholders was recognized, facilitating the transformation of a situation rife with potential conflict into a peaceful resolution.

The story of Occupy SLU is a complicated one, with a large cast of characters: administrators, staff, faculty, students, trustees, alumni, activists and protestors. Depending on one's perspective, all of those groups of individuals, or only a subset of them, might be considered stakeholders *vis-à-vis* the events of Occupy SLU, not to mention the Jesuits and members of the local St. Louis community, among others. It is beyond our scope to treat fully all involved with and affected by the events of Occupy SLU. Our treatment focuses primarily on administrators and on Dr. Fred Pestello, as president of SLU, in particular, and to some extent on the protestors and activists. In so doing, we seek to highlight what seem to us key choices that facilitated a peaceful resolution; we do not mean to suggest that no others played important roles in this case.

The remainder of the paper is organized as follows. In sections II and III, we focus on the economic perspective. We first explore how leadership through exchange relationship rather than command-and-control management played an important role in the transformation of Occupy SLU. We then suggest that an entrepreneurial approach to problem solving rather than a technological approach also contributed. In section IV, we explain how the tradition of virtue ethics also provides insight and suggests that the practice of virtue by administrators and protestors alike facilitated the transformation. In section V, we address the role of SLU's mission and Jesuit tradition. We offer concluding remarks in section VI.

II. Exchange versus Command-and-Control

In order to understand how an economic perspective informs *vis-à-vis* the events of Occupy SLU, it is helpful to be aware of two distinct ways that the discipline is defined. Inspired by Lord Robbins,[10] textbooks have long defined economics as the study of the allocation of scarce resources among competing ends. On this account, and in the tradition of modern neoclassical welfare economics, the economic problem is a simple matter of mathematical optimization. In his 1964 presidential address to the Southern Economic Association, Buchanan[11] suggested that economists should turn their attention away from this "theory of resource allocation," and back towards the discipline's historical roots and Adam Smith's observation that human beings have an innate "propensity to truck, barter, and exchange one thing for another." He advocated for economics as the study of exchange, a perspective that understands economics as the study of the pervasive human activity of cooperation.

It is through the lens of exchange and cooperation that the discipline of economics informs *vis-à-vis* Occupy SLU. There are, after all, two general ways SLU's administration might have responded to the occupation of the campus by protestors: with a cooperative, exchange approach or with an adversarial, command-and-control approach. Exchange relationships are mutually beneficial, win-win activities. They take place between equals, in the sense that both parties to an exchange are

empowered as individuals to make their own choices as they freely cooperate. While exchange relationships are ubiquitous, and perhaps most evident in extensive market activity between buyers and sellers, command-and-control relationships govern many of the interactions that take place within organizations such as firms. Within firms, activity is coordinated not by prices, as in market exchange, but by executives and managers who operate as central planners. Within firms, individuals are often not empowered to make decisions themselves, but are obliged to abide the dictates of their managers. To be sure, cooperation of a sort is required, but the nature of the relationship between executives or managers and workers is that of superior to subordinate. It is thus often understood that it is the role of the executive and the manager to take command and to be in control, so as to ensure the efficient functioning of an organization. This administrative management school of thought is rooted in Henri Fayol's age-old five management functions: planning, organizing, commanding, coordinating, and controlling. [12] While the increasing complexity of organizations in today's dynamic and fast-changing environment has led to a movement away from organizational structures oriented to command-and-control, the functions of management found in college textbooks today are essentially those identified by Fayol.[13] In the case of Occupy SLU, one might have thus expected SLU's administration to respond with command-and-control actions, as it sought to fulfill its management function according to conventional understandings and ways of proceeding.

Additional forces also may have militated in favor of a command-and-control, power-based approach to the occupation. SLU has a long history of hierarchical and bureaucratic management, and for many years was governed by a president with an old-style penchant for the tradition of command-and-control. He was known as micromanager and an aggressive CEO with a my-way-or-the-highway approach to decision-making.[14] SLU's board of trustees likewise was seemingly populated by command-and-control-style executives, who perhaps influenced, or at least reinforced, the former president's style. For example, a long-time chairman of the board once made it clear that he understood the relationship

between the administration and the faculty to be that of management versus labor. This confidant of the former president was also known for his channeling of the legendarily tough CEO Chuck Knight. A new president was inaugurated at SLU just ten days prior to the occupation of the campus. While the new president was, in part, brought in to change old ways of proceeding, he inherited an executive staff, a board of trustees, and institutional structures that had all been formed and built up in the context of a command-and-control-style approach to management.

