

ETHICS & BUSINESS

ANNUAL REPORT OF THE BUSINESS ETHICS CENTER — 2021

INSTITUTE OF FINANCE, ACCOUNTING, AND BUSINESS LAW · CORVINUS UNIVERSITY OF BUDAPEST

HUMANITIES FOR BUSINESS

The Princeton University Faith & Work Initiative, the European SPES Institute – Leuven, and the Business Ethics Center of the Corvinus University of Budapest organized an international webinar series entitled “Humanities for Business” from October 11–16, 2021.

Faculty included

- *David W. Miller* – Princeton University,
- *Michael J. Thate* – Princeton University,
- *Laszlo Zsolnai* – Business Ethics Center, Corvinus University of Budapest,
- *Madhumita Chatterji* – ABBS School of Management, Bangalore,
- *Knut Ims* – NHH Norwegian School of Economics, Bergen,
- *Eleanor O’Higgins* – University College Dublin, and London School of Economics,
- *Kevin Jackson* – Fordham University, New York,
- *Titiporn Siriphant Puntasen* – Rangsit University, Pathumthani,
- *Devin Singh* – Dartmouth College,
- *Predrag Cicovacki* – College of the Holy Cross, Worcester,
- *Anderson Blanton* – Strategic Design and Innovation, Cone Health,
- *Margot Esther Borden* – Integral Perspectives, Mumbai,
- *Oona Shambhavi Dimello* – Conscious Development, and mySustainOnline.

The course presented the grand traditions of the Humanities as an untapped resource for business-world problems. At a time when the Humanities are viewed as in decline or under threat of collapse altogether, the course enacted and extended the best of the Humanities as regards to prevailing challenges within the complex realities of our current cultural moment. Topics of the webinars included values, trust, responsibility, ethics, leadership, self-realization, spirituality, narrative, literature, music, and the arts in relation and applied to current business challenges.

Thirty-one participants attended the webinars from France, Hungary, India, Israel, The Netherlands, Norway, South Africa, Spain, Turkey, the UK, and the USA. The webinar series helped the participants to understand how the humanities can contribute to the renewal of business and other human professions through deep existential-spiritual questioning, to developing a broader view of the purpose of human life alongside today’s social and ecological challenges, and to improving human creativity and sensitivity in the face of big ethical dilemmas in personal and professional life.



COURSES

BUDDHISM AND THE ECONOMY



On May 4–6 and May 11–13, 2021, Laszlo Zsolnai, Gabor Kovacs, and Andras Ocsai conducted a six-day online course on “Buddhism and the Economy” at the *Dharma Gate Buddhist College of Budapest*.

The course covered the basic theories and models of Buddhist economics and showed the applicability of Buddhist values to today’s business and social life.

The course included the following modules:

- *Laszlo Zsolnai*: What Is Buddhist Economics?
- *Gabor Kovacs*: Main Theories of Buddhist Economics
- *Laszlo Zsolnai*: Consumption with a Buddhist Face
- *Andras Ocsai*: Buddhist Enterprises
- *Gabor Kovacs*: Gross National Happiness in Bhutan and Beyond
- *Laszlo Zsolnai*: How to Realize Buddhist Economic Strategies



NORWEGIAN COURSE ON SUSTAINABLE VALUE CREATION

Between August 12 and November 12, 2021, members of the Business Ethics Center taught an online course on “Sustainable Value Creation” for the students of the Masters in Global Management Program of the Nord University, Bodø, Norway.

Faculty included

- *Laszlo Zsolnai, Andras Ocsai, and Tamas Veress* – Business Ethics Center,
- *Jozsef Veress* – Department of Information Systems, Corvinus University of Budapest,
- *Janos Vargha* – Danube Circle, Budapest, and
- *Ove Jakobsen* – Nord University.

Course modules included the following:

- Value Creation in the Anthropocene & Case study: Organic India
- Deep Ecology and Anarchism
- Digital Economy and Social Innovation & Case Study: ENVIENTA – platform for non-disruptive digitalization
- Ecologically Conscious Companies & Case study: Interface
- Principles and Models of Community Economy & Case study: Health in Harmony

- Ecological Restoration of Rivers with Dam Removals & Case study: Sélune River Dams, Normandy
- Sustainable Finance & Case study: Triodos Bank
- Organic Food Production & Case study: Pipacs Bakery
- The Problem of the Self & Case study: For the Love of Money
- Happiness and Wellbeing & Case study: Bhutan and Gross National Happiness
- Climate Strategies for Cities and Countries & Case study: Amsterdam & New Zealand
- Johan Galtung’s Peace Economy

Twenty-six students participated in the course. They developed case studies about innovative businesses and social enterprises that are aiming at sustainable value creation and oriented toward ecological and human wellbeing in an integrative way.



RESEARCH PROJECT

NEW NATIONAL EXCELLENCE PROGRAM

In 2021, Gabor Kovacs conducted a research project within the New National Excellence Program of the Ministry for Innovation and Technology that explored the applicability of the Gross National Happiness (GNH) framework to the Attila Jozsef residential area of Budapest.

