

## **ETHICAL IMPLICATIONS IN THE SOCIO-ECONOMICAL LIFE**

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**ABSTRACT:** *Concern for the morality of economic life is relatively recent and involves the need to implement ethical codes that prevent violation of rules of conduct. The Socio-economical sphere is marked by profound transformations that shape a particular kind of rationality. The ethical rules can also be found under this kind of rationality. Apparently these rules hinder the economical processes, but in reality respecting the economical rule, leads to the increase of trust between economical actors. Hence, these actors are required to be aware of the ethical rules according to which their activity needs to be guided. These rules constitute mere moral determinations in public life.*

**KEY WORDS:** *ethics, economical ethics, socio-economical life, public life, public welfare, clients' welfare, personal welfare, profession, professionalism*

### **1. INTRODUCTION**

The economical and social ethics is a component of applied ethics, dealing with the problems of specific to the economical and social life, public life, public interest activities (Adrian Paul Iliescu). There is a strong correlation between the economical and the social, but the economical constitutes most of the times the fundament of the social. Hence, it is necessary to understand what economical ethics means. This is often called business ethics or corporate ethics, and comprises, as Adrian Paul Iliescu says, the moral problems the modern economical life, of the relationship of enterprises and community, enterprises and employees, enterprises and State, suppliers and clients, etc. Economical ethics, if seen as a science, may represent an important landmark, not only for some individuals in the society but also for economical actors.

One of the most frequent stereotypes in economics is that in this field, morality is not something ordinary. The larger part of the managers may say that ethical aspects do not have to be involved in economical decision taking. Moreover, during the last decades, considerable efforts have been made by some companies in order to make and

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implement their own business ethical conduct programmes. In a world where there is the risk to lose one's respect if you do not drive the correct type of car, or if you wear a cheap suit, imitation (being like everybody else) doesn't need to be underestimated as a motivational factor. Only it is far from enough for an explanation. Both the elaboration as well as the implementation of ethical codes is costing. Companies, often call an external consultant who will help draft it, to employ trainers and come up with an implementation mechanism which will be a part of the job of several employees, time which could have been used for directly productive activities. Costs seem to be unbalanced related to the simple satisfaction of the desire of being *trendy*.

Not even the mere observation that some of the procedures are imposed by rules is satisfactory, when ethical programmes of some companies go beyond the provisions of normative acts. Hence, it is unworldly to lay it all on the moral consciousness of managers. A plausible explanation should consider several complex considerations.

We could also start from common traditional idea of ethic thoughts, that our moral conduct is motivated by non-moral considerations. The fear of being stigmatised or excluded, the desire to build a certain type of reputation or simply the incertitude regarding the reactions of others, are factors which are able to guide people towards the adopting a moral conduct code more efficiently than adhering to a set of abstract principles. It is a common place of our professional experience, that, we avoid as much as possible the interactions with unpredictable individuals. Respecting as much as possible a set of norms sends out the signal that you are mainly a predictable individual. In other words, you are seen as a cooperating fellow.

What makes these ethical programmes investments profitable? Traditionally, authors from the sphere of business ethics have two main answers. First of all, the good reputation is a delicate capital, both for individuals as well as for the company. It is difficultly constructed, with a lot of effort, and disappears quickly with the slightest mistake. The reputation of being immoral in business may lead to the loss of clients, to collaborator's reticence in cooperating with the company, massive increase of production costs or even a decrease of the value of capital. The second classical answer visualises the situations where the immoral actions are illegal, this being the case, costs may be dramatically.

Recent literature highlights a third answer, next to the considerations related to image or risks derived from breaking the law. Companies do not compete just for clients, but also on the labour market. Having more performant employees, they are able to better and faster complete their tasks, means having an advantage with the other companies. These kinds of employees are a rare resource, justifying the needs for a trustworthy programme. Salary increase may be, up to a point an efficient method of repaying the trustworthy employees and decrease their temptation of leaving the company for other competing companies. But, from a certain degree they seize having the same considerable effect.

