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Ethical considerations in solving economic problems

ABSTRACT

The article addresses the issue of ethics in business. The positive attitude to ethics declared by some liberal economists confronts business units with new dilemmas. The economic conflicts, wars, and pandemic crisis treated as a challenge for economic recovery highlight the ethical side of choices. In this way, individualistic rationality is confronted with multilateral benefits. The relation between ethical norms and economic criteria considers the point of view respecting human participation in the process of managing a business. As a consequence, ignorance of ethics in business as a concept of applied ethics, which means ethical relativism, leads man to a crisis of values depriving the system of the liberal economy of a sense of orientation and thus hindering the search for rational solutions. Ethics introduces a personalistic dimension to economic considerations associated with an individual responsibility coming from respect for human values and dignity. In the social aspect, compliance with ethics is a condition of mutual acceptance, cooperation, and bonding within the community. Ultimately, the place of ethics in economics is a consequence of the relationship of economics with humans and, at the same time, the attitude of individuals to ethics. Paying more attention to ethical issues serves the humanisation of economic relations, displaces business egotism, and awakens the tendency to cooperate by seeking the common good.

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Introduction

Ethics is of fundamental importance in science and, consequently, in economic concepts, management processes and business. Increasingly, the requirement for ethical conduct in the sphere of public finances, business relations, and procedures within the company is signalled. Ethical conduct should be considered as such choices and actions that are consistent with generally recognised social norms. Although a lot has been said about it, in fact, the approach to ethics in economic relations is quite imprecise.

The article addresses the issue of ethics in some of the most important concepts in liberal economics which create various dilemmas for contemporary business. We all love the Chicago School, but noone writes about what its authors would say about the ethical consequences of the current stage of monetarism, globalisation, financial crisis, welfare disequilibrium, and BLM.

The article is about the implications of the ethical approach to economic problems today and in the future. The pandemic crisis, the devastation of the global economy, the effects of the Russia and Ukraine war and the energy crisis becomes a challenge for economic recovery, which highlights the ethical side of choices. This approach appears in relation to individualistic rationality seeking unilateral benefits as well as social benefits.

It is worth realising the real reasons for the increase in interest in ethics on the part of businesses. They are associated with expectations of increased business security. It means a fairer distribution of benefits, predictability of business, and reduction of various forms of risks and promotes the development of partnership relations and readiness for cooperation from a general economic point of view. Ethical conduct promotes mutual acceptance, harmonious development, cooperation, and elimination of conflicts.

The widespread affirmation of economic freedom, based on the grounds of liberalism, means that ethical issues are marginalised. The lack of ethical reflection in decision-making has an impact on people's choices and social relations; this often means finding irrational or unfair solutions and expressing an objectified approach to man. For these reasons, the look at economic relations from an ethical perspective deserves attention. It is important to be aware of the reasons behind the growing interest in the field of business ethics. They involve, on the one hand, a conflict of ethics with liberalism, and on the other, the search for sources of creativity of human capital, commitment, and responsibility.

The aim of this article is to show the impact of ethics on economic relations and the approaches to this issue in economics and in the modern economy. Our participation in the discussion on this subject arises from the belief that ethics is an integral part of the positive economy, whose impact on management is associated with the quality of human capital and the ability to cooperate. It follows that the relationship between ethics and the subjective side of economic relations is an important research issue, showing a broader spectrum of

relationships than that of the traditional approach to the human factor from the perspective of labour productivity.¹

Ethics as a factor affecting economic relations

Not all economists are aware of the fact that ethical conditions fall, in fact, into the category of basic determinants in management. They result directly from the presence of man in the management process, which means that all his/her economic activities, his/her involvement in work, the choices he/she makes, and the relations he/she forms with other entities are all subject to ethical evaluation.

The role of ethics in relations between business entities is a derivative of compliance with its principles of an individual as well as of public life. Ethics as a foundation of human dignity and social order gives economic relations a human face. While seeking justice, transparency, or economic balance, we resort to ethics, which solves problems and improves economic mechanisms.

Looking at economic issues from the perspective of ethics is, in fact, searching for intelligent solutions that fall within the scope of humanistic anthropology which, thanks to their rational, good, and bringing positive effects approach, meet social expectations. They lead to eliminating harm, damage, and injustice, as well as avoiding exploitation and devastation of the natural environment. Economics as an ethical science is a cornerstone of the world which is fair and exists in solidarity with others; the world which is a premise for cooperation harmonising private interests with those of the public. The ethical logic of business life that protects the common good is contrary to selfish thinking and expanding individual benefits only [Kiwak, 2008, pp. 143–155].