Gabor Kovacs collected and analyzed the endeavors of international organizations to create alternative development indicators which include wellbeing, happiness, and quality of life. The project summarized the history and the implementation of Gross National Happiness in Bhutan. In doing so, it revisited the four pillars of GNH which entail (i) sustainable and equitable socio-economic development; (ii) good governance; (iii) the preservation and promotion of culture; and (iv) environmental conservation. These four pillars contain nine dimensions, which are (i) psychological wellbeing; (ii) health; (iii) education; (iv) cultural diversity and resilience; (v) time use; (vi) good governance; (vii)

community vitality; (viii) living standards; and (ix) ecological diversity and resilience. The nine domains of GNH and their corresponding indicators constitute the framework within which the operationalization of Gross National Happiness is elaborated in Bhutan. The research project investigated the challenges and opportunities of adapting Gross National Happiness in countries outside Bhutan.

The empirical part of the project resulted in qualitative, explorative research conducted in the Attila Jozsef residential area of Budapest. The main finding was that, although the quality of life and the wellbeing of inhabitants are above average, three dimensions of Gross National Happiness could be improved. In order to avoid a decrease in the wellbeing of inhabitants, planned action needs to be taken in the specific fields of (i) community vitality; (ii) living standards; and (iii) ecological diversity and resilience.

Attila Jozsef residential area of Budapest



PRESENTATIONS

“FLOURISHING IN A NEW ERA” WEBINAR SERIES IN MUMBAI

From January 15 to February 5, 2021, the *S. P. Jain Institute of Management and Research* in Mumbai organized a series of webinars for MBA students and alumni under the title “Flourishing in a New Era: Conversations around Ethics, Sustainability and Spirituality”.



Laszlo Zsolnai contributed to the program by giving a lecture on “Responsible Business”. In his presentation, he explored the responsibility of business toward a wide range of stakeholders including nature, society, and future generations and showed how successfully intelligence and creativity can be applied in business to support the common good.

A video of the presentation can be seen through the following link:

https://www.youtube.com/watch?v=3A-S_ceJolk

SUSTAINABLE SOLUTIONS IN CHALLENGING TIMES



In April 22–23, 2021, Gabor Kovacs gave a presentation at the “SUSTEX 2021 Summit: Sustainable Solutions in Challenging Times” organized by *Texas A&M University*. The title of his presentation was “The Application of Gross National Happiness on the Level of the Local Community”.

Kovacs introduced his research project, the application of Gross National Happiness (GNH) indicator to the Attila Jozsef residential area of Budapest. He introduced the preliminary findings of the research project, and argued that GNH helps to advance sustainability practices in the local community, and can contribute to the implementation of the Sustainable Development Goals in relation to designing effective governance and regulation according to SDG#11 (Sustainable Cities and Communities).

OXFORD SYMPOSIUM ON THE ETHICS OF CONSUMPTION

The *Las Casas Institute of Blackfriars Hall, University of Oxford* organized a symposium on “The Ethics of Consumption” in April 19–21, 2021. As an invited speaker, Laszlo Zsolnai presented a paper entitled “Right Consumption in Buddhism” at the conference.

Zsolnai emphasized that the ultimate goal of Buddhist life is to reach enlightenment and put an end to suffering. From this perspective, the goal of human life can be defined as inner development – that is, ethical and spiritual growth that requires only a minimum level of material consumption (food, clothes, shelter, education, and medicine). Zsolnai argued that Buddhism insists on the need to simplify and reorient our desires through meditation, self-reflection, and social dialogue to develop “right consumption” patterns.



LAS CASAS
BLACKFRIARS HALL

NURTURING THE PLACE AND ITS COMMUNITIES

On May 20, 2021, the *University of Urbino “Carlo Bo”* and the *European SPES Institute* organized an online international workshop entitled “Nurturing the Place and Its Communities”.

Together with Luk Bouckaert (Catholic University of Leuven), Laszlo Zsolnai gave a lecture on Place-based Economics. In their presentation they argued that while

mainstream economics primarily looks at place as an instrumental good, place-based economics views place as a relational good that creates meaning and identity for people. Modern organizations, communities and people are disembedded from the environmental and social context in which they operate. Business organizations, especially corporations, are rootless in an ecological and social sense and display strong disinterest in the places in which they function.

Bouckaert and Zsolnai concluded that without respecting and nurturing ‘place’, ecological sustainability cannot be fostered. Because ‘genius loci’ has an undeniable spiritual component, place-based enterprises cannot be run on a purely materialistic basis. The non-materialistic elements of place (such as aesthetics, cultural heritage, community feelings, and transcendence) should be integrated into place-based management.

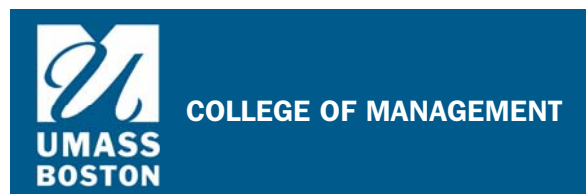


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BUSINESS RESEARCH CONFERENCE ON CSR

The second *University of Massachusetts Boston – EM Normandie* “Business Research Conference on Corporate Social Responsibility” was held online on June 17–18, 2021. Andras Ocsai contributed to the conference with a presentation entitled “Ecologically Conscious Businesses and Resilience”.

He discussed the COVID-19 crisis in the context of the Anthropocene, and emphasized that there is a need to critically reexamine the basic assumptions of mainstream economic thinking and business practices. Through showing some real-life business examples from the hardest hit economic sectors (such as food services, and the finance, manufacturing, and energy industries), Ocsai concluded that strong value commitment and ecological consciousness can contribute to resilience of organizations.



