PLACE AND TASKS OF ETHICS IN HUMANIZATION OF ECONOMICS

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Abstract

Global economy enables reorganization of production in the global scale with regards to using opportunities to reach the highest profit. A global change comes of economic and social environment, thanks to the development, in which there are problems, risks and threats of a global nature. In such connections, there is an active call for humanization of economics in which the social and human sciences shall take part. Concerning this task should Ethics, as one of these sciences, take part in rehabilitation of an original and essential task of economics – a service for life. At the same time, it should explicate the reasons of accepting moral norms by economic subjects with the aim to strengthen their responsibility not only for a successful development of global economy but also for the quality life on the Earth. Except of the global ethics these tasks are topical also for such applied ethics such as entrepreneurial ethics, environmental ethics, managerial ethics, marketing ethics, etc. and these should be known to all the subjects which are somehow engaged in economics.

Key words: economics, social and human sciences, ethics, humanization, responsibility

JEL classification: A12, A20, E71,I25, O15

1 Introduction

Global economy enables reorganization of the production in the global scale with regards to using opportunities in order to reach the highest profit. It obviously obtains significantly higher economic effect regarding the use of productive factors and higher quality level of economic growth of services and products. At the same time, it is connected with the polarization of the richness in the world as well as
the various types of inequalities, problems, risks or threats in the world having the global character. This is not an issue of the less developed countries but all the countries, their citizens and, nevertheless, also the nature (see also Mravcová, 2016). They create the reversed side of the global economy such as the whole globalization process reflected by several scientific disciplines.

As it is stated: „In the last years the globalization tendencies have become more often multidisciplinary processes.“ (Jemala, 2008, p. 933) However, these processes have already reached over political, business, financial or technological connections and, therefore, they demand particular environmental, social or multicultural solutions of problems of the global world (Ibid.).

As for example, it is possible to look at the development of global economy or its reversed face from several scientific disciplines containing social sciences and humanities. These take an important place in the humanization of economy, i.e. in its restructuralization so that it can enable the inhabitants of the Earth to work on development and sustainability in the highest possible rate. Indeed, today some economists state that the need of humanities and social exploration has been extremely asked for (Staněk, Ivanová, 2015). They point at the non-substitutable role of social sciences and humanities with regards to revealing causal connections so “that it would be possible to predict the future development and deal with the predicted estimation of the future development.“ (Pauhofová, Staněk, Volner, 2013) They confirm that these facts have become these days the presupposition in all the fields of humanities and social science (Ibid.).

As for illustration, the pedagogue J. Hábl analyses and identifies the causes of the modern crises of humanism, and states that in spite of the development in the fields of scientific and technological knowledge enabling well-being mainly in the western countries, the humanism falls behind and, moreover, it is in crisis. The culture of abundance and prosperity sharply contrasts the poverty of millions of the hungry, needy, illiterate people or nations which cannot be helped by the “civilized world“. He mentions a number of dehumanizing effects such as dehumanization, individualization, carelessness or impersonalization of interpersonal relations. Hábl also clarifies that also pedagogy as one of the social sciences is interested in the humanization and personalization of economy (Hábl, 2010).

Ethics as one of the humanities points at the need of humanization of economy, rehabilitation of its original and essential role – the role for life. From its point of view it critically judges and comments the situation in a new global

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5 Rich focuses social and ethical point of view on economy and emphasizes the fact that the essential reason of economy is the service to life. Its task is to fulfil man in a humanized way by necessary goods, fulfil his needs and moreover he points at the fact that the quality of life cannot be judged only via economic indicators (Rich, 1994).
environment. Automatically, it is no more valid that the „Economic growth is also human development.” (Rahman, Banerjee, 2015)

2 Data and Methods

Regarding the worrying situation in new global environment in which global economy takes its reasonable part, the paper justifies the need to humanize economics through humanities and social science. Ethics⁶, on which the paper focuses, also belongs there as one of the humanities.

From the ethical point of view, it is necessary to look at the whole process of globalization and thus also to formation and functioning of global economics and at the same time, to evaluate critically also its part in global problems, risks and threats presenting its “reversed face”. In such a connection the ethics points at the need to humanize economics in a new global environment requiring restructuralising the global economy in a way that it focuses not only on the economic growth but also increase in quality of life on the Earth and sustainable development of economy and society. First of all, it requires giving back the original and basic task of economy – its service to life and also point at other tasks in society and also responsibly considers consequences bringing its functioning. Humanization of economy is a long and difficult process which should be attempted by philosophically conceived economic science.