Acting in accordance with the imperative of righteous conduct results from the need to maintain personal dignity and credibility with the environment, and it most fully affirms the essence of the individual as an autonomous subject. The ethical consciousness defining a human attitude towards the environment and oneself can also be considered the basis for building a community. Ethical conduct, on the other hand, as a condition for obtaining credibility necessary for acceptance by the environment, can be considered the basis of social order.

Acting in accordance with ethical principles is an imperative for action by a righteous man. His/her acceptance of ethics expressed in the observance of recognised social norms is an expression of readiness to build correct relations with the environment. The ethical correctness of these relations results from the need to preserve the dignity and credibility of the subject in building relations with the environment. The opposite of an ethical attitude is relativism, which ignores the environment and cuts the individual off from society.

¹ The approach to ethics and moral condition of the financial sector was addressed by Dziawgo, 2010, pp. 100–101.

Violation of ethical principles, which are the foundation of economic life and its legal and moral norms, leads to a loss of trust and exclusion from society. The obligation to comply with ethical principles can be considered an attribute of the rationality of the *homo sapiens* species. Breaking the principle of the priority of reason, which seeks the common good rather than material goods and authorises a new order in the social sphere based on the pursuit of increasing individual wealth, leads to dehumanisation, enslavement, and loss of human responsibility for one's actions. This, in turn, creates a serious threat to the security of an individual as well as of a community.

What is considered ethical in the concept of *homo sapiens* is displaced by the materialistic concept of the rationality of *homo oeconomicus*. The universality of the *homo oeconomicus* model promotes business conduct aimed at increasing wealth at all costs, which may entail exceeding the permissible limits set by ethical principles. Commercialisation turns the sphere of personal relations on purely monetary value by imposing on the public space business rules devoid of an ethical dimension. In striving for wealth and indulging in it without ethical reflection, the difference between social utility and individual pleasure is obliterated, which leads to being addicted to consumption. In this way, *homo oeconomicus* exposes himself or herself to the fetishes of consumerism, pushes ethical values out of human life, changes sensitivity, drowns out his/her spiritual nature and leads to a loss of sense of responsibility.

Perhaps promoting freedom and wealth, which is recognised as the goal itself and the result of good management, leads to marginalising the importance of man and his/her ethical dilemmas. As an outcome of accepting compromises related to crossing ethical boundaries in business, the voice of conscience is barely audible. Man who loves the pleasures of life becomes a slave to material goods and possessions. His/her attachment to and striving for his/her own financial benefits means that he/she does not care about the environment, gives up the common good and eventually, focusing on his/her own ego, stops thinking rationally. Anti-social personalities are then born, cherishing the cult of money, seeing reality unilaterally, accepting injustice as a norm and ignoring evil [Horodecka, 2018, pp. 119–123].

In the atmosphere of loss of values, erosion of family ties, consumerism and of feeling lost, the ethos of human dignity disappears, while the creative potential of the individual, his/her aspirations, entrepreneurship, and opportunities for self-realisation get seriously weakened. These facts deeply affect human personality and have an impact on the quality of human capital. The relationship between economic activity and diversity of quality of life, demographic trends, fertility rates, and the ageing of the population is becoming increasingly clear. The consequences of ethical instrumentalisation ultimately lead to a social crisis and are most often manifested in countries which have achieved a high level of prosperity.

Objectifying man, growing inequality, and supersaturating of democratic clichés, as evidenced by social unrest in many countries, undermines social order and promotes the development of various forms of totalitarianism. We can assume that the common denominator of these social phenomena is the increase of ideological and social conflicts related to the spread of the *homo oeconomicus* model and falling under the trend of the liberal approach to and

thinking about the economy. The model aimed at increasing wealth, in which human work gets reduced to the role of input productivity, overshadows the essence of the humanist dimension of management. Entrepreneurs and managers focused on unilateral benefits have lost their ability and will to search for wise choices and establish fair relations with other entities. The marginalisation of ethical principles gives way to the forces of power weakening, at the same time, prudence, and predictability of economic processes.

One can accept the thesis that the issue of ethics is of key importance to the harmonious development of business, in which economic entities are responsible for the consequences of their decisions. This thesis can be confirmed empirically by demonstrating the effects of ignoring the discussed ethical principles, simply citing examples of deeds, such as abuse, exploitation, exclusion, and injustice, along with others, while, on the other hand, showing the benefits of ethical solutions to various economic issues.

