Five-years Report 2009–2013

For Genuine Business Ethics
Celebrating the 20th Anniversary of the Business Ethics Center, Corvinus University of Budapest
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Preface

This report celebrates the 20th anniversary of the Business Ethics Center of Corvinus University of Budapest. It documents the Center’s continuous fight for genuine business ethics in the years 2009–2013. Our teaching, research and networking activities at home and abroad aim to broaden and deepen the view that businesspeople, economists and policymakers have when facing pressing issues in economic and societal life.

Our interests cover a wide range of topics, including Collaborative Enterprises, Knowledge and Information in the Global Communications Network, The Future International Manager, Spirituality and Business, Economic Wisdom, Corporate Legitimacy, Institutional Trust and Fairness, Ethics of Systems Thinking, Globalization and Development, Environmental Ethics for Business Sustainability, Ethics in the New Economy, Community-based Economy, Good Governance, Economic Incentives versus Non-Economic Values, Responsibility in Economics, Behavioral Business Ethics, Accounting for Future Generations, Global Responsible Leadership, Ethical Theories of Public Goods, Business as a Profession, Shared Social Responsibility, Sincerity as Procedural Fairness, Civil Participation in Environmental Policy Making, Buddhist Economics, Values-Driven Business, Sustainable De-growth, Corporate Sustainability Strategies, Materialistic versus Non-materialistic Management, and Reasonable Economic Action. In the last five years we have been active in researching, publishing and lecturing on these topics.

In addition to teaching different courses in business ethics at our home university, we have taught at various universities abroad, including Université Pierre et Marie Curie (Paris 6), European University Viadrina (Frankfurt am Oder), Heilbronn Business School, University of St. Gallen, The Vienna University of Economics and Business Administration, Venice International University, The Bodø Graduate School of Business (University of Nordland), The Copenhagen Business School and The Alto University of Helsinki.

Between 2009–2013 members of the Business Ethics Center published 13 books and more than 60 papers. We gave 38 lectures at conferences and workshops in Europe, North America and Asia. 35 articles and media presentations appeared about our activities in Hungarian, English and Norwegian.
About Us

The Business Ethics Center of the Corvinus University of Budapest is one of the oldest institutions of its kind in Europe. It was established in 1993 by the late Jozsef Kindler and Laszlo Zsolnai. The mission of the Center is to promote ideas, models and techniques of business ethics in higher education, academic research and business life. The functioning of the Center is based on the conviction that ethics is a relevant aspect of all levels of economic activity, from individual and organizational to societal and global. Complex economic problems require, we believe, multidisciplinary approaches using models from economics, management studies, psychology, and ethics.

The ecological, communitarian, and feminist perspectives contribute significantly to our understanding of contemporary economic and social reality. Business ethics is practiced by the Center as a postmodern kind of scientific inquiry where normative and descriptive elements are not separated but intermingled. The Business Ethics Center has an active interest not only in business ethics but also in environmental ethics, information ethics and international ethics. We are trying to create a practice-oriented synthesis of interdisciplinary ethics which focuses on the new reality of business and society in the 21st century.

The Director of the Business Ethics Center is Professor Laszlo Zsolnai. Members include Associate Professors Zsolt Boda and Laszlo Fekete. Gabor Kovacs, Andras Ocsai and Peter Kardos are Ph.D students at the Center. Zsuzsa Gyori was associated with the Center in 2009–2011 as she completed her Ph.D under the supervision of Laszlo Zsolnai. Katalin Feuerverger serves as secretary for the Center.
A number of well-known scholars are members of the International Advisory Board of the Center. They include Professor Edwin M. Epstein (Berkeley) and Professor Stefano Zamagni (Bologna). The founder and former president of the European Business Ethics Network (EBEN) Professor Henk van Luijk supported the work of the Center from 1993 until his death in 2010.

Further information about the Business Ethics Center can be obtained on request from the following address:

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Since 2009, the Business Ethics Center and its members have published 13 books and more than 60 papers. Our most important publications include the following titles.

**Ethical Prospects—Economy, Society and Environment**

The book *Ethical Prospects—Economy, Society and Environment* was published by Springer in 2009 (Editors—Laszlo Zsolnai, Zsolt Boda and Laszlo Fekete). It presents and summarizes new perspectives and leading-edge results in ethics reflecting on interconnected economic, social and environmental issues. The book reports on innovative practices and policy reforms and provides a forum for discussion about groundbreaking theories. The main function of the book is to present ideas and initiatives that lead toward responsible business practices, policies for the common good and ecological sustainability. It seeks to form a value-community of scholars, practitioners and policymakers engaged in genuine ethics in business, environmental management, and public policy.

The book contains the following papers:

**Part 1: New Perspectives and Findings**

- Edwin M. Epstein: *The Good Company*
- Imre Ungvari Zrinyi: *Dialogic Ethics for Business*
- Eleanor O’Higgins and Yvon Pesqueux: *Management Education — A Path to Business Integrity?*
- Robert Elliott Allinson: *Value Creation as the Foundation of Economics*
- Laszlo Zsolnai: *Buddhist Economics for Business*

- Laura Albareda, Josep Maria Lozano, Antonio Tencati, Francesco Perrini, and Atle Midttun: The Role of Government in Corporate Social Responsibility
- Frank Dixon: Sustainable Systems Implementation
- Laszlo Fekete: Public versus Private Domain: Knowledge and Information in the Global Communications Network
- James Robertson: Changing The Scoring System for the Game of Economic Life
- Frans de Clerck: Ethical Banking


- Jakob von Uexkull: Representing Future Generations
- Benedek Javor: A Speechless Mass Behind Sustainability
- Paula Tiihonen: The Right of Future Generations
- Laura Nash: The Legacy of Business Leaders
- J.M. Sampath: Enhancing the Quality of our Decisions for Nurturing a Sustainable World

Part 4: Debate: Republican Liberalism versus Market Liberalism

- Peter Ulrich: Republican Liberalism versus Market Liberalism
- Stephen B. Young: Comments on Peter Ulrich’s “Republican Liberalism versus Market Liberalism”
- Jean-Pierre Galavielle: Who Can Civilize the Market?
- Alpar Losoncz: Is Ethics Integral?
- Gerhold K. Becker: Which Role for Business Ethics? Some Reflections on Peter Ulrich’s Statement
- Peter Ulrich: Reply: Republican Liberalism and Its Implications for Business Ethics

THE WEBPAGE FOR THE BOOK
Knowledge and Information in the Global Communications Network

Laszlo Fekete’s paper, *The Production, Use, and Dissemination of Knowledge and Information in the Global Communications Network*, was published in the *Masaryk University Journal of Law and Technology* (Vol. 3, No 2, Fall 2009, pp. 239–258).

It goes without saying that knowledge and information are the most valuable commodities in the new economy. Though knowledge and information as private goods can provide great business opportunities for rights holders in the global communications network, they exhibit the distinctive characteristics of public goods. Therefore, the commodification of knowledge and information requires a strict proprietary regime which restraints free access to them and enforces effective legal protection over their production, use, and dissemination. If the access and use rights of individual users were free and unlimited the legal entitlements of rights holders would be worthless. Fekete argues that the basic notions of the mainstream economic paradigm to scarcity, exhaustibility, rivalry, and excludability are hardly applicable to the production, use, and distribution of knowledge and information. In some respects, knowledge and information do not fit into the framework of mainstream economics.

The Collaborative Enterprise

The book, *The Collaborative Enterprise: Creating Values for a Sustainable World* (edited by Antonio Tencati and Laszlo Zsolnai, 2010, Peter Lang Publishers, Oxford), is a result of years’ long collaboration between Bocconi University (Milan) and the Business Ethics Center of Corvinus University of Budapest.

