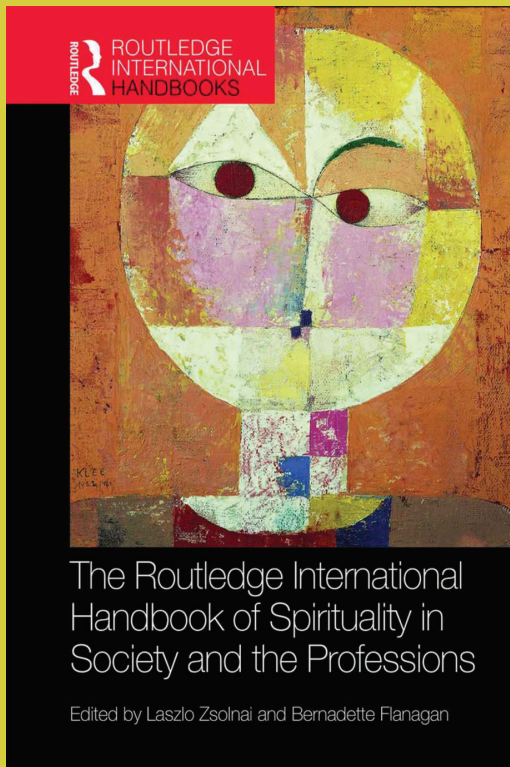


# ETHICS & BUSINESS

ANNUAL REPORT OF THE BUSINESS ETHICS CENTER — 2019

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



## THE ROUTLEDGE INTERNATIONAL HANDBOOK OF SPIRITUALITY IN SOCIETY AND THE PROFESSIONS

*The Routledge International Handbook of Spirituality in Society and the Professions* edited by Laszlo Zsolnai and Bernadette Flanagan was published in Spring 2019 by Routledge in New York.

Spirituality is defined in the book as a multiform search for a transcendent meaning of life that connects people to all living beings and brings them in touch with God or 'Ultimate Reality'. Spirituality is an aspect of every sphere of social life. It appears in humanity's dealings with nature, home and community, healing, economics and business, knowledge, and education. The Routledge International Handbook of Spirituality in Society and the Professions is a collection that summarizes the most important issues, frameworks, discussions, and problems relating to spiritually inspired activities in different fields of social life.

*Spirituality  
contributes to  
renewing social  
practices and  
the professions*

The contributors explore how spirituality is a part of human existence and present approaches and models for professionals working in diverse areas. Presented in seven parts, the book provides a full overview of current research and practice. Part "Facets of Spirituality" explores topics including philosophy, psychology, theology, and culture. Part "Nature" looks at ecology, agriculture, cities, and tourism. Part "Home and Community" presents chapters on various life stages, disability, gender, and culture. Part "Healing" examines medicine, mental and physical health, and ill-health. Part "Economy, Politics, and Law" discusses business, leadership and the workplace, peace, and policing. Part "Knowledge and Education" includes chapters on science, design, fashion, literature, and the arts. Part "Way Forward" looks into the future with a chapter on inter-spirituality and the renewal of social practices. Driven by contemporary research and new developments, this Handbook is an innovative and interdisciplinary collection that provides an essential overview of contemporary spirituality and society from an international selection of contributors.

*The Routledge International Handbook of Spirituality in Society and the Professions* offers accessible, diverse, and engaging international research, and its scope appeals to academics and students of a wide range of subjects, including aging and addiction, psychology, theology, religious studies, sociology, business studies, and philosophy. It is also an important work for professionals in medical and social services, the clergy, education, business, the arts, religious communities, and members of organizations looking at the links between spirituality, religion, and society.

#### Contents of the book:

##### Part I: Introduction

- Laszlo Zsolnai and Bernadette Flanagan: *Spirituality in Society and the Professions*

##### Part II: Facets of Spirituality

- Ralph W. Hood, Jr.: *The Psychology of Religion and Spirituality*
- David Rousseau: *Spirituality and Philosophy*
- Thomas Dienberg: *Spirituality and Theology*
- Imre Lázár: *Spirituality and Culture*
- B. Les Lancaster and Ellis H. Linders: *Spirituality and Transpersonalism*
- Rosemarie Anderson and Jacqueline Linder: *Spirituality and Emergent Research Methods*

##### Part III: Nature

- Elizabeth Allison: *Spirituality and Ecology*
- John E. Ikerd: *Spirituality and Agriculture*
- Gary L. Chamberlain: *Spirituality and Water*
- Cecil Konijnendijk van den Bosch: *Spirituality and Landscape Planning*
- Brian R. Sinclair: *Spirituality and the City*
- Gregory Willson and Alison McIntosh: *Spirituality and Tourism*

##### Part IV: Home and Community

- Susan Crowther: *Birth and Spirituality*
- Adrian-Mario Gellel: *Children and Spirituality*
- Peter J. Jankowski: *Spirituality, Couple and Parent-Child Relating*
- Anna Fedele: *Spirituality and Gender*
- Alexandria R. Ebert and Susan H. McFadden: *Spirituality and Aging*
- Simon Robinson: *Spirituality and Sport*
- György Könczei and Anikó Sándor: *Spirituality and Disability*
- Rev. Jill L. Snodgrass: *Spirituality and Homelessness*
- Beth R. Crisp: *Spirituality and Social Work*
- Daniel Hauge, David Paine, Elizabeth G. Ruffing and Steven Sandage: *Spirituality and Intercultural Development*

##### Part V: Healing

- Athar Yawar: *Spirituality in Medicine*
- Sandhya Chandramohan and Raisuyah Bhagwan: *Spirituality and Nursing*
- Rachel J. Cullinan and Christopher C.H. Cook: *Spirituality and Mental Health*
- Peter Kevern: *Spirituality and Dementia*
- Paramabandhu Groves: *Spirituality and Addiction*

##### Part VI: Economy, Politics, and Law

- Luk Bouckaert and Laszlo Zsolnai: *Spirituality in Economics and Business*
- Carlos Hoevel: *Spirituality and International Development*
- Carole L. Jurkiewicz and Robert A. Giacalone: *Spirituality and the Workplace*
- Katalin Illés: *Spirituality in Management Development*
- Margaret Benefiel and Michelle Abbott: *Spirituality and Leadership*
- Dániel Deák: *Spirituality and Law*
- Wolfgang Palaver: *Spirituality and Politics*
- Jonathan Smith and Ginger Charles: *Spirituality and Policing*
- Alastair McIntosh and Matt Carmichael: *Spirituality and Social Activism*
- Tilman Bauer: *Spirituality and Peace*

##### Part VII: Knowledge and Education

- Peter Pruzan: *Science and Spirituality*
- Stuart Walker: *Spirituality and Design*
- Thomas Barrie and Julio Bermudez: *Spirituality and Architecture*
- Doirean Wilson: *Spirituality and Fashion*
- Rita Ghesquière: *Spirituality and Literature*
- James McCullough: *Spirituality and the Visual Arts*
- Marcel Cobussen: *Spirituality and Music*
- Edmund B. Lingan: *Spirituality and Theatre*
- Kenneth R. Morefield: *Spirituality in Movies*
- Celeste Snowber: *Spirituality and Dance*
- Henk Oosterling: *Spirituality and Martial Arts*
- Mark Pearson: *Spirituality in Journalism*
- Paola Di Maio: *Spirituality in Cyberspace*
- Bernadette Flanagan and Michael O'Sullivan: *Spirituality and Education*

##### Part VIII: Way Forward

- Bernadette Flanagan and Laszlo Zsolnai: *Inter-Spirituality and the Renewal of Social Practices*



#### The website of the book:

<https://www.routledge.com/The-Routledge-International-Handbook-of-Spirituality-in-Society-and-the-Zsolnai-Flanagan/p/book/9781138214675>

# CONFERENCES AND WORKSHOPS

## RELIGIONS AND THE ECONOMY

On May 23, 2019 the Business Ethics Center and Social Impact Investing (THBE) jointly organized an interfaith conference on “Religions and the Economy” at the Corvinus University of Budapest.

