

TOPIC 1

INTRODUCTION TO ETHICS

1.1 ETHICS & MORALITY

The word “ethics” is said to have originated from a Greek word “ethos”, which means the character of a community based on their attitudes, behaviours and customs. It is quite logical to conceive that the term ethics could be derived from the Greeks as Socrates, the ancient Greek philosopher is considered to be the first moral philosopher at least in the West. Therefore, Topic 2 will provide an overview of the development of the ethical theories from the Western perspective, starting from the Ancient Greek philosophers, such as Socrates, Plato and Aristotle.

It has to be noted however, that although “ethics” is generally used interchangeably with “morality”, they are not the same. To be “moral” or to attain “morality” is to behave in a manner that is considered to be right based on one’s principles, conscience or according to revelation. Of course, in Topic 2, there is reference to the concept of “moral” being relative, as what is acceptable in one society may be considered unacceptable or inappropriate in others, although there are certain universal views on what is considered to be right. Nevertheless, for people who follow and abide to a specific religion, generally, what is considered to be “moral behaviour” is prescribed by their religion.

On the other hand, “ethics” refers to studying and analysing the behaviours of a group of people or a society, to determine how to nurture and develop ethical and moral behaviours. Theories developed from the process may be framed into guidelines, codes and even laws. This explains the existence of codes of ethics instead of codes of morals. Therefore, ethics can be accepted as a discipline or subject matter, which is also a branch of philosophy. Naturally, the scholars and ethical philosophers specialising in ethics are known as “ethicists”.

Ethicists differ from other social scientists such as anthropologists, sociologists and psychologists who may also study the moral behaviour of a society. The latter also observe and analyse, then they may report and describe, but generally they refrain from being judgemental and specifying ways to improve the society’s moral conducts. In contrast, ethicists analyse with the

aim of proposing a better and more ethical lifestyle. Hence, the former naturally prescribes the ideal scenario or behaviour that should be strived towards.

In reviewing the fundamentals, a person's moral behaviour would generally be influenced by their background, i.e., parents, family and friends, which could be further shaped by a person's surroundings. Moreover, the person's morality would be subject to their principles, which are framed from their belief system and custom, including religion. Due to the knowledge, experience and character of each individual, ethical behaviour and morality would be a matter of "self-governance". Ethical behaviour is essentially self-governance because one should govern oneself based on one's principles and beliefs, which are guided by religion and regulation. This is because if individuals do not want to govern their own behaviour, loopholes can always be found in laws and regulatory requirements. Moreover, news and current events have shown several occurrences of failure to enforce, due to the fact that enforcement may not be a certainty when enforcement is carried out by human beings. However, when one has the moral fibre and has built up moral character, one would treat others as fairly as one treats oneself, to eventually foster a peaceful and harmonious society. Therefore, the ultimate goal of ethics is to derive the process of attaining repeated ethical behaviour, consequently moulding moral character to the state of self-governance.

Since ethics generally starts with the self, as mentioned above, the next section contemplates the "self", in the context of the past and present. Therefore, the next section will include elements of revisiting one's background as well as certain aspects of self-contemplation. The scope of the discussion also encompasses varied roles and responsibilities of a person. Finally, an overview is provided on interactions between an individual human being with other essential individuals, the community and other creations on this earth, including the environment.

1.2 SELF REFLECTION

This section revisits known facts and ideas, with the aim of recollection, discussion and deliberation. An individual's character is moulded by the past and present, as well as external and internal factors. The past comprises an individual's background, process of growing up and years of development which include experiences, circumstances and the surrounding influences or pressures. Most of these are considered as external factors, however while undergoing such experiences, an individual would diagnose and interpret the circumstance, then, thoughts and ideas would be formed on how to react under such circumstances. How a person reacts to a situation, based on his/her thought processes leads to making right or wrong decisions and/or ethical or

unethical behaviours, which eventually defines his/her character. The following is an often repeated and meaningful quote, which has been accredited to the Chinese philosopher Lao Tzu, but is actually of an unknown origin:

*“Watch your thoughts because thoughts become words;
watch your words because words become actions;
watch your actions because actions become habits;
watch your habits because habits become character;
watch your character because character shapes your destiny.”*

(Source: Unknown)

Even though much of a person's destiny depends on the self, it is undeniable that parents or guardians play a vital part in developing a person's sense of morality. Generally, children learn of what is considered right or wrong from their parents first. These children would also consider, store and retain various approaches, lessons and treatments used by their parents to raise them. Once these children grow into adults and have children of their own, it is quite conceivable that the practices that are deemed to be effective would be imitated. Therefore, parents are the initial role models for their children's moral development.