When crisis and conflict came to SLU in the form of Occupy SLU, an impulse to respond with power-based command-and-control was evident. It was clear that some of the executive staff as well as some trustees understood that swift and decisive action was called for. It was also clear that Dr. Fred Pestello, SLU's new president, felt pressure to quickly seize control, to exercise command, and to engineer a solution to the problem of Occupy SLU. After it became apparent that the campus was being occupied, Pestello called together his executive staff and several of the few black members of the SLU faculty. Once assembled, Pestello put the following question to the group: "What's the quickest way to get rid of this problem?" The presence of protestors on campus, notwithstanding their social justice cause, was a "problem" that begged a solution, a solution that perhaps could be engineered — with proper planning, organizing, and coordinating — by the experts in the room and imposed, via top-down command-and-control. A number of stakeholders clearly understood that a particular command-and-control-style solution to the problem was both appropriate and clear: forcibly remove the protestors. As one parent tweeted, "…do SOMETHING…It is a PRIVATE campus…We want our campus back…start acting." Such views were commonly expressed publicly via social media and privately via phone calls to the university. In this view, the protestors had no standing, and their presence on the campus' private property was not justified. Such a judgment further implied that the "problem" of protestors on campus was properly solved by the application of a simple moral rule: if someone occupies your private property, you are within

your rights to have them removed, and you should do so.

Ultimately, Pestello chose not to pursue a rule-based command-and-control-style response to the crisis confronting him. Instead, he chose to engage the protestors. Moreover, he did not engage them from the executive's or manager's typical position as a superior to subordinates. Instead, he chose to engage them as equals, through exchange relationship and the cooperation such an approach implies. Each day of the occupation, Pestello left his office, went down into the fray around the Clock Tower, and interacted with the protestors and community gathered there. After several days of such engagement, Pestello invited a small group of the protestors — two SLU students and two community activists — to a meeting. Strikingly, this meeting has been identified as one of the very first times in the history of the broader "Ferguson" movement (of which Occupy SLU was a part) that protestors on the ground were invited to engage in dialogue and cooperation by an individual in a position of authority. Previously the *modus operandi* of authorities had been command-and-control-style exertion of force. In response to the protests on the streets of Ferguson after Michael Brown's death, authorities dispatched militarized police SWAT teams dressed in full-riot gear to confront the protestors. The result was violence and chaos. Protestors were tear gassed and shot with rubber bullets and wooden baton rounds. LRAD sound cannons were deployed and dogs brought in to incite fear and control crowds. A curfew was imposed, and the Missouri National Guard called in. Although these events served as a clear lesson for some that force in the face of protest can be counter-productive, Pestello's cooperative approach and dialogue with the protestors that occupied SLU is nonetheless a striking contrast.

Dr. Pestello's attitudes and approaches during his interactions with protestors remained consistent with a cooperative rather than an adversarial approach throughout Occupy SLU. During the first formal meeting between Pestello and protestors, Pestello chose not to exert authority. He issued neither ultimatums nor orders. Instead, he asked questions and listened. He made suggestions and solicited reactions. The result was

a mutually beneficial agreement — an exchange in which the protestors offered things of value to the university and in which the university offered things of value to the protestors — that also provided a basis for an end to the occupation.

Exchange relationships can be fragile. Cooperation requires imagination, a sense of fairness, and trust if it is to be sustained. Not long after an agreement had been made, the protestors violated that agreement, primarily based on concerns that the university's administration could not be trusted to abide the promises contained therein. The protestors reneged on a promise they made to end the occupation by 10:30 a.m. on Saturday morning. Instead of vacating the Clock Tower as promised, they asked to speak with Pestello face-to-face. Pestello would have been well within reasonable rights to refuse and simply require that the protestors abide their commitment and be on their way. Instead, he chose again to engage and walked from his office to the Clock Tower to speak with the protestors. Shortly thereafter, with sufficient trust restored, the protestors did abide their promise, and ended the occupation.

In key regards, there is no denying that Dr. Pestello was in a position of authority relative to the protestors who occupied SLU's campus. He chose though not to exert that authority and not to address the problem before him with command-and-control. Rather, he chose to adopt a position of relative equality, and to engage in a cooperative process of exchange with the protestors. In the absence of a counterfactual set of events, one cannot know if command-and-control might have been more effective. It seems likely though that the exchange approach played a vital role in the transformation of a situation that was rife with potential conflict into a peaceful, cooperative, mutually beneficial end.