Program of the conference included the following presentations:

- Laszlo Zsolnai (Corvinus University of Budapest and European SPES Institute, Leuven): *Spirituality and Management*
- Márk Bokros, OSB (Pannonhalma Archabbey): *The Pannonhalma Model*
- Ulrich Kiss, S.J. (Jesuit Order): *Servant Leadership in Learning Enterprises*
- Máté Benkóczy (Servitor Pro Multis): *The Economic Practice of Christian Orders in Hungary: The Case of Unitas Solidaris*
- Laura Sarolta Baritz, OP (Dominican Order): *The Multidimensional Economy*
- Gábor Karsai (Dharma Gate Buddhist College): *Buddhist Organizational Development and Management*
- Mátyás Mérő (Hungarian Krishna Consciousness Community): *Sustainability, Self-sufficiency and Economic Security in the Krishna Valley*
- Gábor Balázs (OR-ZSE Jewish University): *Judaism and Economic Ethics*
- Tibor Héjj (Proactive Management Consulting), Balázs Zugor (ÉRMe Christian Enterprise Network), and Elemér Eszter (Social Impact Investing): *Panel Discussion on Spirituality, Business and Ethics*



## THE ETHOS OF ENTREPRENEURSHIP AND SPIRITUALITY



The Babeş-Bolyai University of Cluj Faculty of History and Philosophy, together with the European SPES Institute and the Business Ethics Center of Corvinus University of Budapest organized a workshop entitled *A New Ethos of Entrepreneurship Based on Spirituality. The Philosophy of Caring Management in the New Economy* on October 26, 2019 in Cluj-Kolozsvár, Romania. The topic of the conference was drawing from the topic of the volume “Caring Management in the New Economy. Socially Responsible Behavior Through Spirituality” edited by Ora Setter and Laszlo Zsolnai (Palgrave–MacMillan, London, 2019).

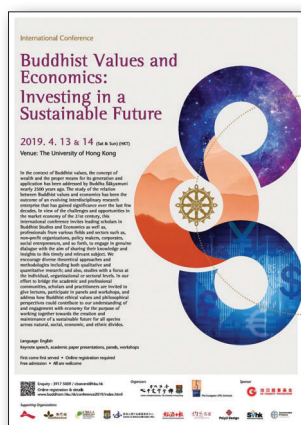
Program of the workshop included:

- Ora Setter (Israeli Organizational Development Association and Lahav – the Executive Education Center of Tel Aviv University, Israel): *Spirituality and Caring in Organizations: The Covenant Metaphor*
- Laszlo Zsolnai, Gábor Kovács, and András Ócsai (Corvinus University of Budapest): *Caring for Future Generations*
- Imre Ungvári-Zrínyi (Babeş-Bolyai University of Cluj, Romania): *Authentic Human Relations and the Economy.*



# PRESENTATIONS

## BUDDHIST ECONOMICS



A joint paper by Laszlo Zsolnai and Gábor Kovács on “Buddhist Economic Thought and Action” was presented at an international conference entitled *Buddhist Values and Economics: Investing in a Sustainable Future* at The University of Hong Kong in April 13–14, 2019 in Hong Kong.

Zsolnai and Kovács suggested that Buddhist economics can be seen as a major alternative to the Western economic mindset. Buddhist economics, developed by E.F. Schumacher, Venerable P.A. Payutto and others, challenges the basic principles of modern Western economics, namely profit-maximization, cultivating desires, introducing markets, instrumental use of the world, and self-interest-based ethics. Buddhist economics uses alternative principles such as minimizing suffering, simplifying desires, non-violence, genuine care, and generosity. The authors suggest that Buddhist economics is not a system but a strategy, which can be applied in any economic setting.

In Zsolnai and Kovács’s view, Buddhism favors creating mindful markets where mindful consumption, mindful entrepreneurship and mindful economic policy mutually reinforce one another. Mindful consumption is (i) wise (it serves one’s true well-being), (ii) non-violent (it does not hurt other sentient beings), and (iii) compassion-based (it helps others to satisfy their needs). Mindful entrepreneurship applies Buddhist virtues in business activities including production and trade. Mindful economic policy aims to create shared prosperity in a sustainable world with reduced global suffering. The presentation used examples of Buddhist businesses from the USA (Patagonia Inc.), from Europe and Africa (Apopo), and from Bhutan (Loden entrepreneurs).



## ON RIGHT CONSUMPTION

Gábor Kovács gave a presentation entitled “The Framework of Right Consumption” at the *16th United Nations Day of Vesak Celebrations and Academic Conference on Buddhist Approach to Global Leadership*



*and Shared Responsibilities for Sustainable Societies*, in May 12–14, 2019 in Ha Nam Province, Vietnam. He argued that human activities put huge pressure on the Earth systems. According to the patterns of the *Great Acceleration* primary energy consumption, water usage, fertilizer and paper consumption, and the consumption of various services have been increased dramatically in the last decades. Buddhism can respond to these problems by introducing right consumption. Right consumption is understood as local, wise and mindful consumption which allows practicing the virtues of sharing, contentment and moderation. Right consumption aims at satisfying basic human needs with minimal environmental impact. The simplification of desires is an essential element of right consumption as a crucial factor of alleviating the pressures on the earth systems.

## ECOLOGICALLY CONSCIOUS BUSINESSES



András Ócsai gave a presentation on “Ecologically Conscious Businesses as Spiritually-Grounded Working Models in Different Professions” at the Annual European SPES Conference entitled *Spirituality in Society and the Professions* in May 16–18, 2019 in Waterford, Ireland.

András Ócsai argued that the mainstream business world of our era dominated by materialistic values generates serious ecological, social and moral problems. To preserve

the chances of survival of natural ecosystems and the humankind, the transformation of the prevailing economy into sustainable economy, development and promotion of innovative progressive business models grounded in ecologically conscious and spiritual practices are indispensable.

Ócsai presented a study which maps the value background and business models of leading ecologically conscious businesses (Green Monday, Houdini Sportsware, Interface, Natura, Organic India, Patagonia, Scott Bader, TerraCycle). He showed that the value background of the studied businesses are rooted in the owners’, managers’ value commitments (religious, philosophical traditions, individual spirituality). Their ecologically consciousness is rooted in a deep respect for nature, God or the source of life and aims at selfless service of the common good. Their success criteria are multidimensional as they work not only for profit but for the well-being of all of their stakeholders.

## SPIRITUALITY AND MANAGEMENT

On May 23, 2019 Laszlo Zsolnai gave a presentation on “Spirituality and Management” in the conference on *Religions and the Economy* at the Corvinus University of Budapest. He discussed the failures of materialistic management and presented successful working models of spiritually-based management including Mondragon, Patagonia, Grameen Bank, and Triodos Bank. He concluded that in spiritual-based management profit and growth are not final ends but elements of a broader set of goals. Similarly, cost-benefit calculations are integrated into a more comprehensive scheme of measurement.