All individuals have different backgrounds and life experiences that shaped them to become who they are today. Certain people may have had humble beginnings compared to others. Nevertheless, the more important consideration is the progress that the person has made since then. A familiar quote by Zig Ziglar, a renowned motivational speaker, is:

“It's not where you start but where you finish that counts.” (Zig Ziglar)

This quote tends to be true in life as people usually revisit the childhood and youth of a successful person to reveal their successes since then. Therefore, how a person is at the end of their life is important. Generally, at the end of a person's life, people will remember the person for their kindness, generosity and contributions for the benefit of mankind, or in contrast, the person may be remembered for the chaos and destruction of humanity. Naturally, most people would like to be remembered for being the former.

In relation to the above, one has to contemplate the definition of “success” for oneself. Is success merely a matter of accumulating wealth, power and prestige? Although these may be considered to be certain aspects of “success”, many people have moved away from such narrow definitions of “success”. More crucially, people who believe in the afterlife could interpret Mr. Ziglar’s reference to the “finish” as either heaven or hell. In this context, of course one would normally define entry into paradise a success.

Fundamentally, every human being is gifted with strengths and weaknesses, things they are good at and others which they are not so good at, thus making us human. Wise individuals play on their strengths and surround themselves with people who complement them. If they are not good at some things, they find people who are good at it and include them on the team, hence creating a synergy within the team. Generally, it is not for us to judge or condemn other people for their weaknesses but try to help them overcome these, if possible. Another alternative is to try to use what may be considered to be a weakness as an opportunity to balance the team. Even though we should always be grateful for the gifts that we are blessed with, we should not be complacent and should always strive to better ourselves as a person. Further discussion on teamwork will be seen in Topic 4.

Every single person plays multiple roles. Normally, a person would be:

- A son or daughter,
- A brother or sister,
- A parent,
- An employee or employer or both,
- A neighbour, or
- A member of the community.

Then, of course, a Malaysian would be a citizen of Malaysia, and every person would be a human being, and should be humane.

Attached to each role are responsibilities. In Asian societies, ties to family tend to be stronger, thus we are equally responsible to our parents just like how they were when they raised us. A regularly repeated query is:

One mother is able to take care of many children, but can that many children take care of their one mother when the time and need comes?

It is normally the case that a great part of our success is owed to our parents, thus we are indebted to them and would not shirk our responsibilities. Similarly, our children learn from the way we treat our parents.

In addition to our parents, there are bonds of family. Although at certain times having to attend weddings, birthdays, various celebrations and gatherings may seem excessive, it is usually family that stands by us and supports us in times of need. As for the roles of an employee or employer, this will be discussed in more detail in Topic 4. Similarly, the roles of a neighbour, member of the community and being a humane human being will be deliberated in Topic 3.

As for now, an important aspect to consider for every Malaysian is our role as a citizen of Malaysia. The *Rukun Negara* or National Principles that we were asked to recite at school are:

“Kepercayaan kepada Tuhan (Belief in God);

Kesetiaan kepada Raja dan Negara (Loyalty to King and country);

Keluhuran perlembagaan (Supremacy of the constitution);

Kedaulatan Undang-undang (Rule of law);

Kesopanan dan Kesusahaaman (Good behaviour and morality). ”

(Source: Ministry of National Unity)

Many of us are proud to be Malaysians, and although we used to recite the *Rukun Negara* as a mantra when we were young, our forefathers were wise in summarising the ideal characteristics of a Malaysian in the *Rukun Negara*. Nevertheless, what is more important is how every Malaysian interprets and implements the *Rukun Negara* in daily life. It seems admirable to have such a concise and understandable set of principles, however if the people of the country do not execute it, and the leaders do not lead by example, then these principles merely become a showpiece.