The book promotes a collaborative attitude to doing business based on a positive view of the self and others. It collects theoretical contributions, cases, examples and initiatives which show that collaborative enterprise is a feasible alternative to the current, self-defeating, managerial models. Enterprises which are seeking to build long-lasting, mutually beneficial relationships with all their constituencies while producing value for their stakeholder networks represent new hope for a better future.
The contents of the book are as follows:

1. **The Collaborative Enterprise**
   - Antonio Tencati (Bocconi University) and Laszlo Zsolnai (Corvinus University of Budapest): *The Collaborative Enterprise Framework*

2. **Towards Cooperative Economics**
   - Knut J. Ims (Norwegian School of Economics and Business Administration) and Ove D. Jakobsen (Bodø Graduate School of Business): *Mechanic versus Organic Worldviews in Economics*
   - Hendrick Opdebeeck (University of Antwerp): *The Collaborative Enterprise as a Linkage between Principle and Practice*
   - Joel Magnuson (Portland Community College): *Community-based Social Systems of Production*
   - Aloy Soppe (Erasmus University Rotterdam): *Sustainable Finance and Ethics*
   - Stefano Zamagni (University of Bologna): *Cooperative as a Collaborative Enterprise*

3. **Working Models of Collaboration**
   - Antonio Tencati (Bocconi University) and Ulisse Pedretti (Coop Italia): *Coop Italia*
   - Laszlo Zsolnai (Corvinus University of Budapest) and Laszlo Podmaniczky (St. Stephan’s University–Godollo): *Community-supported Agriculture*
   - Luigino Bruni (University of Milan–Bicocca): *The Economy of Sharing—The Focolare-Movement Enterprises*
   - Knut J. Ims (Norwegian School of Economics and Business Administration) and Ove D. Jakobsen (Bodø Graduate School of Business): *Fair Trade Production*
   - Antonio Tencati (Bocconi University) and Giacomo Mojoli (University of Gastronomic Sciences and Slow Food): *The Slow Food Movement*
   - Ove Jakobsen and Øystein Nystad (Bodø Graduate School of Business): *Collaborative Waste Management*
   - Tibor Hejj and Rita Hejj (Proactive Management Consulting Ltd.): *Socially Responsible Clusters*
   - Steen Valentin (Copenhagen Business School): *Government, Governance and Collaborative Social Responsibility*
4. The Collaborative Business Model

- Johan Wempe (Saxion Universities of Applied Sciences & Erasmus University of Rotterdam): *The Responsibility of the Collaborative Enterprise*
- Zsolt Boda (Corvinus University of Budapest): *The Ethics of Working with Civil Society Organizations*
- Maurits Sanders (Saxion Universities of Applied Sciences): *Public-Private Partnerships*
- Jane Collier (University of Cambridge): *Nurturing Society from the Bottom Up: The State and Social Enterprise*
- Francesco Perrini and Clodia Vurro (Bocconi University): *Partnering for Social Change*

5. The Way Ahead

- Laszlo Zsolnai (Corvinus University of Budapest) and Antonio Tencati (Bocconi University): *Beyond Competitiveness – Creating Values for a Sustainable World*

Happiness and Economics


Papers include:

- Knut J. Ims and Laszlo Zsolnai: *Deep Ecology and Buddhism*
- Ven. P. A. Payutto: *Middle Way for Market Economies*
- Apichai Puntasen: *The Necessity of Buddhist Economics*
- Colin Ash: *Happiness and Economics*
- Joel C. Magnuson: *Paths to a Mindful Economy*
- Laszlo Zsolnai: *Buddhist Economic Strategy*
- Gabor Kovacs: *Explanations of Key Buddhist Concepts*

*The Webpage for the Book*

http://www.typotex.hu/konyv/boldogsagesgazdasag
The Future International Manager


The new international manager:
- is a reflexive practitioner,
- is committed to environmental sustainability,
- exercises social responsibility,
- works with sensitivity on gender and diversity issues,
- harmonizes information and communication technologies with processes and organizational culture,
- applies a holistic perspective to problem solving,
- cooperates with social and political actors,
- engages in progressive entrepreneurship.

The book contains the following papers:
- Laszlo Zsolnai (Corvinus University of Budapest): *Business as a Profession*
- Sven Junghagen (Copenhagen Business School): *The Need for Managers as Reflexive Practitioners*
- Antonio Tencati and Stefano Pogutz (Bocconi University, Milan) & Carlos Romero (EGADE Mexico): *Achieving Environmental Sustainability*
- Steen Vallentin (Copenhagen Business School): *Developing Social Responsibility*
- Mary Ann Danowitz, Edeltraud Hanappi-Egger & Roswitha Hofmann (Vienna University of Economics and Business Administration): *Managing Gender and Diversity in Organizations*
- Paola Bielli (Bocconi University, Milan) & Andras Nemeslaki (Corvinus University of Budapest): *Reinventing Organizations with Information Communication Technologies*
• Knut Ims (Norwegian School of Economics and Business Administration, Bergen) & Laszlo Zsolnai (Corvinus University of Budapest): *Holistic Problem Solving*

• Zsolt Boda (Corvinus University of Budapest), Eleanor O’Higgins (University College Dublin) & Kuno Schedler (University of St. Gallen): *Cooperating with Social and Political Actors*

• Antonio Tencaiti and Francesco Perrini (Bocconi University, Milan), Nel Hofstra (Erasmus University, Rotterdam) & Laszlo Zsolnai (Corvinus University of Budapest): *Engaging in Progressive Entrepreneurship*

The *Future International Manager* has been used in various CEMS universities including The Vienna University of Economics and Business Administration, Alto University Helsinki, The St. Petersburg Graduate School of Business and Corvinus University of Budapest.

**The Webpage for the Book**

http://www.palgraveconnect.com/pc/doiﬁnder/10.1057/9780230274068

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**The Palgrave Handbook of Spirituality and Business**

40 scholars and practitioners from Europe, North-America and Asia contributed to the *Palgrave Handbook of Spirituality and Business*, edited by Luk Bouckaert and Laszlo Zsolnai. The handbook was published by Palgrave-Macmillan in September 2011.

The book summarizes the most important issues, approaches and models in the field of spirituality in business, economics and society. It presents a comprehensive pluralistic view covering all the major religious and spiritual traditions.

The contents of the handbook are as follows:

**Introduction**

• Luk Bouckaert and Laszlo Zsolnai: *Spirituality and Business*

**Part I: The Nature of Spirituality**

• Paul De Blot: *Religion and Spirituality in Doing Business*
• Luk Bouckaert: *Spirituality and Rationality*
• Andrew Newberg: *Neuroscience of Spirituality*
• John Drew: *Transpersonal Psychology*
• Laszlo Zsolnai: *Moral Agency and Spiritual Intelligence*
• Veerle Draulans: *Gender and Spirituality*
• Suzan Langenberg: *Critique as a Notion of Spirituality*

**Part II: Spiritually Inspired Economics**
• Robert Allinson: *Aristotle and Economics*
• Sanjoy Mukherjee: *Indian Management Philosophy*
• Laszlo Zsolnai: *Buddhist Economics*
• Robert Allinson: *Confucianism and Taoism*
• Henk Oosterling: *Budo Philosophy*
• Moses Pava: *Jewish Ethical Perspective on Income and Wealth Distribution*
• Domenec Mele: *Catholic Social Teaching*
• Jurjen Wiersma: *Protestant Economic Principles and Practices*
• Feisal Khan: *Islamic Economics*
• Laurie Michaelis: *Quakers Spirituality and the Economy*
• Luk Bouckaert: *Personalism*
• Eelco van den Dool: *Liberation Theology*
• Hendrick Opdebeeck: *Schumacher’s People Centered Economics*
• Marjolein Lips-Wiersma: *Bahai Perspective on Business*
• Michael Bell: *Teaching of the Elders and its Relevance for Modern Organization*

**Part III: Socio-Economic Problems in Spiritual Perspective**
• Carlos Hoevel: *Spiritual Meaning of the Economic Crisis*
• Tim Kasser: *Materialistic Value-orientation*
• Stefano Zamagni: *Avarice*
• Jean-Jacques Rosé and François Lépineux: *Globalization*
• Knut Ims: *Deep Ecology*
• Laurie Michaelis: *Climate Change and Spirituality*
• John Adams: *Ecological Sustainability and Organizational Functioning*
• Laszlo Zsolnai: *Responsibility for Future Generations*
• David Boyle: *Authenticity*
• Luk Bouckaert, Hendrick Opdebeeck and Laszlo Zsolnai: *Frugality*
• Stefano Zamagni: *Civil Economy*