Exchange relationship is by definition two-sided; in practice, such a relationship involves multiple parties freely entering into an agreement. While Dr. Pestello held formal authority, in an important regard, the protestors had a strategic advantage. Pestello had much to lose from an extended occupation, in large part because of the significant pressure he faced from stakeholders such as command-and-control-minded trustees, members

of his executive staff, and alumni, as well as concerned parents. He also had much to lose if a forced removal of protestors went badly. In that case, social-justice minded stakeholders would surely have cried out loudly. The protestors, in contrast, had little to lose. Interestingly, the protestors chose not to wield this strategic advantage and exert their own ability to command-and-control. They chose instead to reciprocate Pestello's engagement and to cooperate. During the week-long occupation, the difficult topics of race and class and justice were discussed in both formal and informal conversations around the Clock Tower. It was not unusual in the midst of those conversations to hear young, black protestors coming to the defense of Pestello. In addition, it has been noted by Dr. Stefan Bradley, an historian and expert in black student movements, that the Clock Tower Accords — the agreement that ended the occupation — is par for the course in its content. One might have expected an agreement reached through cooperation to have offered more to the protestors, especially given their strategic advantage. It may be that in the chaos and tension of the week-long occupation, it was difficult for the protestors to organize and ask for more than they did. It seems likely though that their willingness to not push harder reflected what they understood to be honest and fair dealing from Pestello, honest and fair dealing that they chose to reciprocate.

III. Entrepreneurship versus "Engineering"

In his employment of an exchange-based approach to the crisis of Occupy SLU, Dr. Pestello departed from the more traditional command-and-control-style approach often deployed by executives and managers. There is a second way in which his handling of the crisis arguably differed from more conventional management styles. As Lucas's[15] work suggests, two broad categories of problems confront managers – "technological" problems and "entrepreneurial" problems. Conventional management styles often presume that problems are "technological" in nature. In describing an approach to social conflict as treating such cases as technological problems, we mean treating a social crisis situation as a problem to be approached with instrumental reasoning in which

a technical solution can be engineered, based on given information, and in order to maximize some objective. Uncertainty may exist, but it can be measured and entails probabilistic risk. In such a mindset, ends are taken as given, and both the ends and various proposed means are taken as evident. In contrast, the approach adopted by Pestello in which he agreed to enter into an exchange relationship with the activists is more consistent with a conception of the problem of Occupy SLU as "entrepreneurial." The entrepreneurial mindset views goals as emerging, contingent, subject to innovation, and capable of being refined, revised, deepened, and qualified. In the context of entrepreneurial problems, the operational environment, rather than existing in isolation, involves numerous actors who each have their own and possibly disparate plans, and who do not necessarily share ends. As such, the executive or manager has a limited ability to influence behavior and events. In addition, the information environment may be sparse rather than complete. The uncertainty faced is, *à la* Knight,[16] immeasurable and cannot be calculated. In such a context, the extent to which solutions can simply be engineered is limited. Such problems require the application of entrepreneurial judgment. Executives and managers who perceive themselves as facing probabilistic risk are often tempted to engineer solutions to problems based on assessments of expected costs and benefits. If in reality the uncertainty being faced cannot be measured, an inappropriate pretense of knowledge may impede the use of judgment in the decision-making process. While solutions to technological problems can often be engineered or calculated and then imposed, entrepreneurial problems may require a more discovery-based approach and the application of judgment.

Before addressing the particulars of how the administration's approach to Occupy SLU reflects more of an entrepreneurial rather than a technological approach to problem-solving, a brief overview of the economic perspective's theory of firms may be helpful. The notion that the problems faced by firm managers are technological has its roots in Coase's[17] theory of the firm. From an economic perspective, the existence of firms is, at first blush, a puzzle, since economic theory (and much evidence) teaches us

that decentralized decision-making by individuals works. As individuals go about their lives and engage one another in exchange, markets and prices emerge. Those prices so effectively aggregate information and coordinate behavior that millions of strangers can cooperate with one another. It is this cooperation on a massive scale that is understood to have produced the extraordinary rise in prosperity observed in parts of the world in roughly the last 200 years. If decentralized decision-making in the context of markets is so great, the puzzle then is, why do we have firms? Firms, after all, are organizations within which decision-making is centralized and managers coordinate activity via command-and-control. Coase suggested that transactions costs explain firms — the transactions costs associated with the bargaining, the wheeling and dealing, the relationship, required of exchange. Simply put, in complex, dynamic contexts, exchange has clear information advantages over command-and-control. In sufficiently simple, static contexts, however, the ease of command-and-control can dominate the relational work of exchange, leading to the existence of firms. Perhaps not surprisingly, as firms and similar organizations have grown in size and complexity, an alternative theory of the firm has developed, known as the entrepreneurial theory of the firm.[18] In this view, firm management is not a simple technological matter of optimization. Rather, firm management takes place in a context of uncertainty that requires the deployment of entrepreneurial judgment.

The situation of Occupy SLU is arguably characterized by features of an entrepreneurial rather than a technological problem. The actors involved did not fully share ends and had disparate plans. Dr. Pestello was committed to a quick end to the occupation. Some faculty favored an extended occupation. Pestello clearly shared sympathy with some of the goals of the protestors, as evidenced by remarks he offered in his inaugural address, just days before the occupation. He also though prioritized safety and preservation of fundamental operations during the occupation. Protestors' priorities were clearly different, as education in part through the means of disruption was one of their goals. While some students shared protestors' goals, others very clearly wanted nothing more than an end to disruption, so that they might better pursue their

self-interest of maximizing academic performance — the occupation occurred during midterm week. Engineering and calculation approaches to problem solving in the context of an organization within which individuals pursue shared objectives may well be feasible. In the context of an environment populated by individuals pursuing disparate aims, such approaches seem likely to be much less effective.