Summarising the discussion in this section, contemplating, “Who am I?”, “Am I successful?”, “Am I happy?”, “How will people remember me?” can be a metaphysical or epistemological exercise. The former would be based on the reality of our existence, whereas the latter would be in the form of determining the “truth” through seeking knowledge. Nevertheless, we can put aside, to some extent, both the metaphysical and epistemological and try to keep it simple with facts, our ideas and beliefs. At the end of the day, normally one may ask oneself, “Am I a good person?” and “Do I strive to be?”.

TOPIC 2

ETHICAL THEORIES, PRINCIPLES & MODELS

2.1 INTRODUCTION

This topic will try to simplify, as much as possible, the ethical philosophies of prominent Western ethicists throughout generations, starting from the Ancient Greek philosophers. The narrative will attempt to summarise and highlight the main ethical theories of each of these ethicists, while trying to minimise bringing in metaphysical and epistemological debates into the content. This topic will also include teachings of respected Asian philosophers and their views on ethics. Finally, this topic will review key ethical models, which may be considered models for moral development or models that could be used for ethical decision making.

2.2 WESTERN ETHICAL PHILOSOPHERS & THEIR THEORIES

The notion of “ethics” could be accredited back to ancient Greece to the father of “moral philosophy”, Socrates. Basically, Socrates believed that every man strives to attain “happiness” (also interpreted as well-being), however this happiness can only be attained by having virtue and moral character. According to Socrates, the aim was to become an excellent human being, or attain moral excellence. In order to become such a person, the individual needs to know how to be moral. Hence, the beginning of “ethics” is deemed to be a conscious effort towards how to become virtuous. According to Socrates, serenity can be only be achieved by being moral and those who are involved in unethical behaviour do so due to their ignorance.

Socrates used a ‘question-and-answer’ approach to convey his ideologies. Unfortunately, his teachings were not written down. Instead, Socrates’ philosophies were made known by the writings of his students, one of whom was Plato. Due to the lack of written evidence, there were debates on the extent to which the ideas were originally Socrates, and which were the interpretations and extensions of his students. Nevertheless, ethics was central to Socrates’ philosophy.

Plato, imitating his teacher's approach, wrote numerous dialogues. It was through these dialogues that contemporary ethical scholars could infer the teachings of Socrates. Plato extended the ideas of Socrates in terms of moulding a person with the characteristics of being virtuous. Generally, the virtues that need to be upheld are courage, moderation and justice. In fact, Plato strengthened the connection between virtue and happiness. However, it was Plato's student, Aristotle who derived virtuous action as an outcome of virtue. According to Aristotle, morality or having virtue should be reflected in virtuous activities. Hence, it was Aristotle who has been given credit of including a practical perspective of ethical behaviour on the ideology of virtue.

This stream of ethics, considered to have developed from the ethical theories of Plato and Aristotle, is known as virtue ethics. However, it must be noted that although these ancient Greek philosophers considered being moral as being good for the soul, their ideologies of ethics and morality were based on human conception and deduction. Still, further development of ethical theories and branches of ethics were derived from these ancient philosophers, particularly Aristotle.

There are two main branches of ethics, metaethics and normative ethics. The former is a study and contemplation of what morality actually means, as well as the origin and meaning of ethical concepts. On the other hand, the latter prescribes what is right and wrong and what should be the practices that are deemed to be ethical. These prescriptions may be made in the form of guidelines, codes or even law.

Metaethics is further divided into moral relativism and moral objectivism. According to moral relativism, what is considered to be moral is relative. It is dependent on the situation, surrounding and circumstance. On the contrary, moral objectivism stresses that there is an absolute right and wrong, regardless of human opinion.

Normative ethics is also divided into two sub-branches, namely teleological theory and deontological theory. The former is also known as consequential theories because what is considered to be accepted as moral is defined based on the good consequences that the action produces. An example of a teleological theory is utilitarianism. More explanation on utilitarianism will be made later.