At the same time, humanization of economics becomes the task for professionals in academic environment. It requires the attention of political and economic subjects and institutions in the world as well as the attention of educational systems and institutions. They can take a bigger part in preparation of human sources which should enter economics as responsible subjects attempting to reach the economic development to be connected with the social development in all parts of the world so that Man and nature will not suffer. Due to the fact that humanistic tendencies are necessary to be perceived in a society in a dialogue, in this connection it is required to join the humanization of economics with humanization of education and explicate the place and task of ethics and other social sciences and humanities in the preparation of human sources for the global economy. Yet, J.A. Komensky in his times talked about the expressions of dehumanization, cruelties, life damaging, the principle of human and social function of science and school as a place of humanism, life-long education of all the people in

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⁶ Ethics takes part in humanities which are according to OECD the sixth from the basic six groups of scientific and technological fields. This division was taken also to the current Slovak legislation correcting the field of the state support of science and development (Humanitné vedy. Centrálny informačný portál pre vede, výskum a a inovácie (MŠV a V a Š SR)).
everything which is essential for life (Čapková, et.al., 1991). The first task of such places should be cultivation of negative attempts of human potential.

3 Calls for humanization of economics in new global environment

The process of the world economy globalization creates the new reality of the world economy. It is the basic phenomenon of the current development of the world economy; it forms a new global economic and social environment which presents qualitatively a new level of internationalization of economic life. In spite of the fact that the global economy is connected with the rise of globalizing circles of production and accumulation, with the rise of transnational capital, business development, spread of entrepreneurial investments, finance, production, sale or information through national borders or the growth of international labour division. At the same time, it is connected with several ailments, the growth of economic and social misbalance, problems, risks and threats in the global dimension.

In the result of its development we note serious shakes of social structures and negative influences on social, cultural, ecological and other conditions in which today people live. As for example, due to developing global competition which essentially differs from the model of so-called perfect competition, there comes the spread of massive and diverse offer of products regardless the real needs of people and thus also to spread of mass consumption. That is the expression of overwhelming paradigm of anthropocentrism and the big social and cultural burden of nature is connected with it. Despite of that, the grey and black economy is developed, the growth or inequality in the world becomes which is connected with the different quality of life on the Earth, there is also illiteracy, problems of unavailability of medical care, security, and inequality regarding the division of natural sources, etc.

The stated negative influences and many other “ailments“ in a new global environment present the “reversed side“ of the global economics pointing at the fact that this economy got to the level of recessions and in the name of development or rising the quality of life and the hole society there is the need for its reformation – humanization. We can agree with the opinion that „humanization should become the catalyser of economic changes in the 21st century but also the changes of the whole picture of society. The process of humanization of economics and society should "catalyse" the whole global development and eliminate its negative sides and direct towards the bigger quality of life. It should be the immanent element of activities of people, the key part of entrepreneurial subjects and at the same time the key factor of activity of societies and states (Ivanová, 2013). Eventually, the
need for humanization is considered in all the fields of life. Humanization is one way for seeking the answers and outcomes from situations in which the current society is. It is considered to be a catalyser of social and economic problems and changes in the 21st century (Ibid.).

As it is stated, humanization of economics presents an attempt of reformation of economics, globalization and social injustice. It searches for the reasons by which organization changes lives and communities in the world by creating the models of economic and social development which can offer more fair and human future (Restakis, 2010).

Nowadays, the concept of “humanistic economy“ which is according to professor Haluška an alternative to the current way of functioning of economy and at the same time it is the hope for correction he defects floating on the surface of the current economic crisis. As he states – the concept “humanistic economy“ presents the whole concept of humanization and also the democratization of economy (Haluška, 2014). A key and the essence of functioning of the fair economy, the fair relation between the input of creative work and the rate of effectiveness which can be used by an individual, his family, community and bigger social groups. Humanistic economy leans over such notions such as – effectiveness, fairness, democratic, human future but also responsibility, higher quality of life on the Earth, etc., which are included in the dictionary of ethics. In such economy the dominant becomes the human factor, productive factor, and the man – creator who has given the name also to this new era of market economy (Haluška, 2011). As it is stated: “Humanism is a rare commodity. The more aware of its insufficiency we are, the more valuable it becomes.“ (Hábl, 2010) This „commodity“ is primarily the notion operated by social sciences and humanities with the ethics in the centre (see more in Lutz, Lux, 1979, 1988; Giovanolla, B. 2009; González, A.M., 2014; Martins, A. Martins, I. and Pereira, O., 2018). The place of ethics and also other humanities and social sciences is thus in humanization of economics indubitable.