What matters, in fact, is the global satisfaction related to a working place. Here we might consider the money (both salaries as well as other collateral benefits), but also a large spectrum of non-monetary income, starting with professional pride to office atmosphere. The ethic climate is a vital component of this spectrum. A boss who

likes to use his power arbitrarily and discreetly, ambiguous promotion procedures, the uncertainty of professional trajectory or the risk of becoming a collateral victim of an inter-departmental war works as efficient as the stimuli for looking for a new job as well as a small salary. A larger number of empirical studies suggests that the wise implementation of ethical programmes has a significant role in discouraging migration. Hence, at least in the fields where economical results directly depend on the quality and stability of the labour force, the companies have an immediate interest to adopt strategies to realize an ethical climate, at least related to its own employees. In other domains, where performance is less dependent on the quality of the labour force, or where migration or instability do not have a massive impact over the costs, this kind of programmes have a less important value.

## 2. CONCEPT SIGNIFICANCE

The term “Ethics” comes from the Greek **ethos**, meaning “mores”, “custom”, and “character”. The term “moral”, has the same significance as ethics, but the etymological stem can be found in Latin, in **mores**. The acceptations give to ethics are the following: philosophical science dealing with the study of practical and theoretical problems of moral; systematized and coherent conception, be it personal, of a philosophic movement, or representing the commandments of a society regarding the development norms of moral life; moral.

Ethics is the science of moral. The definition of ethics is a complex problem, regarding the pluralism of society, the multitude of opinions and the variety of moral norms, legal, cultural and social, which are included in this concept. Even if ethical standards are created and followed on a professional level, they have a great impact over the entire society, the attributions and customs of which may differ from the individual ones. The personal values don't always correspond to the professional moral code or/and to the social values, as social justice is not equivalent to the legal one. There are also some situations where a person with moral integrity, or at least socially acceptable, does not have the motivation to or does not have the moral value to motivate moral action.

For example, society, considers homicide or imprisonment as repugnant, but justifies them as self-defence and belonging to the judicial system. Thus, the principles and ethical theories will help with taking a moral decision when the situation is ambiguous, and the values are in controversy. In a reductionist way, ethics may be resumed in the determination if an action or behaviour goes on according to the social norms. An action may be either correct or incorrect, if it is legally, communally, religiously accepted. When the things ought to be made, overlap the things which need to be made, and over the things which may be made then the ethical dilemma is solved. But, until we arrive to this perfect correlation, the application of ethical principles follows a very curved road, dominated by tradition, controversy, and prejudice.

There have been made some distinctions between ethics and moral, as follows:

1. Ethics is a science of behaviour, mores, and principles, which govern the practical problems; moral represents the totality of means we use to live within the society,

it, being made of concrete prescriptions which the individuals and the society in their whole.

2. Ethics is the ensemble of conduct rules resulted based on the distinction between good and evil, which a given community may accept; moral is an ensemble of principles of a universal-normative dimension, based on the distinction between good and evil.

**Deontology** comes from the Greek *deon*, *deontos* (“what is necessary”) and **logos** (science). The significances given today to the term are the following:

1. Code of professional conduct, specific moral principles and norms, implied by a certain profession. This may be a written code or orally transmitted and accepted by all the probationers of a profession, e.g. Hippocrates Oath.
2. The meaning given by J. Bentham, who used for the first time the term deontology, is the following: it is a discipline, the scope of which would be the primary evaluation of the consequences of an action, in order to establish, depending on the quantity of pain or pleasure the action implies, is it deserves or not to be fulfilled (a utilitarian sense).
3. In a wider sense, deontology is the part of ethics which deals with the study of moral duty, origin of nature, nature and its forms, as a basic component of the moral consciousness.”
4. In a smaller sense, deontology represents the ensemble or rules of an organisation, institution, profession or a part of it, by the professional organisations which become the reference of elaboration, application and supervision of the application of these rules. Related to this definition of deontology, morality expresses what we should do if we were rational, benevolent, impartial, well intentioned.

### 3. MORAL DETERMINATIONS OF PUBLIC LIFE

Ethical implications in public life are extremely diverse and of great importance. After Miroiu Mihaela & Gabriela Blebea Nicolae main ethical implications for public life would be: defining rational criteria for moral evaluation for: institutions, rules, laws, collective elections, behaviour of rulers and politicians, of public officials (more generally, of public managers), professional behaviour, or simply of the citizen; evaluation of the law’s justice (for whom the laws are right); revealing how the institutions and organizations can help people’s freedom and fulfilment. In the public sphere there is a confrontation of the participants who give life to it. Freedom and personal fulfilment do not occur absolutely, because they are connected to the numerous situations that we are in.