In contrast, deontological theories are non-consequential theories as what is ethical is not reliant on consequences but on the fact that it has been prescribed as being right or wrong. An example of a deontological theory is divine command ethics. In divine command ethics, what is

right or wrong is prescribed by revelation, hence it is the commands from God. Therefore, divine command ethics can be linked to moral objectivism, because based on the commands of God, what is right and wrong is certain and objective, regardless of the opinions of human beings.

Progressing from the ancient Greek ethical philosophers, in the 17th century was a French philosopher, René Descartes. Descartes stressed on perfectionism and he proposed deontological virtue ethics where what is considered to be moral or ethical is defined by a set of rules. Descartes' "Rule of change" states that if an action cannot be taken repeatedly, then it should not be taken at any time.

Later, in the 18th century, another philosopher whose viewpoint was also from the deontological paradigm was Immanuel Kant. Kant was a German philosopher who considered ethics to be internally motivated through a sense of duty. Kant came up with the categorical imperatives. Kant's universal imperative states that if an action is right, then that action should be applied to everyone, including oneself. Thus, each person should behave in a way assuming that each of their actions could be legislated into a universal law.

Another prominent figure in the 17th century was John Locke, who was an English political philosopher. Locke was considered to be the father of liberalism. His major contribution to morality was the founding of natural rights which are life, liberty and property. These rights were crucial as Locke specified that God given rights are entitled by every single human being.

In the late 18th century, Jeremy Bentham who was a political reformer and philosopher coined the term utilitarianism. As mentioned above, utilitarianism falls under the teleological theory as it is based on consequences of actions. Basically, according to Bentham, an action should be taken if it produces net utility or net happiness; however, the term Bentham chose was "pleasure over pain".

Later, John Stuart Mill developed the concept of utilitarianism as Bentham was his mentor. Mills echoed the notion that right or wrong actions depend on the outcome of producing happiness or the reverse, respectively. However, Mills extended the concept by integrating it with some sense of justice, whether formal or informal. Basically, Mills opined that if certain actions are considered to be wrong, there should be repercussions for those actions, either in the form of legal punishment, condemnation by society or a guilty conscience. Subsequently, various principles emerged from utilitarianism which are consequentialism, hedonism, maximalism and universalism.

Although there are other ethical philosophers and ethicists, the above narrative highlights the renowned philosophers in Western history that made specific advancements in ethics and ethical theories. One more theory that is of interest is the ethics of care theory originated in the 20th century.

The ethics of care theory was conceived by Carol Gilligan. She revealed that there are three types of “care”, namely caring about something, caring after someone, and caring for someone. The first is in the form of attachment to a non-person, the second is the care given as a sense of duty, whereas the third is the level of care that is given to a loved one.

There are also other known developments in ethics in the 20th century. These developments are generally in the form of ethical models or the process of ethical decision making, which will be discussed in Section 2.3. The next section will proceed with famous philosophers from the east and Islamic philosophers.

2.3 EASTERN & ISLAMIC ETHICAL PHILOSOPHERS

The description of the eastern philosophers starts with Confucius, followed by Buddha. Although Buddha may be considered to be a deity by Buddhists, he was undoubtedly a philosopher too. Even though there are many other eastern philosophers, these two prominent figures were selected as their teachings have lasted centuries. Then the narrative continues with Muslim philosophers.

Confucius was born around 5 and a half centuries before the common era (BCE). Confucius was deeply concerned about social values, specifically the ideal moral behaviour of a “gentleman”. These values may be construed as virtues. According to Confucius, the 5 main virtues of behaviour are benevolence, righteousness, ritual propriety, wisdom and trustworthiness. Confucius also considered improvement of the self or self-development to be imperative.

About five decades later, Gautama Buddha abdicated from his princely position due to an epiphany from seeing the suffering of his people. The basic teachings of Buddha have been summarised into 4 noble truths, which are:

1. there is suffering,
2. there is the origination of suffering,
3. there is the cessation of suffering, and
4. there is a path to the cessation of suffering.

Logically, due to the fact that there are causes of suffering, preventing such causes would alleviate the suffering.