CENTRE FOR BHUTAN STUDIES WEBINAR

On July 12, 2021 Gabor Kovacs gave an online presentation on “The Value Orientations of Buddhist Entrepreneurs” at the “Zhichenkhar Virtual Seminar Initiative on Buddhism”. The event was organized by the *Centre for Bhutan Studies and GNH*. Kovacs argued that Buddhist values play an important role in business, and Buddhist entrepreneurs can inspire others to do ethical, social-engaged, and environmentally friendly business.



A video of Gabor Kovacs’ presentation can be seen here: <https://www.youtube.com/watch?v=N0i7lr0sxfq>

THE BUSINESS OF HAPPINESS AND WELLBEING

On July 26–30, 2021 the *Indian Institute of Management, Shillong* organized its eighth International Conference on Sustainability entitled “Holism, Harmony & Happiness”. Laszlo Zsolnai served as a keynote speaker at the conference. His presentation was on “The Business of



Happiness and Wellbeing”. He also gave a similar lecture in the “Happiness Talk Series” at the *Indian Institute of Technology, Kharagpur* on October 30, 2021.

Laszlo Zsolnai introduced the Western (Aristotelian) and the Eastern (Buddhist) conceptions of happiness and discussed the contemporary approaches to wellbeing. He argued that the purpose of the firm should be redefined. Instead of maximizing profit, firms should maximize the wellbeing of all stakeholders. He presented the cases of Organic India (Lucknow, Uttar Pradesh), Green Monday (Hong Kong), and Triodos Bank (The Netherlands) as successful working models of wellbeing oriented organizations.

BANGALORE CONFERENCE

In August 5–6, 2021 the *ABBS School of Management* in Bangalore organized a conference on “Disaster Management, Reconstruction, and Peace”. Andras Ocsai and Laszlo Zsolnai contributed to the conference with a presentation entitled “Wellbeing Creation in the Age of Covid Pandemic and Ecological Breakdown”.

Andras Ocsai and Laszlo Zsolnai stated that mainstream businesses create financial wealth for their owners/shareholders at the expense of nature, society, and future generations. They suggested that we need wellbeing-oriented organizations which conjointly create wellbeing for people and nature, and contribute to the flourishing of life (both human and non-human, present and future). In such organizations, success is

not defined in purely financial terms. It is measured primarily by real impacts on social communities and natural ecosystems. Also, the relationships between business and its stakeholders are long-term oriented and mutually beneficial rather than transactional and exploitative. Finally, products and services are designed with the idea of creating positive impacts on the environment and communities, not just minimizing negative impact.



ON FRUGAL CONSUMPTION IN LOS ANGELES



SOKA
UNIVERSITY



On November 19, 2021, Laszlo Zsolnai gave an online lecture on “Spiritual Humanism – The Case for Frugal Consumption” in the “Corporate Social Responsibility and Good Governance” course of the *Soka University of America*, Aliso Viejo, Los Angeles.

In his lecture Zsolnai discussed the problems associated with overconsumption in Western societies – namely, welfare malaise, growing inequality, and ecological overshoot. He argued for frugal consumption which is (i) mindful (as it serves one’s own true wellbeing), (ii) ecological (as it does not involve hurting nature), and (iii) social (as it helps others to satisfy their needs).



On November 25, 2021 Gabor Kovacs and Tamas Veress gave lectures at the “Day of Science Conference” of the *Hungarian Academy of Sciences* at Corvinus University of Budapest. The title of the conference was “Financial Compass for a Livable Future”.

Gabor Kovacs summarized his research project about the applicability of the Gross National Happiness (GNH) framework to the Attila Jozsef residential area of Budapest.

Tamas Veress presented his research work on the principles and models of community economy. He showed how community-based economic initiatives can contribute to ecological restoration and human flourishing.

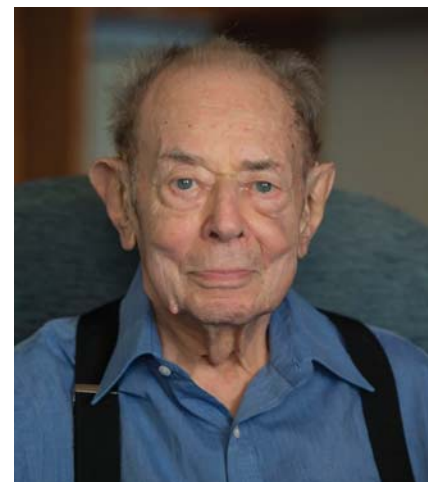
IN MEMORIAM JANOS KORNAI

Janos Kornai, Professor of Economics at Harvard University and Corvinus University of Budapest died on October 18, 2021. He was one of the most influential economists of his generation. He developed an anti-Walrasian economic framework within which both capitalist and socialist systems can be described and analyzed.

As a long-time friend and academic collaborator, Laszlo Zsolnai gave a talk on the importance of Janos Kornai’s work at the conference “Remembering Janos Kornai” on December 1, 2021. The conference was organized by the *Laszlo Rajk College of Corvinus University of Budapest* where Kornai had conducted courses and given lectures for over four decades.

Zsolnai emphasized that one important contribution of Janos Kornai to economic theory is the analysis of different coordination mechanisms in the working of modern economies. Kornai differentiated among four basic coordination mechanisms. These are market coordination (voluntary, horizontal, mutual interactions), bureaucratic coordination (non-voluntary, hierarchical, mutual interactions), ethical coordination (voluntary, horizontal, one-way interactions), and aggressive coordination (non-voluntary, hierarchical, one-way interactions).

