

Editorial

BUSINESS ETHICS

Business is making inroads into those fields which were traditionally considered to be beyond any possible commercialisation... Ethical principles, however, are on the way out, as business concerns take priority in many a human and humanising activities, to the ultimate detriment of humanity itself...

Mahatma Gandhi, who inculcated and lived a value-based life despite the acknowledged human limitations to live a moral life to its complete perfection, delineates seven social sins. These sins, as he has listed them in the *Young India*, are the following: 1) Politics without principle, 2) Wealth without work, 3) Pleasure without conscience, 4) Knowledge without character, 5) Commerce without morality, 6) Science without humanity, and 7) worship without sacrifice.¹ Two of these sins, the second and the fifth, get special attention in the context of the present issue of the *Journal of Dharma* on Business Ethics. Indeed, it is a recognized aspect of social ethics that business – with all its intricate dynamics – ought to be conducted in an ethical manner. Absence of morality in any human activity will take away its humane and just character altogether. Even if such business deals were to result in amassing disproportionate wealth for an individual and an economic boom for the whole society, Gandhi would consider this to be without any value and virtue. Wealth in itself is not bad; but acquiring wealth for its own sake, that too by unjust means, would go against the spirit of morality, as, according to Gandhi, the means and the ends are inherently related to each other.² Thus, the role of business in enhancing human life at different levels shall be fulfilled only if various means adopted by the parties involved in it are basically humane and, thus, moral.

We live in an era that witnesses positive enthusiasm among business corporations in expanding their network globally. Developing economies

¹M. K. Gandhi, *Young India*, 22.10.1925.

²"Ends and Means are convertible..." "... As the means so the ends... Realization of the goal is in exact proportion to that of the means." M. K. Gandhi, *Young India*, 26.12.1924 (page 424) and 17.7.1924 (pages 236-37).

all over the world – India being one of the largest economies opened up to the *new* aggressive business in the name of economic liberalisation without having had an option on its own³ – seem to be having no alternative but to open up their markets to this global business. While the people of the developing countries are yet to understand the unjust and exploitative dynamics of the *new* business strategies, a vast majority of the politicians, at least, in the developed countries like the United States of America and the United Kingdom point out the losses their people would be incurring as a result of some practices such as *importing* IT professionals and overseas outsourcing – the last being a minor offshoot of globalization that may give away few of the benefits of globalised business to a pragmatically motivated English educated minority.

Indeed, it is a legitimate concern of all to see that the most complicated and intricate domains of global business do not lose its ethical flavour and foundations. Whether business is conducted in a localised setting – where a one-to-one relationship is still possible – or at an international level involving multinational companies and global institutions like the IMF and the World Bank, it remains thoroughly a human endeavour and, therefore, it must be totally based upon principles of justice. Justice in business includes claiming and availing each one's due as a human being and, therefore, as a moral agent, whether it is between employer and employee, seller and buyer, or among all those involved in the complicated market networking. Moreover, this foundational principle should also take into account the value of life principle and the common good of the people – at local, national and international levels.

³Both the Congress and BJP-led governments in New Delhi have been gradually opening up, and ever since then, widening the avenues of the Indian version of globalization, both parties being politically motivated in this endeavour, rather than being motivated by the common good of the people of the Indian Republic. The greatly respected economist-turned politician, Manmohan Singh, the Prime Minister of India, the one who initiated the present version of globalization in India while he was the finance minister, I believe, had little choice but to launch what is now euphemistically known as great economic reform; indeed, as far as India is concerned it was an economic revolution, the result of which will have to be judged over a longer period of time, taking into account the stability, integral development and sustenance of the national economy and the enhancement of the common good of average Indian masses.

The prevailing patterns of business on the international scene are characterised by the dynamics of globalisation. Many of the multinational companies already established in the developed world are extending their business terrains on to the 'new' world, which – because of the larger customer bases and in spite of the low levels of purchasing ability of the majority – has a high potential for prospective and lucrative business. Indeed, it is just to plan for profit; otherwise, business would not prosper. At the same time, it is unjust to have profit alone as the motive in indulging in any type of business practice. As multinational companies expand their business base, it is true that the developing nations also partake in some of its fringe benefits, by way of more employment opportunities, quality improvement resulting from cutthroat competition and cash flow. However, it is unjust on the part of any business establishment to ensure exclusively the free-flow of capital (and the siphoning out of huge profits from the host economy), and absolutely neglect and vigorously block the free-flow of labour, which certainly is an instance of economic-balancing mechanism. The first alone would be counter-productive as far any economy is concerned: common good necessitates that business enhances all levels of economic activity with a special emphasis on human life and in relation to the entire cosmic reality. Blockage of the free-flow of labour – violently enforced by the developed economies, to safeguard their interests at the exclusion of others⁴ – tends