According to the two authors, the major factors that determine people wonder about ethical aspects of the professional, civic and political life are:

1. Individual resistance to common rules, rules that are restrictive and may be contrary to personal desires.
2. Conflicts of roles that require determination of what prevails at a time. For example, the role of husband to that of the judge.
3. The choice between ways of life involves moral dilemmas relating to accountability.

4. The attitude towards social change, whether they happen in along period of time, such as the sequence of historical periods, whether they happen in a shorter period of time, such as transitions from one period to another.
5. Social pluralism involves legitimate influence from several factors, such as: family, interest groups, local communities, traditional culture, the political sphere. Social pluralism is specifically for open societies, in which the democratic freedom exists.
6. Responsibility for standards that are imposed in the society, the group requires a response of the individuals to the rules and not just their acceptance.
7. In this pluralist and democratic society the standards have to be just. There is a tendency for people to follow rules that are objective and correspond to most of them. It has to be solved the conflict between personal freedom and interests of the group, and this thing can be achieved by the fact that people need the social recognition only to strengthen their self-esteem.

#### 4. THE STATUS OF ETHICS AS A GENRE

Since its beginnings as a discipline, even though it was incorporated to philosophy, ethics had a certain status that it strengthened over time. On one hand, ethics proved that it is a philosophic discipline, philosophy always being the queen to whom the ethic discourse always came back, and on the other hand ethics developed as a science about the moral norms.

**Scientific Ethics** involves moral psychology, moral sociology, moral anthropology, ethology, etc. It is theological (if Christian ethics) and normative, being of first order (utilitarianism, Kantianism). Practical aspects of scientific ethics are the **applied ethics** (for example, that dealing with moral issues of abortion, euthanasia, etc.). **Philosophical Ethics** is a meta-ethics and is dealing with ethical theories, being considered by some people an ethic of II order.

**R.M. Hare** (1930-1940) thinks, as well as Kant, that ethics is equivalent to a moral philosophy and morality is equivalent to moral action, moral language, moral philosophy, moral thinking, moral beliefs, moral decisions. Pure ethics creates the empirical ethics, namely the "ethical substance" (normative). After R. M. Hare, ethics is divided into:

**Theoretical ethics** is a branch of modal logic (deontic): „I understand by the ethical theory (of the 2nd order) the study of moral concepts, that is, if you want the study of how the use moral words, their meaning in the broad sense, or what we do when we ask moral questions.... One of the most important things that are required from moral philosophy is for him to do something to help us to discuss rationally the moral questions; and this means for us to obey the logical rules governing these concepts. If we do not follow these rules we will never be able to rationally argue on moral problems. From Socrates onwards, the first task of philosophy was the study of arguments; and the first task of moral philosophy is the study of moral arguments, to distinguish the good ones from the bad ones. Ethical Theory is an essential tool in completing this task by revealing the logic of moral concepts”.

**Normative ethics** is a canon of moral reasoning derived from its meta-ethics: “Moral philosophy is an exercise in the study of such misleading words (moral words "right", "should", "good") and their logical properties to establish canons of argument or valid reasoning (moral) thus to make those who command them able to avoid mistakes in reasoning (confusion or logical errors) and to answer the moral questions (practical, applied ethics) with eyes open.”

R. M. Hare proposes a unifying project, about which A. W. Pirce says: “His ambition to unite elements from Aristotel, Kant and Mill in a logical manner that is intelligible to resolve fundamental issues of ethics; he always thought that he achieved this goal”.

## **5. THEORETICAL ASPECTS OF PROFESSIONALISM AND PROFESSIONAL ETHIC**

Since her modern time, society has increasingly emphasis on professionalism, because the society changed into a professional one. The main reasons that caused this major change are represented by the transforming of natural economy, specific to the Middle Ages, into the market economy which is dominated by objective laws. This would not have been possible without the industrial revolution which began in England in the seventeenth century, and which brought the greatest benefits for some European countries. People who want to pursue a certain career is because they hope to gain some satisfaction from practicing a profession. Those who come to master one or more professions are the proof of professionalism. It is understood that not only mastering a profession means also professionalism, it has to be also practiced under the imposed rules.