**Triodos Bank**  
Make your money make a difference

## CAPITALISM AND CLIMATE CHANGE



On September 10, 2019 Zsolt Boda participated in the academic year opening event of the *Társadalomelméleti Kollégium* (TEK) of the Corvinus University of Budapest.

A roundtable discussion was organized around the problematic of capitalism and climate change. Boda argued that the development of capitalism had undeniably dramatic effects on the natural environment and the logic of today’s globalized and financialized capitalism undermines any serious effort of mitigation and nature conservation, therefore capitalism has to undergo essential transformations. However, he disputed that plain anticapitalism would be enough to combat climate change.

Capitalism may have the potential to transform and embrace ecological considerations just as it could live by social welfare norms implemented throughout the 20th century. Whether the end result of the much needed transformative process can be still called capitalism or not is a minor issue – but ecological logic must prevail in the organization of the economy, otherwise, the future of human civilization is at peril.

## CARING FOR FUTURE GENERATIONS

On October 26, 2019 in the workshop entitled *A New Ethos of Entrepreneurship Based on Spirituality. The Philosophy of Caring Management in the New Economy* in Cluj–Kolozsvár Laszlo Zsolnai, Gábor Kovács and András Ócsai gave a presentation on Caring for Future Generations.

They argued that to achieve meaningful change in the humanity-nature nexus we have to reinvent our economic and social functioning. The basic question is how can we become ecologically conscious agents which operate within limits, that is, use only our “fair earth share” and contribute to the richness of life on

Earth. Living frugal lifestyles, restoring natural ecosystems, preserving the cultural heritage of humankind, and inventing life saving knowledge are the key actions what we can do for future generations. Zsolnai, Kovács and Ócsai concluded that improving the position of future generations enhances the future of present generations too.



## CLIMATE CHANGE AS A SOCIAL PROBLEM

On October 31, 2019 Zsolt Boda gave a presentation at the *Conference of the Responsible Intellectuals*, a civil organization initiated by József Pálinkás, former president of the Hungarian Academy of Sciences and former minister of education, with the aim of providing forum for the discussion of pressing and important social problems Hungary is facing. While natural scientists, like Professors Gábor Vida and Eörs Szathmáry presented the impact of climate change on natural systems, Boda argued that the causes of the ecological crisis are obviously social, and the answers must also be so. Technical and technological solutions might be

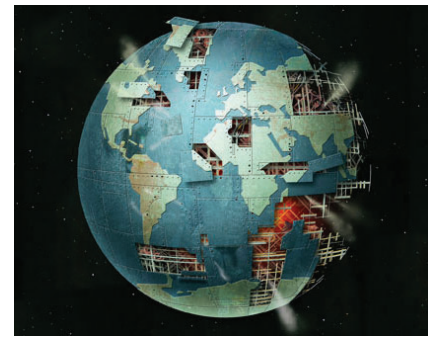
appropriate for some problems, but it is a naivety to think that they can magically eradicate the ecological damages done by modern society. For instance, it is hardly imaginable that economic globalization might be compatible with a sustainable future, therefore the underlying organizational logic of today’s economy must be changed – which is far from being a technical problem. On the contrary, climate change exemplifies the features of a wicked problem which needs to be tackled through similarly complex social and political processes.



# PUBLICATIONS

## FINANCE AND MANAGEMENT FOR THE ANTHROPOCENE

The paper entitled “Finance and Management for the Anthropocene” by Paul Shrivastava, Laszlo Zsolnai, David Wasieleski, Mark Stafford-Smith, Thomas Walker, Olaf Weber, Cary Krosinsky, and David Oram was published in *Organization and Environment* (Vol. 32. No. 1., 2019, pp. 26–40).



The authors argue that the Anthropocene era is characterized by a pronounced negative impact of human and social activities on natural ecosystems. To the extent finance, economics and management underlie human social activities, we need to reassess these fields and their role in achieving global sustainability. This paper presents the scientific evidence on accelerating impacts of human activities on nature which has resulted in breach of planetary boundaries and onset of global climate change. It offers some potential leverage points for change toward sustainability stewardship by highlighting the important role of finance and economics in addressing climate change. The authors examine the role of financial stakeholders in addressing planetary boundaries and offer a modified stakeholder theory, from which they propose future directions for finance in the Anthropocene.

## SPIRITUALITY IN SOCIETY AND THE PROFESSIONS



Laszlo Zsolnai and Bernadette Flanagan’s paper “Spirituality in Society and the Professions” was published in *The Routledge International Handbook of Spirituality in Society and the Professions* (edited by Laszlo Zsolnai and Bernadette Flanagan, 2019, New York, Routledge, pp. 3–4).

The paper emphasizes that new approaches and models are emerging for the professions working in different societal fields, including religion, psychology, philosophy, theology, ecology, agriculture, water, landscape and urban planning, tourism, medicine, psychological counseling, sociological work, nursing, sport, health, economics and business, management, leadership, politics, law, policing, science, architecture, technology and design, fashion, literature, visual arts, music, theatre, film, dancing, martial arts, media, and education. Arising from these developments the paper illustrates how professions can gain a good deal in insight and humanity by embracing spirituality in their working models and functioning.

## SPIRITUALITY IN ECONOMICS AND BUSINESS

The paper “Spirituality in Economics and Business” by Luk Bouckaert and Laszlo Zsolnai was published in *The Routledge International Handbook of Spirituality in Society and the Professions* (edited by Laszlo Zsolnai and Bernadette Flanagan, 2019, New York, Routledge, pp. 241–250).



The paper argues that economics and business need a more spiritual foundation to solve their ethical, social and ecological problems. Spirituality as an inner experience of deep interconnectedness with all living beings opens a space of distance from the pressures of the market and the routines of business as usual. This distance seems to be a necessary condition for developing innovative ethical ideas and practices. It restores intrinsic motivation and provides a longer time horizon. Unfortunately, spirituality is not yet a mainstream concept in the business world. In economics and business the instrumental and utilitarian rationality is still the dominant perspective, whereas spirituality is anchored in a deeper, non-instrumental and non-utilitarian experience of life. The authors believe that economics and business can be renewed and transformed into a progressive social institution if it enriches itself by taking spirituality seriously at the core of its activities.

## INTER-SPIRITUALITY AND THE RENEWAL OF SOCIAL PRACTICES

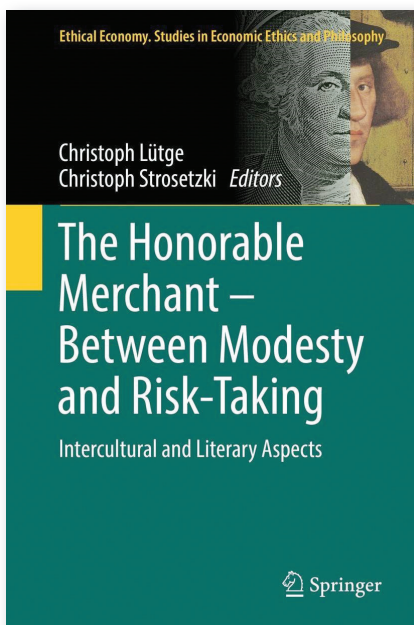


Bernadette Flanagan and Laszlo Zsolnai's paper "Inter-Spirituality and the Renewal of Social Practices" was published in *The Routledge International Handbook of Spirituality in Society and the Professions* (edited by Laszlo Zsolnai and Bernadette Flanagan, 2019, New York, Routledge, pp. 447–453).

This concluding essay summarizes the most important messages of *The Routledge International Handbook of Spirituality in Society and the Professions*. The main point that the authors make is that social activities and the human professions can gain a lot by employing a spiritual perspective.