⁴Developed nations, because of their political advantageous position, use the might of all international organisations – which to a great extent tend to play according to the whims and fancies of the former – to force open the developing economies to multinational companies in the name of economic liberalisation. This unilaterally ensures free flow of capital. However, they also exercise their might in making sure that no provision is made for the enhancement of the host economies at the expense of even a minor share of their profits. Moreover, multinational companies, especially in the IT and banking sectors, like Microsoft, Oracle, etc., tend to offer high salaries to their employees, which no indigenous business enterprise would dare to offer. Though the high returns received by some of the better trained hands should be appreciated, the subtle dynamics behind this phenomenon shall not be ignored. A simple example from the IT sector is so telling: A highly talented and professionally trained executive employed by Oracle draws an annual salary of around Indian Rupees 12,00,000.00. However, this is only one third of the salary the same firm will have to offer to a person of the same calibre and status when employed in the US, the base economy of the said IT giant, as such a person will be offered a minimum of US\$ 84,000.00, which would equal to around Indian Rupees

to create slowly deepening, but equally disturbing, feelings of economic high-handedness. In the long run, it would lead to an imbalance and ultimately to a collapse of the high-flying global economy, although this may not be felt so intensely by the developed economies, as they are strong enough to withstand any onslaught of this economic outrage. If global market is to be imbued with moral values, expansion of business empires all over the world must seek a balance in terms of capital and labour flow. Indeed, the responsibility for these is a mutually shared one by the developed and the developing economies, morally both being equal partners in business: there shall be no tolerance of any party exploiting or taking undue advantage of the other. Positively, business shall be a domain that enhances *lokasamgraha*, the total wellbeing of the world, different economies being constituent elements of this wellbeing from the point of view of market economy.

A danger that lurks in this area of business, which is subtly present also in all other areas of international relations, is the unjust distribution of political will and power. As the developed nations continue to be at the helm, and take all the possible advantage in matters pertaining to politics, economy, information or knowledge-based programmes,⁵ the developing nations seem to be at the receiving ends and are helpless in asserting and realizing even their just and indispensable demands.

Corruption is all rampant in business and other recesses of human activity. From the monstrous stock market scandals (e.g., Harshad Mehta

36,12,000.00. Thus, global business, as practised in India, is far more advantageous to the multinational companies, as they can cut costs drastically to increase their profit margins; moreover, they take the best advantage of the creamy layer of India's intelligentsia. At the same time, it must be admitted that a person who draws an annual salary mentioned in the above example is definitely above any average earning Indian from every angle.

⁵The latest and the most subtle, as far as this information age is concerned, is the US government policy not to commit itself in evolving an internationally acceptable mechanism to control and enhance the internet system. Although, all other concerned nations continue to press for an international agreement on the control of the internet and related practices, primarily for the effective monitoring and proper use of the facilities, the US tends to remain so adamant to give in. In fact, an international consensus, the US fears, would gradually take away its monopoly in controlling and exploiting one of the most influential and ultra-fast media of information exchange.

in India) and the high-profiled conniving deceitfulness practised by multinational companies (e.g., Enron in the US) to the bribery paid to a lower-grade office clerk in government offices and the malpractices practised by university staff to tamper transcripts of students in India, an alarming but absolute moral vacuum is seen at the global and local levels. When monetary concerns principally control and alter not only markets and economies, but also individuals and societies as a whole, there seems to be emerging an ethically alienated existence, where aggressive competition, fierce exploitation, killer business instinct, and egoistic individualism become the rule of the day; any one who still continues to subscribe to age-old sound moral principles would be considered to be just another 'inefficient' and 'out-dated' being, an *alien* from the Mars. The high-tech world of the 21st century practices still fraudulent ways of extending the territories of corruption and deception, especially in international business, by way of exploiting the potentially explosive-like print and electronic media. Some developed nations under the auspices of multinational companies host media giants with a view to enhance their business prospects in subtler ways. While information and entertainment are provided free of cost round the clock to an innocent but naïve and uncritical global audience, these multinational companies attempt an ideological propaganda and indoctrination, which would gradually result in a global popular swing ultimately to their advantage. As these shifts take place, the governments in power also do get their political as well as monetary mileages, although the factual and moral foundations erode in and through these subtle but corrupt and immoral practices.