Ethics, which means acceptance and respect for the common sense of social norms in business, has a positive impact on the level of credibility and trust. In this way, it creates a fair human relation as a space for cooperation and creativity of individuals based on responsibility and common acceptance. As a consequence, ethics supports relations by the humanisation of work and fair distribution of benefits. The ethical dimension of human action is understood as an orientation toward honesty, justice, and the common good. An incentive to break through selfish individualism is created by a sense of accountability to society, which reduces the extent of risk; the risk which is often taken when blinded by the vision of wealth. Ethical principles act as a guide of conduct, especially in the long term when the economic rationale is insufficient. They become a strong motivator of economic activity as well as making the right choices and challenges focused on the common good.

Ethical principles as motivators of actions that meet social expectations best serve the aspirations of the individual. Combined with the building of authority, they most strongly appeal to the environment and create role models. Following this path is associated with the development of personality, promotes a sense of dignity, builds awareness of the need for strengthening the community and highlights the importance of participating in promoting values of culture and traditions to be passed on to future generations. Certainly, within this area lies the secret of the deficit, as well as unlimited possibilities, of human sacrifice, man's heroism and creative work, solidarity, and cooperation.

Everything enriches the personality of individuals, serves to create relationships between them, strengthens bonds based on trust and loyalty, and builds up human capital. In this way, an economy that respects ethical principles functions better and provides people with conditions for safe development. On the other hand, a low level of ethics undermines the sense of credibility, spreads chaos, raises economic risk, lowers social confidence, and consequently, disintegrates society.

What is good for the individual does not always serve the community and society. Man cut off from social norms builds his/her own vision of reality subordinated to the pleasures of a hedonistic lifestyle. Guided by self-interest, they gradually lose the ability to recognise

reality, become slaves to material goods focused on their own interests, and give up the common good; they cease to think rationally. As a matter of fact, studies in philosophy and anthropology indicate the need to respect ethics in solving economic problems, which results from the integrity of social sciences with the subjective concept of man.

Collisions concerning the ethical approach and economic dilemmas

It is worth realising the real reasons for the increase in interest in ethics on the part of businesses. They are associated with expectations of increased business security. It means a fairer distribution of benefits, predictability of business, and reduction of various forms of risks and promotes the development of partnership relations and readiness for cooperation from a general economic point of view. Ethical conduct promotes mutual acceptance, harmonious development, cooperation, and elimination of conflicts. From a business point of view, ethics implies personal goals in business, like the self-realisation and successful development of individuals. As a consequence, it boils down to an increase in the creativity of human capital, commitment, and responsibility.

In the science of economics, and following it, in the general public opinion, there is a conviction that economic development is a derivative of the amount of capital engaged in business and the freedom of its allocation. The science of economics sanctifies the role of capital in creating wealth, while it ignores social and individual aspects of creative work that is the mainspring of creating value. The cult of money embedded in institutions and the way of thinking drives the desire to benefit from financial capital and dominate over other entities. The expression of this process is financialisation or, in other words, the dominance of financial sector institutions in the modern economy.

It seems that the followers of financialisation believe that it is possible to control reality and solve all its problems with the help of money and the use of financial mechanisms. This situation should be seen as the reason for the detachment of economics from real economic and social processes. Economics has lost itself in its relation to ethics, the sphere of human values and the common good. This type of science, sterilised of humanistic content, has become incapable of solving problems of social nature, indirectly contributing to the protracted recession. It also turns out that limiting oneself to the sphere of financial mechanisms causes confusion in recognising the consequences of commercialisation of public services, distortions caused by market concentration, the negative effects of globalisation and technological dominance, and finally, as a consequence, in pursuing the economic policy.

Concepts that ignore human values proposed by modern economics are the cause of injustice, imbalance, and growing conflicts over the subject of demographics, food problems, resource exploitation, environmental poisoning, energy balance, global warming, air pollution, etc. They also prove to be inadequate, ineffective, and insufficient in boosting economic

growth despite the surplus of financial capital and low-interest rates. This gap is tried to be filled by penetrating various areas of knowledge. One of the search directions, inspired by psychology and sociology, draws attention to the unutilised possibilities of human capital. The effect of critical thinking in this area, namely, the concept of behaviourism, has become extremely popular in the last two decades, which has resulted in numerous publications and Nobel Prizes.