**Part IV: Business Spirituality**
• Peter Pruzan: *Spiritually-based Leadership*
• Gerrit Broekstra and Paul De Blot: *Deep Leadership and Spirit-driven Business Organizations*
• Ronald Lessem and Alexander Schieffer: *Transformation Management*
• Sharda Nandram and Margot Esther Borden: *Mindfulness in Business*
• Marjolein Lips-Wiersma and Lani Morris: *Voicing Meaningfulness at Work*
• Francois Lépineux and Jean-Jacques Rosé: *Multinational Companies and the Common Good*
• Kenneth E. Goodpaster: *Corporate Conscience*

**Part V: Good Practices and Working Models**
• Olivier F. Williams: *Business in Society*
• T. Dean Maines: *Self-assessment and Improvement Process for Organizations*
• Judy Neal: *Edgewalker Organizations*
• Luigino Bruni and Tibor Hejj: *The Economy of Communion*
• Mike Thompson: *Ethical Branding*
• Zsolt Boda: *Fair Trade Movement*
• Frans de Clerck: *Ethical Banking*

**The Webpage for the Book**
Knowledge Makers?

Laszlo Fekete and Zsolt Boda published their paper *Knowledge Makers? The Role of European Governments and Large European Corporations in Knowledge Production and Dissemination* in Hungarian in *Külgazdaság*, 2011 (Vol. 55), Nos. 3–4. The authors emphasized that knowledge matters are important in the official declarations of EU and European governments as well as in the mission statements of large European corporations. However, these public statements do not bring about the reorientation of the national R&D policy of the EU member states and the redeployment of the budgetary priorities of large corporations. Efforts towards building a knowledge-based economy and society continually fall short of what was agreed in Lisbon and Barcelona in the years 2000 and 2002. Despite a few EU member states’ impressive figures—for example, Sweden, Finland and Austria—public R&D expenditures have remained stagnant in the majority of EU member states. As a result of misguided economic and R&D policies, the gap between EU member states and their global competitors has widened further in the last decade.

Spiritual Humanism and Economic Wisdom

The book *Spiritual Humanism and Economic Wisdom* (edited by Hendrik Opdebeeck and Laszlo Zsolnai, Garant, Antwerp and Apeldoom, 2011) contains essays in honor of the 70th anniversary of Catholic University of Leuven professor Luk Bouckaert, co-founder of the European SPES Forum. In the spirit of the European SPES Forum, this volume contains essays on contemporary economics from a humanist perspective and discusses the interrelated problems of business, ethics and society from spiritually based viewpoints. The authors support the practice of economic wisdom in economic and social life.
**Spirituality and Ethics in Management**

The book *Spirituality and Ethics in Management* edited by Laszlo Zsolnai, was published in June 2011 by Springer. It is a collection of scholarly papers which focus on the role of spirituality and ethics in renewing the contemporary management praxis. The basic argument is that a more inclusive, holistic and peaceful approach to management is needed if business and political leaders are to revive the environmentally degrading and socially disintegrating world of our age. The book uses diverse value-perspectives (Hindu, Catholic, Buddhist, and Humanist) and a variety of disciplines (philosophy, ethics, management studies, psychology, and organizational sciences) to extend traditional reflections on corporate purpose and places the focus on a self-referential organizational-existential search for meaning, identity and success. Contributions include papers by Luk Bouckaert, Laszlo Zsolnai, Joseph Lozano, Mike Thompson, Peter Pruzan and S.K. Chakraborty.

**THE WEBPAGE FOR THE BOOK**


**Corporate Legitimacy**


The paper suggests that the theory of ‘Just War’ provides an excellent methodological device for determining the conditions for assessing the legitimacy of companies. The Just War theory has different sets of criteria. The first establishes the right to go to war (“jus ad bellum”), the second establishes right conduct within war (“jus in bello”) while the third establishes justice about the results of war (“jus post bellum”). In business ethics we can make an analogous distinction. A specific company can be considered ’just’ if the company’s activities are substantively right, procedurally fair, and bring justice to the company ecosystem.

If the company’s activities are substantively right, procedurally fair and bring justice to the company ecosystem then the specific company may have strong legitimacy. This means that the company’s “raison d’être”, its operations and end results are morally justifiable.
Ethical Principles and Economic Transformation

Ethical Principles and Economic Transformation—A Buddhist Approach, edited by Laszlo Zsolnai, was published by Springer in 2011. The book presents the new contributions of Buddhist economics to pressing socio-economic problems. Buddhism highlights that conjointly emphasizing individuality and promoting the greatest fulfillment of the desires of the individual leads to destruction. The book promotes the basic value-choices of Buddhism; namely happiness, peace and permanence.

Happiness research convincingly shows that it is not material wealth but the richness of personal relationships that determines happiness. Not things but people make people happy. Western economics tries to provide people with happiness by supplying enormous quantities of things and today’s dominant business models are based on, and cultivate, narrow self-centeredness. But what people need are caring relationships and generosity. Buddhist economics makes these values accessible by directly providing these things. Peace can be achieved in nonviolent ways. Wanting less can substantially contribute to this endeavor and make it happen more easily. Permanence, or ecological sustainability, requires a drastic cutback in the present level of global consumption and production. This reduction should not be an inconvenient exercise in self-sacrifice. According to the noble ethos of reducing suffering it can be a positive path of development for humanity.

The contents of the book are as follows:

Introduction
• Laszlo Zsolnai: Why Buddhist Economics?

Part 1. Buddhist Ethics Applied to Economics
• Julie A. Nelson: The Relational Economy
• Peter Daniels: Buddhism and Sustainable Consumption
• Julia Essen: Economic Sufficiency and Santi Asoke
• Joel C. Magnuson: Pathways to a Mindful Economy

Part 2. Achieving Happiness and Peace
• Colin Ash: Do Our Economic Choices Make Us Happy?
• Sander Tideman: Gross National Happiness
- Bronwen Rees and Tamas Agocs: *The Application of Buddhist Theory and Practice in Modern Organizations*
- Laurens van den Muyzenberg: *Leadership the Buddhist Way*

**Conclusion**
- Laszlo Zsolnai: *The Contributions of Buddhist Economics*

**The Webpage for the Book**


**Responsibility, Deep Ecology and the Self**


Zsolt Boda’s paper *Institutional Trust, Fairness and Leadership—the Right Way to Effectiveness* interprets sincerity in communicating as an ethical norm and argues that it is a precondition for building trust. While politicians or corporate leaders often seem to believe that disclosing too much information or unveiling their true intentions might make them weaker, sometimes the opposite may be the case. Valid and fair communication can create trust that increases allegiance towards decision-makers. Trust also increases the willingness of citizens to cooperate with authorities which makes policy implementation easier. The paper argues that a lack of sincerity in a leader’s communication undermines perceptions of fairness, which, in turn, has a negative impact on the leadership potential of a manager or politician.

Laszlo Zsolnai’s paper *The Ethics of Systems Thinking* suggests that quality of life can be served by taking a view of the whole systems. This requires considering all the relevant value dimensions, evaluating the performance of systems using adequate scales of measurement and employing disqualification criteria for blocking tradeoffs among non-substitutable values. He believing that, in our ecologically fragile, socially disintegrating world, systems-oriented decision making is a prerequisite for survival.
Globalization and Development


The other book, *Globalization and Development at the Semi-periphery: Crisis and Alternatives* (Budapest, 2011, Védégylet–Uj Mandatum Kiado) is a collection of essays written by the editors and the researchers of Protect the Future–Vedegylet, a Hungarian environmental NGO and think-tank. The papers apply critical approaches to the problems of the Hungarian economy and society.

Environmental Ethics for Business Sustainability

Laszlo Zsolnai’s paper *Environmental Ethics for Business Sustainability* was published in the *International Journal of Social Economics*, 2011 (Vol. 38, No. 11)
The paper analyses the different levels at which business affects the natural environment. It argues that business has a natural, non-reciprocal responsibility toward natural beings that are affected by its functioning. The paper uses principles of environmental ethics to redefine business sustainability in an ethically meaningful way. By satisfying criteria derived from environmental ethics, business can perform its duty: not to harm nature or allow others to come to harm.