Subsequent to highlighting the main ideas of Confucius and Buddha above, this paragraph progresses with a few prominent Islamic scholars starting with Ibn Sina. Ibn Sina existed during the 10th century. He was a renowned physician and philosopher. Ibn Sina is said to have referred to the writings of Aristotle. Ibn Sina supported the notion of seeking happiness in this world. However, the happiness in this world is linked to the happiness in the hereafter. According to Ibn Sina, to attain “happiness”, rational souls strive to develop their intellect to reach their full potential and behave as to enrich the soul. Such behaviour comprises ethical conduct, as guided by the teachings of the Prophet (p.b.u.h.) and through religious obligations, such as prayer.

Then, in the 11th century, another prominent Muslim philosopher, Al-Ghazali, wrote an encyclopaedic collection on the religious sciences, entitled the “Revival of the Religious Sciences” (*Ihya ulum al-din*). This collection comprises 40 books on 4 themes. Each theme is a compilation of 10 books. The 4 themes are:

1. ritual practices (*ibadat*)
2. social customs (*adat*),
3. abhorrent behaviour that would lead to damnation (*muhlikat*)
4. practices and behaviour that would lead to redemption (*munjiyat*).

Al-Ghazali stressed that none but the Prophet (p.b.u.h.) should be imitated in terms of behaviour and character. Through these books, Al-Ghazali aimed to guide people towards ethical behaviours that would be rewarded by God in this world and the hereafter.

Next, in the 12th century, Ibn Rushd referred “happiness” as the aim of human life. However, for regular people, the guide to such happiness is the wisdom prescribed in the Quran. Ibn Rushd also promoted contemplation, which is directed through prayer and the Quran. Moreover, Ibn Rushd opined that those who have the ability to do so should get emerged and make advancements in the theoretical sciences, as enabling such developments would bring contentment (happiness).

In considering ethics from the Islamic perspective, the scholars above have clearly referenced the Quran and the *sunnah* of the Prophet (p.b.u.h.). It is undeniable that ethics in Islam is inseparable from faith (*iman*) and the obligation of Muslims as vicegerents. Generally, Muslims accept that the best character and role model for mankind is the Prophet Muhammad (p.b.u.h.).

Certainly, some crucial components of Islamic ethics are *akhlaq* (moral character) and *adab* (etiquette). Moreover, qualities that are considered to be virtues in Islam include righteousness, courage, wisdom, compassion, justice, trustworthiness, competence and moderation. Furthermore, as the scholars above have specified, in Islam, the goal of the soul is to seek happiness in this life without forgetting the hereafter.

After summarising the ethical theories from the various prominent philosophers, the next section describes the models that portray ethical development or ethical decision making.

2.4 ETHICAL MODELS

There are several ethical models, however the focus will be along two streams. The first stream is on moral reasoning, whereas the second is related to ethical decision-making process. The first stream starts with Lawrence Kohlberg's Model of Cognitive Moral Development. This model has structured the moral development of a child into 3 stages:

1. Pre-conventional Moral Reasoning
2. Conventional Moral Reasoning
3. Post-conventional Moral Reasoning

Each stage has 2 phases. The main critique of Kohlberg's model is that it tends to be more relevant to boys and not girls.

Much later, Linda Trevino incorporated cognitions or stages of cognitive moral development into her model. The main framework of Trevino's model is that in facing an ethical dilemma, the outcome would either be ethical or unethical behaviour depending on the stage of cognitive moral development. Moreover, Trevino included interaction variables or moderators into her model. These moderators would either make it easier for the person facing the ethical dilemma to achieve an ethical outcome or otherwise. The moderators or interaction variables are: individual moderators, situational moderators, organisational culture and characteristics of the work. Due to the inclusion of these moderators, her model is called Trevino's Person-Situation Interactionist model. Trevino's model may be used in an organisational setting.

The second stream, however, is an ethical decision-making process, which starts with James Rest's model. Rest devised a flow of processes into four phases in making ethical decisions. The first phase is moral sensitivity, which is actually being able to identify that there is a moral dilemma. This is followed by moral judgement, which is the ability to distinguish between right

and wrong actions. The third phase is moral motivation, where the decision-maker selects the right action due to moral intentions. Finally, the last phase is moral character. According to Rest, a person has to undergo one phase before proceeding with the next in ethical decision making.