Zsolnai recalled that if different coordination mechanisms are combined the so-called “crowding effect” may begin to work, and one coordination mechanism can “crowd out” or “crowd in” another one. An extremely important case is when market forces and ethics interact. Experimental studies show that if players shift the frame of reference from ethics to market coordination, ethical considerations are crowded out in favor of market considerations. On the other hand, ethics may crowd in with market motives and improve both the efficiency and effectiveness of economic and social interactions. Institutional arrangements may help the proper functioning and mutually beneficial co-existence of ethical and market forces in the modern economy.



Janos Kornai (1928–2021)



Laszlo Rajk College in Budapest

FUTURE PROJECTS

ECONOMY & RELIGION PROGRAM



Under the direction of Laszlo Zsolnai, a new program on Economy and Religion was launched in March 2021 at the *Corvinus Institute for Advanced Studies*.

The Economy & Religion Program aims to explore and study the multiple roles that religion and spirituality play in the functioning of the economy. It focuses on the contemporary issues of capitalism in relation to ethics and morality, ecology and sustainability, and social inequality and cultural diversity. It fosters a spirit of open dialogue that seeks collaboration across disciplines, cultures, and faith traditions.

FACULTY INCLUDE:

- *Laura Sarolta Baritz, OP* – Sapientia College of Theology of Religious Orders, Budapest
- *Gabor Kovacs* – Business Ethics Center, Corvinus University of Budapest
- *Karoly Mike* – Department of Economics and Statistics, Eötvös Loránd University of Budapest
- *Andras Ocsai* – Business Ethics Center, Corvinus University of Budapest
- *Balazs Sarvari* – Institute of Economics, Corvinus University of Budapest
- *Roland Szilas* – Department of Organizational Behavior, Corvinus University of Budapest

RESEARCH PROJECTS OF THE ECONOMY AND RELIGION PROGRAM INCLUDE THE FOLLOWING:

◆ Comparative Mapping of Religious Economic Thoughts

The project aims to reconstruct the economic ethics conceptions of world religions and to comparatively analyze them according to the basic values and suggested modes of management and desired institutions. It

intends to contrast the economic ethics conceptions of the world religions with the emerging humanistic business paradigm based on the “Global Ethic” conception developed by Hans Küng. The project plans to demonstrate the relevance and applicability of economic models of world religions in the context of today’s globalized economy.

The project will employ the official documents of world religions on economic matters and contemporary interpretations of them to reconstruct the economic ethics conceptions of world religions. The expected result of the project is a research monograph which presents the economic conceptions of the world religions and alternative models of economic action, management, and institutions. Within the project it is also intended to develop a professional website dedicated to the economic teaching of world religions from a comparative perspective.

◆ The Common Good and Integral Human Development

The project explores the Aristotelian-Thomistic virtue ethics tradition in relation to economics and management and places the common good at the center of economic activity. Relational goods such as trust, cooperation, loyalty, reciprocity, and solidarity play a basic role in this conception of the economy. Catholic Social Teaching and the works of Stefano Zamagni, Luigino Bruni, Amartya Sen, Karl Polanyi, Martin Buber, Elinor Ostrom, Erich Fromm, Richard Ryan, Edward Deci, Tim Kasser, Michael Naughton, and Helen Alford are synthesized to arrive at a robust conception of alternative economic functioning and organizational principles which can serve integral human development.

Special attention will be paid to research topics such as the objectivist concept of self-interest, reciprocity

in economic and business transactions, quality of work-life and virtuous leadership. The concept of the civil economy and the thoughts of eighteenth-century Italian economist Antonio Genovesi will be applied, while the relation between material and immaterial goods, homo oeconomicus versus homo reciprocans, self-determination theory, happiness, and the Natural Law and the natural world order will be emphasized.

◆ **The Economy of Francis: Ecology and Globalization**

By his Encyclical Letters Pope Francis brought new light to international discussions about ecology, economy, and globalization. He addressed the interconnected issues of ecological degradation, climate crisis, wealth and income inequality, and social justice by providing a comprehensive, humanistic “big picture”. The project aims to study the economic vision of Pope Francis using concrete case analysis – e.g. ecology, international cooperation, catch up processes, and new forms of entrepreneurship.

◆ **Utopian Thinking in Catholic Social Thought**

Is Utopian thinking compatible with Catholic social thought? A Utopian approach assumes that a radical overcoming of society’s existing moral failures and limitations is possible. There is an increasing tendency in the papal magisterium and more generally to engage in (quasi-)Utopian arguments. The research project uncovers and critically examines these lines of thinking as they appear in discussions of ecology, ecumenism, universal human fraternity, the death penalty, or just war. It confronts them with ‘moral realism’ – an approach also firmly embedded in Catholic thought.

◆ **Vilfredo Pareto Redivivus**

Vilfredo Pareto’s legacy is far more insightful than its simplification that is offered by welfare economics. His “Cours” and “Manuale” go beyond pure economic modelling. These are interdisciplinary approaches. Pareto used this wide context to understand micro- and macro-level decisions and their social effects as well. His

thoughts offer more than a framework with which to analyze current trends: he provides a theoretical context in which we may accommodate the diverse cultural traditions and techniques aimed at creating peace and prosperity. This promises to be an important take away in relation to defining common values in an era of global institutions.