Redefining the Roles and Duties of Management

In their paper, *Redefining the Roles and Duties of Management*, Laszlo Zsolnai, Sven Junghagen and Antonio Tencati (*Journal of Global Responsibility* 2012, Vol. 3, No. 1, pp. 121–133) argue that managing a business in today’s complex environment requires responsible managers. The responsible manager can be characterized as having an ability to take multiple perspectives and to optimally balance diverse dimensions of value. The responsible manager enters into genuine dialogue with diverse stakeholders and communicates the company’s policies and practices honestly and effectively. He or she aims to exercise trusteeship, trying to increase the total value assets of the organization, instead of only maximizing financial return on investments.

The Case of Slow Food

In their paper, *Collaborative Enterprise and Sustainability: The Case of Slow Food*, Antonio Tencati and Laszlo Zsolnai (*Journal of Business Ethics* 2012. No. 3, pp. 345–354) analyse the Slow Food movement and employ recent theoretical and empirical contributions from behavioral sciences and psychology to support the collaborative enterprise model. Evidence is presented that the caring and responsible efforts of economic agents are acknowledged and reciprocated, even in highly competitive markets.

Hungarian Textbook on Business Ethics

Handbook of Business Ethics

The *Handbook of Business Ethics: Ethics in the New Economy* (edited by Laszlo Zsolnai, 2012, Peter Lang Academic Publishers, Oxford) is a collective work of the CEMS Business Ethics Faculty Group. The book presents a European perspective without falling prey to Eurocentrism. The European approach is understood to consider both the material and non-materials aspects of human existence and to employ a dialogical attitude toward non-European values and cultures.

Chapters in the book follow the same structure. Each one begins with a short summary of the topic and provides a glossary of the most important terms. Part 1 describes the central issue. Part 2 gives a state-of-the-art overview of current theories and practices. Part 3 introduces new approaches and solutions. Part 4 analyzes real world examples. Part 5 provides conclusions. The Bibliography at the end of each chapter contains both references and suggested additional titles in business ethics. To increase its relevance to real life, a variety of cases and other empirical materials are included in the text.

The contents of the book are as follows:

- Laszlo Zsolnai: *New Agenda for Business Ethics*
- Peter Ulrich: *Ethics and Economics*
- Laszlo Zsolnai: *The Moral Economic Man*
- Aloy Soppe: *Ethics and the Theory of the Firm*
- Thomas Beschorner and Christoph Schank: *Citizenship and Responsibility of Corporations*
- Josep M. Lozano: *Organizational Ethics*
- Lars Jacob Pedersen and Knut J. Ims: *Personal Responsibility and Ethical Action*
- Doirean Wilson and Laszlo Zsolnai: *Gender Issues in Business*
- Zsolt Boda: *International Ethics and Globalization*
- Antonio Tencati: *The Sustainability Oriented Company*
- Knut J. Ims: *From Welfare to Well-Being and Happiness*
- Laszlo Zsolnai: *Future of Capitalism*
The book is used as textbook at several CEMS universities, including The Norwegian School of Economics (Bergen) and The Corvinus University of Budapest.

THE WEBPAGE FOR THE BOOK


Community Economy and Ecological Sustainability

Laszlo Zsolnai’s paper Community Economy and Ecological Sustainability was published in the book Transition Redesigned (edited by Wojciech W. Gasparski and Boleslaw Rok, 2013, Transaction Publishers, New Brunswick, New Jersey, pp. 79–92). The paper presents the community economy framework for the required transition toward a more ecologically sustainable society. Models of the community economy represent substantive economic activities. Communities of producers and consumers are formed to meet their mutual needs at the lowest cost and minimize their risks through long-term arrangements. A community economy basically uses local resources to meet the needs of local people, rather than the wants of market far away. World prices do not determine what will be produced and the key production processes need to be run without inputs from the global system.

Legitimacy, Trust and Collective Action

In 2013 Zsolt Boda published his book Legitimacy, Trust and Cooperation: Collective Action in Politics (Budapest: Argumentum, 2013, in Hungarian). The book is the result of an ongoing research project about the role of trust and legitimacy in spurring cooperation among people, and between people and different kinds of organizations and institutions. The theoretical framework builds on the work of Tom Tyler and others who have argued that the most important condition for cooperation and trust is procedural fairness. That is, people are ready to cooperate with others or with institutions (including companies, the government, the police or a local municipality) if they believe that
their partner’s behavior relies on principles that are fair (e.g. are non-discriminatory, inclusive, accountable and correct). This argument is supported by growing empirical support and has important practical implications. The book provides some empirical evidence from the Hungarian context and argues that Hungarian policy-making falls short of creating the trust and legitimacy which create improvements in procedural fairness.

### Fairness, Trust and Good Governance

Zsolt Boda’s paper, *Some Notes on Fairness, Trust and Good Governance* was published in *Iustum Aequum Salutare* 2013, 9(2), 9–19. The paper argues that neither market mechanisms by themselves nor the hierarchical coordination of the state is able to provide the necessary conditions for collective action to emerge, or for collective goods to be secured. Ethical coordination is also needed and is a prerequisite for cooperation. Ethical coordination needs trust, while trust needs procedural fairness from the parties involved.

### Spirituality and Sustainability Management

Laszlo Zsolnai edited a special issue on *Spirituality and Sustainability Management* *World Review of Entrepreneurship, Management and Sustainable Development* 2013 (forthcoming). Papers from this special issue are designed to contribute to an extended understanding of the role that spirituality can play in transforming management and business into a more sustainable, humane activity.

The special issue contains the following papers:

- Imre Ungvari Zrinyi: *Spirituality as Motivation and Perspective for Socially Responsible Entrepreneurship*
- Antal Szabo: *Doing Business in a Christian way*
- Roland Ferenc Szilas: *The Serving Organization and Leadership for Sustainable Human Development*
- Jozef Richard Raco and Rafael H.M. Tanod: *Understanding Spirituality as Experienced by Catholic Entrepreneurs*
• Zsuzsanna Gyori and Andras Ocsai: *Ecologically-oriented Enterprises in Hungary*
• Gyorgy Ernyei and Laszlo Podmaniczky: *Public-goods Oriented Agricultural Business Models with Higher Awareness*
• Vincent Gouwy: *Self-reflection and Personal Evolution as Keystone of Sustainability*
• Maria Csutora and Agnes Zsoka: *May Spirituality Lead to Reduced Ecological Footprint? Conceptual Framework and Empirical Analysis*

**How Economic Incentives Destroy Social Ecological and Existential Values**

In their paper *How Economic Incentives Destroy Social, Ecological and Existential Values—The Case of Executive Compensation* (*Journal of Business Ethics* 2013, forthcoming) Knut J. Ims, Lars Jacob Pedersen and Laszlo Zsolnai argue that one-dimensional economic incentives may destroy the social, ecological and existential values that influence a manager’s commitment to ensure responsible business conduct and will therefore have negative spillover effects that may reduce managerial performance. There are well-documented findings that demonstrate that reliance on extrinsic motivation (such as economic incentives) may displace intrinsic motivation. The authors explore the influence of extrinsic motivation on the manager’s intrinsic commitment to different types of values and investigate how this may influence the ethical reflections and behavior of managers.
Conferences

From 2004–2008 the Business Ethics Center was active in organizing and co-organizing scientific workshops and conferences about different aspects of business ethics.

Responsibility in Economics—The Legacy of E.F. Schumacher

Together with the Center for Ethics of the University of Antwerp, the Business Ethics Center was co-organizer of the Annual Conference of the European SPES Forum entitled Responsibility in Economics—The Legacy of E.F. Schumacher from 22–23 September, 2011 in Antwerp, Belgium.

A Charter of Human Responsibilities (http://www.charter-human-responsibilities.net) was launched by the international Charles Leopold Mayer Foundation as a tool for dialogue and an evolving text. The 100th anniversary of E.F. Schumacher’s birth was an ideal opportunity for
launching this particular discussion on responsibility in economics. It invited us to rediscover the author of Small is Beautiful (1973) and his philosophy of responsibility as elaborated in his Guide for the Perplexed (1977). In his last publication, Good Work (1979), Schumacher was one of the first economists to integrate the principles of Corporate Social Responsibility and Sustainability (CSRS).