Anke Arnaud modified Rest's model and applied to administer an ethical work climate. Arnaud's model is also for an organisational setting where people tend to work in teams. Therefore, the ethical decision-making process is not at the individual level but at a team or collective level. Thus, Arnaud refined her process as collective moral sensitivity, collective moral judgement, collective moral motivation and collective moral character. Similar to Rest, Arnaud stated that one phase of the process should follow the other.

Finally, a relatively comprehensive model, initially in the field of marketing is Hunt and Vitell's model. The main framework of this model is basically the phases mentioned by Rest. The only difference is that Hunt and Vitell's ethical decision-making process ends with behaviour instead of moral character as specified by Rest. Hunt and Vitell's main framework is extended by incorporating teleological and deontological evaluations. Furthermore, they stated that there are determinants that affect the ethical decision-making process, which include cultural environment, professional environment, industry environment, organisational environment and personal characteristics. Finally, Hunt and Vitell considered an outcome to the produced behaviour from ethical-decision making, which is actual consequences. According to Hunt and Vitell's model, these consequences would in turn have an effect on personal characteristics of the decision-maker.

TOPIC 3

SELF, SOCIETY & THE ENVIRONMENT

LEARNING OUTCOMES

At the end of this topic, you should be able to:

- explain the relationship between an individual, the society and the environment
 - assimilate the concepts, criteria and models of corporate social responsibility
 - understand sustainable development and its goals
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3.1 INTRODUCTION

This topic provides an overview of the notion of the self and its association with its surroundings, namely the society and the environment. The self that is referred to in this context can either be an individual or an organisation. In this introduction section, the focus is on the self as an individual, before proceeding with the concept of self in the organisational context in the next section.

In considering the individual self, we would think of the role that a person plays in a community. Some people are fortunate as their work involves serving their community. Generally, many people may take their work for granted and perhaps envisage the tediousness or challenges related to their jobs. Moreover, they may consider their work as merely a means of making a living. However, a person, whose job involves serving the community and the people, gets at least two benefits. The first is the benefit of earning a salary. In these difficult times, one is grateful to have a job. The second is the benefit of getting rewards and blessings (*ibadah*) by providing service to the community.

Nevertheless, in addition to doing the job well, in order to help people, each person can also play a part in helping the community outside the scope of their jobs. Every individual could volunteer during their spare time for various activities around their neighbourhood or community. It may not only be activities involving the community but also the environment. This is because

eventually one would affect the other. Ideally, these activities could be a family event so that the whole family can get to participate and spend time with each other while helping others. Such activities would also be a good example for the children especially in terms of inculcating good values.

Many are aware of the importance of being socially responsible. If everyone in a country were socially responsible, the country would be more harmonious and prosperous. Nevertheless, it is even more crucial for companies to be socially responsible. Hence, the next section focuses on corporate social responsibility.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The concept of corporate social responsibility (CSR) was formed when companies realised that they were not only responsible to their shareholders, but that they had a broader scope of responsibility, which is to their stakeholders. A “stakeholder” of a company, in a broad sense, may be defined as an individual or group of people that are affected by the company’s operations, activities and decisions, which in turn could affect the company. Companies now comprehend that if they want to survive in today’s business environment, investing in good relations with their stakeholders is important as these companies want to maintain their reputation and protect their interests.

Naturally, there are different categories of stakeholders, where the primary stakeholders have more direct association with the company compared to the secondary stakeholders. The former comprises shareholders, creditors, customers, suppliers, employees and the local community. Whereas, the latter could include the government, industry regulators and even competitors. Since various stakeholder groups may be simultaneously making claims on companies, these companies must consider the power, legitimacy and urgency of these claims.

Due to the importance of stakeholders, stakeholder theory emerged. Basically, this theory recognises that companies have various stakeholders and that these companies would have to consider these stakeholders when making decisions. There are 3 perspectives of stakeholder theory which are normative perspective, descriptive perspective and instrumental perspective.

Although companies have generally accepted their role in CSR, there are those that still abuse human rights and the environment. These include multinational companies that are making billions of dollars annually. Societies in the West have become more socially aware and are less

tolerant of the practices of these multinational companies that violate CSR, hence have boycotted these companies. However, what is upsetting is that since these multinational companies have lost their market share in the West, they have now targeted Asia, the Middle East and Africa to promote their products. Thus, it is also our responsibility as consumers to determine who we buy from and ensure that these companies do not endanger our communities as well as others.