◆ **Ethos as a Focus of Economic Analysis**

How are people able to cooperate successfully in economic life? The research project explores ‘ethos’ as a possible foundational concept for making sense of economic cooperation. Ethos is understood as context-specific shared understanding and appreciation of the goals and means of human interaction. Ethos-based economics is proposed as an approach that can overcome the inadequacies of institutional analysis by focusing on the incentives of social rules on the one hand, and the literature on general ‘attitudes’, ‘social preferences’, or ‘moral sentiments’ on the other hand.

◆ **Hindu Spirituality in Management and Buddhist Economics**

Hinduism and Buddhism are gaining influence in shaping economic and business functioning in today’s India and other countries including Bhutan, Thailand, Japan, and China. The project aims to reconstruct the Indian spiritual tradition as it applies to management. This research direction is based on and continues the works of S.K. Chakraborty and Manesh Shrikant. It explores how the Vedantic tradition and the related Human Values can refresh modern-day economic and business models.

The Buddhist economics approach, as it has been developed in the last 40-50 years, is aimed at creating an alternative mindset that challenges the main underlying assumptions of Western economics. Buddhist economics is based on a set of assumptions: minimizing suffering, simplifying desires, non-violence, genuine care, and generosity. The Buddhist economic model has shared prosperity in a sustainable world with minimal suffering as its goal. Buddhist economics suggests the evaluation of economic performance by measuring the wellbeing of people (prosperity) and the environment (sustainability), and the fairness of resource distribution (justice).

Spiritual-Based Business Models

Spiritual-based business models employ a spiritual conception of man. Human beings are considered spiritual beings embodied in the physical world who have both materialistic and non-materialistic desires and motivations. For them, materialistic desires and outcomes are embedded in and evaluated against spiritual convictions and experiences. The project aims to collect, analyze, and compare spiritually based innovative business models in different faith traditions and diverse socioeconomic contexts. Exemplary models include Leket Israel, Mondragon Cooperatives, Focolare Enterprises, Scott Bader Company, Organic India, Aravind Eye Care System, Apopo, Greyston Bakery, Patagonia, Green Monday – Hong Kong, Triodos Bank, Grameen Bank, and TAHITO Financial Services.

Daoist and Confucian Values in Chinese Economic Policies

Our age is in a transition period during which China is becoming increasingly involved in globalization. China's ever stronger presence in global networks will gradually make these networks acquire Chinese characteristics.

This highlights the need for a deep understanding of its cultural heritage. The main pillars of this high culture are Confucianism, Daoism and Legalism. Not one of these traditions alone but a mix of them formulates the complete picture of Chinese policies in the twenty-first century. Thus, the analyses of Chinese traditions may provide the missing messages for global institutions: i.e. how to achieve long-term sustainability and efficiency, and how to accommodate to Eastern cultures.

Socio-Ecological Wellbeing in Spiritual Perspectives

The project studies conceptions and models of wellbeing creation in today's economic and business context. The Western "eudaimonia" tradition and the Eastern "moderation" tradition are used and combined with the latest findings of positive psychology and happiness economics. Wellbeing is understood within a broad ecological and social context wherein the flourishing of people and their communities is related to and interlinked with ecological regeneration and social reforms. Gross National Happiness and other alternative policy frameworks will be studied at the level of countries, cities, companies, and communities.

PHD SPECIALIZATION IN BUSINESS ETHICS & SPIRITUALITY



In September 2021 the Business Ethics Center started a PhD Specialization in *Business Ethics and Spirituality* within the Doctoral School of Business and Management at Corvinus University of Budapest.

The PhD Specialization in Business Ethics and Spirituality consists of two interrelated modules:

- Business Ethics & Ethical Business, and
- Religious Economic Thought & Spiritual Business Models.

The Business Ethics & Ethical Business module covers issues like the Moral Economic Man, Ethics and the Theory of the Firm, Citizenship and Responsibility of Corporations, Organizational Ethics, Personal Responsibility and Ethical Action, Gender Issues in Business, International Ethics and Globalization, the Sustainability Oriented Company, Wellbeing and Happiness, and Future of Capitalism.

The Religious Economic Thought & Spiritual Business Models module covers issues like Problems of Materialistic Business & the Promise of Business Spirituality, Catholic Social Teaching, Jewish Business Ethics, Islamic Economics, Hindu Spirituality in Economics and Business, Buddhist Economics, and Confucian Entrepreneurship & Wisdom Traditions of China.

The specialization leader is Laszlo Zsolnai. Gabor Kovacs and Andras Ocsai will also teach on the program. In addition to them, members of the Business Ethics Faculty Group of CEMS – Global Alliance in Management Education, and Fellows from the European SPES Institute – Leuven will be asked to give lectures.

VALUE CREATION FOR A SUSTAINABLE WORLD

The Business Ethics Center, the John Molson School of Business, Concordia University, Montreal and the UNESCO Chair in Art and Science of Sustainable Development Goals, ICN Business School, Nancy are jointly developing a research project entitled “Value Creation for a Sustainable World”.

The departure point of the project is that the ecological, social, and technological challenges of the Anthropocene require developing and implementing new economic, business and financial models to create sustainable value for a wide range of stakeholders, including nature, society, and future generations. We define “sustainable value creation” as bringing forth products, services, organizational forms, processes, actions and policies which satisfy real social needs and contribute to the ecological regeneration of nature.