Spirituality is understood as personal (and collective) experience and value orientation which transcends ego-centeredness and embrace wholeness and oneness. Spirituality implies less emphasis on materialistic values such as money, possessions, image, and status, and more focus on non-materialistic values of happiness, compassion, self-realization, and interconnectedness. The authors emphasize that spiritually grounded social practices can lead to better and more satisfying results than practices exercised on a purely materialistic basis. Spirituality does not deny the importance of the material world and the material part of human existence but prioritizes the spiritual over the material. The primacy of the spiritual may catalyze substantial renewal of social practices which brings the hope of a more ecological, happier and peaceful being and functioning.

## VOLUNTARY BUSINESS REGULATION FOR SUSTAINABILITY



László Fekete's paper "Voluntary Business Regulation for Sustainability: Intends, Norms and Motivations of Building Public Trust of Corporate Managers" was published in Christoph Lütge and Christoph Strosetzki (Eds.): *The Honorable Merchant – Between Modesty and Risk-Taking: Intercultural and Literary Aspects* (Springer, 2019, pp. 55–73).

In his paper, László Fekete observes that although tackling climate change and environmental degradation are the shared responsibility of the global community for averting catastrophic consequences and the likelihood of severe welfare losses on global level, the majority of the states are not willing to give up their short-term economic interests and to pool their sovereignty to make legally binding international environmental agreements. Therefore, the implementation and enforcement of a comprehensive and coercive international regulatory regime have been stalled in the international fora for a long time. At the same time, private regulation, voluntary environmental assessment and reporting framework initiated by business, civic and professional organizations have been proliferating since the beginning of the 1990s.

Fekete underlines that the question is whether these private self-regulatory initiatives of assessing and monitoring environmental performances, especially, of the large corporations are the adequate and proper substitute of mandatory multilateral environmental agreements; whether those regarding global environmental outcomes can counter-balance the unwillingness of the majority of the states to comply with a stringent international regulatory regime.



Laszlo Zsolnai edited a special collection of papers on Economy and Ethics in *Magyar Tudomány*, the journal of the Hungarian Academy of Sciences (Vol. 180, 2019, No. 4). Business ethics is presented as an interdisciplinary field of study, which is based on the conviction that ethics is a relevant aspect at all levels of economic activities, from individual and organizational to societal and global. Economic problems require complex approaches using models from economics, management science, and ethics. In business ethics the critical-analytical and the action-oriented knowledge creation is intermingled in order to improve the ethicality of economic life.

The special collection includes the following papers

- Knut Ims (NHH Norwegian School of Economics), Antonio Tencati (University of Brescia), and Laszlo Zsolnai (Corvinus University of Budapest): *Business Ethics in the Anthropocene*

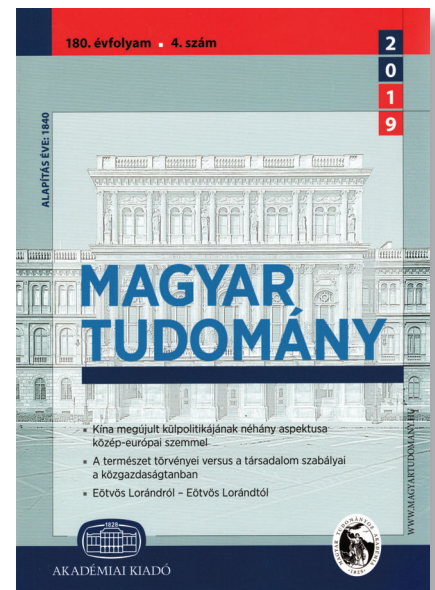
The Anthropocene has been caused mostly by the cumulative effects of business activities of the last 50–60 years. This dramatic deterioration of the Earth is mainly due to current patterns of production and consumption. Business activities have come to dominate all spheres of life almost everywhere on the planet. Disregarding the carrying capacity of the ecosystems businesses pose huge burdens on present and future life forms (human and non-human alike). Business ethics has a major role to play in the development of sustainable business organizations. In particular, it has to challenge the currently prevailing management theories and business practices. The main areas of analysis and action include (i) promoting frugal production and consumption models, and (ii) accepting the intrinsic value of nature. New, progressive business models need to be created by which business organizations can serve the common good of society, nature and future generations, in addition to profit making.

- László Fekete (Corvinus University of Budapest): *Environmental and Ethical Problems of Global Free Trade*

Since the UN Conference on the Human Environment in 1972, thousands of international environmental agreements have been signed, in which states have agreed upon promoting sustainable development. Despite assiduous efforts, they are characterized by ambitious statements and modest results. There are several arguments that environmental objectives should be integrated into the international trade regime. All the more so it became a necessity to integrate trade and environmental policies since the operations of the modern economy are based on the overuse of natural resources, and externalization of environmental costs goes with the erosion of nature. The recent international trade agreements fail to attain environmental objectives. Although the concept of sustainable development appears as the buzzword in these agreements, it merely relies on provenly failed economic tools. In the current international economic and political situation, it seems impossible to integrate enforceable environmental rules into the international trade regime.

- Péter Kardos (Bloomfield College, NJ): *Corporate Responsibility and Public Reactions*

As public opinion can shape the legal system and, through the market, influence corporate behavior, it is important to understand people's reaction to corporate transgression. This paper utilizes a psychological approach and relies on empirical findings to investigate people's reaction to unethical corporate behavior. First, building on our understanding of collective responsibility the paper analyzes the relationship between causal responsibility and justice motives in the corporate context. Next, it summarizes the empirical findings about how people assign and distribute responsibility within corporations. It also highlights the effect of the social environment on justice motives and shows how belief in free market ideology influences people's reaction to corporate transgression.



- Zsolt Boda (Hungarian Academy of Sciences and Corvinus University of Budapest): *Fairness and Institutional Trust in the Economy*

The paper focuses on trust in institutions, its roots and practical consequences. The literature on trust assumes that it is a phenomenon with positive value content, while Hungarian studies typically emphasise the low level of public confidence and its negative consequences. The paper accepts these theses, and argues that trust is essentially a moral phenomenon, built on normative expectations – and among them procedural fairness seems to be of high importance. Referring to both Hungarian and international research the paper overviews the consequences of trust and provides further evidences on the Hungarian situation. However, the paper also argues that trust is not necessarily ethical, as it might be triggered without the proper normative grounds. Activating emotions, identification or using fair procedures only to cover deeper value conflicts may build trust, as both political communication and corporate PR sometimes illustrate the point. This kind of trust is probably more fragile and doomed to erode over time, however, it still can cause considerable harm. The objective can only be that the positive effects of trust prevail in the presence of necessary moral conditions.