Ethics and behavioural economics

Behaviourism in economics draws attention to the imperfection of human behaviour that deviates from the postulated model of the *homo oeconomicus*, according to which rationality is equated with economic efficiency. From this concept, it follows that every economic crisis results from a departure from the system and has its roots in human nature, greed, immoderation, lack of prudence and common sense. In other words, anything that deviates from the model of economic rationality is a source of anomalies and deviations caused by human imperfection. In this way, the behavioural approach to economic issues draws the personality of man as an amoral, unethical, self-interested, selfish individual, who has detached his/her expectations and choices from social conditions. As a consequence, society and the public interest are derived from the animal nature of man, which ignores education and culture as carriers of ethical values.

In the rich literature on behavioural economics, one of the most interesting issues is the possibility of comparing the view on the economic crisis of 2007–2009 with the current situation in the economy after the outbreak of the coronavirus pandemic in 2020. A good example would be the book by Bogle, entitled *Enough: True Measures of Money, Business, and Life*, which has received wide coverage in the world's public opinion. This book presents numerous cases of collision of economic behaviour with the principles of ethics. According to its author, the United States of America has become such a power thanks to the severity and sacrifice of the society, while the crisis is the result of corruption caused by being wealthy, an expression of erosion of values and authorities, both of which indicate a moral confusion that, in turn, has led to the loss of the objective view of what is important and good for man. The author cites many examples indicating that the effects of the lack of basic decency in economic policy and business are cumulative and lead to a crisis [Bogle, 2009].

It is characteristic that the author, like other representatives of this trend, does not attempt to search for the deeper causes of the crisis and the signalled anomalies. They point out the irrationality of actions taken by the decision-makers as particular people, without seeing and analysing the processes, thus, defending institutions functioning in the system. They narrow their criticism to the mechanisms of mainstream economics, in which activities for the common good are also considered irrational, including cases when the total value of the common good exceeds the individual benefits. They do not notice any dysfunctions of the economic system,

nor do they propose solutions that would require a critical look at the economic paradigms in light of the ethical norms.

The book shows only some impatience or irritation with crossing the borders of decency in relation to our roles played in business and society, which leads to the loss of hope of becoming better members of professional environments, families, and local communities. “The book is a warning stating that in the ruthless pursuit of success – often illusory – it is easy to lose ‘real diamonds’ and let the poisonous, quickly spreading weeds of unreliability, greed and dishonesty enter our life, i.e., our family or our companies” [Mączyńska, 2009].

What draws attention in the book is the universality of breaking ethical norms and the vehement nature inherent in ethical relativism. This happens in the country which plays the part of the world economic leader, animator of the global financial system, and the main generator of capital supply, commercialisation of life, scientific discoveries and inventions, in short, controlling all the strategic branches of the world’s economy, such as IT, military, aviation, or pharmaceutical industries. It is amazing that despite the unlimited resources of capital that very economic model which ignores all ethical principles has been losing its competition with the Far East in almost all fields of international industries for many years now. The long-term sustainability of the Far Eastern development trends, undoubtedly based on science, philosophy, culture, and tradition, are noteworthy.

The historical context of behaviourism in economics says a lot. Its development covers the turn of the 20th and 21st century period, which is marked by a decrease in the effectiveness of monetarism. It is not difficult to notice that in the publications of this trend there is basically no room for criticism of liberal economics; on the contrary, behaviourism expresses the defence of losing monetarism. In the context of the humanistic dimension of management defined by ethics, behaviourism positions rationality in collision with an elementary sense of sensitivity, prudence, and social justice. It is also surprising that enthusiasts of behaviourism, eagerly referring to psychology and sociology, do not find any ethical inspiration regarding the positive values of the human factor, work ethos, learning ability, creative attitudes, stimulating human creativity, participation, and cooperation, etc. Despite interesting observations, they treat human nature superficially without entering the sphere of consciousness of conduct.

One cannot count on the behavioural methodology to change fundamentally the perception of problems or to heal the economy. The value of behaviourism is lowered by the fact that this trend does not revise paradigms, nor does it support revitalising the traditional liberal economy. What it does, though, is that it defends the established perception, so the behavioural approach does not deserve to be called a new economy. The affirmation of individual interest and the lack of social sensitivity allows for integrating the achievements of behaviourists in the development of mainstream economics, those which glorify wealth, and the cult of money, and thus depreciate the hierarchy of human values.