In addition, the events of Occupy SLU may well have been characterized more by Knightian uncertainty than by probabilistic risk. Nonetheless, Dr. Pestello and some of his executive staff were clearly tempted to engage in calculation of costs and benefits of various actions, as if the risk they faced was probabilistic. For example, before the occupation, Ferguson movement organizers made contact with Pestello and requested that the university host an interfaith event in conjunction with a nationally-advertised "weekend of resistance," dubbed Ferguson October. Those against the proposal couched their opposition in terms of expected brand and image diminution as well as tuition dollar losses due to conditional expected enrollment declines. Those in favor of the proposal tended to take a more judgment-based approach, couching their support in terms of the kind of institution SLU should be and in terms of duty to hospitality and neighbor, rather than in terms of calculable costs and benefits. Ultimately, the latter arguments turned out to be more compelling from Pestello's perspective, as he decided that the event would take place on SLU's campus.

Once the occupation was in full swing, discussions about how to proceed continued to reflect some presumption of probabilistic rather than indeterminate risk. Threats such as student withdrawals, reduced campus visits by prospective students, decreased applications, and fundraising challenges were all considered. Provision of a safe and traditional environment was cited as an expected benefit of a swift removal of the protestors. The possibility that SLU students would be arrested during an effort to forcibly remove protestors was noted. Throughout the crisis, Dr. Pestello maintained a commitment to a quick end to the occupation and prioritized safety and preservation of fundamental operations. Seemingly though, he did not base decision-

making as to the means by which that commitment and those priorities would be fulfilled on an optimization strategy that weighed expected costs and benefits. Rather, he exercised judgment.

Dr. Pestello's choice to approach the problem of Occupy SLU via relationship and exchange was more entrepreneurial than technological. His decisions arguably were more reflective of the exercise of judgment than of the engineering and calculation of a technical solution. Again, in the absence of a counterfactual set of events, one cannot know if the alternative of a more technological rather than an entrepreneurial approach might have been more effective. It seems likely though that his approach was a wise one given the complex and dynamic nature of the problem he faced.

IV. Virtue Ethics

In order to understand how insights from contemporary moral philosophy might add to understanding decisions made in the case of Occupy SLU to engage in exchange and adopt an entrepreneurial approach, it helps to begin with a review of several features of contemporary virtue ethics. In contemporary academic moral philosophy, virtue ethics has emerged as one of three major approaches to normative ethics. For much of the 20th century, especially in the English-speaking world of academic philosophy, two approaches to ethics were prominent, and each focused on the morality of *actions*. One approach, deontology, emphasizes duties and universal human rights; another approach, utilitarianism, emphasizes the consequences of actions. According to these two approaches, the task of moral philosophy is to provide a rationally justified standard for right action; individual desires and goals are taken as given, and actions are subject to moral constraints so long as these can be justified.

Contemporary virtue ethics emerged as a response to problems in the action-based frameworks of modern moral philosophy, and as a response to the apparently interminable debates between and within advocates of deontology and utilitarianism. Elizabeth Anscombe,[19] in her landmark essay, "Modern Moral Philosophy," argued that

philosophers should abandon those frameworks, and instead retrieve insights from the earlier tradition of the virtues, especially from Aristotle. Anscombe's[20] proposal and the ensuing debates have generated a vast literature, including contemporary reformulations of virtue ethics, a renewed interest in ancient traditions that emphasize practicing the virtues, feminist contributions that have shifted the debates in moral philosophy away from focusing on discreet actions in light of detached standards such as duty and utility to consider the importance of cultivating desirable dispositions, attending to care and relationships, and renewing emphasis on questions of character, context, narrative, tradition, and increased awareness of the importance of setting, perspective, shaping desires, and cultivating traits integral to responsible agency, healthy relationships, and human flourishing. Thus, in contrast with tendencies in utilitarianism and deontology to treat human actions as discreet, isolated fragments, virtue ethics involves not only a renewed emphasis on character and community, but also a different sort of epistemology, one which implies continuity over time and attentiveness to developmental characteristics of human knowing along with the dispositions and situated character of human existence in concrete historical contexts and communities. Accordingly, there is a sense in which contemporary virtue ethics re-cast the concerns of moral philosophy as a sort of post-modern response to the frameworks of modern moral philosophy, though there is another sense in which virtue ethics has involved a retrieval of pre-modern concerns with developing those qualities of character and intellect that make for a good human life. In any case, contemporary virtue ethics has taken its place within the discussion of contemporary moral philosophy as a distinctive and prominent mode of moral reasoning.