Over 100 scholars and practitioners participated in the conference from Europe, North America and Asia. The book which resulted, Responsibility in Economics—The Legacy of E.F. Schumacher, (edited by Hendrik Opdebeeck, Peter Lang Academic Publisher, Oxford) was published in 2013.

Spirituality in Business, Economics and Management

The 5th World Congress of the International Society for Business, Economics and Ethics (ISBEE) was held at the Leon Kozminski University in 11–14 July, 2012 in Warsaw, Poland. Laszlo Zsolnai organized a panel discussion on Spirituality in Business, Economics and Management with the following panelists: Luk Bouckaert (Catholic University of Leuven), Yochanan Altman (London Metropolitan University), Sharda Nadran (Neijenrode University), Kenneth E. Goodpaster (University of St. Thomas) and Georges Enderle (University of Notre Dame). Over 120 conference participants followed the lively debate.
Spirituality and Sustainability: A New Path for Entrepreneurship

The Business Ethics Center of the Corvinus University of Budapest and the ERENET—Entrepreneurship Research and Education Network of Central European Universities—organized the Annual Conference of the European SPES Forum from 21–23 September, 2012 in Visegrad, Hungary. The title of the conference was Spirituality and Sustainability: A New Path for Entrepreneurship.

The main issues of the conference were as follows:

- What are the spiritual orientations towards nature in different cultural traditions (Christianity, Buddhism, Judaism, Hinduism, etc.)?
- How can spirituality and ecology contribute to transforming contemporary management theory and praxis?
- How can art influence the commitment of people and organizations to sustainability and nature?
- Which are the promising sustainability business models in Europe and other parts of the world?
- Which new leadership roles are emerging for sustainability in business?
- How can entrepreneurship be inspired by nature and spirituality in a meaningful way?

Keynote speakers included Paul Shrivastava (David O’Brien Distinguished Professor of Sustainable Enterprise, and Director of the David O’Brien Center for Sustainable Enterprise, John Molson
School of Business, Concordia University, Montreal, Canada) and Janos Vargha (Alternative Nobel Prize winning environmentalist and founder of the Danube Circle, Budapest, Hungary).

Courses

Members of the Business Ethics Center developed and taught a variety of courses in business ethics and related subjects from 2009–2013.

Behavioral Business Ethics (Ph.D. course)

In 20–22 March, 2009 the Business Ethics Center organized a Ph.D course for CEMS doctoral students on the topic of Behavioral Business Ethics in Budapest. Participants came from the London School of Economics, the Norwegian School of Economics (Bergen) and Corvinus University of Budapest. The course covered the following topics: The Moral Economic Man, Moral Disengagement Mechanisms, Fairness in Contracts and Stakeholder Relations, Honesty and Trust in Business Transactions, New Models of Business—Civil Society Partnership, The Paradox of Business Ethics, and Ethical Behavior in a Competitive Environment.

Teaching in Paris

In February 2009, April 2010 and June 2012 Zsolt Boda taught the course Risks and Norms in French in the M.A. program Science et politiques publiques at the Université Pierre et Marie Curie (Paris 6). The course provided an overview of the ethical challenges of today’s “risk society” and its dangerous technologies, and discussed some possible remedies such as responsible decision making and participatory policy making.
Business Ethics, Frankfurt am Oder

In 2009–2012 Zsolt Boda taught his *Ethics in Business* course in the MBA Program of the European University Viadrina (Frankfurt am Oder). The course gave an introduction to the basic concepts of business ethics. The course textbook was *Ethics in the Economy. Handbook of Business Ethics* (edited by Laszlo Zsolnai, Oxford: Peter Lang, 2007).

Heilbronn Business School

During 8–10 May and 12–14 June, 2009 Laszlo Zsolnai taught a *Business Ethics* course in the MBA program of Heilbronn Business School in Germany.

Topics included:

- Ethical Paradigms / Creative Capitalism
- Stakeholder Theory of Business / Corporate Social Responsibility
- Ethical Institutions of Business / The Paradox of Business Ethics
- Ethical Decision Making & Ethical Dilemma Games / The Word Bank Case
- Freedom, Equality, and Happiness / The Case of Child Labor
• Environmental Ethics for Business / Climate Change and Business
• Gender Issues in Business / Progressive Businesses & Problems of Self-Realization

**Business Ethics**

In the Spring of 2010 Laszlo Zsolnai was Visiting Professor at the University of St. Gallen (Switzerland). During part of his service he taught a *Business Ethics* course for graduate students in international management. The course covered the main models of business ethics with special emphasis on socially-engaged, genuinely ethical business enterprises. Students wrote papers on Swiss and other European progressive enterprises.

**The Roles and Duties of Management**

In 2010–2012 Laszlo Zsolnai taught a core course *The Roles and Duties of Management* in the CEMS Masters in International Management (MIM) program at the Corvinus University of Budapest. The course introduced the new management profile based on the CEMS MIM qualification framework. The course is based on the book *The Future International Manager* (edited by Laszlo Zsolnai and Antonio Tencati, 2009 Palgrave-Macmillan)
Vienna Summer University

Laszlo Fekete taught a Business Ethics course for graduate students on the International Summer Program of the Vienna University of Economics and Business Administration in June, 2010. The course gave an introduction into the main concepts and theories as well as analytical tools and decision-making algorithms of business ethics. The course presented conceptual and managerial tools which are designed to help deal with ethical challenges and build an ethical company, and foster the making of responsible business decisions.

Venice International University

Laszlo Zsolnai taught a class on Environmental Ethics in the program Sustainable Development for St. Petersburg and the Leningrad Region on July 5, 2010 in Venice, Italy. The program was organized by the Regional Environmental Center and the Venice International University.
Zsolnai explored the different levels at which the economy affects the natural environment. At the level of individual biological creatures, awareness-based ethics is adequate. It implies that society should assure natural living conditions and a painless existence for animals and other sentient beings. At the level of natural ecosystems, ecosystem ethics is relevant. It implies that society should use natural ecosystems in a way that does not damage the health of the ecosystem during its use. At the level of the Earth as a whole, Gaian ethics applies. The implication here is that society should not contribute to violating the systemic patterns and global mechanisms of the Earth. Satisfying the above principles can assure sustainability in an ethically meaningful way.

**The Future International Manager (Blocked Seminar)**

From 27 September–1 October 2010 the CEMS Business Ethics Faculty Group organized a blocked seminar on “The Future International Manager” at the Vienna University of Economics and Business Administration (WU). Students came from 15 CEMS universities. The textbook for the seminar was the book *The Future International Manager: A Vision of the Roles and Duties of Management* (edited by Laszlo Zsolnai, 2009, Palgrave Macmillan). Faculty included: Laszlo Zsolnai (Corvinus University of Budapest), Edeltraud Hanappi-Egger (WU Vienna), Mary Ann Danowitz (WU Vienna), Heike Mensi-Klarbach (WU Vienna), Knut Ims (Norwegian School of Economics–Bergen), Nemeslaki Andras (Corvinus University of Budapest), Eleanor O’Higgins (University College Dublin), Aloy Soppe (Erasmus University of Rotterdam) and Steen Vallentin (Copenhagen Business School).

**Business Ethics in Tourism**

In 2011–2013 Laszlo Fekete taught a *Business Ethics in Tourism* course for undergraduate students in Business Administration at the Corvinus University of Budapest. Tourism is one of the largest sectors of the global economy and has massive impacts on rural and urban habitats, landscapes and the natural environment. The course focused on innovative business practices like Slow City and Slow Food movements and eco-friendly tourism which are designed to mitigate the negative impacts of the tourist industry on the human and natural environments.
Sustainability and Responsibility in Business (Ph.D Workshop)

In the doctoral program of CEMS–Global Alliance for Management Education a Ph.D workshop entitled Sustainability and Responsibility in Business was organized by the Business Ethics Center on 20–21 May 2011 in Budapest. The workshop introduced cutting-edge results and approaches in corporate sustainability and business ethics. Insights from behavioral sciences, positive psychology and ecological economics were applied to arrive at a robust model of ethical and sustainable business. Working examples of progressive businesses which were presented included organic agriculture, eco-gastronomy, ethical fashion and sustainable banking. Faculty included Laszlo Zsolnai and Zsolt Boda (Corvinus University of Budapest), Knut J. Ims (Norwegian School of Economics, Bergen) and Antonio Tencati (Bocconi University Milan).