The nature of business dynamics in India, too, has undergone tremendous change. The business arena is no more set in a village context, but shares in the intricacies of the complicated global business. It tends to be all the more worse as corruption at every level – government and corporate levels taking the lead – augments many an unethical practices all around. While almost everyone involved in business tries to take the best advantage of the globalised scenario, the level of personal and collective responsibility seems to be on the decline. This is conspicuous, for example, in the policies of labour unions, which to a large extent tend to resort even to hook and crook, including extreme acts of violence, to get their demands met. Indeed, it is just on the part of the grieving parties – when justice is denied to them – to come together and collectively force

the realization of denied justice, even if it is denied by an individual, a corporate or the government machinery itself. However, the same labour unions conveniently and habitually neglect to address the issue of their members contributing creatively towards the common good, by way of carrying out the entrusted tasks in a responsible manner. Labour unions apparently cease to exist once their demands for higher wages and better working conditions are met: this is also to be classified as injustice *per se*. There are repeated instances where trade unionists tend to be making claims for increased pay, without having fulfilled their basic responsibilities as employees. Extreme cases are also reported where the same unions and their members succeed in manipulating their employers to pay even to those who have not put in any work at all.⁶ Indeed, therefore, all parties involved in business relations, do have a responsibility to ensure that the realization of rights and duties should go hand-in-hand, without being detrimental to the enhancement of the common good.

Being an active and responsible member with a lot of stake in global business, Indian economy has a wider range of moral responsibilities to fulfil. The opening up of our highly potential market to global business brings about a responsibility on each party to respond to the rights and duties. Though it is true that as long as India remains in a politically weaker position (at the international level) other nations having political and economic prowess will continuously try to ensure that we abide by our duties, we are duty bound to equip ourselves to meet the challenges of "global quality" in all goods and services we will be marketing – both within and outside India.

In order to cope up with the increasing demands on the participants of this global business, especially from the perspective of India, greater

⁶To cite an extreme example from a village setting in Kerala: a new road, connecting two isolated villages, was under construction through a paddy field. A lot of mud-filling had to be done, and the contractor employed JCBs (high-tech trucks which can unload without manual assistance) to complete the work at a faster pace. As the JCBs started to operate, the local unionists (CPI-M) started agitating against it, and blocked further work. The contractor could restart the operations only after an agreement was reached between him and the unionists, according to which one of the unionists would sit at the work site all day, counting the number of JCBs dropping mud at the work site, and by the evening would collect the pay for unloading, though none of them did actually unload not even a single particle of the mud.

emphasis shall be laid on improving the facilities for quality education. It is heartening to see that over the past few years, India is emerging one of the key players in providing professionally trained hands all around the globe, especially in the field of Information Technology. However, it is at the same a pity that villages – from where most of these high profile professionals should be coming forth, if real Indian life situations were to be enhanced according to the global standards – still reel under the shadow of inefficient methods of education, as a result of which many of them tend to be incapable of withstanding the cutthroat competition in the global market. As the governmental agencies alone will not succeed, especially in providing education with global standards, it is essential that private players come into the field. Indeed, there are many private parties who have already been into education, and some of their achievements are definitely of high calibre. However, an aspect of concern in the private investment in education centres around their increasing presence in the cities. That is, most of these privately owned educational institutions tend to cater only to the upper strata of the society, or at least the city-based population, as a result of which high-profile training becomes inaccessible to the millions living in villages. As private investors are primarily concerned about recovering their investment both in monetary and quality terms, it won't be proper to blame them alone. In this given context, the government has to take it upon itself the responsibility to make sure that more educational investments are made in villages in view of providing them access to the high-profiled and quality education at all possible levels. Indian village folks are to be given a new outlook by providing them better educational opportunities and by instilling in them a global perspective both of which are at the same time qualitative, value-based, and life-enhancing. They must be equipped to meet the global challenges, though at the same time without endangering the age-old values of simplicity and humane refinement traditionally associated with village life and, thus, to open up the new and global avenues into Indian villages.

There lurks a danger in the private investment in education, especially as it has been increasingly commercialised. The curriculum, methods of teaching, the orientation of all involved in education, especially students, and the final aim of the whole process of education seem to be determined by the market forces. The goal of education as a process of self-transformation is no more a concern of many of the

educators at all; the immediate target is to get technically equipped, so as to be part of the income-generating industry. Education is also made available as another commodity, just on par with any other thing that could be bought in the market. Not only that the great Indian tradition of imparting education as a *dharma* of every member in the society is being sidelined, but if we were to take the latest trends into account,⁷ education is just another commodity – one among many goods and services available in the marketplace – made available in the ‘education market’. It is justifiable, I would say, if various processes in education were understood merely as a process of imparting training into a particular trade; then, it is expected to equip a person to carry out a task in terms of the job that he trained to perform. But, is education just that alone? No. Education is primarily a method of initiating human person into humaneness and into human community, which basically requires that his humanity and human life are enhanced. It, thus, aims at a transformation in the individual who undergoes the process of education. Can this humane transformation be valued as any other commodity in the marketplace? Can we then reduce the process of education to one of the issues of business? Whether business or not, however, the process of education must be imbued with moral values: the relation between the student and the teacher, student and the institution, etc., should continue to be person-oriented and life enhancing, and not commercially motivated or profit-oriented. The arena of education shall never be reduced to mere business. Indeed, that is essential for realizing its ultimate aim in terms of human transformation and expected contribution to the enhancement of humanity as a whole.