However, it must be noted that it is not only multinational companies. A few of our Malaysian listed companies have also received bad publicity in relation to CSR issues. Although we should support our Malaysian companies, we have to be firm about not tolerating such practices. It is evident that companies being involved in CSR activities may be costly for them, hence reducing their profitability. However, that would be only for the short term, because if these companies do not become more socially conscious, they would lose their profitability in the long run. Therefore, it is important for us as consumers in Malaysia to make it costlier for these companies if they were not involved in CSR activities. In other words, Malaysian consumers should support companies that are involved with CSR so that it will be beneficial for these companies and it would be a win-win situation for everyone. In fact, Malaysian consumers should appreciate that if we want to help boost Malaysia's economy, we should buy Malaysian products first. However, as we support Malaysian businesses, these companies should also take care of their communities.

In fact, if we were to summarise the relationship between a company and its primary stakeholders from an Islamic perspective, the following should be considered:

- Company – Business operations should be within the precepts of Islam (Shariah compliant). It should generate fair profit whilst taking care of its stakeholders. It should also prepare true and fair financial statements and informative audited annual reports.
- Shareholders – The company has to ensure that its shareholders would be making a Shariah compliant investment in the company and that they will be rewarded fairly for their risks.
- Suppliers – The company should abide by contracts with suppliers and pay their suppliers promptly. The company should also ensure that they are sourcing from CSR friendly suppliers.
- Customers – The company should have honest, transparent and fair dealings with customers. The dealings of a company with customers will be elaborated below.

- Employees – The company must pay its employees promptly and there has to be ample remuneration for a fair workload. There should be no discrimination, and the company is required to take care of its employees. Further discussion on the responsibilities of the company towards its employees will be discussed in Topic 4.
- Community and Environment – The company is also responsible to ensure that its operations do not endanger the surrounding community or environment. In fact, the existence of the company should be beneficial and of added value to its surroundings. In fact, an obligation of the company to pay taxes and zakat (if relevant) is vital, as not only is the company abiding by regulations, these funds are also used for the benefit of the society.

Further details on the responsibilities of the company towards its customers, from an Islamic perspective, are listed below:

- Products – If the company is catering to Muslim customers, it is compulsory for the company's products to be halal. In addition to halal ingredients, there should be no unhealthy ingredients and the preparation has to be hygienic.
- Advertising – There should be no false or exaggerated advertising.
- Ownership – Transactions should be on tangible items that exist and belong to the seller.
- Transactions – The dealings must be according to agreement and free from uncertainty, doubt and deception.

In 2006, Bursa Malaysia launched a CSR framework for listed companies. This framework has 4 dimensions, which are community, workplace, marketplace and the environment. This framework stresses that CSR is more than merely philanthropic initiatives. The discussion in this section focuses on the community and later the environment. The responsibilities of companies on its employees will be discussed further in Topic 4.

There are various theories and philosophies related to CSR. The philosophies of corporate social responsiveness are reactive, defensive, accommodative and proactive. Then, there is Carroll's pyramid of CSR which has 4 levels, starting with economic responsibilities as its base. This is followed by legal responsibilities, ethical responsibilities and philanthropic responsibilities at its peak. The third and final CSR related theory that will be discussed here is Davis' CSR propositions. Davis produced 5 propositions related to CSR, which are summarised as follows:

- Proposition 1: Social responsibility arises from social power
- Proposition 2: Businesses shall operate as a two-way open system
- Proposition 3: The social costs-benefits (activity/product/service) shall be considered
- Proposition 4: Customers bear social costs
- Proposition 5: Business organisations have the responsibility as [corporate] citizens to entail in certain social issues beyond their usual operating areas [resolve social problems]

According to Bursa Malaysia's CSR framework, the environment is one of the dimensions of CSR. It is regrettable to see that the state of the environment is critical. Although industrialisation has brought about wealth and abundance in many aspects, it has also brought about devastations. There seems to be a wider gap between the rich and the poor, hence widening the income and wealth inequality. More importantly, industrialisation has destroyed the environment. Major environmental threats include:

- Pollution (air and water)
- Global warming
- Depletion of natural resources

Worldwatch Institute (2000) report clearly identified two opposing challenges. The first is the growth in the world's population. Unfortunately, the opposing challenge is the simultaneous depletion in natural resources. The second is the critical threat of global warming.