The project will collect and analyze innovative economic and business models of sustainable value creation globally (in the Americas, Europe, Africa, Asia, and Australia) and critically examine mainstream models of business and financial value creation. In reviewing both traditional and sustainability-oriented models, we will focus on both the challenges and opportunities inherent in a possible shift from models based on single-stakeholder wealth creation (e.g. the predominant doctrine of shareholder value maximization) to models that propagate multidimensional value creation. The main goal of the project is to explore the new principles and methods of management for sustainable value creation and to show the applicability of these models in a variety of socio-ecological settings.

Innovative cases may include

- Businesses (B-corps, social enterprises),
- Financial Initiatives (ethical and sustainable banking, impact investment),
- Human Communities (Indian villages, Leket – Israel, indigenous wellbeing, organic agriculture and permaculture),
- Animals and Ecosystems (Goats of Anarchy, Green Monday, Health In Harmony),

- Art and Culture (Echigo-Tsumari Art Field, Slow Food and Slow Living, Sustainable Fashion, Art for Sustainability), and
- Wellbeing Policies for Countries and Cities (Bhutan and GNH, New Zealand, Iceland, Amsterdam, the Brussels Region).

The project will pay special attention to potential methods and mechanisms which enable the co-creation and sharing of academic knowledge in cooperation with activist citizens, non-governmental organizations, and social movements. This will be accomplished, for example, by collaborating with participants of local initiatives and striving to create an equitable and sustainable Earth through elaborating and scaling up local solutions that aim to tackle climate-change-related global challenges.

The project will engage academics, and business and civil society practitioners to present and discuss their innovative value creation models for a sustainable world. Interdisciplinary and intercultural exchange will be facilitated to inspire and cross-fertilize different knowledge and action fields as well as to promote intergenerational dialogue about the prospects of the Human-Earth system.

Contributions are expected from scholars from S.P. Jain Institute of Management (Mumbai), Lancaster University, University of Turin, Ca’ Foscari University of Venice, ABBS School of Management (Bangalore), University of Urbino “Carlo Bo”, University of Hong Kong, University College Dublin, IE School of Global Public Affairs (Madrid), Duquesne University (Pittsburgh), Boston College, and Mahidol University (Bangkok).



BHUTAN SPECIAL ISSUE



With Zoltan Valcsicsak, President of the Hungarian–Bhutan Friendship Society, Laszlo Zsolnai will edit a “Special Issue on Bhutan” for *Keréknymok*, the journal of the *Dharma Gate Buddhist College of Budapest*.

The planned contents of the special issue include the following papers:

- Karma Phuntsho (Loden Foundation, Thimphu & University of Cambridge): *The Specificity of Bhutanese Buddhist Culture*
- Françoise Pommaret (Royal University of Bhutan): *Empowering Religious Women Practitioners in Contemporary Bhutan*
- Dasho Karma Ura (Centre for Bhutan Studies & Gross National Happiness, Thimphu): *Gross National Happiness and the GNH Index*
- Zoltan Valcsicsak (Hungarian-Bhutan Friendship Society & Corvinus University of Budapest): *Bodhisattva Enterprises in Bhutan*
- Laszlo Zsolnai, Zoltan Valcsicsak, Gabor Kovacs, Andras Ocsai, Kalman Kelemen (Corvinus University of Budapest): *Bhutan at the Cross-road of Economic and Social Development*



BODØ – EUROPEAN CAPITAL OF CULTURE

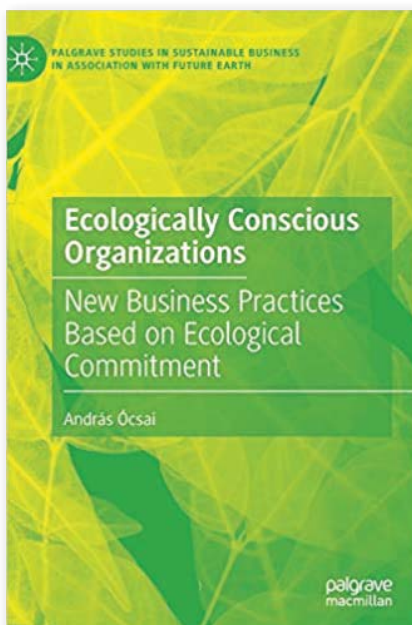


The northern city of Norway, *Bodø*, will be *European Capital of Culture* in 2024. The Business Ethics Center plans to take part in this year-long program in Bodø.

In cooperation with the *Center for Ecological Economics and Ethics* of the *Nord University* the Business Ethics Center will work on educational and visual art projects dedicated to new models of sustainability in business and society.

PUBLICATIONS

ECOLOGICALLY CONSCIOUS ORGANIZATIONS



Andras Ocsai’s book entitled *Ecologically Conscious Organizations: New Business Practices Based on Ecological Commitment* was published by Palgrave-Macmillan, London in 2021.

This book investigates the value orientation of ecologically conscious business. It analyzes, in a systematic and comparative way, the value commitments and business models of exemplary ecologically conscious businesses from around the world.

Ecological consciousness is gaining importance in modern business thinking, as the effects of the Anthropocene – acidification of oceans, diminishing potable water, climate change, and decreasing biodiversity – are becoming more evident. Surviving this ecological crisis requires a radical inner transformation of humanity, and an ecological transformation of business and the economy.