As noted in section two above, in order for cooperation in exchange relations to be sustained, several dispositions are required: a creative imagination that sees hidden possibilities, a sense of fairness, and the judgment and confidence requisite to enter and sustain trust. Virtue ethics, with its distinctive grammar, provides a highly developed account of such dispositions. A virtue is a cultivated disposition, that is, an acquired human quality that persists across time in various

contexts. The virtues allow one to take up the quest with others in pursuit of worthwhile goods. The pursuit of worthwhile goods includes acknowledging that it is helpful to interact with others in shared deliberation and debate about which goods are worth pursuing in the context of a particular setting. The virtues are acquired first by imitating those more excellent than oneself; deliberately repeating and perfecting the good actions of an exemplary model confirms and consolidates desirable dispositions. Accordingly, desires are shaped by one's actions, and awareness of this makes it possible, to some extent, for one to educate one's desires, especially by deliberately taking up the role of an apprentice on the journey toward mastery of a worthwhile social practice. The virtues hinge on four central excellences that perfect powers of life integral to each human person and well-formed community. Courage brings order and excellence to the urge to fight or flee. Moderation tempers and completes the appetites, especially for food and physical touch. Justice is ordered balance within oneself and in relation to others. Practical wisdom or prudence is excellence in thought guiding action, allowing one to approach the truth regarding the best course of action by discerning a situation in its full complexity, recognizing multiple perspectives. All the other virtues hinge on these four cardinal excellences; the greater theological virtues (faith, hope, and love) flower from these, and countless lesser virtues are corollaries. Thus, patience takes courage, gentleness requires moderating feelings of anger, and gratitude flows from justice to recognize and respond to gifts granted, and so forth. Practicing the virtues in difficult situations requires approaching complicated social conflicts with a creative imagination, good judgment, confidence, hope, and an ability to discern when it is appropriate to treat another person as trustworthy.

The virtues are developed as one increasingly comes to understand oneself as a responsible agent who is a member of a community. Practicing the virtues involves understanding the narrative of one's life and seeing oneself as a co-author in the narrative of one's life-journey. This includes cultivating one's powers of memory and imagination with an awareness of both where one has come from and where one might be going. It also includes an awareness that one is a character

in the life-journey of others; as such, one is a member various communities. The various communities of which one is a member, and the various traditions of those communities, are situated and limited in certain ways. Thus, practicing the virtues involves recognizing that one lives in a world composed of many communities and traditions. The virtues are integral both to the task of becoming a responsible member of the communities and traditions of which one is a part, and to the task of encountering other communities and traditions. Finally, because human existence is a gift we did not give to ourselves, and because any human who is a responsible agent has relied on the gifts of many others who made it possible to develop through periods of vulnerability and dependence, the virtues are required for participating in various relationships of giving and receiving, including relationships in which we voluntarily enter, and relationships in which we find ourselves as a result of circumstances not of our own making.

With this brief background, we might consider how the vocabulary of virtue ethics helps us learn lessons about leadership from the case of Occupy SLU, and how the virtues play a role in exchange and in exercising judgment in the context of an entrepreneurial problem. First, it is worth noting that in the case of Occupy SLU, the cast of characters is complicated; many people played various kinds of leadership roles in this case. In an obvious way, Dr. Fred Pestello played an important leadership role in this case. He had to practice the virtues at several key decision points in this case: in his decision to practice hospitality to welcome an inter-faith program related to the protest movement on SLU's campus, and in his decision to practice humility by seeking out the advice of African American faculty members throughout the occupation and calling in a consultant at the beginning of the occupation, and then to listen to the faculty's and the consultant's suggestion that he should not act from fear, but should instead make a mission-based decision. At the same time, many others practiced the virtues during the events in this case. Listing all of these, and considering the virtues practiced by each, would quickly become tedious, since many people played a role in the complex events of this case. Certainly not every action in this case was an exercise of the virtues, but many people did play

various sorts of leadership roles, and frequently those individuals did so while practicing the virtues. Despite tensions and difficulties, this case included many acts of hospitality, patience, self-control, generosity, courage, persistence, civility, kindness, hopefulness, solidarity, caring, teamwork, creativity, foresight, and good judgment. Rather than seeking to assemble a list of those who practiced such virtues — the SLU administrators, faculty, staff, students, Jesuits, and others associated with the university, along with activists and others who played a role during this case — it seems more helpful to focus on one important chapter in the case: the decision of the administrators and the activists to engage one another in a relationship of trust ordered toward seeking an agreement to end the occupation.