Ethical utilitarianism in economics

Another important example of the collision between economics and ethics is the trend promoting ethical utilitarianism. Dembinski devotes a lot of attention to this issue in his book *Ethics and Responsibility in Finance*. The author attempts to reconcile the contradictions between finance and ethical issues in their institutional dimension. He distinguishes the concepts of fundamental ethics, which are the basis of moral laws, and applied ethics, which is the source of subjective rationality and which, as ethical, presents those actions that the individual wants to consider as intentional and rational in the pursuit of 'a fulfilled life'.²

The concept of applied ethics is to bring the attitude of financial corporations closer towards ethics. After all, it is not ethics understood as the observance of socially acceptable norms, but ethics as an affirmation of the individual's subjective values. It is based on the perverse assumption that the principles of applied ethics result from the choice of goals that business recognises as motivators of conduct. They constitute a kind of private ethics that gives the individual autonomy to individually determine what is ethical. In fact, it is the opposite. The rules of ethics as universally accepted laws of conduct are immutable, universal, and objective; therefore, by their very nature, they do not depend on the wishful thinking of the individual but indicate the path of behaviour for them by setting boundaries that must not be crossed. Ethical recognition of what seems intentional or beneficial to specific entities is difficult to accept and illogical. Such a position implies the approval of the conduct of entities that reject ethical principles as embarrassing and cause conflict with what is just, righteous, and consistent with the general good.

Applied ethics, therefore, express consent to everything that the entity finds convenient. This concept intentionally reverses the natural order of things. By authorising the intentions of the individual as ethical, it obscures the sense of responsibility. In fact, a person's lack of responsibility towards his/her own conscience as well as society leads to absolutisation and unlimited freedom, as a state in which there are no boundaries warning what to do or not to do, or what the environment does or does not accept.

Combining what a person considers important, beneficial, and purposeful for themselves with ethical conduct essentially means fatal moral nihilism in the social context of the moral standards. A person deprived of ethical sensitivity loses the sense of distinguishing what is good and what is bad, and becomes a dehumanised creature destroying bonds, corrupting the environment and striving for anarchy. Therefore, the promotion of moral relativism poses a threat to human society and its culture, which can cause adverse effects on economic relations.

² "What one sees as rational results from his subjective objectives that provide grounds for choices. This is how an individual secures the consistency of his choices made under diverse circumstances with life as such." Dembinski, 2017, p. 38.

Moral relativism, therefore, excludes ethics because it contradicts ethical norms. The weakening of the ethical imperative of action causes a loss of orientation in search for wise choices, that is those that bring good results for all, and at the same time give permission to do contemptible things. Violation of ethical principles by the individual creates the danger of losing self-esteem, weakens the feeling of confidence and undermines credibility on the part of the environment.

It is not difficult to see that the issue of ethical relativism concerns not only the economy but also other realisations. This phenomenon, expressing the attitude to ethics, quite commonly observed in the Western world, is of fundamental importance in understanding different forms of behaviour, social divisions, and conflicts that we observe in the context of LGBT or BLM (Black Lives Matter). Treating legal norms in a manner analogous to *applied ethics* would essentially mean no sense of guilt and the impossibility of determining guilt, which would stand for a lack of lawfulness and inefficiency of the justice apparatus.

The promotion of ethical relativism leads to the disappearance of criticism and self-control. The principle 'the end justifies the means' that applies here results from the objectified treatment of man and shows the instrumental subordination of ethics to one's interests. Ethical relativism concealing manipulation for utilitarianism has little to do with compliance with ethical principles, which are a value in themselves. The presented concept of applied ethics is part of philosophical individualism, characteristic of liberal economic concepts. The glorification of freedom and the individual approach to ethics in economics serves the interests of those who commit injustice, violence, and exploitation.

The principles of ethics are a basis of social order and harmony with human nature. A deep conviction of complying with them inspires doing good things, alleviating interpersonal conflicts, and disseminating patterns of excellence. In this way, ethical values unite the community and ensure social security. Transferred from generation to generation, they become the heritage of culture and traditions of every nation, while the absolutisation of freedom deprives man, destroys the foundations and disintegrates social structures, weakens the state and creates new forms of risk for the economy with unpredictable consequences. It follows that the concept of applied ethics, as a manifestation of moral conformism, has little to do with a scientific approach to ethics because it is a denial of its deepest sense. The ethical norms that are socially accepted in the art, which are the opposite of moral relativism, indicate a particular caution towards the concept of liberalism as unlimited freedom in determining the boundaries of individual behaviour.

Business ethics as a specific form of applied science

Applied ethics found its fullest expression in a number of concepts, such as: *ethics of beliefs*, *ethics of responsibility* or *business ethics*. It is worth paying more attention to the latter one due to its popularity and non-critical acceptance in the world of science. Business ethics

can be described as a form of conventional ethics relating to the business environment. It is not difficult to recognise whether its content is an expression of the dissemination of the principles of ethics in a good sense, or whether it is aimed at promoting the interests and image of corporations, according to which what is good for business is ethical. Business ethics, being at the service of the industry, can be an instrument of affirmation of expansion, the beneficiaries of which are entrepreneurs and investors.