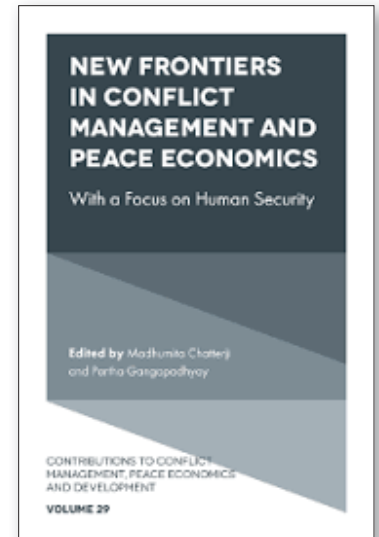
The webpage of the book:

<https://www.palgrave.com/gp/book/9783030609177>

BUSINESS AND VIOLENCE

Laszlo Zsolnai's paper on "Business and Violence" was published in M. Chatterji and P. Gangopadhyay (Eds.): *New Frontiers in Conflict Management and Peace Economics: With a Focus on Human Security*. 2021. Emerald, pp. 133–140.

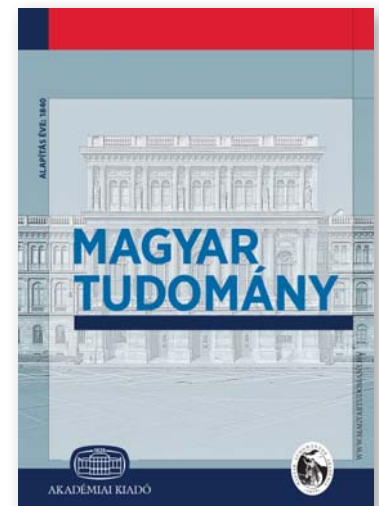
The paper recalls the famous book *The Economy of Love and Fear* by economist Kenneth Boulding, which suggests that business is a peaceful alternative to war. Zsolnai argues that this might be true in principle, but today's business, especially mainstream global business, seems to be at war with society and nature. Striving for profit and competitiveness, mainstream businesses produce financial results at the expense of nature, society, and future generations. With their exclusive focus on profit-making, mainstream businesses violate the integrity and diversity of natural ecosystems, the autonomy and culture of local communities, and the chance that future generations will have a decent life.



THE RESPONSIBILITY OF SCIENTISTS

In a Hungarian article Laszlo Zsolnai introduces the Principle of Responsibility developed by Hans Jonas to the field of scientific research ("A tudós felelőssége", in *Magyar Tudomány*, 2021, 182(3), pp. 425–427).

According to Jonas, we are responsible for the existence and wellbeing of the subjects who are under the impact of our actions and behaviors. Zsolnai argues that the prime responsibility of scientists is to produce scientific results which do not destroy but increase the wellbeing and prospects of all stakeholders. For this it follows that scientists should avoid the "error of the third kind" (i.e. solving wrongly formulated problems), and should develop solutions which are ethically right and socially acceptable.



BUDDHIST VALUES FOR CREATING MINDFUL MARKETS

Laszlo Zsolnai and Gabor Kovacs published a paper on "Buddhist Values for Creating Mindful Markets" in the *Journal of Management, Spirituality & Religion* (2021, Vol. 18, No. 5, pp. 57–70).

The paper introduces principles and guidelines for individual behavior and business organizations derived from the Buddhist worldview. The authors argue that the realization of Buddhist values is needed for creating mindful markets in which mindful consumption and mindful entrepreneurship are mutually reinforcing. Mindful consumption can be defined as conscious consumption that is wise, non-violent, and compassionate. Mindful entrepreneurship involves the application of Buddhist values and virtues in business activities, including production and trade.



SPIRITUALITY AND THE HELPING PROFESSIONS

The Hungarian article “The Role of Spirituality in the Helping Professions” by Laszlo Zsolnai was published in the journal of the *Hungarian Charity Service of the Order of Malta* (“A spiritualitás szerepe a segítő szakmák megújításában”, *Máltai Tanulmányok*, 2021. No. 1, pp. 1–10).

In his paper Zsolnai states that today’s dominant materialist worldview generates large-scale ecological, social and ethical “illths”. Materialist working models consider human beings as purely material entities, use extrinsic (mostly monetary) forms of motivation, and measure results in terms of ‘profit generated’ or ‘cost saved’. In contrast, spiritual-based working models consider human beings to be spiritual entities who are in relation

with the transcendent, and who have both material and non-material needs and sources of motivation. Spiritual-based working models employ inner, ethical sources of motivation, and measure the results of social action multidimensionally with reference to the promotion of common good. The paper argues that spirituality can significantly contribute to the renewal of the helping professions and increase their humanistic functioning.



Magyar Máltai Szeretetszolgálat

FRUGALITY, NATURE, AND WELLBEING



澳門利氏學社
INSTITUTO RICCI de MACAU
MACAU RICCI INSTITUTE

A paper by Laszlo Zsolnai entitled “Frugality, Intrinsic Value of Nature, and Wellbeing Oriented Businesses” was published in English and Chinese in *The Journal of the Macau Ricci Institute* (2021, No. 7).

The paper suggests there are three key ideas that are crucial to changing the economic paradigm and creating an economy oriented around the common good that is based on solidarity and fairness. These are frugality in consumption and production, acknowledging the intrinsic value of nature, and developing wellbeing-oriented businesses.

1) Frugality in Consumption and Production

Today, the most advanced economies are responsible for huge ecological overshoot, and use far more environmental resources and space than their fair earth-share would indicate. Frugality should precede efficiency if we are to achieve sustainability. Efficiency alone is not a solution for downsizing the material component of our overgrown economies.