Trust and Distrust

In April 2013 Zsolt Boda taught a course on Trust and Distrust in “Transituatıon: the Spring Seminar on the Effects of Post-Socialist Transition in Eastern European Countries” organized by the Széchenyi István College of the Corvinus University of Budapest. The seminar was a three-day event offering blocked courses in four topics for students of Corvinus University and universities in other Central and Eastern European countries.
Bodø Graduate School of Business

From 7–9 January and 24–26, September 2013 the Business Ethics Center organized a course on Business Ethics and CSR for the Ecological MBA Program of Bodø Graduate School of Business (University of Nordland, Norway). The course took place in Budapest and was jointly taught by Norwegian and Hungarian faculty. Topics included Introduction to Ethical Theory, The Moral Economic Man, Ethics in the Global Economy, CSR and The Paradox of Business Ethics, Ecological Restoration Options, Fairness in Contracts and Stakeholder Relations, Organizational Culture and Ethics, Moral Development of the Economic Actor, Moral Disengagement Mechanisms. There was also a Panel Discussion with Progressive Entrepreneurs.

Ethical Challenges of Business in the New Economy


The course advanced an approach which is contextual and agent-centered. In this view economic actions are jointly determined by the agents and the context in which they function. Agents and
context evolve together, so if we want to change the ethicality of economic actions we should target both the ethical make-up of the agents and the rules and regularities of the context in which they play.

The program of the seminar included *The Moral Economic Man and Corporate Transgressions* by Laszlo Zsolnai, (Corvinus University of Budapest), *Ethical Theory of the Firm* by Aloy Soppe, (Erasmus University of Rotterdam), the *Inside Job* movie, by van Charles Ferguson, *The Stake-holder Corporation* by Eleanor O’Higgins (University College Dublin), *Engaging in Progressive Entrepreneurship* by Nel Hofstra (Erasmus University of Rotterdam), *From Welfare to Well-Being and Happiness* and *Personal Responsibility and Ethical Action* by Knut J. Ims (Norwegian School of Economics–Bergen), *Fighting against Corruption* by Miklos Ligeti, (Transparency International Hungary), *Ecologically-oriented Enterprises in Hungary* by Andras Ocsai (Corvinus University of Budapest) and *International Ethics and Globalization* by Zsolt Boda (Corvinus University of Budapest).

The main message of the seminar was that the moral foundation of capitalism should be reconsidered. Modern capitalism is disembedded from the social and cultural norms of society. Market fundamentalism—the belief that all kinds of values can be reduced to market values, and that the free market is the only efficient mechanism which can provide a rational allocation of resources—should be abandoned. The future of capitalism is highly dependent on its ability to adapt to the new reality of the 21st century.
Lectures

From 2009–2013 members of the Business Ethics Center made numerous presentations at scientific conferences and workshops. The most important presentations include the following:

Accounting for Future Generations

On 17–18 April 2009 Laszlo Zsolnai presented a paper on Accounting for Future Generations in the 5th European SPES Conference at the University of Catania in Sicily. In his presentation he suggested using the four capital model of the economy to generate indicators for measuring the position of future generations. In his view the state of human capital, cultural capital, natural capital and financial capital together determine the fate of future generations.

Zsolnai defined indicators which show the position of future generations in different dimensions. These include the dependency ratio, investment in R&D, ecological sustainability, and indebtedness of the state. He argued that the future-generations accounting model can give a solid basis for creating policies for improving the position of future generations.
Global Responsible Leadership Ambassadors

Invited by the Global Responsible Leadership Ambassadors, Laszlo Zsolnai gave a lecture on *Business as a Profession: Serving the Common Good* at the Anglia Ruskin University on November 25, 2009 in Cambridge, UK. In his lecture Zsolnai argued that unless future business managers demonstrate that they serve the common good in their daily practice, the legitimacy and moral standing of the business profession remain questionable.

On Markets and Culture

Zsolt Boda and Laszlo Fekete participated in the *Markets and Culture Conference* at Babes-Bolyai University, on 27–28 November, 2009 (Cluj-Kolozsvar, Romania).

In his lecture *The Ethical Theory of Public Goods and the Problems of Market Valuation* Zsolt Boda argued that ethical norms play a constitutive role in defining public goods and ethical institutions can effectively defend public goods against overuse and destruction.

In his lecture, *Knowledge Constructions*, Laszlo Fekete analyzed the present conditions for generating, use and exchange of knowledge and concluded that the current economic system is not favorable
for generating the type of new knowledge which is indispensable for the cultural reproduction of society and for managing the interaction between society and nature.

**On Business as a Profession**

Laszlo Zsolnai gave a lecture entitled *Business as a Profession* at the conference *Social Responsibility, Entrepreneurship and the Common Good* organized by ESC Rennes Business School on 7–8 January, 2010 in Rennes, France. In his lecture he presented the new management profile of CEMS and argued for the transformation of the business profession to serve the common good.
Behavioral Business Ethics

Laszlo Zsolnai lectured on *Behavioral Business Ethics* at the Konstanz Academy of Business Ethics in October 7-8, 2010 in Konstanz, Germany. In his lecture he argued that if economic agents become self-centered then it is likely that – by employing moral disengagement mechanisms – their self-exonерative maneuvers will do harm to others. To serve the common good economic agents should care about and pursue both self personal and community interests.

TransAtlantic Business Ethics Conference

On behalf of the Business Ethics Center Laszlo Fekete participated in the 6th TransAtlantic Business Ethics Conference (TABEC) in 7–10 October, 2010 in York University in Toronto, Canada. He presented a paper written with Zsolt Boda on *Knowledge, Sustainability, and Corporate Strategies*. 
The paper analyzed the social responsibility agenda of major European energy companies and concluded that their R&D activities are far from enough for tackling pressing environmental issues like climate change and ecosystem degradation.

**Shared Social Responsibility in Europe**

Laszlo Fekete was invited by the Council of Europe to join the Ad Hoc Advisory Group in order to draft a Recommendation of the Committee of Ministers to Member States on the Council of Europe’s Charter on Shared Social Responsibilities. On the occasion of submitting the final document to the Council of Europe and the European Commission, Laszlo Fekete presented a lecture about the value and benefits of the stakeholder approach in business in the related conference *Shared Social Responsibility: Securing Trust and Sustainable Social Cohesion in a Context of Transition*, held in Brussels from February 28 to March 1, 2011.

**Sincerity and Trust**

In April 2011 Zsolt Boda presented his paper, *Sincerity as a Procedural Fairness Norm* at the Joint Session of Workshops of the European Consortium for Political Research (ECPR) in St. Gallen. The paper argued that the sincerity of leaders can be interpreted as a procedural fairness norm, and as such, it plays an important role in creating trust, while trust is a condition of effective leadership.
Civil Participation in Environmental Policy Making

Zsolt Boda presented his paper *Civil Participation in Environmental Policy Making* at the conference jointly organized by Protect the Future–Védegylet, a Hungarian NGO, and the Hungarian Ombudsman for Future Generations, in April 2011 in Budapest. The paper analysed the results of empirical research conducted among civil servants of environmental authorities and municipalities. The study proved that civil servants have a generally positive attitude towards civil participation in policy making. However, they have no experience and knowledge about either the specific difficulties of participatory processes, or the relevant techniques that may help overcome the difficulties. The conclusion of the paper was that further preparation and education is needed among for civil servants if participation is to be improved in environmental policy making.