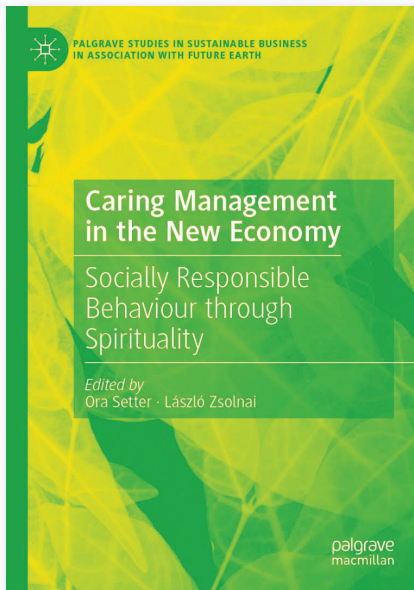


- Gábor Kovács (Corvinus University of Budapest), András Ócsai (Corvinus University of Budapest), Tamás Veress (Corvinus University of Budapest): *The Role of Spirituality in Business Enterprises and Community Economy*

The paper describes the concepts of business enterprise and community economy according to the iceberg model of economy. It presents the role of spirituality in both fields of the economy, and analyses the influence of spirituality on business practices and business and management sciences. Finally, it introduces the way spirituality appears in business enterprises and the community economy by presenting two international and two Hungarian examples of it. Spirituality as an inner commitment is the source of genuine ethical behavior and innovative ethical ideas in business enterprises. Spiritual value-commitment in business contributes to the realization of more prudent business practices that take the interests of various stakeholders into consideration. Spiritual value-commitment in the field of community economy contributes to the preservation of the ethos of cooperation and collaboration, furthermore prevents profit-maximization to become the foremost objective of economic activities. Organizations with spiritual value-commitment do not deviate from their original values and credo, and work towards the well-being of people, society and future generations, and the integrity of the natural environment.

- Peter Róna (University of Oxford): *The Laws of Nature versus the Rules of Society in Economics*

This paper analyses and defends the following claims: 1) The methodology of natural sciences cannot be domesticated in economics because the ontology of economic phenomena is radically different from that of nature; 2) The economy is animated by rules rather than causal relationships; 3) Use of the methodology of natural sciences in economics banishes intentionality in the modelling of economic activity, deprives the agent of his free will, with the result that economics so constructed has no moral content; 4) Modern economic theory fails to recognise emergence where the components are not in a causal relationship with the object of investigation. The proposed alternative rests on a redefinition of the mission of economics. It should abandon seeking an analytic understanding of what is (*res extensa*) and, instead, concern itself with how individual and collective agents reach decisions about what could and should be done (*res potentia*), and how the desired objective could and should be achieved.



The book *Caring Management in the New Economy. Socially Responsible Behaviour Through Spirituality* edited by Ora Setter and Laszlo Zsolnai was published by Palgrave-Macmillan in London in 2019.

This book frames a new ethos of management that cares for society, future generations and nature whilst also serving the interests of business and the wider community. Employing the practical wisdom of faith traditions, the chapters develop the use of spirituality as a resource for creating business models that take pressing social problems – such as quality of life at work, over-consumption, environmental degradation and climate change – into account. Spanning entrepreneurship, leadership, management education and business models, the chapters aim to develop a spiritually-based caring model of management to face the challenges and reality of the 21st century.

## Table of contents of the book:

- Ora Setter (Tel Aviv University) and Laszlo Zsolnai (Corvinus University of Budapest): *Care, and Its Relevance to Today's Economy*
- Imre Ungvári-Zrínyi (Babeş-Bolyai University of Cluj): *Authentic Human Relations and the Economy*
- Luk Bouckaert (Catholic University of Leuven): *Caring for Being and Caring for the Other*
- Kevin T. Jackson (Fordham University, New York): *Getting to the Heart of Compassion in Philosophy and Economic Life*
- Garry Jacobs (World Academy of Art and Science): *Consciousness Approach to Management and Economics*
- Yehuda Kahane (Tel Aviv University): *New Metrics for a New Economy: The B2T by 2020 Project*
- José Luis Fernández Fernández and Cristina Díaz de la Cruz (Universidad Pontificia Comillas, Madrid): *Catholic Social Thought and the Economy of Communion as a Business Model*
- Tibor Héjj (Proactive Management Consulting, Budapest): *Dignity, Love and Servant-Leadership*
- Pavel Chalupnicek (Catholic University of Leuven): *Social Entrepreneurship, Conscience, and the Common Good*
- Gábor Kovács (Corvinus University of Budapest): *The Caring Attitude of Christian and Buddhist Entrepreneurs*
- Knut J. Ims (NHH Norwegian School of Economics, Bergen): *Caring Entrepreneurship and Ecological Conscience – The Case of Patagonia Inc.*
- Ora Setter (Tel Aviv University): *Spirituality and Caring in Organizations: The Covenant Metaphor*
- Sanjoy Mukherjee (Indian Institute of Management, Shillong): *Creative Spirit in Management Education: Insights from Rabindranath Tagore*
- Henri-Claude de Bettignies (INSEAD, China-Europe International Business School Shanghai, and Stanford University): *Spirituality, Caring Organizations and Corporate Effectiveness: Are Business Schools Developing Such a Path Toward a Better Future?*
- Ora Setter (Tel Aviv University) and Laszlo Zsolnai (Corvinus University of Budapest): *The Significance of Care in Dark Times*

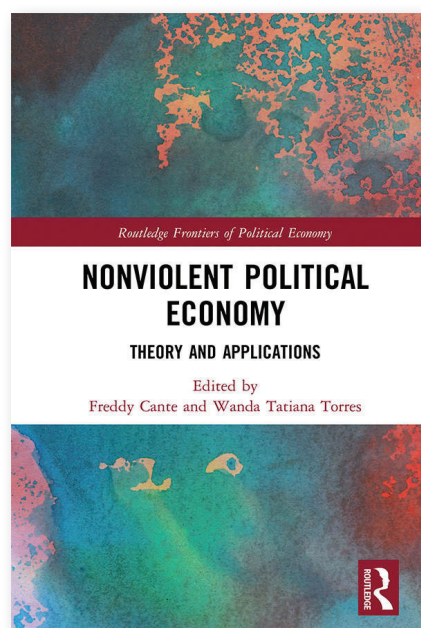
In their introductory paper “Care, and Its Relevance to Today’s Economy” Ora Setter and Laszlo Zsolnai show that care is a central aspect of human existence. What we care about and who we are caring for largely determine our way of being. The subjects of care present a frame of reference for our human functioning. Hans Jonas has forcefully argued that responsibility-based caring does not presuppose any right or reciprocity. Human responsibility is basically a non-reciprocal duty to guarding beings. We are caring for others not because they have rights that we should respect or we expect some reciprocated return from them. We are caring for others because of our humanity. However – point out Setter and Zsolnai – it does not mean that care is always disinterested. Caring for others in many cases serves our best interest. But the primary motive behind caring is not self-interest but our responsibility for the existence and well-being of others.

In his paper “The Caring Attitude of Christian and Buddhist Entrepreneurs” Gábor Kovács analyzes the way spiritual value-orientation influences entrepreneurs in developing a caring attitude in business. It presents the results of a qualitative explorative study about Christian and Buddhist entrepreneurs in Hungary. According to the findings of Kovács’ research, caring appears in five intertwined fields of business, and realized by analogous business practices of the spiritually oriented entrepreneurs, regardless if they are committed to Christian or Buddhist values: (i) they consider the interests of their employees to a great extent, (ii) they treat their stakeholders equally as they give the same importance to their suppliers and all other partners in business as to their customers, (iii) they pay attention to the preservation of culture and the natural environment, (iv) they have a long-term orientation, and aim to achieve long-term sustainability, and (v) they define the goals of business more broadly than simple profit-maximization.

In their concluding paper “The Significance of Care in Dark Times” Ora Setter and Laszlo Zsolnai underline that care gains considerable significance in the harsh reality of the Anthropocene where climate collapse, ecological degradation and social disruption is a non-distant possibility. They argue that caring for others is a profound human act which may have cosmic significance. Helping human and non-human beings especially in emergency situations like the Holocaust or climate collapse is a final test of our own humanity.

