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Business ethics in a changing world

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Business ethics in a changing world

SUMMARY:

The development of the economic activities conditions and the relationships established at the end of these relationships. have experimented throughout the history, diverse treatments and evolutions. The approach of the ethical matter is not arbitrary because the business practice infers the manifestation of values owned by the people developing that business activity.

Due to the magnitude of changes, some theorists affirm that the social, moral and ethical values of the industrial society of the middle of 20th Century suffered a deep break¹.

The changes in history are tied to a powerful conscience of the *kairos* that is being experienced. In consequence, the ethics in a changing world has to be understood as the *kairos* ethics.

"The ethical values of businessmen and professionals in a country (as well as other's key social actors) are part of its productive resources. If these values drive the investment, honesty, technological progress and social inclusion, they will be real assets; but if the quick and easy profits, corruption and lack of scruples prevail, the country progress will be jeopardized".

Solidarity should not be just a matter of moral admonition, it should also include solutions of economic interest². The means has to be chosen along with the goals.

¹ Lajugie, Joseph. The Economic Systems. EUDEBA,1987

² Art.1 "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood". Human Rights Declaration. December 10, 1948, United Nations General Assembly.

Business ethics in a changing world

"If you have money, don't be inactive; don't keep it unfertile at home, because it is better doing something, though it may not generate profits, than being passive, also without any profit"³.

The economic relationship among men presents at least three fundamental issues:

- ✦ Each person's activity selection;
- ✦ Activity performance conditions;
- ✦ Working offer and demand relationships

The first one is part of the "call" each individual experiences when selecting to perform an activity. This issue, along with the other two, generates the considerations below.

The development of the economic activities conditions and the relationships established at the end of these relationships, have experimented throughout the history, diverse treatments and evolutions. All of the three issues are present in real life, in an intimately related way. Therefore, the approach of the ethical matter is not arbitrary because the business practice infers the manifestation of values owned by the people developing that business activity.

Nowadays, there are "encrypted" forms (codes and others) where we can find norms for an ethical behavior: professional, corporate and public service ethical codes, for example, and we may think these are modern conceptions⁴.

How did these relationships evolve? At the beginning, the economic activity was restricted, because it was only a productive activity without any exchange. This domestic economy became later a feudal and an urban economy subsequently. These stages are respectively related to pastoral, agricultural and artisanal activities.

The exchange economy will flourish some centuries later. This general evolution scheme appears, with slight variations, in every country of Western Europe⁵, and the current globalization is included in this last phase⁶.

³ "Middle Ages Merchants and Bankers". Jacques le Goff. EUDEBA

⁴ Hippocrates wrote what is considered the first ethical code for physicians. Its angular stone is "do not harm the patient".

⁵ Lajugie, Joseph. The Economic Systems. EUDEBA,1987

Globalization is a fertile area for the development of theories and discussions. Its scope reaches every part of the planet, ignoring the rights and norms of individuals and companies, the nations' independence or the diverse political regimes.

The emphasis on the material civilization of the late capitalism seems to be omnipresent, everywhere and in every human activity.

The changes in this stage took place in a wide number of similar countries. Due to their magnitude, some theorists affirm that the social, moral and ethical values of the industrial society of the middle of 20th Century suffered a deep break⁷.

In this context, what happens with ethics? Is ethics above the change? Is it "suprahistorical" in its basis, values and commandments, or it evolves with the history and will change as fast as the other areas did? What is the place of ethics in business? Answers don't come easy.

Changes were fast and sudden; there was no time for the old values to be replaced by new ones, nor for adapting to the new circumstances. For that reason, they might be perceived as lacking in ethical implications. Additionally, if we consider the diversity of cultures interacting with the global markets and the media, it comes to light we are facing an important challenge.

Nor the capital, neither the work or the raw materials are *per se* the determinant economic factor in this stage; it is the result of the optimum interaction among these factors and this fact may often generate a solidarity rupture within a country.

Boutros Boutros-Ghali⁸ affirmed that "The reality of the world power widely exceeds the States. This is because the globalization implies the emergence of new powers that are beyond the state structures⁹".