Corporate Social Responsibility declarations made by large companies are the most popular form of expressing business ethics. They have the nature of a corporate manifesto addressed to clients and sometimes to other stakeholders as well. The content of these manifestos is to serve the corporation and boils down to imposing moral obligations on employees that often exceed their contracted tasks and responsibilities. The CSR declarations are aimed at increasing employees' range of responsibilities, their subordination and discipline as well as mobilising them to greater activity in order for the company to achieve various effects that will strengthen the corporation's economic position and its image.

It is worth noting that ethical business declarations do not require that the way of managing the corporation be transparent and competition-fair or free from systemic weaknesses. Among the authors who have pointed out the lack of symmetry of commitments and benefits associated with CSR are Marques and Mintzberg. They noticed that corporations that can play an important role in the economy are far from, profitable to all market participants, the *win-win* principle, in which everyone benefits. They cite the practices of Goldman Sachs, Bernard Madoff and other corporations that, under the slogan of CSR, "distributed cookies to stakeholders" to conceal their dishonest operations.³

CSR is an instrument for transferring business games to a social space in which a corporation enjoys the freedom to impose rules and share benefits. To strengthen employee engagement and motivation, an atmosphere of internal competition is created between employees by combining corporate CSR declarations with settling accounts, ways of rewarding and professional promotion procedures. Strong pressure exerted on employees called the rat race often introduces a climate of unhealthy competition and excessive stress, leading to burnout and depression. The instrumentalisation of ethical rhetoric serves the total control of corporations over employees, the dominance of superiors over subordinates, the extension of professional influence on the private sphere of life, and many others.

Along with the globalisation process, corporations pick up less and less of the market's real signals, which is why they willingly enter the social space and promote specific values known as *corporate culture*. This concept covers all corporation values and patterns of behaviour focused on the consolidation of stakeholders and creating a climate conducive to expansion and strengthening market position. Corporate culture is expressed through the creation of attitudes presenting the worldview of the *corporate man*, who shares its goals and values.

³ Similar *modus operandi* is exploited in customer loyalty programmes which specify clients' obligations and promise various benefits in return. Customer loyalty is expected to serve the interests of the company and does not have to be reciprocated.

With the participation of commercialised media, corporate culture blends with pop culture. Its essence is the recognition of the corporation's value system as an attractive basis for behavioural patterns, in which the corporate social environment is treated as resource acquisition and an object of exploitation. Business ethics understood in this way serves transnational corporations enjoying absolute immunity virtually independent of public control and free from any responsibility. It is not difficult to notice that the promotion of corporate culture combines business interests with benefits for corporation people by creating a contemporary form of a mass culture characterised by a high level of consumerism, comfortable lifestyle, availability of attractive goods, and the latest achievements of civilisation. As a consequence, service to global corporations which provides an attractive package of benefits creates a new morality, strengthens the materialistic attitude to life, and creates a sense of superiority.

The relativism of business ethics resulting from the utilitarian approach to fundamental human values promoted by ethics leads to the loss of the necessary social sensitivity, making the content of such categories as freedom, work, prosperity, cooperation, development, and creativity dependent on the interests of corporations, whose capital strength has a huge impact on social, cultural, and civilisation relations. Corporate culture seriously disrupts the need to have a balance between the spiritual and material spheres of man which is embedded in customs, traditions, and history. It clashes with elements of traditional culture, polarises the standard of living, undermines the sense of egalitarianism and justice, and, as a consequence, disintegrates society. The attitude to ethics is best illustrated by the attitude of a corporate person – disciplined, assessing reality through the prism of money yet devoid of any deeper reflection.

The conducted considerations show the need for an objective approach of economics to ethical issues, one which would require scientific verification. It is impossible to understand the ethical conditions of social order and their economic consequences based on the concepts promoting their own systems of values and interfering with the natural order of things, making reality a matter of techno-social manipulation. In particular, granting the right to impose ethical principles by business is a manifestation of instrumentalisation and utilitarianism of ethics.