4 Place and tasks of social sciences and humanities and especially Ethics in humanization of economy

Social sciences and humanities to which ethics belongs, are the part of culture in every society but also despite of that, there are the opinions in the current worlds about their ineffectiveness, unproductivity and also in utility. It is caused by the
current paradigm dominating in education which is “education for profit“\(^7\), which does not bring the higher level of education in the society. Martha Nussbaum, the author of the book Not for Profit, Why Democracy Needs the Humanities (2010) focuses the critical point of view on the current level of education and education in the world and states that economic changes do not bring by themselves the higher level of education to the society. As for example the achievements in health care and education only weakly correlate with economic growth of the society. In such a correlation it justifies the need to devote its attention to humanities and social sciences which have been gradually disappearing from universities (Nussbaum, 2010). The reason is their unusefulness for economic profit. The paradigm “education for profit“ which is criticized by Martha Nussbaum does not show as the right one regarding the negative influences of economics towards social, cultural, ecological and other conditions in a new global environment where people live. It is not correct to determine just the functioning of global economy, increase in economic growth and other positive indicators without remembering the consequences of these processes on life of inhabitants or nature.

Within these connections we are aiming at the social sciences and humanities which should primarily reflect the situation in a new global environment from their points of views, evaluate it with the help of their methods enabling them reveal social, cultural, environmental phenomena, states, processes, or relations. At the same time, it enables them reveal the “reversed side“ of global economy and then, from their points of view, judge to what extent the economy satisfies the needs of current people, develops the life on the Earth and provides sustainable development. Consequently, regarding the fact of explanation of problems and insufficiencies, their task is to suggest the procedures form their points of view of how to humanize economy and at the same time to contribute towards humanization of the society. We think that among social sciences and humanities ethics takes an important place in humanization of economics.

4.1 Ethics and Humanization of Economics

Humanization of economics is considered as a social process in which the moral process in economics and society, an effective and long-term economic and social development is supported, and the centre of attention is not the run for profit but man and society as a unity. We can agree with an opinion that: “Necessity of

\(^7\) Matha C. Nussbaum in the book Not for profit: Why democracy needs humanities, which is required for the current philosophy of education, criticizes education „for profit“ limited for three basic skills: reading, writing and counting. Thinking (political, social and environmental) is considered to be pointless and becomes an obstacle of economic growth (Nussbaum, 2010).
respecting ethic aspects of economic activities go hand in hand with globalization process\textsuperscript{8}. (Džbánková, Sirúček, 2007) Ethics focuses its attention to these aspects and interprets and evaluates activities and aims by its own language as well as their consequences. At the same time, it points out the causes in global economy or reasons of moral failures of particular economic subjects within this global system and focuses on the values which should be respected and followed.

Considering the fact that the essential function of ethics lies in regulation of actions of social subjects with regard to other social subjects as well as to acting subject, ethics should explain the need to accept moral norms in economic activities. Apart from that, it should strengthen moral consciousness mainly of the capital owners, managers managing social processes, entrepreneurs but also other subjects in global environment. At the same time, it should strengthen their responsibility not only for successful development of global economy but also for negative phenomena, processes which go hand in hand with this development.

The current ethics could contribute towards humanization thanks to its prescriptive language of economy and also drafts procedures and aims which will be in favour of direct and indirect participants of entrepreneurship, and at the same time they will threaten environment and nature in the lowest possible rate.

5 Discussion and Results

As we consider humanization of economics in the current new global environment, apart from the social ethics also global ethics\textsuperscript{8} has its important role focusing on ethical issues coming from the global interconnection of the world population through theoretical investigation (Hutchings, 2010). Eventually, it started to be formed in the time when not only global economic problems started to appear as well as ecological, environmental and social among which belong poverty in the world, climate changes, breaking international justice, regulation of global business, threats from depletion of natural sources, fears from terrorism, etc. Global ethics requires a common approach towards binding values, guiding principles, and personal attitudes towards cultures, religions, political and economic systems and ideologies. K. Hutchings clarifies it as a field which covers the international sphere as one dimension of globalizing social, political and economic relations. It concerns relations among collective agents (states, cultures, etc.) as well as the relations between groups and individuals and relations between individuals. It pays attention to moral questions regarding war and peace, global political community,

\textsuperscript{8} gulation to so-called global ethics has also been the part of UNESCO solution, global commission for culture and development. In 1995 it was presented in the report Our Creative Diversity. (UNESCO. 1995. World Commission on Culture and Development, Our creative diversity)
different opinions on values arising within conditions of globalization, focuses its attention also to moral relevant agents in global environment and their identities or binds of particular social subjects to each other (Hutchings, 2010).