Goals of the businessman and his vision of ethics. A little bit of history:

⁶ Toynbee suggested in 1934 to name "postmodern" to the period after 1875; from Marshall Mac Luhan's works, in 1950, appeared the term "globalization".

⁷ Lajugie, Joseph. The Economic Systems. EUDEBA, 1987

⁸ Former UN General Secretary

⁹ These powers are market forces which act thanks to the globalization and follow specific *mottos*. It is said its slogan is "*all the power for the markets*".

Once men fulfilled their basic needs, they have worked not only with a practical utility: but progressively have expanded their own growth in other levels than the mere subsistence.

In written history, and according to George Duby¹⁰, we can affirm that yesterday's fears are not the same as today's: the mastery over Nature used to be source of tensions; nowadays, practically under control, Nature is not that troublesome for men, who face different fears.

After the emergence of the capitalism, with its long and slow evolution, men will experience an alteration in their own relationships as well as in their interactions with the environment, as a consequence of the sustained practice of economic activities.

In addition to capitalism, if we consider the continuous change, its speed, and the multiple vital levels it affects, we can appreciate how these elements contribute to increase the uncertainty sensation of modern man¹¹.

"The ideologies numbness and that diffuse sensation of facing a new age, *terra incognita*, are completely different from the decadency or paralysis feeling (...), it's the path to a different phase of the "capital biography" ¹².

There's no "script" for the modern man to know whether his behavior in the business world is moral or not. But... what moral are we talking about? Once again, answers don't come easy.

After America's discovery, the social, moral and ethical values of the businessman behavior presented certain characteristics. Wealth, business and glory were the medieval merchant goal's to reach (not very different from his 20th century successor). According to Costrugli¹³, in order to reach those objectives, businessman had to act and run his activity on a rational way, The political, religious and cultural context was different from today's. Probably, the moral concerns were related to the usury problem, which originated huge capital accumulations, which deserved explicit considerations from church.

¹⁰ In a series of published conferences, he develops the topic of human fears and their validity throughout the time.

¹¹ At the beginning of 20th century Max Weber described this process as the metaphor of the rationalist bureaucracy iron cage. Despite the fact this type of democracy practically disappeared, the image of the iron cage is still relevant as a metaphor, according to Alasdair MacIntyre's description of the instrumental rationality dominance, typical of an emotional culture. From "Business Ethics is not sufficient: the Spirituality of the Manager", Verstraeten Johan, K.U.Leuven.

¹² "Cultural Globalization and Postmodernism", Bruner, Jose Joaquín. Fondo de Cultura Económica.

¹³ "Mark you this, Bassanio, the devil can cite Scripture for his purpose. An evil soul producing holy witness is like a villain with a smiling cheek, a goodly apple rotten at the heart: O, what a goodly outside falsehood hath!" William Shakespeare. "The Merchant of Venice".

The ethic is mundane and laic, defined by a business moral and described by the merchant manuals: the merchant had to be prudent, conscious of his interests, distrustful from the others, and fearful of losing his money.

The important Italian businessmen acted as if the human reason could explain everything, including their acts: in fact, they had a rationalist mentality¹⁴ and ¹⁵.

Some important businessmen with political influence were able to successfully exploit the trade with foreign countries for their own benefit. They opened the regulated internal markets of the cities for the external trade. Also, the urban society and the feudal state split off, originating the subsequent separation between Economy and State. Anyway, the businessmen had a moral and ethical "justification": the Christian God would judge them for their behavior in this life, so the "passport" to eternity was in their hands. His fate "in heaven" depended on their conduct on earth¹⁶.

In 1513 Niccolo Machiavelli wrote "The Prince", praising the Borgia character and stating some lacking in morality advices¹⁷, which constituted an excellent manual about the power for politicians (and businessmen as well), and offered the necessary partnership for the commerce development.

The decisive steps for a complete liberalization of the economy and the trade of goods were taken after French Revolution and in the context of the massive Industrial Revolution of 19th century.

Around 1830, the Victorianism attempted to establish new norms in the Anglo-Saxon societies and efficiently contributed to the creation of the *working-class*, incorporated to the industry. But the change that introduced impacted more the society values than institutions¹⁸.