Another non-conventional area of business where ethical values are to be continuously infused is that of healthcare, which has of late become another domain of profitable business. At least, healthcare was a humanitarian service, and it continues to be so in the minds of thousands of men and women who dedicate their entire life for the care and wellbeing of others. However, the situation is changing from an insulated area of humanitarian service to one of business, in which the healthcare providers (including the service staff) are the sellers of goods and services

⁷The protection of the rights of students in India is considered to be covered by the “Consumer Protection Act 1986” along with its subsequent amendments. Increasing number of cases and their redressals have been reported from various parts of the country.

and the patients are merely customers. Unfortunately, a change in the entire training programme of healthcare personnel, availability of modern but expensive facilities, the motivation of many involved in healthcare, especially doctors and nurses and, thus, the final aim of the whole process of healthcare seem to be determined by the market forces. To a great extent, the immediate goal of healthcare is no more the wellbeing of all; the immediate target is to get technically equipped, so as to be part of an *efficient* link in a stable and indispensable, but high income-generating healthcare industry. Quality healthcare providers, mostly private investors, are proliferating as the field of healthcare is also liberalised. Thus, healthcare is also made available as another commodity, just on par with any other thing or service that could be bought in the market. What are the basic factors that tend to motivate these healthcare providers? What are the motivating factors of those who provide training to the future healthcare personnel? What are these new aspirants looking for? Finally, what shall be their valid aspirations and aims in healthcare? Sound ethical principles in the field of healthcare are the need of the hour – both for the agencies that provide healthcare and the patients who are at the receiving end.

These and many others constitute the concerns that motivated *Journal of Dharma* to launch a discussion on Business Ethics. This issue, therefore, attempts to highlight some of the intricate moral dimensions of a dynamic area of human activity centred around commerce and market forces. In the first entry, a reflective article by Prof. V. F. Vineeth, "Markets and Mystics," a critical analysis of the presently vibrant market forces and issues, especially on the unscrupulous dynamics of globalisation as experienced by ordinary people, is undertaken. The author argues that these market forces, which are exploitative at their base, tend to adversely affect the human nature to such an extent that the kernel of human spirit in the terms of the mystical dimension is being eclipsed. As he puts it, "Globalisation, because it looks at the world only from the perspective of commercial interest, the unseen yet ennobling dimension of beings is completely neglected." After arguing out his case, by a down-to-earth analysis of some of the issues arising from a global business setting, especially from the perspective of India, the author invites the readers to liberate themselves "from the jaws of consumerism" to a world of "undivided humanity held together by the power of the Spirit where all are

free, loving, self-giving and caring for one another," that is, to a truly *globalised* human existence.

"The Business of Education and Ethical Quest," co-authored by Thomas C. Mathew and Kennedy Andrew Thomas, addresses the ethical concerns in relation to the quality of higher education in the emerging new India. The analysis takes into account a shift of emphasis in education from merely being service-oriented to an industry-oriented one. Raising concerns on the privatisation policy as something that apparently questions the basic ethics of equitable distribution in the field of education, the authors highlight some of the salient initiatives incorporated in the revised education policy of the Indian government, and hope that the General Agreement on Trade in Services (GATS) would give a value-based boost to the agencies involved in providing education.

In another theological reflection on Business Ethics, Paulachan Kochappilly addresses commerce as involving human relations and interactions, which, according to him, "should support and promote healthy, happy and holy transactions of all at every level." After analysing various dimensions of business, with a special emphasis on the relationships involved and values cherished, the author concludes that the behaviour of people in business would remain an index of their ethical standard as a community.

In a case analysis on the Enron Scandal, Toji Puthenkaduppil argues for an ethical re-positioning of business as a whole, that is, to uphold the principle of justice and other good values in the business field. In the context of the scandalous fall of Enron, the author finds that ethical principles are to be tightened with a view to avoid such catastrophes in future and to support and enhance sustainability of business, which according to him, would "ensure the harmonious existence of humankind."

Thus, in an age when the markets and economies are emerging as the new gods, temples and churches of the globalised new generation, and as the economic status alone tends to determine a person's significance in the society, lack of a proper ethical perspective will be detrimental to the over all development of a healthy human society. An over-emphasis on pseudo-values that seems to be taking the central stage in the networking of human relations, especially in all business-related realms, a re-orienting of the entire society towards the value of life with a goal of realizing the

common good, which shall be permeated by the principle of justice is the need of the hour. Business is a human activity, and it must retain its human face and humane characteristics. It is, therefore, essential that all business transactions are done adhering to ethical principles, which, in turn, would retain its capacity to enhance human life and the interests of the entire cosmos at all levels.

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