Frugality implies rebalancing the material and spiritual values in economic life. This may lead to the rehabili-

tation of the substantive meaning of “economic” and to the revival of the corresponding logic of sufficiency. Achieving frugality and sufficiency requires more substantive organizational forms that radically alter the underlying structure of the currently dominant configurations of formal economizing. This means introducing smaller scale, locally adaptable, culturally diverse modes of substantive economic activities.

2) Acknowledging the Intrinsic Value of Nature

Mainstream economics fails to acknowledge the intrinsic value of nature. It suggests valuing environmental goods and services on the basis of market value determined by competing economic actors. The value of the elements of nature is calculated by using the “willingness to pay” principle, or shadow price techniques. But the value of natural entities cannot be calculated merely on the basis of their usefulness for humans. Price is a poor and often misleading proxy for assessing the value of natural entities. The true value of natural entities cannot be determined by market mechanisms.

There is no algorithmic solution to nature’s allocation problems. Ecological and social values are basically incommensurable. Decisions and policies related to nature and society require qualitative and multiperspective consideration and the proper use of wisdom.

3) Developing Wellbeing-Oriented Businesses

With their exclusive focus on wealth creation, mainstream businesses produce large-scale ill-being for humans and for non-human nature that endangers the survival of humanity on Earth. Sustainable development will require economies centered on wellbeing. It implies transforming businesses into progressive social institutions which respect nature, think of future generations, and take into account the common good of society.

The trajectory of businesses toward wellbeing creation is a multifaceted, complex phenomenon. It can be assessed only by multidimensional measures that use criteria related to appropriate ownership structures and effective governance mechanisms, adequate incentive systems, organizational identity, relationships with the local community, the technology employed, production systems, supply chains, information systems, investors, and net income generated.

NEWS

ISAIAS RIVERA



By January 1, 2021, Isaias Rivera had joined the Business Ethics Center as an Associate Professor. He is an American scholar with a PhD in Philosophy from Loyola University in Chicago. He was Visiting Professor at Yale University and University of Nevada, Reno. At Corvinus he teaches courses in Globalization and Ethics for undergraduate and graduate students. His latest publication is “Education, Health Care, and Poverty in Cuba” *Perspectives on Global Development and Technology* 20 (2021): pp. 551–557.

ZSOLT BODA

By January 31, 2021, Associate Professor Zsolt Boda had left the Business Ethics Center. He was member of the Business Ethics Center since 1993. He had contributed to the development of our educational programs and published important papers on various aspects of business ethics and on ecological economics and politics. He continues to work as the director of the Centre for Social Sciences of the Eötvös Loránd Research Network. He has also been appointed a part-time Full Professor at the Eötvös Loránd University School of Law in Budapest.



APPOINTMENT AT OXFORD



In March 2021, Laszlo Zsolnai was appointed an Associate Member of the *Las Casas Institute, Blackfriars Hall, University of Oxford*. He will work on projects related to Economics as a Moral Science and continue his collaboration with Professor Peter Rona.

JMSR BOOK REVIEW EDITOR

From April 2021, Gabor Kovacs has served as Book Review Editor of the *Journal of Management, Spirituality & Religion*. The journal is related to the International Association of Management, Spirituality & Religion.



IAMSR

International Association of Management, Spirituality & Religion

RESEARCH EXCELLENCE AWARD

Laszlo Zsolnai was a winner of the *Research Excellence Award* of Corvinus University of Budapest. The award is a recognition of his publication achievements in 2018–2020.

LASZLO FEKETE'S RETIREMENT

In June 2021, Associate Professor Laszlo Fekete retired and left the Business Ethics Center. He had served as member of the Center since 2000 and taught various courses in business ethics. He also contributed to our different research projects on CSR, climate change, and institutional ethics. His principal works include *Contemporary Ethics (Kortárs etika, 2004, Nemzeti Tankönyvkiadó, Budapest)*.



NEW PHD STUDENTS

In September 2021, three new PhD students joined the Business Ethics Center. Kalman Kelemen is working on the topic of “The Applicability of the Gross National Happiness Framework to Western-type Business Organizations”. Zoltan Valcsicsak is working on the topic of “Buddhist Values in Social Enterprises”, and Zoltan Rozsa is working on the topic of “Veganism and Its Implications for Business Ethics”.



Kalman Kelemen

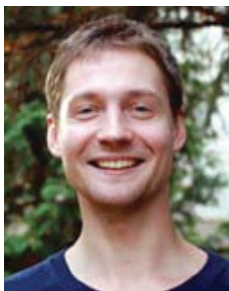


Zoltan Valcsicsak



Zoltan Rozsa

APPOINTMENT OF TAMAS VERESS



Tamas Veress was appointed Junior Assistant Professor at the Business Ethics Center in November 2021. He will teach courses in sustainable value creation and decision techniques, and continue his research work on models of community economy. His academic work addresses community-based economic models targeting to ecological and human wellbeing in the context of the Anthropocene.

SPONSORS

In 2021, the projects and members of the Business Ethics Center received financial support from the following institutions: *Corvinus University of Budapest*, the *New National Excellence Program* of the *Ministry for Innovation and Technology – Hungary*, *Dharma Gate Buddhist College – Budapest*, *European SPES Institute – Leuven*, *Las Casas Institute, Blackfriars Hall – University of Oxford*, *Princeton University Faith & Work Initiative*, and the *Business Ethics Society – Budapest*.