Afterwards, Weber¹⁹ develops the idea that the successful businessman has Lord's approval and his success is tied with his fate. The norms that

¹⁴ Paolo di Messer Pace da Certaldo, from " Middle Ages Merchants and Bankers ", Jacques Le Goff - EUDEBA

¹⁵ This goes beyond particular personalities, because it was *vox populi* that the commercial secrets non disclosure recommendations applied for everyone, even to the merchants' wives. It was also recommended to build houses that didn't show the businessmen activities and status to the external world. The rationalist mentality circumscribed more to the calculation topic rather than to the investigation.

¹⁶ "The gifts turn blind the wise men's eyes and closes the righteous men's mouth" anonymous Florentine, 14th century, in "Advices for Businessmen", paraphrasing the Bible (Deuteronomy XIV, 19).

¹⁷ Another highly influent personality was Otto von Bismarck, in 19th century: he was a master in the art of possible. His will of power had no ethical regrets or considerations.

¹⁸ The religious symbolism was also used by the Japanese governors after Meiji age, to establish behavior norms in the Japon of the industrial era.

¹⁹ Weber, Max. "The Protestant Ethic and the Spirit of Capitalism": this work linked the protestant ethics and the origin of the capitalist spirit. Weber prioritizes the spiritual phenomenon when analyzes the economical facts.

produce social capital must necessarily include virtues, such as honesty, converted into transparent institutions²⁰. These ideas constituted the cornerstone for the capitalism development.

Nowadays, capitalism and democracy constitute two of the main paradigms of our multi-polar world. The increasing pursuit of an economic growth produces a social exclusion process that intensifies the gap between rich and poor; also the materialism and the “economicism” (in its current version) have subverted things’ order, instituting the economic growth as the higher social objective.

We are witness of a new production function, a new formula of growth: in terms of value added, the capital, ground and work are no longer the necessary growing factors. The growth and development of a country currently depends upon the education, qualifications and cultural levels of its people²¹. With the globalization²², we face a wider problem: the goods abundance and the technical progress are reaching unknown levels in developed countries. The proliferation of Codes of Ethics in the business world points out the companies’ necessity of finding conduct parameters. Nevertheless, experience teaches²³ that the existence of the above mentioned codes does not imply an application²⁴ of its precepts.

The moral and ethical practices are facing difficult realities²⁵. The income inequities throughout the world have disproportionately increased. The globalization unfortunately builds dual societies: in one hand there are privileged and hyperactive groups, and in the other we find a tremendous mass of people with precarious lifestyles, unemployed and excluded²⁶.

²⁰ "Those who are involved in politics are looking for power: power as a means for other goals (idealistic or egoistic), or for their own benefit: to enjoy the prestige sensation it causes". Max Weber, op. cit.

²¹ "Knowledge is the new way of ownership". John Paul II, CA no.32

²² With the participation of the United States in the II World War concludes the European hegemony. The collapse of the III Reich, the Habsburg, the czars and the Chinese and Osmanli empires produces a global change, generating the polycentrism characteristic of the postmodernism.

²³ The Enron case is paradigmatic.

²⁴ Woe to them that devise iniquity, and work evil upon their beds! when the morning is light, they practice it, because it is in the power of their hand!". Micah (2,1-5)

²⁵ Also in underdeveloped countries where the most basic needs can not be supplied. In order to solve urgent deficiencies, the governments of these countries are often offered with overprices, prebends, etc. by the countries that own the capital. Another important issue is the exploitation of non renewable resources, for example, petroleum. "We must question the legitimacy of a system that provides a disproportioned power to the rich minority: 10% of americans that have 90% of all the financial resources".

²⁶ "A pound of man's flesh taken from a man is not so estimable, profitable neither, as flesh of muttons, beefs, or goats..." William Shakespeare, The Merchant of Venice.

Not long ago, the global dimension gained by the market economy was unthinkable; for that reason, the ethical challenges should be considered in the same dimension²⁷. "The capitalist model makes the societies rich, but at the same time undermines them and may produce social or racial outbreaks"²⁸.