The decision to begin that process, and then work together toward a shared agreement, involved the exercise of the virtues. Both the leaders of SLU and the leaders of the activists practiced civility when they agreed to meet with one another to work toward a shared agreement. In doing so, a relationship that included obvious conflict was able to move forward by virtue of a shared willingness to treat potential combatants as human beings with dignity, self-direction, and intelligence, that is, as persons who have concerns. In doing so, those on both sides of the dispute were able to engage one another as human persons with whom one can enter into a relationship of mutual exchange.

We acknowledge that some who are comfortable with the framework of virtue ethics might find it jarring to glide from a description of agents as "persons who have concerns" or as persons able to engage with others as people gifted with intelligence and freedom to a description of the relationship as occurring in a spirit of "mutual exchange." Such a description might seem to some as oddly economic, and thus divorced from the domain of ethics. This sort of objector seems to presume that economics is a zero-sum game, and that economists are concerned solely with zero-sum contexts in which one person's gain involves another person's loss. In response to such an objector, several things might be noted. First, when we appeal to the spirit of mutual exchange that is the concern of economists, we have in mind positive-sum games in which each

party exercises intelligence and freedom to enter into a mutually beneficial relationship. Further, while we acknowledge that mutually beneficial exchange can be conducted with attitudes and approaches that are not consistent with the complete exercise of virtue, we want to note that lack of virtue is not integral to exchange relationships, while the practice of the virtues in relationships of mutual exchange helps the relationship go more smoothly, as in the ordinary case of buyers and sellers. The one who objects that relationships of mutual exchange are merely economic and thus incompatible with "ethics" may have presumed a suppressed premise that we think is false: in particular, there is a notion found in Kant's duty ethics that an action is moral only when it is difficult for an individual in that it strains the individual's non-moral inclinations and is done from solely a sense of duty.[21] In contrast, the tendency in virtue ethics, with its emphasis on the character of the agent, is to affirm the moral worth of actions done from virtuous dispositions such as honesty, generosity, and justice. Accordingly, actions in an exchange relationship may be morally praiseworthy, including when the participation in such an exchange promotes the self-actualization of the agents involved. Thus, drawing from the language of economics to describe the relationship between SLU's administrators and the activists as an "exchange relationship" is not intended to reduce the relationship to a kind of "moral bartering" that is incompatible with practicing the virtues; to the contrary, we see the two disciplines as complementary in the way each brings into focus features of a complex relationship.

Thus, recognizing that an exchange relationship may involve the practice of the virtues where the parties in the exchange each have something to contribute, we can ask whether certain virtues are most integral in such a relationship. Our answer is rather traditional: the virtues most crucial for such a relationship include justice and practical wisdom. Doing so requires an awareness of the needs and desires of others. An exchange relationship may not be motivated by a sense of moral duty or an allegiance to a set of impartial obligations or human rights binding upon all rational agents, nor need it be motivated by a calculation that the exchange will produce the greatest benefits for the greatest number; however, such a relationship

does seem to involve a willingness to treat the other party to the exchange as a self-directed practical-reasoner.

We might puzzle about the following question: in a conflict situation, what motives does one have for viewing others as potential parties to an exchange relationship? More specifically, we might wonder about the specific individuals in this case: Why did Dr. Pestello seek to address the crisis through negotiated-exchange rather than through command-and-control? Why did he have patience on the last day of the occupation when it seemed that the negotiated agreement was falling apart? Why did the activists decide to trust Dr. Pestello, even as some among them were raising skeptical concerns? These sorts of questions seem to point to the important role that SLU's mission and the Jesuit tradition played in the events of Occupy SLU.

V. The Role of Mission and the Jesuit Tradition

To reflect on the role played by SLU's mission and the Jesuit tradition in the events of Occupy SLU, it is helpful to begin by noting the important relationship between the virtues and tradition. Alasdair MacIntyre, an important voice in retrieving the emphasis on the virtues, has argued that virtues are integrally connected to social practices and traditions:

> So when an institution — a university, say, or a farm, or a hospital — is the bearer of a tradition of practice or practices, its common life will be partly, but in a centrally important way, constituted by a continuous argument as to what a university is and ought to be or what good farming is or what good medicine is. Traditions, when vital, embody continuities of conflict.[22]

On this view, a tradition always includes ongoing debate about what it means to be part of the tradition. Typically, this debate is instigated by two sources. On the one hand, young people who are at the point in their lives in which they are transitioning from childhood acceptance of one's tradition to an adult embrace of one's tradition go through a period of dialectical engagement with

one's tradition, calling into question apparent inconsistencies within one's tradition. On the other hand, members of a tradition who encounter other traditions encounter challenges from the perspective of those in the other tradition. After all, it is common for members of any given tradition to recognize both benefits and inadequacies in alien traditions. Engaging a tradition other than one's own involves making oneself and one's tradition vulnerable to praise and criticism from the perspective of the other tradition. Any tradition that loses the ability to make itself vulnerable to the perspective of others and their challenges — from its own members who are young or from contrarian gadflies or from the perspective of other traditions — is "dying or dead."[23]