The webpage of the book: <https://www.palgrave.com/gp/book/9783030141981>

## NONVIOLENT POLITICAL ECONOMY



Gábor Kovács published a paper on “Buddhist Principles for a Nonviolent Economy” in F. Cante and W.T. Torres (Eds.): *Nonviolent Political Economy: Theory and Applications* (Routledge, Abingdon, New York, 2019, pp. 175–187).

In his paper Gábor Kovács argues that the first and foremost Buddhist precept is refraining from doing harm or violence, thus non-violence has crucial importance for the Buddhist path. The paper explores the Buddhist contribution to establish a non-violent political economy and introduces the development of the conceptions of Buddhist economics from the perspective of non-violence. Gábor Kovács reviews four thinkers who gave centrality to non-violence in their economic conceptions.

He presents Gandhi’s ideas on non-violent economics; Ernst Friedrich Schumacher’s conception on ‘small is beautiful’; the main economic ideas of P.A. Payutto; and Laszlo Zsolnai’s conceptions on Buddhist economic strategy. The paper argues that Buddhist teachings could be the source of non-violence in the economy, nevertheless, the development of Buddhist economics testifies that it is rather a bottom-up initiative, not an economic system. Buddhist economics is a problem-solving strategy that can contribute to establish non-violent business models and to implement business practices in the spirit of non-violence.

## KNOWLEDGE, WELFARE, AND SUSTAINABILITY

László Fekete published a paper on “Knowledge, Welfare, and Sustainability” in a Hungarian book, edited by Imre Ungvári-Zrínyi: *A szellem korrumpálása? A tudomány, a tudományos publikációk és az értelmiségi szerepek piacositása* (Kolozsvár, Egyetemi Műhely Kiadó, 2018, pp. 32–49).

Fekete warns that the novelty, the speed, and the intensity of the current process of knowledge production is undoubtedly a remarkable phenomenon, and it fills many with uneasiness. Fekete’s inquiry focuses on the following question: what the consequences of the expansion of the technology-driven economy are if the overexploitation and destruction of natural resources impose the ecological constraints on further economic growth? How can the growing vulnerability of the social and political system be avoided?



## INSTITUTIONAL TRUST



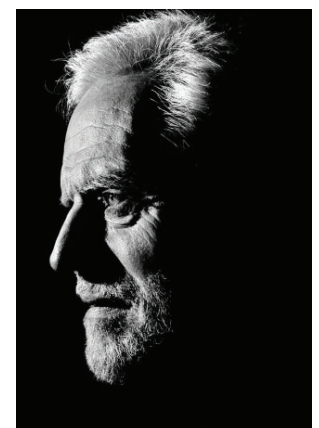
Zsolt Boda, together with Márton Medgyesi, published a paper involving a comparative analysis of institutional trust in European countries (Márton Medgyesi and Zsolt Boda: “Institutional Trust in Hungary and the Countries of the EU”, in: István György Tóth (ed.) *Hungarian Social Report 2019* (Budapest, Tárci Zrt., 2019, pp. 341–357).

The paper, using European Social Survey and European Quality of Life Survey data, argues that while trust in public institutions was declining in almost every country of the EU between 2007 and 2011, it has been largely recovering since then in most countries. The increase of public trust is higher in countries with a lower level of corruption, higher quality of public service delivery and lower levels of perceived social conflicts. However, the paper argues that observing average values of public trust is insufficient, as in the more unequal and politically polarized societies the distribution of trust will also be very uneven. This is the case of Hungary, where the average level of trust is not particularly low, but its distribution is very polarized, largely following the patterns of political preferences. Social polarization is a phenomenon that trust research has been neglecting so far, although it may have far-reaching consequences on social trust.

## SPIRITUAL TRANSFORMATION IN MANAGEMENT



Laszlo Zsolnai produced an interview with Copenhagen Business School professor Peter Pruzan on his personal and professional journey from optimization to transformation, a path to the wellspring of rationality, ethics and spirituality. (“An Interview with Peter Pruzan on Spiritual Transformation in Management” *Journal of Management, Spirituality & Religion*, (Vol. 16, 2019, No. 2, pp. 221–230).

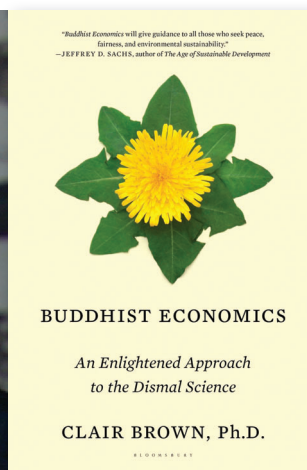


Pruzan emphasizes that unless traditional rational approaches to meeting the global challenges are supplemented by spiritual-based leadership at all levels of our scientific, corporate and political organizations, and institutions, we, and our children and grandchildren, will experience a world with increasing inequality, strife, hunger, fear, destruction, and violence. So, what is required is a spiritual transformation whereby our mind-sets and our hearts are emancipated and empowered to embrace the challenges.

## CLAIR BROWN'S BUDDHIST ECONOMICS

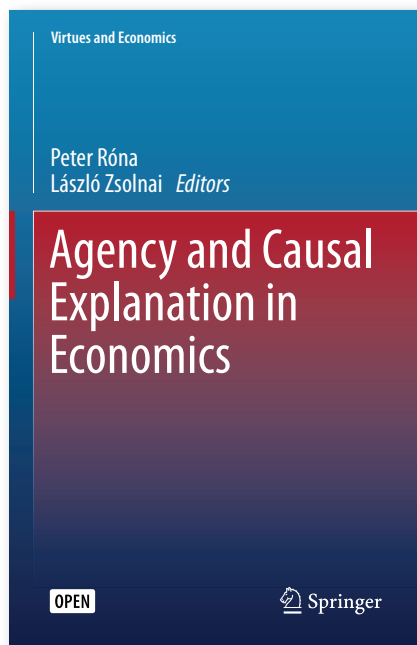
Laszlo Zsolnai published a review about UC Berkeley economist Clair Brown's book "Buddhist Economics – An Enlightened Approach to the Dismal Science" in *Journal of Management, Spirituality & Religion* (Vol. 16, 2019, No. 2, pp. 231–233). Zsolnai emphasizes that Clair Brown's book is a major contribution to the field of Buddhist economics and fits in the new reality "Hothouse Earth" characterized by much higher global average temperature than any interglacial in the past 1.2 million years and sea levels significantly higher than at any time in the Holocene. In such a world, mindful consumption and compassion with all sentient beings (human and non-human alike) is a prime duty of all of us.

Clair Brown is a well-established economics professor at UC Berkeley. What is the real novelty of Clair Brown's book is that it connects Buddhist economic thought with the latest results of Western economics and presents a coherent and robust vision of a Buddhist economy. The book is endorsed by eminent scholars including Nobel Prize winning economists Amartya Sen and George



Akerlof. In her book Brown developed a set of policies which can help to go forward to a Buddhist economy. These policies include taxes and transfers, supporting green production, and providing living wages. Actions that governments can take are (i) tax and regulate carbon and consumption; (ii) share prosperity at home, (iii) keep fossil fuel reserves in the ground, and (iv) share green technology to create prosperity around the world.

## AGENCY AND CAUSAL EXPLANATION IN ECONOMICS



The book *Agency and Causal Explanation in Economics* edited by Peter Róna and Laszlo Zsolnai was published by Springer in 2019.