When the progress is driven by the commerce, the magnitude of the involved interests exceeds the moral rules prevailing until that moment.

In the 90's started a movement for the values reconstruction²⁹, and according to certain theorists, any future efforts of adequacy to new rules will arise from the political, religious and natural areas. "In the long-term, the development without equity will not be sustainable"³⁰.

Paraphrasing the Bible, we can say that the new problems demand new solutions, especially for those aiming to apply ethical norms in this changing context.

*Temporal goods and their utility for men's life: meaning of "poverty"*³¹:

"The *raison d'être* of the economic activity is to guarantee the human life basic conditions. Is it really necessary to maximize the profits for the human survival?"³² and ³³.

It can't be denied the man's right to make use of all the material goods and energy sources of the earth: is inherent to his nature. The evolved creatures –with their work- are able to multiply and transform the gifts from nature into goods; nowadays, most of these goods are more a product of the human activity rather than free gifts from nature.

Does it make sense in this extremely capitalist world to speak of poverty as a virtue to attach to? Is it valid for the business world? In the end, what do we understand for "poverty"?

²⁷ Kelly, Marjorie, *The Divine Right of Capital*, 2002

²⁸ Schlesinger, Arthur, Jr. *La Nación* 5-10-97.

²⁹ Transparency International, created in 1993, and Social Accountability International are groups located at the United States that created the SA8000 ethical standards. They have not only developed internal standards for companies; they have recently taken care of the companies relationships with the functionaries involved in international transactions. They have also elaborated guides for multinational companies. *Ethical Performance*, February 2003, volume 4, issue 9.

³⁰ Lascano, Marcelo. "Keys of the Asian Development". *La Nación* 21-2-03.

³¹ "We are slaves of the Fortune, a heartless and ineluctable queen, who whimsically imposes us what is fair and unfair". *Golden aphorisms*, Seneca. Edit. Andromeda, 2003.

³² Kung Hans, "A universal ethics for economy and politics". *Fondo de Cultura Económica*, 1997

³³ Marjorie Kelly, in her book "The Divine right of capital", affirms that focusing only in the company management and in the profit generation for the shareholders, excluding any other interest, is a type of discrimination based on property and wealth.

There have always been many definitions of poverty³⁴, which are not entirely different or separable from each other; each definition is closely related to the conventions of the society which produces it. It is also tightly connected to the definition of wealth, its opposite. In the same way, the wealth definition has always been characterized by the power and privileges given by the access or possession of goods.

Firstly, there are three kinds of poverty³⁵:

- ✚ Social poverty;
- ✚ Pauperism;
- ✚ Moral poverty

The social poverty involves not only an economic inequity, but also a relationship of inferiority, dependency and even of exploitation.

The pauperism refers to people that can not live by their own means and need external assistance.

The moral poverty defines if poverty is morally acceptable, the social position it provides and the deprivations suffered as a consequence of this poverty.

A report elaborated by the Culture and Development Commission (1995)³⁶ and ³⁷, has stated that the definition of “development” does not only comprise the traditional meaning of a larger distribution of growth effects. Effectively, it is also considered a process that promotes human beings’ real freedom, who put this freedom at disposal of what they consider valuable. Hence, poverty is not only originated by the lack of basic goods and services, but also by the lack of options for a more satisfactory and valuable life.

“The concern about quantifying and identifying who are affected by poverty has darkened the fact that poverty is a phenomenon extremely complex and can not be reduced to a single dimension of the human life”³⁸ and ³⁹.

We can briefly meditate about the material goods significance and their utility for life⁴⁰.

³⁴ Etymologically: necessity, tightness, lack of necessary resources for living.

³⁵ " Social Sciences International Encyclopedia". Editorial Aguilar, 1974

³⁶ Published in collaboration with UN and UNESCO

³⁷ The title: “Our creative diversity”

³⁸ Poverty definition according to the human development point of view. [www. Cip/educa](http://www.Cip/educa)

³⁹ The Human Development Report - 1997, PNUD, Madrid -, determines three perspectives for poverty: income poverty (a person is considered poor when the income level is below the established poverty line); basic needs

The temporal realities we experience in our life have a value *per se*; this is an attribute that makes them valuable. Because of this value, they demand from us an affective and practical appreciation: they claim to be estimated for what they are and for their value as well. But the humans often over or underestimate them. At this point emerges the “virtue” concept. Virtue is an attitude or capability that generates an exact appreciation of what realities are. The poverty, or its opposite, the liberality or prodigality, inhibits from the appreciation of the material goods in their right value.