As P. Singer notes in the book *Jeden svet (One world)* with the subtitle *Etika globalizácie – Ethics of Globalization* (2006), it is necessary for the leaders of our countries to look at globalization from the moral point of view. It pays attention mainly to global connections of ethics and politics, ethics and economics, cultural imperialism and relativism. It critically points at the task of the global powers in relation to environment, poverty growth in the world, and in connection with activities of multinational companies stating that: „The question of morality is particularly in case of multinational companies which conclude agreements with governments of developing countries in order to get crude-oil, natural minerals or wood, fishing or building big hotels and touristic centres.“ (Singer, 2006) Singer pays attention to a situation in a new global economic and social environment mainly in the chapter: One economy focusing mainly on economic interests of the world’s organizations, mainly of the World Trade Organization. He argues that if there is any organisation which should be pointed at by the critics of globalization due to the fact that it is responsible for the pressure on the process of globalization going the wrong direction that should be WTO (Ibid.).

H. Küng as a contribution for global ethics states that the global market undoubtedly needs the world ethos. That should be accepted by all the economic and entrepreneurial subjects connected to it because apart from other forms of regulation they are touched by moral regulation leaning over the highest human point of view (Küng, 2000).

Business Ethics reflects a reversed side of global economics and situation in new global economic and social environment as one of the applied ethics. A key task of applied ethics is to know how to implement ethics into practice. That means a skill to reflect and point at actual problems relevant for ethics and society, create culture of a dialogue and support mechanisms and instruments in practice. At the same time, it should clarify, justify, suggest moral presuppositions of fair, justified and competent decisions (Klimková, 2016).

Nowadays, professionals from the field of philosophy, ethics but also economists and experts from other fields have focused on Business Ethics that points out irresponsible behaviour (destabilized market, damaging subjects taking part into business making, as well as environment and nature) which should be avoid-ed by subjects realizing economic activities in new global environment. Their moral obligation is to adapt to new conditions of a global market and strive for

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the profit by their socially responsible actions and take part in creation of favourable conditions for the quality life of inhabitants on this planet (Svitačová, Hrehová, 2016). One of the actual task of Business Ethics as well as Economic Ethics (a scope of which is wider than the notion of Business Ethics not relating only to ethic activities in business but investigating ethic infrastructure of market, moral aspects of activities in all the fields of economic system, etc.), is to solve ethical questions and issues arising in new global environment. In this regard it is necessary to point out the fact that some economists realize causes and consequences of immoral activities connected with the development of global economy. As for example, regarding the income polarization it is stated that: „Income polarization does not arise only by permanent appreciation of wealth but due to corruption, tax evasion and immoral and unethical acts, there is a disproportionate income polarization (Ivanová, 2013). Moreover, the expansion of these amoralities not only leads to the destruction not only of the economy itself but also of the destruction of social bonds (here). It is not just business ethics that points to the need to accept moral standards in business on the global market, which is also a way to humanize the economy.

Other applied ethics respond to the problems, risks and threats in a new global environment that are more or less related to the development of the global economy. An abiotically oriented economy that promotes the development of consumer globalized culture and has a significant share in the global ontic conflict of culture with nature reflects both environmental philosophy and environmental ethics. One of the issues that they take into consideration is how and if at all it is possible to build sustainable models of such a society that would satisfy people’s needs without threatening or restricting the ability of future generations to meet their needs (Palovičová, 2012).

Managerial Ethics focuses on practical activities of managers, evaluating not only fulfilment of managerial functions from the moral point of view but all their actions. Current management ethics assesses realization of manager professional activities in a new global environment from the point of view of ethics. Globally educated and conscious managers are still more expected to lead their actions in economically, socially and environmentally responsible and sustainable way (Mravcová, 2017). As for example, according to F. Cardot, this is a today challenge for not submitting to fear, indifference by respecting economic effects of entrepreneurship and in concordance with the principle of responsibility of global ethics. It should also actively come into the debate of plural society (Cardot, 2006).

Managerial ethics and Environmental Ethics are considered to be essential ones within Business Ethics. See for example A. Remišová. (2011). Etika a ekonomika.
Apart from the global ethics and the applied ethics mentioned above in the text we could also mention other applied ethics calling for responsibility for the means and aims of global economy and the state in which the new global environment currently is. Thus, they can help economists, managers and other professionals, as well as other people to realize the reversed side of global economy and also the need to join the development of global economy with the social development, and well-being of the majority of population also with the sustainable development. Thus, they can help humanize economy.

6 Conclusion

The whole process of globalization, which is formation and functioning of global economy, can be seen from the point of view of ethics. Especially global ethics and some applied ethics not only asses and interpret negative phenomena, processes in new global environment but also suggest and justify moral aims and tasks, the need for fair, responsible and competent decisions for fulfilling tasks in such environment. We consider important for the subjects engaged in economic activities in the societies to know them. At the same time, it confirms that humanistic tendencies and attempts are necessary to be perceived through a dialogue and humanization of economy is necessary to be connected with humanization of education. It is one of the ways of how to avoid, weaken and mainly prevent some problems, risks and threats in the world. This is one of the ways towards humanization of economy as well as to the society.

References

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