The depletion of natural resources is quite alarming as scientists have predicted that the increase in earth's temperature resulted in a faster rate of evaporation and with excessive usage, there will be a shortage of water supply in the near future. Moreover, the conversion of agricultural land into residential and industrial areas as well as overfishing would eventually lead to acute food shortage. Furthermore, deforestation and the hunting and murdering of wild animals would result in the extinction of species of plants and animals.

Some of the suggested ways to reduce global warming are:

- Recycle more or upcycle
- Avoid buying products with too much packaging
- Change lights to the energy saving ones
- Use less electricity, when possible
- Drive less; use public transport or non-motorised vehicles

- Use less air-conditioning and control the temperature setting
- Reforestation
- Know who you are buying from and verify whether they are environmentally friendly

The deterioration of environmental conditions has thrown nature off balance, hence there are more severe and prolonged natural disasters, including typhoons, earthquakes and tsunamis. The weather is also more extreme where hotter climates are even hotter and colder seasons are even colder. In fact, according to the National Oceanic and Atmospheric Administration (NOAA) Annual Climate Report 2020, the average increase in the earth's temperature every decade is 0.08°C since 1880. However, a century later, starting from 1981, this rate has increased to 0.18°C. The scientists and environmentalists have warned that the future survival of human beings as well as other living creatures on the planet may depend on the measures that we take today. Therefore, initiatives have been made towards sustainability and sustainable development, which will be discussed in the next topic.

3.3 SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Sustainability refers to the ability to use resources at a specific rate, which is gradual and can be maintained, in order to ensure that there are sufficient resources to last for the usage of future generations. Initially, sustainability was a concept created by ecologists to propose guidelines on the usage of limited natural resources so that these resources will continue to exist for future usage. However, recently, the concept of sustainable development has evolved to a more realistic view by integrating economics along with the environment. Thus, sustainable development, in general, is the integration of economic, social and environmental spheres. This type of development allows a country to proceed with economic progress, at the same time ensuring that the society and environment are taken care of so that resources remain for the coming generations.

One of the initiatives of sustainability is to try and replace non-renewable resources with renewable resources. Examples of the former are petroleum, natural gas and coal. Whereas, examples of the latter are solar energy, geothermal energy and biomass. The latter is deemed to be more environmentally friendly and less hazardous to human beings.

Due to the importance of sustainable development, the United Nations Development Programme (UNDP) issued the “Sustainable Development Goals” (SDGs) in the year 2015.

Known as the Global Goals, the SDGs are an invitation to all countries around the world to work together through cooperation and collaboration to protect the planet and end poverty. The aim of these SDGs is “all people enjoy peace and prosperity” by the year 2030 (UNDP, 2021), which is less than a decade away.

There are 17 SDGs proposed in these Global Goals. The top 8 of these are (UNDP, 2021):

- No poverty
- Zero hunger
- Good health and well-being
- Quality education
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth

These SDGs recognise that sustainable development has to be related to the socio-economic development of a country. It cannot and should not just focus on environmental issues. Therefore, it is essential that key players in each country cooperate with each other to realise these goals.

In line with sustainable development is the practice of “sustainable consumption”, which merely refers to using what is required or deemed a necessity. Therefore, lavish and excessive usage of resources are avoided. This type of consumption aims to bring a better quality of life, whilst ensuring that the needs of future generations are not jeopardised.

However, there are barriers to sustainable consumption. Some of these barriers are:

- Willingness to act
- Awareness and information
- Habits and routines
- Convenience
- Access to facilities
- Costs

Therefore, there has to be a concerted effort between regulators, organisations, companies and individuals in a country, as well as between governments globally to make these SDGs a reality. There is only one fact for everyone to keep in mind, for now, we only have one planet. We need to sustain it for our children, if not the future is bleak for mankind.

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