Therefore, the virtue expresses a moderate attitude. It is the *golden mean*, the desirable middle point between two extremes; the ability to assign the realities neither more nor less than their right value. The virtuous attitude⁴¹ can be found in this middle point.

The greed estimates the wealth as an objective, not as a mean. The prodigality (as well as the greed) underestimates the wealth and considers it as a useless thing: not as a mean.

For that reason, the liberal or prodigal characteristic act consists in the *use* of the money or wealth⁴². This means not only the simple application of our active faculties to the wealth, but its *utilization*, i.e., an application able to produce its *useful* value.

A rich person is the one that saves and withholds money. His offense consists in leaving the wealth inactive and useless, inhibiting it from the generation of its value of vital usefulness. The material goods are useful because they are able to provide a service. It is man’s task to act, to make real the goods’ inherent possibility.

Material goods are not only meant to be owned, but also to be used; in this respect, liberality moderates the possession of materials goods: people have goods because they must use them; they can not immobilize or waste them. The use intention and the use activity originate and justify the wealth possession. Therefore, we can appreciate the inconsequence of the behavior of the rich, who owns but doesn’t use, and the prodigal, who wastes and destroys

perspective (absence of material resources to supply the basic needs); and capabilities perspective (absence of certain basic capabilities to operate).

⁴⁰ “The body needs are moderate: protection from cold, satisfaction with food of hunger and thirstiness sensations; apart from that, everything else that is desired is for the vices and not for the needs”. Seneca, op. cit.

⁴¹ “So many were able to control entire cities and nations... but so few were able to control themselves!” Seneca, op. cit.

⁴² Gera, Lucio. "The Poor". Cuadernos Heroica, 1962

his possessions. The inner moderation attitude can be appreciated in the following attitudes: possess the usable or possess to use. Once the individual needs are fulfilled, the material goods are no longer necessary for the possessor and should be put at other people disposal and be used to satisfy other people needs. According to this, the rich man, legally called possessor, becomes a trustee who wisely distributes the goods among those who need them ⁴³ and ⁴⁴.

This poverty virtue doesn't seem to be appealing for businessmen nowadays. They have created foundations or other institutions for the art, education or health promotion, among others. But compared to the profits, the wealth portion assigned to these activities is irrelevant or, even worse, it is simply camouflage to hide other problems⁴⁵. This distorts the right intention of the giving act, as well as the fact that the amount of retained wealth is comparatively (outrageously?) large.

Throughout the capitalism development, the credibility in the institutions and in their representatives has significantly decreased. Financial scandals recently known⁴⁶ seem to confirm the companies' absence of ethical values and reveals their intention to show a prosperous and successful financial image, despite any professional or ethical consideration.

In the other hand, the resources gathered by businessmen or administrators could hardly be spent during their biological life. The utilization of these goods for personal or third parties benefit is yet an unsuccessful goal.

Though poverty abolition is a universal goal, by opposition, the belief in the convenience of an unlimited enrichment is not as popular and universal. This is a topic businessmen should meditate about ⁴⁷.

The industrialization produced a basic alteration of the position the poverty has historically had in the value systems of the societies.

⁴³ Gera, Lucio. " The Poor ". Cuadernos Heroica, 1962

⁴⁴ "Once the human being starts looking for status instead of goods, involves in "zero addition" game (loss and profits equal zero), instead of a positive addition game". Fukuyama, Francis. "The great rupture" Editorial Atlántida, 1999.

⁴⁵ China, due to her recent incorporation to the World Trade Organization, revealed the intention to implement basic ethical standards. This can be appreciated specially in toys fabrication area, in which China has 75% of the world production. "Ethical Performance". February 2003, volume 4 issue 9.