The events of Occupy SLU certainly involved challenges to SLU's mission and to the Jesuit tradition. SLU's mission is "the pursuit of truth for the greater glory of God and for the service of humanity."[24] Those who emphasized the last part of the mission, "the service of humanity," tended to see the concerns of the activists as consonant with the social justice concerns of the Jesuits since the time of Pedro Arrupe, S.J., with his reformulation of the purpose of the society in terms of a faith that does justice. On the other hand, some alumni along with some who were part of the SLU community emphasized the importance of having a safe and beautiful campus as a place where members of the community can engage in "the pursuit of truth for the greater glory of God." After all, it's quite reasonable to expect that the university and its agents — especially the administrators and the trustees — would be concerned first and foremost with the safety of the students, especially since the occupation began at the beginning of midterm week.

Something led Dr. Pestello to discern that emphasizing the social justice aspect of the mission as more consonant with what SLU "is and ought to be." That something may have been the Jesuit charism and emphasis on becoming "contemplatives in action." Jesuit mission is service of faith and promotion of justice, in dialogue with diverse cultures and in collaboration with many women and men of good will. Jesuits, in other words, act, and they act on the ground,

for and with others — rather than from a place of isolation. The protestors were led to SLU by this charism. By choosing to engage in exchange, both the protestors and Pestello lived it out.

One might also wonder what helped Dr. Pestello adopt a posture of humility in so many instances throughout the occupation, especially given our modern society's expectation that executives and others in positions of authority be demonstrably in command. Again, Jesuit charism may have played a role. Daley[25] points out that the "third degree of humility" arguably lies at the heart of Ignatian spirituality. The third degree of humility calls a Jesuit to "poverty with Christ poor, rather than riches, insults with Christ loaded with them, rather than honors."[26] Perhaps it also called both Pestello and the protestors to accept and work within the uncertainty they faced, rather than attempt to govern and control their environment and those around them. Perhaps it also helped both Pestello and some of the protestors bear some of the insults they were subjected to when they chose cooperation and rejected coercion, and when they chose reciprocity and rejected their own surplus maximization. A posture of humility may also have made it easier for Pestello to discern that the conditions for a technological solution to the problem that he faced simply did not exist, and that an entrepreneurial approach was needed. The truth can, after all, be complicated.

Finally, we might raise the following question. Granting that SLU's Jesuit mission played a role in helping Dr. Pestello, the protestors, and many others involved in this case, was the Jesuit mission a crucial or necessary condition for the outcome of this case? Suggesting that the Jesuit tradition and SLU's mission did play a crucial role, as we have done, seems to imply some unreasonable conclusions. Does it suggest that such an outcome is possible only at a Jesuit school? This seems too strong, for there are other contexts that encourage engaging in exchange relationships, an entrepreneurial mindset, and practicing the virtues. Also, many students educated at Jesuit institutions will find themselves as members of organizations that do not have the same sort of mission to draw from in moments of crisis. The example of those involved in this case, and the way decisions were made, while certainly shaped by the particular

context in which people involved in the case acted with awareness influenced by features of the Jesuit tradition and SLU's mission, also seems to transcend the particularity of SLU with its distinctive mission to show it is possible to engage others in a relationship of exchange and work with others toward an innovative solution by practicing the virtues.

VI. Concluding Remarks

The events of Occupy SLU were extraordinary in a number of regards, perhaps especially so for the way in which a situation rife with potential conflict was transformed into a peaceful, cooperative exchange. It is perhaps important to acknowledge that even while such a claim seems evident, our treatment has not attempted to situate the events of Occupy SLU within the larger framework of research on social movements or attempted a comparative analysis of Occupy SLU with other protests and means of resolution. We hope that other scholars will take up that project.

It is difficult to know whether there might be generalizable lessons with respect to social conflict to be drawn from the events of Occupy SLU. In particular, it could be that the conditions under which social conflict can be transformed into exchange are specific and narrow. Coase,[27] for example, taught that exchange can overcome the problem of externalities if property rights are clear and transactions costs are low. Are there such conditions under which exchange can overcome the problem of social conflict? In the case of Occupy SLU, a kind of transaction cost problem was overcome in the sense that the group of individuals that actually came together to construct the Clock Tower Accords was small, facilitating agreement. The transformation of social conflict into an exchange may well require that an identifiable, relatively small group of people can come together and engage. Another important condition was seemingly evident in the case of Occupy SLU. Namely, both "sides" recognized that the other had something to contribute. Clearly, Dr. Pestello, in his role as the president of SLU, had resources he could offer in various forms to the protestors. Pestello also seemingly recognized that the protestors had something to offer to SLU as well. A willingness to see the other side of a social conflict as having

something to offer may also be a condition required for the transformation of social conflict into exchange. A comparative analysis of Occupy SLU with other protests might be a fruitful exercise for identifying additional conditions.