The effects of ethical relativism in a globalised economy

One of the phenomena that most strongly stimulate changes in the modern world is globalisation. Opening borders and the flow of ideas, population, and resources, contribute to the expansion of markets leading to the internationalisation of all spheres of life. The benefits of goods exchange, transport, tourism, and computerisation are significant. The changes shape the New World Order leading to systemic changes. From the economic perspective, capital expansion is believed to be the main driver of globalisation. The problem is that modern economies cannot keep up with the changes; hence the views presented as scientific are being shaped in various ways, depending on whose interests they represent.

Enthusiasts of globalism follow the growth of macroeconomic indicators, do not want to hear the arguments about universal values, and do not notice the growing dependences and threats to security and quality of life. It can be seen that in every area of the economy, starting from agriculture for example, more and more depends on the decisions taken by a smaller and smaller group of decision-makers who are predominantly focused on deriving their own benefits. It is quite often to see enthusiasts of economic liberalism and ethical relativism among the advocates of globalism. The beneficiaries of globalisation are clearly interested in weakening the links with national culture and tradition. The ideology of globalism present in public space divides the sphere of ideological beliefs of society and obscures scientific cognition. From a purely ethical perspective, the issue of society's morale has now become an important field of ideological confrontation.

The globalisation mission is most often supported by global corporations which finance social engineering enterprises, and lobbying activities promoting corporate culture often under the banner of social movements, technological revolution, digitisation, and artificial intelligence. The ideological manifesto of this process covering all areas of the commercialised world can be seen in the article by Seagars, who attributes the revolutionary power of change to turning to super technology. The technological revolution of the system is to be based on business logic. It relies on creating modern technologies new values and needs for consumers which will expand the possibilities of profitable growth. The achievements of the corporations such as Uber, Amazon, and Facebook are of a key nature here [Seagars, 2018].

The cited achievements of the corporations say a lot about the nature and ethics of this revolution. The digital competition requires, as the author announces, that artificial intelligence is not too complicated to serve global corporations. Collecting consumer information through intelligent systems (Wireless Mesh Networks) is to lead to more control and cheaper customer services. This process will change the functioning of many areas of life, ranging from healthcare, information media, and intelligent production systems, to educational needs. Thanks to globalisation, each of these areas create greater business potential than the global arms market, for example. Considering *mechanical learning*, the author is convinced that this method of study, i.e., via the Internet, leads to taking control of education by major corporations, which will eliminate expensive traditional schools and libraries and replace them with lifelong learning programmes based on interactive multimedia.

Behind the facade of modern technologies, digitisation, artificial intelligence, and a comfortable lifestyle are the commercial interests of global corporations interested in controlling social services, schools and hospitals, information media, advertising agencies, and show business. By concentrating on intellectual property, modern marketing, lobbying institutions, non-governmental organisations, etc., corporations shape public opinion, people's tastes and needs, regardless of the quality of products or their influence on consumers' health or their safety of use. The technological revolution followers put the high profitability of technological investments at the centre of their attention. After gaining control over particular

areas of the commercialised reality, the leaders of this revolution can count on becoming monopolistic giants.

After years of enthusiasm, the crisis caused by the current pandemic reveals the weaknesses and negative effects of globalisation, which makes the tools of digitisation and finance a method of subordination to all areas of life. Large technology projects, such as 5G, space programmes, decarbonisation, the use of renewable energy, bituminous shale, etc., have a chance of development only when they bring benefits to global financiers. They do not, generally, translate into the quality of life of common people; instead, they lead to reducing tax revenues, debt, and degradation of the environment.

Ultimately, the increase in dependence on foreign countries based on the import of cheaper products, components, and raw materials has led to the collapse of the industry in the Western world and the dangerous concentration of Asian production. Even well-diversified economies have lost their ability to manufacture basic goods themselves and are demanding support and aid from the state. There are many indications to conclude that it is impossible to lead to the repatriation of industry or to take up the competition with the Asian market in electronics, machinery, pharmaceutical, clothing, and other industries. The use of imported components creates doubts about whether, for instance, American cars or Swiss watches are really of American or Swiss origin. Globalisation deepens the internal imbalance of economies, creates a labour deficit, and extends the areas of poverty. In countries that are its largest beneficiaries, it exacerbates social divides and conflicts.

The ideology of globalism is enlivened by the ideas of equality, democracy, environmental protection, and the fight against global warming, based on the belief that the responsibility to solve all the problems of the modern world lies on the opponents of globalisation. The popular and promoted economic liberalism increases damage; ethical relativism causes helplessness, while individuality of falsely understood freedom weakens various forms of community activity. The ethos of cooperation and solidarity is disappearing, as evidenced by the crisis caused by the coronavirus pandemic. The lack of ethical laws reveals the destructive power of conflicting interests. The beneficiaries of globalism are corporations which take advantage of the opportunities that this lawless condition offers, enjoying impunity for the damage they cause or for their misconduct. Their growing influences limit the freedom of local entities, undercut the roots of economies, exercise control in a postcolonial manner, and continue corrupting the world. The expansion of globalism goes into actions against states, criticism of governments, and deepening internal divisions.