⁴⁶ There are tangible evidences of the american companies effort to implement internal ethical programs, behavior codes, and general value definitions, in order to influence the employees' general behavior.

⁴⁷ "The institutions of our society, our morality guardians, have a special responsibility in these topics. This is particularly relevant due to the failures of our global governability system, in which the voices of poor people and countries are barely heard, even in those matters affecting their lives and subsistence". Stiglitz, Joseph E. "Ethics, Economic Advise and Economic Policy". Included in the Digital Library of the Interamerican Initiative of Social Capital, Ethics and Development.

“I leave for the specialists the diverse ethical and financial interpretations of the profits financial principle. The profits and loss really are a conclusive matter here (*in terms of company economic results*⁴⁸). Peter Ulrich, precursor in the attempt to explain the relationship between business ethics and the “profit principle”, programmatically demands that the position of ethics in business management is not only a corrective “external border”, but a market entitling base⁴⁹.

The new moral faces a long way in its task of impelling the private property to fulfill its function: to be at the humankind service.

Global ethics initiatives applicable to business world.

Perhaps one of the main causes of the deep moral crisis is the prevailing individualism. Another cause could be a consequence of the decadence or complete destruction of values in traditional societies. This has profoundly damaged the existence of universal values⁵⁰.

What is the solution to the ethics problem in a changing world? Is there anything that must remain immovable in the criterion and norms in every ethical change?

Is there any possible answer, beyond the absolutism – unable to survive to history changes –, or the relativism – that sees the change as its main principle-⁵¹?

Theologians and philosophers have always made a big effort to establish what should be understood as *good* and *bad*. These notions have suffered modifications throughout the history, but by no means, is a moral relativism. These were not hazardous changes; on the contrary, they run parallel to the general evolution line of the human conscience. If we accept the objective existence of the moral good and evil, (for the moral efficacy), they have to be subjectively perceived and *accepted* as the good and evil for everyone.

⁴⁸ Italics are from the author.

⁴⁹ Kung Hans. “World Ethics for Economy and Politics”. Fondo de Cultura Económica, 1997.

⁵⁰ In his work “Politics among Nations”, Morgenthau (highly influential in the US State Department during the 60’s) establishes a devaluation of moral values (which he considers abstracts), disclaiming any supreme value and general moral principles.

⁵¹ Tillich, Paul. “Morality and something else. Fundamentals for a theory of moral”. Editorial La Aurora, 1974

Any attempt of global ethics formulation must seek its contents in “the cultural resources, ideas, emotional experiences, historical memories and spiritual orientations of the people”⁵². The national states play an important role in this formulation⁵³.

Basically, the man moral imperative is the exigency to reach, in one act, his essence and his potency. It is the power of his existence he has been given with by nature, and that he will actualize in time and space. His real existence will become his current existence: this is the moral imperative. And since his real existence is the existence of a person in a community of people, the moral imperative is, precisely, to become a person. Each moral act consists of an act in which the individual consolidates himself as a person.

“The basic difference between law and moral is that the first is externally imposed⁵⁴, while the other is born inside the man's heart”⁵⁵.

In the postmodern age, an economical responsible behavior generates a serious link between the economic strategies and the ethical judgment⁵⁶.

This new ethical paradigm for the economic domain becomes tangible when we analyze if the economic act injures any superior value or good⁵⁷.

“Today, independently from the new organized social movements, there is a clear conscience of the human beings as something more than simple manpower; their dignity, rights and duties has to be defined in a new way and a new social consensus is required ...”⁵⁸ and ⁵⁹.

The UNESCO's Report outlined the basic characteristics of a global ethics, which may also be applicable for business⁶⁰.

⁵² Report of the World Commission on Culture and Development, *Our Creative Diversity*. Paris 1995

⁵³ The original aspect of the document, *Our Creative Diversity*, is the emphasis on men's “community” rather than on diversity.