Transatlantic Doctoral Academy on Corporate Responsibility

Laszlo Zsolnai gave a lecture on *Collaborative Business* at the Transatlantic Doctoral Academy on Corporate Responsibility (TADA) at the University of St. Gallen on 3 May 2011. Nearly 30 Ph.D. students from Germany, Canada and Switzerland participated in the program. Zsolnai presented the collaborative business framework which fosters virtuous circles between companies and their stakeholders, where good dispositions, good behavior and good expectations reinforce one another.
Buddhism and CSR

In 12–14 May 2011 Gabor Kovacs participated in the 8th United Nations Day of Vesak celebrations and the corresponding international conference Buddhist Virtues in Socio-Economic Development in Bangkok-Ayutthaya, Thailand. He presented his paper The Buddhist Solution for the Deficiencies of CSR in which he stressed that CSR uses the same framework as mainstream businesses, and it is not able to solve the problems which concern the social acceptance of business. Gabor Kovacs argued that from a Buddhist point of view the aim of economic actors should be the realization of well-being instead of profit-maximization.

The Ethics of Systems Thinking

On 9 August 2011 an international workshop Responsibility, Deep Ecology and the Self was held in honor of Professor Knut J. Ims on his 60th anniversary at the Norwegian School of Economics in Bergen, Norway. Laszlo Zsolnai gave a lecture under the title The Ethics of Systems Thinking. He argued that the Richness of Being can be preserved if we take a whole system view and use multidimensional decision making methodologies to evaluate ecological, social and cultural aspects adequately.
EBEN Conference

The joint paper by Laszlo Zsolnai and Zsuzsanna Gyori *Can Ethics Survive in Competitive Environments? Empirical Evidence from Values-Driven Businesses* was presented at the *Annual Conference of the European Business Ethics Network* (EBEN) in 15–17 September 2011 in Antwerp, Belgium.

The authors presented their empirical study about Hungarian value-oriented enterprises which tested the hypothesis of Robert Frank (Cornell University). Frank’s hypothesis says that business actors are compensated for the higher costs of responsible behavior by the commitment and trust of their stakeholders. Laszlo Zsolnai and Zsuzsanna Gyori were able to demonstrate empirically the rewarding effects of ethical behaviour in a Hungarian context.

The Legacy of E.F. Schumacher

Laszlo Zsolnai was keynote speaker at the conference *Responsibility in Economics—The Legacy of E.F. Schumacher* on 22–23 September 2011, in Antwerp, Belgium. His presentation was titled *The Importance of Meta-economics*. Meta-economics contains the basic assumptions about the subject-matter, value-orientation and methodology of economics. Zsolnai’s paper reconstructed the meta-economic foundation of mainstream economics and that of alternative economics initiated by E.F. Schumacher. It showed how alternative economics transcends the erroneous meta-economic assumptions of mainstream economics by considering the whole of the economic process, choosing sustainable livelihoods as a basic value-orientation and employing a constructive methodology.
The presentation of Gabor Kovacs explored the development of Buddhist economics. The idea of an economics based on Buddhist values was first introduced by E. F. Schumacher in the beginning of the 1970’s. Since then numerous developments have been made by various Western and Eastern scholars and Buddhist thinkers. The Buddhist approach questions the axioms of self-interest and profit-maximization and considers no-self and serving others to be the basic principles of economic actions.

Sustainable Growth or Right Livelihood?

The Faraday Institute for Science and Religion of the University of Cambridge organized an international conference entitled *Sustainability in Crisis* from 26–28 September 2011 in Cambridge. Laszlo Zsolnai was invited to present an opinion about the relevance of Buddhist economics to sustainability. In his presentation *Sustainable Growth or Right Livelihood?* he argued that it is not promoting sustainable growth but sustainable livelihood that should be the main goal of economic policies. Sustainable livelihood implies making a considerable reduction in the material demands of the economy. Hence, de-growth is more appropriate for Western economies than sustainable growth.
Buddhism and Sustainability

Gabor Kovacs participated at the International Conference on Sustainability—People, Planet, Prosperity from 9–11 November 2011 hosted by the Rajiv Gandhi Indian Institute of Management in Shillong, India. He presented a paper on Buddhism and Sustainability. His conclusion was that economic institutions should not aim to achieve sustainable development but rather they should rather seek to create well-being for people through employing non-harming and suffering-alleviating business practices.

Chinese–European Cooperation for Sustainability

Laszlo Fekete and Zsolt Boda presented a lecture at the conference Chinese–European Cooperation for a Long-term Sustainability in Budapest, on 10 November 2011. Their paper entitled Knowledge, Sustainability and Corporate Strategies in case of the European Energy Sector analyses the policy papers of the European Union and the financial reports of the largest European energy companies concerning their environmental impacts and the energy future of Europe. While public concern about the long-term environmental, economic and social consequences of reliance on nonrenewable energy sources are growing, policy papers, international treaties, and reports about sustainable development are copious. Public and private R&D expenditures in the energy sector—in terms of GDP and corporate revenues—have been stagnant and shrinking in Europe for decades. Apart from the problems of the innovation deficit of the EU, the lack of expenditure raises ethical dilemmas linked to intergenerational equity. The authors argued that we should redefine the responsibility of corporations in the field of knowledge production, use and dissemination.
**Trust, Legitimacy and the Effectiveness of Public Institutions**

Zsolt Boda’s paper *Trust, Legitimacy and the Effectiveness of Public Institutions* was presented in Antwerp, at the *Joint Session of Workshops of the European Consortium for Political Research* (ECPR), April 2012 in Antwerp, Belgium. The paper argues that constructions and perceptions of the public good play an important role in shaping legitimacy beliefs. As legitimacy is a factor in institutional effectiveness, it is important to understand its roots. The paper presented data proving that, despite the general opinion about the alleged importance of materialistic values and output-legitimacy in Central and Eastern Europe, people express sensitivity towards procedural fairness norms in these countries too.

**On Spirituality and Business**

On 14 May 2012 Laszlo Zsolnai gave a presentation on *Spirituality and Business* at Lord Ashcroft International Business School in Cambridge. He presented the *Palgrave Handbook of Spirituality and Business* which he co-edited with Luk Bouckaert. The main conclusion was that materialistic management models are based on egoistic motivation and measure success in monetary terms only, while spiritually-oriented enterprises are intrinsically motivated to serve the common good and measure success in multi-dimensional terms.
On Ecological Sustainability and Collaborative Business

On 23 May 2012 Laszlo Zsolnai gave a lecture on *Ecological Sustainability and Collaborative Business* at the Smith School of Enterprise and the Environment at the University of Oxford. He showed that the competitive mainstream business model is not compatible with ecological sustainability. He argued that the collaborative business model fits better with ecological sustainability. If we want to move closer to a sustainable world we need to generate virtuous circles where good dispositions, good behavior and good expectations reinforce one another.

UN Global Compact

Laszlo Fekete gave a talk in the *Panel Discussion on The UN Global Compact* organized by Professor Prakash Sethi (Baruch College, New York) held in the *5th International Society of Business, Economics and Ethics World Congress*, on 13 July 2012, Warsaw, Poland. In agreement with Prakash Sethi he criticized the Global Compact as being an ineffective and rather opportunistic initiative.
Spirituality and Sustainability: A New Path for Entrepreneurship


In his keynote lecture *The Market Disclosure of Being—A Heideggerian Approach to Business* Laszlo Zsolnai argued that despite Heidegger’s warning, it is not modern technology but modern-day business that destroys Being and beings. With its exclusive focus on profit-making, modern-day business tends to violate the integrity and diversity of natural ecosystems, the autonomy and culture of local communities and the chance that future generations will lead a decent life. To overcome this problem substantive economic thinking is needed which acknowledges human beings’ patent dependence for their livelihood upon nature and their fellows.

Gabor Kovacs’ lecture was entitled *Buddhist Spiritual Orientation to Nature and Sustainability*. He stressed that Buddhism refutes the dominance of humans over other species. It does not promote an anthropocentric worldview but looks at humanity as an integral part of its surrounding environment. The heart of Buddhism is ongoing spiritual perfection: the threefold practice. The observation of precepts and the compliance of virtues are the first step, which lead to a non-harming and peaceful
lifestyle. Meditation and calming down of the mind result in the further strengthening of virtues and precepts. Continuous practice is a positive spiral which may produce spiritual perfection and a sustainable life-style. Kovacs emphasizes that sustainability in Buddhism appears as a consequence of leading a “Buddhist way of life,” which is built around the conception of interdependence and the practice of non-harming.