When “the state gives nothing and costs nothing,” patriotism disappears, threats to the sovereignty of states increase, and the basis of global security weakens, resulting from the loss of control and the predictability of the development of internal conflicts, such as the ones that are currently taking place in France, Venezuela, Chile, and other countries. The escalation of tension can spark wars that always have an economic background and are connected with the interests of big capital. Questions arise as to where the destructive wave of globalism will

lead, whether states are able to face the real problems of globalisation and finally, if the attitude towards globalism can be built on the foundation of ethics.

Summary

Erosion of business relations, conflicts of interest, and various difficulties in solving problems on economic grounds means that more and more often business entities declare that they act ethically. It is not difficult to verify the reliability of these declarations. In mainstream liberal economics, the issue of ethics remains absent as it contradicts its paradigms. Ethical relativism questioning the existence of the objective truth allows for breaking ethical principles. It accepts rationally in the sense of what brings the greatest profits, regardless of utility, social costs, and human harm.

Excluding ethics from economic considerations creates a sense of deficit of values which are necessary in solving problems significant from the point of view of social order and security of economic turnover. The glorification of freedom and individualism in the liberal economy moves people away from each other, increases social distance, weakens institutions, destroys communities, and corrupts politicians. In behaviourism, the attitude to ethics raises serious reservations about the psychology on which it is based. Ethical utilitarianism authorises ruthlessness in achieving benefits and fuels divides and conflicts.

In the concepts of corporate social responsibility, ethics is instrumentalised for the use of corporations as the 'applicative ethics.' The economic dominance of global operators spreads cosmopolitan culture, which replaces traditional values. Attachment to material goods, consumerism, waste, and moral hazard are not perceived as potential threats. The atmosphere of wrongly understood freedom does not allow for seeing the negative side of individualism.

The global 'opening to the world' leads to a sharp polarisation of wealth in the market, where the stronger strengthen their dominance, while the weak struggle for survival, economic sovereignty, and maintaining their jobs. Selfish attitudes of corporations, which are also accepted by the liberal part of public opinion, ignore social potential by diminishing fairness, respect for all, and readiness for cooperation. The predatory mechanism of global competition means that economic processes run chaotically and out of control, often leading to further crises. Globalists' appeal to ethics contains numerous ambiguities. The conflict between globalism and what results from the continuity of tradition and local culture becomes noticeable. The observed economic pressures provoke social resistance, demanding protectionism from the state, which becomes the end point of anti-globalisation trends.

The science of economics is devoid of ethical reflection and does not bring satisfactory solutions to economic problems. The uncritical promotion of the liberal economy shows that science has become an advocate of corporate interests and a hostage to the ideology. The lack of reference to the ethical dimension marginalises considerations of important solutions that

are wise, fair, and sensitive to human values. Compliance with ethics requires that economic decisions should be referenced to human values followed in life.

Ultimately, the place of ethics in economics is a consequence of the relationship of economics to humans, and at the same time, the relationship of humans to ethics. The point is that ethics in economic relations should be a reflection of what, in general, it stands for in human life, i.e., a consequence of the functions ethics performs. If it were so, many economic problems would find simple solutions. It is worth emphasising that ethics, associated with a sense of human responsibility and dignity, integrates an individual and social dimension of economic considerations building relationships based on respect, acceptance, and common interest. Paying more attention to ethical issues there is discovered in humanising economic relations, which displaces egoism and stimulates the tendency to seek the common good. Ethics as an attribute of wisdom makes us believe that in managing one should act as rationally as the conscience dictates, but also in a way that shows sensitivity to human harm in accordance with the expectations of the community to which it belongs.

The increased interest in ethics leads to the integration of the social, intellectual, and spiritual dimensions of management. The anthropological approach to management can inspire a policy of sustainable development better than the traditional economic theory. It assumes a human intellect is more creative and powerful than capital market mechanisms. The ethical approach to economic issues stimulates social activity, promotes the productivity of human capital and, at the same time, eliminates abuse in the use of financial capital. In this context, we can see that overcoming any form of crisis which negatively affects human nature requires, above all, the mobilisation of human capital as well as disapproval of violations of ethics.

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