⁵⁴ By the society or the Lord

⁵⁵ Lepp Ignace, “The new moral”. Ediciones Carlos Lohle, Buenos Aires 1964

⁵⁶ “In the same way as all members must agree, because we all are interested in everyone's conservation, men must reciprocally help each other, since they were born to live communally: the society can not be saved without the love and mutual support of every integrant part”. Seneca, *op. cit.*

⁵⁷ The International Council for the Toy Industry (ICTI) establish on its Code of Commercial Conduct the following considerations: no incorporation of hard labor or convicted labor; no gender, ethnic origin, religion or affiliation discrimination; minimum working age for employees is 14 years old, in any circumstance; the companies security guards are only for security purposes; all workers have the right of being represented; companies must provide adequate facilities for meal breaks and other breaks; the employees lodging must supply the minimal needs. “Ethical Performance”. Vol. 4 issue 9. February 2003.

⁵⁸ Kung, Hans. *Op. cit.*

⁵⁹ Marjorie Kelly, in her book “The divine right of capital”, shows how to create more equal alternatives (new property rights, new ways of participation in the corporations management, and new evaluation means of the companies behavior) that may build a series of more democratic principles for the free market validity.

⁶⁰ The main topics that of this report are:

⇒ The human vulnerability and the ethical impulse to protect the poor and weak and relief the suffering, and

John Paul II proposed the following elements for the formulation of a moral of minimum principle⁶¹:

- ✦ the loyal acceptance of the logic of coexistence in diversity;
- ✦ the dialogue as a method; everyone's right to express;
- ✦ an integrated humanism based on real dignity and human rights;
- ✦ the opening to cultural, social and economical solidarity among people;
- ✦ become aware that the same vocation groups the entire humankind;

Recently, a new kind of universality arose reaching all boundaries: the universality of the technical culture, which grows up thanks to the power of its capacity and its success. But this universality – the modernity of global capitalism – is capable to destroy the cultural and historical structure “due to the way it centralizes the power and exploits the Earth”⁶².

The globalization expresses the strongest cultural contradiction of capitalism and leads to an unavoidable postmodernism with no promises of future.

In consequence, we find ourselves walking on the edge, under the pressure of the radical intolerance in one hand, and the necessity of establishing a moral order for the global world through universal standards in the other... But, which are these absolute standards? How can be founded? Is it only a common denominator or represents much more than that? Could it be a global ethics based on individual rights?

“The most important modification that people can implement is changing the way they view the world. We can change our studies, jobs, neighborhoods and even our country, and still remain the same. But if we change our vision of the world, it changes everything... our priorities, our values, our judgments, our goals”⁶³.

If we intend to universalize certain rationality elements considered as a common supreme good, what dialect or terminology should we use? Lee Kuan Yew's *summun bonum*? Khomeini's *fatwa*, which condemned Rushdie? The *Veritatis Splendor* of John Paul II, the rationalist natural law, the conservative virtues, the occidental Canon traditions, the critical-emancipating pretensions of the new cultural Left, the abstract normative that drives the market's self

⇒ Other formation areas that may arise from the democratic civic culture

⁶¹ John Paul II, Message for the XVII World Conference of Social Communications.

⁶² Jurgen Habermas. "Texts on Morality and Ethics", Ediciones Paidós, Barcelona

⁶³ Ward Barbara, mentioned in the World Governance Report

organization, the hedonistic moral criticized by Bell or the puritan moral he embraced?"⁶⁴ ⁶⁵ and ⁶⁶.

The application of the economic alternative "*God or money*" to the ethical problem is an aberrant simplification⁶⁷.

The art of an economic realization requires not only the assessment of the intended objectives, but also the evaluation of the secondary, not intended effects, which can be as relevant as the first ones –or even more (deterioration of the cultural structure, destruction of small industries, environment damage, etc.).

Is in this environment that comes into view the moral relativism question, and drives the contest among diverse strategies to provide foundation to the different postmodern ethics. It becomes necessary the formulation of a new political paradigm to unify and maintain the parties interests and an ethical fundamental orientation.

Regarding the application of ethical standards for companies, the consulted businessmen think that the assistance will provide from outside the company: improvement of legislation, severe punishment, company external inspections and a higher control from consumers and media. But most of them, trust in internal solutions: a stronger ethical constitution and a better company culture. Many times, building a highly competitive company⁶⁸ implies disregarding the moral values⁶⁹.