Zsuzsanna Gyori and Andras Ocsai presented their paper *Ecologically-oriented Enterprises in Hungary*, co-written with Gabor Kovacs, Adam Csepku and Laszlo Zsolnai. In the paper they offered empirical evidence that with the help of their value-based strategy ecologically-oriented enterprises can survive and even prosper in the Hungarian economy.

**Spirituality and Business—Implications for Sustainability**

Laszlo Zsolnai gave a presentation on *Spirituality and Business—Implications for Sustainability* in the faculty workshop of the Institute of Management of Vienna University of Economics and Business Administration on 9 October 2012. He argued that to achieve sustainability actors should consider whole persons and whole systems, give priority to intrinsic motivation, orient themselves toward the common good, and measure success in multi-dimensional, holistic ways. Zsolnai also emphasized that a materialistic value orientation destroys material values, including nature. To preserve material values we need to follow a non-materialistic (i.e. spiritual) path.
Materialistic versus Non-materialistic Management

From 19–22 October 2012 Laszlo Zsolnai participated in the Seventh TransAtlantic Business Ethics Conference organized by the Norwegian School of Economics in Bergen, Norway. He gave a lecture entitled Materialistic versus Non-materialistic Management. He stressed that psychologists have discovered the serious side-effects of having a materialistic value orientation. American psychologist Tim Kasser demonstrated that the more people prioritize materialistic goals, the lower their personal well-being and more likely it is that they will engage in manipulative, competitive, and ecologically degrading behaviors.

Zsolnai suggested that the new values of post-materialistic management should be defined as frugality, deep ecology, trust, reciprocity, responsibility for future generations, and authenticity. Within this framework profit and growth are no longer considered to be the ultimate aims but rather elements of a wider set of values. In a similar way cost-benefit calculations are no longer the essence of management but are part of a broader concept of wisdom in leadership.

Laszlo Zsolnai, Lars Jacob Pedersen and Knut Ims
Practical Wisdom for Management

Gabor Kovacs participated in the conference *Practical Wisdom for Management and Economics from the Buddhist Traditions* from 15–16 November, 2012 in Bangkok, Thailand. The conference was organized by the European Academy of Business in Society (EABIS), Yale University and Thammasat University. Gabor Kovacs presented the basic tenets of Buddhism and Buddhist economics. He spoke about the negative consequences of mainstream economics and outlined some principles for establishing a Buddhist management praxis.

Buddhist Values in Business and their Potential for Europe

The Buddhist Economics Research Platform, the Loden Foundation and the Hungarian Bhutan Friendship Society, in partnership with the European SPES Forum and the European Buddhist Union, organized an international workshop *Buddhist Values in Business and their Potential for Europe* from 24–25 November 2012 in Brussels (Belgium). Inspired by Bhutan’s concept of Gross National Happiness, the workshop was designed for people from the business or academic sectors who are interested or involved in Buddhist Business/Economics, as well as for entrepreneurs, university students and leaders of Buddhist organizations. Laszlo Zsolnai served as a keynote speaker for the workshop. His presentation was about *Western Economics versus Buddhist Economics*. The website of the workshop: www.bububrussels.blogspot.com
Business Beyond Tomorrow

Laszlo Zsolnai lectured on *Buddhist Economics and Compassionate Business* at the *Business Beyond Tomorrow* conference organized by the John Molson School of Business, Concordia University in Montreal on 15 March 2013. A related video was produced featuring him talking about the importance of changing the doctrine of self-interest of our time: [http://www.youtube.com/watch?v=8bM-IXzP6UE&feature=player_embedded#](http://www.youtube.com/watch?v=8bM-IXzP6UE&feature=player_embedded#)

Responsible Leadership and Reasonable Action

On 23 April 2013 Laszlo Zsolnai gave a presentation on *Responsible Leadership and Reasonable Action* at the Jepson School of Leadership Studies, University of Richmond, Virginia, USA. In his
presentation he argued that business leadership should meet the challenge of reconciling ecology, future generations and society. This means that responsible leaders should seek to create holistic value (i.e. achieve the goals of their organizations or communities in an ecological, future-respecting and pro-social way).

A VIDEO OF THE LECTURE IS AVAILABLE AT
http://www.youtube.com/watch?v=kDDs42_skA8

The Economic and Financial Crisis and the Human Person

Initiated by Laszlo Zsolnai, the Von Hügel Institute of St. Edmund’s College, University of Cambridge organized an international workshop on The Economic and Financial Crisis and the Human Person from 8–9 June 2013 in Cambridge, UK. Participants explored the current economic and financial crisis from a spiritual-humanistic point of view. In his lecture Laszlo Zsolnai contrasted “Homo Materialis” with “Homo Spiritualis” and argued that the materialistic conception of man is highly problematic and the spiritual conception of man is more promising in an economic and business context.
The Business Ethics Center engaged in various projects in during the period 2010–2013.

**Sustainable and Responsible Company**

From 2010–2012 the Business Ethics Center conducted a major research project called *Sustainable and Responsible Company* which is part of a wider university program *TÁMOP-4.2.1/B-09/1/KMR-2010-0005.*

The project aimed at developing appropriate models of corporate sustainability management which are applicable to Hungary. Also, it investigated what socio-economic preconditions are necessary to realize ecological sustainability and foster social responsibility in business in our society. In the project we explored the most innovative and progressive businesses and contributed to creating a framework for integrating ecology and ethics in business.

**The Project Website**

http://fenntarthatovallalat.net/

**Studies in TransAtlantic Business Ethics**

Frontiers of Business Ethics

The *Frontiers of Business Ethics* is a series of books from Peter Lang Academic Publishers in Oxford. Laszlo Zsolnai serves as editor for the series.

The series is dedicated to alternative approaches that go beyond the literature of conventional business ethics and corporate social responsibility. It aims to promote a new ethical model for transforming businesses into humanistic, sustainable and peaceful entities. The series publishes monographs and edited volumes with fresh ideas and breakthrough conceptions which are relevant to scholars and practitioners alike.

During 2009–2013 the following volumes were published:

- Peter Verhezen

- Henri-Claude de Bettignies and François Lépineux (eds)

- Peter Pruzan
• Josep M. Lozano

• Antonio Tencati and Laszlo Zsolnai (eds)

• Hendrik Opdebeeck (ed)

**India–Europe Dialogue on Ethical Leadership**

With Indian partners the Business Ethics Center plans to establish an *India–Europe Dialogue on Ethical Leadership*. The project will be designed to address issues concerning human values, ethics and spirituality in business in a comparative Indian–European context.

The antecedents of the project are the *Europe–Asia Dialogue on Business, Ethics & Spirituality* conference organized by the Business Ethics Center of the Corvinus University of Budapest from 30 June–2 July 2006 in Budapest, Hungary and the *Sustainability—People, Planet, Prosperity* conference organized by the Rajiv Gandhi Indian Institute of Management from 9–11 November 2011 in Shillong, India.
The following issues are particularly important for the India–Europe Dialogue on Ethical Leadership:

- How can Indian traditions of spirituality contribute to transforming leadership and management theory and praxis?
- Which are the progressive business models in India from a humanistic point of view?
- Which new leadership roles for spiritual growth and reflection at the workplace have emerged in India?
- How can Indian businesses develop alternative models of business which serve nature, human communities and future generations?
- Do different spiritual orientations play a role in determining perceptions about economic growth, social well-being and personal happiness?
- How can ecological and social sustainability be addressed in a contemporary Indian-European context?
- How can Indian spirituality make a difference in the hypercompetitive global context?
- How is it possible to combine welfare creation with poverty eradication and reduction of inequality in India?
- What is the relevance of the ideas of Schumacher and Gandhi about local and small-scale economics to modern India and Europe?

The first step of the project is an international conference which will be hosted by the IFIM Business School from 9–10 January 2014 in Bangalore, India. This conference is being organized by the V.B. Padode Centre for Sustainability of IFIM Business School in cooperation with the European SPES Forum and the Business Ethics Center of the Corvinus University of Budapest. The conference brings together educators and professionals from different areas of industry to address issues of human values, ethics and spirituality in doing business in the Indian context.
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