The book provides an exploration of the consequences of the differences between natural and social objects (sometimes described as objects of nature and objects of thought) in the workings of causal and agency relationships. One of its important and possibly original conclusions is that causal and agency relationships do not encompass all of the dependent relationships encountered in social life. The idea that social reality is contingent has been known (and largely undisputed) at least since Wittgenstein's "On Certainty", but social science, and most notably economics has continued to operate on the basis of causal and agency theories borrowed or adapted from the natural sciences. This volume contains essays that retain and justify the partial or qualified use of this approach and essays that totally reject any use of causal and agency theory built on determined facts (closed systems). The rejection is based on the possibly original claim that, whereas causation in the objects of the natural sciences reside in their properties, human action is a matter of intentionality. It engages with critical realist theory and re-examines the role

of free will in theories of human action in general and economic theory in particular.

*Table of contents of the book:*

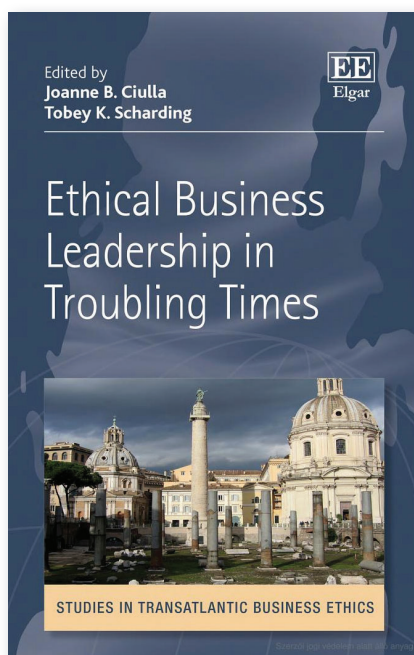
- Nadine Elzein (University of Oxford): *Free Will & Empirical Arguments for Epiphenomenalism*
- Stephen Pratten (Kings College London): *Causality, Agency and Change*

- Jason Blakely (Pepperdine University): *How Economics Becomes Ideology: The Uses and Abuses of Rational Choice Theory*
- William Child (University of Oxford): *Economics, Agency, and Causal Explanation*
- Peter Rona (University of Oxford): *Causation and Agency*
- Richard Conrad, OP (University of Oxford) and Peter Hunter, OP (University of Oxford): *Why Aquinas Would Agree That Human Economic Behavior Is Largely Predictable*
- Paul Clough (University of Malta): *Agency, Time and Morality: An Argument from Social and Economic Anthropology*
- Scott Meikle (University of Glasgow): *The Switch from Agency to Causation in Marx*
- Margaret Scotford Archer (University of Warwick): *The Morphogenetic Approach: Critical Realism's Explanatory Framework Approach*
- Jonathan Price (University of Warsaw): *'God Created Man': Grotius' Theological Anthropology and Modern Contract Doctrine*



The book can be downloaded for free at: <https://www.springer.com/gp/book/9783030261139>

## BUSINESS ETHICS AS CRITICAL THINKING



Zsolt Boda's paper "Business Ethics as Critical Thinking: Moral Motivations and the Limits of Ethics" was published in Joanne B. Ciulla and Tobey K. Scharding (Eds.): *Ethical Business Leadership in Troubling Times* (Edward Elgar, 2019).

The CSR paradigm and mainstream business ethics traditionally have been focusing on legitimizing the ethics case and then provide insights on the 'how' question: how to build ethical institutions, how to manage stakeholders, make responsible decisions and so on. This is, of course, very much needed.

However, besides other functions and roles, business ethics should also be a critical enterprise, that is, it should not become apologetic to mainstream business. This implies a critical reflection on current management practices as well as questioning the basic assumptions and theoretical constructions of management studies, including the CSR paradigm and business ethics. By undertaking a critical approach, the paper focuses on the problem of moral motivations: why to be ethical.

Boda's paper argues that the 'why' should precede the 'how' question and that the institutional context of today global business makes ethical motivations increasingly difficult to prevail over the profit motives. This implies that the limits of business ethics should also be acknowledged: addressing some fundamental social and environmental problems associated with mainstream businesses may need effective legal, institutional and political solutions beyond the ethical approach.

However, business ethics has the important role of contributing to a new business paradigm in which the rules of the game are not in a sharp contradiction with basic moral requirements and which provides support for the sustainability transformation humankind must undertake.

## FUTURE EARTH LEADERSHIP



Eleanor O'Higgins and Laszlo Zsolnai's paper "Future Earth Leadership" was published in Joanne B. Ciulla and Tobey K. Scharding (Eds.): *Ethical Business Leadership in Troubling Times* (Edward Elgar, 2019).

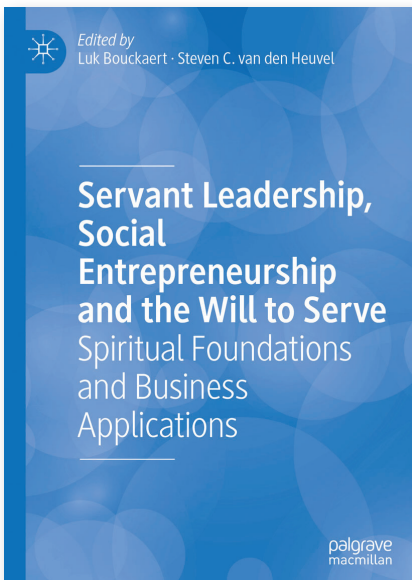
The paper starts with the observation that one of the biggest problems of humankind today is the considerable ecological overshoot of its activities which transgresses planetary boundaries and results

in serious and mostly irreversible ecological degradation. Based on the principle of responsibility developed by philosopher Hans Jonas the paper discusses the roles and duties of business leadership in the age of Anthropocene.

O'Higgins and Zsolnai argue that the normative concept of "Future Earth", namely that human activities should serve the flourishing of life on Earth (including human, non-human and future life) can serve as a basis for developing a new way of leadership orientation and focus. Going beyond mainstream business thinking and practices via creating and implementing progressive business models appears to be a prime duty of responsible leadership today. The paper uses the cases of Unilever and Patagonia to illustrate how courageous business leaders with novel vision and moral imagination transform their business organizations for serving the flourishing of life on Earth.

**futurearth**  
research for global sustainability

## RETHINKING FASHION RETAIL



Gábor Kovács' paper on "Rethinking Fashion Retail: The Case of MrSale" was published in Luk Bouckaert and Steven Van den Heuvel (Eds.): *Servant Leadership, Social Entrepreneurship and the Will to Serve – Spiritual Foundations and Business Applications* (London, Palgrave-Macmillan, 2019, pp. 335–349).

In his paper Gábor Kovács focuses on spiritually driven entrepreneurship and spiritual leadership by introducing a case study that involves MrSale, a Hungarian fashion retail company. The business activities of MrSale are determined by the value orientation of the owner, whose Buddhist meditation practice plays a major role in shaping and executing the credo of the company, which is "serving society and contributing to social well-being". The spiritual practice of the owner influences the scope of business activities and the way these activities are executed. Besides profitability, the company focuses on four areas of responsibilities: (1) social and environmental engagement, (2) employee satisfaction, (3) improving the

morals of commerce, and (4) consumer satisfaction. The case study demonstrates that spirituality contributes to innovative business practices that may appear to contrast with the logic of mainstream business. The case also shows that social responsibility is not at odds with profitability, but rather the reverse: genuine ethics promote profitability.

**MR SALE**



## REMEMBERING ENDRE ADY



On February 8, 2019 an exhibition dedicated to the memory of the famous Hungarian poet and writer *Endre Ady* (1877–1919) was opened in the Central Library of Corvinus University of Budapest. The exhibition is based on the private collection of Corvinus University finance professor Tamás Bánfi.