The changes in history are tied to a powerful conscience of the *kairos* that is being experienced. In consequence, the ethics in a changing world has to be understood as the *kairos* ethics. The law has no ability to perceive it this way because it belongs to a past time, it is related to an ideal born in that time, valid for that moment.

⁶⁴ Brunner José Joaquín ."Cultural Globalization and Postmodernism". Fondo de Cultura Económica

⁶⁵ "Is not possible that the same thing is sometimes good and some other times bad, in some occasions slight and bearable and in other frightening". Seneca, op. cit.

⁶⁶ "We must be able to demonstrate that our moral principle is not limited only to reflect the prejudices of current white, male and middle class Americans and Europeans".

⁶⁷ Jurgen Habermas, op. cit.

⁶⁸ Gwynne, Peter, "The Myth of Globalization". MIT Sloan, Management Review, winter 2003. According to the author, the main percentage of multinational companies sales are directed towards three geographical objectives (instead of the whole world): United States, Japan and European Community.

⁶⁹ The number of companies that certified the SA8000 standards (ethical standards at the working place), in countries such as Italy for example, is remarkably increasing. The certification with these standards guarantees a preferential treatment in the government contracts. Some of the certified companies are: Chimica Edile, Chicom, Centroemilia, Consorzion, Crystal, STI, among others. Anyway, is in the far East where there are more companies adopting these standards. There are more Chinese employees working in certified companies than in other place in the world. "Ethical Performance", February 2003, volume 4 issue 9.

If we consider the natural law principles incorporated to the Universal Declaration of Human Rights as an expression of the love principle existing among men in a particular situation, those principles arise as important, legitimate and powerful. But they have a defect: they are temporal. In that sense, if we emphasize the most important aspect that is the underlying message, i.e., the love for the humankind, this love could be able to adapt itself to every evolutionary phase in this changing world.

Every individual, even the more creative, need certain structures containing the experience and wisdom from the past, to avoid the necessity of being constantly taking every single decision related to his life⁷⁰. This is also a necessity for the ethics. In addition, if these structures contain the principle of love among men, the society life would be laid towards a new justice and equity paradigm.

“The evilness is a specifically human phenomenon ... But evilness is not only human, but also tragic. Even if the man returns to the most archaic ways of experience, he can not avoid the fact he is a human being; for that reason, he can not be satisfied with the evilness as a solution (...). The man is disposed to return and move forward; this is a different way to express he is inclined towards good and evil. If there is a certain balance between these inclinations, the man is free to choose, on the condition that he can make use of his awareness and he is capable of the effort”⁷¹.

The responsibility of the selection between these options is an ethical problem, and its rationalization process produces in the authorities the desire to punish that deviation⁷².

Amartya Sen,⁷³ affirms that “The ethical values of businessmen and professionals in a country (as well as other’s key social actors) are part of its productive resources. If these values drive the investment, honesty, technological progress and social inclusion, they will be real assets; but if the quick and easy profits, corruption and lack of scruples prevail, the country progress will be jeopardized”.⁷⁴

⁷⁰ Fromm, Erich, "The heart of the man". Fondo de Cultura Económica, 1964

⁷¹ Fromm, Erich, op. cit.

⁷² “Living is fighting”. Seneca, op. cit.

⁷³ Nobel Prize in Economy

⁷⁴ Kliksberg, Bernardo, “More ethics, more development”, La Nación 21-2-03.

Solidarity should not be just a matter of moral admonition, it should also include solutions of economic interest⁷⁵. The means has to be chosen along with the goals.

"I put blessing and curse, life and death in front of you, and you have chosen life"⁷⁶. "The human being can make a choice. God can not save him; everything. He has to do, is to show the human the fundamental alternatives, life and death, and encourage him to choose life"⁷⁷.

⁷⁵ Art.1 "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood". Human Rights Declaration. December 10, 1948, United Nations General Assembly.

⁷⁶ Hebrew Bible, Sam. VIII, 9, 22.

⁷⁷ Fromm, Erich, op. cit.