There are a number of other lessons one might draw from the case of Occupy SLU. For example, the events of Occupy SLU suggest that leaders facing problems in complex, dynamic contexts should consider the means of exchange relationship as an alternative to command-and-control, and might find it helpful to be able to perceive the problems they face as entrepreneurial in nature, rather than technological. The events of Occupy SLU further suggest a vital role for the perspective of virtue ethics in leader formation. During the occupation, Dr. Pestello as well as protestors certainly faced any number of dilemma-laden decision nodes. It seems evident though that the transformation of conflict into cooperation was driven far less by the application of moral principles and far more by the practice of virtues. Throughout the events of Occupy SLU, it seems evident that questions such as "What kind of person should I be?" "What kind of institution is SLU?" guided decision-making and action in helpful ways.

Lastly, we note that the events of Occupy SLU highlight the important role of discernment in effective leadership. Certainly, an exchange approach to leadership will not always dominate a command-and-control approach. How is a leader to choose which approach to apply to which problems? Likewise, some of the problems leaders confront are technological in nature while others are entrepreneurial. How is a leader to decide which kind of problem is being faced? Some decisions may be best made through the application of a moral rule, while others may call for a virtue ethical approach. How is a leader to pick the best philosophical approach for the decision at hand? Another key Jesuit charism provides guidance: discernment. Ignatian discernment entails distinguishing between ends and means, choosing the means best suited to achieving the end, and detaching from anything not intrinsically valuable. In today's complex, dynamic world, it may be that Jesuit education becomes most distinctive and formative when it

reveals the complicated nature of decision-making and teaches the art and practice of discernment. HJE

Notes

[1] We thank two anonymous reviewers for constructive remarks that helped us improve the manuscript.

[2] George Stigler, "Economics or Ethics?" Tanner Lectures on Human Values (Cambridge, MA: Harvard University, 1980).

[3] For an overview and discussion of the relationship between Adam Smith's virtue ethics and his account of economics, see Thomas R. Wells and Johan Graafland, "Recovering Adam Smith's Virtue Ethics for Commercial Society," and Ryan Patrick Hanley, "Is Smith a Real Virtue Ethicist?" in *Handbook of Virtue Ethics in Business and Management,* ed. A. J. G. Sison (Netherlands: Springer, 2017).

[4] For a detailed discussion, see Ricardo Crespo, *A Re-Assessment of Aristotle's Economic Thought* (New York: Routledge, 2016).

[5] James Otteson, *Adam Smith's Marketplace of Life* (Cambridge: Cambridge University Press, 2002).

[6] Virgil Storr, "The Impartial Spectator and the Moral Teachings of Markets," in *The Oxford Handbook of Freedom*, ed. David Schmidtz and Carmen Pavel (Oxford: Oxford University Press, 2016).

[7] Christian Becker, "Aristotelian Virtue Ethics and Economic Rationality," in *Economics and the Virtues: Building a New Moral Foundation,* ed. Baker and White (Oxford: Oxford University Press, 2016).

[8] Luigino Bruni and Robert Sugden, "Reclaiming Virtue Ethics for Economics," *Journal of Economic Perspectives* 27, no. 4 (2013): 141-164.

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[11] James Buchanan, "What Should Economists Do?" *The Southern Economic Journal* 30, no. 3 (1964): 213-222.

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[18] Richard Langlois, "The Entrepreneurial Theory of the Firm and the Theory of the Entrepreneurial Firm," *Journal of Management Studies* 44, no. 7 (2007): 1107-1124; Nicolai Foss and Peter Klein, *Organizing Entrepreneurial Judgment: A New Approach to the Firm* (New York: Cambridge University Press, 2012).

[19] Elizabeth Anscombe, "Modern Moral Philosophy," *Philosophy* 33 (1958): 1-19.

[20] Ibid.

[21] Immanuel Kant, *Grounding for the Metaphysics of Morals*, trans. James Ellington, 3rd ed. (Indianapolis: Hackett Publishing Company, 1993), 12.

[22] Alasdair MacIntyre, *After Virtue: A Study in Moral Theory* (Notre Dame, IN: Notre Dame Press, 2007).

[23] Ibid.

[24] "Saint Louis University Mission," http://www.slu.edu/about/catholic-jesuit-identity/mission.php

[25] Brian Daley, S.J. "To Be More Like Christ: The Background and Implications of 'Three Kinds of Humility,' " *Studies in the Spirituality of Jesuits* 27, no. 1 (1995): 1-45.

[26] Ibid., 5.

[27] Ronald Coase, "The Problem of Social Cost," *The Journal of Law and Economics* 3 (1960): 1-44.