Laszlo Zsolnai gave a speech in which he recalled the unique and life-changing influence of Ady on Berkeley University physicist *Edward Teller*, inventor of the hydrogen bomb and initiator of Star Wars against the Soviet Union, and Columbia University economist *Karl Polanyi*, who developed the substantive view of the economy.

## CO-TEACHING IN CEMS



Michael Müller-Camen

In Spring 2019 Michael Müller-Camen (Vienna University of Economics and Business) and Mike Thompson (Gustavson School of Business, University of Victoria and Anthesis GoodBrand, London) were teaching in András Ócsai's course "Roles and Duties of Management" in the *CEMS Masters in International Management* program at Corvinus University of Budapest.



Mike Thompson

On April 15, 2019 Professor Müller-Camen taught a class on "Sustainable Management: Managing with Purpose" while on April 29, 2019 Professor Thompson taught a class about "The Future of Business: Managing the Challenges and Opportunities".



## STUDIES IN BUDDHIST ECONOMICS, MANAGEMENT, AND POLICY

Palgrave-Macmillan launches a new book series entitled *Studies in Buddhist Economics, Management, and Policy*. Clair Brown (UC Berkeley) and Laszlo Zsolnai (Corvinus University of Budapest) serve as editors of the series.



## Buddhist Economics

The book series is devoted to exploring and presenting new developments in contemplative inquiry related to Buddhist Economics, Well-Being, Social Transformation, Mindful Organizations, and Ecological Worldview in management and policy context. This particular combination of fields represents a unique nexus for reflection and action toward developing ways of mindful and sustainable management for organizations in the economic and social life.

palgrave  
macmillan

## HUNGARIAN NATIONAL BANK'S RESEARCH EXCELLENCE AWARD



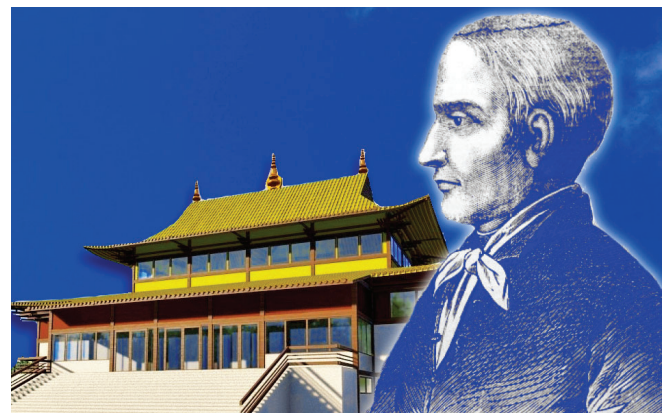
In April–July 2019, András Ócsai executed his research project entitled “Ecologically Conscious Organizations” in the framework of the *Research Excellence Award* funded by the *Hungarian National Bank*. He studied innovative businesses which developed and successfully implemented ecological working models in their operations.

## ECONOMICS AND SPIRITUALITY

On June 15, 2019 Laszlo Zsolnai gave a lecture on Economics and Spirituality in the *Science and Spirituality* interdisciplinary conference organized by the Hungarian Karma-Kagyüpa Buddhist Community in Budapest.

In his lecture Zsolnai emphasized that the exclusively self-interested, materialistic economic activities result in climate catastrophe and ecological collapse. For saving the richness of life on Earth we need to develop and implement more spiritually orientated economic models in which (i) priority is given to intrinsic motivation

instead of extrinsic one, (ii) serving the common good precedes individual interests, and (iii) success is defined and measured in holistic, multidimensional ways.



**Magyarországi Karma Kagyüpa  
Buddhista Közösség**

## ANDRÁS ÓCSAI'S PHD DEFENCE



On June 13, 2019 *András Ócsai* successfully defended his PhD thesis “Value Orientation of Ecologically Conscious Businesses” at the Corvinus University of Budapest. He studied and comparatively analyzed the value orientations, business models, *raison d'être* and success definitions of ecologically conscious business organizations in Hungary with an outlook to some well-known international business cases. His supervisor was Laszlo Zsolnai.

## ECONOMY AND RELIGION

In the fall of 2019 Gábor Kovács taught a new B.A. course entitled *Economy and Religion* at the Székesfehérvár Campus of the Corvinus University of Budapest. The course introduces the basic economic teachings of the world religions and spiritual traditions including Judaism, Christianity, Islam, Hinduism and Buddhism. The course allows the students to engage in studying a chosen world religion and deepen their knowledge on the importance of genuine ethical commitment in business that stems from religious and spiritual value orientation.



## CORVINUS GOLD MEDAL

On October 22, 2019 Laszlo Zsolnai received the *Gold Medal of Corvinus University of Budapest* for his decades long educational and scientific achievements with international standing.



## ANDREW KAROLYI'S VISIT



On November 15, 2019 Professor Andrew Karolyi, Dean of Academic Affairs of SC Johnson College of Business, Cornell University visited the Business Ethics Center. He discussed the latest developments in climate finance research with the members of the Center. Andrew Karolyi was keynote speaker at the Annual Financial Liquidity Conference at Corvinus University of Budapest.



## THE JEWISH UNIVERSITY IN BUDAPEST

On December 11, 2019 members of the Business Ethics Center visited *OR-ZSE*, the *Jewish University* in Budapest. They met



the Rector, Károly Vajda and the Vice-Rectors, Gábor Balázs and Tamás Biró and discussed possible research cooperation in the field of economics and Judaism, and Jewish moral philosophy.

## UNESCO CHAIR



The UNESCO Chair on *Art and Science for Sustainable Development Goals* was established in 2019 at the INC Business School in Nancy, France. It serves as think-and-do tanks, as bridge builders between academia, civil society, local communities, research and policy-making to implement global solutions. The Sustainable Development Goals (SDGs) implementation across the world needs research, policy expertise, and networked action. It will encourage regional cooperation and contribute to strengthening North-South cooperation on implementation of SDGs particularly through the integration of natural and social sciences and the arts and humanities.

The Chair is functioning under the direction of Professor Paul Shrivastava (Penn State University and INC Business School). The Business Ethics Center is collaborating with the UNESCO Chair by developing a *Sustainable Creation Lab* to catalyze the collaboration of graduate students and young professionals from arts, design, engineering, IT, media, and business to develop ideas for sustainable products and/or sustainable actions that can make a difference in achieving sustainable development goals.



## SPONSORS

In 2019 the projects and members of the Business Ethics Center received financial and in kind support from the following institutions: *Corvinus Business School – Corvinus University of Budapest, Corvinus Doctoral Schools – Corvinus University of Budapest, CEMS – Global Alliance in Management Education, European SPES Institute – Leuven, Social Impact Investing (THBE) – Budapest, Babeş-Bolyai University Faculty of History and Philosophy – Cluj-Kolozsvár, The University of Hong Kong Centre of Buddhist Studies, Future Earth Finance and Economics Knowledge-Action Network, Research Excellence Award of the Hungarian National Bank, and the Business Ethics Society – Budapest.*

**Business Ethics Center**  
CORVINUS UNIVERSITY OF BUDAPEST

Publisher: **BUSINESS ETHICS CENTER, CORVINUS UNIVERSITY OF BUDAPEST**  
Fővám tér 8, H-1093 Budapest, Hungary  
Telephone: (+36-1) 482-5562  
Design: Createch Ltd.  
**December 2019**