### **5.1. Profession**

There are several definitions given to profession:

1. Profession is a form of work organization, a kind of orientation in employment (a subjective experience of work) and a very effective control process performed by a group of interest. In an organized way, profession includes: a certain central control body which ensures a performance standard form the members as individuals; a code of conduct; careful knowledge management towards the competence which forms the foundation for those professional activities; herd control, selecting and training new entrants.
2. „A profession is an occupation that many people who are voluntarily organized have it, in order to earn a livelihood through direct service of a certain ideal in a morally permissible way beyond what the law requires them directly, market and common morality”. The profession should not be confused with the occupation which is limited by some sociologists to the concept of work from the market economy.

Professions have experienced and are experiencing ongoing dynamic which is the development of society as a whole. Any occupation involves the need for an ethical

code that can be achieved by explicit or tacit consent of those who practice that profession. In general the ideal characteristics of the profession are:

1. Any profession requires a basic education, more or less permanent, with a corresponding adjustment in terms of theory.
2. Initiating, maintaining and advancing a person in the professional competence is determined by the professional body.
3. Professional offenses are punished according to their seriousness, going as in extremely severe cases to removal from the professional community (withdrawal of right to practice that profession).
4. The purpose of professions is to satisfy certain social needs.
5. Members of a professional group are bound by a code of ethics that requires among other things the selfless service to society.
6. Practitioners of a profession must have normal collegial relationships in terms of professional and civilized behaviour between them.
7. Professional altruism requires, ultimately, in the event of disasters, even the maximum sacrifice for the common good.

Every profession also requires professionalism. It is considered as an ideology relevant to those who practice a profession. Professionalism is characterised as it follows.

1. Expertise in the performance of a profession (epistemic authority).
2. Belief in autonomy professional decision and occupation (protection from amateurism and dilettantism).
3. Identification with the profession and with those in the same field (profession comes part of professional identity).
4. One decides for a long part of its life the chosen profession (recognition and prestige is acquired over time).
5. Moral obligation to work in customer service, avoiding excessive emotional involvement (but not empathy), the arbitrary and unwarranted preferential treatment by policy area.
6. Faith in the ability of self-control and peer maintaining professional standards.

## **5.2. General aspects of professional ethics**

“Professional Ethics states practices, rights and duties of a professional group, critical and sanctioned professional mal-practice”. Although there is no clear consensus on all ethical rules to be observed by those who practice a profession, however, certain principles of professional ethics are accepted as the core of a norm.

Professional ethics implies some principles as:

1. The need to protect, under normal conditions, the privacy of subjects through the practice of informed consent.
2. Subjects involved in the practice of a profession should not be subjected to unnecessary stress, manipulation or risk.
3. Professional practitioner is responsible for the confidentiality of any information which may lead to identification of subjects.
4. Protection and use of the data is subject to legal requirements.

The practice of a profession requires in most cases, in addition to compliance with legal standards, certain ethical standards too, with issues as: the professional authority, paternalistic practices, and customer rights. Professional ethics is a species of general ethics, but ethics is gender specific for each and every occupation. The need for introducing ethical standards in the practice of professions is required by the fact that there is a tendency for non-compliance with statutory law for which the law usually takes actions rather late. The purpose of professional ethics is to prevent and to warn.

Two types of professional ethics are frequently mentioned:

1. **Ethics for the entangled case** focuses on the negative cases, on what can be dramatic in practice of a profession (e.g. corruption of government, the neglect of patients in medicine, business customers' deception, abuse of authority and trust in education, cynicism and compromise in politics, misinformation in journalism, etc.). This kind of ethics does not focus on formal ethical codes and neglects the fact that ethics must be oriented primarily positive.
2. **Standard ethical approach** focuses on features that define a profession, through the rights and duties (e.g.. doctors have greater duties than other people, i.e. to help others, police have the right to make use of violence, etc.).

Professionals follow the accomplishment of three major objectives that bear the mark of good: **the public good, the customers' good, their own good.**

Following the need to achieve these objectives, professional ethics is a contractual nature, with vibrant utilitarian marked. This requires an agreement which will govern the relations between professional and customer. The contract involves the adjustment of the two perspectives: that of professional and that of the customer. Every professional thinks that his profession is useful, while the customer claims that professional obligation includes altruist and moral aspects too. Meaning that the professional should always give up his personal interest in favour of customers' interests. The contract has to be followed by a mutual agreement for the benefit of both sides involved.

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